

A person wearing a dark coat is holding a small, light-colored bag. The image is overlaid with a semi-transparent teal color. The text "CORPORATE SOCIAL RESPONSIBILITY" is centered above the large numbers "2019".

CORPORATE
SOCIAL RESPONSIBILITY

20
19

STOCKMANN

FROM THE CEO

Stockmann supports the UN's Global Compact initiative. Accordingly, in its business operations, Stockmann promotes human rights, labour rights, environmental work and anti-corruption measures. This CSR Review is also the Stockmann Group's Communication on Progress (COP) for Global Compact.

Jari Latvanen
CEO

▶ The CEO's review is available in the 'Our Year 2019' Business Review.



ABOUT THE REVIEW

Stockmann's annual reporting consists of four reviews: 'Our year 2019' Business Review, Financial Review, Corporate Governance, and CSR. The CSR Review presents Stockmann's sustainability highlights, priorities, goals and progress in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

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TO THE READER

In 2019, we made determined progress in our sustainability targets. We extended the department store selection with new responsible brands and products and further increased the use of sustainable materials such as organic cotton and lyocell in our own brand products. In the future, products made of LENZING™ ECOVERO™ viscose fibre as well as Better Cotton will also be seen in Stockmann's own brand selections.

We began to measure sustainability topics as part of customer experience, and launched charity benefits as part of our renewed loyalty program. Energy efficiency was increased by over 10% in our operations in Finland from 2016, and we made the decision to use renewable wind power in the distribution center from the beginning of 2020. We continued our efforts to reduce plastic, for example through changes in online store packaging. At the same time, the year was demanding for our personnel, as the company switched to a new operating structure, which also led to ending a significant amount of positions.

In the spring, Lindex released its new sustainability promise to make a difference for future generations. Empowering women, respecting the planet, and ensuring human rights are at the heart of the promise. With this promise, Lindex also launched a new Code of Conduct that integrates gender equality as a basic requirement for textile production and all its business partnerships.

In this CSR Review we present our goals, efforts and reached targets towards more responsible business and inspiring customers with sustainable choices. Enjoy your read, and please send us feedback at csr@stockmann.com.

Johanna Stenbäck
CSR Manager

STOCKMANN GROUP IN BRIEF

Stockmann, established in 1862, is a Finnish listed company engaged in the retail trade. It has over 43 000 shareholders and about 6900 employees. Stockmann Group's operating structure is divided into two divisions – Stockmann and Lindex.

The company has 8 department stores, 464 fashion stores and 3 properties in a total of 19 countries. The Group's head office is located in Helsinki, Finland. The company has six purchasing offices in main production countries for its own brand garments; Bangladesh, China, Hong Kong, India, Myanmar and Turkey. Stockmann offers premium selections of brands, excellent customer service, and inspiring and sustainable shopping experience in its department stores, fashion stores and online. Our vision is to be the marketplace for a good life.

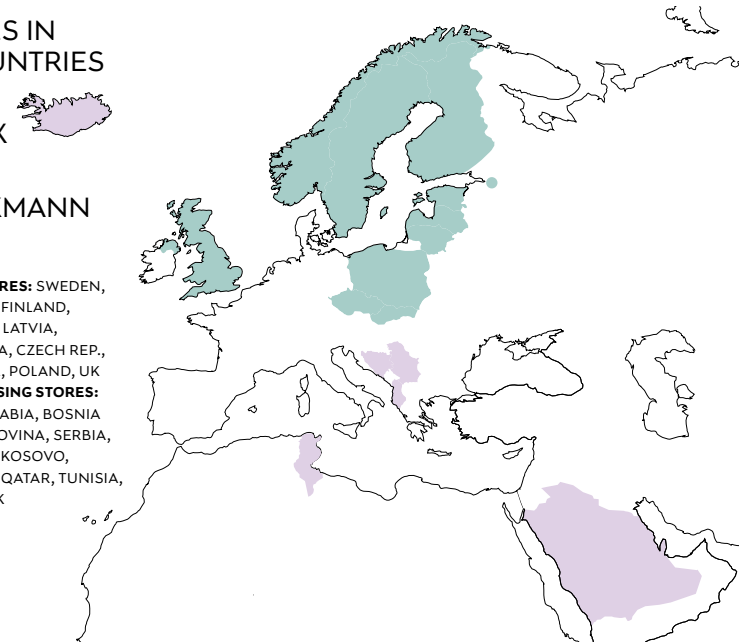
STORES IN 18 COUNTRIES

LINDEX

STOCKMANN

■ **OWN STORES:** SWEDEN, NORWAY, FINLAND, ESTONIA, LATVIA, LITHUANIA, CZECH REP., SLOVAKIA, POLAND, UK

■ **FRANCHISING STORES:** SAUDI ARABIA, BOSNIA HERZE-GOVINA, SERBIA, ICELAND, KOSOVO, ALBANIA, QATAR, TUNISIA, DENMARK



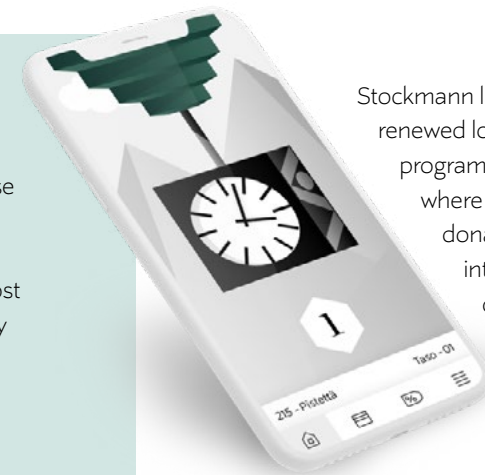
CSR HIGHLIGHTS 2019

Stockmann joined the **Better Cotton Initiative** like Lindex



LINDEX LAUNCHED ITS NEW CODE OF CONDUCT WITH FOCUS ON GENDER EQUALITY

Stockmann committed to use renewable electricity in its distribution centre from the beginning of 2020 and almost 60% of the electricity used by Lindex was renewable.



Stockmann launched its renewed loyal customer program, *MyStockmann*, where charity donations are introduced as part of the inspiring rewards.



LINDEX LAUNCHED ITS SUSTAINABILITY PROMISE – FOR FUTURE GENERATIONS

▶ READ MORE

IN STOCKMANN'S ONLINE STORE PLASTIC SEAL BAGS WERE REPLACED WITH SEAL STICKERS TO IMPROVE MATERIAL EFFICIENCY AND REDUCE USE OF PLASTIC.



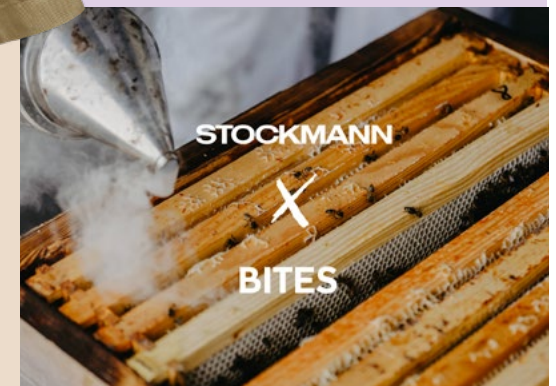
46% of Stockmann's own brand garments and

65% of Lindex garments were made of more sustainable materials

98% of cotton used by Lindex and

73% of Stockmann's own brand jersey garments were made of more sustainable cotton

In Riga, beehives were placed on the roof of the department store to produce our own honey, which was then sold at Stockmann's food department.





OUR APPROACH

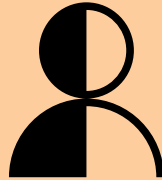
The Stockmann Group is committed to responsible operations and our CSR work covers the entire value chain of our business operations. Stockmann's CSR strategy is guided by the Group's vision, strategy, values and CSR promise. Sustainability is incorporated in our daily management approach. Our CSR promise is to inspire and support our customers in making responsible choices, and we work for a more sustainable future.



Responsibility work starts in Stockmann's supply chains, from ensuring safe working conditions to minimising environmental impact. We offer our customers more responsible shopping experiences. We work diligently to increase the share of more responsible products in our selection and to offer services that support a sustainable lifestyle. In all our operations, we place the customer at the core and guarantee the safety and quality of our products. We devote attention to employee well-being and environmental aspects, and we follow the principles of good corporate governance.

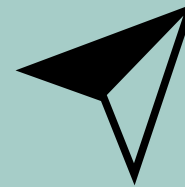
Our responsibility work is guided by Stockmann's strategy and values, the CSR strategy, Stockmann's Code of Conduct, national laws and regulations, and international treaties, declarations and recommendations. Our everyday work is also guided by numerous voluntary commitments and initiatives, such as human rights principles, anti-corruption policy, HR policy, and product guidelines. Stockmann operates in an ethical manner, complying with the international and national laws and regulations valid at any given time in the countries in which it operates. In its business operations, Stockmann aims to exceed the minimum requirements stipulated by laws, regulations or conventions.

STOCKMANN'S VALUES



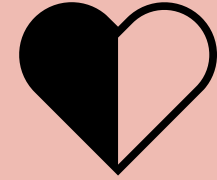
FOCUS ON CUSTOMER

I understand, inspire and solve.



ACT WITH COURAGE

I dare, renew and decide.



WE WORK TOGETHER

I care, participate and achieve.

KEY COMMITMENTS

Stockmann has committed to several international declarations and conventions:

- UN's Universal Declaration of Human Rights and Convention on the Rights of the Child
- ILO's Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights since 2018
- United Nations Sustainable Development Goals since 2016
- UN's Global Compact initiative since 2011
- amfori BSCI Code of Conduct on Group level since 2005
- Accord on Fire and Building Safety in Bangladesh since 2013

STOCKMANN'S CODE OF CONDUCT

The Group's Code of Conduct defines the ways of working for all employees and management staff. The principles of the Stockmann Code of Conduct also apply to its suppliers and partners and covers the following main themes:

- Compliance with legislation and ethical operations
- Free competition and consumer rights
- Employees and working conditions
- Environment
- Corruption and conflicts of interest

Further guidance is given in the complementing policies: Stockmann's Anti Corruption Policy
Stockmann's Human Rights PolicyUN



UN SUSTAINABLE DEVELOPMENT GOALS



THE GLOBAL GOALS
For Sustainable Development

We are committed to supporting the United Nations Sustainable Development Goals (SDGs) in our operations. From the 17 goals, we have identified six SDGs to which our business can best contribute to and to which we focus our efforts on.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Our contribution includes the incorporation of sustainability into our overall business operations, including supply chains, selection, marketing and communication. In addition, we strive to increase the use of more sustainable materials and processes in our own brand selections.



DECENT WORK AND ECONOMIC GROWTH

Our contribution includes responsibility towards our employees and people in our supply chain to provide a fair working environment, and towards our shareholders in the pursuit of a profitable business.



CLIMATE ACTION

Our contribution includes reducing emissions, increasing energy efficiency and carrying out waste sorting and recycling in our own operations.



GENDER EQUALITY

Our contribution includes the active promotion of gender equality in all employment categories. Lindex strives to empower women everywhere and in 2019 Lindex's code of conduct with a focus on gender equality was launched. During the reporting year, Lindex and WaterAid launched a project for women and water in Myanmar and the division supports female cotton farmers in collaboration with CottonConnect.



PARTNERSHIPS FOR THE GOALS

Our contribution includes active collaboration and engagement with our key stakeholder groups. We believe that together we can drive change towards a more sustainable future.



CLEAN WATER AND SANITATION

Lindex has also identified that SDG 6, clean water and sanitation, is a goal to which the business can make a significant contribution. One of the core aims of the division's sustainability promise is to be a water responsible company.

CSR PROMISE AND STRATEGY

STOCKMANN'S CSR STRATEGY 2019–2021

In our CSR strategy, the strategic targets are grouped under four priority areas that create the future of our responsibility work. Key performance indicators that enable the monitoring and measurement of our CSR work have been set for each area.

VISION //
THE MARKETPLACE
FOR A GOOD LIFE

CSR PROMISE //
WE INSPIRE AND SUPPORT
OUR CUSTOMERS IN MAKING
RESPONSIBLE CHOICES.
WE WORK FOR A MORE
SUSTAINABLE FUTURE.

INSPIRATION FOR RESPONSIBLE CHOICES

- We are a source of inspiration for responsible consumption and lifestyle
- We offer responsible and long-lasting quality fashion
- We foster sustainable supply chains

SUSTAINABLE BUSINESS APPROACH

- We are committed to good corporate governance and act in compliance with the Stockmann Code of Conduct
- We create added value to all our stakeholders
- Our communication is transparent and reliable and we actively engage in society

SUSTAINABLE SHOPPING ENVIRONMENT

- We are committed to reducing our packaging materials and their environmental footprint
- We take actions to mitigate our climate impact
- We apply a circular economy approach in our operations

RESPONSIBLE WORK COMMUNITY

- We ensure a healthy and safe working environment and promote the wellbeing of our personnel
- We value equality and diversity
- We support personnel's professional growth

FOUNDATION // STOCKMANN'S VALUES AND CODE OF CONDUCT



LINDEX

In 2019, Lindex launched its new sustainability promise – to make a difference for future generations. Lindex's new sustainability promise has been developed with the fashion brand's vision – to empower and inspire women everywhere – as a guiding star. With three focus areas, the division aimed to raise the bar in their sustainability work and commitment to women empowerment.

1

EMPOWER WOMEN

- Taking the lead in creating fair and equal workplaces for women
- Advocating inclusiveness and body positivity
- Supporting a sustainable lifestyle.

2

RESPECT THE PLANET

- Having a circular business approach
- Taking climate action
- Being a water responsible company.

3

ENSURE HUMAN RIGHTS

- Advocating respect for human rights

REPORTING PRINCIPLES AND MATERIALITY

The review covers all of the Stockmann Group's own operations. During the reporting year, the Stockmann Group introduced a simplified organisational structure. The Stockmann Retail and Real Estate divisions as well the Group's shared functions were combined into a new division, Stockmann, as of 1 July 2019. The Group's reporting segments are Lindex and Stockmann. The environmental figures cover also the operations of our tenants in department store properties. The supply chain is covered to the extent defined in the materiality analysis. The GRI indicators have been selected according to materiality. Our goal is to report the relevant indicators from our main operating countries, which are Finland and Sweden, based on the revenue and employee count. Due to reporting differences within the Group's units, some of the indicators describing personnel and the environment are reported only for Finland. These exceptions and the measurement and accounting policies are described in connection with the relevant indicator.

Stockmann's subsidiary Lindex publishes a sustainability report of its own, with more detailed information about its sustainability work, at lindex.com.

