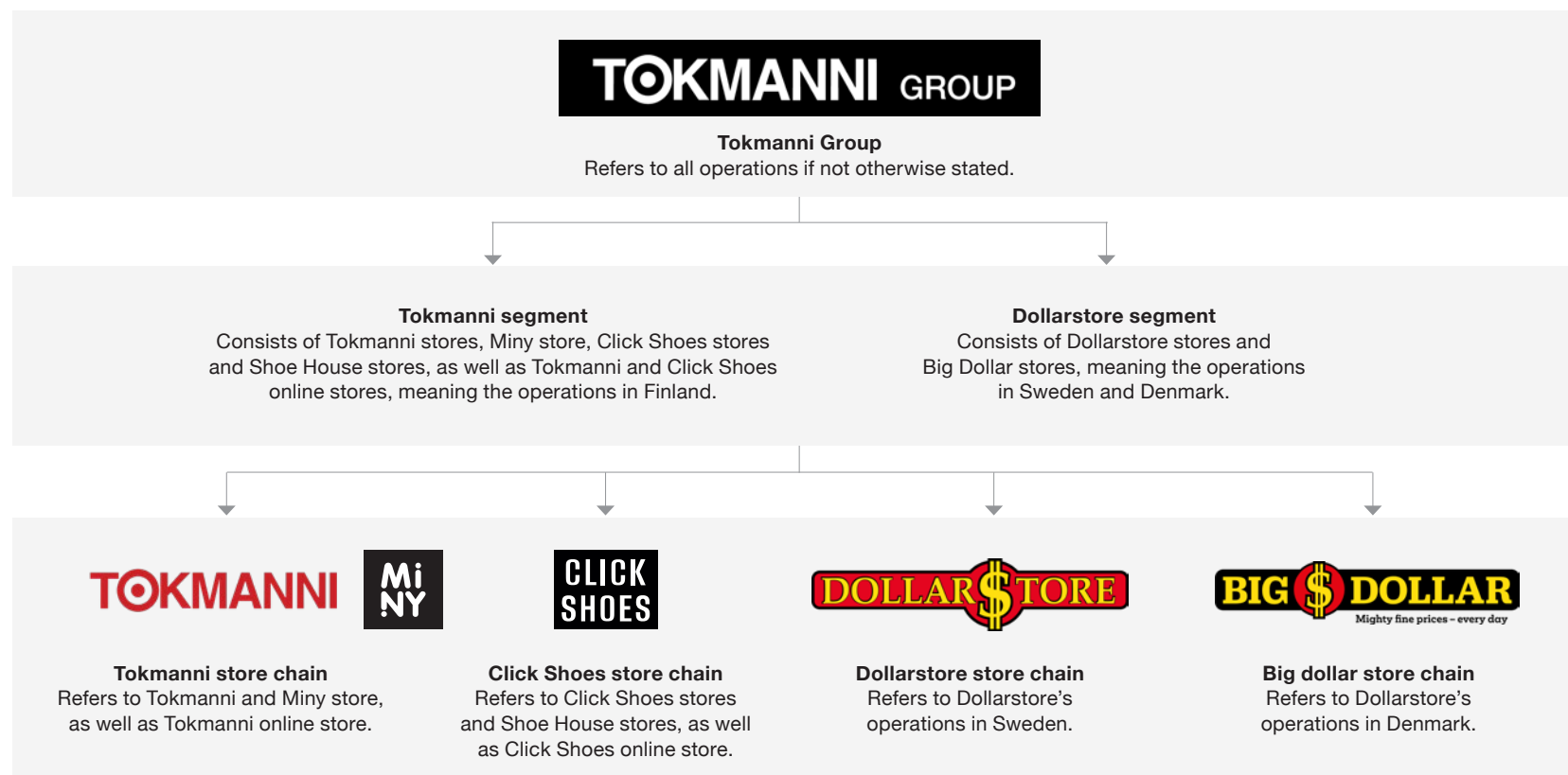


SUSTAINABILITY SUMMARY 2024



TOKMANNI GROUP IS A NORTH EUROPEAN FAMILY OF DIFFERENT DISCOUNT RETAIL CONCEPTS

Tokmanni Group prepared its first sustainability statement in accordance with European Sustainability Reporting Standards (ESRS) as defined in EU's Corporate Sustainability Reporting Directive (CSRD). This summary is partly based on the statement and covers the fiscal year 1 January – 31 December 2024. Earlier, Tokmanni Group has reported sustainability information voluntarily, in accordance with the Global Reporting Initiative (GRI). This summary has not been assured.



