TOKMANNI GROUP

Report by the Board of Directors and Financial Statements

2024

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Report by the Board of Directors and financial statements

REPORT BY THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

PARENT COMPANY'S FINANCIAL STATEMENTS (FAS)

Signing of Report by the Board of Directors and the financial statements

Auditor’s report

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Auditor’s ESEF assurance report

Tokmanni Group Corporation
Report by the Board of Directors and financial statements 2024

Name or other identifier of the reporting entity: Tokmanni Group Corporation
Domicile of the entity: Helsinki
Legal form of the entity: Public Limited Company
Home country: Finland
Registered address of the entity: Isolammintie 1, 04600 Mäntsälä, Finland
Principal place of business: Mäntsälä, Finland
Description of the nature of the entity's operations and its principal activities: Wholesale, retail, and specialty goods trade
Name of the parent company: Tokmanni Group Corporation
Name of the ultimate parent company of the entire group: Tokmanni Group Corporation

Tokmanni Group’s business model and value creation

Tokmanni Group Corporation is one of the leading variety discount retailers in the Nordics. At the end of 2024, Tokmanni Group had a total of 380 stores. In Finland, the Group had 204 Tokmanni stores, 35 Click Shoes stores ja Shoe House stores and 1 Miny store. In Sweden, Tokmanni Group had 133 Dollarstore and in Denmark 7 Big Dollar stores. Tokmanni Group’s vision is to be the leading discount retail chain in Northern Europe.

Tokmanni Group operates in the retail market, focusing on the discount retail market in particular. The retail market can be divided into the grocery and non-grocery markets. In 2024, approximately 53.1% (52.4%) of Tokmanni Group’s revenue came from grocery products and approximately 46.9% (47.6%) came from non-grocery products. The grocery trade market consists of the sale of food, beverages, household papers, newspapers and magazines, cleaning products and daily cosmetics, among others. The non-grocery market consists of the sale of apparel, housing, garden and leisure products, among others.

Tokmanni Group is a customer-oriented variety discount retailer whose competitive advantages are its low prices, an interesting product assortment, service-minded and motivated staff, combination of online store and nationwide store network, and an efficient and agile business model. Tokmanni aims for stable and profitable long-term growth.

Tokmanni Group sources products from many suppliers. The aim is to increase sourcing directly from the suppliers and from countries with low manufacturing costs. This is done, for example, in cooperation with Norwegian company Europris through a joint venture located in Shanghai. By omitting intermediaries and by sourcing products directly from suppliers, the Group is able to offer products at a very low price. This also gives it more control of the supply chain and its responsibility.

Tokmanni Group’s assortment consists of private label and exclusive brand products as well as non-branded products and leading Finnish and international brands. The Group has a wide assortment of products with a good price-to-quality ratio, for example in the following categories: home cleaning, personal care, apparel, tools and electrical equipment, home and decoration, garden, yard and balcony, leisure, home electronics, and groceries. At the end of 2024, 20 of Tokmanni Group’s stores sold fresh foods.

Tokmanni Group creates shareholder value by helping its store chains to achieve rapid and profitable growth. The Group focuses its growth investments on the most profitable assets and on growth-enabling markets. The Group’s store chains can leverage shared knowledge and other resources they need, reducing the risk of failure. Shared values and the Group’s corporate culture create the basis for success.

In addition to the value it creates for its owners, Tokmanni Group creates economic value as an employer, a taxpayer and a customer of its suppliers. The Group provides jobs and business opportunities for a wide range of stakeholders and indirectly contributes to the well-being of local communities.

Corporate responsibility is at the heart of Tokmanni Group’s strategy, operations and value creation. Sustainable development is integrated into the Group’s strategy and main processes. Responsibility and sustainable business practices cover Tokmanni’s entire value chain, including the supply chain and the Group’s own functions. The Group focuses on expertise in responsibility, direct import of its private label products, building long-term supplier relationships and close cooperation with its various stakeholders. This makes it possible to have an impact on the production conditions of sourced products and to keep prices low.

Market development

Tokmanni Group continuously monitors market developments and the competitive landscape in the Nordics and actively develops its own business to maintain its competitive advantages. Tokmanni Group’s view is that retailers that are able to offer lower prices for products than other operators and multichannel service will be most successful in the current increasingly competitive market environment.

The retail market is in the process of a structural and digital transformation. In terms of the structural transformation, consolidation into larger companies and the internationalisation of local companies continued in 2024.

In terms of the digital transformation, digital business grew on many fronts. Loyalty programmes and mobile solutions gained more active users. Successful retailers collect and analyse customer data to improve their services, personalise their offers and create better customer experiences. There were also signs of a recovery in the growth of e-commerce. The importance of AI-based solutions in business started to increase in 2024 and the trend is expected to continue in the coming years.

The key factors in the market environment that affected Tokmanni Group's business in 2024 were weak consumer purchasing power, geopolitical uncertainty and cold weather that continued well into the spring. Price continued to be the key driver in customers' purchasing decisions, which was reflected as fewer products in the shopping basket and a greater emphasis on promotional products and grocery products. In addition, supply chain challenges and disruptions have highlighted the need for operational flexibility and the development of supply chains in recent years.

Competitive landscape

Competition is fierce in the discount retail market and operators seek to differentiate themselves by offering for example the best value for money, a wide assortment and attractive offers. Consumers' price awareness and the desire to find products with an attractive price-quality ratio are driving the industry to continuously improve business and cost-efficiency.

Tokmanni Group's main competitors in the variety discount retail market are, above all, hypermarkets and many local variety discount retailers, international variety discount retailers, online stores and specialty discount retailers. Hypermarkets carry a large product assortment, from fresh foods to non-food products. Variety discount retailers, with their low prices and wide assortments in selected product categories, offer an alternative to hypermarkets and specialty stores. Specialty discount retailers with affordable prices and a strong assortment of private label goods offer a comprehensive assortment in individual product categories.

The competitive advantages of the Tokmanni store chain compared to other operators are, in particular, low prices, an interesting and distinctive product range and a remarkably wide assortment of products from different product categories combined with a nationwide network of stores, an online store and customer service. The competitive advantages of the Dollarstore and Big Dollar store chains compared to other operators are, in particular, low prices, products' low-price points, an interesting and distinctive product range and a wide assortment of products from different product categories combined with a nationwide network of stores.

According to the statistics of the Finnish Grocery Trade Association FGTA (http://www.pty.fi), the total sales of department store and hypermarket chains grew by 2.1% in 2024. It is important to note that the statistics compiled by the FGTA only cover part of the market relevant for Tokmanni segment.

According to the statistics of the Swedish Food Retailers' Federation (https://www.svenskdagligvaruhandel.se/), the Food Retail Index in Sweden increased by 4.1% overall in 2024. Sales in brick-and-mortar stores increased by 4.0% and online sales by 4.9%. The Food Retail Index measures sales growth in the grocery trade and does not include specialised food stores or service trade. It is important to note that the statistics compiled by the Swedish Food Retailers' Federation only cover part of the market relevant for Dollarstore store chain.

Tokmanni Group's Store Network

At the end of December 2024, Tokmanni Group had a total of 380 stores (31 December 2023: 372). In Finland, Tokmanni Group had 204 Tokmanni stores, total of 35 of Click Shoes and Shoe House stores and 1 Miny store. In Sweden, Tokmanni Group had 133 Dollarstore stores, and in Denmark, 7 Big Dollar stores.

Tokmanni Group stores	31.12.2024	31.12.2023
Tokmanni segment	**240**	**238**
Tokmanni	204	201
Click Shoes and Shoe House	35	31
Miny	1	6
Dollarstore segment	**140**	**134**
Dollarstore	133	130
Big Dollar	7	4
Total	**380**	**372**

More information about Tokmanni Group's store network is available on the Group's website at https://ir.tokmanni.fi/en.

Financial development

Reporting structure

Tokmanni Group consists of Tokmanni and Dollarstore segments as well as Group functions and eliminations. Tokmanni segment consists of Tokmanni stores, Miny stores, Click Shoes stores and Shoe House stores, as well as Tokmanni and Click Shoes online stores. Click Shoes' and Shoe House's financials have been included in Tokmanni Group financials starting from 1 March 2023. Dollarstore segment consists of Dollarstore and Big Dollar stores. Dollarstore segment's financials have been included in Tokmanni Group financials starting from 1 August 2023.

Seasonality

Tokmanni Group's business is subject to seasonality, which has a significant effect on its revenue, profitability, and cash flow. In general, Tokmanni Group's revenue, profitability and cash flow are lowest in the first quarter and highest in the fourth quarter due to Christmas sales.

Tokmanni Group

Revenue

Revenue, MEUR	1–12/2024	1–12/2023	Change %
Tokmanni	1,233.7	1,208.6	2.1
Dollarstore*	442.4	184.1	140.3
Group functions and eliminations	-1.1	-0.1	
Total	**1,675.0**	**1,392.7**	**20.3**

** Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023.*

In 2024, Tokmanni Group's revenue increased by 20.3% (19.2%) and were EUR 1,675.0 (1,392.7) million. Sales of Tokmanni Group's grocery products grew by 4.3% (5.0%) compared to the corresponding period of the previous year. The proportion of grocery sales was 53.1% (52.4%) of total sales. The grocery figures include Dollarstore segment's sales from the comparison period.

Tokmanni Group's like-for-like revenue grew by 1.0% (1.1%). The like-for-like percentage change is calculated in local currencies, and the comparison period includes Dollarstore segment's figures.

Tokmanni Group's like-for-like customer visits in stores increased by 1.3% (-1.3%), and the total number of customers grew by 2.8% (0.7%) year-on-year. The like-for-like average basket size decreased by 0.3% to EUR 19.68 (19.74).

The brands managed by the Tokmanni Group (private label products, exclusive brands and non-branded products) represented 25.3% (26.3%) of sales.

Profitability

Comparable EBIT, MEUR	1–12/2024	1–12/2023	Change %
Tokmanni	86.9	87.8	-1.0
Dollarstore*	15.9	12.6	26.5
Group functions and eliminations	-3.1	-1.6	97.1
Total	**99.7**	**98.8**	**0.9**

** Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023*

In 2024, Tokmanni Group's gross profit amounted to EUR 596.4 million (486.9), and the gross margin was 35.6% (35.0%). Comparable gross profit was EUR 596.2 million (489.5), corresponding to a comparable gross margin of 35.6% (35.2%). The increase in the Group's gross profit for 2024 was driven above all by the Dollarstore segment's gross profit.

Tokmanni Group's operating expenses were EUR 374.1 million (301.2), or 22.3% of revenue (21.6%). The increase in operating expenses resulted mainly from the integration of Dollarstore segment's operating expenses into Tokmanni Group's consolidated figures. Expenses were also increased by higher property costs and marketing and personnel expenses. Personnel expenses were EUR 224.1 million (174.4) of total operating expenses, or 13.4% of revenue (12.5%). Comparable operating expenses were EUR 373.7 million (298.1), or 22.3% of revenue (21.4%).

The Group's EBITDA for 2024 amounted to EUR 227.2 million (189.9), corresponding to an EBITDA margin of 13.6% (13.6%). Comparable EBITDA totalled EUR 227.4 million (195.6), and the comparable EBITDA margin was 13.6% (14.0%).

Tokmanni Group's depreciation amounted to EUR 127.6 million (96.8). The growth mainly reflected the impact of IFRS 16 on acquisitions and the growth of the store network. Depreciation excluding depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 124.7 million (95.4). EUR 2.9 million (1.4) was recognised for depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

The Group's EBIT in 2024 was EUR 99.6 million (93.0), corresponding to an EBIT margin of 5.9% (6.7%). Comparable EBIT was EUR 99.7 million (98.8), and the comparable EBIT margin was 6.0% (7.1%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial expenses totalled EUR 38.8 million (24.7). The result before taxes was EUR 60.7 million (68.4). Taxes for the period amounted to EUR 12.3 million (14.4). The net result for 2024 was EUR 48.4 million (54.0). The main reasons for the weaker result compared with the previous year were the increase in operating expenses, the increase in depreciation and higher finance costs.

Diluted earnings per share were EUR 0.82 (0.92). The return on capital employed was 9.7% (11.2%). The return on equity was 19.5% (22.2%).

Balance sheet, financing and cash flow

At the end of 2024, Tokmanni Group's inventories amounted to EUR 428.4 million (342.9). At the end of the year, Tokmanni segment's inventories amounted to EUR 298.9 million (248.8) and Dollarstore segment's inventories amounted to EUR 129.5 million (94.1).

Consolidated cash flow from operating activities amounted to EUR 89.1 million (220.2) in January–December. The decrease in the cash flow from operating activities was affected especially by the change in the value of inventories year-on-year.

In December 2024, Tokmanni Group Corporation signed a new EUR 325 million financing agreement. The new financing package replaced the financing facility signed in 2021 and the additional loan drawn in 2023 for the acquisition of Dollarstore. The maturity of the new financing is three years with two one-year extension options. The financing package includes a EUR 250 million bank loan and a EUR 75 million revolving credit facility (RCF), which will be used to repay existing loans and for the Group's general financing needs. The margin of the financial package is linked to the Tokmanni Group's gearing ratio (net debt / rolling 12-month comparable EBITDA).

At the end of 2024, Tokmanni Group had a total of EUR 226.0 million (216.0) available in credit facilities, consisting of loan agreements with credit institutions and a commercial paper programme. Cash and cash equivalents amounted to EUR 15.9 million (133.7) at the end of 2024, and the company's financial position is solid.

At the end of 2024, Tokmanni Group's interest-bearing debt totalled EUR 832.2 million (864.1), including EUR 230.0 million (245.0) in non-current loans from credit institutions, excluding accrued issue expenses, and EUR 42.0 million (55.0) in current loans from credit institutions and commercial paper programme. The remainder of the liabilities mainly consist of lease agreement liabilities reported under IFRS 16. The Group's net debt excluding lease liabilities amounted to EUR 255.3 million (165.3).

Tokmanni Group's ratio of net debt to comparable EBITDA excluding the impact of IFRS 16 was 2.39 at the end of 2024 (1.56). Tokmanni Group's target is an efficient capital structure. The long-term goal is to keep the ratio of net debt to comparable EBITDA, excluding the impact of IFRS 16, below 2.25 at year-end.

The Tokmanni Group's equity ratio was 19.1% (18.8%) at the end of 2024.

Capital expenditure

Tokmanni Group's capital expenditure for the year 2024 totalled EUR 39.4 million (238.7). Investments in the comparative period included the acquisitions of Dollarstore, Click Shoes and Shoe House, and the construction of the Moreeni logistics centre and road connection to Moreeni.

Tokmanni segment

Tokmanni segment includes the Tokmanni, Miny, Click Shoes and Shoe House stores, as well as Tokmanni and Click Shoes online stores. The financial figures of Click Shoes and Shoe House have been consolidated with those of Tokmanni Group as of 1 March 2023.

	1–12/2024	1–12/2023
Revenue, MEUR	1,233.7	1,208.6
Like-for-like revenue, %	0.3	0.7
Comparable gross profit, MEUR	428.4	415.5
Comparable gross profit, %	34.7	34.4
Comparable EBIT, MEUR	86.9	87.8
Comparable EBIT, %	7.0	7.3
Return on capital employed, %, rolling 12 months	12.0	12.5
Inventories at the end of period, MEUR	298.9	248.8
Capital expenditure, MEUR	32.6	236.5
Personnel on average in the period (FTE)	3,293	3,160
Number of stores at the end of period	240	238

Revenue

Tokmanni segment's full-year revenue for 2024 grew by 2.1% (3.5%) to EUR 1,233.7 million (1,208.6). The biggest growth was in sales in departments such as toys and home electronics. On the other hand, customers purchased fewer products from the leisure and Miny departments than in the corresponding period a year earlier. Sales of grocery products grew by 3.4% (4.1%). The proportion of grocery sales was 52.3% (51.5%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.2% of revenue (3.1%). Revenue from B2B sales grew by 5.3% (-6.5%). Tokmanni's online sales accounted for 1.6% of revenue (1.6%). Revenue generated by the online store grew by 2.9% (-1.5%).

Tokmanni segment's like-for-like revenue increased by 0.3% (0.7%). Like-for-like customer visits in stores grew by 1.7% (-1.3%), and the total number of customers grew by 2.6% (0.5%). The like-for-like average basket size decreased by 1.4% to EUR 21.43 (21.73).

Direct imports accounted for 27.0% of Tokmanni segment's sales (27.7%). These can be broken down into products purchased by the sourcing company in Shanghai, which accounted for 20.9% (21.5%), and other direct imports, which accounted for 6.0% (6.2%).

Profitability

In 2024, Tokmanni segment's gross profit amounted to EUR 429.4 million (415.5), and the gross margin was 34.8% (34.4%). Comparable gross profit was EUR 428.4 million (415.5), corresponding to a comparable gross margin of 34.7% (34.4).

Tokmanni segment's operating expenses were EUR 263.9 million (255.8), or 21.4% of revenue (21.2%). The increase was driven by personnel expenses and higher marketing and IT expenses. Personnel expenses were EUR 151.1 million (144.1) of total operating expenses, or 12.3% of revenue (11.9%). Comparable operating expenses were EUR 263.8 million (252.7), or 21.4% of revenue (20.9%).

Tokmanni segment's EBITDA for 2024 amounted to EUR 169.2 million (163.9), which corresponds to an EBITDA margin of 13.7% (13.6%). Comparable EBITDA totalled EUR 168.3 million (167.0), and the comparable EBITDA margin was 13.6% (13.8%).

Tokmanni segment's EBIT in 2024 was EUR 87.8 million (84.7), which corresponds to an EBIT margin of 7.1% (7.0%). Comparable EBIT was EUR 86.9 million (87.8), and the comparable EBIT margin was 7.0% (7.3%).

Tokmanni segment's capital expenditure in January–December totalled EUR 32.6 million (236.5).

Dollarstore segment

The financial figures of the Dollarstore segment's business have been consolidated with those of Tokmanni Group as of 1 August 2023. Dollarstore segment consists of the Dollarstore and Big Dollar stores.

	1–12/2024	8–12/2023
Revenue, MEUR	442.4	184.1
Like-for-like revenue, %	3.2	3.8
Comparable gross profit, MEUR	168.6	74.1
Comparable gross profit, %	38.1	40.2
Comparable EBIT, MEUR	15.9	12.6
Comparable EBIT, %	3.6	6.8
Return on capital employed, %, rolling 12 months *	4.1	*
Inventories at the end of period, MEUR	129.5	94.1
Capital expenditure, MEUR	6.8	2.2
Personnel on average in the period (FTE)	1,309	*
Number of stores at the end of period	140	134

** Not countable*

Revenue

In 2024, Dollarstore segment's revenue was EUR 442.4 million (August–December 184.1). In local currencies, revenue grew by 6.1% (7.5%) compared to the corresponding period of the previous year. Sales of products related to, for example, home storage, Christmas and personal hygiene grew the most. On the other hand, the sales of furniture, for example, decreased from the previous year. Sales of grocery products grew by 6.8% (10.6%) compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 55.4% (55.0%) of Dollarstore segment's total sales.

Dollarstore segment's like-for-like revenue increased by 3.2% (3.8%) in local currencies. Like-for-like customer visits in stores grew by 0.6% (-1.5%), and the total number of customers grew by 3.1% (1.9%) year-on-year. The like-for-like average basket size increased by 2.6% to EUR 16.00 (15.59).

Profitability

In 2024, Dollarstore segment's gross profit amounted to EUR 167.8 million (August–December 71.4), and the gross margin was 37.9% (38.8%). Comparable gross profit was EUR 168.6 million (74.1), corresponding to a comparable gross margin of 38.1% (40.2%).

Dollarstore segment's operating expenses were EUR 107.9 million (44.0), or 24.4% of revenue (23.9%). Comparable operating expenses were EUR 107.7 million (44.0), or 24.3% of revenue (23.9%). Personnel expenses were EUR 70.9 million (29.3) of total operating expenses, or 16.0% of revenue (15.9%).

Dollarstore segment's EBITDA was EUR 61.1 million (27.6), which corresponds to an EBITDA margin of 13.8% (15.0%). Comparable EBITDA totalled EUR 62.2 million (30.2), and the comparable EBITDA margin was 14.1% (16.4%).

Dollarstore segment's EBIT totalled EUR 14.8 million (9.9), corresponding to an EBIT margin of 3.4% (5.4%). Comparable EBIT was EUR 15.9 million (12.6), and the comparable EBIT margin was 3.6% (6.8%).

Dollarstore segment's capital expenditure totalled EUR 6.8 million (2.2).

Tokmanni Group's long-term financial targets and achievements

In February 2024, Tokmanni Group updated its strategy for the years 2021 to 2025.

The targets of Tokmanni Group's strategic period 2021–2025 and achievements in 2024

	Previous target	Updated target, February 2024	Achievement in 2024
Revenue in 2025	EUR 1.5 billion	EUR 1.8 billion	EUR 1,675.0 million
Comparable EBIT in 2025	EUR 150 million	EUR 150 million	EUR 99.7 million
Store network at the of 2025	Over 220 Tokmanni stores in Finland	Over 360 stores in the Nordics*	344 stores in the Nordics*
Net debt / comparable EBITDA	Less than 3.2 (incl. IFRS 16 impact)	Less than 2.25 at year-end (excl. IFRS 16 impact)	2.39 (excl. IFRS 16 impact)
Dividend**	About 70% of net result for the financial year	About 70% of net result for the financial year	83% of net result for the financial year 2024 (Board's proposal to AGM)

** The figure does not include Click Shoes, Shoe House, or Miny stores.*
*** The decision to distribute dividend is always dependent on capital structure, financial position, general economic and business conditions, and future outlook.*

Personnel

Personnel	1–12/2024	1–12/2023
In the end of period	**6,613**	**6,206**
Finland	4,488	4,301
Sweden	2,016	1,844
Denmark	109	61
Personnel on average (FTE)	**4,611**	**3,164**
Finland	3,302	3,164
Sweden	1,262	*
Denmark	47	*

** Not countable*

Executive Group

On 31 December 2024, Tokmanni's Executive Group included the following persons:

- Mika Rautiainen, Group CEO, member of the Executive Group since 1 June 2018
- Tapio Arimo, CFO and CIO, member of the Executive Group since 15 November 2022 and Deputy CEO since 23 November 2022
- Timo Heimo, Vice President, Sales and Supply Chain, member of the Executive Group since 1 December 2018
- Sirpa Huuskonen, Vice President, People, Culture and Sustainability, member of the Executive Group since 1 May 2016
- Harri Koponen, Vice President, Store Network and Concept, member of the Executive Group since 1 February 2018
- Virpi Ojanen, Chief Legal Counsel, member of the Executive Group since 16 December 2024
- Janne Pihkala, Vice President, Strategy and Business Development, member of the Executive Group since 1 April 2018
- Juha Valtonen, Vice President, Sourcing, member of the Executive Group since 1 August 2020
- Veli-Pekka Ääri, Vice President, Marketing, Communications and eCommerce, member of the Executive Group since 1 October 2021

Tokmanni Group made changes in its Executive Group in the beginning of 2025. More information on Tokmanni Group's governance is available on the company's website https://ir.tokmanni.fi/en/investors/corporate-governance/executive-group.

Shares and shareholders

Tokmanni Group Corporation's share capital amounted to EUR 80,000 on 31 December 2024. The Group had 58,868,752 shares outstanding at the end of December 2024. During January–December 2024, a total of 23,807,619 Tokmanni shares were traded on the Nasdaq Helsinki for a total price of EUR 302.2 million. The final trade in Tokmanni shares on the Nasdaq Helsinki was executed at a price of EUR 12.11 on 31 December 2024. The highest quote for the share was EUR 16.02 and the lowest was EUR 9.94. The volume-weighted average price of the share was EUR 12.69. At the end of December 2024, the market value of the shares was EUR 712.9 million (860.7).

Tokmanni Group Corporation has one share class, with each share entitling its holder to one vote at a General Meeting of the company. The shares have no nominal value.

During January–December 2024, a total of 24,935 of Tokmanni Group Corporation's own shares were conveyed without consideration to the employees participating in the incentive program under the terms and conditions of the plans. During 2024, 506 own shares were returned to Tokmanni Group Corporation. At the end of December 2024, Tokmanni Group Corporation held a total of 18,609 own shares, which represented 0.03% of Tokmanni Group

Corporation’s share capital. The Board has a valid authorization to repurchase and/or on the acceptance as pledge of the company’s own shares. The authorization is explained below in the section Decisions of the Annual General Meeting.

At the end of December 2024, Tokmanni had 49,353 registered shareholders. At the end of the year 2024, the largest shareholders of Tokmanni Group Corporation were Takoa Invest Oy with 18.69%, Varma Mutual Pension Insurance Company with 4.17%, Ilmarinen Mutual Pension Insurance Company with 2.96%, Evli Funds with 2.50% and Elo Mutual Pension Insurance Company with 1.45% ownership.

Financial and insurance institutions held 29.19% of the shares, while households held 29.27%, non-financial corporations held 25.83%, public-sector entities held 9.18%, and non-profit organisations held 3.01%. Direct foreign ownership accounted for 3.53%. 22.41% of shares were nominee registered.

The combined holding of Tokmanni Group's Board of Directors, the Group CEO and the Deputy CEO as well as the other members of the Executive Group in the shares issued by the company was 0.76% at the end of 2024.

Shareholding of the Board of Directors on 31 December 2024

	Shares
Mikko Bergman*	1,959
Erkki Järvinen	6,646
Ulla Serlenius	4,284
Seppo Saastamoinen**	216,821
Harri Sivula	216,533
Eja Tuominen	961
Total	**447,204**

** Mikko Bergman is Sompa Capital Oy’s Board Member. Sompa Capital Oy owned 50,000 Tokmanni Group Corporation’s shares, or 0.08% Tokmanni Group Corporation’s shares on 31 December 2024.*
*** Seppo Saastamoinen is one of the founders of Takoa Invest Oy, Chairman of the Board and CEO. Takoa Invest Oy owned 11,003,349 shares, or 18.69% of Tokmanni Group Corporation's shares on 31 December 2024. In addition, Jukka Saastamoinen Oy owned 274,000 shares, or 0.47% of Tokmanni Group Corporation's shares. Seppo Saastamoinen owned 30% of Jukka Saastamoinen Oy’s shares (25.58% from votes).*

Shareholding of the Executive Group on 31 December 2024

	Shares
Tapio Arimo	10,520
Timo Heimo	49,489
Sirpa Huuskonen	23,062
Harri Koponen	41,260
Janne Pihkala	30,000
Virpi Ojanen	0
Mika Rautiainen	184,732
Juha Valtonen	33,924
Veli-Pekka Ääri	12,486
Total	**385,473**

More information on Tokmanni Group's shares and shareholders, as well as management's holdings, can be found on the company's website https://ir.tokmanni.fi/en/investors/share-and-shareholders/management-shareholding.

Governance

Governance at Tokmanni Group Corporation is based on the Articles of Association approved by the General Meeting of Shareholders, the Finnish Limited Liability Companies Act and the rules and regulations by Nasdaq Helsinki Ltd. regarding listed companies. Tokmanni Group Corporation complies with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association.

Decisions taken by the Annual General Meeting

Tokmanni Group Corporation's Annual General Meeting was held on Tuesday 23 April 2024 at Tokmanni's administration and logistics centre at the address Isolammintie 1, 04600 Mäntsälä, Finland.

The Annual General Meeting was in favour of all proposals submitted and adopted the financial statements 2023.

Use of the profit shown on the balance sheet and the payment of dividends

The dividend was confirmed as a maximum of EUR 0.76 per share, as proposed by the Board of Directors. Of this amount, EUR 0.38 was paid to shareholders who were registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of 25 April 2024. The dividend payment date was 8 May 2024. In addition, as authorised by the Annual General Meeting, the Board of Directors decided on the payment of the second instalment of the dividend. The second instalment of the dividend was EUR 0.38 per share. It was paid on 28 November 2024 to shareholders who were registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of 20 November 2024.

Discharge from liability

The Annual General Meeting discharged the Board members and the Group CEO from liability for the financial year 1 January–31 December 2023.

Remuneration policy for governing bodies

The Annual General Meeting approved Tokmanni Group's Remuneration Policy for Governing Bodies. The resolution concerning the Remuneration Policy is advisory in nature.

Fees of the members of the Board of Directors

The General Meeting confirmed the following Board of Directors' annual compensation:

- The Chairman of the Board will be paid an annual fee of EUR 70,000;
- The Vice Chairman of the Board will be paid an annual fee of EUR 47,000; and
- Each Board Member will be paid an annual fee of EUR 33,000.

In addition, the Chairman and the members of the Board of Directors will be paid an attendance fee for each meeting of the Board of Directors as follows:

- EUR 1,000 for members whose place of residence is in Finland;
- EUR 2,000 for members whose place of residence is in another European country; and
- EUR 3,000 for members whose place of residence is outside Europe.

The Chairman of the Finance and Audit Committee and the Chairman of the Sustainability and Personnel Committee will additionally be paid a monthly fee of EUR 1,000.

The Board Members' annual fee will be paid in company shares and in cash. Around 40 per cent of the annual fee will be used to purchase company shares for the Board Member, and the rest of the annual fee will be paid in cash. The company will be responsible for the expenses and transfer tax arising from the acquisition of shares. Board Members may not transfer shares acquired for them until three years have passed from the date of acquisition or before their retirement from the Board, depending on which comes earlier.

The meeting fees of the Board Members and the fees of the Chairman of the Finance and Audit Committee and the Chairman of the Sustainability and Personnel Committee are paid in cash.

The number of Board members

The Annual General Meeting approved that the number of Board Members remain the same, at six.

Members of the Board of Directors

The Annual General Meeting approved that the following persons be elected as members of the Board of Directors for a one-year term in accordance with the Articles of Association, beginning at the close of the Annual General Meeting 2024 and ending at the close of the Annual General Meeting 2025: Seppo Saastamoinen, Harri Sivula, Erkki Järvinen, Ulla Serlenius, Mikko Bergman and Eja Tuominen. The Annual General Meeting elected Seppo Saastamoinen as the Chairman of the Board of Directors.

Auditor

The Annual General Meeting resolved that the Auditor will be paid a fee in accordance with a reasonable invoice. The Annual General Meeting re-elected the firm of auditors PricewaterhouseCoopers Oy as the company's Auditor. The principal Auditor designated is APA Ylva Eriksson.

Sustainability Auditor

The Annual General Meeting resolved that the elected Sustainability Auditor will be paid a fee and compensation for expenses according to a reasonable invoice. The Annual General Meeting elected the authorised sustainability audit firm PricewaterhouseCoopers Oy as the Sustainability Auditor. The key Sustainability Auditor designated is Authorized Sustainability Auditor Ylva Eriksson.

Amendments to the Articles of Association

The Annual General Meeting resolved to amend the company's Articles of Association as proposed by the Board of Directors. A new § 9 on Sustainability Auditor was added to the Articles of Association and other required updates related to the addition were made.

Repurchase and/or acceptance as pledge of the company's own shares

The Annual General Meeting resolved to authorise the Board to decide on the repurchase and/or acceptance as pledge a maximum of 2,940,000 of the company's own shares using the company's unrestricted equity, corresponding to around 5 per cent of the company's total number of shares at the time of publishing the Notice of the Annual General Meeting. The repurchase can take place in one or more tranches.

The company may repurchase the shares to execute its incentive scheme, corporate acquisitions or other business arrangements, or investments related to the company's operations, to improve its capital structure, or to be otherwise further transferred, retained by the company or cancelled.

The authorisation includes the right for the Board of Directors to decide on all other matters related to the repurchase and/or the acceptance as pledge of shares. The authorisation will be effective until the Annual General Meeting to be held in 2025, but no longer than until 30 June 2025.

Issue of shares as well as the issue of options and other special rights entitling to shares

The Annual General Meeting resolved to authorise the Board to decide on assigning a maximum of 2,940,000 new shares or shares held by the company in one or more tranches through a share issue and/or by issuing options or other special rights entitling to shares as referred to in chapter 10, section 1, of the Limited Liability Companies Act. 2,940,000 shares currently represent approximately 5 per cent of Tokmanni Group Corporation's total number of registered shares.

The authorisation will be used for the implementation of the company's incentive scheme or for the execution of any acquisitions or other arrangements or investments relating to the company's business or for other purposes subject to a decision by the Board of Directors.

The share issue may be without consideration only if the shares are issued for the implementation of the company's incentive scheme or to the company itself, subject to the provisions of the Limited Liability Companies Act on the maximum number of treasury shares.

The authorisation includes the right of the Board of Directors to decide on the terms and conditions of any share issue and any issue of special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided in law.

The authorisation will be effective until the Annual General Meeting to be held in 2025, but no longer than until 30 June 2025.

General Meeting minutes

The minutes of the Annual General Meeting are available on Tokmanni Group's website at https://ir.tokmanni.fi/en/investors/corporate-governance/general-meeting/yhtiokokous2024.

Decisions taken in the constitutive meeting of the Board of Directors

At its constitutive meeting following the Annual General Meeting, the Board resolved to elect Erkki Järvinen as Vice Chairman of the Board.

The Board resolved to elect as members of the Finance and Audit Committee: Erkki Järvinen, Mikko Bergman and Harri Sivula. Erkki Järvinen was elected as Chairman of the Finance and Audit Committee.

The Board also resolved to elect as members of the Sustainability and Personnel Committee: Ulla Serlenius, Eja Tuominen and Harri Sivula. Ulla Serlenius was elected as Chairman of the Sustainability and Personnel Committee.

Risk management

Tokmanni Group Corporation's risk management is guided by the risk management policy approved by the Board of Directors of Tokmanni Group. The purpose of Tokmanni Group's risk management is to support the Group's values and strategy and the continuity of its business operations by identifying, measuring, managing, and monitoring any risks associated with its operations. The goal is to assess risks systematically to encourage thorough planning and decision-making.

In Tokmanni Group, risk management is a proactive and essential part of day-to-day management to assess and manage opportunities and threats related to business operations. The Executive Group of Tokmanni Group is responsible for the practical implementation of risk management. Risks are assessed regularly and managed comprehensively. The risks of Tokmanni Group Corporation are reviewed annually by the Finance and Audit Committee of Tokmanni Group's Board of Directors. The Chairman of the Finance and Audit Committee reports on risk management to the Board of Directors on a regular basis. The Board of Directors reports the key risks and factors of uncertainty to the markets in the Board of Directors' Report and communicates material changes to them in the Group's business review and half-year financial report.

Internal control is an essential part of Tokmanni Group's governance and management system. Tokmanni Group Corporation's Board of Directors, management and personnel participate in internal control. The purpose of internal control is to help ensure the achievement of the Group's goals. The Group's internal auditor is responsible for internal auditing. Administratively, the auditor reports to the Group's CFO. However, in matters related to internal auditing, the auditor reports to the Finance and Audit Committee. The purpose of internal auditing is to monitor and verify that the company's business operations are efficiently managed and profitable, that risk management is at an adequate level and that the external and internal reporting produced is accurate and appropriate.

In its external financial reporting, Tokmanni Group complies with the disclosure policy approved by the Group's Board of Directors. The company aims to produce and publish reliable information in a timely manner. The principle of the disclosure of information is to ensure that all market participants have equal, equitable and simultaneous access to information on Tokmanni Group’s financial instruments, such as shares, to form the basis of price formation.

Description of the risks and uncertainties that are considered significant for Tokmanni Group

Economic fluctuation

Changes taking place in the global economy and the Finnish economy could raise the costs of transportation, components, energy and materials and potentially result in shortages in these. Prolonged high prices, shortages of components, problems in the distribution of electricity and disturbances in logistics chains could, for example, delay deliveries and otherwise weaken the availability of products as well as result in additional costs that we are unable to pass along fully to customer prices. Economic slumps typically have less of an impact on variety discount retailers than other retailers, but they do have a significant impact on demand, especially for higher-priced products.

Geopolitical changes and sourcing risks

There are direct and indirect risks involved in the uncertain global economic conditions and in geopolitical developments, including slower economic growth and potential unexpected political decisions. These factors may have an adverse effect on Tokmanni Group’s business and on demand for the company’s products. In addition, China’s changing environmental legislation and the impact of the country’s political decisions on its economic development and legislation as well as political instability in other sourcing countries, such as Turkey, Bangladesh, Myanmar and Pakistan could increase sourcing prices or cause supply problems. Tokmanni Group’s joint venture with Europris in Shanghai, China, acts as a sourcing channel for almost all goods from East Asia. The possible termination of the sourcing cooperation may result in additional costs for Tokmanni Group and increase the purchase prices of the products.

Competitor and market risk

Tokmanni Group’s profitability and profit from operations as well as sales growth are dependent on the behaviour of consumers and competitors operating in the Nordic retail market. New international market forces and online stores are transforming the sector and its market dynamics, creating pressure in the market and they may further intensify competition in Tokmanni Group’s main market area.

Inventory turnover and working capital management

Tokmanni Group aims to improve the management of working capital by developing the processes and tools used in sourcing and in supply chain and product category management. A failure by the Group to manage its working capital could have a negative effect on its financial position and profitability.

Data system and data security risks

Dependence on data systems, data traffic and external service providers has grown. The interconnectedness of networks, the outsourcing of services and online retail mean that companies are required to carry out more effective monitoring of data security. Prolonged disturbances in data systems, payment transmission or elsewhere in the supply chain, or other exceptional situations such as a cyber-attack, could paralyse the company’s operations or halt the flow of goods within the entire Tokmanni Group, causing significant losses in sales and a weakening of customers’ trust in the company.

Failure in the execution of strategic projects, as well as the competence and availability of personnel

The execution of Tokmanni Group’s strategy and strategic transformation require new kinds of skills and competences from the personnel. In addition to organic growth, acquisitions are one possible way to achieve the Group's strategic and financial targets. Acquisitions involve risks, which are related to, for example, the successful integration of sustainability work and purchasing operations and employees. If this integration is unsuccessful, it can be more difficult to achieve the required level of sustainability and the financial targets. Tokmanni Group has created operating models and actively allocated Group-level resources to support the implementation of acquisitions and integration. External advisors are also used to assess potential acquisition targets and related transactions.

Risks of loss or damage

Accidents, natural disasters and pandemics, as well as restrictions on travel and transportation resulting from these, can result in significant damage to people, property and the business. Moreover, risks of loss or damage can cause delays and interruptions in business and imports that cannot be prevented in advance.

Environmental risks

Extreme weather conditions, such as hurricanes and floods, can affect Tokmanni Group's supply chain, for example, and suppliers' production and warehouse facilities. Increased awareness and concern about climate change and knowledge about more sustainable products may change customer purchasing behaviour.

Interest rate, foreign exchange and commodity risks

Tokmanni Group is exposed to foreign exchange risks through its sourcing and foreign operations. The Group has external debt and its interest costs fluctuate with changes in market interest rates. The Group also purchases significant amounts of electricity and heat, the prices of which vary depending on market conditions.

Reputation risk

The importance of different aspects of responsibility in product manufacturing and sourcing as well as fair and equal treatment of employees is increasingly emphasised by stakeholders. If Tokmanni Group fails, for example, in its supervision of product safety or in controlling responsibility in the supply chain, it could result in financial losses as well as an erosion or loss of customer trust. Any failure to implement responsibility perspectives could result in negative publicity for Tokmanni Group and impact its reputation.

Brand image and marketing risk

One of the cornerstones of Tokmanni Group's operations is a strong brand and perceived price image. Improving these requires successful marketing investments. If the marketing does not work as expected, Tokmanni Group's brand image may weaken, and Tokmanni Group's sales volumes and profitability may decline correspondingly.

Personnel risks

Widespread absences by employees in various employee groups (e.g. logistics, sales, customer service, management) may impact the company's business operations. If Tokmanni Group is unable to recruit qualified employees, the company's ability to operate may suffer. Failure to keep employees motivated and to provide them with continuous training to meet the growing demands of their work can undermine Tokmanni Group's operations. Strikes may also significantly hamper the Group's effective business operations and cause financial losses.

Destruction of or damage at the logistics centre

Tokmanni Group is dependent on the uninterrupted operation of its logistics centres. If a single logistics centre is destroyed or closed for any reason, or if its equipment is damaged to a significant extent, or if its operations are subjected to other disruptions, this may delay the distribution of products to stores according to timetable. Significant delays will lead to the loss of sales and to additional expenses.

Events after the review period

On 14 January 2025, Tokmanni Oy announced that it had signed a licence agreement with SPAR International. The licence grants Tokmanni the exclusive right to sell SPAR products and use the SPAR brand in Finland. Tokmanni is an established variety discount retailer that benefits from SPAR International's economies of scale and expertise, particularly in grocery sales. More information on the signed licence agreement can be found in the press release https://ir.tokmanni.fi/en/news-and-media/pr-story?itemid=A1950D4D46C143C0.

Tokmanni Group Corporation's Shareholders' Nomination Board proposed to the Annual General Meeting on 22 January 2025 that the number of members on the Board of Directors remain the same, at six. The Nomination Board proposes that Seppo Saastamoinen, Erkki Järvinen, Ulla Serlenius, Mikko Bergman and Eja Tuominen will be re-elected as members of the company's Board of Directors, and Erja Hyrsky be elected as a new member of the Board. Current Board of Directors member Harri Sivula announced that he is no longer available to serve on the Board. More information on the Nomination Board's proposal can be found in the following release: https://ir.tokmanni.fi/en/news-and-media/pr-story?itemid=F0B07CCBDB84250C.

Tokmanni's outlook for 2025

In 2025, Tokmanni Group expects its revenue to be EUR 1,720–1,820 million. Comparable EBIT is expected to be EUR 100–130 million.

Board of directors' proposal for the distribution of profit

The parent company's distributable assets total EUR 219,486,237.94, of which profit for the period totalled EUR 41,585,172.74.

The Board of Directors proposes to the Annual General Meeting that a maximum dividend of EUR 0.68 per share, or a total of EUR 40,018,097.24, be distributed as dividend based in the adopted balance sheet for the financial year ended 31 December 2024. The Board of Directors proposes that the dividend be paid in two instalments.

The Board proposes that the first instalment of the dividend, EUR 0.34 per share, be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Ltd, on the record date of the first dividend tranche, 9 May 2025. The Board proposes that the first dividend payment date be 21 May 2025.

In addition, the Board of Directors proposes that the 2025 Annual General Meeting authorise the Board of Directors to later decide, at its discretion, on the distribution of a maximum dividend of EUR 0.34 per share in one instalment in the fourth quarter. This authorisation would be valid until 31 December 2025. The company will announce any decision taken by the Board of Directors on the distribution of a dividend and, in connection with this, confirm the record date and payment date of the dividend. The dividend based on the authorisation will be paid to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on the dividend record date.

Mäntsälä 9 April 2025

Tokmanni Group Corporation

Board of Directors

Group key figures

Key figures	1-12/2024	1-12/2023	1-12/2022
Revenue, 1,000 EUR	1 674 960	1 392 654	1 168 017
Like-for-like revenue development, %	1.0	1.1	-0.7
Customer visit development, %	2.8	0.7	0.8
Gross profit, 1,000 EUR	596 379	486 862	396 767
Gross profit, %	35.6	35.0	34.0
Comparable gross profit, 1,000 EUR	596 186	489 546	397 964
Comparable gross profit, %	35.6	35.2	34.1
Operating expenses, 1,000 EUR	-374 055	-301 247	-243 678
Comparable operating expenses, 1,000 EUR	-373 697	-298 137	-243 138
EBITDA, 1,000 EUR	227 221	189 853	157 114
EBITDA, %	13.6	13.6	13.5
Comparable EBITDA, 1,000 EUR	227 385	195 647	158 852
Comparable EBITDA, %	13.6	14.0	13.6
Operating profit EBIT, 1,000 EUR	99 576	93 049	84 054
Operating profit EBIT, %	5.9	6.7	7.2
Comparable EBIT, 1,000 EUR	99 741	98 843	85 792
Comparable EBIT, %	6.0	7.1	7.3
Net financial items, 1,000 EUR	-38 847	-24 657	-10 749
Capital expenditure, 1,000 EUR	39 380	238 714	54 275
Net cash from operating activities, 1,000 EUR	89 104	220 179	86 332
Net debt, 1,000 EUR	816 295	730 445	383 389
Net debt without lease liabilities, 1,000 EUR	255 284	165 310	100 413
Net debt / comparable EBITDA *	3.59	3.73	2.41
Net debt / comparable EBITDA without lease liabilities *	2.39	1.56	1.08
Return on capital employed, %	9.7	11.2	12.8
Return on equity, %	19.5	22.2	26.9
Equity ratio, %	19.1	18.8	31.2
Personnel at the end of the period	6 613	6 206	4 241
Personnel on average in the period (FTE)	4 611	3 706	3 126

** Rolling 12 months comparable EBITDA*

Per-share data	2024	2023	2022
Earnings per share, basic (EUR/share)	0.82	0.92	1.00
Earnings per share, diluted (EUR/share)	0.82	0.92	1.00
Equity per share, (EUR/share)	4.47	4.51	4.20
Dividend per share, (EUR/share) *	0.68	0.76	0.76
Payout ratio, % *	82.7	82.8	76.2
Effective dividend yield, % *	5.6	5.2	6.7
Price/earnings ratio (P/E)	14.72	15.92	11.31
Share price on 31 December	12.11	14.62	11.29
Highest price during the period	16.02	14.87	20.26
Lowest price during the period	9.94	11.29	10.77
Average price during the period	12.69	12.93	13.91
Share turnover, thousands	23 808	25 839	48 596
Share turnover, %	40.4	43.9	82.5
Market capitalisation on 31 December, 1,000 EUR	712 901	860 661	664 628
Number of shares on 31 December, thousands	58 869	58 869	58 869
Number of shares, weighted average during the financial period (thousands)	58 844	58 819	58 815
Diluted number of shares, weighted average during the financial period (thousands)	58 872	58 878	58 858

** For 2024, the Board's proposal to the Annual General Meeting*

Adjustments affecting comparability

Tokmanni Group reports EBITDA and EBIT as its key performance indicators and makes adjustments to improve comparability and provide a better view of Tokmanni Group's operational performance. EBITDA is not a key indicator according to IFRS accounting standards and it represents operating profit before depreciation. Comparable EBITDA and EBIT represent the same indicators excluding items that Tokmanni Group's management considers to be exceptional and non-recurring. The items include changes in the fair value of electricity and currency derivatives, which are adjusted by Tokmanni Group as they are unrealised gains or losses related to Tokmanni Group's open cash flow hedge positions, and hence not related to Tokmanni Group's operational performance during the review periods. In addition, other non-recurring costs related to acquired businesses and companies are included in the items affecting comparability.

Tokmanni Group's management uses the comparable EBITDA margin and comparable EBIT margin as key performance indicators when evaluating Tokmanni Group's and its segments' underlying operational performance.

1,000 EUR	1-12/2024	1-12/2023	1-12/2022
Gross profit	**596 379**	**486 862**	**396 767**
Changes in fair value of currency derivatives	-1 034	-250	1 197
Non-recurring expenses, other	303	-	-
Change in the fair value of inventory related to purchase price allocation	538	2 934	-
Comparable Gross Profit	**596 186**	**489 546**	**397 964**
Operating expenses	**-374 055**	**-301 247**	**-243 678**
Changes in fair value of electricity derivatives	-	-	540
Non-recurring expenses, other	228	-	-
Non-recurring expenses related to business acquisitions	130	3 110	-
Comparable operating expenses	**-373 697**	**-298 137**	**-243 138**
EBITDA	**227 221**	**189 853**	**157 114**
Operating profit (EBIT)	**99 576**	**93 049**	**84 054**
Changes in fair value of currency derivatives	-1 034	-250	1 197
Changes in fair value of electricity derivatives	-	-	540
Non-recurring expenses, other	530	-	-
Non-recurring expenses related to business acquisitions	130	3 110	-
Change in the fair value of inventory related to purchase price allocation	538	2 934	-
Comparable EBITDA	**227 385**	**195 647**	**158 852**
Comparable operating profit (adj. EBIT)	**99 741**	**98 843**	**85 792**

Calculation of the Group’s key figures

Like-for-like revenue development, %	=	Like-for-like revenue development is calculated by taking into account the revenue growth of stores that are not considered to be net-new and the revenue growth of relocated stores, as defined by Tokmanni Group to include: (i) new stores opened; (ii) store relocations where the store size changes by 30 per cent or more and the assortment increases or is reduced substantially; and (iii) store expansions where the store size changes by 30 per cent or more. If the store falls in one of these categories, it is regarded as a net-new or relocated store in its opening year and in the following calendar year. Tokmanni Group reduces the net amount of stores closed during the financial year from new and relocated stores.
Customer visit development, %	=	Number of customer transactions development
Gross profit	=	Revenue - Materials and services
Comparable gross profit	=	Gross profit - Changes in the fair value of currency derivatives - Other non-recurring expenses
Operating expenses	=	Employee benefits expenses + Other operating expenses
Comparable operating expenses	=	Operating expenses - Changes in fair value of electricity derivatives - Other non-recurring expenses
EBITDA	=	Operating profit + Depreciation
Comparable EBITDA	=	EBITDA - Changes in fair value of currency and electricity derivatives - Other non-recurring expenses
Comparable EBIT	=	EBIT - Changes in fair value of currency and electricity derivatives - Other non-recurring expenses
Net financial expenses	=	Financial income - Financial expenses
Capital expenditure	=	Investments in tangible and intangible assets + Purchased subsidiary shares
Net debt	=	Interest-bearing debt - Cash and cash equivalents
Net debt without lease liabilities	=	Net debt - IFRS 16 lease liabilities
Net debt / Comparable EBITDA	=	Net debt / Comparable EBITDA, average for the preceding 12 months
Net debt / Comparable EBITDA without lease liabilities	=	Net debt - IFRS 16 lease liabilities / Comparable EBITDA, without IFRS 16 liabilities, average preceding 12 months
Capital employed	=	Non-current assets - Deferred tax assets + Inventories + Trade and other receivables + Cash and cash equivalents - Non-current non-interest-bearing liabilities - Trade payables and other current liabilities
Return on capital employed, %, rolling 12 months	=	Comparable EBIT, average for the preceding 12 months / Capital employed, average for the preceding 12 months
Invested capital	=	Balance sheet total - Deferred tax liability and other non-interest-bearing liabilities
Return on invested capital, %	=	Profit before taxes + Interest and other financial expenses (preceding 12 months) / Invested capital, average for the preceding 12 months
Return on equity, %	=	Net result for the preceding 12 months / Equity, average for the preceding 12 months

Number of personnel	=	Number of personnel at the end of the period
Number of personnel on average, converted into full-time employees	=	Average number of personnel converted into full-time employees
Equity ratio	=	Equity / Balance sheet total - Advances received

Calculation of the group's per-share data

Earnings per share, basic	=	Net profit / Number of shares, weighted average during the period
Earnings per share, diluted	=	Net profit / Diluted number of shares, weighted average during the period
Equity per share	=	Equity / Number of shares excluding treasury shares, end of reporting period
Dividend per share	=	Dividend for the period / Number of shares, weighted average during the period
Earnings per share	=	Net profit / Number of shares excluding treasury shares, end of reporting period
Payout ratio, %	=	Dividend per share / Earnings per share
Effective dividend yield, %	=	Dividend per share / Closing price for the period
Price/earnings ratio (P/E)	=	Closing price for the period / Earnings per share
Closing price for the period	=	Share price at balance sheet date
Average price during the period	=	Share turnover in euro terms divided by the number of shares traded during the period
Share turnover	=	Number of shares traded during the period
Market capitalisation	=	Number of shares x Share price on the balance sheet date
Number of shares	=	Number of shares on the balance sheet date

Shares and share capital

There were no changes in the amount of shares during the financial period 2024.

Tokmanni Group Corporation has one share series and all shares carry equal voting rights at the general meeting. The share has no nominal value. On 31 December 2024 Tokmanni Group Corporation owned 18,609 of its own shares.