MATERIALITY ASSESSMENT

Our work focuses on those CSR topics and activities that are most material to our business. Materiality assessment is an ongoing process at Stockmann. As part of the CSR strategy 2019–2021 process, Stockmann conducted a stakeholder survey and on the basis of this survey as well other ongoing stakeholder dialogue and market analysis, we have defined the 22 topics and indicators relevant to our reporting.

LINDEX

To address the aspects specific to its business, Lindex engages in a continuous materiality assessment of its own, to gain insight from its stakeholders and to complement the Group's materiality assessment. In 2017, an assessment was carried out at Lindex, in which representatives from key stakeholder groups participated. Along with brand tracking results, materiality analysis guides Lindex's sustainability reporting and communication.

MATERIALITY ANALYSIS

STOCKMANN'S STRATEGIC PRIORITIES FOR 2019–2021	MATERIAL TOPICS	TOPIC BOUNDARY
INSPIRATION FOR RESPONSIBLE CHOICES	Customer Satisfaction	Own operations
	Marketing and Labelling	
	Customer Privacy	
	Customer health and safety	Own brands' supply chain, product safety and procurement practices in own operations
	Materials	
	Procurement practices	
	Supplier Environmental and social assessment	
SUSTAINABLE SHOPPING ENVIRONMENT	Energy	Own operations
	Emissions	Own operations and indirect CO ₂ emissions for selected parts
	Effluents and waste	Own operations
RESPONSIBLE WORK COMMUNITY	Employment	Own operations
	Labour and Management relations	
	Freedom of association and collective bargaining	
	Occupational health and safety	
	Training and education	
	Diversity and equal opportunity	
	Non-discrimination	
SUSTAINABLE BUSINESS APPROACH	Economic Performance	Own operations
	Human Rights Assessment	Own operations and own brands' supply chain
	Anti-corruption	Own operations
	Anti-competitive Behaviour	Own operations



STAKEHOLDER ENGAGEMENT

Stockmann engages in active and ongoing dialogue with its stakeholders to strengthen relations and better respond to the expectations and wishes placed on it. We have identified five key stakeholder groups that most affect and are affected by our business.

STAKEHOLDER GROUP	INTERACTION	KEY INTERESTS AND CONCERNS FOR STAKEHOLDERS IN 2019	RESPONDING TO STAKEHOLDER EXPECTATIONS
CUSTOMERS Customers are an especially important stakeholder group. One of our values is to focus on customer.	Dialogue in department stores and stores, customer service (emails, calls, social media), customer panels, surveys, marketing communication, events, loyal customer system	Customer service and satisfaction, customer privacy, materials and chemicals in products, labour practices and chemicals management in supply chains, animal welfare, stockmann.com online store orders and their packaging and distribution in multiple shipments, sustainable products in selection, the renewal of Stockmann's loyal customer program and its benefits, such as reusable bags given based on accrued purchases, carrier bags and plastic, women in Lindex operations and local communities.	Promoting sustainable products and services and communicating about sustainability work, decreasing the use of plastic in e.g. online store shipments. Lindex continued its work with local communities and took steps in women empowerment.
PERSONNEL We value our personnel and their commitment to the company. We work continuously to improve the working atmosphere and dialogue with employees.	Performance and development discussions, personnel surveys, Employees' and Group Councils, codetermination, staff events, workshops, intranet	Employee wellbeing, coping with workload and stress level, knowledge and career development, caring for staff, equality, as well as environmental issues in department stores such as single-use tableware on staff premises, sustainable products, clothes recycling, materials, production processes, circular products, water management in supply chain, animal welfare.	Engaging staff in purpose and value work, introducing #Stockmannstaff events and barometer, introducing Stidea for suggestions and Teams as new communications tool, renouncing single-use tableware on the staff premises.
SHAREHOLDERS AND INVESTORS Stockmann aims to be an attractive and sought-after investment target on the capital market.	Stock exchange announcements, financial reports, annual reporting, Group website, audio webcasts, regular investor relations meetings, Annual General Meeting of shareholders, inquiries	Financial performance and ability to change the course of the company, strategy execution, share price performance, sustainability performance, ESG ratings, customer and employee satisfaction.	Responding and reporting on Carbon Disclosure Project (CDP) and several sustainability and ESG ratings.
SUPPLIERS AND SERVICE PROVIDERS Long relationships are key to our sustainability work and continuous improvement in production. All suppliers are expected to follow the Stockmann Code of Conduct.	Meetings, negotiations, workshops, projects, co-operation and co-campaigns, visits, inspections, website, surveys, Stockmann's annual Supplier Day event	Strategy execution, selection, sustainability targets and initiatives, how to raise sustainability topics and stories, materials, production processes, labour practices in own operations, transparency, water management in supply chain.	Communicating suppliers' sustainability efforts. Lindex launched a new Code of Conduct that integrates gender equality as a basic requirement for textile production and all its business partnerships.
AUTHORITIES AND ORGANISATIONS We collaborate and engage in dialogue with authorities and organisations to continuously develop our business operations.	Activities in organisations, collaboration, projects, responding to surveys, meetings, charity work, website, annual reporting	Labour and human rights risks in supply chains, supply chain management and transparency, human rights due diligence law proposal, design and procurement practices, production processes, work practices in supply chain and own operations, climate change and GHG emissions in value chain, materials, animal welfare, fur products in department store selection, use of plastics, circular economy.	Dialogue with for example NGOs through for example #ykkösketjuun and Rank a brand campaigns, responding to surveys, interviews and lectures with students.



INSPIRATION FOR RESPONSIBLE CHOICES

Our goal is to be a source of inspiration for responsible consumption and lifestyle. We offer responsible and long-lasting quality fashion and we respect and listen to our customers and make every customer encounter special. We promote sustainable brands and provide services to support a more responsible lifestyle. We foster sustainable supply chains and focus on the responsibility, transparency and traceability of our supply chains.





We focus on providing a top-class service that exceeds customers' expectations. We provide regular training for our personnel and conduct customer satisfaction surveys. Feedback from customers and other stakeholders provide us with valuable information that guides the development of our operations. Customer feedback is used to improve customer service and sales, in the daily management of personnel, to develop skills, remuneration and commitment and in the design of training programmes.

CUSTOMER SATISFACTION

Stockmann and Lindex use separate customer feedback channels and continuously monitor the development of customer satisfaction and brand image.

STOCKMANN

- All feedback gathered through encounters at the department stores and other feedback channels are analysed.
- Stockmann's customer service centre is responsible for handling feedback given via the phone, e-mail and social media. In 2019, the centre handled approximately 195 000 cases and customer satisfaction was 65%.
- Customer experience is measured by regular email inquiries sent to loyal customers. One of the survey metrics is the Net Promoter Score (NPS), which measures the likelihood that a customer will recommend a service.

INSPIRATION FOR RESPONSIBLE CHOICES

TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROGRESS & ACTIVITIES	STATUS
We are a source of inspiration for responsible consumption and lifestyle	<p>Net Promoter Score (NPS) in the department stores in Finland: target 70 by the end of 2021 (scale -100 to +100)</p> <p>Sustainability questions in department stores after-sales surveys: target 4, by the end of 2021 (scale 1-5)</p>	<p>We actively promoted sustainable products and responsible services in our communications and in the department stores. Our NPS at department stores in Finland was 51 (51).</p> <p>We started measuring sustainability topics as part of customer experience. The department stores in Finland achieved a score of 3.3 for responsibility, and Latvia 4.2.</p>	● In process
We offer responsible and long-lasting quality fashion	Share of more sustainable materials in own brand garments: target 50% of all products and 80% of jersey by the end of 2021	We increased the share of more sustainable products in our selection and introduced new brands. 46% of Stockmann's own brand garments were made of more sustainable materials, while 73% of own brand jersey garments were made of more sustainable cotton.	● In process
We foster sustainable supply chains	Target: 100% of own brands' supplying factories in high-risk countries have a valid audit by the end of 2021	100% of fashion and own brand suppliers have signed the Stockmann supplier code of conduct, the amfori code of conduct or similar.	● In process

In 2019, the NPS in the department stores in Finland was 51 (51).

- Stockmann also measures sustainability topics as part of customer experience, measured on a scale of 1-5. In 2019, department stores in Finland achieved a score of 3.3 and Latvia 4.2.
- Most customer feedback concerned the Crazy Days campaign, online store orders, the renewed Loyal customer programme and customer service in general.

LINDEX

- Customer feedback is collected through regular customer inquiries both in-stores and online in nine operating countries.



- Feedback is also collected through social media, e-mails and phone calls to customer service, through brand tracking, and through in-depth interviews with selected customer groups.
- Most feedback concerned selection, marketing and campaigns, sustainability topics, especially chemicals, and the More at Lindex customer loyalty programme.

SERVICES TO SUPPORT A RESPONSIBLE LIFESTYLE



Our goal is to be a source of inspiration for responsible consumption and lifestyle, and we provide our customers with various services that support this goal.

STOCKMANN

- We offer information on how to use and wash products and on recycling alternatives to enable extending the lifecycle of the products and to minimise environmental impacts.
- We offer fashion consulting, sewing and interior services to enable tailored solutions.
- The department stores in Finland and Tallinn collaborate with the Emmy online shop that sells second-hand brand clothing. The service enables Stockmann's customers to recycle their clothes and receive the sales profit as credit on Stockmann gift card.
- In Finland, customers can return used electrical appliances and electronic equipment, batteries, fluorescent lamps and

energy-saving bulbs and nail polish to Stockmann department stores. Electronic devices and batteries can also be returned to the department stores in Tallinn and Riga.

- Stockmann regularly organises recycling campaigns in collaboration with suppliers in its department stores in Finland and the Baltics. The department stores in the Baltics have collaborated in a circularity project with the Estonian designer Reet Aus. Customers have been encouraged to bring used denim goods to the department stores with the aim of reusing the material for new clothing. The designer's upcycled clothing collection has also been available in the stores.

LINDEX

- Lindex's website and store materials provide information on making mindful choices. The information includes tips on how to take care of clothes with the aim of prolonging the lifetime of the garments and reducing environmental impact.
- Lindex's customers can hand in used textiles and clothes for recycling and reuse at all stores in Sweden, Norway and Finland. During the reporting year collection was also piloted in the Baltics. In 2019, Lindex collected a total of 155 (166) tonnes of textiles for reuse and recycling. The textile collection is organised in collaboration with partners, who sort the collected textiles and circulate as much as possible that can be used, through second-hand stores for example. Lower quality textiles are being recycled into isolation or industrial fabrics. Only about 2% of the collected textile cannot

be reused or recycled and is instead incinerated.

Our goal is to be a source of inspiration for responsible consumption and lifestyle.



MARKETING AND LABELLING



Stockmann respects the rights of the consumer and engages in responsible marketing. This policy is included in the Group's Code of

Conduct. Our marketing communications are performed according to the Consolidated ICC Code of Advertising and Marketing Communication Practice, the Consumer Protection Act and our strategy.

MARKETING COMMUNICATIONS

Our marketing communications avoid all misleading practices, such as false or deceptive messages and omission of important information. Our marketing should never be inappropriate or offensive. These practices are known and followed by all of the company's marketing planners and are overseen by the unit's Marketing Directors.

Lindex has its own brand strategy and marketing guidelines regarding images, tonality, choice of models, retouch management etc. as well as social media guidelines. Lindex is a member of the self-regulatory Swedish Advertising Ombudsman (RO) organisation, founded by the industry to review and maintain standards. RO receives complaints about advertising and assesses whether the advertising follows the Consolidated ICC Code. RO also provides information, guidance and training in the field of ethical marketing. In 2019, there were no incidents of non-compliance concerning



marketing communications legislation or voluntary principles at Stockmann nor Lindex.

PRODUCT INFORMATION

We comply with statutory labelling, in addition to which voluntary labels that reflect product sustainability may be attached to products. If fashion products are made from materials with reduced environmental impact, such as organic cotton or recycled fibres, this is clearly marked using a hangtag, a print or on the product packaging, as well as in the product information in the online store. The country of origin is marked on all of Stockmann's own brand garments and home textiles as well as on all Lindex's garments.

STOCKMANN

- Stockmann uses the label Sustainable DESIGN to communicate and provide information on products made from



materials that we consider to be more environmentally friendly, such as better and organic cotton, lyocell or recycled polyester.

- The Design From Finland label indicates that the product has been designed in Finland, at Stockmann's own design studio.
- An increasing number of international and domestic brands in the department stores' product selection provides additional information on the products' sustainability aspects.

LINDEX

- Lindex communicates which garments are more sustainable through Sustainable Choice hangtags. The tags also explain in what way a garment is considered to be a more sustainable choice and if there are any certificates linked to the item. The same information is visible in Lindex's online store.
- The Premium Quality label stands for great quality of wool, silk or leather used in products.
- The label Better Denim highlights the production methods taken into use for denim garments to save water, energy and chemical use.
- All neck labels in Lindex's garments have been converted into a recycled satin tape.



CUSTOMER PRIVACY

Stockmann and its employees respect the privacy and inviolability of the rights of its customers. We do not reveal or use customer information other than in strict accordance with the EU General Data Protection Regulation (GDPR) and Stockmann's customer privacy policy. Training on GDPR and customer privacy is mandatory for all employees and it is included in the new employee induction programme.

The Group has two loyal customer programmes; the renewed Stockmann loyal customer programme MyStockmann with approximately 1.2 million active loyal customers, and More at Lindex with 4.1 million

members. We keep in touch with our loyal customers on a regular basis and offer them exclusive deals and benefits. The loyal customer systems' data file descriptions can be found on the units' respective websites. Each of the loyal customer programmes has its own customer register, compiled in order to manage customer relationships and for customer service and marketing purposes. The personal data of Stockmann's customers and of shareholders attending its General Meetings are handled confidentially in accordance with the applicable legislation.

During the year, Stockmann received several queries from customers regarding the use of personal data. These queries were dealt with on a case-by-case basis, and appropriate measures were taken depending on the nature of the inquiry.

In 2019, at Stockmann, there was one limited incident concerning customers' personal data in Estonia. Stockmann filed a notification to the Estonian data protection authority regarding the incident, which decided that no official procedure was required. At Lindex, there were three limited incidents concerning customers' personal data. For one of the incidents Lindex filed a notification to the regulatory authority, which decided that no official procedure was required. Stockmann's annual target is zero incidents of breaches of customer privacy.





SUSTAINABLE PRODUCT SELECTION

The Group's department and fashion stores offer an extensive selection of products that must fulfil the quality, environmental and product safety requirements set for them at any given time.

The product selection in Stockmann's department stores and Lindex fashion stores offers customers opportunities to make safe and responsible purchase choices. In the areas of fashion, cosmetics and home products, the choice includes products made from organic and recycled materials and products with an eco-label. The sales personnel is encouraged to find out about the more sustainable products in their areas of responsibility. Information for personnel concerning sustainability aspects and origin of products is available on the Stockmann intranet.