HIGHLIGHTS OF 2024

CLIMATE

All Group emissions
(Scope 1, 2 and 3)
were calculated
second year in a row.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Executive Group approved new Group level climate targets to be sent for SBTi validation.



Tokmanni Group performed several **energy reduction activities** during the year. The most significant one was implementing the energy management system EG EnerKey.

65%

Ecodelivery resulted in **65% emission reduction** compared to 2023.



Tokmanni Group has **solar panels** at 70 properties in Finland and 2 in Sweden. 6 new solar panel sites were installed in Finland in 2024.



**CDP CLIMATE CHANGE
RATING STAYED AT
LEVEL B FOR TOKMANNI
STORE CHAIN.**

71.5%

Tokmanni segment had Scope 1 & 2 SBT emission reduction target –70% 2015–2024. **The total emission reduction by end of 2024 was 71.5%**, which was achieved by increasing energy efficiency and using carbon-free energy.

Tokmanni segment uses 100% carbon-free electricity. We have installed solarpanels, we buy carbon-free energy and use guarantee of origin certificates.



HIGHLIGHTS OF 2024

SOCIAL RESPONSIBILITY

Personnel Policy, Supplier Code of Conduct, Human Rights Policy, and Responsible Sourcing principles and guidelines were implemented on Group level.

Safety observations exceeded the 2024 target of 3,500 observations.

A common appraisal process was implemented in all Group companies.

190 Tokmanni segment employees completed vocational studies during 2024.

121 own factory assessments and **third-party audits** were conducted on Group level.

First Group level Employee Engagement questionnaire. Based on the survey, the baseline was set for several People goals such as DEI and eNPS.



Promoting responsible sourcing with membership in amfori since 2015. The Group level policy states that all factories in risk countries that manufacture Tokmanni Group's Private Label -products, must be audited and approved on BSCI minimum level C or equivalent.

GOVERNANCE

A new position was created and **an ESG controller** was employed to support sustainability data analyses and reporting.



Tokmanni Group Code of Conduct training directed to all employees (including Shanghai sourcing office). **59%** of all employees completed the training in 2024.

CHARITY

Supporting restoration of the Baltic Sea by fundraising for John Nurminen Foundation through our brand Pisara.

Supporting important work for mental health by fundraising and collaboration with Mieli ry through our brands Future TT Sport and Arki 360.

Supporting Stadsmissionen in Sweden through product donations.



GROUP CEO AND HEAD OF SUSTAINABILITY: WE ARE ON OUR WAY TO BECOMING A LEADER IN SUSTAINABILITY IN NORTHERN EUROPE'S DISCOUNT RETAIL

Tokmanni Group, a modern variety discount retailer, operates more ambitiously with sustainability than many stakeholders might guess. Sustainability is one of the cornerstones in our strategy, and we are progressing according to plan. In 2024, focus has been on collaboration and alignment between Tokmanni and Dollarstore segments.

IT IS IMPERATIVE for businesses to help our society solve environmental challenges. At Tokmanni Group, we were encouraged when Time magazine recognised our long-term efforts as Tokmanni was listed among 500 most sustainable growth companies. By the end of 2024, Tokmanni segment reached the Science Based Target (SBT) target from 2020 and obtained 71.5% reduction in emissions from own operations compared to base year 2015. We have installed solar power plants at 70 sites and we have the largest rooftop solar power plant complex in Finland at our administration and logistics center in Mäntsälä. To reduce upstream logistics emissions, we used Ecodelivery services at 90% of Tokmanni segment's shipments from

Asia to Finland. For supplier engagement SBT target, we have achieved 47,6% against the target of 80%. Our journey continues and with the increasing purchasing volumes we believe the target can be achieved during next strategy period. During 2025, we will set new Tokmanni Group climate targets validated by Science Based Target initiative (SBTi).

People are at the heart of Tokmanni Group's business success. We are extremely proud of our 6,600 skilled retail employees in Finland, Sweden, and Denmark serving on average 230,000 customers daily. Renewal and education are essential to meet future job market needs and ensure career development. Therefore, we encourage our employees to enhance their



professional competences. In this publication, you can read some of the stories of our employees. We have sustainability targets in the Tokmanni Group's long term incentive scheme from 2025.