Tokmanni Group Corporation's shares on the Nasdaq Helsinki stock exchange in 2024

Turnover, EUR	302,227,754
Volume	23,807,619
High, EUR	16.02
Low, EUR	9.94
WVAP, EUR	12.69
Last, EUR	12.11
Market cap 31 Dec, EUR	712,900,587

Division of shares 31 December 2024

	Shareholders		Shares		Votes	
	Number	%	Number	%	Number	%
1-100	25,382	51.43	1,071,335	1.82	1,071,335	1.82
101-500	16,261	32.95	4,159,323	7.07	4,159,323	7.07
501-1,000	4,092	8.29	3,129,919	5.32	3,129,919	5.32
1,001-5,000	3,116	6.31	6,441,852	10.94	6,441,852	10.94
5,001-10,000	282	0.57	2,012,217	3.42	2,012,217	3.42
10,001-50,000	152	0.31	2,939,529	4.99	2,939,529	4.99
50,001-100,000	30	0.06	2,028,571	3.45	2,028,571	3.45
100,001-500,000	26	0.05	5,169,127	8.78	5,169,127	8.78
50,0001-	12	0.02	31,916,879	54.22	31,916,879	54.22
Total	**49,353**	**100.00**	**58,868,752**	**100.00**	**58,868,752**	**100.00**
Out of which nominee registered	12		13,191,343	22.41	13,191,343	22.41

Ownership structure 31 December 2024

	Shares	
	Number	%
Financial and insurance institutions	17,231,273	29.27
Households	17,182,608	29.19
Private Corporations	15,203299	25.83
Public sector organisations	5,403,605	9.18
Non-Finnish holders	2,076,190	3.53
Non-profit organisations	1,771,777	3.01
Total	**58,868,752**	**100.00**
Out of which nominee registered	13,191,343	22.41

Tokmanni Group Corporation’s major shareholders by number of shares 31 December 2024

	Shares number	% of shares
Takoa Invest Oy	11,003,349	18.69
Varma Mutual Pension Insurance Company	2,457,715	4.17
Ilmarinen Mutual Pension Insurance Company	1,740,000	2.96
Elo Mutual Pension Insurance Company	855,000	1.45
Evli Finnish Small Cap Fund	739,000	1.26
Evli Finland Select Fund	730,000	1.24
Danske Invest Finnish Equity Fund	659,081	1.12
Säästöpankki Kotimaa Fund	554,118	0.94
Nordea Finnish Stars Fund	527,854	0.90
Sijoitusrahasto Aktia Capital	470,000	0.80
OP Life Assurance Company Ltd	442,239	0.75
Nordea Pro Finland Fund	303,360	0.52
S-Bank Fenno Equity Fund	290,217	0.49
Jukka Saastamoinen Oy	274,000	0.47
The Church Pension Fund	222,479	0.38
Saastamoinen Seppo	216,821	0.37
Sivula Harri	216,533	0.37
Takanen Jorma	207,000	0.35
Veritas Pension Insurance Company Ltd.	195,306	0.33
Mandatum Life Insurance Company Limited	193,094	0.33

Sustainability Statement

ESRS 2 General information

Preparation of the Sustainability Statement
(BP-1, BP-2)

Tokmanni Group's Sustainability Statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as defined in EU's Corporate Sustainability Reporting Directive (CSRD). This Sustainability Statement covers fiscal year 1 January–31 December 2024 and has been prepared on the same consolidated basis as the Group's Financial Statement covering Group's and its subsidiaries' operations and value chain as defined material (see more in the chapters: Material sustainability topics and Materiality assessment).

Tokmanni Group has two reporting segments, Tokmanni and Dollarstore. The segments consist of the entities as described in the table below. Segments and store chains have their own additional targets and action plans in place, making it necessary to disclose some information at this level. The extent to which the Group's policies, actions, targets and metrics extend to the value chain or reporting segments are detailed in the texts. Tokmanni Group owns 50% of the shares of the Hong Kong based joint venture Tokmanni-Europris Sourcing Ltd. Group does not exercise operative control there. The joint venture owns Tokmanni-Europris (Shanghai) Trading Co., Ltd., a Shanghai-based procurement company. The company is the cornerstone of goods procurements made in China and the Far East. The company's operations include identifying and selecting local suppliers, ensuring the correct quality, monitoring delivery times, and ensuring responsible operations on the part of suppliers. The business relationship has a significant effect on material sustainability impacts, risks and opportunities. The procurement company is not included in the sustainability statement as part of the Group's own operations, which is in line with the financial statements. The sourcing office is considered as part of the supply chain and scope 3 emissions by purchases.

Reporting segments and frequently used abbreviations in the statement

Reporting segments	Meaning
Tokmanni Group	Refers to all operations if not otherwise stated.
Tokmanni segment*	Consists of Tokmanni stores, Miny store, Click Shoes stores and Shoe House stores, as well as Tokmanni and Click Shoes online stores, meaning the operations in Finland.
Dollarstore segment	Consists of Dollarstore stores and Big Dollar stores, meaning the operations in Sweden and Denmark.
Tokmanni store chain	Consists of Tokmanni and Miny stores as well as Tokmanni online store.
Click Shoes store chain	Consists of Click Shoes stores and Shoe House stores and Click Shoes online store.
Dollarstore store chain	Consists of Dollarstore's operations in Sweden.
Big Dollar store chain	Consists of Dollarstore's operations in Denmark.

Abbreviations	Meaning
CSRD	EU Directive on Corporate Sustainability Reporting
ESRS	European Sustainability Reporting Standards
DMA	Double Materiality Assessment
IRO	Impacts, Risks and Opportunities
KPI	Key Performance Indicator

**In 2024, Tokmanni Group decided to close its stores dedicated to Miny lifestyle brand. The last Miny store will close its doors at the end of January 2025.*

Tokmanni Group has not omitted information from the Sustainability Statement, corresponding to intellectual property, know-how or the results of innovation or omitted any disclosures of any impending developments or matters that are currently in the course of negotiation. No metrics presented in this chapter have been assured by external assurance provider other than PwC, assuring the sustainability statement.

Specific circumstances

Tokmanni Group has used time horizon definitions given by ESRS. Short-term time horizon being 1 year, medium-term 1-5 years, and long-term more than 5 years.

The metrics and results presented in the Sustainability Statement have mostly been collected from internal sources or directly from suppliers. If necessary, additional estimates have been derived from this information. Uncertainties and estimates related to the reported metrics or results are reported in connection with each figure. There is no specific measurement uncertainties related to the monetary amounts reported in the Sustainability Statement.

There are some uncertainties related to the social responsibility standard, S2 Workers in the Value Chain, chapter: Measuring the success, concerning the number of amfori BSCI assessment.

Most of the estimates and uncertainty factors are related to environmental data, and these are described in each section in more detailed manner. The extrapolation of energy consumption and the estimates used in the calculation of greenhouse gas emissions, especially related to value chain emissions, are described in chapter: GHG emissions 2024. Due to the shortcomings of the data collection systems, it has been possible to report on the inflows and outflows of resources only for the Tokmanni store chain. Limitations and uncertainty factors related to resources are described in chapter: Resources use 2024. The Tokmanni Group continues to develop Group level data collection systems and methods in 2025 in order to improve reporting, especially in relation to resource flows.

Tokmanni Group has previously conducted voluntary sustainability reporting in accordance with GRI. This is the first time when Tokmanni Group has prepared sustainability information in accordance with CSRD. This means that information is mostly gathered and presented differently as before, making the previously reported figures incomparable. Only GHG calculation figures have been presented in the Statement as comparative data, as they have been prepared and assured before in accordance with GHG Protocol.

It was discovered in connection with the 2024 scope 1 emission calculation, that few Tokmanni stores were missing oil information from the 2023 emission data. The 2023 calculation was updated to ensure comparability between the 2024 calculation. As a result of adding the missing data, the 2023 Scope 1 emissions are 578tCO2eq more than what was presented in 2023 GRI report.

Reporting in accordance with the European Union Taxonomy regulation (2020/852), is presented in this Sustainability Statement in the beginning of disclosed environmental information. None of the material disclosure requirements under the ESRS are incorporated by reference but are covered in this report.

Tokmanni Group uses some phased-in provisions in accordance with Appendix C of ESRS 1. The list of all material topics is presented in the beginning of each topical section, including the ones that have not been considered in the reporting due phased-in provisions. All material topics have been considered when preparing the information on policies, actions, targets and metrics of each topical section. The integration of these material topics and strategy is described in chapter: Material sustainability topics, and in the beginning of each chapter of topical standards.

The following reporting requirements are omitted from this statement in accordance with ESRS 1, Appendix C:

Standard	Disclosure requirement	Full name of the disclosure requirement	Phase-in data
ESRS 2	SBM-1	Strategy, business model and value chain	ESRS 2 SBM-1 paragraph 40(b) (breakdown of total revenue by significant ESRS sector) and 40(c) (list of additional significant ESRS sectors)
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects)
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate related opportunities	ESRS E1-9.
ESRS E5	E5-6	Anticipated financial effects from pollution related impacts, risks and opportunities	ESRS E2-6.
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	ESRS S1-8 regarding own employees in non-EEA countries

ESRS S1	S1-11	Social protection	ESRS S1-11 as a whole
ESRS S1	S1-13	Training and skills development	ESRS S1-13 as a whole
ESRS S1	S1-14	Health and safety	ESRS S1-14 data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health
ESRS S1	S1-15	Work-life balance	ESRS S1-15 as a whole

Sustainability and management at Tokmanni Group

Governance structure and processes

(GOV-1)

Tokmanni Group's Corporate Governance Statement includes more detailed information on the administrative, management and supervisory bodies and their roles and responsibilities. This report focuses on describing governance and decision-making related to sustainability.

The Group has two board committees, Finance and Audit Committee, and Sustainability and Personnel Committee. The Sustainability and Personnel Committee supports the Board's sustainability work. Tokmanni Group's Board of Directors is the Group's highest body overseeing sustainability. Sustainability Steering Group is a highest operational body managing sustainability and related Impacts, Risks and Opportunities (later referred as IROs) and includes Group CEO, representatives from quality, and sustainability functions and other key persons. The Sustainability Steering Group is led by the Vice President, Chief People, Culture and Sustainability, who has the overall responsibility for the operative management of sustainability.

The Board of Directors appoints the Group CEO, who is responsible for the Group's day-to-day management. The Executive Group support the Group CEO in management work.

Diversity of administrative bodies on 31 December 2024

	Board of Directors*	Finance and Audit Committee	Sustainability and Personnel Committee	Shareholder's Nomination Board	Executive Group**
Female	2 (33%)	0 (0%)	2 (67%)	1 (25%)	2 (22%)
Male	4 (67%)	3 (100%)	1 (33%)	3 (75%)	7 (78%)
Gender ratio	1:2	0:1	2:1	1:3	1:3.5

** All six Board members are non-executive and there are no Tokmanni Group's employees or other workers on the Board.*
*** All nine Executive Group's members were in an executive position, there were no employees or other workers in the Executive Group.*

Tokmanni Group's principles of diversity of the Board consider experience, broad-based education, competence and gender balance. The Shareholders Nomination Board considers the principles when preparing a proposal for the composition of the Board to the Annual General Meeting (AGM). The AGM makes decision of the composition. The Board of Directors assesses the independence of its members annually and updates its assessments when necessary.

The experience and educational backgrounds, as well as professional skills, of the Group Board and the Executive Group members are diverse and multidisciplinary. Below is a description of the experience of some of the members. For example, Chairman of the Board Seppo Saastamoinen has worked in the discount retail market almost 50 years. Mikko Bergman has extensive experience in strategic planning and execution. Eja Tuominen has an international executive background with large-size companies within the consumer business. Mika Rautiainen has worked in retail business almost 40 years. Sirpa Huuskonen has experience as a legal counsel and more than 20 years of experience as an HR director. Timo Heimo has extensive experience in the field of information management, supply chain and logistics.

The Board members, except for Chairman of the Board, are deemed to be independent of the Group and the Group's major shareholders. Percentage of the independent Board members was 83% on 31 December 2024. Information about the Board members' competence, experience and identity and independence can also be found from the Group Corporate Governance Statement and the Group website.

The graph below presents the main responsibilities of oversight and management of sustainability matters. The duties and roles of Tokmanni Group's governing bodies are based on to the articles of association, legislation, regulations, instructions and recommendations approved by the General Meeting. The Board of Directors processes all topics that fall within its responsibility in accordance with the law, other regulations and the Group's Articles of Association. In its rules of procedure, the Board has defined in more detail its duties as a whole, the duties of its Chair and other members and its practical ways of working. Finance and auditing bodies and practices are explained in detail in the Corporate Governance Statement.

The Board's Finance and Audit Committee and Sustainability and Personnel Committee have a board mandate, and their duties and mandates are defined in their rules of procedure (charter). The Group CEO's terms of employment and mandate as well as main duties and responsibilities are presented in writing in the employment contract. The members of the Executive Group have specific authorisations in their respective areas of responsibility. The Board participates in electing the members of the Executive Group and in determining their terms of employment. The Executive Group's members' terms of employment and mandates as well as main duties and responsibilities are presented in writing in their employment contract.

IROs are not separately mentioned in the rules of procedure, because they are thought to be inseparable part of strategic management. Due diligence and the precautionary principle guide all Tokmanni Group's operations, including sustainability.

The roles of the administrative, management and supervisory bodies to monitor, manage and oversee material IROs are illustrated in the graph below. Black arrows on the left illustrate the delegation and line of oversight on sustainability topics. White arrows on the right illustrate the lines of reporting. Regular reporting, at least annual, is the main form of oversight. Reporting structures are further explained in the chapter Sustainability information flows.

Governance structure and responsibilities of sustainability management

Shareholders	
General Meeting Nomination of the board	
Board of Directors Takes care of the company's administration and the proper organization of its operations, which includes responsibility for sustainability issues.	**Shareholders' Nomination Board**
Finance and Audit Committee Assists the Board in fulfilling obligations related to the supervision of the company's financial reporting processes and monitoring the company's audit. In addition, the Committee assists the Board in overseeing matters related to financial reporting, internal control, internal audit and risk management.	**Auditor** External audits to assist internal auditor.
Sustainability and Personnel Committee Assists the Board in matters related to the environment, society and good governance (ESG). It e.g. monitors the quality and reliability of sustainability reporting and the statutory certification of the sustainability report and evaluates the effectiveness of sustainability-related systems and processes. In addition, the Committee approves sustainability related policies and principles under the Board's mandate	**Internal Control** Assisting to ensure compliance. Enhancing the efficiency of risk management, monitoring and governance processes.
Group CEO Overall responsibility for implementing the responsibility strategy and reaching common goals.	
Executive Group Supports the Group CEO in his role and regularly deals with the most relevant sustainability impacts, risks, opportunities and progression of sustainability targets. In addition, the members of the Executive Group are responsible for the management, monitoring, achievement and reporting of Group level and industry-specific sustainability targets.	

Sustainability Steering Group
Promotes the measures included in the responsibility strategy, monitors the progress of the strategy, evaluates IROs, coordinates Group level initiatives and supports various functions and shares best practices e.g. to harmonize processes. The Steering Group is chaired by Vice President, Chief People, Culture and Sustainability, who is a member of the Executive Group and reports directly to the Group CEO. She is responsible of the content of the sustainability strategy and monitors its progress.

Internal audit processes are applied in the managing and reporting sustainability related topics. Processes are guided by standards and processes of internal audit which aim at processes consistent with the external audit. You may read more about internal audit and related processes in chapter: Internal controls over sustainability reporting.

The Sustainability and Personnel Committee assists the Board of Directors of Tokmanni Group in matters that concern the environment, society and good governance (ESG). The responsibilities over IRO related targets lie as described in the graph above. The Committee receives updates and information about the performance and progress against the targets according to the agreed schedule. In 2024, the Committee did not monitor development of the IRO related targets because the conducted materiality assessment and integration of subsidiaries' operations were the primary focus areas.

To ensure that the Board of Directors have up-to-date information on sustainability topics and rapidly developing regulation, the Sustainability and Personnel Committee receives regular additional updates on sustainability matters and Group's progress in sustainability reporting from the Sustainability Steering Group. The Sustainability Steering Group can leverage Tokmanni and Dollarstore segment’s sustainability teams to gain operational expertise. Segment’s sustainability teams receive training and external consultancy support when needed to manage material IROs. In 2024, Tokmanni Group used external consultancy with GHG (greenhouse gas) calculations and to meet the new sustainability reporting requirements in accordance with ESRS.

The Sustainability Steering Group members have a broad set of professional skills and experience on compliance and different areas of sustainability and material IRO’s presented in the beginning of each topical section of this report. In addition to Vice President, Chief People, Culture and Sustainability leading the Sustainability Steering Group, Tokmanni’s Head of Sustainability has over 20 years’ experience of sustainable supply chain management, sustainability transformation strategies, utilisation of sustainability concepts to drive business performance and change management. Dollarstore’s Chief Sustainability Officer has a skillset focused on strategic planning, implementation and sustainable global supply chain management, including human rights and environment. After conducting the first DMA, there has not been a separate mapping done to identify skills relating to separate material IROs.

Sustainability information flows
(GOV-2)

The sustainability information is provided to Tokmanni Group's Board of Directors by Sustainability and Personnel Committee, and also by the Executive Group's members or other specialists who are included in Group's strategy updates. There are no procedures for internal reporting of monitoring due diligence process. The Board and its Sustainability and Personnel Committee reviews sustainability related policies, targets and relevant updates when necessary. The needs are based on information provided by the Sustainability Steering Group. Additionally, the targets and policies are updated when material changes take place in the operating environment

The Group’s risk management results are reported by Group CFO to the Executive Group and the Board of Directors once a year, or as often as needed. The Vice President, Chief People, Culture and Sustainability, provides updates on the progress against the sustainability targets and projects to the Board's Sustainability and Personnel Committee and directly to the Board if needed. Sustainability targets are included in the business strategy.
The Executive Group met eight times in 2024 to review sustainability related topics presented by Vice President, Chief People, Culture and Sustainability and other sustainability experts. the Sustainability Steering Group met two times in 2024.

In 2024, the Board of Directors did not make any major changes or trade-offs relating to IROs to the Group strategy based on the sustainability topics reviews. However, the Board stated during 2024 that Dollarstore segment must follow Tokmanni Group Supplier Code of Conduct requirements and process. The Board has addressed all material

IROs while approving the results of the Double Materiality Assessment (DMA) finalised in October 2024. Tokmanni Group did not yet implement the material IROs to decision making and risk management processes during 2024.

Tokmanni Group will implement the IROs to its new strategy which will be published at the end of 2025. All the IROs will be considered when setting the Group's sustainability targets and metrics for 2025 and the next strategic period.

The Sustainability and Personnel Committee’s sustainability reviews in 2024 handled topics such as:

- climate change and mitigating climate change, energy, sustainable products and renewable energy: through sustainability reporting information,
- executive remuneration, and employee benefits: remuneration plan for 2024 and 2025
- working conditions of own workforce: sick leaves and occupational accidents
- equal treatment and opportunities for all: remuneration, recruiting, trainings, remunerations and employee benefits, diversity and inclusion
- corporate culture: results of Pulse -employee survey, HR/Personnel Policies and Corporate Governance Report
- sustainability targets and activities in 2024 related to all material topics.

At Executive Group’s meetings in 2024, the reviews focused on sustainability related topics such as:

- working conditions: occupational safety, well-being, well-being development and work ability
- equal treatment and opportunities for all: remuneration, recruiting practices.

The Board of Directors prepares an annual assessment of its own operations and ways of working. The purpose of the assessment is to determine how the Board has succeeded in performing its duties, for example monitoring performance against targets set, over the year and to provide a foundation for evaluating the Board’s operations. In 2024, the assessment was carried out by an external body.

Remuneration practices
(GOV-3)

The following section is consistent with Tokmanni Group’s remuneration report:

Tokmanni Group’s remuneration principles and the overall remuneration of the administrative, management and supervisory bodies are described in the Remuneration Policy and Remuneration Report.

The key characteristics of incentive scheme

The Board of Directors of Tokmanni Group decided in 2023 on the establishment of a new share-based long-term incentive scheme for the Group's management and selected key employees. The incentive scheme includes a Performance Share Plan (PSP), and a new Restricted Share Plan (RSP) to serve as a supplemental share-based retention plan. Both plans have a three-year performance period beginning annually by a decision of the Group Board. Participants, earning possibilities, performance metrics and target levels are decided separately for each plan. The RSP has not yet included sustainability performance measures.

The first individual plan within the new PSP structure, PSP 2024–2026, commenced as of the beginning of 2024. The rewards earned thereunder will be paid in listed shares of Tokmanni Group or possibly partly as monetary payments, during the first half of 2027. The measures of this plan are described in the table below. The combined proportion of climate and DEI metrics relating to sustainability is 15%.

PSP 2024–2026 metrics and weight

Metrics	Weight
Profitability/share	50%
The relative total return of the Tokmanni share in relation to the median return of the companies of reference	35%
Climate (scope 3)*	7.5%
DEI target (Diversity, Equality and Inclusion)**	7.5%

** During 2024, a new Group level base year GHG calculation was conducted and the Group started to define new Group level SBT targets. The scope 3 climate target, being part of the PSP 2024–2026, will be refined once the SBT targets have been validated. Climate targets being part of the remuneration plans, have not yet been presented in this statement. The results are only measured based on the cumulative result of 2025 and 2026.*
*** DEI metric is determined in chapter: Taking action to be the best place to work in retail. The target levels are 3.45 for 2025 and 3.5 for 2026 (scale 1–4), having base year metric from 2024: 3.41.*

The second individual plan within the new PSP structure, PSP 2025–2027, commenced as of the beginning of 2025. The rewards earned thereunder will be paid in listed shares of Tokmanni Group during the first half of 2028. The measures of this Plan are described in the table below. The combined proportion of climate and DEI metrics relating to sustainability, is 15%.

PSP 2025–2027 metrics and weight

Metrics	Weight
Profitability/share	50%
The relative total return of the Tokmanni share in relation to the median return of the companies of reference	35%
Climate (scope 3)*	7.5%
DEI target (Diversity, Equality and Inclusion)**	7.5%

** The scope 3 climate target, being part of the PSP 2025–2027, will be refined once the SBT targets have been validated.*
*** For 2027, a target related to the gender distribution of top management and key personnel, according to which at least 35% would be women.*

Eligible for participation in PSP 2024–2026 plan are approximately 80 individuals, including members of Tokmanni Group's Executive Group and other selected key employees (not including Group's Board of Directors). If all the performance targets set for PSP 2024–2026 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 200,000 shares (referring to gross reward, from which the applicable payroll tax is withheld before share delivery).

The Sustainability and Personnel Committee prepares the key principles and practices related to remuneration and the Board of Directors approves them. The Sustainability and Personnel Committee assists the Board of Directors in the preparation and reviews of the Group’s Remuneration Policy and annual remuneration report. Under the authorisation of the Board, the Committee reviews and approves the setting and achievement of short- and long-term incentive bonus targets and approves the payment of incentives to the Group CEO and other key employees.

Due Diligence and risk management
(GOV-4, GOV-5)

Tokmanni Group has the following Due Diligence process guided by OECD Guidance for Multinational Enterprises. Explanations of implementing the process have been provided in this report. These texts of implementation are presented in the table below.

1. Commitment to operating in accordance with the UN Guiding Principles on Business and Human Rights, requiring the same from its business partners. Tokmanni Group supports the UN Global Compact and its principles on human rights, employees, the environment and anti-corruption.
   Tokmanni Group has publicly committed to respect Human Rights in Tokmanni Group Code of Conduct and Tokmanni Group Human Rights Policy approved by the Board of Directors.
2. Identifying and assessing actual and potential adverse human rights impacts by Business Social Compliance Initiative (amfori BSCI), country risk analyses, by conducting factory-level human rights assessments to new sourcing countries, by third-party reports and studies, and by stakeholder engagement for example with NGOs.
3. Ceasing, preventing and mitigating human rights impacts by the development of supplier and other third-party due diligence processes through Principles and Guidelines on responsible purchasing, Tokmanni Group’s General Terms of Purchasing, Tokmanni Group Supplier Code of Conduct, third party audits (for example Bureau Veritas), certificates (for example high-risk raw materials), supplier trainings (for example through

amfori BSCI, Bangladesh Accord), own factory inspections, and corrective action plans which include Tokmanni Group's own Corrective Action Plans (CAPs), amfori BSCI's CAPs and Bangladesh Accord's CAPs.

4. Providing or cooperating in remediation when appropriate by internal and external whistleblowing channels for Tokmanni and Dollarstore segments, by amfori BSCI Speak for Change Speak up channel, by amfori BSCI zero tolerance procedure, and by trainings and collaboration with other buyers through the amfori BSCI network. Amfori Speak for Change is not available in China but is currently launched in Vietnam, Turkey, Bangladesh, Cambodia, and selected regions of India.
5. Tracking, reporting and communicating on human rights risks and related actions in the Group Sustainability report, on websites, and if applicable by communicating directly with affected stakeholders.

Mapping of descriptions of implementing Due Diligence process

Phases of Due Diligence Process	Paragraphs in the Sustainability Statement, General information and governance	Paragraphs in the Sustainability Statement, Social and environmental responsibility
1. Embedding due diligence in governance, strategy and business model	Governance structure and processes (GOV-1) Sustainability information flows (GOV-2) Material sustainability topics (SBM-3)	Policies for managing impacts on own workforce (S1-1, MDR-P) Policies for managing impacts to value chain workers (S2-1, MDR-P) Policies to manage impacts on customers (S4-1, MDR-P) Policies to manage climate related impacts (E1-2)
2. Engaging with affected stakeholders in all key steps of the due diligence	Sustainability information flows (GOV-2) Stakeholder engagement (SBM-2) Materiality assessment, key inputs (IRO-1) Policies for Good Governance (G1-1, MDR-P)	Stakeholder engagement (SBM-2) Policies for managing impacts on own workforce (MDR-P) Engaging with own employees (S1-2) Channels to raise concerns (S1-3) Policies for managing impacts to value chain workers (MDR-P) Engaging with value chain workers (S2-2) Channels to raise concerns (S2-3) Policies to manage impacts on customers (MDR-P) Engaging with customers (S4-2) Channels to raise concerns (S4-3)
3. Identifying and assessing adverse impacts	Materiality assessment, Double materiality assessment process (IRO-1) Material sustainability topics (SBM-3)	Material value chain related topics and their management (SBM-3) Material climate related topics and their management (SBM-3) Material circular economy related topics and their management (ESRS 2, SBM-3)
4. Taking actions to address those adverse impacts	Taking action to be a trusted partner (G1-2)	Taking action to be the best place to work in retail (S1-4, MDR-A) Taking action for sustainable and traceable products (S1-4, MDR-A) Taking action to be the best choice for everybody (S4-4, MDR-A) Taking action to mitigate impacts on climate (E1-3, MDR-A) Taking action to material efficiency and waste reduction (E5-2, MDR-A)
5. Tracking the effectiveness of these efforts and communicating	Zero tolerance for corruption and bribery (G1-3)	Measuring the success (S1-5, MDR-T) Measuring the success (S2-5, MDR-T) Continuous monitoring and development (MDR-M) Measuring the success (S4-5, MDR-T) Measuring the success (E1-4, MDR-T) Measuring the success (E5-3, MDR-T)

Internal controls over sustainability reporting

Tokmanni Group has principles for risk management, which are applied to the preparation of the sustainability statement. Risk management processes and internal control principles will be defined in more detail in the future, regarding sustainability reporting. Tokmanni Group has not set a schedule for how it will integrate risk management and internal controls over the sustainability reporting process and periodically report identified issues to its administrative, management, and supervisory bodies. The Group has identified the need to improve the quality and completeness of data used in sustainability reporting. The main risks associated with sustainability reporting relate to the risk of inaccurate or false data.

The sustainability statement is compiled by a team of Tokmanni Group's employees, with each employee responsible for overseeing the quality and accuracy of the reported data of their own area of responsibility. In 2024, Tokmanni Group introduced a new practice where the Group's Financial Department reviews and validates the internal data used in the sustainability statement in internal audit. Internal audit reviews the processes, controls and internal control practices of sustainability reporting as part of its audit work. The Financial Department reports its findings to the employees responsible for the reporting and data collection. Identified risks are evaluated in more detail in the relevant sections of this report. Tokmanni Group also utilises third-party sustainability consultants to ensure its ability to comply with the CSRD directive and improve the quality of reported information.

Sustainability and strategy
(SBM-1)

Tokmanni Group is a variety discount retailer in the Nordics. The retail market can be divided into the grocery and non-grocery markets. The grocery market consists of the sale of food, beverages, household papers, newspapers and magazines, cleaning products and daily cosmetics, among others. The non-grocery market consists of the sale of apparel, housing, garden and leisure products, among others. The Group's assortment consists of Private Label and exclusive brand products as well as non-branded products and Nordic and international brands.

The Group has a wide assortment of products for example in the following categories: cleaning, personal care, apparel, tools and electrical equipment, home and decoration, garden, leisure, season and party, pets, home electronics, and groceries. At the end of 2024, 20 of Tokmanni Group's 380 stores sold fresh foods, all of them located were in Finland.

Tokmanni Group is regarded either as a distributor, importer, or manufacturer of the products depending on the brand and the role of the operations regarding the placing of the item on the Finnish, Swedish or Danish markets. In Finland, the Group had 204 Tokmanni stores, 33 Click Shoes stores, two Shoe House stores and one Miny store as well as two online stores. In addition, Tokmanni Group had a B2B sales function and a customer loyalty programme in Finland. In Sweden, the Group had 133 Dollarstore stores and in Denmark seven Big Dollar stores.

Employees 31.12.2024 (head count):
- Finland: 4,488
- Sweden: 2,016
- Denmark: 109

There were no major changes made during 2024 related to markets, customer groups, products or services. Tokmanni Group store chains sell no products and services that are banned in any markets. The Group has revenues from some controversial products known to accelerating climate change. Revenue from fossil fuels sales was 9.7 million euros in 2024 and included the sales of oil-based fuels such as fuel for machinery, liquefied petroleum gas (LPG) and lighters.

Sustainability goals

Tokmanni Group has four focus areas of sustainability to enable the ambition to be the leader in sustainability, in Northern Europe’s variety discount retail segment. Achieving all the goals mentioned below has meant integrating, unifying and implementing Group level operations, processes and metrics as well as increasing transparency and skill levels in 2024. This work will continue in 2025. Integration includes compliance related operations for which a new Group chief legal officer was hired in December 2024. Tokmanni Group consists of a network of store chains of different brands, the biggest ones disclosed in the glossary at the beginning of this report. These store chains had individual ways to operate until late 2023, until the acquisition of Click Shoes and Dollarstore, including Big Dollar. In the near future, unifying the Group culture and increasing product quality will be key themes.

1. Products and sourcing: goal to have sustainability and quality assured, and traceable products
    - Tokmanni Group has responsibility of all products it sells. The biggest possibilities to influence are related to Private Label products and therefore the focus of procurement processes is on those. In 2025, the Group will focus on sustainable sourcing and development of quality processes relating to procurement. Tokmanni Group will increase the number of Private Label products in product assortment to advance this goal.
    - In addition to Private Label products, this goal relates to high-risk materials and risk countries. To manage impacts and risks related to high-risk materials, Tokmanni Group relies on multiple certificates. Factories operating in risk countries are obliged to have valid amfori BSCI audit in accordance with Tokmanni Group’s sustainable procurement principles. In addition to third-party audits, the Group conducts additional own factory assessments.
2. Climate: goal to be aligned with the Paris Agreement
    - Organisational integration has been especially important for the climate work in all store chains of the Group. Tokmanni store chain has a history of working with climate-related aspects like emissions and energy in Finland, having SBTi targets since 2020. In 2024 the baselines were calculated for the first time for the whole Group, including operations in Sweden and Denmark. The Executive Group has approved Group level climate targets to be sent for SBTi for validation. After confirming the new SBTi targets, a Group level transition plan for all scopes can be created for scope 1,2 and 3 emissions.
3. People: goal is to be the brand for everybody
    - Tokmanni-segment, having more than twice as many employees as Dollarstore-segment, has naturally had more processes and systems in place to support human resources in past years. Integration relating to people has meant common policies, metrics and systems in 2024, but there are still implementations to be done in 2025.
    - At the date, there are no separate sustainability goals focused on any customer groups. In 2024, focus has been on securing product quality through several initiatives. In accordance with the business strategy, Tokmanni store chain launched a customer loyalty programme to enable dialogue with customers and increase customer understanding. Development of the programme will continue in 2025.
4. Business integrity: goal to be a trusted partner
    - The business integrity goal relates to all Tokmanni Group’s operations, and the biggest efforts are focused on the value chain operations where the most significant impacts on sustainability are derived from. Tokmanni Group organised training in 2024 to increase the knowledge and skill levels of people working with procurement. Training focused on sustainability and the contents of the Code of Conduct. This work will continue in 2025.
    - The target is to finetune and implement the Group´s values through a common leadership training to all key personnel and supervisors of the Group.

The most significant sustainability impacts, and therefore targets, are related to inputs described below. Tokmanni Group sources a large number of products and materials that create the most significant environmental impacts. Sourcing from risk-countries causes the most significant potential impacts related to workers in value chain.

Tokmanni Group is determined to continue taking measures to promote growth. Tokmanni Group's long-term vision is to become the leading discount retailer in Northern Europe. The cornerstones of Tokmanni Group's strategy are enhancing customer confidence and loyalty and improving cost-effectiveness. Key measures to achieve these are investments in the expansion of the assortment, low prices, easy shopping, an attractive customer experience, the expansion of the store network, personnel, sustainability and the efficiency of operations. The work for the next strategy update started in 2024 and it is planned to be announced at the end of 2025.

In Tokmanni Group's strategy for period of 2021-2025, sustainability is seen as a source of success. The aim is to be the best place to work in the retail sector, to be even more sustainable variety discount retailer and to improve efficiency. The main themes of Tokmanni Group's sustainability agenda are Business Integrity, People, Products and Sourcing and Climate.

Tokmanni Group acknowledges that a strategic decision to increase the number of supplying factories located in risk countries or emphasis on low prices may create challenges on sustainability. The Group aims to solve these challenges in the best possible manner.

Value chain

Inputs, supply chain

Tokmanni Group's inputs cover labour (workers' time), fuel, materials, buildings, and equipment. In terms of sustainability, the most significant challenges related to the Group's business operations concern products and sustainable sourcing, the reduction of climate risks and carbon dioxide emissions throughout the supply chain.

The aim is to master the supply chain to deliver seamless shopping experiences, optimise operations, and drive sustainable growth. The aim is also to increase sourcing directly from the suppliers. This is done, for example, in cooperation with the Norwegian company Europris through a joint venture located in Shanghai, China. By omitting intermediaries and by sourcing products directly from suppliers, the Group is able to offer its customers products with good price-quality ratio. Together with long-term supplier relationships, this allows more control of the supply chain, products and their sustainability. In addition, synergies are obtained from combining the purchase prices of the Tokmanni and Dollarstore segments, having common suppliers, a joint product selection and joint purchases. Tokmanni Group does not own any factories but with independent manufacturers.

In order to increase supply chain transparency, Tokmanni Group discloses all factories on its website, that manufacture Tokmanni Oy's Private Label clothing, shoes, bags and accessories. The list includes names and addresses of factories, for example. Tokmanni Oy's Private Label clothing brands include Force New Attitude, Future TT Sport, Peuhu, Pola, Pola Plus, R-Cover, Vaeltaja and Catmandoo. The factory list is updated annually. The latest update was made 27.8.2024.

Tokmanni aims to high amount of direct purchases. Direct purchases can be broken down into categories: products purchased using the joint Shanghai sourcing office, and other direct imports. Of the products imported directly by Tokmanni, approximately 74% were acquired from risk countries according to the World Bank Worldwide Governance indicators. The biggest sourcing countries for Tokmanni are Finland (76%) and China (12%), followed by the Netherlands, Sweden, Denmark, and Bangladesh.

Dollarstore segment purchases its products from Swedish, European, and Asian suppliers. The suppliers in Asia were mainly agents and traders that source products from factories, some of which are owned by the agent and some of which are owned by a third party. The vast majority of risk country suppliers are in Asia, mainly in China being the most significant sourcing country in 2024. During 2024, Dollarstore centralised its Asian sourcing to Group's sourcing company in Shanghai.

Sustainable sourcing at Tokmanni Group means ensuring that the fundamental rights of employees are respected throughout the supply chain. The process is supported by Tokmanni Group's principles and guidelines for responsible sourcing. As members of the amfori BSCI, Tokmanni Group is committed to complying with the amfori BSCI Code of Conduct.

Outputs, downstream

Tokmanni Group's outputs cover products and services. The Group has the ultimate responsibility over the safety of its Private Label products and of other goods which it imports into the European Union. The Group monitors product safety by checking documentation, controlling quality during production, and inspecting consignments. It has products tested by third parties and carries out inspections for all its products based on their risk level.

Tokmanni Group creates shareholder value by helping its store chains to achieve rapid and profitable growth. The Group focuses its growth investments in the most profitable assets and in growth-enabling markets. The Group’s store chains can leverage shared knowledge and other resources they need, reducing the risk of failure. Shared values and the Group’s corporate culture create the basis for success. In addition to the value it creates for its owners, Tokmanni Group creates economic value as an employer, a taxpayer and a customer of its suppliers. Tokmanni Group provides jobs and business opportunities directly and indirectly for a wide range of stakeholders and therefore indirectly contributes to the well-being of local communities. In 2024, Tokmanni Group generated 6,196MWh of solar energy of which 971MWh was sold to the grid.

Stakeholder engagement
(SBM-2)

Tokmanni Group engages with all of its key stakeholders. Tokmanni aims to engage in an active dialogue with its key stakeholders, employees, customers and suppliers through various channels in order to reach them comprehensively. The group also maintains dialogue with other stakeholders, such as investors, shareholders, and analysts, industry associations, NGOs, the media, and authorities. More details about the engagement are described in the table below.

Tokmanni Group’s goal is to ensure open and active dialogue with its stakeholders in order to continuously assess and improve sustainability efforts, understand stakeholders’ expectations and needs, and achieve common targets. Stakeholder’s expectations are described in a table below: column "Expectations and purpose of the engagement". The views of stakeholders are considered when identifying Group’s material impacts and ensuring due diligence. This way, stakeholder dialogue also influences strategy and potential changes to the business model. The impacts of strategy and business on employees and customers can be found in the chapters: Material own workforce related topics and their management and Material customer related topics and their management. More information about the engagement processes can be found in each topical section.

Stake-holders	Expectations and purpose of the engagement	Main features and channels of Tokmanni Group's stakeholder engagement	Outcomes of stakeholder engagement 2024
Employees and potential employees	• Equal treatment and worker well-being • Training and career opportunities • Occupational health and safety • Coping at work • Collaborative and attractive workplace	• Personnel survey, including inclusion related topics. • Dialogue through the Group's appraisal process. • Cooperation meetings with employees' representatives in accordance with national legislation. • OHS management system and its channels.	• Employee survey, regular discussions with employee representatives, and safety observations were considered when setting qualitative targets to improve the health, safety and well-being. • Took corrective actions based on safety observations received from the employees, making the work environment healthier and safer. • Developed more equal employee benefits (ePassi, employee discounts, and occupational health services) across Tokmanni Segment. • Tokmanni store chain initiated "Hinnat hinnat" project based on an employee survey, aiming to streamline processes in the store.
Customers	• Availability and pricing of products • Product safety and quality • Responsible sourcing and product assortment • Origin of products	• Continuous communication through websites and leaflets in the Group. • Online surveys for Tokmanni Klubi members in Finland. • "Reputation&Trust" survey for Tokmanni in Finland, where sustainability and quality were part of the general survey. • Sharing information about Tokmanni segment's sustainability work through "Tarjoussanomat" advertorial, social media and store radio in Finland. • Annual customer research, in which Tokmanni store chains' customers were asked about their perceptions of Tokmanni's product quality and sustainability. • Tokmanni Group measures product safety by the number of product types that do not meet all its requirements. • Strengthening customers' trust by increasing transparency throughout the value chain.	• Continued of Claim Rate project to decrease the number of non-compliant or low-quality products in assortment. • Tokmanni segment developed its customer loyalty programme to collect customer data and insights and thus improve customer satisfaction in Finland. The segment also enhanced customer loyalty programme to include continuous customer satisfaction surveys and other actions to track and collect customer feedback and communicate with customers. • In order to increase supply chain's transparency to customers, Tokmanni Group disclosed all factories that manufacture its Private Label clothing, shoes, bags and accessories.
Suppliers and service providers	Tokmanni Group's requirements: • Sourcing and supplier requirements • Human rights and labour practices • Environmental impact mitigation, for example to encourage suppliers to set Science Based Targets	• Vendor meetings: in 2024, we arranged Tokmanni Supplier Day in Finland and Vendor Summit together with Europris in Asia. • Factory visits to Asian business partners. • Supplier audits and corrective action plan follow up. • One-to-one meetings with largest traders in China (focus CoC and GTO in 2024). • Dollarstore segment: Meeting with the most important Nordic suppliers (focus implementation of CoC and expectations on sustainability and quality).	• Outcomes of dialogue on Tokmanni Group's sustainability focus areas and ambitions with the suppliers have led to better performance on sustainability. • Integrated Dollarstore and Click Shoes suppliers in the Quality assurance, Supplier code of conduct and amfori BSCI verification process to have better transparency over supply chain and enabling the joint development of operations of factories in the supply chain.

	for climate emissions • Compliance with upcoming legislative frameworks in the EU		
Investors, share-holders and analysts	• Financial performance • Group and segment strategies • Supply chain management • Climate related risks and risk mitigation • Sustainable products and supply chains • Diversity • Remuneration • Governance and management	• Engagement with private and institutional investors and banks on ESG issues and sustainability targets, for example in meetings. • Sharing information through Sustainability Statement, digital channels and investor website etc. • ESG surveys. • Ongoing dialogue between shareholders, analysts, investors and banks by IR team members (Teams meetings and calls, one-to-ones, group meetings, seminars, result presentations, AGM, CMD events etc).	• Supported the correct valuation of the share by providing the market with relevant and consistent information about Tokmanni Group. • Developed key messages and an investment story that correlates with the Group’s other communications (e.g. strategy update and acquisitions). • Reported on Dollarstore segment's business and its significance as part of Tokmanni Group (segment reporting).
Industry associations	• Participation in working groups and initiatives • Sharing information	• Participation in various national organisations: the Finnish Commerce Federation, the Finnish Grocery Trade Association (PTY), the Finnish Council of Shopping Centres, Finnish Cosmetic and Hygiene Industry Association. • Representation in various committees of the Finnish Commerce Federation as well as PTY groups. • Member of the corporate sustainability network FIBS, with Pro services. • Being part of UN Global Compact Finland network. • Tokmanni Group’s Vice President, Chief People, Culture and Sustainability, is a Vice Chairman of the Board of the Helsinki Region Chamber of Commerce, member of the Competence Committee of the Confederation of Finnish Industries and represents Tokmanni on the Chamber’s Education and Labour Committee. • Dollarstore segment: Meetings with the Swedish Chemical Inspection.	
Non-govern-mental organi-sations (NGOs)	• Transparency • Social responsibility and environmental sustainability	• Surveys, like reporting CDP, and following up feedback from surveys. • Cooperation and promotion of the operations of local NGOs by financial or product donations and sharing their message in	• Continued cooperation with various charity organisations.*

	in the value chain	consumer channels and social media. • Dollarstore segment became a member of Ethical Trade Initiative (ETI) Sweden in 2024, organised an internal training/workshop with a representative from ETI Sweden, and participated in external seminars.	
Media	• Obtaining information • Responsiveness of communications	• Engagement with media representatives up to date about Group's operations by press releases and store opening events, for example. • Responses to journalists' inquiries and interview requests regarding products and business operations. • Press releases conducted together with various business functions. • Cooperation with social media influencers. • Quarterly Finnish media reporting study provided to the Executive Group.	• Identified ready-made themes as well as grasping topics and phenomena. • Created data-based press releases and posts on social media channels. Intensified cooperation with Dollarstore and Click Shoes communications functions and added Dollarstore segment to media monitoring. • Dollarstore segment recruited a Head of Communications, who is a spokesperson and media representative of Dollarstore. • Organised media meetings and events in connection to store openings in Finland.
Authorities (EU, state, local authorities)	• Compliance with increased sustainability regulation and expectations • Tokmanni Group's goal is to ensure compliance with legal obligations to provide e.g. a safe and healthy work environment as well as sustainable and ethical operations, products and services and therefore decrease compliance risks.	• Participation in governmental organisations' surveys and reporting, like Tukes' stakeholder survey regarding collaboration in product safety and Luke's survey relating to "Matsit", commitment to material efficiency. • Cooperation with Regional Safety Administrative Agencies on occupational safety and health, e.g. inspections at workplaces conducted and advice and guidance received. • Discussion about issues such as planning, licensing, and land acquisition with representatives of municipalities when developing store networks. • Cooperation with the police and fire authorities, e.g. in crime prevention and investigation, as well as to ensure the safety of premises.	• Ensured that material efficiency is a part of Tokmanni Group's sustainability work. • Corrective actions done based on authorities' observations (e.g. product recalls). • Established a Sustainability and Personnel Committee to respond to the increasing sustainability regulation and expectations.

** Tokmanni Group works extensively with various charity organisations to support the most vulnerable members of the society and protect the environment. In 2024, Tokmanni stores collaborated with the John Nurminen Foundation for the fifth year in a row and donated to the protection of the Baltic Sea from the sales proceeds of products from its Private Label Pisara. In 2024, a similar campaign was carried out with MIELI Mental Health Finland and Tokmanni's Private Labels Future TT Sport and Arki 360°. Tokmanni stores also continued the Mielinauha campaign with MIELI Mental Health Finland. In addition to local charity initiatives by Tokmanni stores, Hurstinapu charity support was continued together with Unilever Finland. Tokmanni segment has made donations worth of EUR 77,000 in 2024.Dollarstore Segment has a long-term cooperation with Stockholms Stadsmission. Under this cooperation, Dollarstore donates product samples to the Swedish organisation. The Stockholm City Mission sells these product samples and receives the sales profits.*

The outcomes of stakeholder engagement are considered by prioritising key issues in target-setting processes and developing action plans, as well as everyday actions. Respect of human rights are aimed to be ensured in accordance with due diligence process. Key outcomes of engagement in 2024 are described in the table above. More information about stakeholder engagement is presented in the second chapter of each section social responsibility related standards.

When conducting the DMA, stakeholders were engaged in accordance with the due diligence process, to identify material impacts. The assessment laid basis for integrating the sustainability topics to the Group sustainability agenda in 2024. Stakeholders are consulted on a needs-based approach when updating the DMA, Group strategy and other processes in the future. The DMA and Pulse -employee survey are the key elements to understand interests, views, and rights of the Group’s employees, including respect for human rights, informing the upcoming strategy update.

None of the IROs have been deemed material solely on the basis of a single stakeholder's opinion. Stakeholders have raised various sustainability topics through interviews conducted for DMA. However, the DMA working group's understanding of stakeholder perspectives is also the result of a long-term collaboration and dialogue developed over the years. Topics which stakeholders raised as important, have been described in the table Stakeholders’ engagement. See DMA process description for additional information.

Tokmanni Group’s strategy was updated on 13 February 2024. In the process, the strategic lines were harmonised at the Group level, but no major changes or amendments were conducted to the Group’s strategy or business model.

In 2024, Tokmanni Group conducted its first Group-wide employee survey, involving all employees. The survey considered equality and inclusion. Results of the survey and DMA will be considered when creating a new strategy for 2026-2030. No major changes to relationships with stakeholders are expected.

Relevant governing bodies, Chief Compliance Officer of the Compliance function and its other members as well as Head of Sustainability, are informed annually about the results of stakeholder dialogue by the results of the DMA and whistleblowing channel notices. Additionally, the Executive Group reports issues related to own employees to Tokmanni Group’s Board and its Committees when needed.

The Vice President, Chief People, Culture and Sustainability, has the overall responsibility of the operative management of sustainability, own employees and value chain workers related topics, as well as stakeholder engagement at Tokmanni Group. The Board’s Sustainability and Personnel Committee assists the Vice President.

Material sustainability topics
(SBM-3)

All Tokmanni Group's IROs, and their locations in the value chain and time horizons, resulting from its materiality assessment 2024 are presented in the table format in the beginning of each topical section of this statement. No IROs were recognised causing entity-specific disclosures.

Sustainability has been incorporated into the Tokmanni Group's 2021-2025 strategy at a general level, influencing the Group's decision-making and operations. All IROs have been identified as being linked to the strategy and business model at this general level. A more detailed assessment of the connection between IROs, the strategy, and the business model will be conducted during the next strategy update. The current strategy was refined in the 2024 strategy update, but no significant changes were made.

The ambition is to be the leader in sustainability in Northern Europe's variety discount retail segment. The focus areas can be found in the chapter: Sustainability goals.

The first Group level DMA was approved by Executive Group and Board of Directors at the end of year 2024. Tokmanni Group has already considered the recognised material IROs in its activities during the process by developing new Group level policies and by starting a project to define new Group-level climate targets according to the SBTi criteria. Results of the DMA will be taken into consideration in accordance with the Due Diligence process when developing the next strategy.

The Group's strategy and business model have significant impacts on people and the environment. The Group has personnel in Finland, Sweden and Denmark and employs more than 6,600 employees and serves around 230,000 customers daily. The Group's business model and strategy is mainly focused on physical stores and selling physical products, meaning that business operations and activities as well as the diverse supply chain cause a wide range of environmental and societal impacts, described below.

The Shanghai sourcing office in China, is the most significant business relationship affecting DMA results. Impacts related to the sourcing office are considered as part of the supply chain and scope 3 emissions by purchases.

The risks or opportunities identified in the materiality assessment did not result in significant financial impacts in 2024. No significant risks related to adjustments of accounting values have been identified within the Group. The time horizons for the realisation of risks are described in connection with the presentation of each topic-specific IROs. Tokmanni Group has not yet conducted a Group-level resilience analysis. This will be reviewed in connection with the next strategy update. Tokmanni Group has comprehensive policies and operating principles with which sustainability work is managed. Read more about IROs related to good governance and their management in chapter G1 Business Conduct.

Environment

Tokmanni Group's business model focuses on selling physical products. Therefore, operations cause emissions, waste, use of resources and land, effecting societal challenges like climate change and resource crisis in short, medium and long-term. Considering the Group's business model, the material impacts relate to energy, products, sourcing, logistics and waste at the upstream end of the value chain, in the company's own operations, and at the end of the product lifecycle – i.e. the downstream end of the value chain. Identified risks and opportunities depend on how well material impacts are managed

Energy consumption, the resulting emissions, and the environmental impacts of material use are particularly concentrated at the upstream end of the value chain and in the company's own operations. For this reason, the management of IROs also focuses on the supply chain and internal operations. This is reflected, for example in procurement principles and practices as well as energy efficiency measures. The significance of climate and environment related IROs will likely remain important in the future, particularly in supply chain and procurement management.

Tokmanni Group identified impacts in three topics relating to climate change: climate change adaptation, climate change mitigation and energy. All impacts can materialise in the short-, medium-, and long-term. See more about climate related impacts and management from chapter E1 Climate Change. Impacts on resource use and circular economy were identified as material in three topics: Resource inflows, resource outflows and waste. All impacts can materialise in the short-, medium-, and long-term. See more about resources related impacts and management from chapter E5 Resource Use and Circular Economy.

People

Tokmanni Group has recognised three material topics related to its own employees: working conditions, equal treatment and opportunities for all, and information security. Tokmanni Group identified impacts regarding its own workforce relating to overall safety, well-being, and satisfaction of own employees. All the potential positive impacts on own workforce are based and led from the Group’s strategy and can materialise in the short-, medium-, and long-term. See more about the strategy and business model’s connection and impacts on workforce from chapter S1 Own Workforce.

Supplier relations are critical factor for Tokmanni Group’s success in both business and sustainability. Tokmanni Group's current principles and guidelines cannot guarantee a complete lack of unfair working conditions in its value chain, meaning that there is currently a negative impact on value chain workers' well-being (social dialogue, freedom of association, collective bargaining, and work-life balance) and potentially to equal treatment and opportunities. These impacts can materialise in the short-, medium-, and long-term. This especially concerns suppliers in risk countries, where there is heightened risk of human rights violations. Then again, Tokmanni Group collaborates with its suppliers, and has sustainability requirements for suppliers. Thus, the Group has contributed to better working conditions in its value chain. See more about the strategy and business model’s connection and impacts on value chain workers from section S2 Workers in the Value Chain.

As a variety discount retailer, Tokmanni Group is responsible for ensuring safety and quality of the products sold to customers. The Group is responsible for customers’ right to privacy as well as for the implementation of responsible marketing and communication practices. These are in line with the impacts that Tokmanni Group has identified as material. The impacts can materialise in the short-, medium-, and long-term. Since Tokmanni Group is operating in the retail sector, understanding customers and meeting their needs is the key to success and longevity of the business. See more about the strategy and business model’s connection and impacts on customers from section S4 Consumers and End-users.