We ensure the
quality and
safety of all our
products.



CUSTOMER HEALTH AND SAFETY & PRODUCT COMPLIANCE



The Stockmann Group is responsible for the safety of the products it sells, ensuring that they do not pose a risk to customers' health or property. The company's Supply Chain organisation makes sure that products comply with the valid requirements set in legislation. Products are tested by their manufacturers and importers, and Stockmann tests its own brand products and own imports, on the basis of regular sampling and risk analysis. Testing ensures that the products fulfil all quality and safety requirements set by legislation or the stricter requirements set by Stockmann.



Stockmann follows product notifications issued by the EU in order to inform customers as quickly as possible about products that pose a risk. In Finland, Finnish Customs and the Finnish Safety and Chemicals Agency (Tukes) also promote and supervise product safety.

Product recalls are handled in accordance with Stockmann's internal product recall instructions, which specify responsibilities and the action required. In 2019, there were no public recalls involving Stockmann's own brand products. At Lindex, an incident of non-compliance with regulations resulting in a warning occurred. A nail polish remover was found non-compliant with the chemical legislation in Norway. The product contained a substance that is classified as narcotics in Norway and is

banned for use in consumer products. Actions were immediately taken and the product was withdrawn from sales in all markets. Corrective measures have been taken to improve the supplier's routines to avoid such incidents in the future. In addition, an incident of non-compliance with voluntary codes led to Lindex withdrawing and recalling a snap-on bracelet. The bracelet had been tested and approved according to the European toy safety standard EN71, but nevertheless, it was discovered that the metal component in the bracelet was not properly protected. The recall was done in cooperation with consumer authorities. Corrective actions have been taken to increase safety awareness in production and to increase final controls in production to ensure product quality.



MATERIALS



Responsibility is integral to the processes involved in clothing design and procurement of materials and products, and these processes are part of the operations of the Stockmann Group. We are set to systematically increase the amount more sustainable raw materials in the Group's own brand products, such as sustainable cotton and lyocell. We define sustainable cotton as the use of organic, Better cotton (BCI) or recycled cotton.

STOCKMANN

- 46% (30) of Stockmann's own brand's garments were made of more sustainable materials, while already 73% (65) of own brand jersey garments were made of more sustainable cotton.

- In 2019, Stockmann increased the portfolio of more sustainable raw materials to include Better cotton (BCI) and LENZING™ ECOVERO™ viscose fibre.
- In the Casa Stockmann collection, we have a bed linen collection entirely made of GOTS certified cotton.

LINDEX

- 65% (55) of Lindex garments were made of sustainable choice materials and approximately 98% (96) of cotton was more sustainably sourced. In total, 38 (33) million garments from sustainable materials were produced. One of Lindex's ambitious sustainability goals is that 100% of the materials used are recycled or sustainably sourced by 2025.
- 100% of the baby assortment is GOTS certified and 100% of Lindex's denim products are 'Better Denim'.
- During the reporting year, Lindex has continued to work on and invest in introducing a more comprehensive selection of sustainable fibres, such as eco viscose and recycled polyamide and polyester.

At Lindex
98%
of cotton was
more sustainably
sourced

USE OF CHEMICALS

When producing garments, chemicals are used in processes such as colouring, printing and washing. The Stockmann Group fulfils the requirements of REACH and actively works to limit the use of harmful chemicals in all of its products. As part of the Group's efforts to reduce the use of hazardous chemicals, the use of PFCs has been banned since 2014. The ban affects all Stockmann's and Lindex's own brand outerwear, and these items are now treated with Bionic-finish@ECO instead. In addition, Lindex has adopted a voluntary ban on to phase out the use of cyclic siloxanes and PFAS in cosmetic products.

Lindex has adopted a Chemical Strategy and according to this, the goal is that by 2025, the company has removed the release of all hazardous and toxic substances from Lindex



We promote
transparency
and more
sustainable
chemistry

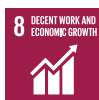
supply chain and promote transparency and more sustainable chemistry. In 2019, Lindex published a list of chemicals (MRSL) that are not permitted in any stage in the making of the company's products. With the MRSL, Lindex can eliminate harmful substances from the beginning, so they do not enter the production cycle at all. During the reporting year, the company also started mapping the suppliers' chemical storages.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Responsible, transparent and traceable supply chains are one of the focus areas in Stockmann's sustainable supply chain management. Our reporting on the supply chain is based on risk assessment, and the ability to exert an influence. We focus especially on the responsibility and development of Stockmann Group's own brands' supply chain, which we have the best possibility to exert an influence on.



PROCUREMENT PRACTICES



Our stakeholders are showing increasing interest in our work in the supply chain. The questions raised include our buying practices, the countries of manufacture, our Supplier Code of Conduct, human rights, including living wages, freedom of association and traceability.

All suppliers are expected to follow the Stockmann Code of Conduct or demonstrate a similar commitment. The responsibility issues are discussed during the purchasing negotiations and supplier agreements. In the Stockmann department stores, the major part of the merchandise is made up of international and domestic brand products, but we also carry a wide selection of own brand products designed by our own designers, and which cannot be purchased anywhere else. In Lindex, this applies to the majority of the products.

BUYING PRACTICES FOR OWN BRAND PRODUCTS

Stockmann does not own any factories or production facilities. Instead, our own brand products are made by contractors. When choosing a supplier, we pay attention to a number of factors. The most important criteria are the fit with the Stockmann Group's needs, supplier know-how and ability to deliver, quality and price, CSR with the focus on working conditions and environmental issues, and the

potential for long-term relationships. All factories need to fulfil the Stockmann Group's starting requirements and commit to the divisions' codes and continuous improvement. We aim for a long partnership with suppliers.

CLOSE COOPERATION WITH SUPPLIERS THROUGH LOCAL PURCHASE OFFICES

The Group has five local purchasing offices in China (Shanghai and Hong Kong), Bangladesh, India and Turkey. The offices play a key role in developing working conditions and identifying risks. In total 117 persons are employed by the offices and they are tasked with supervising purchasing and production. They review the procedures of each factory that they use before any orders are placed, and after which systematic responsibility work continues. Around 92% of Lindex products are bought via the purchasing offices. Around half of Stockmann's own brand producers were direct and half through our purchasing offices. Our local CSR specialists provide training and support to suppliers and factory owners, to help them make improvements in line with our codes and environmental requirements, and they also perform announced and unannounced audits. Our local production and quality controllers also visit the production units to ensure that conditions meet our requirements, and they report on any suspected violations of the codes. In addition to audits and training, every aspect of suppliers' operations is rated according to a 'supplier scorecard', which forms the basis for development. Suppliers are evaluated with the



STOCKMANN'S OWN BRANDS



FOR WOMEN

cut & pret, cut & pret PLUS, A+more, Global Essentials, NOOM, NOOM Loungewear, Stockmann Silk



FOR MEN

Construe, Construe Accessories, Bodyguard, Cap Horn, Stockmann 1862



FOR KIDS

Bogi, Cube Co.



FOR THE HOME

Casa Stockmann, Villa Stockmann



scorecard twice a year, with the Code of Conduct vs. performance being included as a parameter. Based on the evaluation, we grade our suppliers, and those with the best results get the most orders.

OUR INSTRUCTIONS FOR SUPPLIERS

The Supplier Code of Conduct and Lindex's Code of Conduct are the backbone of our buying practices. All suppliers are expected to follow the Stockmann Supplier Code of Conduct, Lindex Code of Conduct or the amfori BSCI Code of Conduct complemented with Stockmann's additional requirements, which are made based on detected human rights risks and other risks. These are, for example, the ban on sandblasting of jeans, fundamental requirements for animal rights, the ban on Uzbekistan cotton, and chemical requirements.

Unauthorised subcontracting poses a risk to compliance with our code. Our producers are always required to inform us about the possible use of sub-contractors in advance. As a result of our risk analysis, we have banned the use of sub-contractors in Bangladesh altogether, this being a zero-tolerance issue which leads to no further orders being placed.

SOCIAL RESPONSIBILITY AUDITS

STOCKMANN

Stockmann has been a member of amfori BSCI (formerly known as Business Social Compliance Initiative, BSCI) since 2005. Amfori BSCI is a business-driven initiative for companies committed to improving working

conditions in factories worldwide. The amfori BSCI Code of Conduct sets out 11 core labour rights which the participating companies and their business partners undertake to incorporate in their supply chain in a step-by-step development approach. Stockmann actively communicates about the amfori BSCI Code of Conduct to its suppliers and producers and cooperates with them to ensure a better chance of improving working conditions in the supply chains. Factories, where Stockmann's own brand products are produced that are in countries classified as high-risk by the amfori BSCI, are regularly audited by our own audits, conducted by our own local personnel, and by amfori BSCI, SEDEX and SA8000 audits conducted by a third party.

LINDEX

In 2019, Lindex launched a new Code of Conduct, a step in the fashion company's ambition to take the lead in creating fair and equal workplaces for women. Lindex developed the new Code based on the ETI Base Code by Ethical Trading Initiative, but has an enhanced focus on gender equality and especially the situation for women in factories. All Lindex's business partners are required to follow the Code of Conduct and the new one will be implemented in Lindex's whole value chain by 2021. With the launch of the Lindex Code of Conduct, the fashion company left amfori BSCI at the end of 2019. Factories used by Lindex are regularly audited, with both internal and third-party audits. Parallel with audits, Lindex is developing self-assessment where they train the suppliers to assess themselves and report to the

company. With self-assessment, Lindex aims to move the responsibility and ownership to the supplier and develop their skills to improve conditions without constant external pressure.

AUDITS AND FINDINGS

After each audit, an audit report with a corrective action plan is put together. Each task on the corrective action plan is given a deadline and progress is monitored. The amfori BSCI audits are conducted by internationally accredited independent auditors. The main findings in the audits were non-compliance with the requirements on working hours or allowing one day off every seven days, and issues with health and safety, the management system and fair remuneration.

NUMBER OF AUDITS

	2019	2018	2017
amfori BSCI	115	257	88
internal	62	66	119
SA8000 certificate	8	3	13
Accord inspections	88	145	221

AMFORI BSCI-AUDITS

Score	2019	2018	2017
A = outstanding	8	8%	5%
B = good	15	9%	11%
C = acceptable	67	70%	60%
D = insufficient	10	13%	24%
E = unacceptable	0	0	0
Number of audits	115	252	88

IMPROVING FIRE AND BUILDING SAFETY IN BANGLADESH

Stockmann is committed to improving factory safety in Bangladesh, which is one of our most important production countries. In 2013, we joined the Accord on Fire and Building Safety in Bangladesh, due to the risk posed by substandard factory buildings in the country. According to the agreement Stockmann is committed to having all of the factories producing garments for the Group audited on the basis of three different inspections, concerning fire safety, electricity and structural issues. The first contract period ended in 2018, but Stockmann has committed to continue the remediation work through the transition Accord. The aim of the transition Accord is to transfer the responsibility to the local government as soon as possible, after having finished the remediation of the needed improvements, already detected during the original Accord. By the end of 2019, 91% of the issues had been remediated, and 96% of those found in factories producing for the Stockmann Group.

ACCORD REMEDIATION PROGRESS RATE

	2019	2018	2017
Stockmann Group	96%	93%	89%
Accord average	91%	89%	82%

PRODUCTION COUNTRIES AND FACTORY LISTS

Our goal is to provide transparent communications on issues that interest our stakeholders, and therefore we disclose our

fashion and home suppliers and the factories producing own brands fashion and home products on the divisions' websites.

MAIN PRODUCTION COUNTRIES

STOCKMANN'S OWN BRAND GARMENTS

China	54%
Bangladesh	13%
India	11%
EU countries (low risk countries)	10%
Turkey	4%

TOP5 share of total: 92%

STOCKMANN'S OWN BRAND HOME PRODUCTS

EU countries (low risk countries)	40%
China	23%
India	16%
Pakistan	12%
Turkey	4%

TOP5 share of total: 99.5%

LINDEX'S PRODUCTS

Bangladesh	48%
China	19%
Myanmar	11%
India	6%
Turkey	6%

TOP5 share of total: 88%

Calculated based on purchase euros.

Supplier and factory lists are published on Stockmann's and Lindex's websites.



READ MORE

www.stockmanngroup.com
www.lindex.com

STOCKMANN

- Stockmann's own brand garments were bought from around 90 (99) suppliers and made in around 131 (142) factories. 58% of the producers were direct and 42 % through our purchasing offices.
- Stockmann's home area own brand products were bought from 61 (57) suppliers and made in 69 (54) factories. The majority, 94 % of the producers were direct.

LINDEX

- Lindex had 119 (127) suppliers who worked with 174 (202) production units.
- Lindex has 30 suppliers that stand for 80% of the production, considered Lindex's key suppliers. Lindex has systematically consolidated its supply chain to be able to focus on fewer suppliers and improving cooperation, working conditions and environmental work in the most important factories.
- Lindex discloses on its website supplier lists that include manufacturing, processing and tier 2 factories



Empowering women is one of the focus areas of Lindex's sustainability promise.

EMPOWERING WOMEN IN THE SUPPLY CHAIN

Empowering women is one of the focus areas of Lindex's sustainability promise. The company works together with its business partners to achieve gender equality and empower female textile workers. In 2019, Lindex launched the new Code of Conduct with a focus on gender equality.

As part of Lindex's sustainability work, the group is involved in various initiatives to

empower women in production countries. In 2019, Lindex continued to empower women and educate suppliers' factory management on gender equality through Lindex's WE Women project in Bangladesh, Myanmar and India. Lindex also finances Women in Cotton project in collaboration with Cotton connect. The project aims to empower 350 women cotton farmers in organic farming and life skills. More information on initiatives and partnerships available on Lindex's website.



READ MORE

lindex.com/sustainability



SUPPLIER ASSESSMENT FOR LABOUR PRACTICES AND HUMAN RIGHTS



A significant percentage of the own brand fashion products, approximately 90%, are manufactured in areas classified as risk countries by the amfori BSCI. We are aware that there is a risk of violation of the codes and we are actively working to ensure compliance. We are looking into the possibility of better incorporating human rights and children's rights into our assessments. The Stockmann Group has a Human rights policy which has been approved by the Board of Directors. In the case of a human rights violation, we work together with the supplier to remediate the victim. No new orders are placed until the violation has been corrected and the victim has been compensated.