As a variety discount retailer, we are known for our wide product range and low prices. Besides affordable offering, we want to ensure good quality products produced in responsible conditions. Tokmanni has been a member of amfori BSCI since 2015 and all factories the Group uses in risk countries for private label production, are expected to have a valid amfori BSCI audit. We conducted 120 supplier assessments in risk countries during 2024. In this publication, we give an example of how Dollarstore chain is taking action to improve quality. The tightening regulation in the EU will deepen sustainability activities and help customers make well-founded purchasing decisions and shop with confidence.

We believe in long-term cooperation with organisations that do truly impactful work. In 2024, we continued to support MIELI Mental Health Finland, John Nurminen Foundation, and Hurstinapu charity in Finland as well as Stockholms Stadsmission in Sweden. We have received lots of praise for the collaborations and will continue fund-

“ Besides affordable offering, we want to ensure good quality products produced in responsible conditions.

raising and engaging with community projects.

In 2024, we were busy preparing for Corporate Sustainability Reporting Directive (CSRD). Initially, this work has taken time

and effort, but in the long run, we trust that the regulation will help us to provide structure, and increase transparency, and enables our stakeholders to evaluate Tokmanni Group's sustainability work more effectively. Data management is at the core of today's sustainability work. During 2024, we conducted a Group-level data cleaning and collection project. Additionally, an ESG Controller was employed to support internal data analyses and reporting.

The exciting Nordic journey between Finnish Tokmanni and Swedish Dollarstore began in 2023. Together, we have shared numerous best practices and aligned Group policies and procedures that clarify and bring consistency to our everyday work. Our aim is to truly integrate sustainability in business processes and decision making. Concrete actions matter, and we are determined to set and subsequently achieve new, ambitious commercial and sustainability goals for the whole Tokmanni Group during the strategy renewal process in 2025.



Our newly started cooperation in Finland with SPAR International is an important part of our ambitious growth strategy. By combining the advantages and opportunities of Tokmanni store chain in Finland, SPAR, Click Shoes, and Shoe House in Finland, Dollarstore in Sweden and Big Dollar in Denmark, Tokmanni Group will be more capable than ever to offer its customers value-for-money food and non-

food products for everyday use at the lowest possible price.

Tokmanni Group will continue to serve its customers with pride. Our ambition is to be the leader in sustainability in Northern Europe's discount retail, and we are working persistently to achieve our goals.

