



2022

SUSTAINABILITY
STOCKMANN



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FROM THE CEO

The Stockmann Group is committed to the UN's Global Compact initiative. Accordingly, in its business operations, Stockmann Group promotes human rights, labour rights, environmental work and anti-corruption measures. The Stockmann Group reports annually in accordance with the Communication on Progress (CoP) of the Global Compact initiative.

Jari Latvanen
CEO

 The CEO's review is available in the 'Our Year 2022' Business Review.

HOW TO READ THE REPORT

The Stockmann Group's annual reporting consists of five reviews: **'Our Year 2022' Business Review, Financial Review, Corporate Governance Review, Remuneration Report and CSR Review.** The CSR Review presents the themes, goals and progress of both of the Stockmann Group's divisions – Lindex and Stockmann – in accordance with the updated Global Reporting Initiative (GRI) Standards. All of the Group's reports are available in Finnish, Swedish and English at stockmanngroup.com. In addition, the Lindex division's sustainability report is available in full on the Lindex website at lindex.com.

The Group's CSR Review is divided into sections in line with the ESG specification, and the introduction in each section (responsible business operations, environmental responsibility, social responsibility) discusses the key measures in that area from the perspectives of progress, challenges and development. Stockmann has developed its sustainability reporting in line with changes in the sustainability frameworks and GRI reporting principles, as well as the

expectations of our stakeholders. The development of reporting will continue in the coming years, taking into account the changes brought by the upcoming Corporate Sustainability Reporting Directive (CSRD). As part of the corporate restructuring programme confirmed on 9 February 2021, Lindex's business operations will continue as an integral part of the Stockmann Group. This has also been taken into account in the reporting, and the Lindex division's sustainability aspects have been integrated into the Stockmann Group's sustainability report. The report presents environmental aspects, the social aspects of the supply chain, financial responsibility and good governance as consistently as possible, taking into account the differences between the divisions. In the section concerning the personnel, the focus is on the Stockmann division, where wellbeing at work and competence development have been identified as key themes. When talking about group-level topics the term Stockmann Group is used, and when talking about divisions, the terms Lindex and Stockmann are used.



OUR SUSTAINABILITY WORK

TO THE READER

In 2022, we in the Stockmann Group focused purposefully on further developing the responsibility of our operations. The year was marked by uncertainty of the operating environment as the COVID-19 pandemic continued to affect consumer behaviour, especially at the beginning of the year. The Russian invasion of Ukraine also affected the operation of organisations, the atmosphere in general and the level of trust. In the Stockmann Group, we discontinued the sale of Russian and Belarusian products and the export of goods to Russia. Towards the end of the year, the energy crisis in Europe and strong inflation reduced consumption and raised the cost level significantly.

The Stockmann Group's strategic priorities support sustainable growth of the responsible business of both divisions. We are committed to fair and responsible business practices as well as Science Based Targets initiatives (SBTi), and this creates a clear framework for development in the coming years, including aiming for zero emissions. With this in mind, we updated the Stockmann Group's carbon dioxide calculation to be even more comprehensive, so that science-based climate targets can be determined for the entire Group during 2023.

In terms of social responsibility, after the restrictions of the pandemic years we were again able to visit our production countries and evaluate the responsibility aspects in our procurement chain. Strong, long-term relationships with our partners support mutual sustainable business development. At the Group level, we also emphasise diversity, equality and inclusion throughout the value chain. The Lindex division has

drawn up a DEI strategy, one of the goals of which is to acquaint the whole personnel with the principles of an inclusive work culture.

In 2023 in the Stockmann Group, we will focus especially on defining science-based climate targets (SBT) and a roadmap to achieve them. We continue to strive to improve profitability, especially in the Stockmann division, and we are supporting Lindex's growth with a significant investment to build a new logistics centre. The goal is sustainable growth, which means that, in business development, we consider the effects of our operations, the sustainability of our selection, the raw materials chosen for manufacturing the products, and the sustainability aspects of the entire supply chain.

We are aware of the challenges in our industry and our operations. Despite having already taken many measures to improve the responsibility and sustainability of our operations, we are not yet at the level that others expect of us and that we demand from ourselves. This is why we are committed to doing our best to promote choices that support sustainable development, reduce negative environmental impacts and strengthen social wellbeing throughout our business. We are on a journey during which we will face various challenges, but where even small actions matter. We continue this journey with determination and are further developing our operations in close cooperation with our stakeholders.