TEXTILE INDUSTRY CHALLENGES AND RISKS

Challenges that concern the whole textile industry include, for example, the traceability and transparency of the supply chain, the realisation of human and labour rights throughout the chain, and the environmental impacts of production and raw materials. Our risk analysis shows five particular areas of risk for our Code of Conduct and these are; Managements systems, Documentation, Trade union affiliation, Wages and compensation, and Working hours. More information on the identified risks and management methods can be retrieved from Stockmann Group's website.



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www.stockmanngroup.com



SUPPLIER ASSESSMENT FOR ENVIRONMENTAL PRACTICES



The textile industry is water-intensive. Water impacts our supply chain mostly through the irrigation of cotton fields and through the wet processes of textile production, such as dyeing and washing. Water consumption and water treatment should, therefore, be as efficient as possible.

Our suppliers are expected to follow the applicable environmental legislation. In addition, an environmental code, in use in our purchasing offices, sets requirements for water treatment, chemicals handling, waste treatment, emissions and continuous improvement.

Being a water responsible company is one of the core aims in Lindex's sustainability promise. Lindex wants to be water efficient throughout the whole value chain, reduce the risk of water scarcity in areas connected to its operations and together with business partners

provide access to water and sanitation in factories and nearby communities. On a product level, water impact is reduced, by choosing more sustainable materials, such as Better Cotton and organic cotton that is produced with more sustainable cultivation methods where using less water is one part. But above all, by replacing some of the cottons with recycled cotton, thousands of litres of water can be saved. The water impact is also reduced by using more sustainable processes for washing, printing, dyeing and finishing in the production. Besides working on a product level Lindex also work with water management at the factory level. We score our suppliers on their water consumption and wastewater production.

To raise awareness and educate our suppliers on responsible water management and cleaner production, we have worked with collaborative projects such as PaCT (Partnership for Cleaner Textile) and STWI (Sweden Textile Water Initiative). These projects resulted in more sustainable water management systems in the factories and major improvements such as savings of millions of litres of water. Lindex is also a long-term partner to WaterAid and supports their work in improving access to safe water, improved hygiene and sanitation in the world's poorest communities. More information can be found on the Lindex website.

We work for more responsible use of water.



READ MORE
www.lindex.com



SUSTAINABLE SHOPPING ENVIRONMENT

We reduce the environmental impact of our business operations and act in accordance with sustainable development. In our daily operations, we take actions to mitigate our climate impact and we apply a circular economy approach in our operations. We aim to minimise the environmental footprint of our packaging materials and introduce more material-efficient options.



Stockmann complies with valid environmental legislation and requires the same from its partners. Environmental work at Stockmann is based on the CSR strategy. The management of environmental responsibility is part of the daily operations and is coordinated by the Communications and CSR function. We set specific environmental targets, define indicators for monitoring the achievement of these targets and establish appropriate management practices.

ENVIRONMENTAL MANAGEMENT



Since 2003, an ISO 14001 certified environmental management system has been in use in Stockmann's department stores and support functions in Finland. The operating methods and guidelines of the management system have been adopted in the department stores in the Baltic countries. Stockmann takes environmental aspects into account when planning and managing operations and when procuring products and services. Stockmann requires its service providers to commit to Stockmann's Code of Conduct and operating principles, and environmental issues and targets are regularly discussed during cooperation. We work in close co-operation with our service providers, who have an important role in achieving our environmental targets.

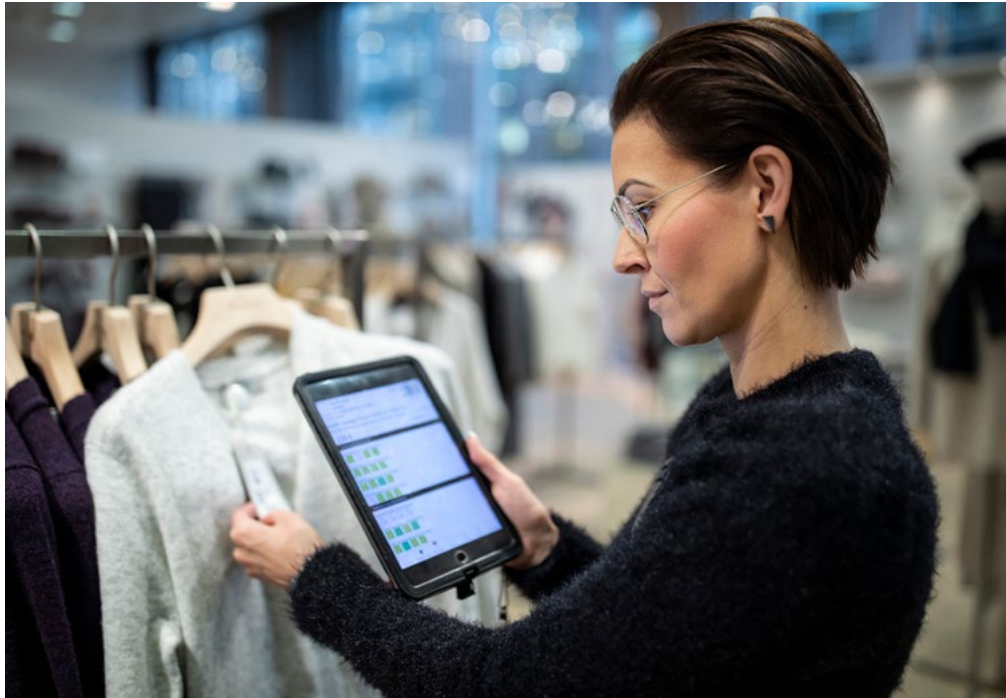
SUSTAINABLE SHOPPING ENVIRONMENT

TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROGRESS & ACTIVITIES	STATUS
We are committed to reducing our packaging materials and their environmental footprint	Indicator to be set	We replaced some of the single-use plastic products in our selection with more durable products. In our online store, we replaced plastic seal bags with seal stickers to improve material efficiency. We are working on creating a material efficiency indicator in our online store that enables to compare material efficiency on a monthly and yearly basis.	● In process
We take actions to mitigate our climate impact	Improve energy efficiency in Finland by 4% (2016-2020) and in Finland and the Baltics by 7,5% (2018-2025)	We continued to implement energy efficiency measures in our operations. We reached the energy efficiency target and improved the energy efficiency in Finland with over 10% from 2016 to 2019. In 2019, the Group's comparable GHG emissions decreased by 12% and were 39 700 tCO ₂ e (45 130). Stockmann committed to using renewable electricity in its distribution centre from the beginning of 2020 and almost 60% of the electricity used by Lindex was renewable.	● On target
We apply a circular economy approach in our operations	Recycling rate target: 75% in Finland and 50% in Baltic operations	We reached the recycling rate target in Finland and the recycling rate was 76% (72). In Baltics, the recycling rate was below target: 31% (40). The total amount of waste in Finland decreased by approximately 2.8% compared to the previous year but increased in the Baltics by 4.6%.	● In process

Lindex does not have a certified environmental management system in use, but the company has internal environmental guidelines, e.g. an energy efficiency concept, in use.

The Group's purchasing offices operate near production sites and the offices have made efforts to assess and minimise the harmful environmental impacts that can be caused in the suppliers' factories.





RAISING INTERNAL AWARENESS ON ENVIRONMENTAL ISSUES

Every employee's input is required for us to achieve our environmental targets. Personnel's environmental awareness is maintained and enhanced through training and regular internal communication. Environmental topics are part of the induction training that all new employees participate in and we provide separate sustainability e-learning to all employees.

ENERGY



The Group's energy consumption mainly consists of electricity and district heating and cooling.

Energy is consumed by the lighting, ventilation, heating and cooling systems in the stores, distribution centres and offices, as well as by other equipment and machinery in these facilities, such as lifts and escalators.

Energy efficiency is an important part of Stockmann's environmental work, as the energy consumption in Stockmann's own operations has been identified to be the most significant source of CO₂ emissions. As part of

Stockmann's business operations in Finland are ISO 14001 certified

our environmental work, we strive to implement energy-efficient measures to mitigate our climate impact and improve efficiency.

Stockmann's Real Estate function is responsible for the energy management in the department stores, distribution centre and support functions. Energy consumption is monitored daily and measures are taken to improve efficiency and respond to deviations.

In 2019, Stockmann conducted energy reviews in its premises and the outcomes are used in the work to mitigate climate impact.

During the reporting year, Stockmann continued implementing the energy efficiency programme, by optimising running hours of building systems, ventilation and lighting control in all its premises.

Stockmann's distribution centre, located in Finland, serves the online store and the Stockmann department stores in all countries of operation. Transfer to one centre has enabled Stockmann to optimise its warehouse operations, reduce the amount of internal transportation of goods and improved the energy efficiency of the logistic operations. The Stockmann distribution centre is awarded the LEED Gold environmental certificate. LED-lighting is in use and the geothermal system produces most of the heating and cooling energy needed in the building. In 2019, a decision was made to procure certified wind power to the distribution centre, starting from the beginning of 2020.

ENERGY AND WATER CONSUMPTION 2019-2018

	2019	2018
DIRECT CONSUMPTION		
Heating fuel (MWh)	463	474
Natural gas (MWh)	319	302
INDIRECT CONSUMPTION		
Electricity (MWh)	81 409	87 148
District heating and cooling (MWh)	71 462	76 072
Water (m ³)	95 875	10 775

The reporting excludes discontinued operations (Russia, Poland and Pakistan) and franchising operations. Heating Fuel data is based on estimations. Purchased electricity consumption covers all Group's functions. Purchased heating and cooling energy consumption covers all the Group's functions, excluding purchasing offices. Heating and cooling data for Stockmann is based on invoicing and data from service providers. Due to the significant amount of estimations and extrapolation in heat consumption for Lindex, the data quality is considered fair. Reporting on water covers all the Stockmann functions (excluding the department store in Itis in Helsinki) and Lindex's distribution centre.



During the reporting year, Stockmann upgraded the entire first floor of the Tallinn department store to LED-based lighting and replaced the refurbished Tallinn Delicatessen's refrigeration equipment with more energy-efficient options. Additionally, we continued the renewal process of lighting in the department store in Helsinki, by replacing conventional lighting with LED-lighting.

Lindex's stores have also focused on minimising energy consumption, and all stores follow an efficient energy consumption checklist as a routine practice. An in-depth study about electricity consumption has been made in a representative sample of stores. According to this, the areas of lighting, cooling and ventilation and escalators account for approximately 90% of the energy consumption, and hence energy reduction measures will focus on these. Lindex respects the planet and therefore prioritises energy from renewable sources. In 2019, nearly 60% of the electricity used by Lindex was renewable. Lindex's environmental goals include being climate neutral in own operations by 2023 and to reduce 30% of CO₂ emissions in the total value chain by 2030, baseline being 2017.

EMISSIONS



Reporting on GHG emissions serves as a management tool in the Stockmann Group, providing a basis for defining the areas where emissions should be reduced and for setting reduction targets.

Stockmann's carbon footprint in 2019 covers the Stockmann and Lindex functions in all countries of operation, excluding Lindex's franchise operations. At Stockmann, the figures also cover the emissions generated by tenants in the department stores. At the end of 2019, Stockmann was using 73% of the gross leasable area and the rest was used by tenants.

Stockmann has monitored and reported its GHG emissions at Group level for ten years. The Group's emissions are presented in the table 'GHG emissions'. GHG figures for 2018 are also presented in the table, to enable short-time comparison. Further comments and possible changes in the scope are explained in the table. The calculation of emissions was carried out in accordance with the international Greenhouse Gas (GHG) Protocol reporting principles.

REDUCING TRANSPORT EMISSIONS

The Group serves customers in different countries and the distribution of goods to these various locations involves emissions. Considerable attention is paid to the efficient and less environmentally harmful transportation of goods and we cooperate closely with our transport partners. In our logistic management, we value long-term relationships and we strive for close cooperation with partners to improve efficiency. Internal transports are continuously optimised through route planning, and by use of return transports. We carry out a systematic follow-up and engage in an active dialogue with our partners.

GREENHOUSE GAS EMISSIONS 2019-2018

	tCO ₂ e 2019	tCO ₂ e 2018	Change 2019-2018 in %	Comments
DIRECT EMISSIONS (SCOPE 1)	800	1 580	-48%	
Stationary combustion	180	180	0%	
Refrigerants	620	1 400	-55%	Decrease due to normal fluctuation in refrigerants in the Baltic food departments and renewal of refrigerator equipment
INDIRECT EMISSIONS FROM PURCHASED ENERGY (SCOPE 2)	29 000 (24 800)	33 100 (26 750)	-12%	Market based (location based in brackets)
Purchased electricity (market-based)	19 700	23 100	-15%	Decrease through energy efficiency measures and increase in share of renewable energy
Purchased electricity (location-based)	15 500	16 750	-8%	Decrease through energy efficiency
Heating and cooling	9 300	10 000	-7%	Decrease due to less Lindex's floorspace in continuing countries and energy efficiency in Stockmann's operations
OTHER INDIRECT EMISSIONS (SCOPE 3)	9 900	10 450	-5%	
Internal logistics	2 100	1 700	23%	Increase in Lindex's internal logistics
External logistics	5 100	5 900	-14%	Decrease in kilometers
E-commerce customer deliveries	200	200	0%	Figures for Stockmann's e-commerce operations only. Decrease in amount of parcels
Business travel	900	850	6%	Increase in travel
Waste	1 600	1 800	-11%	Decrease in amount of waste and improvements in sorting
TOTAL	39 700	45 130	-12%	
AVOIDED EMISSIONS	265	244		

The reporting excludes discontinued operations (Russia, Poland and Pakistan) and franchising operations.

Almost 90% of Lindex's goods from production to distribution centres are transported by sea freight. Even though sea freight is a better option than air freight, in terms of climate impact, it still has a significant impact. Lindex is, therefore, a member of Clean Cargo, a network of global actors with the

shared aim of reducing the environmental impacts of global goods transportation and promoting responsible shipping. With its members, Clean Cargo represents around 85% of the global container cargo capacity, making it the leading buyer-supplier forum for sustainability in the cargo shipping industry. In

need of fast deliveries Lindex primarily uses train transport, while air freight is only used in exceptional cases.

REDUCING BUSINESS TRAVEL EMISSIONS

To minimise travel, videoconferencing and teleconferencing equipment is utilised in meetings. Attention is paid to emissions from business travel, and low emission options are preferred for such trips. The company travel guideline recommends travel via train or bus over the use of a private car, and leasing cars have a limit set on maximum emissions. In addition, Stockmann has guidance on remote work. The remote work practice creates an opportunity for the personnel to reduce commuting emissions, as well as it supports work-life balance.