Mika Rautiainen, Group CEO
Kaisa Mattson, Head of Sustainability

TOKMANNI GROUP VALUE CHAIN

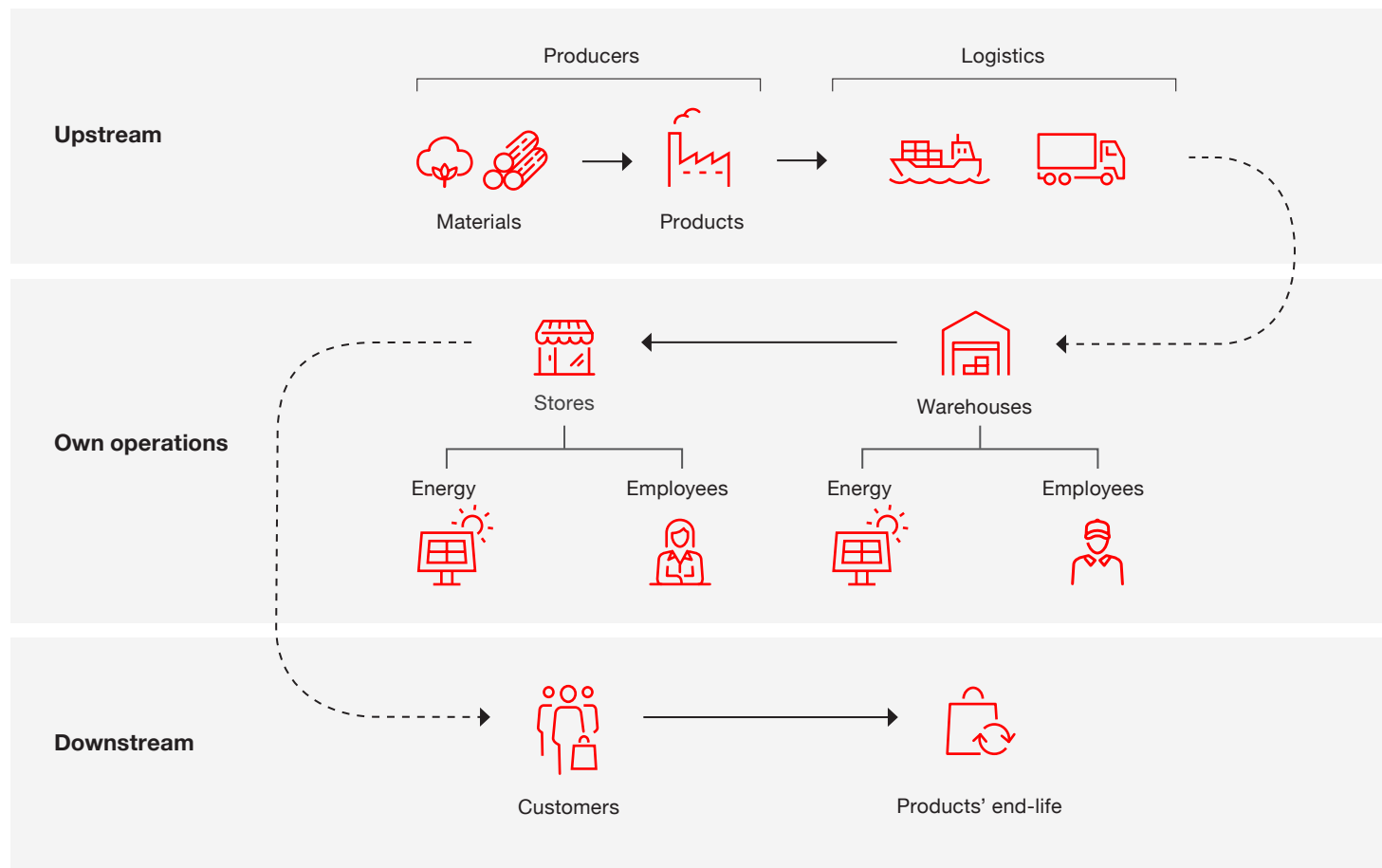
Each step of the value chain impacts people, environment and the local businesses and communities. The most significant impacts arise from supply chain, consumers, and own operations of store chains.

TOKMANNI GROUP AIMS to offer seamless shopping experiences, optimise operations, and drive sustainable growth by offering sustainability and quality-assured products. This is best achieved focusing on private label products with which the Group has long-term supplier relationships, good quality assurance, and better transparency. Shared values within Tokmanni Group and corporate culture create the basis for successful business.

Sustainable sourcing at Tokmanni Group means that the fundamental rights of workers are respected throughout the supply chain. Through the risk raw material commitments and certification programs, sustainable practices can be supported in the entire value chain.

The largest sourcing countries are Finland, Sweden, China, and various additional European countries.