Materiality assessment

(IRO-1)

Double materiality assessment process

In 2023, Tokmanni Group started its first DMA process based on the double materiality principle, assessing both impact and financial materiality. The assessment was first conducted only considering Finnish markets and then reviewed and supplemented in 2024 together with Dollarstore segment.

The DMA was conducted with a third-party sustainability experts and the assessment covers all Tokmanni Group’s business operations in Finnish, Swedish and Danish markets. The whole value chain was considered by analysing whether the impacts, risks, and opportunities realise in the supply chain, in own business operations, or through customer actions.

When supplementing the assessment, an internal Tokmanni Group CSRD working group was established for the task. The working group included representatives from both Tokmanni and Dollarstore segments, from sustainability, communications, finance, procurement and quality functions. In addition to background information collected during 2023, updated information related to regulatory landscape, the latest Tokmanni customer survey results, and the acquisitions impacted the supplementary assessment in 2024. The assessment is therefore based on the collected preliminary data as well as the perspectives of key personnel in the Tokmanni Group. The perspectives are grounded in their experiences and related assumptions within their areas of responsibility.

The CSRD working group formed during 2024, started the supplementation by mapping the results of the 2023 materiality assessment and connecting the identified impacts, risks and opportunities to the ESRS sustainability topics and sub-topics based on the topics set in ESRS1 AR 16. No need for entity specific topics were identified. All materials related to the 2023 DMA process were reanalysed in the 2024 supplementation to include all the Group markets. Re-assessments and supplements were conducted in internal workshops. This was based on the discussions where internal assessment was prioritised over external stakeholder engagement to ensure alignment with Tokmanni Group business model.

Process phases 2023:
1. Collecting background information in cooperation with external sustainability experts
2. Forming the first draft of materiality assessment by the external experts
3. Validating results in Tokmanni's internal workshop
4. Validating results with new acquisitions.

Process phases 2024:
1. Updating background information by Tokmanni Group CSRD working group
2. Discussion and re-evaluating IROs by Tokmanni Group CSRD working group
3. Finalising and summarising the results in cooperation with external consultant
4. Validation of the DMA by Tokmanni Group Leadership Team and the Board of Directors' Sustainability and Personnel Committee
5. External assurance of the DMA process by PriceWaterhouseCoopers (PwC).

In 2024, approximately 74% of Tokmanni segment's directly imported products were acquired from risk countries where heightened sustainability risks might occur, so the impact of these sourcing activities were considered as significant when assessing impacts on people in the value chain. To ensure the sustainability of its suppliers, customers and other partners, Tokmanni Group follows due diligence assessments in its processes and the documentation, mentioned above, was considered in the assessment process.

The whole value chain was evaluated throughout the supplementation process by considering whether the IROs were realised in the supply chain, in own business operations, or through customer actions. Most of the impacts were realised in Tokmanni Group's own operations. The most significant business relationship affecting materiality assessment's results is with the Shanghai sourcing office. Impacts related to the sourcing office are considered as part of the supply chain.

The interviewed external stakeholders represented Tokmanni Group's customers (B2B and B2C), NGOs, personnel of the Shanghai's sourcing office, shareholders and investors. The interviewed internal stakeholders represented the opinions of Tokmanni Group's personnel and Executive Group. Tokmanni Group's personnel representatives were from the HR, quality, marketing, communications, finance, and customer service units as well as from the Executive Group. The internal and external stakeholder interviews were done before Dollarstore and Shoe House acquisitions. Third-party sustainability experts supported Tokmanni Group's key personnel throughout the materiality assessment process.

Key decisions that were considered in the process involved the CSRD working group. The key steps were discussed with the Vice President, Chief People, Culture and Sustainability, who shared the updates of the process with the Sustainability and Personnel Committee.

Evaluation principles

The CSRD working group assessed impact materiality based on scale, scope, irremediability (predefined numerical scale from 1 to 5) and likelihood (similarly with risks and opportunities) for the components of impact materiality. Negative, positive, actual and potential impacts and human rights impacts, as well as risks and opportunities were considered, for every topic.

The scale for materiality is from 0-15 as defined in EFRAG double materiality guidelines. EFRAG double materiality guidelines define *important*, *significant* and *critical* IROs as material. Tokmanni Group's threshold is 8 for impact and financial materiality. For positive impacts the threshold is 5 as the irremediability is not considered.

Financial materiality was defined by the magnitude of financial impact and the likelihood in accordance with CSRD. Financial impact was created by impacts on the capitals required by the business operations such as financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital. The CSRD working group used a predefined scale to assess the size of financial impact and the likelihood of the risk and opportunity:

Risks and opportunities were assessed as follows:

Magnitude of financial impact: (% of annual profit)
- 0 (No impacts) 0%
- 1–4 (Minimal) 5%
- 5–7 (Informative) 10%
- 8–9 (Important) 15%
- 10–12 (Significant) 20%
- 13–15 (Critical) 25%

Likelihood (for potential impacts):
- 0 (Certain that impacts will not materialise)
- 0.25 (More likely to not materialise than to materialise)
- 0.5 (As likely to materialise as to not materialise)
- 0.75 (More likely to materialise than to not materialise)
- 1 (Certain that impacts will materialise)

For identified risks and opportunities, related dependencies were listed in 2023 based on previously identified impacts. These dependencies were considered when evaluating the financial materiality of risks and opportunities in 2024.

All business risks are prioritised by Executive Group based on the significance of the risk. Significance is defined based on the impact and probability in accordance with the DMA methodology. Financial, and sustainability-based risks are therefore treated as equal.

The management of Tokmanni Group evaluates business risks regularly. The results of the materiality assessment and the general annual risk assessment process guide the management of sustainability risks in the Group. The control of sustainability risks is planned, described and implemented on a risk basis in in accordance with the Group's general model for internal control. Outcomes should influence the action plan and practical actions, such as the allocation of resources and the integration of risk management methods in processes. There is no official process to implement or integrate managing sustainability related opportunities yet.

The 2024 DMA was the first materiality assessment conducted by Tokmanni Group, in accordance with the double materiality principle. The materiality assessment will be revised in connection with the business strategy update.

During the DMA process, both material and non-material IROs were comprehensively identified in relation to each sustainability topic defined by ESRS 1. At the end of the assessment process, the material IROs were consolidated and categorised according to Tokmanni Group's current and potential future management measures. The group's CFO, HR and Sustainability Director, and Sustainability Director were involved in finalising the IROs for presentation in the Sustainability Statement.

Key inputs

The positive and negative, potential and actual impacts as well as financial risks and opportunities were first identified based on the background information. The work started with a pre-evaluation of compliance with the sustainability reporting standards SASB, GRI and IFRS, including the European Sustainability Reporting Standards (ESRS). The results from previously implemented human rights risk assessments and audits were considered.

Next, background information for DMA was collected in various ways:

- internal and external stakeholder interviews (described above) were conducted to understand how different groups may be impacted through Tokmanni store chain's business operations.
- megatrends were analysed to understand wider sustainability related risks and opportunities; and
- a competitor analysis was conducted to understand the general impacts of the retail industry.

Tokmanni Group's continuous due diligence work, including previous human rights risk assessment and internal and external audit reports, provided input for identifying and assessing how different stakeholders may be impacted through Tokmanni Group's business operations, especially in its supply chain.

External documentation like the World Bank Group Reports, Disaster Risk Management Knowledge Centre materials and internal discussions were used to support Tokmanni Group's assessment.

Identifying topical impacts, risks and opportunities

Climate change

Climate related IROs were assessed with process and criteria described above, including time horizons and assets. Background information of the DMA processes included qualitative analyses, including climate change. Information about megatrends was analysed to understand wider climate related sustainability risks and opportunities. Market and competitor analysis was conducted to understand the general impacts of the retail industry and its vulnerability to climate change. Tokmanni Group's scope 1-3 emissions 2023 were calculated in accordance with GHG protocol, and the results informed the DMA process.

Physical and transition risks were assessed in accordance with the general financial materiality principles as described above. The climate related physical risks identified according to the TCFD framework and reported earlier in Tokmanni Oy's CDP disclosure 2023 and in Tokmanni Group's Sustainability Report 2023 impacted the 2024 DMA assessment. Tokmanni Group has not yet conducted a Group level climate related scenario analysis to inform the identification and assessment of physical or of transition risks over short-, medium- and long-term. This means that physical risks, climate related hazards and transition risks will be assessed in more detailed level during 2025. The CSRD working group conducting the DMA 2024 update was headed by the Head of Sustainability who is responsible for identifying sustainability related risks and opportunities in own operations and in the upstream and downstream value chain.

The most relevant climate related physical risks identified for Tokmanni Group are related to extreme weather events and climate change in the supply chain as they may impact product availability and cause disturbances in logistics. Extreme whether events may also disrupt own operations and result in property damages and financial losses. Certain raw materials, such as cotton, are particularly vulnerable to climate change which may lead to restricted availability and increased prices of raw materials, challenging Tokmanni Group's low-price positions and revenue.

The identified material climate related transition risks include reputational risks due to inadequate actions to mitigate climate change as well as regulatory risks linked to inability to comply with the tightening regulation. Climate related transition opportunities include cost savings based on further efficiency and optimisation of upstream logistics and enhancing customer acquisition by selling products manufactured by carbon neutral production or renewable energy and expanding the portfolio of sustainability-certified products. The Group has also identified that impactful climate mitigation efforts may result in competitive advantages and ability to attract business partners, investors and customers. The list of material IROs are presented in a table in the chapter: Material climate related topics and their management in E1 Climate change.

Pollution and water and marine resources

Impacts, risks and opportunities relating to pollution as well as water and marine resources were assessed with process and criteria described above. Background information of the DMA processes included qualitative analyses, including environmental issues, also pollution and water and marine resources. Market and competitor analysis was conducted to understand the general topical impacts of the retail industry. Tokmanni Group's site locations and business activities in its own operations and upstream and downstream value chain were screened in general during the general DMA assessment process. Water consumption of Tokmanni Group's own operations informed the assessment, but no pollution specific screening was conducted. The Group did not conduct specific consultations with affected communities. No pollution or water and marine resources related risks or opportunities were identified, and no impacts were assessed as material.

Biodiversity and ecosystems

Biodiversity and ecosystems related impacts, risks and opportunities were assessed with the process and criteria described above. No such risks were identified, that would have been necessary to evaluate them from a business point, for being so significant. Background information of the DMA processes included qualitative analyses, including biodiversity issues, but Group-level biodiversity related scenario analysis has not been conducted yet. Information about megatrends was analysed to understand wider nature related risks. Market and competitor analysis related to biodiversity and ecosystems was conducted to understand the general impacts of the retail industry and its vulnerability to biodiversity loss. The Group’s sourcing processes and principles for risk raw materials, and product category data, including the proportion of products derived from high-risk raw materials or land-intensive commodities informed the assessment as well.

Tokmanni Group did not identify dependencies on specific raw materials during the DMA process. Additionally, no stores were identified in locations that would have negative impacts on biodiversity-sensitive areas, such as nature conservation areas.

No substantial risks or opportunities were identified, and no biodiversity related impact were assessed as material. There is no necessary biodiversity measures identified due regulation. The most significant biodiversity related impacts identified relate to the high-risk raw materials. The Group did not conduct consultations with affected communities on sustainability assessments of shared biological resources and ecosystems. No separate biodiversity assessments were conducted for the sites.

Even though biodiversity was not found to be a material topic, the Group will continue to mitigate negative impacts and risks related to high-risk raw materials by applying its high-risk raw material principles and guidelines. Biodiversity and ecosystem related impacts, risks, will be reassessed during the next DMA update.

Resource use and circular economy

Resource use and circular economy related IROs were assessed with the process and criteria described above. The DMA process included a qualitative data analysis of background information regarding resources. Information about megatrends was analysed to understand wider circular economy sustainability risks and opportunities. Market and competitor analysis was used to understand the general impacts of the retail industry and industry’s vulnerability to resources.

To identify and assess material impacts, risks and opportunities related to resource use and circular economy, information related to product group volumes, Extended Producer Responsibility scheme, waste reporting data, High-risk Material Principles, Group's procurement process, upcoming circularity related regulation as well as previously reported circularity and resource efficiency related activities informed the DMA process. These were based on data collection done for calculation of 2023 GHG emissions included information about products purchased and sold as well as waste streams. In addition, Tokmanni's Quality Manager, the controlling team and the Group's sustainability experts provided circular economy related input for the CSRD working group. Tokmanni Group did not conduct resource use and circular economy specific consultations during the DMA process.

Tokmanni Group has identified several material impacts in terms of circular economy relating to resources and materials needed for the manufacturing of the large product portfolio, material efficiency, and packaging materials of the Group’s products, as well as waste and resource efficiency in its own operations and waste management. The Group has identified material financial risks related to increasing costs resulting from upcoming product and waste related regulation. Introduction of new circular business models and products is seen to cause both a risk and an opportunity. Other financial opportunities may arise from cost savings based on material efficiency. Material IROs are listed in a table in the chapter Material circular economy related topics and their management in E5 Resource Use and Circular Economy.

Business conduct

Impacts, risks and opportunities relating to business conduct were assessed with general process and criteria described above. Assessment on business conduct matters have considered all Tokmanni Group locations, activities, sectors and both segments organizational structures.

ESRS content index

(IRO-2)

Disclosure requirement	Name of the requirement	Location in the statement	Page number
		ESRS 2 General disclosures	
BP-1	General basis for preparation of the sustainability statement	Preparation of Sustainability Statement	25
BP-2	Disclosures in relation to specific circumstances	Preparation of Sustainability Statement	25
GOV-1	The role of the administrative, management and supervisory bodies	Governance structure and processes	27
GOV-2	Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability information flows	29
GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration practices	30
GOV-4	Statement on sustainability due diligence	Due Diligence and risk management	31
GOV-5	Risk management and internal controls over sustainability reporting	Due Diligence and risk management	31
SBM-1	Strategy, business model and value chain	Sustainability and strategy	33
SBM-2	Interests and views of stakeholders	Stakeholder engagement	36
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material sustainability topics Material own workforce related topics and their management Material value chain related topics and their management Material customer related topics and their management	41 76 95 106
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Materiality assessment	42
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability	ESRS content index Datapoints that derive from other EU legislation	47 50
MDR-P	Policies adopted to manage material sustainability matters	Policies for managing impacts on own workforce Policies for managing impacts to value chain workers Policies to manage impacts on customers Policies for Good Governance	78 97 108 118
MDR-A	Actions and resources in relation to material sustainability matters	Taking action to mitigate impacts on climate Taking action to material efficiency and waste reduction Taking action to be the best place to work in retail Taking action to be the best choice for everybody	58 71 83 111
MDR-M	Metrics in relation to material sustainability matters	E1 Climate Change E5 Resource Use and Circular Economy G1 Business conduct	56 69 117

	Standard S2: Workers in the value chain		
S2-1	Policies related to value chain workers	Policies for managing impacts to value chain workers	97
S2-2	Processes for engaging with value chain workers about impacts	Engaging with value chain workers	99
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Channels to raise concerns	100
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Taking action for sustainable and traceable products	101
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Measuring the success	104
	Standard S4: Consumers and end-users		
S4-1	Policies related to consumers and end-users	Policies to manage impacts on customers	108
S4-2	Processes for engaging with consumers and end-users about impacts	Engaging with customers	109
S4-3	Processes to remediate negative impacts and channels for consumers to raise concerns	Channels to raise concerns	110
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Taking action to be the best choice for everybody	111
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Measuring the success	116
	Standard G1: Business conduct		
G1-1	Business conduct policies and corporate culture	Policies for Good Governance	118
G1-2	Management of relationships with suppliers	Taking action to be a trusted partner	122
G1-3	Prevention and detection of corruption and bribery:	Zero tolerance for corruption and bribery	123
G1-4	Incidents of corruption or bribery	Zero tolerance for corruption and bribery	123
G1-5	Political influence and lobbying activities	Active member of society	124

Datapoints that derive from other EU legislation

(IRO-2)

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation (3) reference	EU Climate Law(4) reference	Page number
ESRS 2ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		27
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		27
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				31
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		33
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		33
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		33
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		33
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	57
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	X		57
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		60
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				63
ESRS E1-5 Energy consumption and mix paragraph 37	X				63
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				64
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	X	X	X		64
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		65
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		X			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		X			Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			X		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer	X				Not material

Register) emitted to air, water and soil, paragraph 28			
ESRS E3-1 Water and marine resources paragraph 9	X		Not material
ESRS E3-1 Dedicated policy paragraph 13	X		Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	X		Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X		Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	X		Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	X		40
ESRS 2-SBM 3 - E4 paragraph 16 (b)	X		40
ESRS 2- SBM 3 - E4 paragraph 16 (c)	X		40
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	X		Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	X		Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X		Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X		75
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X		75
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	X		77
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	X		77
ESRS S1-1 Human rights policy commitments paragraph 20	X		78
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		X	80
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	X		78
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	X		78
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	X		82
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	X	X	Phased-in
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X		Phased-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X	X	93
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X		93
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X		93
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	X	X	93
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X		95
ESRS S2-1 Human rights policy commitments paragraph 17	X		97

ESRS S2-1 Policies related to value chain workers paragraph 18	X		97
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	X	X	97
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		X	99
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X		102
ESRS S3-1 Human rights policy commitments paragraph 16	X		Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	X	X	Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	X		Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X		106
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X	X	106
ESRS S4-4 Human rights issues and incidents paragraph 35	X		111
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X		118
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	X		122
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X	X	123
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	X		123

Environment

EU-Taxonomy

The Tokmanni Group reports on the EU taxonomy based on the regulation (EU) 2020/852 of the European Parliament and the Council. The aim of the EU sustainable finance classification system, or taxonomy, is to support companies and investors in assessing how environmentally sustainable economic activities are. This system defines the criteria for evaluating the impact of a company's activities on achieving environmental and climate goals. The objective of the taxonomy regulation is to support the transformation of the EU economy to meet the goals of the European Green Deal, including achieving climate neutrality by 2050.

In accordance with EU Taxonomy, Tokmanni Group must disclose how and to what extent business activities can be classified as environmentally sustainable according to six environmental and climate objectives defined by the Taxonomy: climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection of ecosystems and biodiversity.

The main operations of the Tokmanni Group, from which the group's revenue is generated, are the sale of products to customers. The sale of products is not currently covered by the taxonomy. The group has not identified any taxonomy-aligned revenue. However, the group has identified certain taxonomy-eligible capital expenditures (CapEx). These are related to the use of leased vehicles (CCM 6.5) and the acquisition and ownership of real estate (CCM 7.7). The capital expenditures related to the use of leased vehicles (CCM 6.5) have been assessed according to the additions to right-of-use assets in the IFRS consolidated financial statements. The additions related to vehicles have been selected based on voucher series. The capital expenditures related to the acquisition and ownership of real estate (CCM 7.7) have been determined based on separate accounts to the building additions in assets and right-of-use assets. Double counting has been prevented by the use of different account and other financial dimensions.

Classification System	Identified Economic Activities	Description	Classification System Assessment	CapEx
CCM 6.5*	Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, or L.	For the Tokmanni Group, this relates to capital expenditures (CapEx) concerning leasing agreements for personal and company cars. The Group has not been able to obtain information on how the vehicles meet the "Do No Significant Harm" (DNSH) criteria requirements.	✓
CCM 7.7**	Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate.	For the Tokmanni Group, this relates to capital expenditures (CapEx) concerning a few properties that the Group has purchased and owns. Tokmanni Group has not been able to obtain information on how these properties meet the "Do No Significant Harm" (DNSH) criteria requirements.	✓

* The classification system CCM 6.5 function includes additions of car leases to the balance sheet as right-of-use assets during the fiscal year.
** The classification system CCM 7.7 feature includes additions made during the fiscal year for buildings and structures related to completed properties, as well as additions of property lease agreements to the balance sheet as right-of-use assets.

Capital expenditure (CapEx) under EU Taxonomy

EUR, thousands	2024	2023
Property, plant and equipment (Note 3.1)	38,161	120,316
Intangible assets (Note 3.2)	1,169	42,569
Right-of-use assets (Note 3.1)	102,894	360,434
Total	142,224	523,319

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code(s)	Turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned or eligible turnover, 2023	Category enabling activity	Category transitional activity
		1,000 EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0 %														0 %		
Of which Enabling		0	0 %														0 %		
Of which Transitional		0	0 %														0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %														0 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**0**	**0 %**														0 %		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activities		1 674 960	100 %																
Total		**1 674 960**	**100 %**																

Total turnover corresponds to the line “Revenue” in the income statement of the IFRS consolidated group financial statement. Tokmanni Group’s accounting principles for revenue are set out in section 2.2 of the financial statements.

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

Economic activities	Code(s)	Capex	Proportion of capex, 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned or eligible capex, 2023	Category enabling activity	Category transitional activity
		1,000 EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0 %														0 %		
Of which Enabling		0	0 %														0 %		
Of which Transitional		0	0 %														0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	602	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0 %		
Acquisition and ownership of buildings	CCM 7.7	103 044	72 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		103 646	73 %	73 %	0 %	0 %	0 %	0 %	0 %								0 %		
Total (A.1 + A.2)		**103 646**	**73 %**	**73 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**								**0 %**		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		38 578	27 %																
Total		**142 224**	**100 %**																

Tokmanni has determined the total capital expenditure (denominator), EUR 142,224 thousand, in accordance with the Taxonomy guidelines. Capital expenditure consists of increases in Tokmanni’s intangible assets, property, plant and equipment and right-of-use assets (leases) during the financial year.

Proportion of operating expenses from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

Economic activities	Code(s)	Opex	Proportion of opex	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned or eligible opex, 2023	Category enabling activity	Category transitional activity
		1,000 EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0 %														0 %		
Of which Enabling		0	0 %														0 %		
Of which Transitional		0	0 %														0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)		0	0 %														0 %		
A. Opex of Taxonomy eligible activities (A.1+A.2)		**0**	**0 %**														0 %		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1 034	100 %																
Total (A + B)		**1 034**	**100 %**																

Tokmanni Group has determined the total operating expenses (denominator), EUR 1,034 thousand, in accordance with the Taxonomy guidelines. The operating expenses include expenses related to the Group’s short-term leases.

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

E1 Climate Change

(SBM-3)

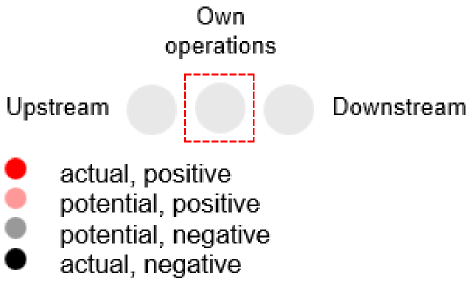
Tokmanni Group is in a transition phase working to develop and integrate Group level environmental policies, targets and data collection metrics and processes. This effects the capability to report certain background assessments and future targets on Group level. The Group plans to enhance its capability on reporting climate related disclosures in for the 2025 report. For the 2024 report, information is disclosed in either Group, segment or store chain level.

Material climate related topics and their management

In the materiality assessment conducted in 2024, Tokmanni Group recognised three climate related topics as material. Please see the topics and related IROs and their location in the value chain described in the table below. Availability of products and materials and acute weather events are physical risks and relate to climate change adaptation. Transition risks regard compliance with increasing climate regulation and the ability to respond to the increasing stakeholder expectations. No metrics presented in this chapter have been assured by external assurance provider other than PwC assuring the sustainability statement.

Climate related IROs

Location in the value chain



Material IROs	Location in the value chain	Description
Impact: Scope 1 and 2 emissions		Greenhouse gas emissions that contribute to climate change are generated directly from the company's own operations, such as its own vehicles and energy consumption.
Impact: Scope 3 emissions		Greenhouse gas emissions that contribute to climate change arise from the operations of partners, such as the use of raw materials, product manufacturing, logistics, and waste. Tokmanni Group's business is based on the sale of a broad and growing product range, which results in the realisation of emissions. By offering products with a lower environmental impact and influencing customer behaviour through product selection development, emissions and climate impact can be reduced at the end of the value chain. This is implemented, for example, through supplier engagement by encouraging suppliers to join amfori BEPI and set science-based emission reduction targets.
Impact: Energy consumption		Increasing energy consumption leads to greater climate impacts as business expands into new markets and locations and the product range grows. The impact of own operations is reduced through the use of renewable energy and energy efficiency measures.
Risk: Costs and operational challenges caused by climate change		Changes in conditions due to climate change may lead to property damage, increased costs, or operational disruptions through raw material availability.
Risk: Costs and reputational damage due to insufficient climate action		Insufficient climate action may result in reputational damage, leading to an inability to attract customers, business partners, and investors. Failure to comply with tightening regulations may also lead to fines.
Risk: Costs arising from increasing climate regulation demands		Tightening regulations, such as the EUDR, the CBAM system for maritime transport, and regulations related to material sourcing and end use, create a need for additional resources and other extra costs.
Opportunity: Cost savings and reputational benefits from operational optimisation		Climate efforts that meet or exceed expectations improve reputation and competitiveness, attracting conscious customers, business partners, and investors. Sustainability work requires operational optimisation, which also leads to cost savings.

Tokmanni Group has identified a general risk regarding its strategy and business model capacity to address climate change related IROs. Tokmanni Group has yet to perform a formal resilience analysis at the Group level. This will be addressed more thoroughly during the strategy update process in 2025.

Climate transition plan

(E1-1)

Tokmanni Group has not yet established a formal transition plan for climate change mitigation. The absence of a plan is attributed to the need for comprehensive Group level data collection and analysis and the ongoing integration of 2023 acquisitions. Tokmanni Group is committed to developing and implementing a long-term transition plan including strategies for reducing greenhouse gas emissions and aligning its business model with the goals of the Paris Agreement.

During the reporting year, the Group calculated baseline emissions and established targets for emission reductions in scope 1, 2 and 3, aligned with the Science Based Targets initiative (SBTi). The new targets will be submitted to the

SBTi for approval in 2025. Tokmanni Group will create a transition plan based on the new SBTs, aligned with the Group’s strategy update.

Policies to manage climate related impacts
(E1-2)

Tokmanni Group does not have a separate climate or environmental policy. Tokmanni Group is in the process of establishing Group level policies, targets, and action plans related to climate change and plans to adopt an Environmental Policy in 2025.

Tokmanni Group's current climate work is embedded in the strategy. The Group aims to reduce environmental impacts in accordance with the Code of Conduct and the strategy, covering all the material sustainability topics. The Code of Conduct states in general level that the Group aims to mitigate the adverse impact its operations have on the environment and expects its partners to strive for the same. More details about the Code of Conduct can be found in the chapter: Policies guiding Governance at Tokmanni Group.

The Group expects its suppliers and service providers to commit to its Supplier Code of Conduct which is based on the amfori BSCI Code of Conduct. More details about the Supplier Code of Conduct can be found in the chapter: Policies for managing impacts to value chain workers. Regarding environmental protection, the amfori BSCI signatories commit in general level to identifying the environmental impacts of their operations and implementing adequate measures to prevent, mitigate, and remediate adverse impacts on the surrounding communities, natural resources, climate, and overall environment.

To enhance environmental performance within its supply chain in risk countries, Tokmanni Group is a member of the amfori BEPI environmental assessment programme. The amfori BEPI program provides tools, guidance, and assessments to address key environmental challenges, including energy use, water conservation, chemical management, and waste reduction.

Taking action to mitigate impacts on climate
(E1-3, MDR-A)

In the table below is a description of key actions taken and planned to prevent or mitigate material negative impacts and reduce risks, and actions to advance material positive impacts pursuing opportunities relating to climate and energy. Actions are presented either on a Group, segment or store chain level. The reporting segments have been explained in the table located in the beginning of the report. The scopes are specified in the tables below. There were no specified actions relating to climate change adaptation and no such actions are planned for near future.

To manage IROs and guide actions relating to climate change, Tokmanni Group currently has a Code of Conduct and Supplier Code of Conduct in place to guide operations through value chain in the big picture. One key action to manage all IROs relating to climate and energy is to create a new, more detailed Environmental Policy for Tokmanni Group in 2025. Effectivity of the actions is monitored by the targets presented in the next chapter: Measuring the success.

Code of Conduct:
Tokmanni Group mitigates the adverse impact its operations have on the environment and expects its partners to strive for the same.

Supplier Code of Conduct:
Suppliers of Tokmanni Group are committed to identifying the environmental impacts of their operations and implementing adequate measures to prevent, mitigate, and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.

Actions related to managing climate –related impacts, risks and opportunities

Actions aimed at preventing and reducing Scope 1-3 emissions:

Actions 2024	Outcomes	Intended actions 2025	Scope of the actions
Tokmanni Group: Calculated baseline emissions for Tokmanni Group and defined new climate targets according the SBTi near-term criteria in scopes 1, 2 and 3.	**Tokmanni Group:** New climate targets will guide Group's climate work from 2025 onwards. Scope 1 and 2 target setting action relates indirectly to various decarbonization levers. Scope 3 engagement target setting action is linked to supply chain decarbonization.	**Tokmanni Group:** The new climate targets will be sent to SBTi for validation. Emission reduction roadmap will be developed for scope 1 and 2	**Tokmanni Group:** Scope 1 and 2 target covers Group's own operations in Finland, Sweden, and Denmark. Scope 3 target covers suppliers of category 3.1 in the upstream value chain**.**
Tokmanni segment: Engaged with suppliers to encourage advanced climate work and to set Science Based Targets.	**Tokmanni segment:** More suppliers are expected to take climate action and setting SBTs will reduce negative climate impacts and is linked to supply chain decarbonization lever.		**Tokmanni segment:** Tokmanni segment's scope 3 category 3.1 suppliers.
Tokmanni store chain: Used eco-delivery service with a major transport partner covering logistics in Asia. Concentrated warehousing operations in Mäntsälä, Finland.	**Tokmanni store chain: *** Using eco-delivery services, a fuel switching level, resulted 5,830tCO_2 emissions saved. Concentrating logistic centres is linked to modification of process lever. Overall, transport emissions were reduced.		**Tokmanni store chain:** Upstream transportation and Tokmanni store chain own operations in Finland.

**The amount of 5,830tCO_2eq emissions saved is obtained from the logistics service provider. Further details of the impact of this action are provided below in the targets section. The specified impact of centralising warehouse operations cannot be quantified.*

Actions related to energy consumption

The transition plan for reducing Scope 1 and 2 emissions mentioned in the table above also includes energy efficiency measures.

Actions 2024	Outcomes	Scope of the actions
Tokmanni Group: Resolved to procure and started implementing the EG EnerKey energy management system	**Tokmanni Group:** Reduced energy consumption and improved energy efficiency management resulting in emission reduction. Acquiring an energy management system is linked to an energy efficiency lever. The results will be seen in the long-term.	**Tokmanni Group:** Own operation in Finland, Sweden and Denmark.
Tokmanni segment: Increased automated remote management and monitoring of energy at 17 stores. Piloted a real-time data predictive analytics system to optimize store energy use. Changed the outdoor lights of 20 locations to LEDs. Continued to assess the sources of heating in stores and identified possibilities for transitioning oil and gas facilities to renewable energy heating in two locations.	**Tokmanni segment:** Reduced emissions from heating and electricity are related to energy efficiency and renewable energy levers. Total energy consumption reduced by 7% compared to 2023.	**Tokmanni segment:** Own operations in Finland.

Commissioned the installation of new solar power plants on the roofs of 6 properties with total capacity of 1,725.7kWp Used 5,255MWh and sold 940MWh of solar power.		
Dollarstore segment: Using compiled data about electricity usage of stores, potential measures were assessed to reduce energy consumption, such as implementing new routines and upgrading to energy-efficient lighting.	**Dollarstore segment:** Reductions in both electricity costs and overall consumption in stores where measurements have been implemented. Some examples are stores in Ulricehamn, Mora and Mariestad that decreased electricity usage by 19.5% in total as a result of face-lift improvements, like installation of a new type of ceiling. These stores represent 1.8% of Dollarstore segment stores (in square meters, per 31 December 2024).	**Dollarstore segment:** Own operations in Sweden and Denmark.

There are no significant CapEx or OpEx allocated to the climate work before the official transition plan. Tokmanni Group has recognised EU Taxonomy aligned capital expenditures (CapEx) for 2024 that, however, cannot be separated per category or action. Nevertheless, Tokmanni Group has allocated human resources (a Sustainability Steering Group and sustainability teams) to work with the sustainability and climate targets. Managing renewable energy and energy efficiency actions require additional resources from the property management teams. Managing climate issues forms a significant proportion of these sustainability allocated resources, being one of the three key areas of sustainability. The distribution of resources between the different sustainability topics or key areas has not been monitored and therefore cannot be reliably estimated.

Measuring the success
(E1-4, MDR-T)

In the table below is a description of targets set, relating to prevent or mitigating material negative impacts reducing risks. There are also targets relating for pursuing opportunities through managing impacts effectively. No stakeholders were directly involved in the target setting. Targets are presented either on a Group, segment or store chain level as presented on the tables.

In 2024, there were only segment and store chain level targets. During 2024, Tokmanni Group has focused on the development of common data collection and metrics required enabling setting Group level climate targets. Tokmanni Group calculated the baseline for scope 1, 2 and 3 emissions and defined new near-term emissions reduction targets in 2024. In 2025, efforts will be focused on obtaining validation from SBTi and implementing the new Group level climate targets.

Targets related to monitoring the climate –related impacts, risks and opportunities

Scope 1 and 2*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni segment	SBT: 70% (13,174 t CO_2eq) absolute emission reduction by 2025	Scope 1–2 emissions 2015: 18,820tCO_2eq	SBT scope 1 and 2 target covers all Tokmanni segment's own operations in Finland	71.5% (13,447 t CO_2eq) absolute emission reduction
Tokmanni store chain	2025: Carbon neutrality (0 CO2e) in own operations	Scope 1 and 2 emissions 2015: 18,820tCO_2eq	Carbon neutral in own operations target includes scope 1 and 2 emissions of Tokmanni store chain	5,315tCO_2eq

** Scope 1–3 climate targets are based on climate science according to SBTi Criteria V4.1 (2020) and are aligned with 1.5 degrees pathway. Other scenarios were not considered, and no sectoral decarbonisation pathways were available. When setting the targets, significant operational changes were not taken into account. For this reason, after the business has grown significantly, the targets will be reevaluated during 2025. The targets and baselines have been validated by SBTi. Calculation methodology based on GHG protocol and scope 1 and 2 emissions is disclosed in with the GHG emission calculation methodology in the chapter: GHG Emissions 2024. Base year 2015 is representative in terms of the activities covered and the influences from external factors based on comparison made on weather conditions and energy consumption in 2013-2017. Shoe House emissions are only included in the 2024 and 2023 calculations. The targets are consistent with the calculation methods and limits presented in the chapter: GHG Emissions 2024.*

Scope 3*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni segment	SBT: 80% of suppliers by spend, covering purchased goods and services have science-based targets by 2025	Share of suppliers having SBTs in 2019: 2%	Scope 3 engagement target covers Tokmanni segment's upstream value chain emissions in category 3.1. Purchased goods and services	47.6% suppliers have set SBTs

** Scope 3 engagement target is calculated by spending from category 3.1 purchased products and services. The percentage includes all suppliers who have set SBTs either independently or through the parent company, and suppliers who have committed to setting SBTs.*
Transport emission intensity is calculated based on category 3.4 Upstream transport and distribution emission inventory disclosed in section GHG emissions 2024.

Upstream transportation emissions intensity*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni segment	Maintain upstream transport emissions intensity at the 2015 level in relation to revenue.	Intensity 2015: 11.5tCO_2/MEUR	The target includes upstream transport and distribution emissions.	Intensity 2015: 14.3tCO_2/MEUR

** Transport emissions intensity is calculated based on category 3.4 Upstream transport and distribution emission inventory disclosed in chapter: GHG emissions 2024.*

Targets related to energy consumption

The targets were achieved due to the energy efficiency measures described in the previous section.

Energy consumption*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni segment	Reduce comparable energy consumption by 1% (1,303MWh) compared to 2023	2023: 130,338MWh	The target covers the energy consumption of own operations in Finland	Energy consumption -7% (9,124MWh) compared to 2023

** The change in comparable energy consumption is calculated based on the total energy consumption of Tokmanni segment. Energy data and collection methods are presented in section Energy use 2024.*

Solar panels

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni store chain	Install 8 new solar power plants (2,000kWp)	-	The target covers own operations in Finland	Installed solar power plants: 6 (1,726kWp).

Tokmanni segment reached its SBTi target regarding scope 1 and 2 emissions reaching 71.5%, meaning 13.447tCO_2eq absolute emission reduction compared to 2015 base year. Scope 1 emissions reduced by 17.5% and scope 2 market-based emissions by 19.1% compared to 2023. Key actions to achieve the target included improving properties' energy efficiency, commissioning the installation of solar power plants and increasing renewable energy usage. For example, using smart automation in a pilot store has decreased gas expenditure by over 30% leading to 14tCO_2eq emission reduction.

In addition to the SBT target for scope 1 and 2, Tokmanni store chain had an additional target to be carbon neutral in own operations in 2025. Tokmanni store chain scope 1 and 2 emissions were 5.315tCO_2eq in 2024. Reaching carbon neutrality in 2025 would require covering the remaining scope 1-2 emissions by compensation.

The engagement target regarding scope 3 emissions was not met. The need for more resources for supplier engagement, that were now insufficient, has been recognised. During 2024 the focus has been on integrating and unifying the Group procurement processes and improving the scope 3 calculation process for the whole Group. During 2025 Tokmanni Group will submit new targets to the SBTi for validation and develop a Group level supplier engagement program in co-operation with the Shanghai sourcing office. No specified resources were not yet set for this work in 2024.

To reduce upstream logistics emissions, Tokmanni store chain cooperated with a major transportation partner, who was able to provide Eco delivery services. This service was utilized for over 89% of Tokmanni store chain's amount of shipments. However, simultaneously shipping routes had to be redirected as the Suez Canal could not be utilised. This resulted in an unexpected increase in shipping distances. For example, transportation for a container from Ningbo, China to Helsinki, Finland resulted in 2.03tCO_2eq using fossil fuels in 2023. In 2024, the same delivery resulted in 3.03tCO^2eq using fossil fuels and 0.72tCO_2eq using eco delivery services. Thus, utilising Eco delivery resulted in a 65% upstream transportation emissions reduction compared to 2023, as opposed to the expected 80%.

Another key activity to reduce logistics emissions in 2024 was the centralization of Tokmanni store chain logistic operations in Mäntsälä, Finland, which consists of two logistics centres. External warehouse operations were minimised during the first half of the year. The quantitative impact of these actions on CO_2eq reductions will be estimated in 2025. Despite these actions to reduce logistics emissions, the emission intensity target was not reached. In addition to unexpected increase in shipping distance from Asia, part of the shipments from Bulgaria were switched from container to truck deliveries resulting in higher emissions per load.

Tokmanni Group's climate work is in a transition phase. The transition means moving from climate targets for Tokmanni store chain to Group level climate targets. Because of this transition, Group level decarbonisation levers or a 2030 target cannot be reported currently but will be considered during 2025 when the Group will set science-based targets and start development of a climate roadmap. In connection with the roadmap work, different means of reducing emissions are considered. Including the role of technologies which have not yet been utilised.

Tokmanni Group plans to announce new Group level targets aligned with SBTi criteria in 2025. During the reporting period, the Group defined new target levels based on SBTi near-term criteria. The new targets will be submitted for approval to the SBTi in 2025. New climate targets cover all Tokmanni Group's operations, meaning operations in Finland, Sweden and Denmark. The new targets will be implemented in Group strategic planning in 2025.

Energy use 2024
(E1-5)

Tokmanni Group's total energy consumption has decreased by 4.3% compared with the previous year and the share of renewable energy increased to 29.1% of the total energy consumption in 2024. Tokmanni segment energy efficiency of properties has dropped district heating expenditure from 78.8 to 74.6kWh/m2. Centralising logistics warehouse operations in Mäntsälä where Tokmanni store chain has two logistics centres has also led to a decrease in district heating expenditure.

Metering and monitoring have improved significantly in oil and gas properties led to reduction in oil and increase in gas properties. These properties generate the energy needed for heating using gas or oil they buy. Dollarstore segment district heating expenditure has increased as the number of properties has risen, but simultaneously emissions from electricity consumption have decreased.

Energy consumption and mix in Tokmanni Group (MWh)*

	2023	2024	Change %
Fuel consumption from coal and coal products (MWh)	-	-	-
Fuel consumption from crude oil and petroleum products (MWh)	3,622	3,094	-14.6%
Fuel consumption from natural gas (MWh)	1,927	2,128	10.5%
Fuel consumption from other fossil sources (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	27,135	25,940	-4.4%
Total fossil energy consumption (MWh)	**32,683**	**31,162**	**-4.7%**
Share of fossil sources in total energy consumption (%)	**18,7%**	**18.7%**	**-0.4%**
Fossil energy consumption Tokmanni segment	*29,897*	*28,238*	*-5.5%*
Fossil energy consumption Dollarstore segment	*2,787*	*2,924*	*4.9%*
Consumption from nuclear sources (MWh)	**92,717**	**87,888**	**-5.2%**
Share of consumption from nuclear sources in total energy consumption (%)	**53.1%**	**52.6%**	**-0.9%**
Consumption from nuclear sources Tokmanni segment (MWh)	*69,542*	*63,750*	*-8.3%*
Consumption from nuclear sources Dollarstore segment (MWh)	*23,175*	*24,138*	*4.2%*
Fuel consumption for renewable sources (MWh)	12	2	-80.5%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	43,926	42,744	-2.7%
The consumption of self-generated non-fuel renewable energy (MWh)	5,225	5,255	0.6%
Total renewable energy consumption (MWh)	**49,163**	**48,002**	**-2.4%**
Share of renewable sources in total energy consumption (%)	**28.2%**	**28.7%**	**2.0%**
Renewable energy consumption Tokmanni segment	*30,899*	*29,226*	*-5.4%*
Renewable energy consumption Dollarstore segment	*18,264*	*18,776*	*2.8%*
Total energy consumption	**174,563**	**167,052**	**-4.3%**
Total energy consumption Tokmanni segment	130,338	121,214	-7.0%
Total energy consumption Dollarstore segment	*44,225*	*45,838*	*3.6%*

** Methodology description disclosed in GHG emissions 2024.*

Energy production (MWh)*

	2023	2024	Change %
Non-renewable energy production (MWh)	4,613	4,396	-4.7%
Renewable energy production (MWh)	6,248	6,196	-0.8%
Total energy production (MWh)	**10,861**	**10,592**	**-2.5%**

** Methodology description disclosed in GHG emissions 2024.*

Tokmanni Group operates in wholesale and retail trade (NACE class G), which is classified as a high climate impact sector. The net revenue from activities in high climate impact sectors (MEUR) includes the total revenue of Tokmanni Group as reported in the consolidated financial statement. This figure has been used when calculating energy intensity disclosed below.

Energy intensity

	2023	2024	Change %
Total energy consumption from activities in high climate impact sectors (MWh)	174,563	167,052	-4.3%
Net revenue from activities in high climate impact sectors (MEUR)	1,393	1,675	20.3%
Tokmanni segment	*1,209*	*1,234*	2.1%
Dollarstore segment	*184*	*442*	140.3%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/MEUR)	**125**	**100**	**-20.4%**

GHG emissions 2024
(E1-6)

				Milestones and target years			
GHG emission (tCO_2eq)	2023	2024	Change %	2025	2030	2050	Annual % target / Base year
Scope 1*	**2,103**	**1,828**	**-13.1%**				
Scope 1: Tokmanni segment	*1,509*	*1,245*	*-17.5%*				
Scope 1: Dollarstore segment	*594*	*583*	*-1.9%*				
Scope 2:	**6,915**	**6,037**	**-12.7%**				
Location based	14,162	12,857	-9.2%				
Scope 2, locations based: Tokmanni segment	*13,270*	*11,941*	*-10.0%*				
Scope 2, locations based: Dollarstore segment	*892*	*916*	*2.7%*				
Market based	6,915	6,037	-12.7%				
Scope 2, market based: Tokmanni segment	*5,103*	*4,128*	*-19.1%*				
Scope 2, market based: Dollarstore segment	*1,812*	*1,909*	*5.4%*				
Scope 3 *	**1,202,172**	**1,362,923**	**13.4%**				
Scope 3: Tokmanni segment	*1,022,266*	*1,139,933*	11.5%				
Scope 3: Dollarstore segment	*179,906*	*222,990*	23.9%				
1. Purchased goods and services	957,529	1,178,335	23.1%				
2. Capital Goods	-	-	-				
3. Fuel and energy related activities	5,264	4,940	-6.2%				
4. Upstream transportation and distribution	24,492	25,434	3.8%				
5. Waste generated in operations	537	421	-21.6%				
6. Business travelling	539	605	12.2%				
7. Employee commuting	5,321	5,657	6.3%				
8. Upstream Leased Assets	-	-	-				
9. Downstream transportation	208,490	147,533	-29.2 %				
10. Processing of Sold Products	-	-	-				
11. Use of Sold Products	-	-	-				
12. End-of-Life Treatment of Sold Products	-	-	-				

13. Downstream Leased Assets	-	-	-
14. Franchises	-	-	-
15. Investments	-	-	-
Total GHG emissions:	**1,211,190**	**1,370,789**	**13.2%**
Total GHG Emissions, location based	**1,218,437**	**1,377,608**	**13.1%**
Tokmanni segment	*1,037,045*	*1,153,118*	*11.2%*
Dollarstore segment	*181,392*	*224,490*	*23.8%*
Total GHG emissions, market based	**1,211,190**	**1,370,789**	**13.2%**
Tokmanni segment	*1,028,878*	*1,145,306*	*11.3%*
Dollarstore segment	*182,312*	*225,483*	*23.7%*

** Biogenic emissions were not calculated. Tokmanni Group does not have operations part of GHG emissions from regulated emission trading schemes, meaning proportion of regulated emissions are 0%.*

Tokmanni does not yet have climate related Group level targets. Targets specific to segments and store chains are presented only in the previous chapter: Measuring success.

During calculating the emissions of the year 2024, it was noticed that the emission data for the year 2023 lacked oil consumption for a few Tokmanni stores. The calculation for 2023 was updated to ensure comparability between 2023 and 2024 resulting in an increase of 578tCO_2eq in 2023 scope 1 emissions.

The revenue used in calculations was 1,675.0MEUR (2023: 1,392.7MEUR) and is in line with the consolidated financial statement.

Tokmanni Group GHG intensity (tCO_2eq)

	2023	2024	Change %
Intensity Scope 1-2 (location based)	**12**	**9**	**-24.9%**
Tokmanni segment	*12*	*11*	*-12.6%*
Dollarstore segment	*8*	*3*	*-58.0%*
Intensity Scope 1-2 (market based)	**6**	**5**	**-27.5%**
Tokmanni segment	*5*	*4*	*-20.6%*
Dollarstore segment	*13*	*6*	*-56.9%*
Intensity Scope 3	**863**	**814**	**-5.7%**
Tokmanni segment	*846*	*924*	*9.2%*
Dollarstore segment	*977*	*504*	*-48.4%*
Total GHG emissions intensity (location based)	**875**	**822**	**-6.0%**
Tokmanni segment	*858*	*935*	*8.9%*
Dollarstore segment	*985*	*507*	*-48.5%*
Total GHG emissions intensity (market based)	**870**	**818**	**-5.9%**
Tokmanni segment	*851*	*928*	*9.1%*
Dollarstore segment	*990*	*510*	*-48.5%*

Reflections on the GHG inventory results

Scope 1 and 2

Tokmanni segment scope 1 emissions reduced by 17.5% and scope 2 market- based emissions by 19.1% compared to 2023 due to multiple factors in addition to actions and other reasons disclosed in section above: Measuring success.

Tokmanni segment has continued implementing energy efficiency measures in properties such as automated remote management and monitoring of energy in stores and changing outdoor lighting. District heating emission factors have also been steadily decreasing as energy companies improve their products (average 2023: 89.9kgCO_2eq/MWh, 2024: 80.9kgCO_2eq/MWh for stores). This has led to a 624tCO_2eq emission reduction in stores. Refrigerants have been swapped out for less emission intensive options resulting in a 160 tCO_2eq emission reduction.

For Dollarstore segment properties in Sweden and Denmark, emissions have remained relatively similar compared to 2023. Emissions from district heating have increased by around 48tCO_2eq as a consequence of a higher amount of properties, but simultaneously emissions from electricity consumption have decreased by 51tCO_2eq. Scope 1 emissions have decreased slightly, and emissions from segment's vehicles have decreased by 18tCO_2eq, or 11%, due to stronger utilisation of Hybrids and EVs.

Scope 3

Tokmanni Group's emissions from purchases have increased in all locations due to increase in purchases. Due to the nature of spend-based emission assessments, an increase in profit margin has led to a significant increase in emissions. This is particularly visible in Dollarstore segment's emissions. In the Tokmanni segment, emissions have grown in-line with the increase in amount of purchased products.

Transportation emissions for Tokmanni segment have decreased though not as much as anticipated due to longer transportation distances in international freight. Emissions caused by domestic transportation has increased by around 900tCO_2eq. International freight has decreased by 450tCO_2eq. A decrease in paper advertisements has led to a 2,115tCO_2eq transportation emission reduction.

Transportation emissions have grown for Dollarstore segment especially relating to international freight. Longer transportation distances than expected has caused some of the increase, while some is thought to be explained by a higher level of assessment quality as compared to 2023. This is evident by a rise in metered domestic transportation emissions and a decrease in estimated domestic transportation emissions.

Emissions from business travel have increased as a result of a higher number of business trips as well as an increased share of business class travels. Business class travels cause more emissions as the traveller takes up more space on the plane. Emissions from employee commute has increased. This is explained by the fact that calculation of these is based on employee headcount. As the number of employees has grown during the reporting period, so has the emissions from employee commuting.

Tokmanni Group downstream transportation emissions have decreased compared to the previous reporting period mainly as a result of access to better quality raw data. An updated customer survey on the Finnish market provided more accurate distance data for the calculations that was also used when calculating emissions for Dollarstore segment. Resulted from the better-quality data, private vehicle emissions in Tokmanni segment decreased by 38,000tCO_2eq and public transit emissions by 3,700tCO2eq. In the Dollarstore segment, private vehicle emissions decreased by 18,000tCO_2eq and public transit emissions by 1,800tCO_2eq.

GHG emission calculation methodology

Tokmanni Groups emissions assessment has been conducted using the Operational Approach. No effects of significant events and changes in circumstances that occur between the reporting dates of the entities in its value chain and the date of the undertaking's general purpose financial statements have been detected. Tokmanni Group owns 50% of the Shanghai sourcing office but does not exercise operational control over the company. Therefore, the office is excluded from Scope 1-2 calculations. The joint venture's impact on these greenhouse gas emissions inventory would be minimal. Compared to Tokmanni Group, the sourcing office's personnel amount to less than one percent (0.6%), and its environmental impacts are generated solely from the maintenance of the office (approx. 550 m^2) and staff travel. The impacts of purchases made through the Shanghai sourcing office are included in category 3.1. purchased goods and services.

Tokmanni Group does not have any GHG removals or mitigation project nor is there Internal carbon pricing. The need for these will be assessed creating the transition plan.

Scope 1

Oil and gas (heating):
Oil and gas are used to heat 14 Tokmanni segment properties (5 oil, 9 gas) and 6 Dollarstore segment properties (1 oil, 5 gas). All gas and all but one oil using properties in Finland and none of the Swedish or Danish properties have been metered. For missing properties, oil and gas expenditure has been extrapolated based on real estate type and floor area. For properties in Sweden and Denmark, this causes significant unreliability in the emission assessment.

Due to a calculation error which was identified during the 2024 GHG assessment, Tokmanni segment's energy consumption data concerning 2023 was revised, resulting in 1.8% higher consumption level for 2023.

Emission factors used are from Statistics Finland. WTT Emissions are accounted for in category 3.3.

Refrigerants:
Refrigerants used include for example R290, R410a, R744. The emission factors for these products vary significantly. Emission factors have been provided by the supplier and can be verified from other sources. For Tokmanni segment properties refrigerants were measured in 2024. For Dollarstore segment properties, 2023 data have been used as proxy because of a lack of data. This is not estimated to cause major shifts in the assessment as the use of refrigerants remained similar to the previous reporting period.