CDP DISCLOSURE

The Stockmann Group reports on its GHG emissions in the international Carbon Disclosure Project (CDP). In 2019, Stockmann's score continued to be on a good level, with the score Management B, as in the previous three years. The score is higher than the general and European regional average. The score reveals that Stockmann has taken coordinated action on climate issues. **Read more.**

Our CDP score was on a good level: B

CIRCULAR ECONOMY



At Stockmann, we strive to apply a circular economy approach. We are monitoring and investigating new solutions to extend the life of products and materials. The department stores in the Baltics collaborated in a circularity project with the Estonian designer Reet Aus, encouraging customers to hand in their used denim garments for upcycling, as well as selling designer's upcycled clothing collection.

Lindex also wants to prolong the lifetime of its products and use resources in the smartest way possible. The company will set goals on reducing material streams and sending zero waste to landfill as well as setting goals on design for longevity. In 2019, Lindex started renting out clothes and through their business Something Borrowed, they give their customers the opportunity to rent premium garments from the fashion company's Extended collection.

PACKAGING MATERIALS AND CARRIER BAGS

Stockmann aims to bring high-quality packaging to the market and to minimise the environmental burden of packaging materials, promote circularity and offer customers material-efficient solutions. The Stockmann Group reports on packaging materials used, in accordance with the EU Packaging Directive.

STOCKMANN

- Stockmann has made a commitment to reduce the consumption of plastic bags with the Society's Commitment to Sustainable

Development. Accordingly, plastic bags are no longer available for our customers on a self-service basis and we provide information about sustainable choices in carrier bags.

- In 2019, about 28% of our customers chose to buy a bag with the purchase, and out of those, 63% were plastic bags, 35% paper bags and 2% reusable bags.

We apply a circular economy approach in our operations. We promote reuse and recycling.

- Stockmann's plastic carrier bags are 80% recycled plastic. The paper bags are made of FSC-certified paper.
- We recommend a re-usable bag as the best option and we offer a selection of re-usable bags.
- The packaging materials, such as the cardboard boxes, bubble wrap and packing paper, used for packaging the items purchased in the stockmann.com online store are partially made of recycled materials.
- During the reporting year, based on customer feedback we replaced the plastic seal bags for cosmetic products in our online store with seal stickers.





LINDEX

- Lindex carrier bags are made with 80% post-consumer recycled plastic, 20% post-industry recycled plastic.
- Lindex online store packages are made of 100 % recycled materials. In addition, Lindex has reduced the use of plastic in its supply chain, e.g. by reducing the plastic used on garments shipped from production countries. In line with One Bag Habit, Lindex charge for shopping bags in all its stores. Only about 28% of customers have chosen to buy a bag during the reporting year. The One Bag Habit is a joint initiative, launched by Lindex and two other Swedish fashion brands with the aim to reduce the consumption of bags and raise awareness of bags negative environmental impact.

The surplus from the bags is donated to causes that drive sustainable development.

REUSE AND LOSS PREVENTION THROUGH PRODUCT DONATIONS

STOCKMANN

Stockmann promotes reuse and recycling by donating unsold products and product samples, as well as leftover materials and products from the design studio to local partners and charitable organisations and various recycling workshops. For example, we regularly donate garments and product samples to Hope ry, a non-profit organisation that distributes donations to Finnish families with limited means.

LINDEX

Lindex regularly donates unsold products to different charity organisations in accordance with its clothing recycling and donation policy. At the Head Office, product samples are sold at a garment sale every month, and leftover garments are donated to charity. The purchase offices also donate garments to different charity organisations.

EFFLUENTS AND WASTE



The waste generated by the divisions' operations is mainly packaging waste, such as cardboard and plastic.

Biodegradable waste is also generated in Stockmann's Delicatessen operations in Baltics and due to the tenants' operations that include grocery stores, restaurants and cafés.

We pay close attention to waste sorting and recycling by providing training for personnel and tenants, developing the guidance and making sorting practices more convenient. The waste sorting is managed in accordance with the ISO 14001 environmental management system, and the results for the various business locations are monitored regularly.

Our target is to reduce the amount of waste and to recycle as much as possible of the remaining waste as material. The Group's total amount of waste decreased in 2019 by approximately 3%. The recycling rate in department stores in Finland increased to 76% (73). Stockmann closely cooperates with

Recycling rate
in Finland

76%

its waste management service provider to improve recycling and efficiency.

In recent years, our stakeholders have shown interest regarding our approach to unsold clothing. At Stockmann, all products are sold, using discount prices or by selling them to the personnel in the personnel shops, so that no products are left. Mildew or other spoilage of the products during the transportation is rare. However, in such cases the products end up as waste and the process is monitored by Customs.

Water consumption in Stockmann's own operations is minimal, and the operations take place in areas where there is currently no scarcity of water. Measuring and minimising water consumption is nevertheless an important part of Stockmann's environmental responsibility. Stockmann's water consumption is presented in the table 'Energy and water consumption'. Most of the Group's water consumption takes place in the department stores' restaurant, kitchen and sanitary facilities. Water consumption is minimised by instructing personnel and tenants, preventing and repairing even the smallest leaks and procuring more efficient water fittings to replace older ones.

WASTE 2019–2018, TONS

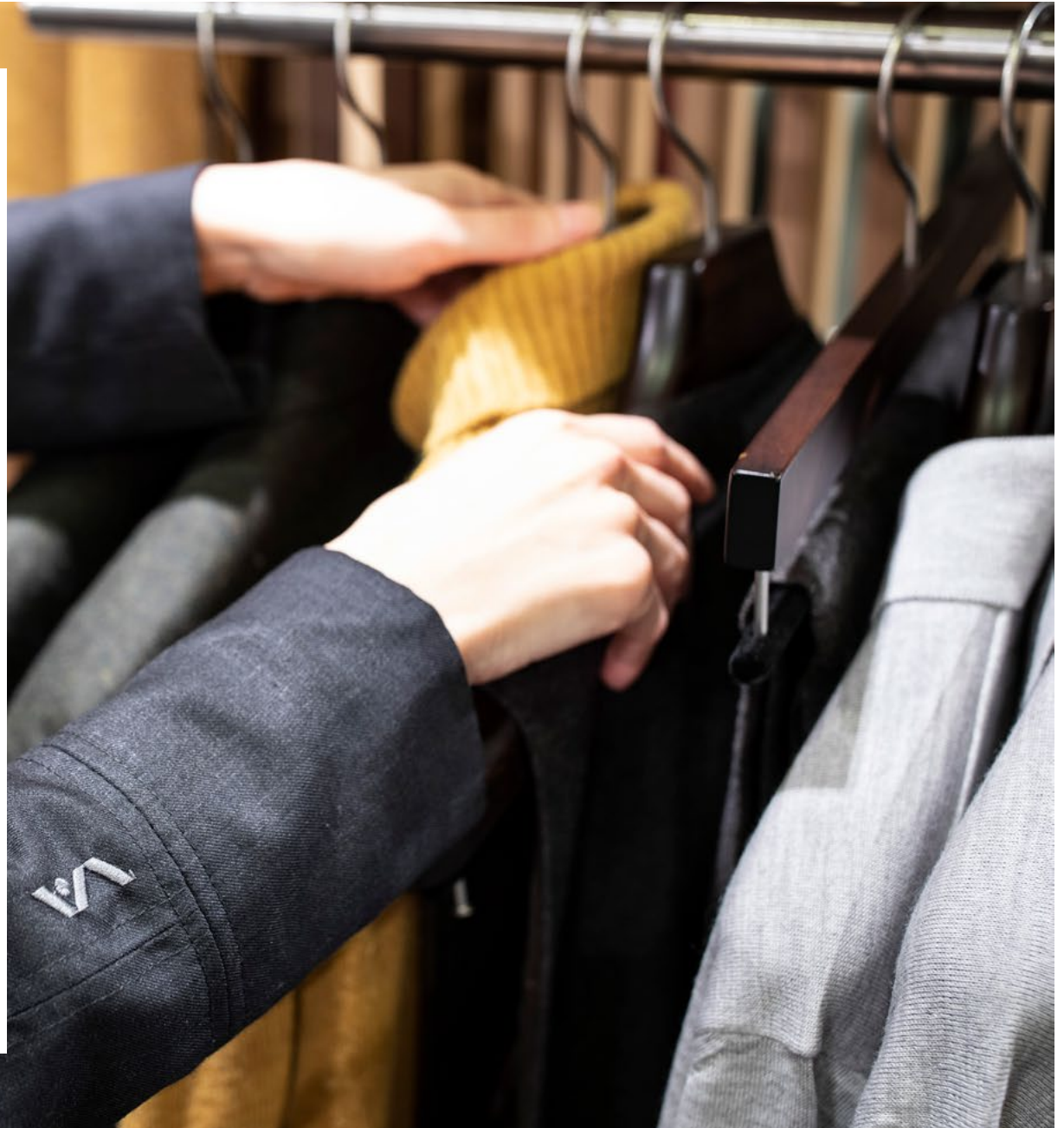
	Stockmann Finland		Stockmann Baltics		Lindex Sweden		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
NON-HAZARDOUS WASTE	2 787	2 864	873	822	1 217	1 325	4 877	5 011
Reuse / Recycling	2 128	2 067	274	327	1 180	1 281	3 582	3 675
Recovery / Incineration	659	797	600	496	37	44	1 296	1 337
End of life treatment	0	0	0	0	0	0	0	0
HAZARDOUS WASTE	2	4	8	20	0	2	10	26
Reuse / Recycling	1	1	0	0	0	0	1	1
Recovery / Incineration	0	0	0	0	0	0	0	0
End of life treatment	1	2	8	20	0	2	9	24
TOTAL, tn	2 789	2 868	881	842	1 217	1 327	4 887	5 037
RECYCLING RATE, %	76	72	31	40	97	97	73	73

Figures for Stockmann cover all functions in Finland (discluding the department store in Tapiola) and Baltics. Figures are not entirely comparable between the countries.



RESPONSIBLE WORK COMMUNITY

Motivated and engaged retail experts are the foundation of our business. We value equality and diversity and treat our employees fairly according to the principle of equal opportunities. Employees are paid a fair level of remuneration for their work, and their personal and professional growth is supported. We take care of our employees and provide them with healthy and safe working conditions and promote their wellbeing.





The Stockmann Group's Human Resources (HR) policies are based on the company's values, strategy and the Code of Conduct, on top of which the divisions have their own more detailed HR policies that support the growth and wellbeing of the personnel. The implementation of good HR policies is monitored through personnel surveys performance appraisal discussions and other feedback channels. Cooperation also takes place in local personnel committees and the Group's Employee Council. The HR Director, who reports to the CEO of the Group, is responsible for the management of HR in the company.

EMPLOYMENT



The recent years have been demanding for Stockmann and its employees. Organisational changes have been required in order to become a healthy business and turn the result into profit. During the coming years, the Group will focus even more on creating and promoting a people and customer-centric culture where a unique employee experience, seamless cross-functional teamwork and improved digital capabilities lie at the core.

In 2019, Stockmann reworked its strategy and simplified its organisational structure. In the new structure, the Stockmann Retail and Real Estate divisions as well the Group's shared functions were combined into a new Stockmann division. The new operating model

RESPONSIBLE WORK COMMUNITY

TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROGRESS & ACTIVITIES	STATUS
We ensure a healthy and safe working environment and promote the wellbeing of our personnel	Accident rate target: maximum of 20 per million working hours. Further target to be set.	Stockmann's accident rate was 31 (24) accidents per million working hours. We introduced the #Stockmannstaff barometer, which enables improved employee consultation and the development of a more responsible work community.	● Target not met
We value equality and diversity	KPI to be set	Equality is actively promoted in all employee categories according to the equality plan that has been prepared together with employee representatives. In 2019 Stockmann was for example an official partner of Helsinki Pride to demonstrate and support equality, inclusion and diversity to its personnel and all stakeholders.	● Target not met
We support personnel's professional growth	#Stockmannstaff personnel feedback: target score 50 by the end of 2020 PDD execution rate, target 100% in 2021	The first #Stockmannstaff barometer score was 42, meaning that 42% of respondents gave the most positive or second positive answer to five indicators: willingness to recommend, willingness to leave, job satisfaction, overall mood and enthusiasm for one's job.	● Target not met



based on the new structure was negotiated with the personnel as part of the codetermination negotiations. As a result of the negotiations, approximately 150 positions were ended, most of them through lay-offs.

EMPLOYMENT CONTRACTS

In retail, the need for fixed-term employees is high, as the summer and Christmas seasons and campaigns increase the need for seasonal employees. Use of supervised workers or self-employed workers is minimal at the Stockmann Group.



STOCKMANN

- The number of fixed-term employees at Stockmann has decreased, while seasonal workers at the department stores for Crazy Days and Christmas are now recruited through a recruitment agency.
- The Stockmann department stores offer many young people an opportunity to become familiar with the retail sector, for example, in the form of the practical training periods of various educational institutions. In 2019, Stockmann employed approximately 190 (200) summer employees and 340 (300) interns. Stockmann participated in the Confederation of Finnish Industries' "Get Acquainted with Working Life and Earn" (Tutustu työelämään ja tienaa) programme and offered 82 (60) youngsters an internship position. Stockmann also collaborated with Plan International Finland project and offered short internships for youngsters.
- A number of people working in sales positions at Stockmann department stores are employees of Stockmann's tenants in, for example, restaurants and in the grocery stores in Finland.

LINDEX

- Lindex offers internships both at the Head Office and in stores and it cooperates regularly with different universities regarding internship positions. At the Head Office, there are about 15 interns per year and most of them are placed in the Design and Purchasing Department

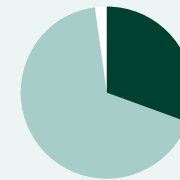
- At Lindex stores, the extra workforce is needed around the summer and Christmas holidays. This need is solved mainly by offering more hours to part-time employees and extra employees connected to the store. Each year, Lindex employs about 20 seasonal employees to work at the Head Office during the summer and Christmas holidays.

EMPLOYEE BENEFITS

The Stockmann Group offers its personnel the benefits required by local legislation in each of its operating countries. These benefits may include occupational health services, insurance against occupational injuries and diseases, parental leave and retirement benefits. Personnel benefits do not vary between part-time and full-time employees.

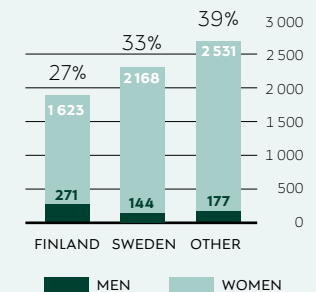
In most countries, employees are offered benefits that clearly go beyond the requirements set by legislation, such as health insurance and meal benefits. These benefits are evaluated and updated regularly. All employees can purchase products using an employee discount in stores belonging to the Group. In 2019, the employee discount model was evaluated and updated in the Riga department store. In addition, quarterly Stockmann offers its employees in Finland the opportunity to purchase a set of work clothes with an additional discount. Furthermore, separate personnel sales are organised, enabling employees to purchase products at a budget price.