VALUE CHAIN

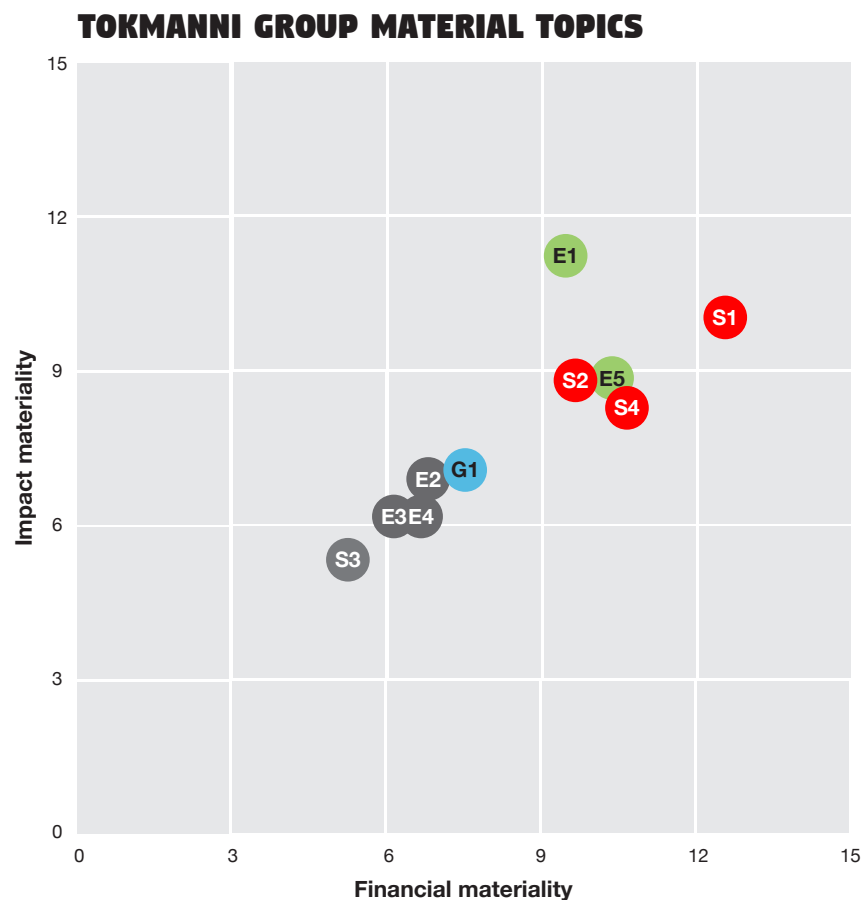


THE FIRST DOUBLE MATERIALITY ASSESSMENT WAS COMPLETED IN 2024

Tokmanni Group is working to establish Group level policies, targets, and processes relating to material sustainability topics. In 2024, Tokmanni Group completed its first double materiality assessment.

MATERIAL SUSTAINABILITY TOPICS were defined by identifying material impacts, risks, and opportunities (IROs) in accordance with ESRS. The whole value chain was considered throughout the process by analysing whether the IROs realise in the supply chain, in own business operations, or through customer interactions. To identify actual and potential IROs, the Group collected the following background information:

- Internal and external stakeholder interviews were conducted to understand how different groups may be impacted.
- Megatrends were analysed to understand wider sustainability related risks and opportunities.
- A competitor analysis was conducted to better understand the general impacts of the retail industry.



Each sustainability reporting standard presented in this matrix includes several sustainability topics. Tokmanni Group has identified and numerically evaluated for multiple impacts, risks, and opportunities (IROs) relating to each sustainability topic. Each material standard therefore includes IROs with low and high scores. The locations of the standards in the matrix are based on an average of the evaluations of the identified IROs. The matrix thus gives only an indicative picture of the importance of the topics in relation to each other.

Material standards and topics:

E1: Climate change

- Climate change adaptation
- Climate change mitigation
- Energy

E5: Resource use and circular economy

- Resource inflows
- Resource outflows

S1: Own workforce

- Working conditions
- Equal treatment and opportunities for all
- Information security

S2: Workers in the value chain

- Working conditions
- Equal treatment and opportunities for all
- Human rights

S4: Consumers and end-users

- Information-related impacts
- Personal safety
- Social inclusion and responsible marketing

G1: Business conduct

- Corporate culture
- Management of relationships with suppliers including payment practises
- Corruption and bribery

Not material standards:

E2: Pollution

E3: Water and marine resources

E4: Biodiversity and ecosystems

S3: Affected communities

TOKMANNI GROUP KEY NUMBERS 2024

BUSINESS

REVENUE:

EUR 1,675.0 MILLION

- Tokmanni segment: EUR 1,233.7 million
- Dollarstore segment: EUR 442.4 million

COMPARABLE EBIT:

EUR 99.7 MILLION

- Tokmanni segment: EUR 86.9 million
- Dollarstore segment: EUR 15.9 million

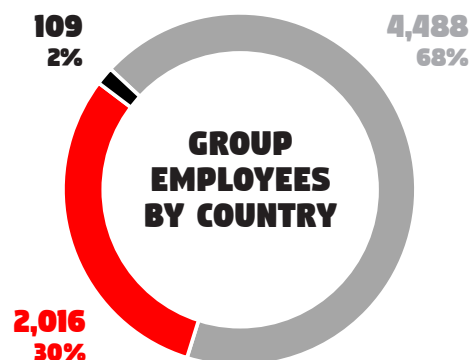
TOTAL NUMBER OF STORES:

380

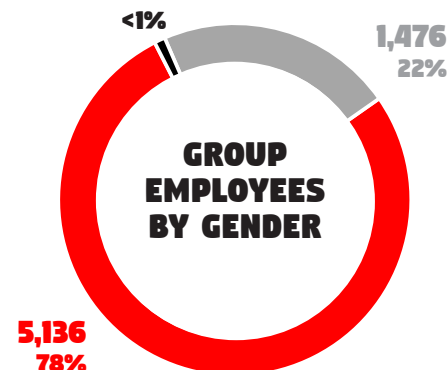
- Tokmanni segment: 240
- Dollarstore segment: 140