Vehicles:
Dollarstore segment leased or owned a total of 27 vehicles during the reporting period. The emissions of these vehicles have been assessed using the distance-based method and in-car metering. Emission factors used are from Defra assuming a ”medium car”–type. Tokmanni segment does not own or lease transportation vehicles.

Scope 2

Electricity:
Electricity is metered in 76% of Tokmanni segment properties and 83% of Dollarstore segment properties. For missing properties, electricity expenditure has been extrapolated based real estate type and floor area.

The electricity used by Tokmanni segment is carbon free. With the exception of self-produced solar electricity, this is covered by carbon-free energy certificates making the market-based emission factor 0gCO_2/kWh. The location-based emission factor for Finland (published by public authority Motiva) is 70gCO_2/kWh. Share of energy certificates of Tokmanni Group's purchased energy (Scope 2) is 41%.

The electricity purchased by Dollarstore segment was bought from the free-market, and the market-based emission factor is the residual-mix emission factor 39gCO_2/kWh. The location-based emission factor for Sweden (published by public authority) is 8gCO_2/kWh.

District heating:
District heating is metered in 50% of Tokmanni segment properties and 81% of Dollarstore segment properties. For missing properties, heating expenditure has been extrapolated based on real estate type and floor area. The district heating emission factors for Finland are 2023 factors from the EnerKey system. For Sweden they are from Miljövärdering. At the time of calculation, the emissions factors for 2024 were not yet available. For Denmark the national average has been used. When calculating market-based emissions, properties with renewable district heating contracts have been considered.

Scope 3

Percentage of GHG scope 3 calculated using collected primary data for the Group is 99. Secondary estimates were only used in Employee commuting.
The following scope 3 GHG emissions categories have been excluded:

- Category 3.2. Is not relevant as Tokmanni Group has no significant Capital Expenses, all relevant expenses have been considered in category 3.1.
- Category 3.10. Is not relevant as Tokmanni Group does not process sold products in a significant way.
- Category 3.11. and 3.12. are included in category 3.1.
- Categories 3.13., 3.14. and 3.15 are not relevant for Tokmanni Group's business model.

Purchased good and services:
Calculated with purchase spend data by purchase category and average sales margin data. Emission factors are from Finnish Envimat model published by SYKE (Finnish Environment Institute), Exiobase and EPA representing lifetime GHG-emissions. For Exiobase it was possible to use national emission factors for products, so they were prioritised. When not possible, Finnish Envimat figures were used for both segments. When Envimat appeared inconclusive EPA (American Environmental Protection Agency) figures were used. EPA and Exiobase figures are available on Climatiq.

In Finland, the purchase prices 2024 were corrected using Statistics Finland (2024) price index data and sales margin data. The same sales margin was used for entire Tokmanni segment. In Sweden and Denmark, similar corrections were made using each country's respective Consumer Price Indexes. Dollarstore segment sales margin data was used for Dollarstore segment purchases.

As the emission factors include the whole lifecycle of products, transportation of products has been double counted, once in Category 1 and again in Category 4. As spend-based emission assessments tend to be non-comprehensive, it is a quality improvement to include double counting in this category. Category 1 data also includes the estimate for use phase (Category 11 for electrical appliances) and end-of-life (Category 12). While purchase spend data is accurate, the emissions factors are high-level estimates, intended to evaluate the magnitude of emissions from consumption in Finland, Sweden and Denmark.

Other fuel and energy related emissions:
For purchased electricity, district heat and fuels, the emissions from the extraction, production, and transportation are calculated based on the energy amounts reported in scope 1 and 2. WTT emission factors from Defra were used for the assessment assuming total energy mix would be in line with Finnish and Swedish energy mix, respectively.

For electricity and district heat, the emissions of transmission and distribution losses are included. Emission factors for electricity grid losses in Finland were calculated based on Caruna's emission report. For the national grid, Fingrid figures were used. Fingrid reports its emission intensity. In Sweden, a similar assessment was conducted using figures from Ellevio.

Upstream transportation:
This category includes all purchased transportation services including paper advertisement postage, international and domestic freight, food deliveries (Tokmanni store chain only) and ordered transportation (for Dollarstore segment only). For Tokmanni segment all emissions are supplier specific as primary supplier data was available for all purchases. For Dollarstore segment, supplier specific primary data was available for over 80% of transportation by spend on products. The remainder was extrapolated based on transportation type (for example international, domestic, mail).

Waste:
Tokmanni segment waste data was received from waste operator L&T by type and treatment method. The amount of data on electrical and electronic waste was obtained from Stena Oy and Elker Oy. Battery-waste and treatment methods was received from Recser Oy. L&T's primary emission reporting covers approximately 85% of Tokmanni segment's sites (surface areas). The waste profile of the Tokmanni segment stores not covered by L&T's reporting is estimated to be similar to the waste profile of the stores that are covered by L&T's reporting. Thus, the missing data was extrapolated from metered data. Starting in 2022, more accurate emission data from waste management has been directly obtained from the waste operator L&T. For waste types not covered by L&T's reporting (waste electronic equipment, batteries and pallets), Defra emission factors were used.

Dollarstore segment waste data was collected from waste partners Marius Pedersen A/S (Denmark, stores), Stena Recycling (Sweden, stores and warehouse), and Returab (Sweden, office), respectively. Emission factors from Defra were used and multiplied with activity data.

Business travel:
An emissions report for flight and rail travel has been obtained from the service provider. Energy consumption is not known, but the report includes travel distances by class. Distance-based emission assessment methodology was used to estimate the emissions of flights based on service providers' activity data and Defra's emission factors. The calculations include emissions for indirect (non-CO_2 emissions for example water vapour, contrails, NOx) climate change effects.

Employee commuting:
Emissions were calculated using employee headcount in 2024, estimated average distance travelled to work, average Finnish modes of commute, and commute type specific emission factors from Defra. The same method has been used for Finland, Denmark and Sweden. 50% of employees at the Group's head offices were estimated to work from home and have been excluded from the calculation. The estimation was based on Tokmanni segment's policy on working from home.

Customer travel:
Emissions have been calculated using number of customer receipts and an estimation of the distance travelled to from customer's home to store. The estimation was based on a customer survey within the Tokmanni segment in February 2025. Type specific emission factors were obtained from Defra.

E5 Resource Use and Circular Economy

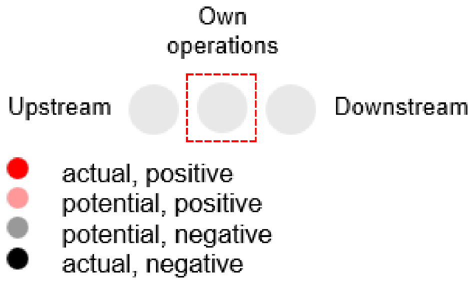
Tokmanni Group is in a transition phase developing and integrating Group level environmental policies, targets and data collection metrics and processes. This effects to the Group's capability to report certain background assessments and targets on Group level. Comprehensiveness and reliability of resource use and circular economy related data will be developed during 2025 to increase the quality of disclosed information in the consecutive reports. For the 2024, information for the topical standard E5 is mainly provided at segment and store chain level with limited Group level disclosures.

Material circular economy related topics and their management

Please see the topics and related IROs and their location in the value chain described in the table below. Time horizons of the impacts are either in the short-, medium- or long-term. Time horizon for the material risk is long-term. No metrics presented in this chapter have been assured by external assurance provider other than PwC assuring the sustainability statement.

Circular economy related IROs

Location in the value chain



Material IROs	Location in the value chain	Description
Impact: Material use		The extensive use of virgin materials in the production of products that require a significant amount of resources has negative environmental impacts. The negative impacts of resource inflows are mitigated through material efficiency and by reducing the use of packaging materials in own-brand products.
Impact: Waste		Waste generated in own operations as well as at the beginning and end of the value chain has negative environmental impacts. The negative impacts of waste are mitigated by acting in accordance with the waste hierarchy* and aiming primarily to reduce, reuse, and recycle waste.
Risk: Reputational damage due to insufficient action related to circular economy		Reputational damage and financial losses arising from failure to meet customer expectations regarding circular economy products and services, related to challenges in adopting circular economy business models in discount markets. On the other hand, successful circular economy solutions can lead to cost savings and reputational benefits.

Policies to manage impacts on resource use and circular economy
(E5-1)

Tokmanni Group does not have a separate environment, or therefore resource use and circular economy related, Policy. The Group is in the process of establishing Group level targets, and action plans related to environment and plans to adopt a Group level Environmental Policy in 2025. Tokmanni Group's current environmental work is embedded in accordance with the strategy. During the reporting period, measures such as reduction of packaging materials and waste and improving the sorting and recycling of waste has been guided by upper-level policies and guidelines such as Tokmanni Group Code of Conduct, Supplier Code of Conduct and high-risk raw material principles.

Tokmanni Group Code of Conduct states: “We use materials and resources efficiently and actively seek to improve ways of utilising them throughout the value chain. We strive to use environmentally friendly materials and services in all our operations.” There are no direct mentions about virgin materials, use of renewable resources, or waste hierarchy in the Code of Conduct. The Code of Conduct states that Tokmanni Group aims to mitigate the adverse impact that the operations have on the environment and expects partners to strive for the same, ensuring sustainable sourcing. The Code of Conduct is presented in the chapter: Policies guiding Governance at Tokmanni Group and the Supplier Code of Conduct in the chapter: Policies for managing impacts to value chain workers.

The Group has identified cotton, wood, palm oil, coffee, and fish as high-risk raw materials that are significant for Tokmanni Group in terms of spend. The Group is committed to sourcing these raw materials more sustainably by relying on certifications that set requirements for the conservation and also promotion of biodiversity, such as FSC, RSPO, Rainforest Alliance, and organic farming certifications.

The Code of Conduct's statement on sourcing is implemented in operative level by principles regarding high-risk raw materials, including guidelines for sourcing high-risk raw materials. Guidelines cover the high-risk materials. In addition, Tokmanni store chain has waste reduction and resource efficiency related commitments, such as the Finnish Food industry’s material efficiency (Matsit) and Plastic bag commitment.

The Group will continue to update and synchronise Group level guidelines and principles. Dollarstore segment has started to implement Principles of Responsible Sourcing and Guidelines for Responsible Sourcing during 2024 through training and workshops with the purchasing department, and to adopt Tokmanni segment’s principles and guidelines, including high-risk raw material principles. Dollarstore segment received a promotional license for FSC during 2024 and started data collection in order to become a member of Better Cotton Initiative.

Taking action to material efficiency and waste reduction
(E5-2, MDR-A)

In the table below is a description of actions taken and planned to prevent or mitigate material negative impacts reducing risks, and actions to promote material positive impacts pursuing opportunities relating to resource use and circular economy. Actions are presented either on a Group, segment or store level as specified in the tables below. The reporting segments have been explained in the table located in the beginning of the report. Effectivity of the actions is monitored by the targets presented in the next chapter: Measuring the success.

To manage IROs and guide actions relating to circular economy in 2024, Tokmanni Group had only Code of Conduct in place to guide the big picture. One key action to manage all IROs relating to resource use and circular economy is to create a new Environmental Policy for Tokmanni Group in 2025. No other specified actions relating to resource outflows have been or are planned.

Code of Conduct:
Tokmanni Group mitigates the adverse impact its operations have on the environment and expects its partners to strive for the same. Tokmanni Group uses materials and resources efficiently and actively seeks to improve ways of utilising them throughout the value chain. The Group strives to use environmentally friendly materials and services in all its operations.

Supplier Code of Conduct:
Suppliers of Tokmanni Group are committed to identifying the environmental impacts of their operations and implementing adequate measures to prevent, mitigate, and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.

Measures for managing the impacts and risks related to resource use and the circular economy

Actions aimed at preventing and reducing the impacts related to material use

Actions 2024	Expected outcomes	Scope of actions
Tokmanni Group: Tokmanni's raw material principles were integrated into Dollarstore segment's purchasing processes and incorporated into Dollarstore segment's framework for quality-assured and sustainable products.	**Tokmanni Group:** Sustainable sourcing of raw materials contributes to mitigating the negative impacts of raw materials. Effects will be seen in long-term.	**Tokmanni Group:** Own operations and upstream value chain.
Dollarstore segment: Implemented guidelines for chemical use on all new products.	**Dollarstore segment:** Clear guidance: no substances on the so-called Candidate list are allowed and PVC-material is avoided.	**Dollarstore segment:** Own operations and upstream value chain.
Tokmanni store chain: Renewed Priima private label grocery packaging according to packaging guidelines.	**Tokmanni store chain:** Packaging improvement actions contribute to mitigating the negative impacts of raw materials. Effects will be seen in long-term.	**Tokmanni store chain:** Own operations and upstream value chain.

Actions aimed at preventing and reducing the impacts related to waste

Ongoing actions conducted in 2024	Expected outcomes	Scope of actions
Tokmanni Group: Increased the reuse and recycling of materials. The Group monitored the use of waste components, provided guidance to employees, and implemented careful sorting at the stores, the logistic centres, and offices.	**Tokmanni Group:** Optimisation of waste management in line with the waste hierarchy: improved recycling and reuse of materials while trying to mitigate the amount of waste. The recycling and reuse rate for Tokmanni Group was 80.8% in 2024.	**Tokmanni Group:** Own operations in Finland, Sweden, and Denmark.
Dollarstore segment: Launched a supplier engagement project driven by the goal to optimize recycling efforts across Dollarstore segment stores.	**Dollarstore segment:** Identifying and gaining a comprehensive understanding of how Dollarstore segment stores manage waste and recycling processes to increase efficiency and reduce costs.	**Dollarstore segment:** Own operations.
Tokmanni chain stores: Sold food products with significant discounts nearing or exceeding their best-before date. The logistics centre in Mäntsälä and 135 stores made food donations to local charities. Participated in national food waste monitoring study periods by the Natural Resources Centre.	**Tokmanni chain stores:** Optimisation of waste management in line with the waste hierarchy: reduction of food waste. Altogether 4.9 million of soon-to-expire products were sold with discounts to avoid food waste.	**Tokmanni chain stores:** All Tokmanni stores and logistics centre in Finland.

** The waste hierarchy refers to the priority order in waste prevention and management: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g., energy recovery; and (e) disposal.*

As an ongoing action, Tokmanni Segment fulfils its statutory producer responsibility obligations by annually reporting packaging data to Rinki Oy, WEEE reporting to Elker Oy, and battery and accumulator reporting to Recser Oy. Dollarstore segment reports all products placed on the Swedish and Danish markets and covered by producer responsibility requirements to the Swedish Environmental Protection Agency and to the Danish Environmental Protection Agency, respectively.

Measuring the success
(E5-3, MDR-T)

In the table below is a description of targets set relating to preventing or mitigating material negative impacts reducing risks, and actions to promote material positive impacts pursuing opportunities. Targets are presented either on a Group, segment or store level as presented in the tables.

In 2024, there were Group and store chain level targets, while for 2025, the efforts will be focused on increasing the recycle and reuse rate at Tokmanni Group, and defining other relevant Group level impact targets, metrics and process of monitoring. For the time being, the Tokmanni Group does not have circular economy-related targets for product design, increasing the utilisation rate of recycled materials, sustainable procurement of renewable resources, or other themes. The targets are related to the minimisation of primary raw materials and waste management.

The Tokmanni store chain is committed to Matsit, which is a voluntary material efficiency commitment for the food industry. The targets of the Tokmanni store chain are derived from this commitment, and dialogue with our own stakeholders was not considered necessary when setting the targets. The targets are not based on specific scientific evidence or ecological threshold values. The material efficiency results related to the Matsit commitment are in line with the 2026 target. The Group level targets will be set during 2025 and processes to measure impacts will be developed to better meet the requirements of the ESRS 5 standard.

In 2024, there were Group and store chain level targets, while for 2025, the efforts will be focused on increasing the recycle and reuse rate at Tokmanni Group, and defining other relevant Group level impact targets, metrics and process of monitoring.

Tokmanni Group has operational targets related to the Matsit commitment. The Group has, for example, renewed the guidelines related to packaging materials, according to which the number of new products are monitored. However, strategic targets regarding material use and related risks have not yet been set. The Group recognises that the raw materials used in the packaging also have negative impacts on biodiversity, but the topic is not material based on the DMA. This is why more detailed evaluations have not been made from this point of view.

Targets to monitor preventing and mitigating significant negative impacts related to waste

The targets aim to drive action for careful waste management relating to recycling, preparation for reuse, and disposal and are voluntary based through Matsit commitment, in addition to legislative requirements. Information related to Matsit commitment are published annually on the Matsit website Targets do not rely on any specific scientific evidence or ecological thresholds.

Recycling and reuse rate*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni Group	2025: 85%	2024: 80.8%	Tokmanni Group’s own operations	80.8%
Tokmanni store chain	2024: 85%	2023: 83.5%	Tokmanni store chain's own operations	82.9%

** Disposal of waste has been directed off-site and information on waste disposal methods has been provided by the waste disposal contractor. Reuse consists of reused pallets at the logistic centre.*

Reducing food waste*

Reporting segment	Targets	Baseline and year for the target	Scope of the target	Results 2024
Tokmanni store chain	2026: -30%	2021: 615 tonnes	Tokmanni store chain’s own operations	540 tonnes, -12,1 %

** The target for food waste reduction relates to the prevention and disposal of waste. The calculation is based on food waste data extracted from the product management system using wastage codes marked for unsold food products.*

The Group continued to increase recycling and reuse of waste, but the actions taken were not quite sufficient to reach the Tokmanni segment target of 85%. Further actions will be planned to reach the same target on Group level in 2025.

Despite the continuous actions to reduce food waste, the total amount of food waste in 2024 compared to previous year increased. Some of the factors contributing to the negative development are the opening of two new Tokmanni stores selling fresh food and implementing a new process for the fresh food logistics. Further monitoring of the underlying causes will be conducted in 2025.

Resource use 2024

(E5-4, E5-5)

Resource inflows

Tokmanni Group’s material inflows consist of the wide variety of products the Group is selling and their packaging. The Group’s product portfolio and material inputs are disclosed in chapter: Sustainability and strategy. Tokmanni Group’s products contain various materials, but the product management systems do not yet fully enable the categorisation of materials, or the collection of data as required by ESRS E5. Thus, the Group’s material inflows are managed through the product categories disclosed in the table below.

The information disclosed as resource inflows metrics is for Tokmanni store chain only. Though the product groups of Tokmanni store chain and Dollarstore store chain are quite aligned, there are significant differences in the share of individual categories such as food and apparel. Based on these differences, using Tokmanni store chain product data to estimate Dollarstore store chain resource inflows would result in misleading and incorrect results and information has thus not been provided on Group level.

Tokmanni Group is in the process of developing product data collection systems and methods. This development will significantly improve the ESRS E5 resource inflows and outflows disclosure in the coming years.

Tokmanni store chain, inflows 2024*

	Tonnes	%
Technical products and their packages	119,494.11	43%
Biological product and their packages	156,253.60	57%
Sustainably sourced biological products and their packages	14,317.36	5%
Recycled products and their packages	14,323.78	5%
Total weight products and packaging	**275,747.71**	**100%**

** Tokmanni store chain's information on material resource inflow is based on direct calculations from the company's data warehouse. The data used is based on received purchases. Weight information includes the package weight.*

- A product is considered a biological product for the extent it meets any of the following criteria: it contains food, drinks, garden, tobacco, palm oil, cotton, wood, or animal derived.
- Technical products contain all other products. Categorisation was made based on information in the warehouse data.
- Sustainably sourced materials include products sourced according to the Group's High-risk Raw-material Principles and products with third party verified sustainability certificates.
  - The certificates include:
    - Aquaculture Stewardship Council
    - Aurinkomerkki (Evira)
    - Better Cotton Initiative
    - Bra Miljoval
    - COSMOS Natural and COSMOS Organic cosmetics, incl. BDIH, Cosmebio, Ecocert, ICEA, Soil Association
    - Demeter
    - EU Organic Logo
    - (Organic Content Standard) Blended Organic cotton
    - (Organic Content Standard) 100 Organic cotton
    - Roundtable on Sustainable Palm Oil (RSPO)
    - Rountable on Responsible Soy
    - GLOBALG.A. P
    - Global Organic Textile Standard (GOTS)
    - Krav Label
    - FSC (Forest Stewardship Council)
    - MSC (Marine Stewardship Council)
    - PEFC
    - The Nordic Ecolabel (Swan)
    - Rainforest Alliance
    - Fairtrade
  - Purchased materials are used primarily as a product and not as energy, in accordance with the cascade principle. For risky raw materials, such as wood, the intention is to purchase recycled raw materials. The Tokmanni Group has quantities of products intended for energy production, such as firewood.
- Recycled product information is based on information in the warehouse data, in the field "Contains recycled material".

The company does not recognise significant shortcomings in the data used, except for information missing from other companies. There is a possibility of some deficiencies in the weighting factors that create marginal uncertainty in the figures. In addition, it is possible that some products are missing certificates in the system, giving more negative picture of the figures.

Waste

According to the DMA results, waste is considered the only resource outflow for Tokmanni Group. Majority of waste is created from logistics, consisting of package waste such as reusable pallets (38% of total waste), carton (21%) and paper (14%). Activities also create significantly smaller share of other waste streams, such as metals (1% of total waste) and plastic (2%), is also produced. The share of burnable/energy waste is 12%. Tokmanni Group has fresh food for sale only in selected stores, which limits the share of produced biowaste to 3% of total waste. Only a small share of hazardous waste (1%) and electronic waste (1%) is produced. The rest of the waste (7%) consists mainly of sludge, wood waste and construction waste. No radioactive waste was generated in Tokmanni Group's operations.

Waste data received from waste management partner (supplier specific data). When not available, data has been extrapolated based on square footage of stores. Extrapolation conducted only for Tokmanni segment to cover missing 15% of properties. The waste profile of the stores of Tokmanni segment not included partner's waste data reporting, is estimated to be similar to the profile of the stores included in the reporting. Therefore, the missing data were extrapolated from the measured data. For pallets outside the waste reporting system, an average weight of 14kg per pallet was assumed. Of the pallets handled by the waste management partner, 99% were assumed to be recycled and 1% for energy –using. Of the pallets handled by Tokmanni in Mäntsälä, 100% were reused.

In 2024 Tokmanni Groups generated waste 27,299 tonnes in total, out of which 5,231 tonnes (19.2%) was non-recycled waste. Thus, over 80% of waste was directed to reuse or recycling. The waste treatment types are disclosed in more detail in the table below.

Waste by treatment type (tonnes)

	Tokmanni Group	Tokmanni segment	Dollarstore segment
Total amount of hazardous waste	**307**	**283**	**25**
Hazardous waste directed to disposal	**37**	**12**	**25**
Incineration	37	12	25
Landfill	-	-	-
Other disposal operations	-	-	-
Hazardous waste diverted from disposal	**270**	**270**	**-**
Reuse	-	-	-
Recycling	206	206	-
Other recovery operations	64	64	-
Total amount of non-hazardous waste	**26,992**	**21,323**	**5,699**
Non-hazardous waste directed to disposal	**11**	**11**	**-**
Incineration	-	-	-
Landfill	11	11	-
Other disposal operations	-	-	-
Non-hazardous waste diverted from disposal	**26,981**	**21,312**	**5,669**
Reuse	10,269	10,268	0
Recycling	11,593	7,444	4,149
Other recovery operations*	5,119	3,599	1,520
Total amount of non-recycled waste	**5,231**	**3,686**	**1,545**
Percentage of non-recycled waste	*19%*	17%	27%
Total amount of waste generated	**27,299**	**21,605**	**5,694**
Radioactive waste	-	-	-

**Other recovery operations comprise mainly of waste incineration for energy production*

People

S1 Own Workforce

Material own workforce related topics and their management
(SBM-3)

The table below shows the material IROs identified by the Tokmanni Group in the 2024 DMA and their location in the value chain. Material impacts on own workforce are always materialised through own operations. All IROs are potentially materialised in the short-, medium- or long-term. The metrics presented in this chapter have not been assured by an external assurance provider other than PwC assuring the Sustainability Statement.

Tokmanni Group has grown through organic growth and acquisitions to be one of the leading variety discount retailers in the Nordics. The Group has employees in Finland, Sweden, and Denmark. The Group employs more than 6,600 employees and serves around 230,000 customers daily, which has significant economic and social impacts.

All material impacts on the own workforce result from the Group's strategy. Positive impacts are materialised through the implementation of the measures set out in the annual action plans and their results. Negative impacts will materialise if the measures in the action plans are not implemented or are otherwise failed. Ensuring a safe working environment through compliance with national legislation, equality, and wellbeing at work are important elements of the Group's strategy.

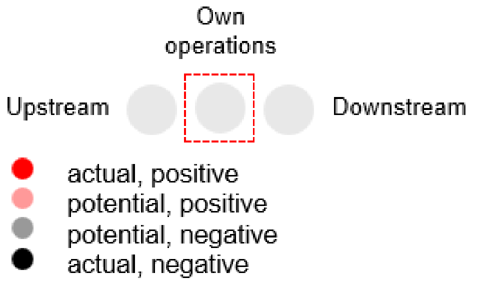
Work on equality is being done at many fronts. The Group focuses on providing its employees with meaningful work and opportunities for career development through training and internal career paths. Equality is maintained and developed by treating employees equally, both in recruitment and during their employment. In line with the Group's culture, everyone has the right to be themselves, and a safe working environment aims to ensure the physical and psychological safety of employees. The Tokmanni Group's strategic goal is to be the best workplace in the retail sector.

The IROs identified are in line with what has been considered in the strategy and business management in the past. No changes to the strategy and business management have been made so far based on the DMA completed in 2024. IROs will be taken into account in the next strategy update, which is expected to be published at the end of 2025. The strategy defines the Group's common business and sustainability targets. However, activities are guided by the dialogue with employees, which has also been used as a basis for the DMA.

Success in the strategic targets and measures will cause positive impacts and opportunities while failing causes potential negative impacts and risks. Tokmanni Group's business is dependent on its workforce. The material risks are therefore materialised depending on how well the identified actual and potential impacts are managed, as they have an effect on employee satisfaction, employer image, and employee commitment.

IROs related to own workforce

Location in the value chain



Material IROs	Location in the value chain	Description
Impact: Compliance with national legislation		As a responsible employer, the Tokmanni Group ensures that employment contracts comply with laws and collective agreements. Exceeding legal requirements, as well as failing to meet them, affect employee well-being and endurance.
Impact: Promoting equality and diversity		Maintaining and developing equality through fair recruitment, equal employment relationships, ensuring equal pay, promoting training opportunities, and supporting internal career paths. Efforts to promote equality enhance psychological safety at work. Areas for improvement have been identified in diversity efforts.
Impact: Employee well-being		Occupational health and safety systems and accident prevention influence employee safety and well-being. Efforts are also made to promote psychological safety at work.
Impact: Workplace accidents		Workplace accidents, when materialised, affect employee safety and well-being.
Impact: Data security breaches		Potential data security breaches would compromise employee privacy. The Tokmanni Group maintains data protection through strong security practices and employee training.
Risk: Deficiencies in operations leading to a poor employer reputation and increased costs		A poor employer reputation weakens workforce availability and increases employee turnover, resulting in additional costs and reduced investment capacity, which in turn affects business profitability. On the other hand, effective human resource management brings positive impacts. For example, data breaches or other legal non-compliance could cause significant reputational damage and financial costs.

** Tokmanni Group has not identified any material human rights risks or negative impacts on employees caused by the green transition. Tokmanni Group does not yet have a Group level climate transition plan in place. When creating the transition plan in 2025, impacts on own workforce may be considered.*

Most of the Group's employees work in the stores or the logistics centres, either on a permanent or fixed-term basis. About 400 of the Group's employees work in the head offices, either in Finland or Sweden. Additionally, the Group at times employs students as trainees or offers secondary school students the possibility to do their short work practice. During summer holidays, sick leaves and peak seasons, the Group also uses temporary workers from personnel service providers, in addition to summer substitutes. All these employee groups were considered in the 2024 DMA. The Group uses very few workers who are not directly employed by the Group, i.e. employees who work through personnel service providers, in relation to its own staff, and therefore reporting on this group of employees has been defined as non-material. While working under the control of Tokmanni Group, these non-employees also operate in accordance with the Group's principles.

Tokmanni owns 50% of the sourcing company in Shanghai, China, Tokmanni-Europris Trading Co. Ltd, together with Europris. Due to administrative structure, the company is a joint venture and not a subsidiary. Employees working at Tokmanni-Europris Trading Co. Ltd are therefore considered workers in the value chain and are included in the next chapter: S2 Workers in the Value Chain.

All the identified negative impacts for own workforce are related to incidents that may happen in Tokmanni Group's own operations, except DEI related impacts, that can be seen as systemic on an organisational level. All the IROs identified relate to all own workforce.

Tokmanni Group has recognised that there are certain vulnerable groups. Some employees are lacking sufficient language skills in Finnish that may put them in a greater risk of harm. Some employees have emphasised risks for mental health issues, such as young employees. All employees respond to the annual Pulse survey, that Tokmanni Group uses to gather information about employees' perceptions.

In addition to daily interactions, all employees have annual discussions with their supervisor, where concerns and grievances can be raised in addition to daily interaction. Information may also be gathered from reports via each segment's official whistleblowing channel. Among the Group employees, anyone can report violations of the Code of Conduct anonymously, in writing, to the Compliance reporting channel. In Dollarstore segment, grievances can be reported anonymously through a third-party whistleblowing channel either by telephone or in writing.

Policies for managing impacts on own workforce
(S1-1, MDR-P)

Tokmanni Group's sustainability activities are directed by locally applicable legislation as well as policies approved by the Board of Directors. Tokmanni Group's policies for managing impacts on own workforce are the Code of Conduct (disclosed in chapter: Policies guiding Governance at Tokmanni Group), Human Rights Policy, and Personnel Policy. During 2024, Tokmanni Group has aligned the Group level Personnel Policy. These policies, presented in the table below, are applicable to all Tokmanni Group's own workforce.

Policies for managing impacts on own workforce

Name of the policy	Personnel Policy	Human Rights Policy
Third-party commitments	The Policy is based on and refers to: • International Labour Organization (ILO) Conventions and Recommendations • international and national legislation and collective agreements	The Policy is based on and refers to: • International Labour Organization (ILO) Conventions and Recommendations • UN Guiding Principles on Business and Human Rights (UNGP) • OECD Guidelines for Multinational Enterprises
Key content of the policy	Personnel Policy aims to bring common rules to both employees and supervisors for behaviours in the work community. The Policy covers topics such as human rights, diversity and equality, leadership and corporate culture, employee interaction and participation, work well-being and safety (including discrimination, harassment, and bullying), whistleblower protections, recruitment, onboarding, compensation and benefits, employee training and development, work-family balance, and data protection and privacy.	The Policy outlines Tokmanni Group's commitment to respecting human rights. It provides guidance and describes the objectives, organisation and responsibilities in respecting human rights throughout the entire organisation and value chain.
Related material sustainability topics	Own workforce: • Working conditions • Equal treatment and opportunities for all • Other work-related rights/Human rights	Own workforce: • Working conditions • Equal treatment and opportunities for all People in value chain: • Working conditions • Equal treatment and opportunities for all • Human rights Consumers and end-users: • Personal safety

Related impact(s), risks, and opportunities	All IROs listed in the (IROs_S1) table	All risks and opportunities listed in the (IROs_S1) table and the following impacts: • Not complying with national labour legislation affects employees' coping and well-being. • Compliance with or exceeding national labour legislation affects employees' coping and well-being. • Occupational accidents impact on safety and well-being of employees. • Occupational health and safety (OHS) systems and preventing reprisals impact on safety and well-being of employees. • All impacts related to Equal treatment and opportunities for all All IROs listed in the (IROs_S2) table All IROs listed in the (IROs_S4) table related to personal safety All IROs listed in the (IROs_G1) table related to corporate culture
The most senior role accountable for implementation	Segment HR directors and HR departments are responsible for implementation.	Tokmanni Group Sustainability and Personnel Committee of Board of Directors.
Process of monitoring	An official monitoring process is not yet implemented.	Own workforce: Monitoring is implemented through KPIs, employee surveys, and whistleblowing channel notices by HR. People in the value chain: Monitoring is implemented through supplier audits, amfori BSCI compliance rate, and whistleblowing channel notices.
Scope of the policy	All Tokmanni Group's own employees.	The entire organisation and value chain.
Conducted stakeholder engagement in setting the policy	In the policy-setting process, the expectations of key stakeholders, and employees, were considered. Employees' expectations were identified through, for example, employee surveys. Employees' expectations, such as equal and fair treatment, training opportunities, and meaningful work, identified during Tokmanni Group's materiality assessment process, have been considered.	Tokmanni engages with relevant stakeholders or their representatives to assess potential and actual human rights impacts. Tokmanni recognises the need for special attention to those who may be particularly vulnerable or marginalised. These insights have been considered while creating the Policy. The latest update on Human Rights Policy during 2023 was based for example on stakeholder feedback.

Availability and accessibility of the policy	The Policy is digitally available to all employees. Personnel Policy is available in Finnish, Swedish, and English. Employees can use the company's shared computers to access the information.	The Policy is public and available in both Finnish and English. There is no specific training session dedicated to only Human Rights Policy, but instead, Tokmanni Group provides training for all employees on human rights through, for example, Code of Conduct training and, for employees working with sourcing and purchasing, through Guidelines for Responsible sourcing training. In business relationships, the majority of which are with suppliers, the commitments are implemented through the Supplier Code of Conduct and General Terms of Purchasing, which require suppliers to adhere to key human rights commitments.

Tokmanni Group is committed to respecting human rights and to remediating adverse human rights impacts throughout its business operations in its policies and third-party commitments listed in the table above. Tokmanni Group's Personnel Policy states respect for human rights, engages and provides remedy if needed in accordance with third-party commitments presented on the table. In accordance with the due diligence principle, Tokmanni Group assesses the human rights impacts of its operations, monitors them, takes corrective measures when necessary, and communicates them according to its involvement, opportunities, and influence.

Tokmanni Group strives for constructive, open, and active engagement with employees and their representatives. Interaction aims to develop Tokmanni Group's operations and the employees' opportunities to influence the Group's decision-making regarding their work and working conditions and to have motivated employees in accordance with the Group strategy. Due diligence procedures are also in place to manage and address human rights impacts as well as provide or cooperate in remediation when appropriate. The main goal is to avoid negative impacts and remediation for which the Personnel Policy provides more detailed procedures.

Tokmanni Group's Code of Conduct highlights the Group's commitment to human rights principles and fair and equal treatment of people, as well as to healthy and safe working conditions. Tokmanni Group has an accident prevention and management system in place. Tokmanni Group is also committed to abiding with the amfori BSCI Code of Conduct and is a signatory of the United Nations Global Compact and abides by its ten principles. Tokmanni Group Human Rights Policy includes commitments to national legislation and includes the following topics: Occupational Health and Safety, Employment, Equal Treatment, Children and Young Workers, Forced and Compulsory Labour and Human Trafficking, Stakeholder Engagement and Remediation. Actions relating to equality are addressed in chapter: Taking action to be the best place to work in retail.

In addition to the Group level policies, elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion, are guided in more detail by segment related principles and guidelines. The above-mentioned policies and guidelines cover grounds for discrimination in line with local legislation such as gender identity, sexual orientation, race, nationality, ethnic or social origin, disability, language, opinion, religion, or age. Both segments of Tokmanni Group have their own Whistleblower Committees to ensure compliance with these matters. Tokmanni segment has a compliance team and Dollarstore segment has a whistleblowing committee.

Tokmanni segment has taken human rights into consideration in its Equality and Non-Discrimination Plan that has been integrated into the Workplace Development Plan. The plan is prepared in collaboration with employee representatives and communicated to the employees. Dollarstore segment has taken human rights into consideration in its Equality and Equal Treatment Guidelines as well as in its Harassment and Degrading Treatment Principles. The principles of equality and non-discrimination set out in the Personnel Policy are put into practice through a number of different documents guiding operational activities.

To ensure that policies are effectively implemented, Tokmanni Group conducts mandatory training for all its employees related to the Code of Conduct. Understanding of the topics is ensured through a related test. Additionally, Tokmanni Group has established clear procedures for reporting discrimination, including options for anonymous reporting, to ensure that all employees feel safe and are supported in raising concerns. In addition, national legislation promotes equality and diversity.

The Group also recognises the need for special attention to those who may be particularly vulnerable or marginalised, but there is no specific policy to manage these actions. The group has aims to take these people into account, for example in its stakeholder dialogue practices.

Engaging with own employees
(S1-2)

Tokmanni Group considers the perspectives of its workforce in decision-making processes and activities in accordance with the due diligence process, by adhering to national legislation, collective agreement and through additional internal engagement processes. With the reporting processes explained in chapter: Governance structure and processes as well as Sustainability information inflows, it is ensured that employees' views and suggestions are integrated into strategies and operations.

Direct interaction with own workforce occurs, for example, through employee surveys (called Pulse), the company's appraisal process and cooperation meetings with employees' representatives in accordance with or exceeding demands of national legislation. Additionally, employees have the opportunity to directly share their opinions with their supervisors, HR, or employee representatives. Tokmanni Group strives to provide accessible information by using digital communication channels. Channels are accessible to all employees and are used to convey important messages, but also employee meetings and team meetings may be utilised. In Tokmanni Group's communications, videos, images, and graphics are used to help illustrate and make communication more understandable.

Tokmanni Group is committed to addressing and resolving potential conflicting interests among employees fairly and transparently. Employees can report conflicts through the whistleblowing reporting channels, by informing their supervisor, or by contacting HR. An independent group investigates all reports. This group consists of individuals who are not involved in the matter. In conflict situations, all parties are heard equally and given the opportunity to present their views. Conflicts are resolved through mutual agreement, respecting the rights of all parties, and finding a fair outcome.

The HR managers at Tokmanni Group have the operational responsibility for ensuring that interaction with employees truly occurs and that the results guide Tokmanni Group's approach.

Pulse survey

The annual Pulse survey is answered anonymously, to include also the most vulnerable individuals. Among the employees, some individuals do not speak the local language as their native language, forming a potential barrier for engagement. This is why it is possible to respond to employee surveys in multiple languages (Finnish, Swedish, and English). Communication materials also utilise videos and images to illustrate and enhance message comprehension, and interpretation services are available when needed.

The results are reviewed at least at the company level and actions taken at the Group, company, or possibly even team level. 2024 was the first year to complete a full Pulse survey covering also Dollarstore segment. Each store therefore had the responsibility to create its own action and follow-up plan, based on the Pulse survey results in line with the guidance of the HR.

Every employee working at Tokmanni Group has an opportunity to respond to the annual Pulse survey. These surveys provide valuable data on employee perceptions and highlight areas for improvement, and they are also used to assess employees' experience of the effectiveness of engagement. Dollarstore segment shall organise training for management on how to implement feedback and Pulse results during 2025.

Appraisal discussions

Tokmanni Group’s appraisal discussion process includes at least one annual discussion with the supervisor for all employees. The appraisal discussion can also be partially conducted as a team discussion. During the appraisal discussion, goals are set, the employee's performance is discussed, and the focus is on the employee’s professional development. This provides an opportunity to give feedback on both sides.

Health and safety observations

Tokmanni Group encourages all employees to report observations related to occupational health and safety. Regular meetings are held at least quarterly with managers and key employees to discuss current topics.

Effectiveness of stakeholder dialogue

Tokmanni Group’s Human Rights Policy and its commitments ensure that the company operations align with the human rights standards and that the rights of employees are protected and respected in all countries of operation. The Group also collaborates with unions in all matters with potential impacts on employees as required by law and collective agreements. Dollarstore segment has regular meetings with the representatives of locally arranged union clubs to discuss ongoing issues, share updates, and ensure transparency in decision-making.

In addition to Pulse survey, the effectiveness of engagement with employees is assessed by tracking related key performance indicators (KPIs), such as participation rates and Employee Net Promoter Score (eNPS), over time to monitor progress and identify trends. The Group thus aims to ensure systematic assessment and that the insights gained are used to support decision-making and improve workplace practices. The eNPS metric was implemented at the Group level for the first time in 2024. eNPS is measured on scale -100–+100, -30, being poor; -30–0 below average; 0–30 good; and above 30 excellent. The initial survey result was 9: good, providing a baseline for future development. The response rate for the 2024 employee survey Pulse was 72.7%, indicating good participation and providing a reliable basis for analysis.

Based on the data gathered from Tokmanni store chain, Tokmanni Group has identified vulnerable employee groups such as individuals who do not speak local language as their native language and those with mental well-being challenges. At Tokmanni store chain, individuals whose Finnish language skills need improvement have been offered the opportunity to participate in “Finnish as a working language” training. The training is now also used for at coaching supervisors to help them focus more on individual leadership skills, address challenges related to mental well-being and managing a diverse work community. A new module on humane leadership, diversity, and the development of interaction skills has been added to the comprehensive coaching program for supervisors. Additionally, store supervisors have received training related to mental well-being and the art of listening.

Channels to raise concerns
(S1-3)

When Tokmanni Group becomes aware of or recognises a realised negative impact on its own workforce, it immediately begins investigating the matter and makes the necessary adjustments to its operations based on the findings. Tokmanni Group respects the negotiation procedures in accordance with collective bargaining agreements in conflict situations. Negative impacts and potential remedies are resolved and agreed upon through mutual agreement, aiming to respect the rights of all parties and finding a fair and just outcome.

Negative impact cases are regularly monitored, and effectiveness is assessed, for example, by ensuring that issues are resolved within the company following the due diligence procedures to manage and address human rights impacts as well as provide or cooperate in remediation when appropriate.

The main goal of the process is to avoid negative impacts. If negative impacts occur, the Group will act according to national legislation and the guidelines provided by authorities. Tokmanni Group’s Personnel Policy provides procedures for achieving goals and avoiding identified negative impacts as described in the table at the beginning of the chapter.

Tokmanni Group has whistleblowing channels available for all stakeholders, for anonymous reporting of violations of the Code of Conduct and ethical guidelines, including human rights violations, in accordance with the Directive (EU) 2019/1937. Tokmanni Group's employees can access these through internal digital systems and contracted workers via internet websites. The whistleblowing channels are described in more detail in chapter: Whistleblowing channels.

Employees of Tokmanni Group receive information about the Group’s reporting channels and their operation during orientation and annual Code of Conduct training. Information is also available at any time in internal digital platforms. The awareness and trust in systems are not separately measured but usage is followed by the notices received via above mentioned reporting channels. The principles relating to whistleblowing practices and whistleblower protection are included in the Tokmanni Group’s Code of Conduct. The principles related to whistleblowing is described in the chapter Policies for Good Governance.

Taking action to be the best place to work in retail
(S1-4, MDR-A)

In general, the year 2024 was a time for mapping and initiating the standardisation of practices at Tokmanni Group. To manage material IROs related to its own workforce, Tokmanni Group’s HR teams have worked to set common goals and to create actions plans. Previously operations were largely based on the subsidiaries' own workforce development plans.

In the tables below are descriptions of actions taken and planned to prevent or mitigate material negative impacts that also aim to reduce risks, and actions to promote material positive impacts that also aim to pursue opportunities relating to own workforce. Tokmanni Group's business operations are dependent on workforce. Therefore, all actions are relating to dependencies. All actions presented cover the entire own workforce. Actions are presented either on a Group, segment or store specific level, specified in the tables.

To manage IROs and guide actions relating to own workforce, Tokmanni Group has three policies in place:

Human Rights Policy:
Tokmanni Group respects and values diversity in its workforce and does not tolerate any form of discrimination at any stage of employment. The Group is committed that its employees have the right to the highest attainable standard of physical and mental health and healthy working conditions and the right to the highest attainable standard of physical and mental health and healthy working conditions.

Code of Conduct:
Tokmanni Group respects and complies with national legislation relating to human rights, the protection of employees’ privacy and treats all people equally and in a -discriminative manner. The Group minimises occupational accidents and promotes occupational health. In its operations, the focus is on prevention and the effectiveness of safety measures and devices.

Personnel policy:
All individuals at Tokmanni Group are treated with equality, and the Group respects individual privacy rights and national legislation. The goal is to ensure a healthy and safe working environment through cooperation between management, supervisors, and employees. Tokmanni Group is committed to promoting employee well-being and ensuring a safe, healthy, and functional work community as well as to collecting, handling and protecting personal information responsibly.

Tokmanni Group also shares common values on which the company's leadership principles are based. Progress is monitored by the Sustainability Steering Group, in cooperation with the Board’s Sustainability and Human Resources Committees. These parties also assess the need for necessary corrective actions.

Actions related to managing the impacts and risks related to own workforce

Actions to prevent or mitigate material negative impacts related to workplace accidents

Actions 2024	Resulted and expected outcomes	Intended actions 2025
Tokmanni Group: Organised a safety campaign.	**Tokmanni Group:** Number of occupational injuries was reduced, and the target was met (see chapter: Measuring the success). Positive development should continue 2025.	**Tokmanni Group:** Creating a common OHS handbook.

Actions to promote material positive impacts on employee well-being and compliance with national legislation

Actions 2024	Resulted and expected outcomes	Intended actions 2025
Tokmanni Group: Created common Personnel policy and shared best practices. Extended appraisal discussions to apply to the entire group.	**Tokmanni Group:** Increase employees' engagement and to improve working conditions. The results of these actions will be seen in the long-term.	**Tokmanni Group:** Creating leadership promises and initiate leadership training related to these promises. Implementing monitoring processes by new Group level targets.
Tokmanni store chain: Clarified the roles and responsibilities of the store management team e.g. increasing trainings. Organised different kinds of trainings in purchasing organisation. Continued the well-being program with various trainings and modifying the work ability management process towards a more preventive approach.	**Tokmanni store chain:** Ensure consistent leadership and thereby increasing work efficiency and meaningfulness at work. The results will be reflected in the employee survey results 2025. Supporting supervisors, developing leadership, and increasing employee well-being. The results will be reflected in the employee survey results 2025. Decrease sick leaves, improve employees' wellbeing, consistent leadership and to prevent disability pension. The results will be reflected in long-term results and the employee survey results 2025.	
Dollarstore store chain: Continued the mandatory training within occupational health and safety for all new supervisor and organised e-trainings for all supervisors in store and warehouse regarding labour law, staff planning and work adaption/rehabilitation. Started piloting a new system regarding sick leave and rehabilitation on central warehouse and 2 stores in Sweden.	**Dollarstore store chain:** Ensure a certain level of competence in all our managers, develop leaders to increase employee well-being. The results will be reflected in the employee survey results in the long-term. Decrease sick leaves and improve employees’ well-being on and off work in the long-term. Sick leaves did not yet decrease in 2024, but a better overview of the situation was received for the future work. The results will be seen in the long-term.	**Dollarstore store chain:** More trainings will be organised on occupational health and safety.

Actions to promote significant positive impacts on advancing equality and diversity, as well as compliance with national legislation

Actions 2024	Resulted and expected outcomes	Intended actions 2025
Tokmanni Group: Conducted a Group level employee survey (Pulse). Expanded the Hay grading to cover the entire group.	**Tokmanni Group:** Established eNPS baseline for the entire Group. The long-term target is to increase dialogue with the employees and define development measures. Ensure equal pay. The results will be seen in the long-term.	**Tokmanni Group:** Implementing common remuneration plan.
Dollarstore store chain: Started using the System Sysarb for the mandatory yearly payroll mapping, in order to ensure greater pay equality.	**Dollarstore store chain:** Goal is to ensure equal pay. The results will be shown in long-term. Where unequal pay gaps were identified in the mapping 2024, a three-year plan was set to decrease these gaps, according to Swedish regulations/“DO”.	**Dollarstore store chain:** Using the System Sysarb will continue to ensure even more effective way to work with the pay gaps.

Action to prevent or mitigate material negative impacts related to data security breaches. This applies not only to the current workforce but also to potential new employees

Actions 2024	Resulted and expected outcomes	Intended actions 2025
Tokmanni Group: Begun the implementation of the use Jobylon in recruitment process in all subsidiaries.	**Tokmanni Group:** Avoided data protection leaks in 2024 and to avoid possible leaks in the future.	**Tokmanni Group:** Implementation of the use Jobylon in recruitment process in all subsidiaries will continue.

In addition to the actions described above, Tokmanni Group implements regular safety risk assessments, and has developed a common onboarding process and whistleblowing procedure to prevent negative impacts to own workforce. During the reporting year, there were no cases that would have required remediation, in addition to typical workplace accident investigations and subsequent actions. Legal occupational health care requirements are arranged in cooperation with insurance and healthcare providers.

In addition, the Group has taken actions and developed processes with the primary purpose of delivering positive impacts for own workforce in Tokmanni Group:

- Employee benefits, for example ePassi in Finland and Benefits in Sweden.
- Annual employee survey to ensure that every employee can participate in the Group’s development.
- Centralised onboarding system for all new employees at Tokmanni and Dollarstore store chains.

Additionally, in Tokmanni segment:

- Common safety observation system.
- Common shift planning system including communication channel.
- In 2024, 190 employees completed a vocational qualification alongside their work.
- A four-step coaching path in place for supervisors to ensure good leadership and that every employee is treated equally in the workplace.
- Working with an external occupational health provider, a pension company and an accident insurance company offering coaching in good ergonomics and psychological safety.

Additionally, in Dollarstore store chain:

- Piloting of system portal and support for sick leaves and rehabilitation at the central warehouse and two stores in Sweden.
- Centralised e-onboarding system for all new employees.
- Continuation of the occupational health training in 2024 for all new managers in stores and warehouse.

Monitoring the effectiveness of actions

At Tokmanni Group, actions impacting outcomes are monitored through KPI metrics. These KPIs and related targets are presented in more detail in the next chapter: Measuring the success.

KPI metrics are:
- sick leave percentage
- accident frequency rate
- successful completion of the Code of Conduct
- appraisals discussion completion rate
- employee survey results
- number of safety observations

The Group also encourages its employees to develop their professional competence. For example, all new positions and roles are always openly available for everyone to apply on the recruitment channel to promote internal career development.

Identifying and delegating actions

To identify what actions are needed and appropriate in response to actual or potential negative impacts, Tokmanni Group has adopted the following processes in accordance with due diligence process:

Tokmanni Group has relevant policies and commitments mentioned in chapter: Policies for managing impacts on own workforce, to prevent and manage the impacts.

- Tokmanni Group complies with national legislation in its operations relating to own employees and employee cooperation. In regular meetings with employee representatives, current operational matters and dialogue on employee related issues are discussed. Organised dialogue helps to identify the actions needed to minimise actual negative impacts. In Sweden, regular meetings with employee representatives (the unions) are held only at the specific stores/warehouse where there are local union clubs or union representatives.
- Regular identification and assessments of risks help to identify the actions needed to minimise actual negative impacts. Each identified risk is assigned a risk category (based on the probability and severity), and measures are planned to eliminate, prevent, or reduce the occurrence or severity of the risk. Risk statistics from previous years are considered in the evaluations. Every employee in Tokmanni Group can also report safety observations, risks, or near misses. Once a report is made, supervisors are responsible for appropriately handling these observations.
- Tokmanni Group conducts an annual employee survey to gather feedback from the employees on various aspects such as work, work environment, and leadership. Based on the results, it is possible to identify specific actions to be implemented within the Group, company, or on department level.
- Tokmanni Group has an existing appraisal discussion process aimed at ensuring goal clarity, skill growth, and organisational development. These discussions are important for career development and well-being at work. Held once a year, they are supplemented by continuous dialogue to ensure goal achievement and work success.
- R managers are part of the management teams of the Group's country-specific companies, which are decision-making bodies. Also, the HR Business Partners are represented in the departmental management teams of the companies. These are meant to ensure that employees’ point of view is heard in decision-making and preventing realisation of negative impacts on decision making.
- In specific conflict situations, Tokmanni stores have their own hearing process, where all parties have an opportunity to be heard. In addition to the parties involved, a representative from the HR department and an employee representative participates in the process.
- Tokmanni store chain also have an exit survey process. The survey is automatically sent to those whose employment has ended. It addresses reasons for leaving, feedback and thoughts on the job, and Tokmanni as an employer. Responses are confidential and only used by HR to improve operations. Dollarstore segment addresses the same principles and issues in exit interviews held by HR. These are in place only with white collar employees.

- The whistleblowing channels are one way to identify situations and measures to mitigate negative impacts. A more detailed description of the whistleblowing channel process can be found in chapter: Whistleblowing channels.