EMPLOYEES BY DIVISION

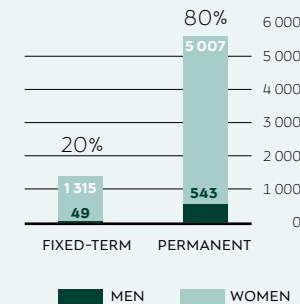


STOCKMANN, 2 126	31%
LINDEX, 4 671	68%
PURCHASING OFFICES, 117	2%

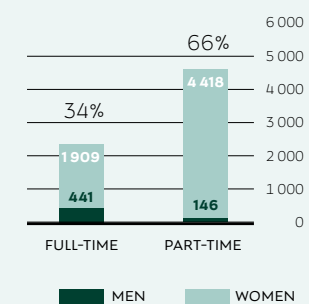
EMPLOYEES BY COUNTRY



FIXED-TERM / PERMANENT



FULL-TIME / PART-TIME

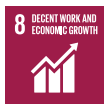


Stockmann has an incentive programme in use that covers every employee. The aim of the programme is to reward, encourage and motivate employees to aim for top results.

Annually long-serving employees are rewarded with a medal. In all units, employees are rewarded on their 50th birthday. Stockmann supports recreational and leisure activities for permanent employees, for instance by supporting sports possibilities and through various staff clubs. Stockmann employees are rewarded for 30 years of service with an additional holiday. Lindex has its own reward scheme according to which employees are rewarded for 25 years of service. In addition, Lindex supports recreational and leisure activities for employees, for instance by supporting sports.



LABOUR AND MANAGEMENT RELATIONS



The Stockmann Group monitors the implementation of good HR practices through personnel surveys, performance appraisal discussions and other feedback channels. A culture of openness is promoted and we strive to communicate about issues concerning our personnel by going through Stockmann's financial performance and outlook as well as by setting goals for our performance in these areas.

Two employee representatives participate in meetings of Stockmann's Board of Directors. One of the representatives is elected by the employee representatives of Stockmann's

Group Council and the other by the association representing Stockmann's senior salaried employees.

STOCKMANN

- The objective is that a performance and development discussion (PDD) is conducted at least once a year with each Stockmann employee. Furthermore, to increase inclusion, additional group development discussions are held in the sales operation.
- In Finland, Stockmann department stores have their own Employees' Councils that convene four times a year. A similar model is followed in the Baltic countries. HR matters concerning Finland are handled at the

Group Council, whose meetings are held twice annually.

- Based on the Stockmann's Group Council decision, Stockmann has continued to support personnel clubs in 2019 by providing the clubs with the opportunity to apply for financial support.
- In 2019, Stockmann renewed its personnel's information sessions on the quarterly results and strategy process. In the new #Stockmannstaff sessions, inclusiveness and open dialogue are promoted, and results and outlook are discussed openly. In addition, the focus is also on strengthening collaboration and communication between the functions.

- Stockmann has a system for initiatives that allows personnel to communicate and to jointly develop business ideas across organisational boundaries.

LINDEX

- Lindex has defined performance development and goal setting processes for the whole company. According to this, all Lindex employees have an annual development discussion with their supervisor. The processes and tools vary by country. According to Lindex's latest employee survey, 81% of personnel had had a performance dialogue.
- As part of the open communication culture, quarterly results and strategy meetings are held for all employees by the Lindex CEO. Along with the Group and Lindex strategy, future development areas are presented in these meetings and questions are answered.
- Introduction days are organised for new employees where one representative from Lindex Management Group is also present.
- Each year, an inspirational event with varied topics, related to the Lindex vision, strategy and values, is held for all Lindex employees.
- In 2019, Lindex launched a new employee promise, together with new employer branding. They were worked together by management and employees in global workshops.
- Lindex organises regular meetings with the trade union representatives in its operating countries, to discuss labour law issues and other issues raised by the trade unions.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The Stockmann Group respects the basic rights of its employees, such as freedom of association and collective bargaining. In Finland, approximately 81 (81) % of the Stockmann Group's personnel are covered by collective agreements. All Lindex employees in Sweden, Norway and Finland, excluding senior salaried employees, are covered by a collective bargaining agreement.

The company does not monitor the extent of union membership, but it does compile statistics on those employees in Finland whose trade union membership fee is deducted from their salary. In 2019, these employees accounted for 30% (31) of the Group's personnel working in Finland. In other countries of operation, statistics on union members have not been collected.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING



Occupational health care is arranged in accordance with local laws and regulations in all countries of operation. Employee

wellbeing and occupational safety are discussed regularly in the Employees' Councils, which operate in accordance with the requirements of local legislation and represent all personnel groups. Employee well-being is

measured through employee surveys both at Stockmann and Lindex.

STOCKMANN

- In 2019, Stockmann revised its personnel survey model and introduced the #Stockmannstaff barometer. It is an ongoing survey model that has been developed in collaboration with researchers from the Hanken School of Economics. The survey enables effective utilization of the results of the personnel experience measurement and process development, as well as deeper and more active employee consultation. The issues and concerns expressed by Stockmann's personnel in the survey were, for example, workload and knowledge development. Based on the feedback, concrete development measures have been taken.
- Stockmann offers the opportunity for remote work. The objective is to support work-life balance and equal opportunities.
- Small events to boost wellbeing at work included yoga sessions and a culture-related lottery by Otium, a foundation that supports employee well-being at Stockmann.
- Annually Stockmann offers its personnel in Finland the opportunity to take a seasonal influenza vaccine, a service highly appreciated by the personnel.
- Stockmann has an early intervention model in place to follow up and support employees to promote their working ability and health. A working ability discussion is a tool for managers for a confidential discussion and

is recommended for use when something has changed in an employee's ability to work. Follow-up of sickness absences requires cooperation between the manager and occupational health services and sometimes involves a personnel representative and the HR department. Different modes of support for the return to work, such as work in trial periods or part-time sick leave, are actively used at Stockmann. The company also has a drug abuse programme to intervene in cases involving substance abuse. The principles of this programme are updated regularly.

- Stockmann's occupational health services take the working ability perspective into consideration with every appointment and advise employees on severe work-related diseases and any other risks associated with work, and give recommendations where necessary. Supportive management practices, a safe working environment and

the possibility of varied nutrition during the workday are also considered part of the support for employees' ability to work. Information on preventative action is also given out during the occupational safety day event.

LINDEX

- Lindex regularly conducts a global employee survey to get an overview of how the company's employees experience their workplace and the company culture. The result of the most recent survey, conducted before the turn of the year 2019, showed that the share of positive employees was 81% and the level of committed employees was also significantly high, 82%. 2 729 people participated in the survey. Identified development areas included, for example, competence development, more regular follow-ups on individual goals and skills development.



We introduced the #Stockmannstaff barometer.

- Performance management is used at Lindex to follow-up and support employees at an early stage in order to promote their working ability and health. Different modes of support for the return to work after sickness absence are actively used at Lindex. The company also has an action plan to intervene in cases involving substance abuse, available on the intranet.
- Lindex conducts close cooperation with the occupational health services, in work-related diseases and any other risks associated with work, and for giving recommendations where necessary.

SICKNESS ABSENCES AND WORKPLACE ACCIDENTS

Sickness absences and workplace accidents are reported in the table 'Personnel figures'. In Finland and Sweden, the majority of accidents were due to slipping or falling as well as of dropping and lifting things.

In 2019, medical occupational health care covered all employees in Finland whose employment had continued for more than 4 months, i.e. 1784 (1968) persons at year-end. The occupational health care services of the Group's units in Finland are arranged via the company's own occupational health clinics and outsourced services. The personnel at the Group's own clinics mainly serve employees in the Helsinki region. In other locations and at the Lindex stores in Finland, occupational health services are provided through outsourcing. The costs of occupational health services for the year 2019 were not available at the time of reporting. In Finland, the cost of occupational health

services for the year 2018 was approximately EUR 0.9 (2017: 1.4) million and the net cost was approximately EUR 269 (2017: 325) per employee.

TRAINING AND EDUCATION



Systematic, continuous training is a core part of our HR practices and is carried out mostly through comprehensive e-learning programmes and through various internal training events and sessions involving representatives throughout the organisation. The Group's goal is to enable and develop the personnel's personal skills and offer professional learning opportunities.

STOCKMANN

- Stockmann organises coaching sessions in Finland, regarding product competence, sales and service, induction for new employees, and coaching activities related to raising employee and customer experience
- Stockmann supports the combining of work and studies, for example by providing opportunities for apprenticeship training.

LINDEX

- The average amount of training hours per year per employee for store personnel was approximately 9.0 hours (8.0 hours). In total there were 35 560 hours of training.
- Continuous professional development is promoted through various in-house training

courses and events. In addition, external management training is offered. During 2019, almost all of the employees at the Head Office participated in workshops to develop their self-leadership.

- At the purchasing offices, continuous training is offered to maintain the personnel's knowledge in line with the rapid development.

SKILLS MANAGEMENT AND JOB ROTATION

Continuous development at work and an active internal labour market are Stockmann's strengths. Providing employees with the opportunity to switch duties between functions and countries promote professional growth and the retention of competent personnel in the company's service.

At Lindex, employees are encouraged to try new roles within Lindex, at stores and offices to gain new experiences and perspective. This is considered a success factor in developing Lindex further, and a way to retain competent personnel. Opportunities for a transfer within the company are provided through Lindex's internal labour market.

We treat our personnel fairly and equally and value the diversity of employees

DIVERSITY AND EQUAL OPPORTUNITY & NON-DISCRIMINATION



Stockmann treats all of its employees fairly and equally and values the diversity of its employees. Discrimination is

strictly forbidden. Stockmann has an equality plan, which is regularly updated and approved in the company's Employees' Council. With the aid of statistics, the purpose of the plan is to point out structural issues in work duties and to set improvement targets for achieving a more equal working environment.

STOCKMANN

- The realisation of equality is actively promoted in all employment categories. Mutual respect and abiding by mutually set rules are part of this. In recruitment, we are open-minded towards the various backgrounds of the candidates. Job descriptions are designed to suit all regardless of gender and we ensure that the tasks, qualifications and titles are gender-neutral. Age, sex or religious beliefs are only considered if there is a justified reason based on the position. We do not accept age discrimination and different age groups are well represented in the company. Based on feedback, we have also lowered the minimum age to our trainee and campaign positions.
- Personnel planning has been developed to ensure equal treatment, e.g. regarding the offering of additional working hours, and the



- division of days off and Sunday work, and by offering the guidance for remote work.
- HR Business Partners work actively in cooperation with supervisors to deal with and anticipate potential cases of harassment, discrimination, equal opportunity, atmosphere and workload.
- Stockmann has renewed its guidelines for working clothes, to encourage personnel to dress according to their own style and identity, and in this way strengthen the culture of diversity and inclusivity within the organisation.

LINDEX

- Lindex has its own non-discrimination policy and the company does not accept any form of discrimination.
- According to the company's plans on equal opportunities and diversity, Lindex strives to ensure that all employees are treated with respect, have equal opportunities and a positive working environment. Diversity is seen as a competitive advantage that fosters increased creativity, innovation and delivers better results. It is every Lindex leader's responsibility to make sure that they have a diverse team and that diversity becomes a natural part of the long-term competence plan.
- In order to ensure that there is no discrimination and the organisation takes advantage of diversity, the company continuously conducts analyses and follow-ups in working conditions, salaries and terms of employment, recruitment and promotion, education and training, and parenthood and work.

- During the reporting year, Lindex invited an expert to talk about bullying, harassment and discrimination for the leaders in the Head Office. Afterwards, an article series, including three articles on the topic was published on the intranet.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

When choosing the members of the Board of Directors, diversity is taken into account, so that the persons represent different fields and professions, international backgrounds, and varying age and gender. Information on the average age of the employees is presented in the table 'Personnel Figures'.

EQUAL REMUNERATION

Equal remuneration is one of the areas in the equality and diversity plan.

STOCKMANN

- Remuneration of women and men working at Stockmann in Finland is monitored with the aid of an index.
- The causes of pay differentials in the index include, for example, the difference between job roles, level of requirements and individual competences within the same level of difficulty, which the index does not take into account. Men work relatively more in supervisor and ICT positions, which explains some difference.
- During the reporting year, Stockmann has gone through the company's job descriptions, the process has also entailed ensuring equal remuneration.

EMPLOYEES BY AGE GROUP 2019

MEN/WOMEN	under 30 years old	30-50 years old	older than 50 years old
Entire personnel, %	38 (6/94)	40 (11/89)	22 (9/91)
Group Management Team, persons		1	4

EMPLOYEES BY GENDER

MEN/WOMEN	2019	2018	2017
Entire personnel, %	9/91	9/91	9/91
With Director title, %	36/64	44/56	50/50
Group Management Team, persons (%)	3/2	4/6 (40/60)	6/6 (50/50)
Board of Directors, persons (%)	5/3	5/3 (63/37)	6/2 (75/25)

THE RATIO OF BASIC REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, STOCKMANN FINLAND

INDEX	2019	2018	2017
Sales personnel (hourly salary)	98	98	99
Warehouse personnel (hourly salary)	94	94	95
Office personnel (monthly salary)	109	94	96
Senior salaried employees and management (monthly salary)	82	84	85*

* Figure is restated from the 2017 report The index is only indicative, as it does not take into account the diversity of job roles and descriptions in each category.



LINDEX

- According to Swedish Discrimination Act, Lindex annually conducts a salary mapping with the aim to detect, remedy and prevent unjustified salary differences between women and men who carry out equal or equivalent work. In 2019, no unreasonable differences due to gender were discovered.
- The foundation of Lindex's personnel policy is that salaries are market related and competitive, and connected to the responsibility of the role and achieved results. Differences in salary because of gender, functional limitation, ethnicity, sex-transcendent identity, sexual orientation, religion and other beliefs, age or parental leave are not acceptable. The collective agreement sets the guidelines for the salary audit.

INCIDENTS OF DISCRIMINATION

During the reporting year, no case of sexual harassment or religious or political discrimination were raised at Stockmann Group. In 2019, Stockmann's HR department dealt with two issues related to inappropriate behaviour in Finland. One of the filed complaints was completed during the reporting year, while the other complaint on inappropriate behaviour is in post-treatment monitoring.