OUR EMPLOYEES

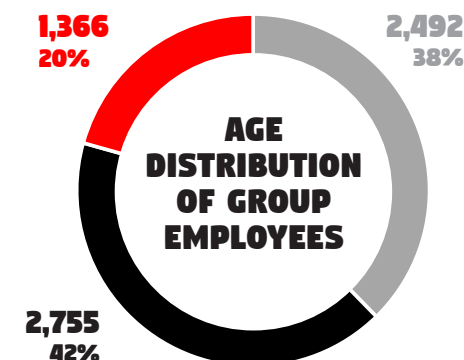
Total number of employees (headcount): 6,613



- Finland: Tokmanni and Shoe House
- Sweden: Dollarstore
- Denmark: Big Dollar



- Male
- Female
- Other



- <30 years
- 30-50 years
- >50 years

TARGETING TO BE THE BEST PLACE TO WORK IN RETAIL

▪ ENPS: 9

eNPS (employee Net Promoter Score) is measured on a scale of -100 to +100 on how likely the employees are to recommend Tokmanni Group as an employer.

▪ DEI: 3.4

The DEI (Diversity, Equality and Inclusion) figure is a total result of two questions of the annual employee survey, evaluated on a scale of 1 to 4.

▪ INJURY FREQUENCY RATE: 16.1

Injury frequency rate is calculated by taking the number of accidents multiplied by 1,000,000 hours divided by the total work hours.