No specific operational or capital expenditure has been allocated to the actions presented. The HR departments in Tokmanni Group manage material impacts related to their own workforce. In total, approximately 12 persons have been dedicated to these tasks. HR personnel and employee representatives support the operational management of these material impacts. External services such as occupational health care and insurance companies are utilised for management, and various systems support the management of these impacts.

Measuring the success
(S1-5, MDR-T)

In 2024, Tokmanni Group decided on the Group level KPI metrics related to own workforce: eNPS and sick leave percentage. Tokmanni segment already has these metrics in place, and Dollarstore segment focused on integrating the above-mentioned KPIs to its systems in 2024. The objective for 2024 was to secure master data and adapt a cohesive model for data management in the whole Group.

In 2024, the results of these KPIs, presented in the table below, provided a baseline for the Group’s 2025 targets. All targets presented here consider all own workforce. Most of the 2024 targets were segment or store chain specific, while for 2025, targets were set for segments as well as for the Group. The targets related to Tokmanni store chain were set in Tokmanni Group's strategy for the years 2021–2025. Policies and commitments mentioned in chapter: Policies for managing impacts on own workforce, provide guidance to manage the IROs and related target-setting.

Targets related to managing the impacts and risks related to own workforce

Targets to monitor mitigating material negative impacts related to workplace accidents:

Accident frequency*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	-	2024 result serve as a baseline for new Group level KPI	16,09***	Occupational safety collaboration started at the Group level and will continue in 2025	11
Tokmanni segment	-	2024 result serve as a baseline for new Group level KPI	17,61	-	9
Dollarstore segment	-	2024 result serve as a baseline for new Group level KPI	12,86	-	15
Tokmanni store chain	15**	2021: 25.2	16,90	The target set for 2024 was not met. Long-term work and employee involvement have been done in the stores for occupational safety, but it wasn’t enough to meet the target.	-

* Injury frequency rate is calculated with following formula: the number of accidents multiplied by 1,000,000 hours divided by the total work hours.
** Tokmanni store chain: has involved employee representatives in setting targets related to occupational safety and health care. The injury data have been directly received from the insurance provider. The figures are based on information received from the insurance company on 10 January 2025.
*** Tokmanni Group: results are weighted average of Segment results.

Safety observations*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	-	2024 result serve as a baseline for new Group level KPI	3,577	-	4,000
Tokmanni segment	-	-	-	-	3,525
Dollarstore segment	-	-	-	-	475
Tokmanni store chain	3,000	2021: 392	3,317	Active interaction with employees and encouraging them to make safety observations have been crucial to achieving the safety observation target.	-
Dollarstore store chain	-	-	260	The number of safety observations has increased since the introduction of a digital tool to facilitate the reporting of findings in autumn 2023. Active employee engagement on safety risks and issues has had a decisive impact on raising awareness and the number of observations made.	-

**The number of safety observations are obtained directly from the systems used.*

Targets to monitor material positive impacts on employee well-being and compliance with national legislation:

eNPS*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	-	2024 result serve as a baseline 2025.	9	2024 was the first year in which eNPS was measured at group level. The reason why the target performance rate was not achieved may be due to the ongoing transition from country-specific cultures and practices to group-level activities.	10
Tokmanni segment	-	2024 result serve as a baseline 2025.	13	-	-
Dollarstore segment	-	2024 result serve as a baseline 2025.	-0.2	-	-
Tokmanni store chain	20	2021: 14	13	-	-

** eNPS results are obtained from the annual Pulse survey, which is uniform for the whole group.*

Sickness leave percentage %*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni segment	-	2024 result serve as a baseline 2025.	5.6%	-	5.5%
Dollarstore segment	-	2024 result serve as a baseline 2025.	6.0%	-	5.9%
Tokmanni store chain	4.3%	2021: 4.4%	5.6%	There are no big changes in sick leaves compared to previous years. The calculation method has been standardised across the Group companies, and this change in method caused approximately one percent increase in the sick leave percentage compared to the figure received using previous calculation method.	-
Dollarstore store chain	-		6.0%	Dollarstore sees that the sick leave figure is well in line with the industry and also with the Tokmanni store chain. This is a good baseline for the future work.	-

** Sick leave percentage (%) is calculated by dividing sick leave hours 2024 by hours worked during the year.*

TyEL insurance contribution category*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni store chain	4	2023: 5	4	-	-

** Tokmanni stores have involved employee representatives in setting targets related to occupational safety and health care. The contribution category is determined by company's disability risk and affects the amount of the TyEL contribution. The contribution category is calculated in advance for the following year based on realised pension expenditure.*

Targets to monitor material positive impacts in relation to equality and diversity and compliance with national legislation:

Code of Conduct training completion rate*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	100%	2024 result serve as a baseline 2025.	58.6%	The year 2024 was the first year when Code of Conduct training applied to the entire Group. Falling short of the completion rate target may be influenced by the transition from country-specific cultures and practices towards Group level operations, which is still ongoing	100%

**Group-level results are the weighted average of segment results*

DEI*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	-	2024 result serve as a baseline 2025.	3.41**	DEI figure increased at Tokmanni store chain compared to the previous years. The year 2024 was the first year when the DEI was measured at the Group level. The development of these figures can be seen in 2025.	3.45
Tokmanni segment	-	2024 result serve as a baseline 2025.	3.39	-	-

Dollarstore segment	-	2024 result serve as a baseline 2025.	3.58	-	-

** DEI figure is obtained from the results of annual Pulssi employee survey. The DEI figure is a total result of two questions that are evaluated with scale from 1 to 4: "In our company, everyone is treated equally and involved in the work community" and "I feel that I can be myself while working in our company".*
*** Group results are weighted average of the segments' results.*

Supervisory leading rate*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni store chain	3.4	2021: 3.2	3.3	Supervisor leading rate figure increased at Tokmanni store chain compared to the previous years, but the target was not met. No specific issues were identified affecting the results.	-

* *Supervisory leading rate is based on the annual employee survey's supervisor-related questions.*

There were no targets in 2024 to manage negative impacts or risks related to equal treatment and opportunities for all, or to manage IROs relating to information security. For 2025, Tokmanni Group has set targets for zero cases of harassment or workplace discrimination and zero data protection breaches covering the entire own workforce.

Tokmanni Group will set Group level, time-bound and outcome-oriented targets that guide operations for the next strategic period. The targets will be set by the Executive Group and approved by the Board of Directors. When setting the Group targets for 2026–2030, direct feedback from employee representatives and employees, collected by employee surveys, will be inform the decision making. When setting the segment related targets for 2024, Tokmanni segment involved employee representatives on targets related to occupational safety and health care.

During the Board's strategy days, held twice a year, the progress of the strategy and its related targets are assessed. Decisions are made regarding potential updates, and improvements are made based on the success. The progress of the strategy is monitored in the Board meetings. Strategic projects are guided by steering groups, which include key members of the management team relevant to each project, and the project's manager. The project teams implement the actions defined in the strategy.

Performance against targets and KPIs is followed also by each manager responsible for the KPIs and the management teams. In Tokmanni store chain, these matters are regularly reviewed in the workplace well-being group. Employee representatives are involved in following performance against targets related to occupational safety and health care. This includes the engagement in identifying lessons or improvements as a result of the undertaking's performance. For Dollarstore segment, in Sweden, unions may be involved if asked.

Tokmanni Group 2024
(S1-6, S1-8)

The tables below present the characteristics of employees at the end of reporting period 2024. The presented figures are in line with the consolidated financial statements. Tokmanni Group operates in industry, where generally is more female than male working. Currently, no targets have been set regarding the gender distribution, but the figures are monitored and reported annually in the sustainability statement.

Employees by gender

	Head count	FTE*
Male	1,476	876
Female	5,137	3,551
Other	-	-
Not reported	-	-
Total number of employees	**6,613**	**4,427**

**All hours worked in the company during Dec 2024 divided by full-time employees' hours.*

Employees of Tokmanni Group have the possibility to inform HR about their own gender. For privacy reasons, Tokmanni Group only reports the two biggest gender categories. There are less than 0,2 percent of other gendered people working at Tokmanni Group. The number of other gendered employees have been included in males and females based on their personal identification number. The figures cover all employees.

Employees by country

	Head count	FTE
Finland	4,488	3,085
Sweden	2,016	1,274
Denmark	109	68
Total number of employees	**6,613**	**4,427**

Employee turnover (head count)

	Finland	Sweden	Denmark	Total
Permanent employees at the end of 2024*	3,773	1,632	88	**5,493**
Employees left during 2024	494	301	35	**830**
Turnover (%)	13%	18%	40%	**15%**

**Employee turnover is calculated dividing terminated contracts by number of permanent employees at end of reporting period. Figures consider permanent contracted employees to see fluctuation of employees without effect of temporary contracts, meaning mostly seasonal help. The figures of Sweden and Denmark are reliable estimates based on data collected from internal systems and primary data provided by third parties.*

Tokmanni Group employee turnover rate 2024 is at a good level considering general the situation and the nature of the retail sector. Based on the figures provided by Confederation of Finnish Industries, turnover rate in Finnish retail sector was 22% in 2023, which is assumed to be in line with other Nordic countries. The calculation method has been standardised across the Group companies in 2024, so the figure cannot be reliably compared to previous years within Group companies.

Employees by contract type and gender (head count)

2024					
	Female	Male	Others	Not disclosed	Total
Number of employees					
Number of permanent employees	4,273	1,220	-	-	**5,493**
Number of temporary employees	735	231	-	-	**966**
Number of non-guaranteed hours employees	129	25	-	-	**154**
Number of full-time employees	1,299	659	-	-	**1,958**
Number of part-time employees	3,708	792	-	-	**4,500**
Number of employees (head count)	**5,136**	**1,476**	-	-	**6,613**

Employees by contract type and country (head count)

2024				
	Finland	Sweden	Denmark	Total
Number of employees	**4,488**	**2,016**	**109**	**6,613**
Number of permanent employees	3,773	1,632	88	**5,493**
Number of temporary employees	561	384	21	**966**
Number of non-guaranteed hours employees	154	0*	0*	**154**
Number of full-time employees	1,443	486	29	**1,958**
Number of part-time employees	2,890	1,530	80	**4,500**

**There are no employees with non-guaranteed hours in Dollarstore Segment.*

In the retail sector, peak seasons influence the number of employees required, resulting having many temporary and part-time employees. According to statutory requirements, Tokmanni Group always offers additional work to the company's own part-time employees first but there is still need for fixed-term seasonal helpers in stores and warehouses. Tokmanni Group uses rental workers temporarily. Some special functions are outsourced, for example, the Tokmanni IT helpdesk and Big Dollar's payroll and daily HR operational work. The figures of Sweden and Denmark are reliable estimates based on data collected from internal systems and primary data provided by third parties.

Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage	**Social dialogue**
Coverage Rate*	Employees (EEA)	Workplace representation (EEA)
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	Finland Sweden Denmark	Finland Sweden Denmark

**The coverage was calculated using a head count of employees at the end of reporting period 2024.*

All of Tokmanni Group's own employees work in EEA-countries. The majority of the employees are covered by the national collective agreement of retail sector, in total of 99,8% of all employees. All the employees working under collective bargaining agreement, are also represented in accordance with national legislation and collective agreements. Employee representation is taken care of at the national level. There are no agreements with representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council. Only upper management levels are not officially covered, but the Group also follows the main terms of the retail sector collective agreement regarding these employees, unless otherwise agreed in the individual employment contracts.

Employee well-being

(S1-14)

100% of Tokmanni Group's employees are covered by health and safety management system based on legal requirements. Occupational safety collaboration started at the Group level and will continue in 2025. The Injury rate target 2024 for Tokmanni store chain was exceeded due long-term work for occupational safety. Tokmanni Group also has occupational safety observation target to develop working conditions and prevent accidents.

Health and safety metrics

	Tokmanni segment	Dollarstore segment	Total
Number of work-related fatalities	0	0	**0**
Number of work-related accidents*	100	40	**134**
Total hours worked	5,622,441	2,643,988	**8,266,429**
Injury rate**	**17.61**	**12.86**	**16.09**

**Tokmanni segment receives the injury information directly from the insurance provider. The figures are based on information received from the insurance company on January 10, 2025. Dollarstore segment collects the data from own HR systems.*
*** The injury rate has been calculated based on 1,000,000 hours worked.*

Equal treatment at work

(S1-9, S1-10, S1-16, S1-17)

The tables present the figures of top management and employees at the end of reporting period 2024 by head count. Tokmanni Group's top management includes Group and Segments Executive Management Teams. Currently, no targets have been set regarding the top management gender distribution or employees age distribution, but the figures are monitored and reported annually in the sustainability statement.

Top management by gender

	Female	Male	Total
Head count	6	12	**18**
Percentage (%)	33%	67%	

Employees by age

Age	<30	30–50	>50	Total
Head count	2,492	2,755	1,366	**6,613**
Percentage (%)	38%	42%	21%	

Wages were set according to the collective bargaining agreements specific to each country. These agreements are negotiated between employers and trade unions, ensuring fair wages and working conditions. The table below shows the gender pay gap in terms of hourly wages for two different categories of employees: white-collar and blue-collar workers. The white-collar group includes employees working at a wide range of difficulty levels, usually working in office tasks. These employees do not have the same pre-agreed pay scales as the workers in the stores and logistic centres, who are covered by collective agreements.

Gender pay gaps (EUR)

	Average pay level of women*	Average pay level of men*	Pay gap (%)
White collar			**15.86**
Finland	*24.15*	*29.23*	17.38
Sweden	*20.62*	*24.00*	14.08
*Denmark***	-	*35.51*	-
Blue collar			**-0.38**
Finland	*14.30*	*14.25*	-0.35
Sweden	*13.93*	*13.87*	-0.47
Denmark	*18.09*	*18.09*	0.00

** Hourly wages are calculated from the basic hourly wages for December for employees who were in an employment relationship at the end of the year. No bonuses or allowances have been taken into account.*
*** There are two white collar workers working in Denmark, both of whom are men. The Group's pay gap is a weighted average of the countries' pay gaps, which is why the salaries of Danish white-collar workers have not been taken into account in the Group's figure.*

White collar employees’ equal remuneration is implemented through the HAY job grades. In the more detailed job-specific salary comparisons made within the classification of the company's internal demand assessment system, the pay gaps between women and men are very small. The gap presented here is therefore due having more men working with tasks of higher difficulty level and more women working with lower difficulty level tasks. Wage comparisons in accordance with the Equality Act are made annually and possible pay gaps are discussed and sorted out in cooperation with the employee representatives.

Most of the Groups employees are directly covered by the pay scale of the national retail sector’s collective agreement. By using the pay scales according to collective agreements only, pay gaps between the genders should not arise.

The highest paid person in Tokmanni Group is the Group CEO, working in Finland. The remuneration ratio of the Group CEO and employee median is 21. The remuneration figures include all monetary salaries paid in 2024. Remuneration of Group CEO in 2024 was 760,633 (EUR). The Group median annual remuneration (37,065) is a weighted average from national medians, using FTE 2024 as a denominator. Both the employees' and the CEO's salaries include all paid monetary salaries and benefits that have been paid in accordance with the Group's remuneration procedures.

The national annual median remunerations have been calculated by taking the median hourly salary and multiplying it by full-time employee’s annual hours worked. National guidelines for hours worked by full-time employees has been used here. Currency rates 31.12.2024 have been used to convert figures from DK and SEK to EUR. Swedish and Danish medians have also been corrected to present Finnish price level to compare pay levels to CEO’s, who is located in Finland. Correction was made based on total price level index 2023 provided by Statistics Finland being: Finland (100), Sweden (108) and Denmark (85). Tokmanni Group has not calculated employee medians or the ratio before. It is expected that with the first CSRD reports published in the beginning of 2025, will draw a better picture of the situation in the industry and in the Nordic countries.

Grievances received through whistleblowing channels and confirmed cases

In 2024, In total of 91 (Tokmanni segment: 79, Dollarstore segment: 12) grievances were received through whistleblowing channels, most of which were categorised as customer service feedback. There were no confirmed incidents or fines/compensation of discrimination, harassment or human right violations during the reporting period.

S2 Workers in the Value Chain

Material value chain related topics and their management
(SBM-3)

The IROs identified as material by the Tokmanni Group are shown in the table below. Both of the identified material impact and risk are potentially materialised in the supply chain in the short-, medium- or long-term. The injustice in the value chain relates to each of the sustainability topics for value chain workers as defined in ESRS 1. The metrics presented in this chapter have not been assured by external assurance provider other than PwC assuring the sustainability statement.

Providing sustainable choices for everyone is one of the key parts of Tokmanni Group's strategic ambition to become the leader in sustainability in Northern Europe's variety discount retail segment. One of the focus areas in this ambition is the respect for human rights, including the supply chain. Tokmanni Group sources products from many different suppliers, focusing on increasing the proportion of direct sourcing. This is done, for example, in cooperation with the Shanghai sourcing office. Material impacts and risks are therefore directly derived from the strategy and business model and vice versa.

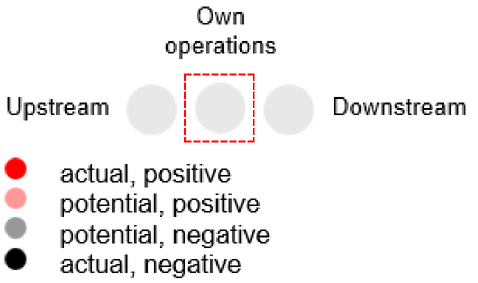
The Group is dependent on its supplier relationships, for they are a critical factor in Tokmanni Group’s success in both business and sustainability. The identified IROs are in line with what has been considered in the strategy and business management in the past. All material IROs are related to these dependencies. Tokmanni Group did not identify dependencies on specific parts or operators of the supply chain, but the business is dependent on suppliers in general.

The identified IROs have not yet impacted the strategy and business model, as the DMA was carried out in 2024. The aim is to take the impacts into account in the next strategy update, which is to be published in the end of 2025. Tokmanni Group aims to answer to strategic ambition by focusing on the manufacturing of its Private Label products, direct imports from risk countries, and conducting third-party audits to its Private Label product manufacturers.

Tokmanni Group’s business is impacted by good reputation, and sustainable sourcing affects significantly. Negative impacts on value chain workers could lead to legal, financial, and reputational consequences for Tokmanni Group. On the other hand, effective mitigation measures and providing proof of procuring products from responsible supplier could benefit business by competitive advantage, new business opportunities and reputational benefits.

IROs relating to value chain workers

Location in the value chain



Material IROs	Location in the value chain	Description
Impact: Unfair working conditions in the value chain		The Group's current principles and guidelines cannot fully guarantee the absence of unfair working conditions in the value chain. Unfair working conditions negatively impact employee well-being and safety (health and safety, job stability, working hours, fair wages, equality) as well as human rights. The Group's supply chain includes high-risk countries with an increased risk of child and forced labour. Working conditions can be improved through collaboration with suppliers and by implementing responsibility requirements for them.
Risk: reputational damage and costs due insufficient action		Human rights violations, in particular, could cause severe reputational damage, loss of customers, as well as legal and financial consequences. These factors affect workforce availability, investment opportunities, and the ability to obtain permits. On the other hand, exceeding expectations in this area can lead to reputational benefits.

The relevant employees for the material IROs are those who work in the Tokmanni Group's supply chain, i.e. employees of suppliers and producers. Tokmanni Group has sought to take into account employees working in upstream value chain, such as in production, manufacturing and downstream value chain, such as in logistics. The employees of the joint venture, in the Shanghai sourcing office, have also been taken into account as part of the value chain. In the DMA, Tokmanni Group identified certain workers in the value chain as being particularly vulnerable to negative impacts. These employees work in high-risk countries at the upstream end of the Group's value chain. All supply chain workers were treated as one group in the DMA.

Tokmanni Group has a social compliance risk management system in place, which is focused on risk countries. Risk countries are defined as countries that have the greatest risk of systematic and widespread labour and human rights violations according to the World Bank Worldwide Governance indicator. Suppliers in these countries have heightened risks, for child and forced labour, occupational health and safety issues, and inadequate working conditions. The vast majority of Tokmanni Group's risk country suppliers are located in China. Other important sourcing countries considered as risk countries are Bangladesh, India, Vietnam, Turkey, and Pakistan.

In DMA process Tokmanni Group identified that there are significant human rights risks in some raw material supply chains, for example, coffee and cotton. Particularly, risks concern people in the farming and production. Several groups, such as young workers, new and expecting mothers, persons with disabilities, and temporary and migrant workers, have been identified as being at greater risk of harm.

Tokmanni Group's Supplier Code of Conduct places an obligation on suppliers to comply with the requirements related to working conditions in the value chain. Tokmanni Group has identified that it can contribute to improving the working conditions of the workers in its supply chain through collaboration with suppliers. In addition, Tokmanni Group is committed to promoting health and safety, particularly in the textile and garment industry in Bangladesh, where many of its Private Label products are manufactured. However, in some factories, practices such as overtime are not always up to standard. In line with the principles of responsible sourcing, Tokmanni Group accepts overall grades of A, B, and C for the amfori BSCI audits, meaning that observations in audits related to issues such as working hours, adequate pay or job stability do not prevent cooperation with factories.

Policies for managing impacts to value chain workers
(S2-1, MDR-P)

Tokmanni Group has adopted four key policies covering all the material topics related to workers in the value chain: Code of Conduct (disclosed in chapter: Policies guiding Governance at Tokmanni Group), Human Rights Policy (disclosed in chapter: Policies for managing impacts on own workforce), Supplier Code of Conduct (see the table below), and Principles of Responsible Purchasing (see the table below). Policies and commitments are approved by either the Board of Directors or Tokmanni Group´s Executive Group and apply to all business functions and business partners. Business partner refers to any legal entity Tokmanni Group is engaged in doing business with. Business partners for Tokmanni Group include, but are not limited to, suppliers, service providers, and contractors. The policies are based on international conventions and take into consideration all relevant Human Rights questions.

From beginning of 2024, all new suppliers of products, services and indirect materials must sign the Supplier Code of Conduct and Tokmanni Group's General Terms of Purchasing. Tokmanni Group seeks to purchase its products only from responsible suppliers in accordance with the Principles of Responsible Purchasing to ensure ethically acceptable production conditions in the value chain. Dollarstore and Shoe House are in the implementation phase of Principles regarding high-risk raw materials.

According to Tokmanni Group's General Terms of Purchasing, suppliers agree to comply to the Supplier Code of Conduct, including the amfori BSCI Code of Conduct principles. Suppliers also commit to carry out self-evaluations and audits according to amfori's models, and to conduct their business according to high ethical standards. According to Tokmanni Group's General Terms of Purchasing, suppliers are required to comply with applicable international sanctions and to act in compliance with anti-money laundering regulations and anti-bribery policies.

In order to answer to upcoming regulatory requirements and stakeholder expectations, as well as to cover Tokmanni Group as a whole, Tokmanni Group's Human Rights Policy was updated in 2023 and approved by the Sustainability and Personnel Committee of Board of Directors. The major revisions and reasons for update were the stakeholder feedback and the outcome of DMA process.

The commitments, presented in the table below, are communicated to relevant internal and external stakeholders through various channels, such as contracts and related negotiations, meetings, websites, intranets, and key guidelines, such as employee onboarding materials.

Policies for managing impacts to value chain workers

Name of the policy	Supplier Code of Conduct	Principles of Responsible Purchasing
Third-party commitments	The Policy is based on, and refers to: • International Labour Organization (ILO) Conventions and Recommendations • United Nations (UN) Universal Declaration of Human Rights; UN Guiding Principles on Business and Human Rights (UNGP); UN Children's Rights and Business Principles; and Gender Dimensions of the UN Guiding Principles on Business and Human Rights • OECD Guidelines for Multinational Enterprises and Sectoral Guidance Documents	The Policy is based on, and refers to: • United Nations (UN) Universal Declaration of Human Rights and Convention on the Rights of the Child • International Labour Organization (ILO) Conventions and Recommendations • OECD Guidelines for Multinational Enterprises
Key content of the policy	Tokmanni Group's Supplier Code of Conduct is a commitment document for its signatories to exercise human rights due diligence and environmental protection in their global supply chains in line with internationally recognised principles. Including human trafficking, forced labour and child labour. It gives direction to conduct responsible business, and to identify, prevent, mitigate, account for and remediate adverse human rights, as well as environmental, impacts in their supply chains.	The Policy ensures ethical and sustainable practices throughout Tokmanni Group's supply chain, adhering to international human rights and labour standards. The Policy establishes key principles in alignment with the amfori BSCI Code of Conduct, delineates responsibilities for various roles within the company, describes policies regarding for example amfori BSCI audits, own factory inspections, and risk assessments, and provides guidance on reporting suspected violations.

Related material sustainability topics	People in value chain: • Working conditions • Equal treatment and opportunities for all • Human rights	People in value chain: • Working conditions • Equal treatment and opportunities for all • Human rights Consumers and end-users: • Personal safety • Information related impacts
Related impact(s), risks and opportunities	All IROs listed in the table related to workers in the value chain	All IROs listed in the table related to workers in the value chain
The most senior role accountable for implementation	Tokmanni Group executive management team. The procurement managers in both Tokmanni and Dollarstore segments are responsible for implementation.	Tokmanni Group CEO and Executive Group of Tokmanni Group. The VP of Sourcing is the primary person in charge of executing these principles in the Group’s business operations.
Process of monitoring	The Supplier Code of Conduct is required to be signed by both the supplier and the factory in risk countries. For European procurement, the Supplier Code of Conduct is part of the supplier and purchase agreements. Monitoring is implemented through amfori audits and FRI (Final Random Inspection) inspections after production.	Implementation is monitored via possible susceptions. All suspected violations must be reported to Tokmanni Group’s Compliance Unit through whistleblowing channels, to inform the head of sustainability or the quality manager without delay. Tokmanni Group’s Compliance Unit treats all reports as confidential and makes decisions on suspected violations. The Policy for investigating financial irregularities will be followed in cases of violation.
Scope of the policy	All Tokmanni Group's suppliers and factories.	All purchasing operations, including services and indirect purchases. The Policy covers all employees working with these operations, including management and other persons who work under Tokmanni Group's administration.
Conducted stakeholder engagement in setting the policy	Tokmanni Group has not independently conducted stakeholder engagement, as the document is based on the amfori BSCI Supplier Code of Conduct. However, amfori directly involved external stakeholders, such as UN agencies, multi-stakeholder/industry initiatives, and regional NGOs, in the development of the revised Code of Conduct.	The Policy has been developed in collaboration with all sectors of the company, involving internal stakeholders in the drafting of the Policy.
Availability and accessibility of the policy	Tokmanni Group’s Supplier Code of Conduct is a document sent to suppliers. The Supplier Code of Conduct was updated in 2022 to match the updated amfori BSCI Code of Conduct and thus, the content of the document can be found via amfori BSCI.	Tokmanni provides training for employees working with sourcing and purchasing, through Guidelines for Responsible Sourcing training.

The most important commitment to promote good practices and mitigate negative impacts on the value chain workers is the amfori BSCI. Tokmanni Group’s sourcing follows the operating model of amfori BSCI. As part of Tokmanni Group’s purchasing agreements, all business partners are required to commit to the Supplier Code of Conduct, last updated in 2022, to match the updated amfori BSCI Code of Conduct. This implementation will be completed in 2025. The Guidelines for Responsible Sourcing require Tokmanni Group to screen all new risk country factories.

Recognising that many human rights challenges are complex and systemic, Tokmanni Group works to promote human rights through long-term commitments and cooperation with local and global stakeholders. The management of human rights impacts in the value chain is based on Tokmanni Group’s commitments and procurement process.

Commitments in the policies are incorporated in ongoing compliance monitor and training. In addition to the Code of Conduct training, which is mandatory for all employees, employees working with sourcing and purchasing are having a training on Guidelines for Responsible Sourcing. In business relationships, the majority of which are with suppliers, commitments are implemented through the Supplier Code of Conduct and General Terms of Purchasing, which require suppliers to adhere to key human rights commitments.

To act in accordance with policy commitments and ILO and UN principles and to identify and assess actual and potential adverse human rights impacts, Tokmanni Group conducts country risk analyses through amfori BSCI, factory level human rights assessments to new sourcing countries, and stakeholder engagement for example with NGOs, and relies on third-party reports and studies. Tokmanni Group engages with supply chain workers through amfori BSCI audits, own factory assessments, and additional commissioned third-party evaluations. This information aids in developing responsible sourcing guidelines, risk management, and business integration. To further hear value chain workers' concerns, Tokmanni Group provides a whistleblowing channels available for external stakeholders.

Tokmanni Group’s human rights efforts are guided by third-party commitments mentioned in the table above, requiring conducting due diligence procedures to manage and address human rights impacts as well as provide or cooperate in remediation when appropriate. Tokmanni Group emphasises, promotes and respects effective resources to all rights-holders who allege that their rights have been violated, including efficient grievance mechanisms, effective remedies and access to fair compensation. Tokmanni Group is committed to providing remedy if it has failed to meet the standards set out in the Human Rights Policy either in its own or business partner’s operations.

In case Tokmanni Group employee, business partner or employee of a business partner witness or has knowledge of any negative incidents related to Tokmanni Group’s operations, he/she is to report the alleged incident in the whistleblowing systems. This involves violations of Tokmanni Group’s Human Rights Policy.

In 2024, one incident of zero tolerance was detected by amfori BSCI platform concerning forced labour in a factory linked to Tokmanni Group, but Group has not placed orders for this factory during 2024. By zero tolerance, the Group refers to amfori BSCI definition of cases relating to child labour, bonded and forced labour, inhumane treatment, occupational health and safety, and unethical behaviour.

Engaging with value chain workers
(S2-2)

An important part of Tokmanni Group’s human rights work is the international cooperation to identify the root causes of human rights violations and to address adverse impacts. According to Tokmanni Group's human rights due diligence approach, Tokmanni Group aims to identify and assess both actual and potential adverse human rights impacts through country risk analysis, factory level human rights assessments (for example to new sourcing countries), third-party reports and studies, and stakeholder engagement, including NGOs when needed.

Engagement aims to provide an understanding of human rights issues within the selected industries and countries. This information aids in developing responsible sourcing guidelines, risk management, and business integration. The groups of workers recognised as being particularly vulnerable to negative human rights impacts are the focus of engagement. By committing to the Supplier Code of Conduct, suppliers commit themselves to amfori BSCI's terms and conditions for the protection of vulnerable employees, and the topic is therefore part of the audits. The Tokmanni Group interacts with the legal representatives of supply chain employees through amfori BSCI audits, its own factory assessments and additional assessments made by third parties

Tokmanni Group engages with legitimate representatives of supply chain workers through amfori BSCI audits, own factory assessments, and additional commissioned third-party evaluations. Whistleblowing channels are also available for value chain workers to raise concerns. For the DMA, the needs of workers in the value chain were heard via an NGO in 2023.

The effectiveness of engagement is assessed with audit reports, own factory inspection results and by monitoring the implementation of continuous improvement plans. The Vice President, Chief People, Culture and Sustainability has the overall responsibility of the operative management of sustainability, own workforce and value chain workers related topics, as well as stakeholder engagement and discussions. With the reporting processes explained in ESRS 2, it is ensured that the results of engagement are integrated into strategies and operations.

Amfori BSCI audits:
Amfori BSCI audits, including follow-up and full audits, are conducted every 1–2 years depending on the results of previous audits. In addition, several commissioned third-party evaluations are conducted on an annual basis.

Own factory assessments:
Dozens of own factory assessments are conducted annually by the Shanghai or Tokmanni Group's quality and sustainability teams. Own factory assessments and inspections are conducted by Tokmanni Group's quality compliance and sustainability teams in Shanghai, Finland and Sweden. As part of own factory inspections, Tokmanni Group seeks to get feedback, hear possible concerns, and advance good practices related to corporate responsibility through direct interviews with factory workers when language barriers allow.

Channels to raise concerns
(S2-3)

The commitment to amfori BSCI and its Code of Conduct includes built-in processes to remediate negative impacts and channels for the factory workers to raise concerns. By signing Tokmanni Group's Supplier Code of Conduct, both Tokmanni Group and the supplier commit to establishing or participating in effective operational level grievance mechanisms for individuals and communities who may be adversely impacted. The operational level grievance mechanism must be in line with UNGP Article 31, and signatories commit to verifying that workers are not harassed, disciplined, or retaliated upon for reporting issues on any of the grounds listed above.

The operational level grievance mechanism should be accessible in relevant local languages and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination. Tokmanni Group has whistleblowing channels available for all stakeholders for anonymous reporting of violations of the Code of Conduct and ethical guidelines, including human rights violations, in accordance with the Directive (EU) 2019/1937. Value chain workers and other external stakeholders can access channels via websites. The whistleblowing channels are described in more detail in chapter: Whistleblowing Channels.

As a member of amfori BSCI, Tokmanni Group supports the development of factory-specific grievance mechanisms. This is critical, as Tokmanni Group does not own any factories itself. More specifically, amfori BSCI's Speak for Change is a supply chain grievance mechanism programme that supports businesses in their efforts to provide efficient and immediate remediation to affected workers and other stakeholders. amfori Speak for Change is not available in China but is currently launched in Vietnam, Turkey, Bangladesh, Cambodia, and selected regions of India. The workers can raise concerns when ethical business behaviour is audited annually/biannually, and workers are interviewed directly by the auditor. Each factory is maintained in amfori BSCI platforms by a responsibility holder who manages the factory audits and follows up with possible remediation plans in accordance with the due diligence process.

If issues related to human rights arise from Tokmanni Group's procurement of goods or services, an investigation will be started immediately. Corrective actions and possible needs for remedy are agreed upon with the involved business partner, and their implementation is monitored through, among other things, audits to ensure effectiveness. The cooperation with the business partner is primarily not ceased because it does not promote the realisation of human rights. The cooperation can be terminated if the partner does not commit to solving repeatedly detected deficiencies or does not agree to an independent audit by a third-party actor.

If amfori BSCI zero tolerance cases occur, Tokmanni Group will freeze any active purchases immediately and contact the supplier for further investigation of the problems. After further investigation, each case and the continuation of cooperation with the factory will be evaluated separately. In accordance with the amfori BSCI system, zero-tolerance problems are dealt together with amfori. The most common minor grievances detected by audits and self-inspections in general, are related to overtime, pay and minor deficiencies in compliance with safety instructions. Tokmanni Group allows suppliers to use subcontracting, but the subcontracting factories must also be amfori BSCI-audited and approved by Tokmanni Group. All factories and subcontractors and their changes must be approved by Tokmanni Group in advance.

Suppliers and factories are also committed to establishing or participating in effective operational level grievance mechanisms for individuals and communities who may be adversely impacted and maintain accurate records. As part of own factory inspections, Tokmanni seeks to get feedback, hear possible concerns, and advance good practices.

Tokmanni Group has not separately assessed whether value chain workers are aware of and trust structures or processes as a way to raise their concerns but trusts the amfori BCSI process as a reliable method.

Taking action for sustainable and traceable products
(S2-4, MDR-A)

In the table below is a description of key actions taken and planned to prevent or mitigate material negative impacts that also aim to reduce risks, and actions to advance material positive impacts that also aim to pursue opportunities. The material risks and opportunities arise from the impacts on value chain workers as sustainable sourcing is a significant maintaining factor for Tokmanni Group's reputation, on which its business is dependent. Actions are presented either on a Group, segment or store chain specific level, specified in the table. Key focus is on suppliers within Tokmanni Group's immediate sphere of influence, meaning the brands managed by Tokmanni Group (private label products, exclusive brands and non-branded products).

To manage IROs and guide actions relating to the supply chain, Tokmanni Group has four policies in place:

Code of Conduct:
Tokmanni Group demands that product manufacturers comply with all legislation concerning working conditions and human rights, and with international norms. The Group observes the due diligence principle in supervising the supply chain and seeks to mitigate the associated corporate responsibility risks.

Human Rights Policy:
Tokmanni Group is committed to respecting human rights and to remediating adverse human rights impacts throughout its business operations. The Group expects its business partners to have the same commitment.

Principles of Responsible Purchasing:
Responsible purchasing aims to ensure the realisation of employees' fundamental rights, and thus Tokmanni Group requires the products it offers to customers to be manufactured in ethically acceptable production conditions. In addition, Tokmanni Group seeks to purchase its products only from responsible suppliers following the principle of due diligence.

Supplier Code of Conduct:
Tokmanni Group is committed to identifying, preventing, mitigating, accounting for, and remediating adverse human rights impacts in its supply chain and expects the same from all business partners.

Actions to manage unfair working conditions in the value chain and related potential risks

Actions 2024*
Tokmanni Group: Updating guidelines: Responsible sourcing guidelines were adopted at Group level (incl. Group level human rights due diligence process definition). Audits: In 2024, all factories the Group uses in risk countries, were expected to have a valid amfori BSCI audit, as required in Tokmanni Group's Principles of Responsible Sourcing. Tokmanni Group conducted 57 own factory assessments and 64 additional third-party evaluations in 2024. Commitments: In accordance with International Accord for Health and Safety in the Textile and Garment Industry, the Group sourced Private Label apparel products only from Accord-covered factories in Bangladesh.
Tokmanni store chain: Tokmanni (excl. Click Shoes and Shoe House) started a supplier management system project
Dollarstore segment: Integration of policies and principles: Dollarstore segment has started to adopt the Group policies (Principles of Responsible Sourcing and Guidelines for Responsible Sourcing during 2024) to its framework for procurement of sustainable and quality-assured products. Implementation includes training and workshops with the purchasing department. Dollarstore segment's focus during 2024 was on raw materials, especially wood and paper, for which Dollarstore segment acquired an FSC promotional license in 2024. To implement the raw material principles for cotton, Dollarstore segment started to collect data in order to become a member of Better Cotton Initiative. Mapping of existing suppliers and factories: Dollarstore segment has started to map existing suppliers and factories in risk countries and identifying the current status of the existing assortment. An action plan was made for products that did not have a valid amfori BSCI-audit. All repeat products in Dollarstore segment have been transferred to the sourcing office in Shanghai and, where possible, Dollarstore segment products are being replaced by existing Tokmanni segment products. A valid amfori BSCI audit result or equivalent is now required when sourcing new products from risk countries. Memberships: In August, Dollarstore segment became a member of the Ethical Trade Initiative organisation. Dollarstore is the first discount retailer to become a member in Sweden. As a start, ETI held a workshop in November with Category Managers on sustainable purchasing. Supplier engagement: Dollarstore segment held a supplier meeting for its most important Nordic suppliers, hosted by the Purchasing department. One topic on the agenda was sustainability and quality, emphasising the supplier Code of Conduct and Dollarstore segment's ambitions going forward, and what is expected from Dollarstore segment's suppliers within these areas. General Terms of Purchasing and Code of Conduct were sent out to Dollarstore segment unique suppliers, and all new suppliers need to sign the General Terms and Code of Conduct to start business.

** Except for supplier management system, all the actions are ongoing. Actions related to integrations will continue in 2025. Tokmanni Group aims to enhance sustainability competence of employees working with procurement and will conduct sustainability trainings in 2025. New action plans will be considered in connection with the strategy update.*

By continuing to implement these ongoing actions in different levels of organisation, the Group expects in the long-term:

- To enhance the sustainability of sourcing and increase the number of audited factories by implementing Responsible sourcing guidelines at Group level.
- To manage and mitigate negative impacts related to value chain workers' human rights and improving working conditions in factories.
- To validate the results of third-party audits through additional assessments and to see if non-compliance issues have been corrected.
- To gain a deeper understanding of the factories' current state, and to collect more information for product assortment decisions.

Negative impacts on workers in the value chain are addressed through long-term commitments and cooperation with local and global stakeholders. Positive impacts will be achieved through various international partnerships and programmes. These include the International Accord for Health and safety in the Textile and Garment Industry, the BSCI's Speak for Change Programme, and Dollarstore segment's membership of the Ethical Trading Initiative (ETI). The effectiveness of these activities will be measured against the targets set out in the next chapter, Measuring Success.

Tokmanni Group’s process for identifying needed and appropriate actions in response to negative impacts on value chain worker is described in Tokmanni Group Human Rights Due Diligence approach. To identify and assess actual and potential adverse human rights impacts, Tokmanni Group relies on country risk analysis and third-party reports and studies. Also, factory assessments, audits and stakeholder engagement with NGOs provide important input and trigger corrective actions as described below.

Actions embedded in purchasing practices

The initial phase of Tokmanni Group's purchasing process involves identifying and assessing suppliers and factories, including a thorough investigation and evaluation of the background information of potential suppliers and factories, in accordance with Tokmanni Group’s Guidelines of Responsible Purchasing. A supplier or factory can only be considered a potential partner if it meets the criteria outlined in the Guidelines for Responsible Purchasing and can demonstrate compliance with the requirements of EU legislation.

In accordance with the Guidelines for Responsible Purchasing, Tokmanni Group screens 100% of new risk country factories. In 2024 there was no sourcing from new risk countries. Sourcing agreements with the factories of the brand suppliers must also include a commitment stating that production complies with the amfori BSCI requirements. In 2024, all new suppliers adhered to these criteria. This commitment is monitored before every shipment when the final random inspection (FRI) report is released. Final random inspection (FRI) is conducted for products of brands managed by Tokmanni Group in risk countries to ensure that the production and the factory are compliant with the relevant quality and sustainability requirements, including the ones stated in the amfori BSCI standards and the Group’s Responsible Sourcing Guidelines (minimum C level audit).

The most important commitment to mitigate negative impacts is the amfori BSCI, whose operating method Tokmanni Group’s sourcing follows in all procurement. In its purchase agreements, Tokmanni Group requires suppliers of branded products to commit to ensuring that the responsibility of their production meets the required level of amfori BSCI audit. If the national regulation of labour rights is weaker than amfori BSCI regulation, Tokmanni Group demands compliance with the Policy that is more beneficial to the employee.

amfori BSCI audit results are assessed on a five-step scale, using the grades A, B, C, D or E. For Tokmanni Group’s RSP factories (producers that are under Tokmanni Group´s responsibility) in amfori BSCI, the sustainability team sends a message to the Category Manager and the Group Category Manager about their poor amfori BSCI audit results, i.e. results “C” and occupational safety challenges, “D” and “E” and reminds the Category Manager to inform the supplier of these results and ask the factory to correct the issues raised in the audit report. For RSP factories, the Category Manager also requests a concrete continuous improvement plan (remediation plan) and a schedule for correcting the detected problems. The sustainability team ensures that the factory adds a remediation plan to the amfori BSCI system. No orders can be placed to a factory that receives the grade E. Before ordering from a factory that has received a D, the factory must be discussed with the sustainability team and VP, Sourcing to identify options and risks before the decision on the order is made together. Category Managers should consider alternatives for factories that perform badly and do not take care of corrective actions. SA8000-audited factories automatically receive a good overall assessment using the amfori BSCI system. SMETA and ICTI Care certificates for toys are accepted on a case-by-case review.

Group’s own factory inspections are conducted by the quality and compliance team in Shanghai, as well as the Group’s quality, sourcing and sustainability teams in Finland or Sweden. The results of the factory inspections and continuous improvement plans are sent to the Group’s sustainability team, the supplier or factory, and the Group’s Category Manager. In all cases, the responsible person, either in the Shanghai sourcing office or Nordic head offices, monitors the implementation and progress of the continuous improvement plan with the supplier/factory every three months and keeps the Category Manager informed.

Processes to provide and enable remedy

By signing Tokmanni Group Supplier Code of Conduct, Tokmanni Group and its suppliers are committed to establishing or participating in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted and maintaining accurate records. The operational-level grievance mechanism must be in line with UNGP Article 31. Where relevant, the operational-level grievance mechanism should be accessible in relevant local languages and should allow addressing and remedying the issues effectively across jurisdictions through partnerships and coordination. Tokmanni Group monitors this requirement through amfori BSCI audits (PA 2: Workers Involvement and Protection) and, in case of any findings of misconduct, through continuous improvement plans.

In cases of zero-tolerance, Tokmanni Group follows amfori's Speak for Change program and aims to provide effective remedy for upstream value chain workers in cooperation with all included parties, such as all other amfori members linked to the same business partner and relevant stakeholders. If a supplier is found to have zero-tolerance issues, Tokmanni Group will work on the case even when the supplier does not manufacture Tokmanni Group's products. The supplier in question will be requested to provide a written explanation and all purchasing activities will be ceased until the answer is received.

Monitoring the effectiveness of actions

Tokmanni Group has allocated human resources, such as the Sustainability Steering Group and sustainability teams, to work on sustainability targets. Employees in the procurement and quality department have also been dedicated to managing supply chain impacts. In addition, the Group is a member of the amfori BSCI and Accord, among others, to which financial resources and working hours are allocated. However, the distribution of resources between the different responsibility of themes or key areas is not monitored and therefore cannot be reliably estimated.

In addition to targets presented in the next chapter: Measuring the success, the effectiveness of actions is tracked and assessed through the amfori BSCI audit results and by monitoring the implementation of continuous improvement plans. Zero-tolerance alerts (or lack of them) also reflect the effectiveness. These alerts can only be triggered through the amfori Sustainability Platform by the monitoring partner. A notice is automatically sent to all linked members once a monitoring partner raises an alert. According to the Protocol for amfori BSCI members linked to the specific case, Tokmanni Group would participate in the conference call to develop the ad-hoc remediation group and in a three-month follow-up call to give feedback on the implementation of the continuous improvement plan, even if the supplier does not manufacture Group's products.

In 2024, the zero-tolerance case detected concerned forced labour in a factory linked to Tokmanni Group. The Group did not placed orders for this factory during 2024.

Measuring the success
(S2-5, MDR-T)

In the table below is a description of targets set, related to preventing or mitigating material negative impacts that also aim to reduce risks. All targets presented are related to all material IROs presented in table below and cover supply chain workers defined in the first chapter of Workers in the value chain. The policies mentioned in the previous chapter: Taking action for sustainable and traceable products, provide guidance to manage the IROs and related target-setting. In 2024, the targets were set at Group and store chain level, while for 2025, targets were set only for the Group. The results of the 2024 targets, presented in the table below, provided a baseline for the Group's 2025 targets.

The targets were set without engaging with workers in the value chain, but the workers were indirectly engaged in tracking the performance and identifying improvements through audits.

Targets to monitor negative impacts and risks related to workers in the value chain

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Rationale of results 2024	Targets 2025
Tokmanni Group	Own factory assessments & Third-party audits: 100 in total	2024 result serve as a baseline 2025.	Own factory assessments: 57 Third-party audits: 64 In total: 121	The target of own factory assessments and third-party audits in total in 2024 was achieved.	In 2025, Tokmanni Group will continue conducting third-party audits and own factory assessments but has not set target levels. amfori BSCI zero-tolerance cases**: 0
Tokmanni segment	amfori BSCI compliance rate*: 100%	-	97%*	The amfori BSCI compliance rate level was not fully achieved, although suppliers of branded products commit to ensuring that the responsibility of their production meets the required level of amfori BSCI audit. Due to complex calculations and manual processes in data collection and data updates, there is a potential margin of error explained below the table.	100%
Dollarstore segment	80% of the segment's suppliers will have signed the Supplier Code of Conduct and Tokmanni Group's General Terms of Purchasing.	-	37%	Dollarstore segment implemented a digital agreement and signing tool in 2024 and agreements have been sent out to all major Dollarstore suppliers. 155 agreements (GTO and CoC) have been signed during December 24. Due to the big shift in volumes to new suppliers and new assortment, the 2025 landscape will likely be very different.	amfori BSCI compliance rate level*: 85%

** For Tokmanni segment, amfori BSCI compliance rate level is calculated by verifying the validity of the audit against the reporting period purchase data. In 2024, the process to transition the data collection process from manual to automated was initiated for Tokmanni-segment, requiring substantial modifications to improve efficiency and accuracy. For this reason, the amfori BSCI Compliance Rate Level for the year 2024 is based on an estimate. The estimated amfori BSCI Compliance Rate Level for the year 2024 is 97%. Since the policies related to responsible sourcing and, consequently, the related processes have remained the same, the result can be expected to be similar to the previous year. The margin of error for the estimate is 2%.*
The goal is to strengthen the process and provide system technical support to ensure more accurate figures from 2025 onwards.
For Dollarstore-segment, the implementation of policies and processes is still in progress and the aim is to estimate the baseline for the amfori BSCI compliance rate level and develop the data collection process during 2025.
The data regarding number of own and third-party assessments is obtained from Shanghai sourcing office and Head of Quality of Tokmanni store-chain.
amfori BSCI compliance means that all factories involved in Tokmanni Group's production in countries classified as high-risk by the World Bank Worldwide Governance indicators must have a valid amfori BSCI audit, and the audit result must be A, B, or C. In addition to amfori BSCI audits, the Group accepts the SA8000 certificate and/or equivalent as proof of ethical production. It is desirable that the producer also joins the amfori BSCI, but a separate amfori BSCI audit is not required. SMETA and ICTI Care certificates and/or equivalent are also accepted on a case-by-case basis.
***Zero-tolerance cases at Group level are measured through amfori BSCI platform. Tokmanni Group has a zero-tolerance for cases defined in amfori BSCI's policies: child labour, bonded labour, occupational health and safety problems that pose an immediate danger to the life of employees and attempts to bribe the auditor or falsify information regarding the delivery chain.*

S4 Consumers and End-users

Material customer related topics and their management
(SBM-3)

As a variety discount retailer, Tokmanni Group is responsible for ensuring the safety and quality of the products sold to customers and customers’ right to privacy as well as implementing responsible marketing and communication practices. These are in line with the impacts Tokmanni Group recognised as material topics relating to consumers and end-users in the DMA process. The IROs and their position in the value chain are shown in the table below. All IROs can be materialised in the short-, medium- and long-term. No metrics presented in this chapter have been assured by external assurance provider other than PwC assuring the sustainability statement.

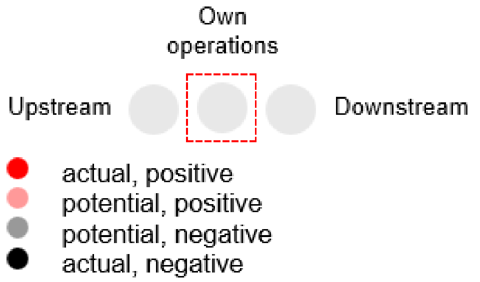
Enhancing customer confidence and loyalty and improving health and safety are key areas of Tokmanni Group's strategy. Some of the key measures to achieve these are investments in the expansion of the assortment, easy shopping, an attractive customer experience, quality, privacy protection, the expansion of the store network, sustainability, and the efficiency of operations. Balancing and optimising customer experience and business efficiency is essential for Tokmanni Group. Sustainability is included in Tokmanni Group’s business strategy as one of the sources of success. Tokmanni Group’s sustainability work aims to mitigate business risks, make use of opportunities, and produce added value for various stakeholders in its value chain, especially for own workforce and customers.

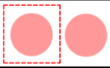
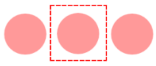
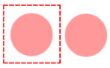
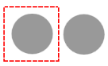
The identified IROs did not yet impact the Group’s strategy and business model, as the DMA was carried out in 2024. The aim is to take the impacts into account in the next strategy, which is planned to be announced at the end of 2025. Tokmanni Group aims to answer to the customers' growing demands and needs of sustainable products by using, for instance, customer feedback in product assortment development. Tokmanni Group's assortment, pricing strategy, and large number of stores offer customers a choice of and access to products.

The materialisation of the material risk to reputation and costs depends on the success of management and governance of the identified material impacts. Tokmanni Group is dependent on reputation as well as customers and their behaviour. Customers' buying behaviour, especially how they choose, buy, use, or discard products or services to meet their needs and wants, strongly impacts Tokmanni Group’s strategy, targets, business model, processes and every-day-work. The Group develops sustainable operations and processes including sustainable products, since they are affecting reputation. In this way, Tokmanni Group can significantly enhance its ability to keep its current customers and attract new customers, access new markets, and attract new partners or investors. By selling quality and safety tested products, Tokmanni Group ensures customer satisfaction and loyalty and attracts customers to shop again. Tokmanni Group's pricing strategy allows as many customers as possible to afford the products, which provides a wide customer base for the Group.