PERSONNEL FIGURES

	2019	2018
Number of personnel 31 December	6 914	7 129
in Finland (men/women)	271/1 623	332/1 813
in Sweden (men/women)	144/2 168	147/2 194
Personnel on average	7 002	7 241
Personnel as full time equivalents, on average	4 891	5 299
Personnel by employment contract		
fixed-term (men/women)/permanent (men/women)	20 (4/96) / 80 (10/90)	18 (6/94) / 82 (10/90)
fixed-term (men/women)/permanent (men/women) in Finland	6 (8/92) / 94 (15/85)	8 (7/93) / 92 (16/84)
fixed-term (men/women)/permanent (men/women) in Sweden	23 (4/96) / 77 (7/93)	25 (7/93) / 75 (6/94)
Share of full-time/part-time employees of personnel, %	34/66	36/64
in Finland (men/women)	41 (23/77) / 59 (8/92)	43 (24/76) / 57 (9/91)
abroad (men/women)	31 (17/83) / 69 (2/98)	33 (16/84) / 67 (2/98)
Turnover of permanent employees, on average, %	18	22
in Finland	17	17
in Sweden	8	9
New permanent employee hires, %	16	20
in Finland	10	12
in Sweden	6	6
Personnel costs, EUR million	211.1	222.0
Personnel costs, share of revenue %	22.0	21.8
Average age of personnel	37	37
in Finland	41	40
abroad	38	37
Sickness absences, %	4.4	4.2
in Finland	4.2	4.7
in Sweden	4.9	4.7
Reported workplace accidents at workplace + on the way to work in Finland, number	72+41	60 + 50
Reported workplace accidents at workplace in Sweden, number	53	137
Personnel training expenses in Finland (excluding direct wage costs), EUR million	not available	0.2

Figures only for one referral year, do to changes in reporting practices.



SUSTAINABLE BUSINESS APPROACH

We are committed to good corporate governance and act in compliance with Stockmann Group's Code of Conduct. Our goal is to create added value to all our stakeholders and we actively engage in society. We aim for long-term profitable operations and are taking several structural measures to turn our business back to profit.

ECONOMIC PERFORMANCE



The Stockmann Group's adjusted operating result in 2019 was EUR 29.0 million (28.4, or 10.4

excluding Nevsky Centre). The

adjusted operating result improved in Lindex but Stockmann's adjusted operating result was lower than in the previous year. The reported operating result was EUR 13.3 million. The objective of 2020 is to improve the Group's operating result clearly. The rejuvenation programme in Stockmann will continue throughout 2020.



READ MORE

from Financial Statements at
year2019.stockmanngroup.com

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The Stockmann Group's operations bring economic added value to the company's stakeholders, operating areas and market areas. The majority of the economic added value goes into personnel salaries and other remuneration, as well as to goods and materials suppliers and service providers

Stockmann plc shares are listed on Nasdaq Helsinki. At the end of 2019, Stockmann had 43 394 registered shareholders, compared with 44 393 a year earlier. The dividend policy set by Stockmann's Board of Directors is to distribute more than half of the earnings from ordinary operations. In accordance with a resolution of the Annual General Meeting, no dividend was paid for the

SUSTAINABLE BUSINESS APPROACH

TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROGRESS & ACTIVITIES	STATUS
We are committed to good corporate governance and act in compliance with the Stockmann Code of Conduct	90% of personnel have completed the Stockmann Code of Conduct training by the end of 2020 100% of personnel have completed the Stockmann Code of Conduct training by the end of 2021	We continued the roll-out of our CoC e-learning programme in the department store in Riga. 70% (59) of Stockmann's personnel in Finland and 71% of personnel in Latvia had completed the training by the end of 2019.	● In process
We create added value to all our stakeholders	Positive EBITDA* at the end of 2021	The Group's EBITDA was EUR 153.0 (76.0) and adjusted EBITDA EUR 168.6 (84.3).	● On target
Our communication is transparent and reliable and we actively engage in society	Responsible corporate citizenship	We published integrated reviews of the business operations, financials, governance and CSR. We actively communicated about our CSR work. We participated in charity projects and initiated an ongoing charity collaboration as part of the renewed loyalty program MyStockmann.	● On target

* Earnings Before Interest, Taxes, Depreciation and Amortization



financial year 2018. The Board of Directors will propose to the Annual General Meeting, that no distribution of funds is to be made for the 2019 financial year.

Our communication is transparent and reliable



VALUE TO STAKEHOLDERS

Resources

PROFESSIONAL STAFF
& ORGANISATION

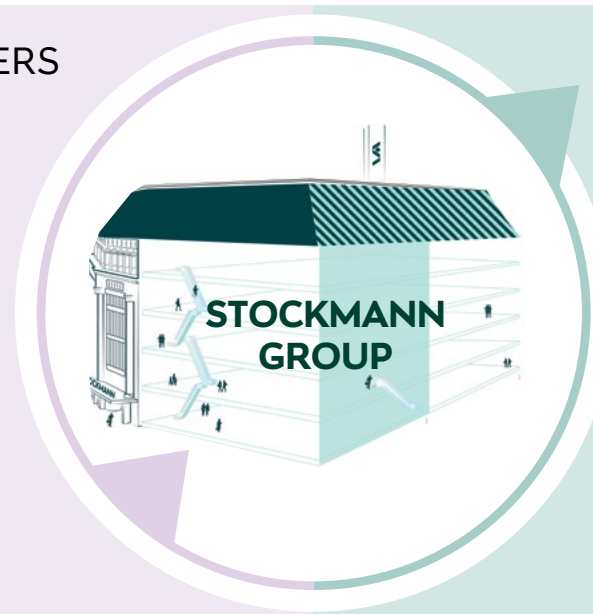
BRAND

PRODUCTS

OMNICHANNEL SERVICES

FINANCIAL RESOURCES
& PROPERTIES

NATURAL RESOURCES



Impacts

CUSTOMERS
Sales excluding VAT, other operating income, financial income

EMPLOYEES
Salaries, wages, pension contributions and other benefits

SOCIETY
Social security payments & taxes

SUPPLIERS & OTHER PARTNERS
Cost of goods, materials & services

INVESTORS & SHAREHOLDERS
Financial expenses

DISTRIBUTION OF ECONOMIC ADDED VALUE TO DIFFERENT STAKEHOLDERS

EUR million		2019	2018*	2017*	2016*	2015*
Producing added value						
Customers	Sales excluding VAT, other operating income, financial income	961.5	1 026.2	1 060.3	1 177.5	1 435.8
Good suppliers and service providers	Cost of goods, materials and services purchased, includes capital goods and paid rents	-630.2	-756.9	-790.5	-864.9	-1 147.6
ADDED VALUE PRODUCED BY STOCKMANN		331.3	269.3	269.8	312.6	288.3
Distribution of added value						
Personnel	Salaries, wages and pension contributions	-178.9	-188.6	-201.6	-233.0	-281.9
Shareholders	Dividends	0.0	0.0	0.0	0.0	0.0
Investors	Financial expenses	-53.7	-35.3	-31.8	-23.9	-22.1
Public sector	Other social security payments, taxes	-47.1	-37.6	-53.2	-50.1	-54.7
DISTRIBUTED TO STAKEHOLDERS IN TOTAL		-279.8	-261.4	-286.7	-307.0	-358.7
Retained in the company to develop operations		51.6	7.9	-16.9	5.6	-70.4

* Continuing operations

Stockmann Delicatessen operations has been reported as discontinued operations in 2018 and 2017, the comparison year 2016 has been restated. The department store business in Russia has been reported as discontinued operations in 2016 and 2015.



CHARITY COOPERATION

As part of its CSR work, Stockmann may make donations to non-profit public benefit organisations that fund education, culture, research and other social projects in the countries where Stockmann operates. Charity work is guided by the company's donation policy. The Group's business units may also support non-profit projects of public benefit organisations as part of their commercial campaigns and activities. **Read more.**

STOCKMANN

- In fall 2019, Stockmann launched the renewed loyal customer program, MyStockmann, in Finland. The renewed program includes ongoing charity collaboration. As part of the program, Stockmann annually donates a sum based on loyal customer progress to the charity organisations Plan International Finland, WWF Finland, and Hope ry. The donated sum for 2019 was nearly EUR 15 000.
- The department store in Riga continued its charity campaign to reduce the use of plastic shopping bags together with WWF Latvia, donating funds to the Baltic Sea protection work.
- Stockmann.com and stockmangroup.com frontpages were given for the use of Red Cross during the Hunger Day fundraising.
- Stockmann, together with Save the Children, organised a charity campaign at Stockmann department stores in Finland during the Christmas season. In collaboration with our customers, we donated approximately EUR 25 800 to support the studies and hobbies

of Finnish children. In addition, Stockmann took part in a campaign organised by Senior Care for Seniors Living at Home (Kotona Asuen Seniorihoiva), encouraging customers to buy Christmas flowers for lonely elderly people. With the help of the campaign, the organisation delivered nearly 1,700 flower donations purchased from Stockmann department stores to surprise seniors.

- During the Christmas season, a small paper Christmas tree was given to customers in the Riga department store for every purchase that exceeded EUR 100. In the spring, the department store, together with a local organization "Latvijas valsts meži" (Latvian forests), will plant as many trees as paper Christmas trees were given.

LINDEX

- Lindex is one of the main partners of the Pink Ribbon Project. In the 2019 campaign, Lindex, together with its customers, donated approximately EUR 1 million to support cancer research. Since 2003, Lindex's campaigns have collected a total of nearly EUR 14.8 million for the campaign.
- Lindex highlighted WaterAid's important work to empower women all over the world on International Women's Day. Lindex donated EUR 136 486 of the sales from March 8, 2019, to WaterAid and their work in increasing access to clean water, sanitation and improved hygiene in the world's poorest communities.
- Lindex charge for shopping bags on all own markets and the surplus from the sales of

bags are donated to causes that drive sustainable development. In 2019, over EUR 300 000 was donated to finance the joint project with WaterAid in Bangladesh and to support CottonConnect's project 'Women in Cotton'.

- In Lindex's round-up campaigns, customers were invited to round-up their purchases with an amount of their choice. With the 2019 campaigns, over EUR 100 000 was donated to WaterAid and School of Hope in Bangladesh.

CORPORATE GOVERNANCE

The principles guiding Stockmann's operations are described at the beginning of this review, in the section 'CSR approach'.

GRIEVANCE MECHANISMS

Stockmann Group uses a group-wide whistleblowing reporting channel, which is provided by an external partner. The channel is a tool for Stockmann's own employees, as well as for business partners and other stakeholders, to anonymously report any suspected or detected violations of the Code of Conduct or other corporate policies using the channel. Stockmann's employees also have the possibility to report any suspicions to their supervisor, their unit's security manager, the company management, the legal department, or the Group's Internal Audit. All whistleblowing reports and discussions are treated seriously and

handled confidentially. All incidents are reported to the Head of Internal Audit and to the Director of Legal Affairs. In 2019, no severe incidents were reported through the channel.

CSR ORGANISATION

Stockmann's CSR Steering Group, whose Chairman is Jukka Naulapää, Director of Legal Affairs, is responsible for steering, developing and monitoring CSR within the Stockmann Group.

STOCKMANN

The CSR Steering Group approves guidelines, sets CSR ambition and defines CSR projects which are implemented with the help of normal management systems. The CSR strategy is developed and followed up in the Steering Group and approved by the Stockmann Management Team. Separate working groups are set up as necessary to prepare or implement the issues or decisions that have been dealt with by the CSR Steering Group. Stockmann's Communications and CSR function is responsible for development, coordination and reporting of the Group's CSR activities.

LINDEX

Lindex Management Group is responsible for the overall sustainability direction, goals and strategies with support from the Corporate Sustainability Team. The Corporate Sustainability Team has overall responsibility for developing sustainability at Lindex and the team works closely together with the Production Sustainability Teams. Each



department and country organisation develops its sustainability work in alignment with the direction, goals and strategies decided by the Management Group. Lindex Corporate Communications Team is responsible for sustainability communication and reporting.

HUMAN RIGHTS ASSESSMENT



The Stockmann Group respects and promotes all human rights, as defined in the Code of Conduct and the supplementary Human

Rights principles. Most of the Stockmann Group's own employees work in countries classified by the amfori BSCI as low-risk countries for human rights violations.

In 2019, we continued the due diligence project where we study the fulfilment of human rights in Lindex sales and franchise countries and human rights assessment with our key stakeholders. The project is planned to be finished in 2020. Human rights assessment in the supply chain is discussed in section 'Supplier Assessment for Labour Practices and Human Rights' and on the Stockmann Group website.



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ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR



Stockmann strives to carry out transparent and responsible operations. Stockmann's policies relating to anti-corruption and

anti-competitive behaviour are included in the Stockmann Code of Conduct and further specified in the Stockmann anti-corruption policy. Both are available on the Group website.

Stockmann's employees and management must act in the best interests of the company and in a manner that avoids conflicts of interest. For years already, Stockmann personnel has been instructed on Stockmann policies regarding the acceptance of samples, gifts, travel expenses or other monetary benefits, especially from suppliers, through the Employee Discount Rules.

Likewise, the Lindex Ethical Policy has provided a foundation for counteracting all forms of corruption at Lindex. It has been applied in all countries of operation and all suppliers are informed of this before entering into cooperation. For example, our suppliers are not permitted to give any gifts, other than ordinary courtesy corporate gifts, or any other benefits to individual employees.

Stockmann is a founding member of Transparency Suomi ry, the Finnish chapter of Transparency International, an organisation operating in 90 countries that works to combat international bribery and corruption.

CORRUPTION RISK ASSESSMENT

The Group's international operations pose challenges for resolute anti-corruption action. Anti-corruption policies are included in the Stockmann Supplier Code of Conduct, Lindex Code of Conduct and amfori BSCI Code of Conduct, which are implemented in our own brands' supply chain.

The Board of Directors has approved the company's risk management policies, which concern all of the Stockmann Group's divisions and areas of business. The functionality of internal control is monitored by the Internal Audit, which operates as an independent unit under the CEO and reports its observations to the Board Audit Committee. Stockmann's Board of Directors and the Group Management Team regularly evaluate the risk factors to which business operations are exposed and the sufficiency of risk management actions, as a part of the strategy process. Risk management is supported by internal control systems and guidelines. Risk management guidelines have been drawn up separately for the following areas, among others: ICT and information security, finance operations, environmental issues, misconduct, security and insurance. The divisions' respective management is responsible for making financial and strategic plans in their own units and for analysing business risks and evaluating actions, as a part of strategic planning. Business risks are also analysed outside the strategic process and reported to the Board of Directors as needed. Unethical business practices among

Stockmann's employees or various stakeholders could cause reputational damage for Stockmann as well as a possible financial impact. In 2019, there were no confirmed cases of corruption and Stockmann was not informed of any corruption-related lawsuits against the Group.