▪ EMPLOYEE TURNOVER: 15%

▪ SICK LEAVE PERCENTAGE: 5.6%

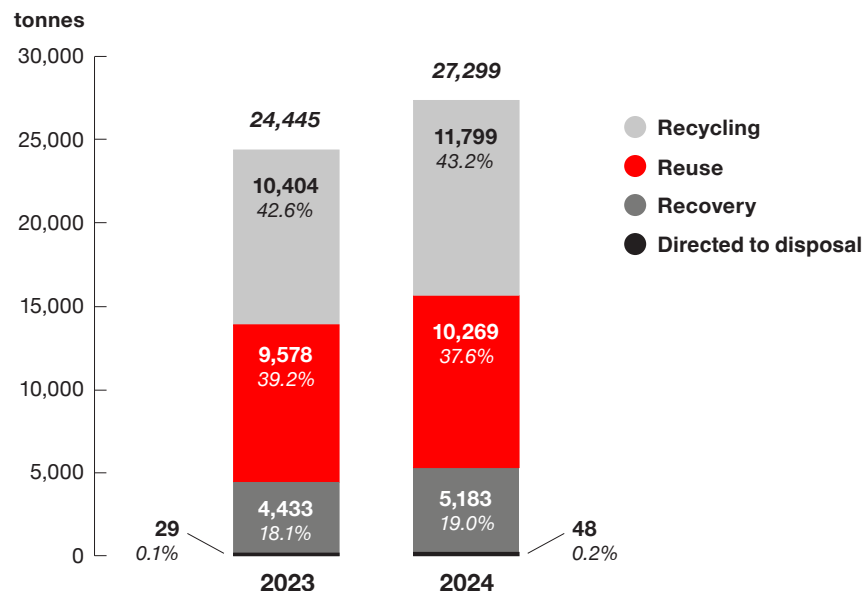
▪ SAFETY OBSERVATIONS: 3,577

▪ BLUE COLLAR GENDER PAY GAP: -0.4%

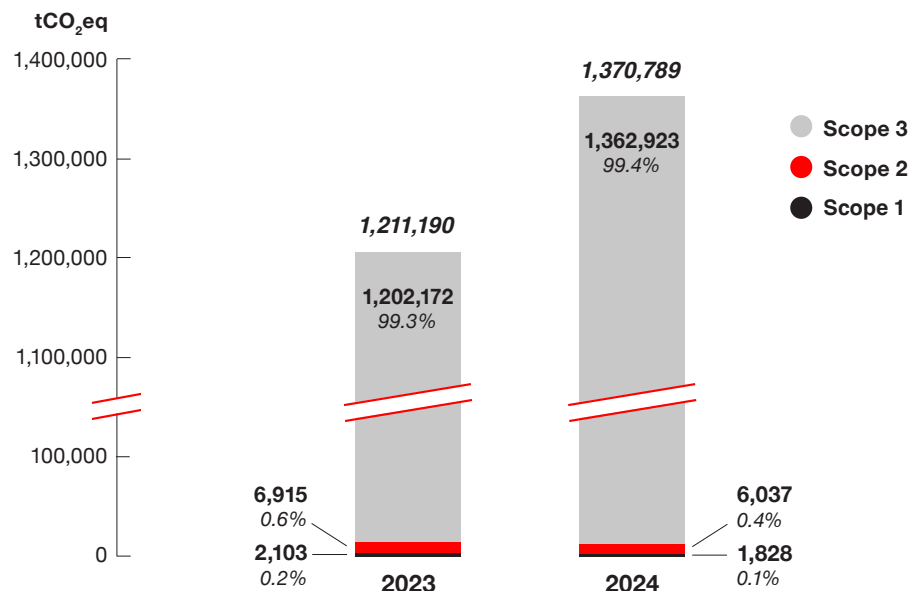
TOKMANNI GROUP KEY NUMBERS 2024

WORKING FOR OUR ENVIRONMENT

WASTE BY DISPOSAL METHOD (TONNES)



GHG EMISSIONS (tCO₂eq)



Graph bar presented in the figure may differ from exact numerical value for the clarity of the visual presentation.

TOWARDS SAFE AND SUSTAINABLE PRODUCTS

▪ CONDUCTED AUDITS 2024:
121

▪ CASES OF SERIOUS PRODUCT SAFETY
FLAWS NOTICES FROM AUTHORITIES:
0

▪ COMPLETION RATE OF INTERNAL
CODE OF CONDUCT TRAINING:
59%

CASES

WITH SUSTAINABILITY ON THE AGENDA: FINNISH AND SWEDISH COLLEAGUES ON JOINT TRIP TO INDIA

TOKMANNI GROUP is committed to sourcing products responsibly and respecting human rights. In developing sustainable sourcing, focus is especially on the manufacture of the Group's private label products as well as direct imports from risk countries. The majority of direct imports come from China. However, Tokmanni Group is actively searching for new suppliers and geographical areas to source from. As an example, to secure sustainable sourcing in practice, colleagues from the Finnish and Swedish sustainability and quality departments travelled to India to visit potential new factories and to conduct supplier assessments.

The trip was organised together with Tokmanni Group India service provider. Colleagues in India have extensive experience of sourcing from India for large European clients and deep understanding of sustainability and quality.

"Many of the potential new factories were in the forefront when it comes to both sustainability and quality management. It was great to see the potential in India and I hope we can source more from here in the future", says Märta Kuylenskierna, Chief Sustainability & Quality Officer at Dollarstore.



STEPPING UP OUR GAME IN QUALITY: LAUNCH OF (O)KVALITETSKAMPEN AT DOLLARSTORE



HIGH PRODUCT QUALITY goes hand in hand with sustainability by reducing waste, extending lifespan, decreasing resource consumption, and lowering environmental impact from frequent replacements.

By enabling every person in Dollarstore to quickly report poor quality, Tokmanni Group has become more aware of quality issues. This enables the Group

to address potential poor quality issues quickly and involving the purchasing department.

The reports are submitted through an easy-to-use digital tool that all employees have access to. The tool was launched in autumn and is called (o)kvalitetskampen. Over 100 reports submitted in October and November, which alone shows that this initiative is needed.

PREPARING FOR CSDDD*:

DOLLARSTORE HAS JOINED ETHICAL TRADE INITIATIVE (ETI) AS THE FIRST DISCOUNT RETAILER IN SWEDEN!

IN AUGUST, Dollarstore became a member of Ethical Trade Initiative (ETI), as an addition to amfori BSCI. These organisations complement each other very well and are jointly a great support in preparing for CSDDD.

ETI is the leading expert on human rights due diligence in global supply chains and a so called multi stakeholder initiative. Members consist of companies,

trade unions, and non-governmental organisations, and Dollarstore is the first discount retailer in Sweden to become a member. In November, ETI held a training session with key persons at Dollarstore, including the Purchasing Department, on sustainable purchasing. Dollarstore plans to join ETI organised seminars and share best practices in working groups.