IROs relating to consumers and end-users

Location in the value chain



Material IROs	Location in the value chain	Description
Impact: Information security		Positive impacts are achieved by protecting the right to privacy and maintaining an up-to-date data security management model.
Impact: Product quality and sustainability of operations		By selling high-quality and safety-tested products, the Group ensures customer safety and protection. The Group aims to meet the demand for responsible products by providing better information, such as product origin, to support customers in making responsible choices. Failure to meet customers' information needs or regulatory health and hygiene requirements could lead to negative consequences. Children, in particular, are vulnerable to misleading information.
Impact: Meeting customer needs		The Group develops its product offering by carefully listening to customer feedback. The goal is to provide customers with products that meet their needs. The pricing strategy ensures that as many customers as possible can afford its products.
Risk: Reputational and financial risks due to endangering customer safety		Data breaches, weak, unethical, or misleading communication, negligence in health and safety, or failure to protect children and other vulnerable groups could result in direct financial or legal consequences as well as reputational damage.

When identifying the impacts on consumers and end-users, Tokmanni Group considered all customer groups. Tokmanni Group has customers of all ages and all genders, and they have not been separated into different groups in the DMA process. The Group has not identified any customer groups that are particularly vulnerable to chronic disease risks or have a high risk of personal injury.

Tokmanni Group acknowledges that the users of some products may be at greater risk of harm causing risks for individual incidents. Understanding of these potential risks is based on the categorisation of risk products, aiming to prevent negative impacts on customers buying risk products. One example of such product is the sale of hazardous chemicals. In this kind of products, Tokmanni Group ensures, based on the risk classification, that it has used appropriate product labels, for example stickers for the visually impaired (triangle) or child proof caps. Tokmanni Group strives to use harmonised symbols whenever possible in connection with risk products, in addition to the Finnish, Swedish and Danish languages, so that regardless of language skills, the products will be safe to use. Warning texts are always presented in the local language and national legislations are followed. Children and young people may be particularly vulnerable to marketing and sales strategies, and the Group therefore pays special attention to communication and product safety in relation to children and young people.

Tokmanni Group can positively impact customers by improving access to product information, for example products' origins, and in this way enable customers to make more sustainable choices, meeting the growing demand and need for sustainable products. By selling quality and safety tested products, Tokmanni Group is doing its best to ensure customer protection. Also, Tokmanni Group's pricing strategy allows as many customers as possible to afford and access products. Tokmanni Group protects the customers' right to privacy and keeps the information security management model up to date. Regarding consumer data, the Group complies with all legislative requirements for privacy protection.

Tokmanni Group's business dependencies lie in reputation, customers behaviour and customers overall. All material impacts, actual or potential, are related to these dependencies. The Group did not identify dependencies on certain customer groups, but operations are dependent on customers in general. Failure to respect human rights or the health and safety of the customers and end-users can also hamper the Group's ability to employ workforce, obtain permits, make investments, or other factors that are essential to a successful and sustainable business.

Policies to manage impacts on customers
(S4-1, MDR-P)

Tokmanni Group has adopted four key policies, with no significant changes in 2024, to manage material impacts on consumers and end-users: Code of Conduct (disclosed in chapter: Policies guiding Governance at Tokmanni Group), Human Rights (disclosed in chapter: Policies for managing impacts on own workforce), Information Security Policy (see more information in the table below); and Privacy Policy (see more information in the table below). Code of conduct and Human Rights Policy and their commitments especially guiding work on human rights, engagement and remedy.

At the end of 2024, Tokmanni Group did not have a separate Marketing Policy. However, Tokmanni segment is a member of Suomen Asiakkuusmarkkinointiliitto (ASML) and thus committed to complying with ASML's Code of Conduct and follows the International Chamber of Commerce (ICC) Code of Advertising and Marketing Communication Practice. ICC provide guidance on marketing and advertising around the globe. Tokmanni segment also considers ICC's Council of Ethics in Advertising statements on an advertisement or advertising practice. The Council deals with issues like discrimination, decency, and social responsibility.

Aligned with these policies, Tokmanni Group conducts due diligence procedures to manage and address human rights impacts, as well as provide or cooperate to remediate negative impacts when appropriate. Tokmanni Group monitors product safety by checking documentation, controlling quality during production, and inspecting consignments. It has products tested by third parties and carries out inspections for products based on their risk level. For all products sold by the Group, a product safety risk level has been defined, according to which the product testing requirement is determined.

Incidents reported through whistleblowing channels are also a means of monitoring potential violations (e.g. related to human rights, products and marketing). No cases of non-compliance of these policies were identified in 2024 from the data of whistleblowing channels or customer service.

Policies to manage impacts on customers

Name of the policy	Information Security Policy	Privacy Policy
Third-party commitments	-	The data protection Policy defines how all the Group's operations strive to ensure the lawful processing of personal data and a high level of data protection, as well as how data protection is managed at Tokmanni Group. Data processing is based on applicable GDPR legislation.
Key content of the policy	The Policy ensures the uninterrupted operation of information systems and networks that are critical to Tokmanni Group's operations, prevents unauthorised use of information and information systems, accidental or intentional destruction or distortion of information, and mitigates any resulting damage.	Data protection in accordance with the Policy safeguards the rights of Tokmanni Group's customers, employees, and other stakeholders related to the use of personal data in accordance with legislation, and to ensure that the rights and obligations of the data processor are observed when processing personal data.
Related material sustainability topics	Consumers and end-users: • Personal safety	Own employees: • Equal treatment and opportunities for all People in value chain: • Equal treatment and opportunities for all • Human rights Consumers and end-users: • Personal safety
Related IROs	The responsibility of product quality and sustainability (Consumers and end-users)	Data security breaches (Own workforce), unfair working conditions (Workers in the value chain)

		and information security (Consumers and end-users)
The most senior role accountable for implementation	Tokmanni Group Board of Directors.	Tokmanni Group Executive Group.
Process of monitoring	The continuous monitoring process includes supervision of information security, as well as reporting its level and deviations and responding to deviations. Monitoring is conducted in accordance with applicable legislation, both automatically using technical means and by individuals, for example as part of supervisory responsibilities. Users and administrators must report any observed deficiencies in information security, information security related abuses, or suspected information security breaches to the helpdesk, which will respond to them on a case-by-case basis. Detected risks are reported in the ticketing system, from where they can be accessed later for analysis by the information security team.	Implementation is monitored via possible data breaches. If a data breach is suspected or detected, the matter will be investigated without delay. A data protection officer will be informed, who will coordinate the investigation. The data protection officer will inform the GDPR Steering Group of a potential data breach. A potential data breach will also be reported to the data protection authority if the reporting threshold is exceeded. The GDPR Steering Group will make the necessary decision regarding the reporting.
Scope of the policy	All employees and customers of Tokmanni Group. Information security in accordance with the Policy is integrated into all activities, especially data privacy.	All employees and customers of Tokmanni Group.
Conducted stakeholder engagement in setting the policy	-	The Policy has been developed in collaboration with all sectors of the Group, involving internal stakeholders in the drafting of the Policy.
Availability and accessibility of the policy	Policy is digitally available to all employees.	The Policy is public and available in both Finnish and English. Employees of Tokmanni segment have mandatory internal training courses dedicated to data protection.

Tokmanni Group's general approach to respecting human rights of its customers is to comply with national legislation and EU regulations and align with above and previously mentioned third-party commitments that are expended from the Group’s supply chain.

Tokmanni Group uses surveys, social media tracking, and everyday conversations to engage with its customers and understand their perspectives and potential human rights risks. Customers can also raise concerns by contacting customer service or using the whistleblowing channels. Tokmanni Group collects consumer survey data daily online in Finland. These surveys are conducted with a random sample of customers who visit Tokmanni Group's stores in Finland.

Tokmanni Group provides for or cooperates in the remediation of negative impacts resulting from its activities as far as reasonably possible, given its level of impact and influence. Tokmanni Group offers online whistleblowing channels for anonymous reporting of violations of the Code of Conduct and ethical guidelines, including human rights impacts. The channels are available for all stakeholders, including customers. The approach to providing and enabling remedy is described in more detail in chapter: Channels to raise concerns, applying to human rights impacts as well.

Engaging with customers
(S4-2)

Tokmanni Group aims to proactively engage in two-way dialogues directly with its customers to provide an opportunity to voice their views and concerns to continuously assess and improve Tokmanni Group's efforts on managing impacts, understanding customers’ expectations and needs, and achieving common goals in accordance with the due diligence-process. Surveys, social media tracking and everyday conversations help to understand customers’ perspectives and to reach them comprehensively.

The observations from customer engagement guide decision-making, as they are discussed at sales meetings, steering groups, and other meetings of the top management, if required. Observations and the results of sales volume monitoring are used to build market insights, enabling product development and prioritisation based on the preferences and needs of consumers and end-users. Customer feedback is also used to improve customer communications and develop the product assortment, by, for example, finetuning product labelling and packaging, clarifying product descriptions or availability of the products as well as improvement of overall product quality.

The overall responsibility for the operative management of customer communication, engagement, and discussions is in the segment's marketing department, customer service function and employees of each store guided by HR. The management of each business function in both segment is responsible for taking customers' needs and expectations into account in decision-making.

Customer service:
Customers can give feedback and contact Tokmanni Group through its official channels: websites or through customer service by phone, email, or in the stores, or reach out in social media. Tokmanni Group seeks to establish two-way dialogues with its customers and address their feedback and relevant findings thoroughly and to the greatest extent possible. Tokmanni Group aims to reply to feedback received through official channels within a specific timeframe by the trained customer service team. The aim is to reply to all incoming conversations and messages within 24 hours at Dollarstore segment and 48 hours at Tokmanni segment by the customer service team (excluding weekends). The effectiveness of customer service is assessed by the amount and quality of feedback and the timeframe of replies.

In 2024, Tokmanni store chain's customer service started using a customer service support function robot, with whom the customer can discuss on the website. The so-called Chatbot Ämppy is still a work in progress, and Tokmanni is intending to develop it to be able to answer to customers even more efficiently in the future. Tokmanni segment has also developed a Tokmanni Klubi customer loyalty programme to engage with its customers and get further insights into customer needs and behaviour. In general, the Group is looking into ways of utilising technology to improve customer service experience even further.

Surveys:
Tokmanni Group conducts online customer satisfaction surveys daily in Finland. These surveys are conducted with a random sample of customers who visit Tokmanni stores. In addition to ongoing engagement, the Reputation&Trust survey and the ASML customer index survey are conducted in Finland annually to better understand the customers' experiences and attitudes towards Tokmanni Group and its sustainability work. The survey results are also used to assess the effectiveness of engagement.

The effectiveness of engagement is also assessed by internal audits and external assessments. Tokmanni Group has quality functions in both of its two segments monitoring product safety by checking documentation, controlling quality during production, and inspecting consignments.

Channels to raise concerns
(S4-3)

Tokmanni Group has responsibility of the safety of its Private Label products and other goods which it imports to the EU. Negative impact cases are regularly monitored, and effectiveness is assessed, for example, by ensuring that issues are resolved within the company following the due diligence procedures to manage and address human rights impacts as well as provide or cooperate in remediation when appropriate. Where Tokmanni Group identifies that it has caused or contributed to adverse impacts on its customers, remedy may include apologies and explanation, repair, replacement, refund for a faulty product, or product recall from the market. To assess the effectiveness of the remedy provided, Tokmanni Group monitors customer feedback and third-party surveys, and, if possible, seeks to establish two-way dialogues to address customers' feedback. The Executive Group receives a weekly report on all customer feedback.

At both segments, the quality department works in close collaboration with the customer service function. When serious customer incidents, actual or potential, are identified, the segments have processes in place for product recalls and customer care, if an injury due to poor product quality occurs. Dollarstore segment has an additional internal tool for employees to report their observations related to customer satisfaction and safety.

Tokmanni Group has whistleblowing channels available for all stakeholders, for anonymous reporting of violations of the Code of Conduct and ethical guidelines, including human rights violations, in accordance with the Directive (EU)

2019/1937. Customers and other external stakeholders can access channels via websites. The whistleblowing channels are described in more detail in chapter: Whistleblowing Channels. There are no specific processes through which the Group would support or require the availability of the channels by its business relationships.

To assess that Tokmanni Group's customers and end-users are aware of the channels, the Group analyses the received feedback and the results of customer surveys. The amount of customer feedback received by customer service can be seen as an indication of increased trust in the reporting channels and processes.

Taking action to be the best choice for everybody
(S4-4, MDR-A)

For Tokmanni Group, quality processes are a crucial part of managing impacts on customers, meaning that the most important actions are ongoing. In 2025, Tokmanni will focus on development of quality processes and to increase the number of Private Label products in product assortment to manage all customer related IROs. This means continuing to implement mentioned Group level quality processes and practices, continuing to implement the claim rate process, and aligning quality processes to new legislation on product safety, including product risk evaluations and for example utilising customer loyalty program data in Finland in case of product withdrawal to ensure better safety levels to consumers.

Tokmanni is committed to identifying, assessing, and managing cyber risks to an acceptable level as defined by the risk appetite and in compliance with relevant standards and regulations, such as NIS2 and ISO27001. To manage IROs and guide actions relating to the supply chain, Tokmanni Group has four policies in place:

Code of Conduct:
Tokmanni Group is committed to respecting human rights and addressing negative human rights impacts throughout its business operations, including health, safety, and equal treatment of consumers and end-users.

Human Rights Policy:
Tokmanni Group is committed to respecting human rights and to remediating adverse human rights impacts throughout its business operations, including customers. No human rights issues or incidents were reported relating to customers in 2024.

Information Security Policy:
Tokmanni Group aims to ensure the uninterrupted operation of information systems and networks that are critical to the business operations, prevent unauthorised use of information and information systems, accidental or intentional destruction or distortion of information, and mitigate any resulting damage. Information security is crucial for the Group to ensure data privacy.

Privacy Policy:
Tokmanni Group's data protection safeguards the rights of the Group's customers, as well as other stakeholders in relation to the use of personal data in accordance with legislation, and to ensure that the rights and obligations of the data processors are observed when processing personal data.

In the tables below are descriptions of actions taken and planned to prevent or mitigate material negative impacts that also aim to reduce risks, and actions to promote material positive impacts that also aim to pursue opportunities. Actions are presented either on a Group, segment or store chain-specific level, specified in the tables. Tokmanni Group's business dependencies lie in reputation, customers behaviour and customers overall, meaning that all the presented actions relate to these dependencies.

Actions to manage impacts and risks relating to customers:

Actions to advance material positive impacts relating to information security

Actions 2024	Outcomes	Intended actions 2025
Tokmanni Group: Required to complete an online training on data protection and information security as a part of employees’ introductory training.	**Tokmanni Group:** Enhancing readiness to face the evolving cyber security challenges. Avoiding cases of material privacy protection breaches in systems and registers and corrective notices from data protection authorities.	**Tokmanni Group:** Building and improving the capabilities mentioned in the cyber security strategy, ramp-up planned to be ready by end of 2025, after which enters the normal cycle of maintenance and improvements. New guiding principles to be approved and ready for implementation. Uplifting the technologies needed for technical readiness area (protect, detect and recover). Building and improving the awareness capabilities on information technology. Further developing three-layered information security governance.
Tokmanni segment: Efforts to extend resilience beyond working hours and has an extended bench in place to properly react to cyber security incidents, including monitoring and isolation of cyber security events. Cyber security strategy was approved, and new information security governance model was implemented.	**Tokmanni segment:** Improving capabilities to respond to changing cyber security challenges. Material cases of privacy protection violations occurring in systems and registers and correction notices from data protection authorities were and will be avoided.	**Tokmanni segment:** Creating guidelines for all employees to follow.

Actions to improve product quality and sustainability of operations:

Actions 2024*	Outcomes
Tokmanni Group: Implemented quality guidance, sourcing process, and supplier agreement, defined the quality process and product quality and compliance with legislation. Ensured quality of product management by following harmonised product management processes, covering product specifications, management of basic information and product descriptions, and management of the product requirements and needs (feedback) of customers and officials throughout the product life cycle. Monitored product safety by checking documentation, controlling quality during production, and inspecting consignments. It has products tested by third parties and carries out inspections for products based on their risk level.	**Tokmanni Group:** No serious product safety flaws in products sold. Less complaints on Private Label products. Better customer loyalty with better quality products. This is monitored in the long-term. Increased Private Label share of sales. This is monitored in the long-term. More customer visits in stores and bigger average basket size. The results will be seen in long-term. No negative impacts to Tokmanni Group's customers' health and safety.
Tokmanni segment: Set targets and worked to develop Private Label products and align targets to the Group strategy. Continued the Claim Rate project to investigate the root causes of low-quality products.	**Tokmanni segment:** Minimising the environmental burden (waste or electrical/electronic waste) and achieving better consumer trust on products. Better score of the quality and trustworthy products may reflect in Reputation&Trust survey in Finland.
Dollarstore segment: Inventory clean-up and risk analysis of 23,876 products.	**Dollarstore segment:**

Training on EU regulations, chemical requirements and toy related topics, ongoing dialogue with the Swedish Chemicals Agency. Implementation and integration of policies and processes, including processes for sustainable and quality-assured assortment, and incident handling. Risk identification was implemented on approximately 20,000 products. Continuous engagement and meeting with the largest suppliers from China.	Significant progress is made toward a higher-quality assortment that aligns with current legislation to meet customer demands by removing slow-moving or outdated products. The risk analysis further increases internal awareness.

** In year 2024, there were zero cases related to product safety, where Tokmanni Group would have been required to withdraw products from the market by safety authorities.*

Actions to meet customer needs

Actions 2024	Outcomes	Intended actions 2025
Tokmanni Group: Artificial intelligence (AI) was introduced to help answer customers' questions and solve their problems related to, for example, shopping experience, products and the Tokmanni store chain in general.	**Tokmanni Group:** Marketing and advertising are transparent and truthful, and there is no need for notices from the authorities related to marketing. Attracting new customers and accessing new markets.	**Tokmanni Group:** Continue development of AI to help solve customer problems and improve customer service processes to answer feedback more efficiently. Continue development of customer loyalty programme.
Tokmanni segment: Developed its customer loyalty programme in Finland to include satisfaction surveys and other actions to track and collect customer feedback and communicate with customers. In addition, the campaign process was developed and enhanced to provide more transparent and truthful facts and statements in marketing.	**Tokmanni segment:** Improving customer satisfaction. This is monitored in the long-term.	**Tokmanni segment:** Continue development of AI to help solve customer problems and improve customer service processes to answer feedback more efficiently. Continue development of customer loyalty programme.

The effectiveness of actions is monitored with operative metrics described below. Necessary reactions can be done flexibly by monitoring these operative metrics to achieve strategic targets presented in the next chapter: Measuring the success.

In addition to strategic metrics, the effectiveness of privacy protection and cyber security measures are tracked by monitoring the actual or suspected cases of material privacy protection breaches in systems and registers under Tokmanni Group's control, and material corrective notices from data protection authorities. Product safety is monitored by the number of product types that do not meet all Tokmanni Group's requirements. In 2024, Tokmanni Group identified 22 such cases, most of which were due to insufficient quality (for example colour stains). In 2024, no products sold under Tokmanni's own Private Label or imported products resulted in any serious damage to consumer safety or property.

The effectivity of actions related to better product quality and safer products is monitored continuously by customer feedback of returned products (claim rate) and with surveys conducted annually. Tokmanni Group also monitors weekly its Private Label development since an increase in the number of Private Label products increases the quality and compliance level, as more products are designed, evaluated and handled in-house by the Group's Private Label team.

Customer satisfaction and feedback are monitored continuously. Customer satisfaction includes pricing validity and rightfulness and is an important KPI. Dollarstore segment provides an internal tool where employees are encouraged to report observations related to customer satisfaction, both that they hear from customers but also that they identify themselves through using the products and through unpacking and displaying the products in stores.

Tokmanni Group’s own actions to mitigate potential negative impact or harm to consumers relate mostly to sourcing process of products and preventive actions during the process in the upstream operations. This includes selecting better quality products, skilled suppliers and factories, and defining product specifications for sourced products, and by controlling production it can be ensured that customers are better protected. Tokmanni Group’s liability of imported goods and own Private Label products are on a high level. By increasing their share of total sales, negative impact of products can be better controlled and decreased.

Tokmanni Group does self-monitoring, suppliers visits and product testing by itself and with third parties at various stages of the sourcing process. Relating to downstream operations, Tokmanni Group is responsible for ensuring the texts and packaging markings are correct for the goods sold. All Tokmanni Group's Private Label products indicate the country of manufacture and the recyclability of the packaging materials.

Both current and future requirements and risks are considered in Tokmanni Group’s product development, which can be seen, for example, in raw material selection and process planning. The implementation of measures is monitored with methods such as reputation studies, customer feedback, customer surveys, internal audits, and external assessments. Each business function pursues its own research and development. Tokmanni and Dollarstore segments also have centralised quality resources.

Product information management processes include established practices to ensure the product information is up to date and to correct any mistakes in the information. The functions managing product information monitor the accuracy of the information. Product information and requirements in Finland are managed with Product Information Management (PIM) system and reports are developed to support new product information management needs.

Tokmanni Group follows procedures in its purchasing and marketing. Tokmanni Group’s marketing processes (centralised for each segment) have several touchpoints where it can secure the right pricing and communication in the campaigns. This means that imported data is checked by several people and implies to a strict multi-stage screening process where several eyes look and check. In terms of cyber security, Tokmanni store chain governs its work in three different layers a) operational, b) tactical, and c) strategical layer. Depending on the nature of the topic, it will be handled on one of these layers. Additionally, Tokmanni store chain has introduced IT operating model which ensures that cyber security and architecture management is at the core of all its operations. In terms of privacy, all people who process personal data are bound by an obligation of secrecy, either statutory or separately agreed and documented. The use of information systems that contain personal data is controlled by access management. Only people who have a statutory need to process personal data are granted access to personal data. Logs are collected from all registers at sufficient detail required by law or otherwise.

Continuous monitoring and development

Tokmanni Group has conducted an internal cyber security assessment in Finland and complemented that by conducting an external one. Dollarstore segment has conducted an internal cyber security assessment in Sweden. The actions to mitigate negative impacts and contribute to positive impacts are based on those assessments. Additionally, Tokmanni segment has a Cyber Security and Risk Management Forum which consists of IT and business function decision makers. Cyber security is everyone's responsibility and is owned by the top management of the company. Tokmanni store chain has a risk management process in place, and the Risk Management forum approved in 2024 a proposal for creating a risk management repository for cyber security risks.

Customers’ experience of quality, customer product return rate (claim rate) and consumer safety are all linked together. When the number of non-compliant products due to product safety, durability, or quality is as low as possible, the customer experience of quality will increase.

Tokmanni Group pays specific attention to communication and product safety relating to children and young people. One example from Tokmanni’s stores in Finland is the use of age-limited passports for store employees to be able to sell products with an age restriction. Dollarstore stores in Sweden and Big Dollar stores in Denmark also have age limits (required by law) on products that contain small amounts of alcohol (18 years) and caffeine (15 years). At the end of 2024, an 18-year-old limit was also be introduced for the sale of knives in Dollarstore and Big Dollar stores (not required by law). To ensure that this is handled correctly, Dollarstore segment reduces the volumes of knives available in stores and aims ensure that the shops display clear signs with information about what applies to the sale of knives.

Tokmanni Group follows continuously customer satisfaction and customer feedback. One of the satisfaction metrics is measuring if the campaign prices are right in Tokmanni stores. Open feedback is collected and analysed, and thus Tokmanni Group gets customers' feedback on marketing ethics and truthfulness quickly. In Finland, customer satisfaction KPIs are followed continuously in a management team, marketing and sales. These KPIs include NPS, supported by product availability, store employees' friendliness, and price accuracy. Dollarstore segment also provides an internal tool where employees are encouraged to report observations related to customer satisfaction. This helps to increase the knowledge of customer concerns that might be too small for a customer to make an official complaint about, but that can still have an important impact on product development, safety and customer satisfaction.

Tokmanni Group's end-to-end approach to customers' privacy, health and safety, product quality, and marketing applies to international and local standards and quality management and processes. With regular training and information, Tokmanni Group empower its employees aiming to ensure that products, systems and platforms are safe, compliant and in tune with consumer expectations. Internal quality processes help anticipate and respond to challenges. In 2024 there were no wider industry or collaborative actions required.

Tokmanni Group has solid grounds for processing personal data. The most common grounds that entitle Tokmanni to process personal data include personal consent, customer and service relationships, vital interest and other specific legislation. Tokmanni Group always processes personal data in accordance with the general principles which are the duty of care, defined purpose of processing, exclusivity of purpose and necessity and accuracy requirements. The Group's quality systems are designed to anticipate and address changes in regulations or changes to suppliers. These factors also include, for example, new packaging materials or systems and product assortment innovations.

Tokmanni Group follows local and international guidelines in relation to risk management, carefully checking materials, processes, and products. With more than 20 experts who examine the various qualities and labelling of products.

Tokmanni Group works to embed a strong safety culture throughout its businesses and encourage everyone in its value chain to observe the same standards. The Group's experts participate in industry forums, including the Finnish Commerce Federation, the Finnish Grocery Trade Association (PTY), the Finnish Council of Shopping Centres, the Finnish Cosmetic, and the Toiletry and Detergent Association.

The principle of due diligence and the precautionary principle guide all Tokmanni Group's operations, including customer work. Any product complaints received are investigated internally and supported by external parties such as research institutions when required. Tokmanni Group has a process for ensuring product quality, according to which root cause analyses must be carried out, and any required corrective action must be taken in the case of quality deviations. A standardised recall process is followed in the event of any product safety risks to ensure that all potentially harmful products are removed from the market.

Tokmanni Group has a non-compliant product withdrawal process in place, included in the internal instructions. The process is an elementary part of customer communication to ensure consumer safety. In addition to mandatory withdrawals, Tokmanni Group conducts its own inhouse inspections, after production inspections and other studies to find possible non-conformances in safety, quality or compared to original product specification. If such non-compliances are found, Tokmanni Group can apply several bans to prevent goods to enter the market. These bans are re-ordering bans, delivery bans, or sales bans.

If a data protection breach is suspected or detected at Tokmanni Group, the matter will be investigated promptly. At Tokmanni segment, a data protection officer will be informed, who will coordinate the investigation of the matter. The data protection officer will inform the data protection and GDPR Steering Group of any potential data security breach. A notice of the data security breach will also be made to the data protection authority if the reporting threshold is exceeded. The GDPR Steering Group will make the necessary decision regarding the notice. At Dollarstore segment, the investigations and other procedures related to data protection breaches are handled by the IT department.

Customers can use Tokmanni Group's whistleblowing channels to report any ethical concerns or non-compliance with legislation. The channels and the process for handling reports are described in more detail in section: G1 Business conduct. Tokmanni segment follows the customer satisfaction metrics through surveys and customer feedback and thus monitors the effectiveness of its actions. Dollarstore segment follows the customer satisfaction metrics through customer feedback and the internal tool for reporting observations related to customer satisfaction.

The most important resources for the ongoing processes are Tokmanni Group’s product and procurement department as well as marketing, security, and sales functions, whose processes and activities are described above.

Measuring the success
(S4-5, MDR-T)

Tokmanni Group has several operative qualitative metrics in place described in the previous chapter, to ensure that the strategic metrics can be achieved. The policies mentioned in the beginning of chapter: Taking action to be the best choice for everybody, provide guidance to manage the IROs and related target-setting.

In the table below is a description of targets set. Most of the 2024 targets were segment or store chain specific, while for 2025, targets have been set for the Group only. All targets presented are related to all material IROs related to customers and end-users described at the beginning of this chapter. The targets were not set with direct involvement of customers, but the process took into account the results of customer surveys and customer feedback.

Targets to monitor impacts and risks relating to customers

Targets relating to customer needs:

Reputation&Trust survey*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni store chain	Sustainability score: >3.34	2023: 3.34	3.42	3.44
Tokmanni store chain	Overall score: >3.55	2023: 3.55	3.60	3.62

** The Reputation&Trust survey examines Tokmanni store chain’s reputation among Finns. Reputation&Trust is a management tool that delves into an organisation’s reputation among, for example, the general public.*

In 2024, the data collection for the survey was carried out from November 4 to November 13, 2024. Tokmanni store chain was evaluated by 306 people. The target groups of the studies were Finns aged 15–65 nationwide (excluding Åland Islands). The study reveals how the following aspects affect Tokmanni store chain's collective image: administration, finance, management, innovations, interaction, products and services, workplace, and sustainability. Sustainability section of the survey includes three questions. The sustainability score of the survey is the average of the scores for these three questions.

Targets to monitor material positive impacts relating to information security. Targets cover systems and registers under Tokmanni Group's control.

Actual or suspected cases of material privacy protection breaches in systems and registers

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni Group	0	-	0	0

Corrective notices from data protection authorities

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni Group	0	-	0	0

** Suspected data protection breaches and corrective notices from authorities are monitored through separate processes at Tokmanni and Dollarstore segments.*

Targets to monitor product quality and sustainability of business. Targets cover all Tokmanni Group's markets (notices from Finnish, Swedish and Danish authorities).

Serious product safety flaws in products sold

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni Group	0	-	0	0

Complaints in Private Label products*

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni Group	3%	2020: 5%	>3%	-

***** *Tokmanni Group is responsible for all products sold within Tokmanni Group. Higher requirements are set up for brands managed by Tokmanni Group. Data is extracted from customer return report.*

Notices from the authorities related to marketing

Reporting segment	Targets 2024	Baseline and year for the target	Results 2024	Targets 2025
Tokmanni Group	0	-	0	0

Good Governance

G1 Business Conduct

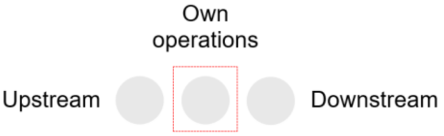
Tokmanni Group's culture

The material IROs identified in the 2024 DMA and their position in the value chain are shown in the table below. All IROs can be materialised in the short-, medium- or long-term. The metrics presented in this chapter have not been assured by external assurance provider other than PwC assuring the sustainability statement. Risks and opportunities will be materialised depending on the success of the management of policies.

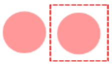
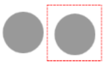
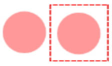
Tokmanni Group's good governance is based on continuous development and established processes. There are no specific actions directly allocated to the reporting period, apart from the previously mentioned integration measures. Corporate culture, employee expertise, and comprehensive operating principles have a broad impact across various areas of business operations. Consequently, the impacts of good governance are indirectly reflected in the metrics and targets presented in the previous sections.

Business conduct related IROs

Location in the value chain



- actual, positive
- potential, positive
- potential, negative
- actual, negative

Material IROs	Location in the value chain	Description
Impact: Comprehensive operating principles and models		The Group has extensive operating principles and guidelines that are documented and implemented throughout the organisation. These enable reliable, consistent, coherent, and ethical operations, including the prevention of corruption and bribery. However, the Group has identified gaps in supply chain transparency and the need to strengthen internal capabilities to meet increasing regulatory requirements.
Risk: Deficiencies in expertise and operations may cause reputational damage and financial consequences		Inadequate policies, structures, or poor quality may lead to legal, financial, and reputational damages, as well as weaken stakeholder cooperation. Improving operations may require significant investments.
Opportunity: Reputation benefits from a responsible corporate culture		A responsible corporate culture can significantly enhance the Group's attractiveness to business partners, investors, and customers. In the future, responsibility could become an increasingly important competitive advantage.

Policies for Good Governance

(G1-1, MDR-P)

An open and fair corporate culture that respects all employees is seen as essential for successful and sustainable business operations at Tokmanni Group. With inclusive and fair personnel management, Tokmanni Group aims to evolve, benefit from new business opportunities, reduce risks and generate added value for all its stakeholders.

Tokmanni Group develops and promotes its corporate culture by for example offering its employees a safe and equal work environment. To other stakeholders the Group offers an opportunity for cooperation with an ethical and reliable retailer. Employees learn about ethical corporate culture during the onboarding process, and later during employment, through e-learning and online communication. The communication highlights stories especially about customer orientation, customer service, knowledgeable personnel and competence development. A culture based on Tokmanni Group's values is also maintained through rewards. The Tokmanni Group annually rewards its employees who, for example, have followed the Group's values in an exemplary manner in their own work. Implementation and development of the culture of doing the right thing is measured through an annual employee survey.

To ensure the sustainability of its suppliers, customers and other partners, Tokmanni Group follows due diligence procedures and assessments in its processes. The major partners' background is checked by Shanghai sourcing office for any risks related to sanctions, corruption, money laundering, human rights violations and various other misconduct before binding agreements are concluded. During the cooperation relationship, the processes are followed by means of continuous monitoring.

The Group's operations are primarily guided by its values and the Code of Conduct. The Code of Conduct or other Policies have not been specifically aligned with the United Nations Convention against Corruption, and it is not seen as necessary at the moment. Contents of the Code of Conduct and other governance related policies are presented in the tables below.

Tokmanni Group's values are:

Pride in low prices: We are proud to offer our customers good quality products at the lowest possible price. Our procurement is both sustainable and effective. We care about people and nature; hence we act responsibly in everything we do.

Dare to renew: We dare to renew ourselves and to stand out. We learn, take initiative and act sustainably - without fearing failure. Our success is measured through both customer and employee satisfaction.

Do it together: We build our culture on mutual trust and respect. We are open, honest and fair to everyone. We succeed together.

Policies guiding Governance at Tokmanni Group*

	Code of Conduct	Risk Management Policy	Remuneration Policy
Third party commitments	The Policy is based on and refers to: • United Nations (UN) Universal Declaration of Human Rights • International Labour Organization (ILO) Conventions and Recommendations • UN Global Compact.	The recommendations of Securities Market Association's management code have been taken into account in the Risk Management Policy.	The Remuneration Policy complies with the Finnish Securities Market Association's Corporate Governance Code 2025 and applicable legislation. Good corporate governance of listed companies is based on a combination of laws and decrees issued on the basis of them, as well as self-regulation and other best practices. The most essential domestic legal provisions are included in: • the Limited Liability Companies Act • the Securities Markets Act • the Auditing Act • the Accounting Act. Finnish listed companies are also bound by: • EU-level regulations • the Rules of the Helsinki Stock Exchange • the regulations and guidelines issued by the Financial Supervisory Authority (FIN-FSA).
Key content of the policy	Responsible business operations are guided by Tokmanni Group's Code of Conduct. The Code of Conduct includes themes such as fair and respectful treatment of people, business integrity, minimising environmental impacts, responsible sourcing, communications and marketing as well as reporting violations and consequences to violations.	Risk management is part of Tokmanni Group's management system and internal control. The Policy covers risk management framework (risk management process, Risk Management Policy and other internal guidelines and risk awareness throughout the organisation), risk management process, reporting, risk management roles and responsibilities as well as review and updating of Risk Management Policy. The purpose of the risk management process is to identify, assess and respond to	The Policy defines the principles and decision-making processes for the remuneration of Tokmanni Group's governing bodies. The purpose of the Remuneration Policy is to describe the remuneration principles of Tokmanni Group and to provide a clear picture of how the remuneration of the Group's governing bodies is managed and how the different aspects of remuneration are linked to the Group's strategy.

		events that are potential threats for achieving Tokmanni Group's targets.	
Related material IROs	All material IROs that are related to business conduct	All material IROs that are related to business conduct	All material IROs that are related to business conduct
The most senior role accountable for implement-tation	Tokmanni Group CEO.	Tokmanni Group CEO.	Tokmanni Group CEO.
Process of monitoring	The compliance with Code of Conduct is monitored by the anonymous whistleblowing notices, for example. Tokmanni Group offers internal and external whistleblowing channels for anonymous reporting of violations of Code of Conduct and ethical guidelines.	Risk management supports the Group Management and the Board to ensure that the Group can implement its strategy efficiently. Tokmanni Group operates in line with the Risk Management Policy approved by the Board of Directors.	The People and Sustainability Committee assists the Group Board in matters related to the remuneration of the Group CEO in accordance with the Policy. In addition, the Committee assists the Board, for example in the preparation and evaluation of the Group's remuneration principles and the annual remuneration report. Based on the authorisation given by the Board, the Committee evaluates and confirms short- and long-term incentive compensation targets and approves the payment of bonuses to the Group CEO and other management.
Scope of the policy	Everyone at Tokmanni Group and Tokmanni Group's business partners. Business partner refers to any legal entity the Group is engaged in doing business with. Business partners for Tokmanni include, but is not limited to, suppliers, service providers and contractors.	The entire organisation and value chain.	The members of the Board of Directors, the Group CEO and the Deputy CEO.

Conducted stakeholder engagement in setting the policy	Stakeholders did not participate in setting the policy.	Views and input of the Board of Directors and Tokmanni Group's Executive Group members were considered. Other internal stakeholders were also involved in drafting of the Policy.	Opinions an input of the Board of Directors and Tokmanni Group's Executive Group members were considered. Other internal stakeholders were also involved in drafting of the Policy. A financial service provider specialising in remuneration has offered assistance and perspectives on the structure and content of the Policy.
Availability and accessibility of the policy	Policy is public in Finnish and English. Each employee at Tokmanni Group, is obliged to take part in the annual e-learning course on the Code of Conduct.	The key principles of the Policy are communicated to the Group’s personnel and applied within the whole Group. The Policy will be available in intranet.	Policy is public in Finnish and English.

** Tokmanni Group has many principles to guide sustainable sourcing, including animal welfare. You may see these principles on the Group websites.*

Each Tokmanni Group’s employee is obliged to follow laws and ethical guidelines, report guideline violations as well as share the best practices and ask questions if any uncertainties appear regarding the Policies. Each employee at Tokmanni Group, including the members of the Board of Directors, is obliged to take part in the annual e-learning course on the Code of Conduct, which guides Tokmanni Group’s business operations. At the end of 2024, 58.6% of Tokmanni Group employees completed the course. The employees at the Shanghai sourcing company in China are equally required to comply with the Code of Conduct. In 2024, 82.1% of the employees of the Shanghai sourcing office completed the course. In addition to this, in 2024, all Tokmanni Group’s new employees received training on the use of the whistleblowing channel as part of their onboarding process. Besides the Code of Conduct training, all Tokmanni segment’s employees working with purchasing and sourcing receive occasional training on responsible sourcing. During 2024, one this kind of training session was organised.

Tokmanni Group has compliance functions in place (consisting of Compliance team of Tokmanni segment and Whistleblowing Committee of Dollarstore segment), whose role is to assist senior management, Executive Group and other business operations to manage risks associated with regulatory non-compliance, supervising regulatory compliance, and for its part, developing internal controls further. The compliance functions handle notices concerning financial and governance misconduct received via both internal and external channels, such as the whistleblowing channels that are available for all stakeholders, and actions that violate Tokmanni Group Code of Conduct.

All notices of violations, including potential corruption and bribery matters, are processed with confidentiality, promptly, independently and objectively, as required by data protection legislation. Tokmanni Group takes appropriate action based on these notices. Sourcing and buying functions are typically most at risk in respect of corruption and bribery, since procurement processes can be vulnerable to corruption, especially in high-risk countries.

The compliance functions prepare and maintain guidelines on key matters related to practices, such as Tokmanni Group Code of Conduct and other principles, as well as advise and train employees, support business functions in developing measures promoting internal control, keep senior management, Group Executive Group and Board of Directors informed about upcoming regulatory changes. Compliance functions report to the Group CEO on the results of the control and other observations related to compliance risks.

Whistleblowing channels

Tokmanni Group offers internal and external whistleblowing channels for anonymous reporting of violations of Code of Conduct and ethical guidelines, including human rights violations, in accordance with the Directive (EU) 2019/1937. In Human Rights Policy, Tokmanni Group prohibits retaliating against workers or any other stakeholders who report a concern in good faith. Reports can be made anonymously, and all reports are handled confidentially in accordance with local data protection laws.

Tokmanni Group's own employees can access channels via internal digital systems and external stakeholders via websites. Violations can also be reported via phone or email to the Compliance functions. Tokmanni segment’s whistleblowing channel is available in English and Finnish via internal intranet or external website. The channel is based on Saas application provided by Falcony. Dollarstore segment’s whistleblowing channel is established by a third-party service provider, 2secure, and is available on websites and internal channels for example in Swedish and Danish.

To ensure effectiveness, a designated group of individuals trained for subject and independent of the matter handle the notices received from whistleblowing channels. At Tokmanni segment, only the Chief Compliance Officer and the HR Business Partner (employment relationship) have access to whistleblowing reports. In Dollarstore segment, the entire notice process is handled by specially authorised persons at the third-party service provider 2secure. Dollarstore appointed a Whistleblower Committee in 2024 consisting of key managers and led by Chief Human Resources Officer, who receives notices from 2secure. Serious cases are immediately brought to the Group Management to be handled.

All the Group’s employees are required to complete e-learning courses on the Code of Conduct which covers Tokmanni Group’s key ethical principles and describes the best practices related to business sustainability through examples and exercises, also related to whistleblowing. Whistleblowing is also part of the onboarding training of each employee.
If employees are unsure of how to interpret Tokmanni Group’s Code of Conduct or about personnel matters, they can contact the Compliance team or the HR function. The employees must immediately notify the Compliance team of suspected cases of internal financial or governance wrongdoings or other actions that violate the Code of Conduct.

In 2024, 79 complaints were received through Tokmanni segment’s whistleblowing channels and 12 through Dollarstore segment’s channels. Most incidents were categorised as customer service feedback, some as complaints and feedback from own employees related to poor supervisor work and other work community or working environment challenges and working methods, and a few reports of misuse of employee benefits. These cases were investigated, and appropriate actions were taken where necessary. No serious cases, for example related to employment discrimination, inappropriate or unethical behaviour, were detected.

Taking action to be a trusted partner
(G1-2)

Tokmanni Group sources products from many different suppliers and maintains active dialogue with all of its suppliers. Three priorities are guiding this dialogue: sourcing and supplier requirements, human rights and labour practices, and environmental impact mitigation. In addition to the social impacts disclosed in the chapter S2 Workers in the Value Chain and the environmental impacts disclosed in the chapters E1 Climate Chain and E5 Resource Use and Circular Economy, the Group also has governance related impacts focusing on its suppliers, The Group being a significant buyer for many of them. To ensure compliance with law and sustainable business relations, Tokmanni Group follows and reports its payment practices. All the policies and commitments are communicated to relevant stakeholders through contracts and related negotiations, terms of purchasing, and through formal or informal meetings. Due to the nature of Tokmanni Group’s business, the number of suppliers is large.

Tokmanni Group’s principles states paying invoices on time. Tokmanni Group has standardised processes in handling invoices. All invoices are treated according to these common principles. Tokmanni Group does not have specific policies aimed at preventing delays in payments to small and medium-sized enterprises. Tokmanni Group's standard payment term is to pay invoices on time. Tokmanni Group's financial situation is stable, and the Group is capable of paying invoices on time, in accordance with the standard payment term. This was true 81% of payments in 2024. The most common reason for late payments were that the deliveries were late.

The Group has policies and other guidelines in place to guide management of relations with suppliers. The product and service suppliers are required to adhere to the amfori BSCI ethical principles by signing the Group's Supplier Code of Conduct. The implementation of the Supplier Code of Conduct is still in process. The aim is to have all the suppliers committed during 2025. Factories in risk countries that supply Tokmanni Group's Private Label products are also monitored through audits conducted by third parties as well as by own factory assessments.

For Tokmanni Group, responsible sourcing means, above all, ensuring that the human rights of value chain employees are respected, and environment impacts are managed throughout the supply chain as disclosed in the topical chapters before. The key targets and actions related to supply chain are focused on managing social and environmental aspects and therefore they are disclosed in the topical sections in this report. By focusing on its Private Label products and direct imports, building long-term supplier relationships and close cooperation with various parties, Tokmanni Group is able to monitor the impacts in the supply chain. The process is supported by Tokmanni Group's principles and guidelines for responsible sourcing. Tokmanni Group's expectations for suppliers and service providers are:

- Sourcing and supplier requirements
    - Commitment to amfori BSCI and Tokmanni Group's compliance requirements
    - Commitment to Tokmanni Group's General Terms and Conditions for Sourcing
- Respecting human rights and decent labour practices
- Environmental impact mitigation (SBTi as a recommendation)

The Group's goal is to know the origin of all the most significant high-risk raw materials (cotton, wood/paper, palm oil, fish, and coffee). In the supplier audits, it is ensured that when using high-risk raw materials, that the company's products meet statutory requirements and Tokmanni Group's own product safety requirements. Tokmanni Group has defined high-risk raw materials for its products and set certification goals for them. All products must be certified or otherwise responsible if they contain high-risk raw materials.

To ensure the sustainability of the suppliers, customers and other partners, Tokmanni Group follows amfori BSCIs due diligence process, in which the partners' background is checked for any risks related to for example sanctions, corruption, money laundering, human rights violations and various other misconduct before a binding agreement is concluded, as well as during the cooperation relationship by means of continuous monitoring. Tokmanni Group's Supplier Code of Conduct is a mandatory formal commitment for its signatories to implement human rights due diligence and environmental protection measures across their global supply chains but there are no separate criteria for selection of suppliers.

Zero tolerance for corruption and bribery
(G1-3, G1-4)

In accordance with law and the Code of Conduct, Tokmanni Group has no tolerance for bribery or corruption in the value chain. The anti-bribery principles are consistent with the UN Convention against Corruption. Tokmanni Group's key principles for anti-corruption are related to giving and receiving gifts or hospitality, accepting and making sponsorships or donations, as well as understanding and avoiding conflicts of interest. The Group only accepts ordinary, transparent and low-value hospitality and will not accept bribes at any part in supply chain or operations. High corruption risk operations are related to purchasing from risk countries. Tokmanni Group is not registered in the EU Transparency Register. Tokmanni Group does not distribute monetary donations to political parties.

Risks related to corruption are assessed as part of Tokmanni Group's annual risk management. These internal assessments are made and reported by bodies of Tokmanni Group's chain of management, in line with the reporting processes described in chapter: Governance structure and processes. The Compliance functions are responsible for keeping senior management, Group Executive Group and the Board of Directors informed about incidents related to corruption and bribery. Assessments consider the whole scope (100%) of Tokmanni Group's operations and value chain. Key risks are identified and assessed regularly during the year.

Tokmanni Group offers internal and external whistleblowing channels for anonymous reporting of violations of Code of Conduct and ethical guidelines, including suspicions of corruption or bribery. Violations can also be reported via phone or email directly to the Compliance functions. Additionally, Tokmanni Group takes measures for preventing and detecting corruption and bribery of its partners by due diligence and the required background checks (amfori BSCI due diligence). Tokmanni Group aims to continuously develop its ethical operations in the supply chain.

As part of the anti-corruption processes, trade sanctions checks are carried out for chosen risk-country suppliers by the sustainability team at Tokmanni segment. The process and sanction principles are integrated in the Guidelines for responsible sourcing. Policies related to these are communicated to all (100%) business partners of the Group through the General terms of purchasing, contracts and related negotiations, and formal or informal meetings to ensure mutual understanding. The mandatory e-learning course on the Code of Conduct includes anti-bribery and corruption, as it is described in the Code of Conduct. Each employee (100%) at Tokmanni Group, including at-risk functions and the Board of Directors, are obliged to take part in the course. Tokmanni Group had no cases or sanctions related to corruption or bribery in 2024.

Active member of society
(G1-5)

Tokmanni Group does not financially support political parties, groups or individual politicians, nor purchase anything from them. In line with the Code of Conduct, the Group did not make any financial or in-kind political contributions directly or indirectly in 2024. There is no one nominated at Tokmanni Group responsible for overseeing the Group's lobbying activities and Tokmanni Group is not registered in the EU Transparency Register as this is not seen necessary. However, Tokmanni Group has indirect societal impacts by active participation in various national organisations: the Finnish Commerce Federation, the Finnish Grocery Trade Association (PTY), the Finnish Council of Shopping Centres, the Finnish Cosmetic, and the Toiletry and Detergent Association. It also has representation in various committees of the Finnish Commerce Federation as well as PTY groups. Tokmanni Groups Vice President, Chief People, Culture and Sustainability, is a vice chairman of the Board of Helsinki Region Chamber of Commerce and represents Tokmanni in the Chamber’s Education and Labour Committee. In addition, Tokmanni Group is a member of the corporate sustainability network FIBS with FIBS Pro services, and part of UN Global Compact Finland network.

The topics covered by the organisations mentioned above are in general related to work which develop and improve the operating conditions for companies active in wholesale and retail trade, stimulate cooperation within the sector and enhance the commercial and employer interests. In addition, the topics include professional skill development and labour issues.

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Consolidated income statement

1,000 EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Revenue	2.2	**1 674 960**	**1 392 654**
Other operating income	2.2	4 896	4 238
Materials and services	2.3	-1 078 580	-905 792
Employee benefits expenses	2.6	-224 094	-174 434
Depreciation	2.5	-127 645	-96 804
Other operating expenses	2.4	-150 025	-126 887
Share of profit in joint ventures	3.9	65	74
Operating profit		**99 576**	**93 049**
Financial income	2.7	6 529	2 624
Financial expenses	2.7	-45 376	-27 281
Profit/loss before tax		**60 729**	**68 392**
Income taxes	2.8	-12 321	-14 386
Net result for the financial period		**48 409**	**54 005**
Profit for the year attributable to			
Equity holders of the parent company		48 409	54 005

Consolidated statement of comprehensive income

1,000 EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Net result for the financial period		**48 409**	**54 005**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		-6 357	8 830
Comprehensive income for the financial period, net of tax		**-6 357**	**8 830**
Comprehensive income for the financial period		**42 052**	**62 835**
Comprehensive income for the financial period attributable to			
Equity holders of the parent company		42 052	62 835

Earnings per share	Note	2024	2023
Equity holders of the parent company		48 409	54 005
Earnings per share, basic (EUR/share)	2.9	0.82	0.92
Earnings per share, diluted (EUR/share)	2.9	0.82	0.92

Consolidated statement of financial position

1,000 EUR	Note	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3.1	638 596	633 393
Goodwill	3.2	217 322	218 070
Other intangible assets	3.2	42 368	45 769
Non-current receivables	3.5	1 675	2 005
Investments in joint ventures	3.9	327	254
Other financial assets	3.5	167	650
NON-CURRENT ASSETS, TOTAL		**900 455**	**900 141**
CURRENT ASSETS			
Inventories	3.3	428 434	342 851
Trade and other receivables	3.4	29 138	31 019
Income tax receivables	3.4	2 436	2 636
Cash and cash equivalents	3.8	15 869	133 687
CURRENT ASSETS, TOTAL		**475 876**	**510 193**
ASSETS, TOTAL		**1 376 331**	**1 410 334**
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent company			
Share capital	4.1	80	80
Reserve for invested unrestricted equity	4.1	109 902	109 902
Treasury shares	4.1	-305	-706
Translation differences		2 480	8 837
Retained earnings		150 915	147 290
EQUITY, TOTAL		**263 072**	**265 402**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	2.8	10 323	12 894
Non-current interest-bearing liabilities	4.2	702 501	726 063
Non-current non-interest-bearing liabilities	3.7	3 833	4 327
NON-CURRENT LIABILITIES, TOTAL		**716 656**	**743 284**
CURRENT LIABILITIES			
Current interest-bearing liabilities	4.2	129 663	138 068
Trade payables and other current liabilities	3.6	266 634	259 941
Income tax liabilities	3.6	305	3 639
CURRENT LIABILITIES, TOTAL		**396 603**	**401 648**
EQUITY AND LIABILITIES, TOTAL		**1 376 331**	**1 410 334**

Consolidated statement of cash flows

1,000 EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flows from operating activities			
Net result for the financial period		48 409	54 005
Adjustments:			
Depreciation	2.5	127 645	96 804
Capital gains and losses on non-current assets		232	-52
Financial income and expenses	2.7	38 914	24 646
Income taxes	2.8	12 321	14 386
Other adjustments		-4 709	-191
Change in working capital:			
Change in current non-interest-bearing receivables		1 139	-7 637
Change in inventories		-88 038	36 971
Change in current non-interest-bearing liabilities		16 087	36 025
Interest paid		-45 593	-19 655
Other financing items		-340	1 269
Income taxes paid		-16 960	-16 392
Net cash from operating activities		**89 104**	**220 179**
Cash flows from investing activities			
Purchases of tangible and intangible assets		-39 380	-53 950
Proceeds from disposal of tangible and intangible assets		305	88
Business acquisitions		-	-166 086
Investments in other assets		-	-
Proceeds from sale of investments		465	3
Loans granted		-	-
The compensation from sales of property		-	52 701
Proceeds from repayments of loans		289	242
Net cash from investing activities		**-38 321**	**-167 002**
Cash flows from financing activities			
Proceeds from current loans		328 500	224 769
Repayments of current loans		-341 500	-210 000
Proceeds from non-current loans		230 000	174 613
Repayments of non-current loans		-245 000	-
Repayments of lease liabilities	3.1	-95 488	-73 988
Dividends paid		-44 726	-44 707
Net cash from financing activities		**-168 213**	**70 686**
Net change in cash and cash equivalents		**-117 429**	**123 864**
Cash and cash equivalents at beginning of the financial period		**133 687**	**9 051**
Net change in cash and cash equivalents		-117 429	123 864
Effects of exchange rate fluctuations on cash held		-388	772
Cash and cash equivalents at end of the financial period		**15 869**	**133 687**

Consolidated statement of changes in equity

1,000 EUR	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	Equity attributable to owners of the parent	Total equity
Equity 1 Jan 2024	4.1	**80**	**109 902**	**-706**	**8 837**	**147 290**	**265 402**	**265 402**
Comprehensive income								
Net result for the financial period						48 409	48 409	48 409
Translation differences					-6 357		-6 357	-6 357
Other comprehensive income					**-6 357**		**-6 357**	**-6 357**
Total comprehensive income for the financial period					**-6 357**	**48 409**	**42 052**	**42 052**
Dividends						-44 726	-44 726	-44 726
Transfer of treasury shares				401		-401	-	-
Changes in ownership interests in subsidiaries								
Incentive scheme						344	344	344
Equity 31 Dec 2024		**80**	**109 902**	**-305**	**2 480**	**150 915**	**263 072**	**263 072**

1,000 EUR	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	Equity attributable to owners of the parent	Total equity
Equity 1 Jan 2023	4.1	**80**	**109 902**	**-819**	**7**	**137 789**	**246 959**	**246 959**
Comprehensive income								
Net result for the financial period						54 005	54 005	54 005
Translation differences					8 830		8 830	8 830
Other comprehensive income					**8 830**		**8 830**	**8 830**
Total comprehensive income for the financial period					**8 830**	**54 005**	**62 835**	**62 835**
Dividends						-44 707	-44 707	-44 707
Transfer of treasury shares				113		-113	-	-
Changes in ownership interests in subsidiaries						-3	-3	-3
Incentive scheme						319	319	319
Equity 31 Dec 2023		**80**	**109 902**	**-706**	**8 837**	**147 290**	**265 402**	**265 402**

Notes to the consolidated financial statements

1. Accounting policies used in the consolidated financial statements

1.1 Basic information on the Group

Tokmanni Group Corporation (Finnish limited liability company, business ID 2483212-7) is the parent company of Tokmanni Group. The shares of the parent company are listed on the Nasdaq Helsinki exchange.