COMMUNICATION AND TRAINING ON CODE OF CONDUCT

Employees are trained in matters related to the Code of Conduct and encouraged to contact their supervisor if the best course of action is unclear. The Group's Code of Conduct is published on the Group website and communicated internally via the intranet. Stockmann continued the roll-out of the CoC e-learning programme. At the end of 2019, 70% (59) of Stockmann's personnel in Finland and 71% of personnel in Latvia had completed the training. Of the members in the Stockmann support functions and department store management teams, 75% (94) had completed the training. The long-term target is for 100% of the Group's personnel to have completed the training.



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The company's risk management, risk factors and internal control systems are explained in more detail in the 2019 Corporate Governance review at year2019.stockmanngroup.com



GRI CONTENT INDEX

Disclosure number	GRI content	Location (page in CSR review)	Additional information or omissions
GENERAL STANDARD DISCLOSURES			
102-1	Name of the organisation	GRI content index	Stockmann Oyj Abp
102-2	Activities, brands, products, and services	Stockmann Group in brief (3), Stakeholder Engagement (10), Inspiration for responsible choices (11-20)	The origin, production conditions and health impact of products are a topic of public discussion. Topics raised by our stakeholders are presented in section 'Stakeholder Engagement' and the relevant section of this review. For example materials of animal origin are dealt with in the Group's product guidelines http://www.stockmanngroup.com/en/product-guidelines .
102-3	Location of headquarters	Stockmann Group in brief (3)	Helsinki, Finland
102-4	Location of operations	Stockmann Group in brief (3), Inspiration for responsible choices (11-20), GRI content index: disclosure number 102-6	
102-5	Ownership and legal form	"Our year 2019" Business Review, Financial Review 2019	
102-6	Markets served	Stockmann Group in brief (3), GRI content index	Stockmann: in total 8 department stores and 3 properties in Finland, Estonia and Latvia. Stockmann has made a licensing agreement concerning the use of the Stockmann brand in Russia until 2023. Reviva Holding Limited's subsidiary AO Stockmann Reviva has been responsible for the Stockmann department stores' operations in Russia since 1 February 2016. The sale of Stockmann's Nevsky Centre shopping centre in Russia was completed in January 2019. Stockmann's online shop available in Finland and additionally in Estonia during Crazy Days campaign. Lindex: In 2019, Lindex had 464 fashion stores. 424 own stores were located in 10 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland, UK. 41 franchise stores were located in 9 countries: Saudi Arabia, Bosnia Herze-Govina, Serbia, Iceland, Kosovo, Albania, Qatar, Tunisia, Denmark. Lindex online shop available in 31 countries: Austria, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Sweden, Tunisia, United Kingdom. In addition, Lindex's products are sold in the online stores of Asos, Bootz, Nelly and Zalando.
102-7	Scale of the organisation	"Our year 2019" Business Review	
102-8	Information on employees and other workers	Responsible work community (27-34)	
102-9	Supply chain	Inspiration for responsible choices (11-20)	
102-10	Significant changes to the organisation and its supply chain	Financial Review / Report by the Board of Directors, Inspiration for responsible choices (11-20), GRI content index	The sale of Stockmann's Nevsky Centre shopping centre in Russia was completed in January 2019. The Stockmann Retail and Real Estate divisions as well the Group's shared functions was combined into a new division, Stockmann, as of 1 July 2019. The Group's reporting segments are Lindex and Stockmann.
102-11	Precautionary Principle or approach	Report by the Bord of Directors, Corporate Governance Review	
102-12	External initiatives	Our approach 5-10), Sustainable business approach (35-39)	
102-13	Membership of associations	stockmanngroup.com	http://www.stockmanngroup.com/en/activities-in-organisations
Strategy			
102-14	Statement from senior decision-maker	"Our year 2019" Business Review	
102-16	Values, principles, standards, and norms of behaviour	Our approach (5-10), Sustainable business approach (35-39)	



Disclosure number	GRI content	Location (page in CSR review)	Additional information or omissions
102-17	Mechanisms for advice and concerns about ethics	Sustainable business approach (35-39)	Stockmann Group uses a group-wide whistleblowing reporting channel, which is provided by an external partner. The channel is a tool for Stockmann's own employees, as well as for business partners and other stakeholders, to anonymously report any suspected or detected violations of the Code of Conduct or other corporate policies using the channel. Whistleblowing service and its instructions are available at http://www.stockmanngroup.com/en/code-of-conduct
Governance			
102-18	Governance structure	Corporate Governance review, Sustainable business approach (35-39)	
102-21	Consulting stakeholders on economic, environmental, and social topics	Reporting principles and materiality (9), Stakeholder engagement (10)	
102-22	Composition of the highest governance body and its committees	Corporate Governance review	
102-23	Chair of the highest governance body	Corporate Governance review	
102-24	Nominating and selecting the highest governance body	Corporate Governance review	
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement (10)	
102-41	Collective bargaining agreements	Responsible work community (31)	
102-42	Identifying and selecting stakeholders	Reporting principles and materiality (9), Stakeholder engagement (10)	
102-43	Approach to stakeholder engagement	Reporting principles and materiality (9), Stakeholder engagement (10)	
102-44	Key topics and concerns raised	Reporting principles and materiality (9), Stakeholder engagement (10)	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Financial review, Notes to the Consolidated Financial Statements	All the annual reviews are available at year2019.stockmanngroup.com .
102-46	Defining report content and topic Boundaries	Reporting principles and materiality (9)	
102-47	List of material topics	Reporting principles and materiality (9)	
102-48	Restatements of information	GRI content index	Changes are reported in connection with relevant performance indicators.
102-49	Changes in reporting	Reporting principles and materiality (9)	Changes are reported in connection with relevant performance indicators.
102-50	Reporting period	GRI content index	The reporting period for the review is the financial year from 1 January to 31 December 2019.
102-51	Date of most recent report	GRI content index	The previous report, covering the year 2018, was published on 27th of February, 2019.
102-52	Reporting cycle	GRI content index	Annual
102-53	Contact point for questions regarding the report	GRI content index	csr@stockmann.com
102-54	Claims of reporting in accordance with the GRI Standards	About the review (2), GRI content index	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	GRI content index	
102-56	External assurance	GRI content index	The report has not been reviewed in full by a third party. Financial indicators, which are presented in the financial statements, are assured by authorised public accountants.
MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary	Reporting principles and materiality (9)	
103-2	The management approach and its components	GRI content index	The management approach is presented in connection with each material topic



Disclosure number	GRI content	Location (page in CSR review)	Additional information or omissions
103-3	Evaluation of the management approach	GRI content index	Evaluation of the management approach is continuous activity. Based on the evaluation, changes are made to practices in day-to-day management, as part of annual planning, as well as strategic planning. Based on the evaluation, changes have been made to management methods, for example, in connection with organizational changes.
TOPIC SPECIFIC CONTENT			
Topic specific content is reported regarding aspects identified as material.			
Economic impacts			
201	Economic performance	Sustainable business approach (35-39)	The management approach is described in the section 'Sustainable business approach'.
201-1	Direct economic value generated and distributed	Sustainable business approach (35-39), Responsible work community (31)	
204	Procurement practices	Inspiration fo responsible choices (11-20)	The management approach is described in the section 'Inspiration fo responsible choices'.
204-1	Proportion of spending on local suppliers	Not reported	The aspect is defined material but the indicator is not suitable. Information on Procurement practices is provided in section 'Inspiration for responsible choices'. List of Stockmann's own brands suppliers and procuders is available at http://www.stockmanngroup.com/en/supplier-and-factory-list and factories used by Index for manufacturing, processing and tier 2 can be found at https://about.index.com/sustainability/how-we-work/suppliers-and-factories/
205	Anti-corruption	Sustainable business approach (35-39)	The management approach is described in the section 'Sustainable business approach'.
205-2	Communication and training about anti-corruption policies and procedures	Sustainable business approach (35-39)	
205-3	Confirmed incidents of corruption and actions taken	Sustainable business approach (35-39)	
206	Anti-competitive behaviour	Sustainable business approach (35-39)	The management approach is described in the section 'Sustainable business approach'.
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainable business approach (35-39)	There were no legal actions or fines for anti-competitive behaviour, anti-trust, or monopoly practices or their outcomes in 2019.
Environmental impacts		Environment	
301	Materials	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration fo responsible choices'.
301-3	Reclaimed products and their packaging materials	GRI content index	The aspect is defined material but the suggested indicator is not suitable. Information on the fullfilmmnt of producer responsibility and regarding opportunities to recycle for customers is provided in section' Inspiration for responsible choices', chapter 'services to support a responsible lifestyle (page 13).
302	Energy	Sustainable shopping enviroment (21-26)	The management approach is described in the section 'Sustainable shopping enviroment'.
302-1	Energy consumption within the organisation	Sustainable shopping enviroment (21-26)	Figures include energy consumption in owned and leased properties/premises.
302-2	Energy consumption outside the organisation	Sustainable shopping enviroment (21-26)	A limited amount of data is collected on energy consumption outside the organisation for disclosure 305-3.
303	Water and effluents	Our approach (5-10), Inspiration for responsible choices (11-20), Sustainable shopping enviroment (21-26), GRI content index	The aspect is not defined material. The management approach is described in the sections 'Our approach', 'Sustainable shopping environment' and 'Inspiration for responsible choices'. Water Consumption in Own Activity Waste water is covered in the section 'Sustainable shopping environment' in the chapter 'Effluents and waste'. The wastewater from operations goes into the municipal sewer systems. The company has no emissions into the water system. Water is not recycled or reused in the operations. Indirect Water Consumption Use of water in our supply chain is explained in the section 'Inspiration for responsible choices' in the chapter 'Supplier Assessment for environmental practices' (page 20). Our indirect impacts also include water use in the usage phase, such as washing clothes at home. This topic is discussed in the section 'Inspiration for responsible choices' in the chapter 'Services to support a responsible lifestyle' (page 13).
303-3	Water withdrawal	Sustainable shopping enviroment (23)	
304	Biodiversity	Not reported	"The aspect is not defined material. The company's department stores and stores are located in areas zoned as commercial properties. As commercial functions are not located in conservation areas or other areas rich in terms of biodiversity, the Group's impacts on biodiversity are low."



Disclosure number	GRI content	Location (page in CSR review)	Additional information or omissions
305	Emissions	Sustainable shopping environment (21-26)	The management approach is described in the section 'Sustainable shopping environment'.
305-1	Direct (Scope 1) GHG emissions	Sustainable shopping environment (21-26)	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainable shopping environment (21-26)	
305-3	Other indirect (Scope 3) GHG emissions	Sustainable shopping environment (21-26)	Indirect scope 3 emissions are presented where relevant: the biggest such can be attributed to logistics and waste.
306	Effluents and waste	Sustainable shopping environment (21-26)	The management approach is described in the section 'Sustainable shopping environment'.
306-2	Waste by type and disposal method	Sustainable shopping environment (21-26)	
Social impacts			
401	Employment	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
401-1	New employee hires and employee turnover	Responsible work community (27-34)	Not reported by gender or age group, information not available.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible work community (27-34)	Benefits exceeding the statutory level have not been reported in detail. Practices vary between operating countries.
402	Labour/Management relations	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
402-1	Minimum notice periods regarding operational changes	GRI content index	Stockmann operates according to the notice periods specified in local labour legislation in all its operating countries. In Finland, the notice period is between two weeks and six months, depending on the duration of the employment relationship. In Sweden, the minimum is between one week to several months, depending on the duration of the employment relationship and nature of changes. Minimum notice periods regarding operational changes have not been defined in retail sector collective bargaining agreements.
403	Occupational health and safety	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
403-3	Occupational health services	Responsible work community (27-34)	
403-9	Work-related injuries	Responsible work community (27-34)	In 2019 there were no fatalities as a result of work-related injury and no high-consequence work-related injuries.
404	Training and education	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
404-1	Average hours of training per year per employee	Responsible work community (27-34)	Reported partially. Information about training hours at Stockmann could not be collected for 2019. At Index, training hours per employee for store personnel was 9 hours (8 hours). Training hours for personnel in the Head Offices and Production offices has not been collected in equal detail. Information about training by gender is not available.
404-3	Percentage of employees receiving regular performance and career development reviews	Responsible work community (27-34)	Reported partially. Information about performance reviews at Stockmann could not be collected for 2019.
405	Diversity and equal opportunity	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
405-1	Diversity of governance bodies and employees	Responsible work community (27-34)	Comparison figures are in part inadequate. Information on minority group membership is not collected, as this is not permitted under Finnish legislation. Employees according to employee category not reported. The aim is to report the information in the future.
405-2	Ratio of basic salary and remuneration of women to men	Responsible work community (27-34)	
406	Non-discrimination	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
406-1	Incidents of discrimination and corrective actions taken	Responsible work community (27-34)	
407	Freedom of association and collective bargaining	Responsible work community (27-34)	The management approach is described in the section 'Responsible work community'.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible work community (27-34)	Most of the Stockmann Group's own employees work in countries classified by the amfori BSCI as low-risk countries for human rights violations. The fulfillment of freedom of association in the supply chain is monitored through own audits and those made by a third party.
412	Human rights assessment	Sustainable business approach (35-39)	The management approach is described in the section 'Sustainable business approach'.



Disclosure number	GRI content	Location (page in CSR review)	Additional information or omissions
412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainable business approach (35-39)	
412-2	Employee training on human rights policies or procedures	Sustainable business approach (35-39)	
414	Supplier social assessment	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration for responsible choices'.
414-1	New suppliers that were screened using social criteria	Inspiration for responsible choices (11-20)	
414-2	Negative social impacts in the supply chain and actions taken	Inspiration for responsible choices (11-20)	
415	Public policy	Not reported	The aspect is not defined material.
415-1	Political contributions	GRI content index	Stockmann does not make political contributions or donations to any politicians, political parties or related organizations, either directly or indirectly.
416	Customer health and safety	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration for responsible choices'.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Inspiration for responsible choices (11-20)	
417	Marketing and labelling	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration for responsible choices'.
417-2	Incidents of non-compliance concerning product and service information and labelling	Inspiration for responsible choices (11-20)	
417-3	Incidents of non-compliance concerning marketing communications	Inspiration for responsible choices (11-20)	
418	Customer privacy	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration for responsible choices'.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Inspiration for responsible choices (11-20)	
303: Water and effluents and 403: Occupational health and safety, version 2018. All other standards, version 2016.			
	Customer Satisfaction (own topic)	Inspiration for responsible choices (11-20)	The management approach is described in the section 'Inspiration for responsible choices'.
	Net promoter score (NPS), likelihood to recommend service	Inspiration for responsible choices (11-20)	



Aleksanterinkatu 52 B
P.O. BOX 220
FI-00101 Helsinki, Finland
Tel. +358 9 1211
stockmann.com
stockmanngroup.com