**Corporate Sustainability Due Diligence Directive*

ETI Sverige

CASES

VARIETY AND NEW INTEREST IN WORK

IN OCTOBER 2024, a group of Tokmanni store employees graduated from a multi-skill education program in the field of gardening. This qualification is tailored specifically for Tokmanni employees in collaboration with Työtehoseura. The studies are conducted alongside work as an apprenticeship and take about a year to complete.

Alma Pahkala, one of the graduates, works at the Tokmanni store in Seppälän-

kangas, Jyväskylä, a city in Central Finland. "I have worked at Tokmanni for 14 years and wanted to expand my skills as a cashier. Learning a new area of expertise brings variety and new interest to my work," Alma says.

The training program included studies on sales and customer service in the gardening field, plant knowledge, and the creation of store-specific operational plans.

Putting new skills to use

The Seppälänkangas store has a large garden department, and several salespeople are needed for customer service during the summer.

"The training gave me confidence. The garden department requires specific expertise – customers ask a lot of questions, and the plants for sale must remain flourishing. Now I know how to advise on the care of different plants and explain the importance of things like location and fertilization. I also share my knowledge with my colleagues," Alma says.

"I appreciate the opportunity to study provided by my employer. Developing my skills brings benefits and joy to everyday life, which has also strengthened my commitment to Tokmanni."

The group that graduated in October was the sixth garden group at Tokmanni. A total of 119 employees have participated in similar garden training from 2019 to 2024. A new group of gardening enthusiasts began their studies in November 2024.



EMISSION TARGETS WERE ACHIEVED THROUGH LONG-TERM EFFORTS

TOKMANNI SEGMENT has been engaged in goal-oriented climate work for a long time. In 2024, the Tokmanni segment achieved its goals in accordance with the Science Based Targets initiative (SBTi), with carbon dioxide emissions in own operation 71,5% lower compared to the baseline level of 2015.

Marko Parkkali, Head of Property and Security Operations at Tokmanni store chain, explains the measures that have led to these emission reductions.

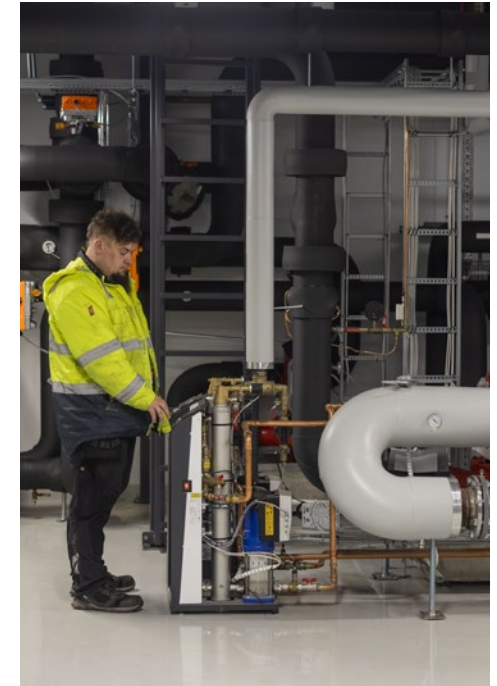
"One of the most important projects in 2024 has been the improvement of property automation in several locations. We have updated and renewed our property automation systems in 17 sites. Additionally, we are piloting AI-based ventilation and heating control in two stores," Marko says.

"The benefits of upgrading our automation systems are clear; for example, the district heating consumption of our logistics center, which has been in use since 2008, has decreased by a total of 13% over the past three years."

Significant growth in solar energy production

There are solar power plants at Tokmanni's two logistics centers and in connection with 68 stores, with a total output of 6.2GWh by the end of 2024. This figure corresponds to 9% of the electricity consumed by Tokmanni segment.

The electricity consumed by the properties maintained by Tokmanni



segment in 2024 was 100% carbon dioxide-free. The share of renewable district heating usage has also increased.

"Waste heat, pellets, and district heating from a combustion plant are used in the logistics centers in Mäntsälä. Additionally, in stores heated with district heating, we are transitioning to fossil-free district heating where it is possible," Marko explains.

Climate work continues and the emissions of the entire Tokmanni Group will be influenced in the future with the help of a SaaS-based energy management and reporting service named EnerKey.

TOKMANNI
GROUP



Read more about our sustainability
work at Tokmanni Group [here](#).