The principal line of business of Tokmanni Group Corporation is to sell administrative services to the other companies in the Group. These companies include Retail Leasing Oy, whose line of business is to own and lease property, plant and equipment to the other Group companies. Tokmanni Oy is a wholly owned subsidiary of Retail Leasing Oy. Tokmanni Oy engages in wholesale, retail and speciality goods trade. Taitomanni Oy is a company owned by Tokmanni Oy, whose business is to provide Group companies with personnel rental and support services in the retail sector. Shoe House Oy is a wholly owned subsidiary of Tokmanni Oy. Shoe House Oy engages in shoe retail business.

The Group also includes Retail Property Investment Oy, which carries out a real estate business by investing in own real estate companies that build store premises for Group company use. During the fiscal year Retail Property Investment Oy established five new real estate companies, Kiinteistö Oy Tokmanni Ivalo, Kiinteistö Oy Tokmanni Nikkilä, Kiinteistö Oy Tokmanni Nilsiä, Kiinteistö Oy Tokmanni Sodankylä ja Kiinteistö Oy Tokmanni Suonenjoki. Subsidiaries wholly owned by Retail Property Investment Oy are Kiinteistö Oy Tokmanni Pälkäne ja Kiinteistö Oy Tokmanni Eurajoki. Retail Property Investment Oy can also own, manage, sell, rent and purchase real estates. Tokmanni Group Corporation is parent company of Retail Leasing Oy and Retail Property Investment Oy.

Tokmanni Group Corporation wholly owns a Swedish discount store chain Dollarstore which consists of Tokmanni Retail AB and Dollarstore AB from Sweden and Dollarstore ApS from Denmark.

Tokmanni Group Corporation is domiciled in Helsinki and its registered address is Isolammintie 1, 04600 Mäntsälä. Copies of the parent company financial statements and the consolidated financial statements are available at the Group’s head office at Isolammintie 1, 04600 Mäntsälä and on the company website ir.tokmanni.fi/en. At its meeting of 9 April 2025, the Board of Directors of Tokmanni Group Corporation approved the financial statements for publication. Under the Finnish Limited Liability Companies Act, the shareholders may either adopt or reject the financial statements at the Annual General Meeting held after their publication. In addition, the AGM may also decide to amend the financial statements.

1.2 Accounting policies used in the financial statements

These financial statements are compiled in accordance with the International Financial Reporting Standards (IFRS) and in particular with the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 December 2024. The term “International Financial Reporting Standards” refers to the standards adopted in the Finnish Accounting Act and provisions issued under it in accordance with the procedure under Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the EU. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation that complements the IFRS provisions.

Unless otherwise specified in the present accounting policies, the information in the financial statements is based on historical cost. The consolidated financial statements are presented in euro which is the operating and reporting currency of the Group's parent company. The information is given in thousands of euros unless otherwise mentioned.

The preparation of the financial statements in accordance with the IFRS requires Group management to make judgements regarding the selection and application of accounting policies and, estimates and assumptions that may affect the measurement of the reported assets and liabilities, contingent assets and liabilities and the recognition of income and expenses. Information on major issues requiring judgement is presented in "Accounting policies requiring management judgement and major sources of estimation uncertainty".

1.3 Accounting policies used in the consolidated financial statements

Consolidation policies – subsidiaries

The consolidated financial statements include not only the parent company, Tokmanni Group Corporation, but also the subsidiaries controlled by the Group. Control is deemed to arise when the Group, while being involved with the entity, becomes exposed to the entity's variable returns or is entitled to such variable returns and the Group is able to affect those returns by exercising its power over the entity. In practice, control normally arises when the Group owns over half of the voting rights in the subsidiary. The acquired subsidiaries have been consolidated in the consolidated financial statements from the date at which the Group acquires control, until the moment at which this control expires. All internal transactions, receivables and liabilities, unrealised profits and internal distribution of profit are eliminated at the preparation of the consolidated financial statements.

Mutual share ownership within the Group is eliminated using the acquisition method. Considerations transferred and the identifiable assets as well as liabilities assumed of the acquire are valued at their fair value of the date of acquisition. Acquisition-related costs are recognised as expenses, excluding the expenses incurred for the issuance of debt or equity securities. On 31 December 2024 or on 31 December 2023, there were no non-controlling interests within the Group. The way to recognise the goodwill generated through subsidiary acquisitions and business acquisitions is described later in Note 3.2 Intangible assets.

Consolidation policies - joint ventures

The Group also includes a joint arrangement operating in Hong Kong, classified as a joint venture (Tokmanni – Europris Sourcing Ltd.). A joint arrangement is one where two or several parties exercise joint control. Joint control means contractually agreed sharing of control over the arrangement, and it prevails only if decisions about relevant activities require unanimous consent of the parties sharing the control. A joint arrangement is either a joint operation or a joint venture. In a joint operation, the Group has rights based on the assets and obligations based on the liabilities in the arrangement, while a joint venture is an arrangement where the Group has rights to the net assets of the arrangement.

A joint venture is consolidated using the equity method. If the Group's share of the losses from the joint venture exceeds the carrying amount of the investment, it will be recognised in the statement of financial position at zero, while the losses in excess of the carrying amount are not consolidated. The Group's share of the net profit for the financial period of the joint venture, proportional to its ownership interest, is disclosed prior to the operating profit.

Translation of items in foreign currencies

Transactions in foreign currencies are converted into the functional currency using the exchange rate of the transaction date. Gains and losses resulting from the translation of foreign currency transactions and items are recognised in profit or loss, disclosed after the operating profit in financial income and expenses. The following items included in the purchase costs of the financial period constitute an exception:

- Exchange rate gains or losses arising from the translation of trade payables in foreign currencies.
- Exchange rate gains or losses arising from the changes in the fair values of currency options that hedge purchases quoted in foreign currencies.

The translation of the net profit for the financial period and of the comprehensive income by using different rates in the income statement / statement of comprehensive income on the one hand and in the statement of financial position on the other hand, gives rise to a translation difference recognised in equity, with the respective changes recognised under other comprehensive income.

1.4 Accounting policies requiring management judgement and major sources of estimation uncertainty

When preparing the financial statements, it is necessary to make certain assessments and assumptions about the future, although the actual outcomes may prove different. In addition, the management of the Group makes judgement-based decisions pertaining to the selection and application of the accounting principles used in the financial statements. This particularly applies in cases where the existing IFRS regulations allow for alternative methods of recognition, measurement, and presentation.

The most significant areas where Management has used judgement are listed under. More detailed descriptions of the discretionary are presented in notes of the related items.

- Classification of leases, Note 3.1
- Measurement of inventories, Note 3.3
- Goodwill impairment testing, Note 3.2

1.5 New and revised standards and interpretations

Adoption of new or revised IFRS standards and IFRIC interpretations

Tokmanni Group has applied the following amendments to the financial reporting standards published by IASB and approved by EU as of 1 January 2024

- Amendments to IAS 1 – Classification of liabilities to Current and Non-Current
- Amendments to IFRS16 – Lease Liabilities in Sale and Leaseback Situations

Amendments did not have a material impact on presentation of Group's financial statement.

No other significant new IFRS standards or IFRIC interpretations have been adopted during the period.

Forthcoming IFRS standards

The Group has not prematurely applied standards, interpretations or amendments that have been issued but are not yet effective:

- Amendments to IAS 21 – Lack of Exchangeability
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Group will adopt new or revised standards and interpretations, if they are applicable, when they come into effect and approved by EU. Application of IFRS 18 may affect Group's financial statements in the coming years. Amendments to IAS 21 and the new IFRS 19 standard are not expected to affect Group's financial statements as they are applied.

Other IFRS standards which will come into force and would affect Tokmanni Group Corporation's consolidated income statement, statement of financial position or notes at the time of the adoption are not known at the closing of the accounts.

2. Business performance

2.1 Operating segments

Accounting principles

The chief operating decision-maker is the Group CEO, whose decision-making criterion in assessing the performance of segments and resource allocation are EBIT and comparable EBIT. The reporting of the operating segments is consistent with the internal reporting submitted to the chief operating decision-maker.

Intra-segment transactions are eliminated and inter-segment transactions are on market-based terms. The revenues, expenses, assets and liabilities presented in segment reporting are items that are directly or reasonably allocable to segments. Group operations and eliminations are presented separately from reportable segments. In the consolidated financial statements, inter-segment transactions have been eliminated and, except for items affecting comparability, segment reporting is produced in accordance with the principles applied in the preparation of the consolidated financial statements.

Operating segments

The revenue of the operating segments consists mainly of sales of grocery and non-grocery products. The volume of sales of services is low. Tokmanni Group has no such single external customers whose business contribution would account for more than 10% of the Group's revenue.

Tokmanni Group's business is monitored on geographical basis and the Group's reportable segments consist of Tokmanni segment in Finland and Dollarstore segment in Sweden and Denmark. Tokmanni segment consists of Tokmanni stores, Miny stores, Click Shoes stores and Shoe House stores, as well as Tokmanni and Click Shoes online stores. The figures of the Click Shoes and Shoe House have been consolidated with those of Tokmanni Group as of 1 March 2023. Dollarstore segment consists of Dollarstore and Big Dollar stores. The figures of Dollarstore business have been consolidated with those of Tokmanni Group as of 1 August 2023.

Operating segments in 2024

EUR thousand	Tokmanni	Dollarstore	Group functions and eliminations	Total
Profit				
External revenue	1 232 549	442 411	-	1 674 960
Internal revenue	1 124	-	-1 124	-
Revenue, total	**1 233 672**	**442 411**	**-1 124**	**1 674 960**
Depreciation	-81 375	-46 270	-	-127 645
Share of profit of joint ventures	65	-	-	65
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**87 842**	**14 845**	**-3 111**	**99 576**
Adjustments affecting comparability	-904	1 068	-	165
Comparable EBIT	**86 938**	**15 913**	**-3 111**	**99 741**
Financial income	3 986	3 019	-476	6 529
Financial expenses	-33 478	-12 373	476	-45 376
Profit/loss before tax	**58 349**	**5 491**	**-3 110**	**60 729**
Other items				
Inventories at the end of the period	298 898	129 536	-	428 434
Capital expenditure	32 578	6 802	0	39 380

Operating segments in 2023

EUR thousand	Tokmanni	Dollarstore	Group functions and eliminations	Total
Profit				
External revenue	1 208 577	184 077	-	1 392 654
Internal revenue	66	-	-66	-
Revenue, total	**1 208 643**	**184 077**	**-66**	**1 392 654**
Depreciation	-79 156	-17 648	-	-96 804
Share of profit of joint ventures	74	-	-	74
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**84 718**	**9 909**	**-1 578**	**93 049**
Adjustments affecting comparability	3 127	2 667	-	5 794
Comparable EBIT	**87 845**	**12 576**	**-1 578**	**98 843**
Financial income	2 419	468	-262	2 624
Financial expenses	-22 649	-4 894	262	-27 281
Profit/loss before tax	**64 488**	**5 482**	**-1 578**	**68 392**
Other items				
Inventories at the end of the period	248 775	94 076	-	342 851
Capital expenditure	236 484	2 230	-	238 714

Geographical information

At the end of December 2024, Tokmanni Group had a total of 380 stores (372). In Finland, the Group had 204 Tokmanni stores, 33 Click Shoes stores, 2 Shoe House stores and 1 Miny store. In Sweden, Tokmanni Group had 133 Dollarstores and in Denmark 7 Big Dollar stores.

Geographical information 2024

	Finland	Sweden and Denmark	Group functions and eliminations	Total
External revenue, EUR thousand	1 232 549	442 411	-	1 674 960
Non-current assets, EUR thousand *	550 780	349 675	-	900 455
Number of stores at the end of the period	240	140	-	380

* Excluding deferred taxes

Geographical information 2023

	Finland	Sweden and Denmark	Group functions and eliminations	Total
External revenue, EUR thousand	1 208 577	184 077	-	1 392 654
Non-current assets, EUR thousand *	554 925	345 215	-	900 141
Number of stores at the end of the period	238	134	-	372

* Excluding deferred taxes

2.2 Income

Accounting policies

The Group is engaged in the wholesale, retail and specialty goods trade. Its revenue comes from the sale of goods and, when the revenue is calculated, the sales proceeds are adjusted for indirect taxes and sales adjustment items. Revenue from the sale of goods is recognised when the major risks, benefits and control from the ownership of the goods have been taken over by the buyer, and it is probable that the Group will obtain the economic benefits related to sales. Most of the sales are cash or credit card sales, and therefore the proceeds are recognised as revenue at the moment the products are delivered to the buyers.

Other operating income includes income other than that associated with the sale of goods or services, such as rental income, capital gains on the disposals of tangible and intangible assets, insurance compensation and various other service fees and commissions. Service sales proceeds are recognised when the service has been provided.

1,000 EUR	2024	2023
Revenue		
Finland	1 232 549	1 208 577
Sweden	427 752	179 314
Denmark	14 659	4 763
Total	**1 674 960**	**1 392 654**
Other operating income		
Service income	1 000	1 154
Rental income	511	838
Other operating income	3 384	2 246
Total	**4 896**	**4 238**
Total	**1 679 856**	**1 396 892**

The Group’s revenue is fully generated through the sale of goods and services. Service income recognised under other operating income includes slot gaming and betting bonuses of the store premises. Rental income consists of the cost of using real estate for sub-tenants. Other operating income includes among others, income from the sale and leaseback arrangement of the Mäntsälä logistics centre as well as from sales of pallets.

2.3 Materials and services

1,000 EUR	2024	2023
Purchases during the period	-1 165 057	-865 928
Increase / decrease in inventories	88 475	-37 803
External services	-1 998	-2 060
Total	**-1 078 580**	**-905 792**

2.4 Other operating expenses

Accounting policies

Other operating expenses include the acquisition costs other than those for goods and services sold, such as rental expenses, marketing expenses, maintenance expenses for real estate and store sites, IT expenses and purchased services. Other operating expenses also include losses on the disposal of tangible and intangible assets as well as the realised and unrealised losses on derivatives used for hedging commodity risks.

1,000 EUR	2024	2023
Rental expenses	-2 647	-1 657
Marketing expenses	-26 060	-19 459
Real estate and store site expenses	-62 714	-51 540
IT expenses	-15 591	-13 094
Purchased services	-15 897	-16 738
Other expenses	-27 115	-24 398
Total	**-150 025**	**-126 887**

The items grouped under Other expenses in the table include expenses related to the use of outsourced workforce and other personnel expenses, travel-related expenses and office and administrative expenses. Other expenses also include other operating expenses such as credit card commissions and banking and insurance expenses.

The rental expenses for the financial period consist of the variable lease payments on other leases, more information on which is provided in Note 3.1 Property, plant and equipment.

Auditors' fees

1,000 EUR	2024	2023
PricewaterhouseCoopers Oy		
Audit	-364	-189
Other services	-171	-80
Tax services	-7	
Total	**-541**	**-269**
Other audit companies		
Audit	-9	-66
Other services	-11	
Tax services	-10	-16
Total	**-29**	**-82**
Total	**-571**	**-422**

The Group’s auditor is PricewaterhouseCoopers Oy, excluding Shoe House Oy. The auditor of Dollarstore AB during the comparison period was Ernst & Young Sweden AB. Other services include, among other things, the assurance of sustainability statement.

2.5 Depreciation

1,000 EUR	2024	2023
Intangible assets		
Trademarks	-2 349	-1 166
Other intangible assets	-1 478	-1 355
Total	**-3 828**	**-2 520**
Property, plant and equipment		
Land and waters	-152	-18
Buildings and constructions	-106 529	-80 606
Machinery and equipment	-17 135	-13 660
Total	**-123 817**	**-94 284**
Total	**-127 645**	**-96 804**

The Group has not recognised impairments for tangible or intangible assets in reported financial periods.

Other intangible assets mainly consist of IT software and licences. Depreciation on right-of-use assets by asset class is presented in Note 3.1 Property, plant and equipment.

2.6 Employee benefit expenses

Accounting policies

The Group companies have defined contribution plans, with the related payments expenses in profit or loss during the period in which the contributions are paid. The Group does not have a legal or constructive obligation to make additional contributions in the event that the recipient of the premium payments is not able to pay out the pension benefits.

1,000 EUR	2024	2023
Wages, salaries and fees	-178 964	-141 540
Pension expenses - defined contribution plans	-24 185	-21 241
Pension expenses - benefit-based plans	-	-45
Other social security expenses	-20 945	-11 609
Total	**-224 094**	**-174 434**
Personnel on average in the period (FTE)	4 611	3 706

The performance bonus model covering the entire personnel is divided into sales, and specialists and office employees' bonus models. The sales bonus model is based on realised quarterly sales and capped on the basis of the EBITDA margin. The specialists and office employees' bonus model takes into account company-wide goals common to all, as well as department-specific goals approved by the Executive Group. The bonuses are paid to every Tokmanni employee who has been paid salaries by Tokmanni during the bonus review period and who has worked during the same period. The employee must also be employed by Tokmanni at the time of payment. The expenses arising from the performance bonuses during the financial period amounted to EUR 742 thousand (EUR 654 thousand).

The annual bonus scheme for the Group's key personnel is divided into two parts: a short-term bonus paid annually in cash and a share-based long-term incentive scheme. The targets for the annual bonus scheme were based on the company's growth and profits, and the synergies achieved between Tokmanni and Dollarstore measured in euros.

During the financial year, a new share-based long-term incentive plan was introduced which consists of a Performance Share Plan (PSP) and a Restricted Share Plan (RSP). RSP is intended to be used as a complementary share-based retention scheme. Both schemes have a rolling structure, i.e. the PSP and RSP plans are started by a decision of the Board of Directors. Participants, earning potential, performance indicators and target levels are decided separately for each programme.

The first individual plan in the PSP structure, PSP 2024–2026, commenced at the beginning of 2024 and the awards potentially earned thereunder will be paid in listed shares of Tokmanni Group Corporation and potentially partly in cash during the first half of 2027. The PSP 2024–2026 indicators were earnings per share, relative total shareholder return relative to the median return of peer companies, as well as the environmental scope 3 climate target and the diversity, equity and inclusion (DEI) indicator. The first individual plan in the RSP structure, RSP 2024–2026, commenced at the beginning of 2024 and share awards payable thereunder will be paid in annual tranches during the plan’s restriction period.

Expenses totalling EUR 462 thousand (EUR 465 thousand) were recorded for the annual bonus scheme for the Group’s key personnel in 2024, and expenses of EUR 205 thousand (EUR 814 thousand) were recorded for the share-based bonus scheme. Additional information on the share-based bonus scheme is presented in note 4.1 Equity, Share-based payments.

The information on Management’s employment-related benefits is in Note 5.1 Related party transactions.

2.7 Financial income and expenses

1,000 EUR	2024	2023
Interest income and other financial income		
Interest income on financial assets at amortised cost	951	489
Dividend income	2	2
Foreign exchange gains on cash and cash equivalents	5 544	2 133
Other financing income	32	-
Total	**6 529**	**2 624**
Interest expenses and other financial costs		
Interest expenses on financial liabilities at amortised cost	-15 868	-10 441
Interest expenses on leases	-24 530	-15 256
Foreign exchange losses on cash and cash equivalents	-4 633	-1 987
Other financial costs	-345	403
Total	**-45 376**	**-27 281**
Total	**-38 847**	**-24 657**

Exchange rate differences are also recorded under purchases in the financial period. Changes in the fair value of currency derivatives are recognised as adjustments of purchases in the period by EUR 1 034 thousand (EUR 250 thousand).

2.8 Income taxes for the financial period and deferred tax balances

Accounting policies

The tax expense is constituted by the current tax and the deferred tax. Taxes are recognised in profit or loss except when they are directly related to items under equity or other comprehensive income, in which case the tax is also recognised under such items. Current tax is calculated on the basis of taxable income using the valid tax rates.

Deferred taxes are provided for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial reporting. Typical temporary differences arise related to property, plant and equipment and tax deductible goodwill. Deferred taxes are calculated using the tax rates in force on the date of the financial statements and when the tax rates change, on the known new rates if they are substantively enacted by the end of the reporting period.

Deferred tax assets on unused tax losses and other temporary differences are recognized to the extent it is probable that taxable profit is available. The positions taken in tax returns are evaluated at the end of each financial period.

Income taxes

1,000 EUR	2024	2023
Income taxes for the financial period	-14 484	-15 361
Income taxes for previous financial periods	20	-21
Change in deferred taxes	2 143	996
Total	**-12 321**	**-14 386**

Reconciliation between the income tax expense in the income statement and the Group's tax expense at the Finnish tax rate

1,000 EUR	2024	2023
Profit/loss before tax	60 729	68 392
Income taxes at Finnish tax rate 20,0% (20,0%)	-12 146	-13 678
Differing tax rates of foreign subsidiaries	-40	-39
Tax-exempt income	2	23
Non-deductible expenses	-163	-672
Use of tax losses not recognised earlier	6	-
Income taxes for previous financial periods	20	-21
Total	**-12 321**	**-14 386**
Effective tax rate	**20.3 %**	**21.0 %**

Deferred tax assets and liabilities

Change in deferred tax balances 2024

1,000 EUR	1 Jan 2024	Recognised in income statement	Acquisitions	Translation differences	31 Dec 2024
Deferred tax assets					
Leases	114 435	691	-	-1 327	113 799
Sale and leaseback transaction	964	-99	-	-	865
Other	59	-59	-	-	-
Total	**115 458**	**533**	**-**	**-1 327**	**114 664**
Deferred tax liabilities					
Leases	107 136	-796	-	-1 312	105 028
Valuation of intangible and tangible goods at fair value, acquisitions	10 883	-715	-	-318	9 849
Deductible goodwill amortisation, reversal	4 359	172	-	-	4 532
Cumulative depreciation differences	3 091	127	-	-62	3 157
Other	2 883	-399	-	-63	2 421
Total	**128 352**	**-1 610**	**-**	**-1 755**	**124 987**
Net deferred tax assets	**-**				**-**
Net deferred tax liabilities	**12 894**				**10 323**

Change in deferred tax balances 2023

1,000 EUR	1 Jan 2023	Recognised in income statement	Acquisitions	Translation differences	31 Dec 2023
Deferred tax assets					
Leases	56 595	14 749	41 461	1 630	114 435
Sale and leaseback transaction	1 063	-99	-	-	964
Other	121	-62	-	-	59
Total	**57 779**	**14 588**	**41 461**	**1 630**	**115 458**
Deferred tax liabilities					
Leases	50 139	13 923	41 461	1 612	107 136
Valuation of intangible and tangible goods at fair value, acquisitions	-	-843	11 334	392	10 883
Deductible goodwill amortisation, reversal	4 189	170	-	-	4 359
Cumulative depreciation differences	909	554	1 552	76	3 091
Other	925	-212	2 091	78	2 883
Total	**56 163**	**13 593**	**56 438**	**2 158**	**128 352**
Net deferred tax assets	**1 616**				**-**
Net deferred tax liabilities	**-**				**12 894**

The Group did not have any significant unused tax-loss carry-forward at end of the financial period.

2.9 Earnings per share

Accounting policies

Basic earnings per share are calculated by dividing the net profit for the financial period attributable to the owners of the parent company by the weighted average number of shares outstanding during the financial period. Diluted earnings per share are calculated by dividing the net profit for the financial period attributable to the owners of the parent company by the weighted average number of outstanding shares during the financial period, taking into account the diluting effect of all potential diluting shares.

Earnings per share	2024	2023
Equity holders of the parent company	48 409	54 005
Number of shares, weighted average during the financial period (thousands)	58 844	58 819
Diluted number of shares, weighted average during the financial period (thousands)	58 872	58 878
Earnings per share, basic (EUR/share)	0,82	0,92
Earnings per share, diluted (EUR/share)	0,82	0,92

3. Assets and liabilities

3.1 Property, plant and equipment

Accounting policies

General accounting policies

Property, plant and equipment include land areas, buildings and refurbishment expenses related to them, as well as machinery and equipment. In the statement of financial position, property, plant and equipment are measured at cost less accumulated depreciation and eventual impairment losses.

Assets are depreciated over their useful lives using the straight-line depreciation. Depreciation on land applies to improvements made to the land. Depreciation commences when the asset is ready for use and functioning in the way expected by Management. When an item in property, plant and equipment is classified as one held for sale in line with IFRS 5 Non-current assets held for sale and discontinued operations, depreciation is no longer recorded.

The estimated useful lives are as follows:

- Buildings and constructions 15-20 years
- Machinery and equipment 3-15 years

The capital gains and losses from retirements and disposals of property, plant and equipment are recognised in profit or loss and disclosed in other operating income or expenses. Capital gain or loss is defined as the difference between the sales price and the residual acquisition cost. The normal repair, service and maintenance expenses of property, plant and equipment are recognised as expenses in the income statement during the period in which they are incurred.

The residual value, useful life and depreciation method of an asset item are re-examined at least at the end of each financial period and adjusted, if necessary, to reflect the changes in the expected economic benefits.

Accounting policies for lease agreements

Tokmanni Group leases store premises, logistics centres, vehicles and equipment for its use. The Group has a few subleases related to leasing office and store premises to external parties. These agreements are of minor importance and they will not be considered in the Group’s leases in accordance with the IFRS 16 standard.

The Group will analyse whether an agreement should be classified as a lease agreement in compliance with the IFRS 16 standard when the agreement is entered into. The same analysis will be carried out when the terms and conditions of an agreement are changed. When identifying a lease agreement, it is essential to determine whether the agreement conveys the right to use an identified asset for a period of time defined in the agreement or during the agreement in exchange for consideration. Lease agreements include numerous terms and conditions that are always negotiated separately for each case or right-of-use asset. A few leased assets have separate rental guarantees and the Group can not use the lease agreement assets as collateral for loans.

The lease period refers to the period during which the lease agreement can not be terminated nor is there intention to do so. The lease period starts on the starting date of the agreement and also includes such periods when the lessor does not collect rent. In addition, feasible extension and termination options will be included in the lease period if the use of an option is reasonably certain. The lease periods of Group's lease agreements vary between non-fixed-term agreements with a 1-month notice period and 20-year fixed agreements. Regarding non-fixed-term lease agreements, when estimating the likely lease period, the importance of the leased asset to Group will be taken into account as well as expenses related to the termination and possible replacement of the lease agreement. Non-fixed-term agreements and agreements including option conditions require significant consideration by the Board. When estimating the lease period, the Board will consider e.g. the location of the agreement asset, its importance to Group's business activities and availability of alternative agreement assets. The length of the agreement is always dependent on the conditions at the time of consideration.

The Group's interest-bearing liabilities increase when a lease agreement starts, and the balance sheet value of the liability is based on the present value of future lease payments. The internal rate of return of the lease agreement will primarily determine the discount rate. It is usual that the internal interest rate is not easy to determine on the lease agreements for Group's store properties; in this case the interest of the additional credit is used, which Group would use if it would loan the funds that would be needed for acquiring right-of-use assets for a corresponding period of time. The components of the interest of the additional credit are the risk-free reference rate and the credit risk spread of the additional credit. Determining the interest rate for the additional credit requires consideration by the Board, which takes into consideration the nature of the right-of-use asset, the duration of the lease agreement and the Group's risk factors at that time. When possible, external funding will also be considered when determining the interest rate, which will be adjusted if any changes arise after receiving the possible funding. Lease payments as stated in the lease agreement are recognised in equity and finance expenses that will be recognised as profit and loss during the lease period. The remaining percentage of interest is equal during all remaining lease periods.

The value of the lease liability will be determined at the initial time of assessment using the following principles:

- Unpaid fixed payments of the right-of-use assets that will be paid during the lease period will be included and possible received incentives will be deducted. Future payments that are based on the index or the price level are taken into account in accordance with the current index or price level at the starting date of the agreement.
- Sums that the Group is expected to pay based on residual value guarantees are taken into account.
- Future lease payments will be taken into account regarding such extension options that are likely to be used.
- Fines related to possible early termination of agreement will be taken into account as well as possible purchase options if it is likely that related options will be used.

The lease liability that is based on the lease agreement will be assessed after the initial assessment using the effective interest method. The lease liability will be reassessed if the cash flow changes; this may happen when the index determining payment, or the variable interest change as agreed upon in the lease agreement. The reassessment due to index change is done using the discount rate of the initial assessment. If the lease period changes at the same time, the reassessment will be done using the current interest rate. The change of lease liability will also be integrated into the adjustment of the right-of-use asset.

The Group's funds will increase when the lease agreement enters effect based on the assessed right-of-use asset, and the right-of-use asset will be depreciated during the lease period. Depreciations will be mainly done as straight-line depreciations during the useful life of the right-of-use asset or during the lease period if shorter. The value of the right-of-use asset will be determined at the initial assessment using the following principles:

- The amount determined at the initial assessment of the lease liability will be included.
- Lease payments that have been made by the start of the lease agreement, from which incentives and possible initial direct costs have been deducted, will be considered.

- Possible restoration costs will be taken into account. These refer to costs incurred in the demolition, removal or restoration of the rental property. The obligation to pay restoration costs starts when the agreement enters into force or when the right-of-use asset has been used for a specific period of time.

Tokmanni Group applies a practical relief, according to which the Group combines similar lease contracts into a portfolio. The impact of lease contracts treated according to this relief on the Group's right-of-use assets and lease liabilities is not significant.

Short-term and low-value assets are subject to an exemption, and these items remain off the balance sheet. Items will be recognised on the profit and loss statement as lease costs on an over time basis.

Extension and termination options

For Tokmanni Group to continue successful business activities, it is favourable to remain in a prime store location for a long time. Due to this, the aim is to include options in lease agreements to enable the extension and termination of the lease agreement after the end of the original lease period if desired. In addition to the Group's internal KPIs, many external factors influence the likelihood of using the options, such as competition, changes in the city and urban structure and the general financial situation.

When entering an agreement, management will evaluate the likelihood of using the extension option of the lease period that may be written in the agreement. If it is reasonably certain that Tokmanni will use this option, it will be considered as a part of the lease period. Thus, the lease period included in the option will be included in the value of the lease liability and the right-of-use asset when the agreement comes into effect. The lease period will be reassessed if a significant event or a change in situation occurs that influences the previous value; in this case the financial impact caused by the changed lease period will be recorded on the balance sheet as an adjustment to right-of-use assets and lease liabilities.

Among others, the following points under the evaluation of management create an incentive to use extension options:
- The profitability, location and position in relation to competitors of the leased asset are on a reasonable level. Management continuously monitors the situation in case conditions change.
- Renovation costs already during the validity of the lease agreement that can be expected to provide financial benefits also during an extension option period.
- The required resources incurred by not using the extension option related to finding a new agreement asset, agreement negotiations and remodelling of the potential new agreement asset.
- The price level of the leased asset during the extension option period compared to the market price.
- The completed lease period of the leased asset that indicates the likelihood of extending the lease agreement.

Variable lease payments

Some of the lease agreements concerning the Group's store premises contain lease payment terms that are partly or fully based on the revenue of the store that is the subject of the lease. If the lease agreement determines a minimum lease payment level that is not linked to the revenue, this instalment of the lease payment will be considered as a part of the balance sheet value of the right-of-use asset. In turn, the possible instalment that exceeds the minimum lease payment level and is based on revenue is recognised in profit or loss during the financial year. Terms concerning variable lease payment are common for shopping centre properties.

Sale and leaseback transaction

In a sale and leaseback situation, the Group assesses whether the transaction meets the criteria for the sale of an asset according to IFRS 15 standard. In a sale situation, the value of the right-of-use asset is recorded in the balance sheet as the portion of the original book value of the asset that corresponds to the value retained by the Group. In this case, the portion of the sale price that corresponds to the rights transferred to the buyer is recorded as an asset, allocated to either prepaid rents or financial liabilities. If the sale criteria are not met, the asset's reporting continues on the balance sheet and the disposal price is presented as a financial liability.

The sale and leaseback transactions in Tokmanni's balance sheet are treated as a lease and are part of the right-of-use assets and lease liability. The possible gain on the sale is accrued over the lease term.

Residual value guarantees

Expected amounts payable under residual value guarantees will be estimated and recognised as a part of the lease liability at initial recognition. Residual value guarantees are included in some lease agreements that are recognised as part of the buildings and constructions and machinery and equipment right-of-use assets. The effect of residual value guarantees on the operations and finances of the Group is not significant.

Property, plant and equipment

Property, plant and equipment as a whole are presented as a single item on the balance sheet and the items in this note are divided into Property, plant and equipment and Right-of-use assets related to leases.

Property, plant and equipment 2024

1,000 EUR	Land and waters	Buildings and constructions	Machinery and equipment	Prepayments	Total
Property, plant and equipment	4 381	31 146	54 839	3 852	94 220
Right-of-use assets	-	532 242	6 932	-	539 173
Carrying amount as at 1 Jan	**4 381**	**563 388**	**61 771**	**3 852**	**633 393**
Property, plant and equipment	5 145	47 177	57 140	99	109 561
Right-of-use assets	-	523 489	5 546	-	529 035
Carrying amount as at 31 Dec	**5 145**	**570 666**	**62 687**	**99**	**638 596**

Property, plant and equipment 2023

1,000 EUR	Land and waters	Buildings and constructions	Machinery and equipment	Prepayments	Total
Property, plant and equipment	442	7 572	35 119	35 835	78 968
Finance leases	-	250 070	627	-	250 697
Carrying amount as at 1 Jan	**442**	**257 642**	**35 746**	**35 835**	**329 666**
Property, plant and equipment	4 381	31 146	54 839	3 852	94 220
Finance leases	-	532 242	6 932	-	539 173
Carrying amount as at 31 Dec	**4 381**	**563 388**	**61 771**	**3 852**	**633 393**

Buildings and constructions also include related refurbishing costs of store properties. The Group has leased the logistics and store properties, cars and IT equipment from external parties.

Property, plant and equipment (excluding right-of-use assets) 2024

1,000 EUR	Land and waters	Buildings and constructions	Machinery and equipment	Prepayments	Total
Acquisition cost					
Acquisition cost as at 1 Jan	4 662	61 693	167 523	3 852	237 730
Translation differences	-17	-949	-1 292	-22	-2 280
Acquisitions	-	-	-	-	-
Additions	925	2 682	7 778	26 777	38 161
Sales of property	-	-	-	-	-
Disposals	-	-384	-1 317	-115	-1 817
Transfers between items	-	19 236	10 690	-30 393	-467
Acquisition cost as at 31 Dec	**5 569**	**82 277**	**183 382**	**99**	**271 327**
Accumulated depreciation					
Accumulated depreciation as at 1 Jan	-281	-30 547	-112 684	-	-143 511
Translation differences	9	333	843	-	1 184
Cumulative depreciation on acquisitions	-	-	-	-	-
Depreciation charge for the financial period	-152	-5 219	-15 348	-	-20 719
Accumulated depreciation of disposals	-	332	948	-	1 280
Accumulated depreciation as of 31 Dec	**-425**	**-35 101**	**-126 241**	**-**	**-161 767**
Carrying amount as of 1 Jan	**4 381**	**31 146**	**54 839**	**3 852**	**94 219**
Carrying amount as of 31 Dec	**5 145**	**47 177**	**57 140**	**99**	**109 561**

Property, plant and equipment (excluding right-of-use assets) 2023

1,000 EUR	Land and waters	Buildings and constructions	Machinery and equipment	Prepayments	Total
Acquisition cost					
Acquisition cost as at 1 Jan	442	24 879	110 203	35 835	171 360
Translation differences	21	1 167	1 586	27	2 801
Acquisitions	522	28 802	39 363	298	68 985
Additions	2 498	1 828	7 393	39 612	51 331
Sales of property	-1 539	-44 548	-10 318	-	-56 405
Disposals	-	-	-133	-	-133
Transfers between items	2 719	49 564	19 428	-71 920	-209
Acquisition cost as of 31 Dec	**4 662**	**61 693**	**167 523**	**3 852**	**237 731**
Accumulated depreciation					
Accumulated depreciation as at 1 Jan	-	-17 307	-75 085	-	-92 392
Translation differences	-11	-408	-1 033	-	-1 452
Cumulative depreciation on acquisitions	-252	-9 312	-24 085	-	-33 649
Depreciation charge for the financial period	-18	-3 520	-12 575	-	-16 113
Accumulated depreciation of disposals	-	-	95	-	95
Accumulated depreciation as of 31 Dec	**-281**	**-30 547**	**-112 684**	**-**	**-143 511**
Carrying amount as of 1 Jan	**442**	**7 572**	**35 119**	**35 835**	**78 968**
Carrying amount as of 31 Dec	**4 381**	**31 146**	**54 839**	**3 852**	**94 220**

Leases

Leases recognised in the balance sheet 2024

1,000 EUR	Buildings and constructions	Machinery and equipment	Total
Right-of-use assets			
Carrying amount as at 1 Jan	532 242	6 932	539 173
Additions	101 607	1 287	102 894
Disposals	-11 110	-1 159	-12 270
Depreciation charge for the financial period	-101 310	-1 787	-103 098
Accumulated depreciation of disposals	8 556	477	9 033
Translation differences	-6 494	-204	-6 698
Carrying amount as at 31 Dec	523 489	5 546	529 035
Lease liabilities			
Non-current	476 648	5 418	482 066
Current	81 358	1 710	83 068
Lease liabilities 1 Jan	**558 006**	**7 128**	**565 134**
Non-current	469 226	4 122	473 348
Current	86 104	1 559	87 663
Lease liabilities 31 Dec	**555 330**	**5 681**	**561 011**

Leases recognised in the balance sheet 2023

1,000 EUR	Buildings and constructions	Machinery and equipment	Total
Right-of-use assets			
Carrying amount as of 1 Jan	250 070	627	250 697
Acquisitions	208 574	2 830	211 404
Additions	144 618	4 412	149 030
Disposals	-7 825	-679	-8 503
Depreciation charge for the financial period	-77 086	-1 087	-78 173
Accumulated depreciation of disposals	5 913	576	6 488
Translation differences	7 978	252	8 230
Carrying amount as of 31 Dec	532 242	6 932	539 173
Lease liabilities			
Non-current	222 948	308	223 257
Current	59 420	299	59 719
Lease liabilities 1 Jan	**282 369**	**607**	**282 976**
Non-current	476 648	5 418	482 066
Current	81 358	1 710	83 068
Lease liabilities 31 Dec	**558 006**	**7 128**	**565 134**

Additions to right-of-use assets are new leases related to stores (Buildings and constructions), vehicles and equipment (Machinery and equipment). As well as amendments to existing agreements. Decreases consist of terminations of lease agreements and changes to lease terms.

An adjustment was made to lease periods due to a reassessment of the exercising of extension options. The effect of the adjustment on the value of the right-of-use assets and lease liabilities recognised on the balance sheet was EUR 11 606 thousand during the financial period (EUR 8 047 thousand).

At the close of the 2024 financial year, it was estimated that the undiscounted residual values payable in the future will amount to EUR 376 thousand (EUR 1 211 thousand). These residual values are included in the lease liabilities recognised on the balance sheet.

Leases recognised in the statement of profit or loss

1,000 EUR	2024	2023
Depreciation charge of right-of-use assets		
Buildings and constructions	-101 310	-77 086
Machinery and equipment	-1 787	-1 087
Total	**-103 098**	**-78 173**
Other amounts relating to leases		
Interest expense	-24 530	-15 256
Expense relating to variable lease payments (not included in lease liabilities)	-1 089	-996
Expense relating to short-term leases (less than 1 year)	-1 034	-884
Expense relating to leases of low-value assets	-402	-356
Income from subleasing right-of-use assets	511	838
Total cash outflow for leases	-120 018	-89 244

Sale and leaseback transaction

With an agreement signed on 8 December 2023, Tokmanni Group sold its Moreeni logistics centre, which was completed in November in Mäntsälä in Finland to the real estate investment and development company NREP Oy. Tokmanni Oy also became a long-term tenant in the building under a lease agreement signed on 15 December 2023. The agreements are based on a project agreement signed by the parties in 2021. According to the project agreement, Tokmanni Group has sold the Moreeni logistics centre after completing its construction and has leased the premises back under a 20-year lease.

Costs related to construction of the Moreeni logistics centre, and the road connection accounted for EUR 23.2 million in 2023. The total value of the investment amounted to EUR 59.0 million and was recognised over the period 2022–2023. The compensation received from the sale was EUR 52.7 million and it is presented in Group's cash flow from investments. The arrangement generated a sales profit of EUR 3 thousand and it is presented in the Group's income statement.

3.2 Intangible assets

Accounting policies

Goodwill

The goodwill generated from business combinations is recognised as the excess of the aggregate of the consideration transferred, the non-controlling interests in the acquire and any previous interest held, over the fair value of the acquired net assets. Goodwill is not subject to amortisation but is tested for impairment on an annual basis and also whenever there is an indication of impairment.

Accounting policies requiring management judgement

In impairment testing, the Group must assess indications of impairment based on both internal and external sources of information. The Group Management must make assessments while analysing the information obtained from these sources and making its conclusions. When determining the value in use, the Group estimates future market trends, such as the growth rate and profitability. The most impacting factors underpinning the estimates are the revenue, the average EBIT margin and the discount rate. Changes in these assumptions may have a material impact on the estimated future cash flows. Chapter Allocation of goodwill and testing practice includes additional information on the sensitivity of the recoverable amount to the changes in the assumptions made.

Trademarks and other intangible assets

Intangible assets are recognised in the statement of financial position at their cost, on condition that the cost can be determined reliably, and it is probable that the Group will receive the expected economic benefits from the asset. The other intangible assets of the Group are mainly IT software and licences. They are recognised at acquisition cost less amortisation and impairment losses. The cost is the purchase price and all other expenses directly incurred for making the asset available for its intended use.

Intangible assets with definite useful lives will be amortised using the straight-line method over their known or estimated useful lives. Intangible assets with a fixed timeframe are amortised and recognised as expenses over the respective contract period. Once the intangible asset is classified as held-for-sale, amortisation is no longer recorded. The amortisation period for trademarks is approximately 10–20 years and for other intangible assets it is five years on average.

The estimated useful lives and residual values are reviewed at least at the end of each financial period, and, if they differ significantly from earlier estimates, the amortisation periods are adjusted correspondingly

Intangible assets 2024

1,000 EUR	Goodwill	Trademarks	Other intangible assets	Prepayments	Total
Acquisition cost					
Acquisition cost as at 1 Jan	218 070	43 430	22 516	-	284 016
Translation differences	-1 601	-1 230	-7	-	-2 838
Acquisitions	-	-	-	-	-
Additions	853	4	1 165	-	2 022
Disposals	-		-11	-	-11
Transfers between items	-		467	-	467
Acquisition cost as of 31 Dec	**217 322**	**42 204**	**24 130**	**-**	**283 656**
Accumulated depreciation					
Accumulated depreciation as at 1 Jan	-	-1 310	-18 867	-	-20 177
Translation differences	-	27	0	-	27
Depreciation charge for the financial period	-	-2 349	-1 478	-	-3 828
Accumulated depreciation of disposals	-		11	-	11
Accumulated depreciation as of 31 Dec	**-**	**-3 632**	**-20 334**	**-**	**-23 966**
Carrying amount as of 1 Jan	**218 070**	**42 120**	**3 649**	**-**	**263 839**
Carrying amount as of 31 Dec	**217 322**	**38 572**	**3 796**	**-**	**259 690**

Intangible assets 2023

1,000 EUR	Goodwill	Trademarks	Other intangible assets	Prepayments	Total
Acquisition cost					
Acquisition cost as at 1 Jan	136 216	154	21 508	-15	157 863
Translation differences	3 004	1 513	8	-	4 526
Acquisitions	78 849	41 753	1	-	120 603
Additions	-	10	778	27	815
Transfers between items	-		222	-13	209
Acquisition cost as of 31 Dec	**218 070**	**43 430**	**22 516**	**-**	**284 016**
Accumulated depreciation					
Accumulated depreciation as at 1 Jan	-	-112	-17 512	-	-17 625
Translation differences	-	-32	0	-	-32
Depreciation charge for the financial period	-	-1 166	-1 355	-	-2 520
Accumulated depreciation as of 31 Dec	**-**	**-1 310**	**-18 867**	**-**	**-20 177**
Carrying amount as of 1 Jan	**136 216**	**41**	**3 995**	**-15**	**140 238**
Carrying amount as of 31 Dec	**218 070**	**42 120**	**3 649**	**-**	**263 839**

Allocation of goodwill and testing practice

For the purpose of impairment testing of Tokmanni Group, goodwill is allocated to cash-generating units, which is at maximum at the level of reportable segments. Management has identified Tokmanni and Dollarstore as cash-generating units. The cash-generating unit group is tested for impairment by comparing the carrying amount of the group of cash-generating units with its recoverable amount. The carrying amount to be tested includes goodwill, intangible and tangible assets and net working capital. The Group performs annual impairment testing on the goodwill during the last quarter of each reporting period. Impairment testing is also performed whenever there is an indication of the recoverable amount from an asset item or group of cash-generating units being less than the carrying amount. Besides goodwill, the Group has no other intangible assets deemed to have an unlimited useful life. The carrying amount of goodwill recognized to Tokmanni is EUR 167.5 million and for Dollarstore EUR 49.9 million.

An impairment loss is the amount by which the carrying amount of an asset or group of cash-generating units exceeds the recoverable amount of the corresponding item. An impairment loss is recognised immediately in profit or loss. Recognition of impairment loss has an adverse effect on the Group’s result and thereby also on its equity but does not influence the Group’s cash flows. When the impairment loss of tangible assets and of intangible assets with a limited useful life is recognised, the useful life of the asset subject to depreciation is re-evaluated.

Determining cash flows

The recoverable amount is the higher of the fair value less costs of disposal of the asset, or its value in use. In testing the goodwill, the recoverable amount is based on value in use (present value), determined by discounting the expected future net cash flows for the moment of review.

Expected future net cash flows are constituted of two elements: three-year cash flows based on the business plan adopted by management, and the so-called terminal value after the forecast period. The nominal annual growth rate of revenue forecast period was on average 5.2% - 10.4%. EBIT margin was on average 5.4% - 7.5%. The terminal value is determined by extrapolating the forecasted cash flows. In the calculations, the growth factor for the years after the forecast period is 2.0%–3.5%, which is not expected to be in excess of long-term growth in the sector.

The assumptions of cash flow growth and improved profitability reflect management’s view of the development of sales and expenses during the forecast period. The cash flows calculated on the basis of the business plan and forecasts have, however, been adjusted in impairment testing by eliminating the future cash flows that are expected to be generated through rearrangements not yet committed to, and cash flows that are expected to be generated through the improved performance or increase of an asset.

The assumptions used in impairment testing are the same as those approved by the management and used in the business plan and forecasts. The assumptions used are based on historical trends and on market data from external information sources. In determining the future cash flow predictions, the assumptions calling for major management judgement are those related to market and profitability outlooks. The right-of-use assets recognised on leases that comply with the IFRS 16 standard are also subjected to impairment testing.

If the assumptions used for the calculation of the amounts change, the recoverable amount used in impairment testing may also change.

Discount rate

The discount rate applied to the recovered amount is the weighted average cost of capital WACC prior to taxes, calculated for Tokmanni Group. The elements of WACC are risk-free interest, equity beta, market risk premium, sector-specific risk premium, liabilities margin, and the capital structure employed. WACC prior to taxes was 10.3% (10.1%) for Tokmanni and 9.9% (9.7%) for Dollarstore. The various components of the discount rate used in impairment testing are based on information derived from peers.

Sensitivity analysis in impairment testing

The core assumptions used in determining value in use are made by the management of Tokmanni. These assumptions are revenue, discount rate and average operating profit margin. The assumptions are based on expectations of future events believed to be realistic under the current circumstances. The assumptions have been approved by the Group's Executive Group and Board of Directors.

Sensitivity analyses have been made on the assumption that the average EBIT margin will decrease both during the forecast period and thereafter, and that the discount rate will increase. Based on the impairment testing for 2024, no change in any of the core assumptions that could be foreseen would have an impact on the reduction of the recoverable amount below the carrying amount.

No impairment losses were recognised on goodwill in the financial years 2024 and 2023.

3.3 Inventories

Accounting policies

Inventories are valued at the lower of cost or net realisable value. Cost is defined using the weighted average method. The cost of goods includes all costs of purchase, including purchase rebates, direct transportation and handling costs and other costs. The net realisable value is the estimated sales price obtainable through normal business, less the estimated product expenses and the estimated indispensable expenses related to materialised sales.

Accounting policies requiring management judgement

Items included in the Group's inventory are classified into different groups based on their turnover times, and a write-down is recorded as necessary for the slowest moving products. Testing for write-down applies to products that have arrived over 18 months ago. Possible write-down is based on each product category's actual profit margin and write-down varies between product categories based on age distribution from 0-100%. Products that have arrived over 36 months ago are written down in full. Write-down recognition calls for judgements and estimates based on issues such as the future demand for the products. Changes in these assessments may impact the measurement of inventories in future financial periods.

1,000 EUR	2024	2023
Goods	408 569	346 171
Write-down in inventories	-10 651	-12 880
Goods, in transport	35 064	13 552
Purchase rebate accrual	-4 565	-4 001
Prepayments	17	10
Total	**428 434**	**342 851**

3.4 Other receivables and income tax receivables

Other receivables and income tax receivables

1,000 EUR	2024	2023
Loans and other receivables		
Trade receivables	2 198	1 940
Financial assets at fair value through profit or loss		
Derivatives, non-hedge accounting	708	-
Other receivables		
Prepayments and accrued income	8 835	5 888
Income tax receivables	2 436	2 636
Other receivables	17 396	23 192
Total	**28 666**	**31 716**
Total	**31 573**	**33 655**

The receivables are not associated with any significant credit risk concentrations, and the maximum credit risk corresponds to the carrying amount of the receivables at year's end. The impairment losses recognised in the Group's trade receivables are not significant. The expected credit loss risk is not significant due to the low volume of invoiced sales. The other receivables item includes EUR 12 190 thousand (EUR 10 839 thousand) of invoiced annual bonus receivables.

Ageing analysis of trade receivables (external parties)

1,000 EUR	2024	2023
Not overdue	1 691	1 697
Overdue less than 7 days	245	184
Overdue between 8-21 days	129	38
Overdue more than 21 days	133	21
Total	**2 198**	**1 940**

Prepayments and accrued income

1,000 EUR	2024	2023
Annual discounts	998	492
Consumables expenses	1 994	1 466
Prepayments	1 382	778
Receivable from occupational health care payments	1 157	1 001
Receivables from Veikkaus	190	172
Other prepayments and accrued income	3 114	1 978
Total	**8 835**	**5 888**

Other prepayments and accrued income include receivables of EUR 0 thousand (EUR 593 thousand) related to returned service products.

3.5 Non-current receivables and other non-current financial assets

1,000 EUR	2024	2023
Loans and other receivables		
Loan receivables	155	173
Other receivables	12	477
Other receivables		
Non-current loan receivables from related parties	1 675	1 946
Non-current other receivables	-	58
Total	**1 842**	**2 654**

The information on related party loans and their terms and conditions is presented in Note 5.1 Related party transactions.

3.6 Other liabilities and income tax liabilities

Accounting policies

Trade payables and other non-interest-bearing current liabilities arose from goods and services that have been delivered to the Group before the close of the financial period and that have not been paid for. The liabilities are unsecured, and the most common payment terms are between 15 and 60 days. Trade payables and other liabilities are classified as current liabilities if they are due for payment within 12 months of the close of the reporting period.

Other liabilities and income tax liabilities

1,000 EUR	2024	2023
Financial liabilities at amortised cost		
Trade payables	168 987	159 746
Financial liabilities at fair value through profit or loss		
Derivatives, non-hedge accounting	-	326
Other liabilities		
Other non-interest-bearing liabilities	44 602	41 898
Accrued liabilities	53 046	57 971
Income tax liabilities	305	3 639
Total	**97 952**	**103 508**
Total	**266 939**	**263 580**

Current accrued liabilities

1,000 EUR	2024	2023
Holiday pay	27 305	25 509
Wages and salaries including social expenses	9 858	9 680
Compulsory insurances	10 605	11 159
Current interest liabilities	274	6 480
Other accrued liabilities	5 004	5 144
Total	**53 046**	**57 971**

Other accrued liabilities consist of deferred expenses related to recycling fees, electric power and credit card commissions, among other things.

3.7 Non-current non-interest-bearing liabilities

1,000 EUR	2024	2023
Other liabilities		
Sale and leaseback transaction	3 833	4 327

3.8 Cash and cash equivalents

1,000 EUR	2024	2023
Cash and cash equivalents	15 869	133 687

Cash and cash equivalents include money in cash, demand deposits at banks and other current liquid investments readily convertible to an amount of cash known in advance. The cash and cash equivalents also include amounts relating to cash floats in stores and amounts being transferred to the respective companies.

3.9 Investments in joint ventures

Accounting policies

A joint venture is consolidated by using the equity method. The Group’s share of the net profit for the financial period of the joint venture, proportional to its ownership interest, is disclosed prior to the operating profit.

1,000 EUR	2024	2023
Acquisition cost as at 1 Jan	254	191
Share of result for the financial period	65	74
Translation differences	9	-11
Acquisition cost as at 31 Dec	**327**	**254**

Tokmanni Oy owns 50% of the shares of the Hong Kong based joint venture Tokmanni-Europris Sourcing Ltd. The joint venture owns Tokmanni-Europris (Shanghai) Trading Co., Ltd., a Shanghai-based procurement company. The company is the cornerstone of goods procurements made in China and the Far East. The company's operations include identifying and selecting local suppliers, ensuring the correct quality, monitoring delivery times, and ensuring responsible operations on the part of suppliers.

3.10 Business combinations

Accounting policies

The identifiable assets and liabilities acquired in connection with a business combination are measured at fair value at the time of acquisition and the costs related to the acquisition are recognised as expenses. Goodwill arising in a business combination is recognised at the amount by which the consideration given, the non-controlling interests in the acquiree and the previously held interests in the acquiree combined exceed the fair value of the net assets acquired. If the amount by which the consideration given, the non-controlling interests in the acquiree and the previously held interests in the acquiree combined fall below the fair value of the net assets acquired, the difference is recognised through profit or loss as a gain on a favourable transaction.

Acquisitions during the 2024 financial period

There were no acquisitions in the year ending 31 December 2024.

Tokmanni Group completed the acquisition of Dollarstore on 1 August 2023. The acquisition cost calculation was presented as preliminary in the 2023 financial statement. The acquisition cost of EUR 174.1 million has been allocated to identifiable net assets and the remaining residual value has been recorded in goodwill. The preliminary acquisition cost calculation was adjusted in the summer of 2024 for inventories, and as a result, goodwill increased by EUR 2.0 million.

Tokmanni Group completed the acquisition of Click Shoes Oy and Shoe House Oy on 1 March 2023. The acquisition cost calculation was presented as preliminary in the 2023 financial statements. The acquisition cost of EUR 10.7 million has been allocated to identifiable net assets and the remaining residual value has been recorded in goodwill.

Acquisition cost

1,000 EUR	2023 Dollarstore	2023 Click Shoes Oy and Shoe House Oy	2023 Total
Acquisition cost paid in cash	-174 086	-10 678	-184 764
Cash transferred in connection with the acquisition	18 156	922	19 078
Cash flow impact of the acquisition	**-155 930**	**-9 755**	**-165 686**

Fair value of assets acquired and liabilities assumed at the time of the acquisition, final

1,000 EUR	2023 Dollarstore	2023 Click Shoes Oy and Shoe House Oy	2023 Total
Intangible assets	36 979	4 533	41 512
Tangible assets and right-of-use assets	244 498	58	244 555
Inventories	85 095	5 064	90 159
Trade receivables and other receivables	1 576	760	2 336
Cash and cash equivalents	18 156	922	19 078
Total assets	**386 303**	**11 337**	**397 640**
Lease liabilities	203 007	-	203 007
Trade payables, other short-term liabilities	70 704	3 717	74 422
Deferred tax liability	13 974	912	14 886
Total liabilities	**287 685**	**4 629**	**292 314**
Net assets acquired, total	**98 618**	**6 708**	**105 326**
Goodwill	**75 468**	**3 970**	**79 438**

Acquisitions during the 2023 financial period

Dollarstore

On 7 July 2023, Tokmanni announced that it had signed an agreement with Ahlberg-Dollarstore AB, the leading Swedish discount retailer, and the owner of Ahlberg Dollarstore ApS on the acquisition of 100% of the share capital of Storsjöbygdens Kapitalförvaltning AB. Storsjöbygdens Kapitalförvaltning AB is the holding company of Ahlberg-Dollarstore AB and Ahlberg Dollarstore ApS (collectively Dollarstore). Tokmanni Group Corporation completed the transaction on 1 August 2023, when ownership of Dollarstore was transferred to Tokmanni Group. In connection with the transaction, the number of stores in the Tokmanni Group increased by 130 stores in Sweden and two stores in Denmark.

The final purchase price was SEK 2.028 billion, or EUR 174.1 million, and it was paid in cash. Tokmanni Group Corporation financed the transaction with a new bank loan of EUR 175 million. Tokmanni hedged approximately half of the purchase price between the signing date of 7 July 2023 and the transaction closing date on 1 August 2023, and the hedging of the purchase price resulted in a profit of approximately EUR 1.3 million recorded in financial income. No hedge accounting was applied to the arrangement.

Click Shoes Oy and Shoe House Oy

Tokmanni bought all the shares of the domestic shoe store chains Click Shoes Oy and Shoe House Oy. The ownership of the companies was transferred to Tokmanni on 1 March 2023. The goal of the acquisition is to increase apparel sales and strengthen Tokmanni's market share in apparel product groups. At the beginning of March, the companies had a total of 28 stores across Finland and an online store.

The final purchase price was EUR 10.7 million and it was paid in cash. The purchase price also includes an additional purchase price based on the work obligation, and if the seller resigns or the seller's employment is terminated on personal grounds, the additional purchase price will not be paid. In accordance with IFRS 3, the additional purchase price is classified as salary and not part of the purchase price.

4. Capital structure, financing and risk management

4.1 Equity

Equity consists of share capital, reserve for invested unrestricted equity, treasury shares, translation differences and retained earnings.

	Number of outstanding shares	Share capital (thousand euro)	Reserve for invested non-restricted equity (thousand euro)	Treasury shares (thousand euro)	Total (thousand euro)
31 Dec 2022	58 818 689	80	109 902	-819	109 162
Transfer of treasury shares	7 025	-	-	113	-
31 Dec 2023	58 825 714	80	109 902	-706	109 275
Transfer of treasury shares	24 429	-	-	401	-
31 Dec 2024	58 850 143	80	109 902	-305	109 677

Tokmanni Group Corporation has one series of shares. The maximum number of the shares or the nominal value of the share has not been determined. Each share provides one voting right. All issued shares have been paid in full.

Treasury shares

The treasury shares fund includes the acquisition cost of treasury shares held by Tokmanni Group Corporation.

During 2024, Tokmanni Group Corporation transferred a total of 24,935 shares held by the company without consideration to individuals included in the company's long-term incentive scheme in accordance with the terms and conditions of the scheme. During 2024, 506 own shares were returned to Tokmanni Group Corporation. At the end of 2024, Tokmanni Group Corporation owned 18,609 of its own shares, which is 0.03% of the total shares. The Board has a valid authorization to acquire and/or take as pledge own shares.

	Number of shares
Treasury shares owned by the company on 31 December 2023	**43 038**
Transferred during the financial year on the basis of the share incentive plan	-24 935
Returned to the company during the financial year	506
Treasury shares owned by the company on 31 December 2024	**18 609**

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity type investments and the subscription price of the shares less transaction costs to the extent that it has not by explicit decision been registered in the share capital.

Translation differences

The translation differences reserve contains the translation differences arising from the conversion of the financial statements of foreign companies. The changes in the reserve are disclosed in comprehensive income.

Dividends

The parent company's distributable funds total 219,486,237.94 euros, which includes 41,585,172.74 euro in profit for the year. After the balance sheet date, the Board has proposed for the financial year ended on 31 December 2024 to distribute a maximum dividend of EUR 0.68 per share. This dividend amounts to a total of EUR 40,018,097.24. The remaining part of the retained earnings be retained in unrestricted shareholders' equity.

Share-based payments

On 13 December 2023, the Board of Directors of Tokmanni Group Corporation decided to establish a new share-based long-term incentive scheme for the Group's management and selected key personnel. The scheme consists of a Performance Share Plan (PSP). The Board of Directors also decided to launch a Restricted Share Plan (RSP). It is intended to be used as a complementary share-based retention scheme. Both schemes have a rolling structure, i.e. the PSP and RSP plans are started by a decision of the Board of Directors. Participants, earning potential, performance indicators and target levels are decided separately for each programme.

The first individual plan in the PSP structure, PSP 2024–2026, commenced at the beginning of 2024 and the awards potentially earned thereunder will be paid in listed shares of Tokmanni Group Corporation and potentially partly in cash during the first half of 2027. The PSP 2024–2026 indicators were earnings per share, relative total shareholder return relative to the median return of peer companies, as well as the environmental scope 3 climate target and the diversity, equity and inclusion (DEI) indicator.

Eligible for participation in PSP 2024–2026 are approximately 80 individuals, including members of Tokmanni Group's Executive Group and other selected key employees. If all the performance targets set for PSP 2024–2026 are fully achieved, the aggregate maximum number of shares payable as a reward under the PSP 2024–2026 is approximately 200,000 shares (referring to gross reward, from which the applicable payroll tax is withheld before share delivery).

The first individual plan in the RSP structure, RSP 2024–2026, commenced at the beginning of 2024 and share awards payable thereunder will be paid in annual tranches during the plan’s restriction period. The aggregate maximum number of shares payable as a reward under the RSP 2024–2026 is approximately 50,000 shares (referring to gross reward, from which the applicable payroll tax is withheld before share delivery).

According to IFRS 2, a share-based incentive plan must be measured at fair value at the grant date and recognised as an expense during the vesting period. If the share premium is paid in a combination of shares and cash, the fair value of the reward is divided into two parts according to IFRS 2; in shares settled and cash settled. The portion to be settled in the form of shares is recognised in equity and the cash settlement is recognised as an expense. The fair value of the share-based payment at the time of awarding the incentive was the price of the company’s share times the number of shares awarded.

The share-based incentive plan for the financial year 2024 consists of rewards paid to individuals totalling EUR 98 thousand (EUR 319 thousand). The earnings are based on the Group's realised earnings per share for the financial year 2024, the total shareholder return on Tokmanni Group Corporation share compared to peer companies, the environmental scope 3 climate target and the DEI indicator related to diversity, equity and inclusion. Based on the IFRS 2 standard, a total of EUR 245 thousand (EUR 136 thousand) has been recognised for the plan for the year 2024.

4.2 Financial assets and liabilities

Accounting policies

Financial assets

The Group’s financial assets are classified on initial recognition into the following categories: Financial assets at fair value through profit or loss and financial receivables measured at amortised cost. With respect to financial assets other than those recognised at fair value through profit or loss, the transaction costs are added to the historical cost. All purchases and sales of financial assets are recognised on the transaction date, which is the date on which the Group commits to the purchase or sale of the financial instrument. Derecognition of financial assets takes place when the Group has lost the contractual right to the cash flows or when it has transferred a significant part of the risks and income outside the Group.

Financial assets at fair value through profit or loss

This group includes financial assets that are classified on initial recognition at fair value recognised through profit or loss. The items classified in this group by the Group include derivatives that are not subject to hedge accounting. Financial assets that will mature within 12 months of the end of the reporting period are included in current assets. The items in this group are measured at fair value, based principally on the market price quoted at the end of the reporting period. Should an item not have a quoted market price, it is measured by using general valuation methods mainly based on observable market information. Any realised or unrealised gains and losses resulting from changes in the fair value are recognised in profit or loss during the financial period in which they arise.

Loans and receivables

This group includes non-derivative assets that have fixed or determinable payments and are not quoted on the active market. The Group does not hold them for sale or classify them on initial recognition as held-for-sale. They are measured on the basis of amortised cost using the effective interest method, and they are included, in line with their inherent nature, in either current or non-current assets.

Cash and cash equivalents

Cash and cash equivalents include money in cash, demand deposits at banks and other current liquid investments readily convertible to an amount of cash known in advance, with a minor risk of change in value. The maximum maturity of the items classified in cash and cash equivalents is three months from the moment of acquisition.

Impairment of financial assets

The Group applies the simplified method when recognising expected credit losses on sales trade receivables, according to which it recognises the expected credit losses on all trade receivables and contract assets over their lifetime. For the purpose of determining the expected credit losses, trade receivables are grouped on the basis of common credit risk characteristics and delays in payment.

The Group has noted that the amount of impairment on trade receivables is not material.

The Group’s management has stated that other receivables and cash and cash equivalents are exposed to a low credit risk and that the amount of impairment recognised on them is not material.

Financial liabilities

The Group’s financial liabilities are classified on initial recognition as either financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. For financial liabilities other than those recognised at fair value through profit or loss, the transaction costs are deducted from the historical cost. All financial liability transactions are recognised on the contract date, or the date on which the Group commits to the contractual terms of the financial liability. The derecognition of financial liabilities takes place when the Group's contractual obligation has been met or cancelled or the obligation has expired.

The arrangement fees related to loan commitments are recognised as transaction costs to the extent that it is probable that the entire loan commitment or part of it will be drawn out, and in this case the fee will be recognised in the statement of financial position until the loan is drawn out. The arrangement fee related to loan commitments at the withdrawal is recognised under transaction costs. To the extent that it is probable that the loan commitment will not be drawn out, the arrangement fee is recognised as an advance payment for liquidity-related services and is amortised over the loan commitment period.

Derivative contracts

The Group concludes derivative contracts only for the purpose of hedging but does not apply hedge accounting. Derivatives may include electricity derivative contracts and currency derivatives. With interest rate swap agreements, the Group can hedge against the interest flow risk arising from long-term loans from credit institutions. Electricity futures can be used to hedge against changes in the price of electricity, up to the amount of the Group's own electricity consumption. Currency forwards and options are used to hedge against changes in the cash flows of anticipated foreign currency purchases. Derivative contracts are measured at fair value when the Group becomes a contractual party, and later they are further measured at fair value. The gains and losses thus arising are accounted for in line with the purpose of use of the derivative contract.

Financial assets and liabilities 31 Dec 2024

1,000 EUR	Financial assets and liabilities at fair value through income statement	Financial assets and liabilities measured at amortised cost	Carrying amounts of assets as per balance sheet
Financial assets			
Non-current financial assets			
Loan receivables	-	155	155
Current financial assets			
Derivatives, non-hedge accounting	708	-	708
Trade receivables	-	2 198	2 198
Cash and cash equivalents	-	15 869	15 869
Total	**708**	**18 067**	**18 776**
Financial assets, total	**708**	**18 222**	**18 931**
Financial liabilities			
Non-current financial liabilities			
Loans from financial institutions *	-	229 153	229 153
Lease liabilities	-	473 348	473 348
Total	**-**	**702 501**	**702 501**
Current financial liabilities			
Loans from financial institutions *	-	20 000	20 000
Corporate loans	-	22 000	22 000
Finance lease liabilities	-	87 663	87 663
Trade payables	-	168 987	168 987
Total	**-**	**298 650**	**298 650**
Financial liabilities, total	**-**	**1 001 151**	**1 001 151**
Financial assets and liabilities, total	**708**	**-982 929**	**-982 220**

** Loans from financial institutions, adjusted with arrangement fees paid*

Financial assets and liabilities 31 Dec 2023

1,000 EUR	Financial assets and liabilities at fair value through income statement	Financial assets and liabilities measured at amortised cost	Carrying amounts of assets as per balance sheet
Financial assets			
Non-current financial assets			
Loan receivables	-	173	173
Current financial assets			
Trade receivables	-	1 940	1 940
Cash and cash equivalents	-	133 687	133 687
Total	**-**	**135 626**	**135 626**
Financial assets, total	**-**	**135 799**	**135 799**
Financial liabilities			
Non-current financial liabilities			
Loans from financial institutions *	-	243 997	243 997
Lease liabilities	-	482 066	482 066
Total	**-**	**726 063**	**726 063**
Current financial liabilities			
Loans from financial institutions *	-	55 000	55 000
Finance lease liabilities	-	83 068	83 068
Derivatives, non-hedge accounting	326	-	326
Trade payables	-	159 746	159 746
Total	**326**	**297 814**	**298 140**
Financial liabilities, total	**326**	**1 023 877**	**1 024 203**
Financial assets and liabilities, total	**-326**	**-888 078**	**-888 403**

** Loans from financial institutions, adjusted with arrangement fees paid*

The carrying amounts of current items are substantially all estimated to correspond to their fair values.

Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities 2024

			Non-cash changes		
1,000 EUR	Financial liabilities 1 Jan 2024	Cash flows	Leases	Other changes	Financial liabilities 31 Dec 2024
Loans from financial institutions	298 997	-50 000	-	156	249 153
Corporate loans	-	22 000	-	-	22 000
Lease liabilities	565 134	-95 488	91 711	-348	561 011
Total	**864 131**	**-123 488**	**91 711**	**-192**	**832 164**

Reconciliation of liabilities arising from financing activities 2023

			Non-cash changes		
1,000 EUR	Financial liabilities 1 Jan 2023	Cash flows	Leases	Other changes	Financial liabilities 31 Dec 2023
Loans from financial institutions	99 465	200 000	-	-468	298 997
Corporate loans	10 000	-10 000	-	-	-
Lease liabilities	282 976	-73 988	356 264	-128	565 134
Total	**392 440**	**116 012**	**356 264**	**-595**	**864 131**

Policies applied by the Group in determining the fair value of all financial instruments

The following price quotes, assumptions and measurement models have been used in determining the fair values of the financial assets and liabilities given in the table:

Derivatives

The fair values of forward exchanges and options are determined using counterparty price quotations. Moreover, the Group has made its own verification calculation using generally accepted methods of valuation. The fair values of commodity derivatives are determined using publicly quoted market prices.

Lease liabilities

The fair value of lease liabilities has been estimated by discounting future cash flows at an interest rate that primarily corresponds to the internal interest rate of the lease agreements. In the case of leases related to retail properties, it is customary that the internal rate of the lease is not easily determinable, in which case the interest rate for the additional credit is used.

Loans from financial institutions

The fair values of loans have been calculated on the basis of the present value of future cash flows, using the rates at the end of the financial period. Substantially all carrying amounts of the loans correspond to fair values, since the loans are floating-rate loans and the Group’s risk premium has not changed to any essential degree. The loans are broken down by maturity in Note 4.3 Management of financial risks.

Trade receivables and other receivables, as well as trade payables and other liabilities

The initial carrying amounts of non-derivative receivables and liabilities correspond to their fair value since the impact of discounting is not material, considering the maturity of these receivables and liabilities.

Fair value hierarchy of the financial assets and liabilities measured at fair value

Level 1 instruments are subject to active trading in the market, and therefore their fair values are directly based on the market price. The fair value of the level 2 instruments is based on available market data. The fair value of level 3 instruments is not based on observable market information (unobservable inputs).

The Group’s financial assets and liabilities measured at fair value (i.e., all of the Group’s derivatives) are level 2 of the fair value hierarchy as per IFRS 13. The fair value of these instruments at the end of the reporting period, 31 Dec 2024 was EUR 708 thousand (EUR -326 thousand).

Derivative contracts

Derivative contracts 2024

	Fair value (thousand euro)	Underlying value (thousand euro)
Foreign exchange forward contracts and options	708	21 176

Derivative contracts 2023

	Fair value (thousand euro)	Underlying value (thousand euro)
Foreign exchange forward contracts and options	-326	23 077

4.3 Management of financial risks

In its normal business operations, the Group is exposed to many financial risks, the principal types of which are currency and interest-rate risks. The objective of the Group’s risk management is to minimise the adverse effects of changes in the financial market on the Group’s financial performance. The general principles of the Group’s risk management are adopted by the Board of Directors. Practical implementation of financial risk management is the responsibility of the Group’s CFO, with such management comprising the identification and assessment of the risks and furnishing the Group with the necessary instruments of risk hedging. In risk management, the Group can employ currency forwards and options, interest rate swaps and electricity derivative contracts. The Group does not engage in hedge accounting under IFRS 9.

Exchange rate risk

Tokmanni Group's business is exposed to risks arising from exchange rate fluctuations caused by both transaction risks arising from the cash flows of income and expenses in different currencies, and from translation risks arising from the translation of the income statements and balance sheets of foreign subsidiaries into the Group currency. The Group seeks to manage currency risks in a variety of ways, such as by using natural hedging or by entering into contracts that hedge the company against fluctuations in exchange rates. Management continuously monitors exchange rate developments and, where necessary, takes strategic decisions to manage exchange rate risks.

The most significant foreign currencies for the Group are the US dollar (USD) and the Swedish krona (SEK). The US dollar is the most significant non-euro purchasing currency of Tokmanni Group. The importance of the Swedish krona is due to the acquired subsidiary operating in its domestic currency.

Transaction risks

Unfavourable changes in foreign exchange rates can raise the acquisition costs of products purchased in other currencies than the euro. Under Tokmanni Group's hedging principles, about half of the purchases in USD are hedged every month for an average length of six months. Currency hedging takes place through forward exchanges and currency options. The Group's import and finance departments collaborate to draft a monthly updated estimate of the purchases in USD.

The Group's USD positions (in euro) at the end of the reporting period

	2024	2023
1,000 EUR	USD	USD
Trade creditors	-26 376	-19 413
Cash and equivalents	1 011	1 282
Total	**-25 365**	**-18 132**
Forward exchange agreements and currency options	21 176	23 077
Position total	**-4 189**	**4 945**

Currency derivatives are recognised at their acquisition value and are measured at the end of the financial period at their fair value in profit or loss.

The table below shows the impacts on the Group's result prior to taxes, as well as the impact on equity. Should the euro strengthen or weaken against the USD (+/- 10%), with the other factors remaining unchanged, the Group's result after taxes would be affected by EUR -335 thousand (396 thousand) positively or negatively. The sensitivity analysis is based on the currency position on the last day of the reporting period.

	2024	2023
1,000 EUR	USD	USD
Change	+/-10 %	+/-10 %
Effect on profit after tax	-335	396
Effect on equity	-	-

Translation risks

Investments in subsidiaries outside the euro area expose Tokmanni Group to foreign exchange risk arising from the consolidation of the assets, liabilities and income of non-euro-denominated subsidiaries into the Group currency. The balance sheets are translated into euros at the exchange rate of the balance sheet date, and the resulting exchange differences are recognised directly in equity. If a foreign subsidiary is sold, the accumulated translation differences are recognised in the income statement. The Group systematically monitors translation risk and assesses the potential need for hedging. Hedging of translation risk has not been considered necessary to date.

The table below shows the Group’s non-euro-denominated equity in euros, and the potential impact on the Group’s equity if the euro strengthens or weakens by +/-10%, other factors remaining unchanged.

Net investments

	2024		2023	
1,000 EUR	SEK	DKK	SEK	DKK
Non-euro-denominated equity	158 090	773	159 937	423
Change	+/-10 %	+/-10 %	+/-10 %	+/-10 %
Effect on equity	15 809	77	15 994	42

Interest rate risk

The Group's revenues and operational cash flows are largely independent of fluctuations in the market rates of interest, and, therefore, the Group’s exposure to interest rate risks is mainly related to its external loan portfolio. According to its risk management principles, the Group aims to have at least two-thirds of the loans with fixed interest rates or hedged against interest rate changes, subject to discretion of the Board of Directors. The Board of Directors evaluates the Group’s exposure to interest rate risks and the level of hedging on a regular basis and makes interest rate hedging decisions if needed. The average annual rate of the Group’s interest-bearing liabilities excluding IFRS 16 finance liabilities was 5.1% (4.7%).

The following table shows the Group’s interest position at the end of the reporting period

1,000 EUR	2024	2023
Floating interest rate		
Financial liabilities	250 000	300 000

The table below shows the impacts on the Group’s profit after taxes, as well as the impact on equity. Should the interests increase or decrease +/- 1.0 percentage points (+/- 1.0), with the other factors remaining unchanged, the Group’s profit after taxes would be affected by EUR 2 000 thousand (EUR 2 400 thousand) negatively or positively. The sensitivity analysis is based on the floating interest rate position at the end of the reporting period.

1,000 EUR	2024	2023
Change	+/-1.0%	+/-1.0%
Effect on profit after tax	2 000	2 400
Effect on equity	-	-

Credit risks

The Group’s credit exposure is constituted of the credit risk related to the receivables from business operations, and the counterparty risk associated with other financial instruments.

The Group has no significant credit risk concentrations related to receivables because its clientele is widely spread, the sales are mainly retail sales against cash, and no single customer or group of customers is dominant from the Group's perspective. Note 3.4 Other receivables and income tax receivables presents the breakdown of trade receivables by maturity. The credit losses with impact on profit or loss incurred during the financial period were not significant. The maximum amount of the Group’s credit loss corresponds to the carrying amount of financial assets at the end of the reporting period (Note 4.2 Financial assets and liabilities).

Part of the purchases from the Far East need to be paid in advance, and the respective risk is minimised by long-term cooperation with suppliers. The Group has a procurement company in Shanghai, China together with the Norwegian discount store chain, Europris AS. The company is the cornerstone of goods procurements made in China and the Far East. The company’s operations include identifying and selecting local suppliers, ensuring the correct quality, monitoring delivery times, and ensuring responsible operations on the part of suppliers. The Shanghai company has 39 employees.

Liquidity risk

The Group seeks to follow the financing required in business operations by analysing the sales cash flow forecasts in order to have sufficient liquid assets to fund the operations and to repay loans at maturity.

The availability and flexibility of the Group's financing is guaranteed through sufficient credit facilities, balanced maturity distribution of the loans and sufficiently long loan periods, and by using several financial institutions and forms for the procurement of funding. On 31 December 2024 the Group had a total EUR 226 million (EUR 216 million) in credit facility reserve, including the commercial paper programme.

During 2024, Tokmanni Group Corporation signed a new EUR 325 million financing agreement. The financing package includes a EUR 250 million bank loan and a EUR 75 million revolving credit facility (RCF). The new financing package replaced the financing facility signed in 2021 and the additional loan drawn in 2023 for the acquisition of Dollarstore. Existing loans were repaid with this new arrangement. The maturity of the new financing is three years with two one-year extension options.

The Group has not identified any significant liquidity risk concentration in relation to its financial assets or sources.

Liability-related defaults and violations of contractual terms

Loans from financial institutions contain a covenant according to which the Group has to achieve a certain ratio of net debt in relation to adjusted EBITDA. Operations in accordance with the loan covenants are reported lenders on a quarterly basis. The Group's management monitors compliance with loan covenants on a regular basis. In 2024, Tokmanni Group has met the required covenants.

Maturity of contractual cash flows of non-derivative financial liabilities

The table below includes all the instruments in force at the closing of the accounts, as well as their contractual loan principals and interests. The amounts are undiscounted, and they include both the future interest payments and the principal repayments.

Maturity of contractual cash flows of non-derivative financial liabilities 2024

1,000 EUR	Carrying amount 31 Dec 2024	Cash flows based on agreements	Less than 1 year	1-5 years	Over 5 years
Loans from financial institutions and corporations*	271 153	298 575	51 858	246 717	-
Lease liabilities	561 011	673 603	121 848	369 882	181 873
Trade payables	168 987	168 987	168 987	-	-
Total	**1 001 151**	**1 141 165**	**342 692**	**616 600**	**181 873**

** Loans from financial institutions, adjusted with arrangement fees paid and corporate loans*

Maturity of contractual cash flows of non-derivative financial liabilities 2023

1,000 EUR	Carrying amount 31 Dec 2023	Cash flows based on agreements	Less than 1 year	1-5 years	Over 5 years
Loans from financial institutions *	298 997	336 126	69 713	266 413	-
Lease liabilities	565 134	682 585	115 861	369 286	197 439
Trade payables	159 746	159 746	159 746	-	-
Total	**1 023 877**	**1 178 457**	**345 319**	**635 699**	**197 439**

** Loans from financial institutions, adjusted with arrangement fees paid*

Maturity of contractual cash flows of derivative financial liabilities

The cash flows related to currency and electricity derivative contracts are based on their fair values at the end of the reporting period with the maturity corresponding to the due date. Potential cash flows related to interest derivates are disclosed in net.

Maturity of contractual cash flows of derivative financial liabilities 2024

In the financial year 2024, the Group has no derivative liabilities at the end of the fiscal year 2024.

Maturity of contractual cash flows of derivative financial liabilities 2023

1,000 EUR	Carrying amount 31 Dec 2023	Cash flows based on agreements	Less than 1 year	1-5 years
Foreign exchange forward contracts and options	326	326	326	-

Electricity price risk

The Group is exposed to commodity risks in its operations, caused by the possible impacts of the electricity price risk on the Group's energy costs. The Group can hedge itself against electricity price changes through electricity derivative contracts in line with the policy determined by the Board of Directors, at most up to the amount corresponding estimated electricity consumption. The Group hedges against electricity price risk by purchasing fixed-price electricity, which covers about 70% of consumption one year ahead and decreases gradually over 3-4 years. At the end of financial periods 2024 and 2023 Group had no active electricity derivative contracts.

4.4 Capital management

The objective of the Group's capital management function is to retain an optimal capital structure in line with the Group's strategy. By managing its capital, the Group ensures that its business operations will continue without interruption, thus guaranteeing cash flow financing under all circumstances, allowing for investments according to the Group's strategy and increasing shareholder value long-term.

1,000 EUR	2024	2023
Interest-bearing liabilities	832 164	864 131
Interest-bearing liabilities excluding lease liabilities	271 153	298 997
Cash and cash equivalents	15 869	133 687
Interest-bearing net debt	816 295	730 445
Interest-bearing net debt excluding lease liabilities	255 284	165 310
Total equity according to IFRS	**263 072**	**265 402**
Equity ratio	**19.1%**	**18.8%**

Tokmanni Group intends to maintain an efficient long-term capital structure. The long-term goal is to keep the ratio of net debt excluding lease liabilities to comparable EBITDA below 2.25.

	Target level	2024	2023
Net debt / adjusted EBITDA	below 3.20	3.59	3.73
Net debt / adjusted EBITDA, without lease liabilities	below 2.25	2.39	1.56

4.5 Contingent liabilities, assets and commitments

Contingent liabilities, assets and commitments

Property has not been provided as collateral for loans from financial institutions, but a covenant term is related to such loans. The covenant term determines the required net debt to EBITDA ratio. In 2024, the Group has met the required covenant.

Non-cancellable lease liabilities

Group as lessee

Lease liabilities consist of minimum lease liabilities related to low-value leases and short-term leases.

Minimum lease payments payable based on other non-terminable leases

1,000 EUR	2024	2023
No later than 1 year	9 678	9 625
Later than 1 year and no later than 5 years	23 177	25 831
Later than 5 years	5 562	6 242
Total	**38 417**	**41 698**

The effect on leases and other leases are described in Note 3.1 Tangible assets, in the table “Lease amounts presented in the income statement”.

Group as lessor

The Group has sublet certain business premises. The rental expenses incurred for these premises, as well as the minimum lease payments obtainable in the future on the basis of the subleases, are not significant for the Group.

5. Other

5.1 Related party transactions

The Group's related parties are the Board of Directors and Executive Group members, including the Group CEO and Deputy CEO, as well as subsidiaries and joint ventures. Owners of Tokmanni Group, either entities or persons who have control, joint control or significant influence in Tokmanni Group are also defined as related parties.

The disclosed transactions with related parties include those not eliminated in the consolidated financial statements of Tokmanni Group Corporation. All transactions with related parties are on market-based terms.

The Group’s parent and subsidiary relationships are as follows

Company	Domicile	Shareholding	Voting rights
Parent company Tokmanni Group Corporation	Finland		
Real Estate Company Tokmanni Eurajoki	Finland	100%	100%
Real Estate Company Tokmanni Pälkäne	Finland	100%	100%
Real Estate Company Tokmanni Sodankylä	Finland	100%	100%
Real Estate Company Tokmanni Nikkilä	Finland	100%	100%
Real Estate Company Tokmanni Ivalo	Finland	100%	100%
Real Estate Company Tokmanni Suonenjoki	Finland	100%	100%
Real Estate Company Tokmanni Nilsiä	Finland	100%	100%
Retail Leasing Oy	Finland	100%	100%
Retail Property Investment Oy	Finland	100%	100%
Shoe House Oy	Finland	100%	100%
Taitomanni Oy	Finland	100%	100%
Tokmanni Oy	Finland	100%	100%
Tokmanni Retail AB	Sweden	100%	100%
Dollarstore AB	Sweden	100%	100%
Dollarstore ApS	Denmark	100%	100%

The Tokmanni - Europris Sourcing Ltd joint venture, which has been consolidated using the equity method, sells purchasing services to the Group.

Specification of transactions carried out with related parties

Transactions during the financial period 2024 including receivables, payables and liabilities per 31 Dec 2024 carried out with related parties

1,000 EUR	Majority owner and related parties to majority owner	Board of Directors and management	Joint ventures
Income statement			
Revenue and other operating income	-	2	-
Other operating expenses	-	1 313	1 952
Financial income	-	76	-
Balance sheet			
Assets			
Receivables from joint ventures	-	-	155
Non-current loan receivables from related parties	-	1 675	-
Interest receivables from related parties	-	13	-
Total	**-**	**1 688**	**155**

Transactions during the financial period 2023 including receivables, payables and liabilities per 31 Dec 2023 carried out with related parties

1,000 EUR	Majority owner and related parties to majority owner	Board of Directors and management	Joint ventures
Income statement			
Revenue and other operating income	-	2	-
Other operating expenses	-	1 372	1 794
Financial income	-	88	-
Balance sheet			
Assets			
Receivables from joint ventures	-	-	173
Non-current loan receivables from related parties	-	1 946	-
Interest receivables from related parties	-	23	-
Total	**-**	**1 969**	**173**

Non-current loan receivables from related parties

The Board of Directors of Tokmanni Group Corporation has decided to encourage the members of its Executive Group to increase their shareholdings. The purpose of this arrangement is to more closely align the targets of the owners and management of the company in order to increase the value of the company over the long term and to commit the management to an even better implementation of the company's strategy. In the arrangement, Tokmanni Group's Board of Directors decided to offer the Group's key personnel financing for their share purchases.

Long-term loans have been granted on market terms to related parties as follows:

- During the financial period, no new loans were granted. During the financial year, loans were repaid by an amount of EUR 272 thousand (EUR 224 thousand).
- At the end of year 2023, new contracts were drawn up for the loans. The loan period is five years, and the borrower has the right to repay the loan earlier.
- The purchased shares serve as collateral for these loans.
- An annual interest rate of the 12-month Euribor plus 1% is paid on the loan. The interest rate is reviewed quarterly, four times a year. The interest is calculated on the remaining loan amount retrospectively on the dividend payment date and is paid 1-2 times a year after Tokmanni Group Corporation's dividend payment.

Management employment benefits

The key management personnel includes the members of the Board of Directors and Executive Group, and the Group CEO.

The table below shows the salaries and other short-term employment benefits of key executives. No other benefits have been paid to persons.

EUR		2024	2023
Mika Rautiainen	Group CEO	706 710	602 213
Seppo Saastamoinen	Chairman of the Board	81 700	96 034
Mikko Bergman (starting from 22.3.2023)	Member of the Board	47 328	38 331
Juha Blomster (ending at 22.3.2023)	Member of the Board	-	10 500
Thérèse Cedercreutz (ending at 23.4.2024)	Member of the Board	4 000	42 310
Erkki Järvinen	Member of the Board	78 513	59 343
Ulla Serlenius	Member of the Board	58 330	42 320
Harri Sivula	Member of the Board	52 354	50 849
Tuominen Eja (starting from 23.4.2024)	Member of the Board	65 805	-
CEO of the Group companies and members of the Board of Directors		**1 094 740**	**941 900**
Executive Group		**1 636 114**	**1 602 653**
Monetary salaries, fees and fringe benefits, total		**2 730 854**	**2 544 553**

Pension benefits

In Tokmanni Group Corporation, the pensions of the key management personnel are determined in line with the general provisions applied in Finland to employee pensions (Employee Pensions Act). The Group CEO's statutory pension cost was EUR 81,845.32 in 2024 (EUR 94,333.06).

Termination benefits

If the Group gives notice to the Group CEO, he will have the right to receive compensation corresponding to the maximum of 12 months’ overall pay. Under corresponding circumstances, the other Executive Group members will have the right to compensation corresponding to the maximum of 9 months’ overall pay.

5.2 Provisions and contingencies

Accounting policies

A provision is recorded when the Group has a legal or constructive obligation as a result of an earlier event, and when the materialisation of the obligation is probable and its amount can be reliably estimated. Provisions are valued at the present value of the expenses required to cover the obligation. The discount rate used for the calculation of the present value is chosen to reflect the current market view of the time value of money and the risks associated with the obligation. If it is possible to have compensation for part of the obligation from a third party, the compensation is recognised as a separate asset when the reimbursement in virtually certain. The amounts of the provisions are estimated at each closing of the accounts, and they will be adjusted to correspond with the best current estimate. Changes in provisions are recognised in the income statement under the same item where the original provision was recorded. The increase in the provision resulting from the passing of time is recognised as interest expenses.

At the end of the reporting or comparison period, the Group did not have any provisions.

A contingent liability is a possible obligation arising from past events, the existence of which is confirmed only if an uncertain event beyond the Group’s control occurs. A contingent liability is also deemed to be a present obligation where payment is not probable or the amount cannot be measured reliably. Contingent liabilities are specified in the Notes 4.2 Financial assets and liabilities and 4.5 Contingent liabilities, assets and commitments.

5.3 Events after the end of the reporting period

On 14 January 2025, Tokmanni Oy, a company of Tokmanni Group, announced that it had signed a licence agreement with SPAR International. The licence grants Tokmanni the exclusive right to sell SPAR products and use the SPAR brand in Finland.

PARENT COMPANY'S FINANCIAL STATEMENTS (FAS)

Parent company’s income statement

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
REVENUE	**3 337 000.00**	**1 201 500.00**
Other operating income	42 275.98	2 562.32
Wages, salaries and fees	-874 236.13	-1 079 454.59
Social security expenses		
Pension expenses	-275 559.25	-96 573.03
Other social security expenses	-5 885.31	-15 961.46
Wages, salaries and employee benefits	-1 155 680.69	-1 191 989.08
Other operating expenses	-3 015 604.02	-1 072 528.15
OPERATING PROFIT	**-792 008.73**	**-1 060 454.91**
Financial income	5 746 831.12	3 023 313.67
Financial expenses	-19 428 816.08	-12 285 139.40
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-14 473 993.69**	**-10 322 280.64**
Appropriations		
	66 350 000.00	71 640 000.00
Profit (loss) before taxes	**51 876 006.31**	**61 317 719.36**
Income taxes	-10 290 833.57	-12 345 289.48
NET RESULT FOR THE FINANCIAL PERIOD	**41 585 172.74**	**48 972 429.88**

Parent company’s balance sheet

EUR	31 Dec 2024	31 Dec 2023
ASSETS		
NON-CURRENT ASSETS		
Investments		
Holdings in group companies	411 926 603.01	411 926 603.01
Other shares and holdings	-	464 944.31
Investments	411 926 603.01	412 391 547.32
NON-CURRENT ASSETS, TOTAL	**411 926 603.01**	**412 391 547.32**
CURRENT ASSETS		
Non-current receivables		
Amounts owed by group companies	18 231 691.11	14 529 740.24
Non-current loan receivables, related parties	1 674 933.71	1 946 439.71
Non-current receivables	19 906 624.82	16 476 179.95
Current receivables		
Amounts owed by group companies	87 597 379.17	78 433 486.12
Other receivables	10 079.40	22 795.52
Prepayments and accrued income	1 723 332.13	2 395 912.08
Current receivables	89 330 790.70	80 852 193.72
Cash in hand and at banks	3 921 600.01	97 653 139.84
CURRENT ASSETS, TOTAL	**113 159 015.53**	**194 981 513.51**
ASSETS TOTAL	**525 085 618.54**	**607 373 060.83**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80 000.00	80 000.00
Reserve for invested unrestricted equity	114 629 589.41	114 629 589.41
Treasury shares	-304 979.71	-706 357.74
Retained earnings	63 576 455.50	59 730 924.09
Net result for the financial period	41 585 172.74	48 972 429.88
EQUITY, TOTAL	**219 566 237.94**	**222 706 585.64**
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	230 000 000.00	245 000 000.00
Current liabilities		
Loans from financial institutions	20 000 000.00	55 000 000.00
Trade payables	154 762.35	48 599.47
Amounts owed to group companies	32 808 820.64	77 477 423.85
Other payables	22 101 661.62	147 172.07
Accruals and deferred income	454 135.99	6 993 279.80
Current liabilities	75 519 380.60	139 666 475.19
LIABILITIES, TOTAL	**305 519 380.60**	**384 666 475.19**
EQUITY AND LIABILITIES, TOTAL	**525 085 618.54**	**607 373 060.83**

Parent company's cash flow statement

1,000 EUR	31 Dec 2024	31 Dec 2023
Cash flows from operating activities		
PROFIT (LOSS) FOR THE PERIOD	41 585	48 972
Adjustments:		
	-	-3
Financial income and expenses	13 682	9 262
Appropriations	-66 350	-71 640
Tax on income from operations	10 291	12 345
Change in working capital		
Increase (-) / decrease (+) of current receivables	-2 502	-231
Increase (+) / decrease (-) of current non-interest bearing liabilities	1 656	310
Interest paid	-22 182	-4 371
Other financing items	1 035	1 594
Direct income taxes paid	-9 647	-15 755
Cash from operating activities	**-32 431**	**-19 517**
Cash flows from investing activities		
Acquisition of subsidiaries	-	-176 693
Proceeds from sale of investments	465	3
Granted loans (+)	-3 100	-35 050
The compensation from sales of property	-	52 701
Proceeds from repayments of loans	272	624
Cash from investing activities	**-2 364**	**-158 416**
Cash flows from financing activities		
Change in internal bank account receivables	-11 773	-2 879
Change in internal bank account liabilities	-26 587	33 768
Proceeds from current loans	328 500	248 432
Repayments of current loans	-360 601	-213 605
Proceeds from non-current borrowings	230 000	175 000
	-245 000	-
Dividends paid	-44 726	-44 707
Group contributions	71 640	75 980
Cash from financing activities	**-58 545**	**271 988**
Change in cash in hand and at bank	**-93 340**	**94 056**
Cash in hand and at bank at the beginning of the period	97 653	4 005
Cash in hand and at bank at the end of the period	3 922	97 653
Effects of exchange rate fluctuations on cash held	-391	-408

Notes to the parent company's financial statements

1. Accounting policies

General

Tokmanni Group Corporation is a Finnish limited liability company and its shares are listed on the Nasdaq Helsinki exchange.

The domicile of the company is Helsinki.

The principal line of business of Tokmanni Group Corporation is to sell administrative services to the other companies in the Group.

Principles used for preparing the financial statements

Tokmanni Group Corporation’s financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS) and in accordance with the accounting regulation for listed companies.

Valuation of financial instruments

Financial instruments are valued at acquisition cost.

Cash in hand and at banks

The company has a Global Cash Pool agreement with Nordea, which includes all Group companies’ Nordea bank accounts. The Group companies' cash and cash equivalents shown in the group account is shown as asset or liability from the Group companies.

Recognition of pensions

The company’s pension cover is arranged by external pension insurance companies. Pension expenditure is recognised as an expense in the year in which it is accrued.

Income tax

Income tax includes the income tax payments for the period based on the profit for the period, and taxes payable for prior periods, or tax refunds. Deferred taxes are not included in the parent company's income statement and balance sheet.

Board of director’s dividend proposal is indicated in Note 4.1 Equity.

2. Breakdown of revenue by market area

1,000 EUR	2024	2023
Finland	2 475	1 135
Sweden	834	65
Denmark	29	2
Total	**3 337**	**1 202**

3. Other operating income

1,000 EUR	2024	2023
VAT refund from previous financial years	42	-
Non-recurring gain on sale of operations, investments	-	3
Total	**42**	**3**

4. Personnel and members of administrative bodies

	2024	2023
Salaries of CEO and members of the Board of Directors 1,000 EUR	-874	-1 079
Average number of employees	1	1

The Group CEO or board members don’t have pension arrangements that deviate from statutory regulations. Monetary salaries, fees and fringe benefits by institution are defined in the Group Note 5.1 Related party transactions.

5. Other operating expenses

1,000 EUR	2024	2023
Marketing expenses	-18	-14
Office and administration	-961	-513
Purchased services	-632	-398
Other expenses	-1 405	-147
Total	**-3 016**	**-1 073**

6. Group contribution

1,000 EUR	2024	2023
Group contribution received	66 800	72 000
Group contribution given	-450	-360
Total	**66 350**	**71 640**

7. Income taxes

1,000 EUR	2024	2023
Income taxes for the financial period	-10 291	-12 345
Total	**-10 291**	**-12 345**

8. Auditor's fees

1,000 EUR	2024	2023
Audit	-96	-111
Other fees and services	-167	-71
Tax counselling	-10	-
Total	**-273**	**-182**

9. Related party transactions

All transactions with related parties are on market-based terms.

10. Investments

1,000 EUR	2024	2023
Holdings in group companies		
Acquisition cost as at 1 Jan	411 927	235 234
Additions, 1 Jan - 31 Dec	-	176 693
Acquisition cost as at 31 Dec	411 927	411 927
Carrying amount		
Retail Property Investment Oy, Mäntsälä	1 000	1 000
Retail Leasing Oy, Helsinki	234 234	234 234
Tokmanni Retail AB, Sweden	176 693	176 693
Total	411 927	411 927
Shareholding, %		
Retail Property Investment Oy, Mäntsälä	100	100
Retail Leasing Oy, Helsinki	100	100
Tokmanni Retail AB, Sweden	100	100

1,000 EUR	2024	2023
Other shares and holdings		
Acquisition cost, 1 Jan	465	465
Additions, 1 Jan - 31 Dec	-465	-
Acquisition cost, 31 Dec	-	465

11. Receivables

Non-current receivables

1,000 EUR	2024	2023
Amounts owed by group companies		
Loan receivables	17 604	14 351
Non-current loan receivables from related parties	1 675	1 946
Other receivables		
Prepayments and accrued income, interest receivables	628	178
Total	**19 907**	**16 476**

Current receivables

1,000 EUR	2024	2023
Amounts owed by group companies		
Trade receivables	121	-
Other receivables, group contribution receivables	66 800	72 000
Other receivables, group account receivables	17 853	6 080
Accruals, interest receivables	2 824	353
Total	**87 597**	**78 433**
Other receivables		
Other receivables	10	23
Prepayments and accrued income	1 723	2 396
Total	**1 733**	**2 419**
Total	**89 331**	**80 852**

Prepayments and accrued income

1,000 EUR	2024	2023
Interest receivables	5	-
Interest receivables	42	-
Advance payments	3	-
VAT-receivable	1 672	2 316
Other prepayments and accrued income	-	80
Total	**1 723**	**2 396**

12. Equity

1,000 EUR	2024	2023
Restricted equity		
Share capital as at 1 Jan	80	80
Share capital as at 31 Dec	80	80
Restricted equity	**80**	**80**
Unrestricted equity		
Reserve for invested unrestricted equity as at 1 Jan	114 630	114 630
Reserve for invested unrestricted equity as at 31 Dec	114 630	114 630
Treasury shares, 1 Jan	-706	-819
Transfer of treasury shares	401	113
Treasury shares, 31 Dec	-305	-706
Retained earnings as at 1 Jan	108 703	104 551
Dividends	-44 726	-44 707
Direct recognitions in retained earnings	-401	-113
Retained earnings as at 31 Dec	63 576	59 731
Net result for the financial period	41 585	48 972
Unrestricted equity	**219 486**	**222 627**
Equity	**219 566**	**222 707**

Calculation of distributable equity

1,000 EUR	2024	2023
Retained earnings	63 576	59 731
Net result for the financial period	41 585	48 972
Reserve for invested unrestricted equity	114 630	114 630
Treasury shares	-305	-706
Total	**219 486**	**222 627**

The key rights and quantities of shares by type are specified in the Group Note 4.1 Equity.

13. Non-current liabilities

1,000 EUR	2024	2023
Loans from financial institutions	230 000	245 000

During 2024, Tokmanni Group Corporation signed a new EUR 325 million financing agreement. The financing package includes a EUR 250 million bank loan and a EUR 75 million revolving credit facility (RCF). The new financing package replaced the financing facility signed in 2021. The maturity of the new financing is three years with two one-year extension options.

The company has no liabilities falling due later than within 5 years.

14. Current liabilities

1,000 EUR	2024	2023
Interest-bearing short-term debts		
Loans from financial institutions	20 000	55 000
Corporate loans	22 000	-
Amounts owed to group companies		
Trade payables	1	1
Accruals and deferred income	1 929	274
Other liabilities, internal account payable	30 429	57 015
Other creditors	450	20 187
Amounts owed to others		
Other liabilities	256	196
Other accruals and deferred income	454	6 993
Total	**75 519**	**139 666**

Accruals and deferred income

1,000 EUR	2024	2023
Amortised personnel costs	149	331
Interest payable	274	6 480
Other accruals and deferred income	31	182
Total	**454**	**6 993**

15. Credit limit agreements

1,000 EUR	2024	2023
Financing agreements		
Granted credit limit total	91 000	91 000
In use	-	25 000
Commercial paper programme		
Granted credit limit total	150 000	150 000
In use	15 000	-
Available credit limit reserve	226 000	216 000

Signing of Report by the Board of Directors and the financial statements

The financial statements, prepared in accordance with applicable accounting regulations, give true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the group of companies included in its consolidated financial statements.

The report by the Board of Directors contains a truthful description of the development and result of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability statement included in the report by the Board of Directors has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Mäntsälä, 9 April 2025

Seppo Saastamoinen
Chairman of the Board

Mikko Bergman
Member of the Board

Erkki Järvinen
Member of the Board

Ulla Serlenius
Member of the Board

Harri Sivula
Member of the Board

Eja Tuominen
Member of the Board

Mika Rautiainen
Group CEO

AUDITOR'S NOTE

Our auditor’s report has been issued today.

Helsinki, 10 April 2025

PricewaterhouseCoopers Oy
Authorised Public Accountant

Ylva Eriksson
Authorised Public Accountant