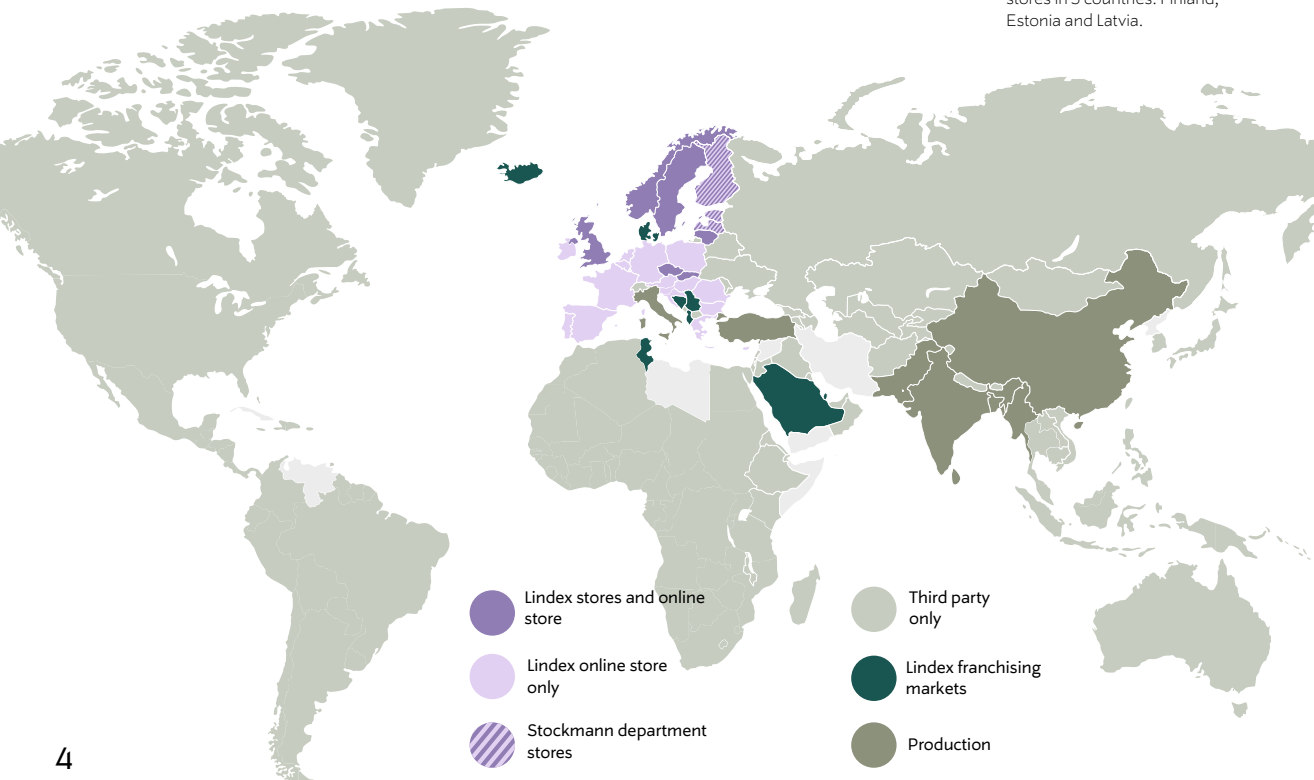
Jari Latvanen

Chief Executive Officer, Stockmann plc



1 STOCKMANN GROUP IN BRIEF

Established in 1862, Stockmann is a Finnish listed company engaging in the retail trade. At the end of 2022, it had 44,289 shareholders and 6,008 (5,833) employees. The Group's operating structure is divided into two divisions: Stockmann and Lindex. The company has 8 department stores and 436 (441) fashion stores in a total of 18 (19) countries. Its head office and joint support functions are located in Helsinki, Finland. The company also has five purchasing offices in the main supplier countries of its own brand garments: Bangladesh, Hong Kong, India, China and Turkey. Stockmann's own brand products are manufactured in Bangladesh, China, India and Turkey.



LINDEX HAS 404 (409) OF ITS OWN STORES IN 9 (9) EUROPEAN COUNTRIES: Finland, Sweden, Norway, Estonia, Latvia, Lithuania, the UK, the Czech Republic and Slovakia.

LINDEX HAS 32 (32) FRANCHISING STORES IN 9 COUNTRIES: Albania, Bosnia and Herzegovina, Iceland, Kosovo, Malta, Serbia, Qatar, Denmark and Tunisia. Lindex's online store is also available in these countries, excluding Albania, Qatar and Saudi Arabia.

LINDEX'S ONLINE STORE IS AVAILABLE IN 34 (34) COUNTRIES. In addition, Lindex's products are sold in the online stores of ASOS, About You, Boozt, Nelly, Next and Zalando.

STOCKMANN has 8 department stores in 3 countries: Finland, Estonia and Latvia.

8

DEPARTMENT STORES

436

FASHION STORES

STORES IN

18

COUNTRIES

2 ONLINE STORES

5 INTERNATIONAL DISTRIBUTION
PARTNERSHIPS



DIVISIONS

The **Lindex division** is a leading European fashion company. It has fashion stores in 18 countries and an online store. Lindex also operates on third-party e-commerce platforms, currently partnering with ASOS, About You, Boozt, Nelly, Zalando and Next. Lindex offers inspiring and affordable fashion for fashion-conscious women and children. The company's main focus areas are women's clothing and lingerie and children's clothing.

Lindex's sustainability promise is based on the company's vision: "Empowering and inspiring women everywhere". Lindex aims to promote sustainability and to commit to empowering women. Lindex offers confident Nordic fashion that inspires and empowers with products that fit women of all shapes and sizes. Lindex's philosophy is that children should be allowed to be children, and this is reflected in the functionality, trendiness and durability of its children's clothing.



The **Stockmann division** offers an extensive selection of premium brands, excellent customer service and inspiring experiences in its department stores and online. The Stockmann division's vision is to be the marketplace for a good life. In line with its CSR promise, Stockmann is working to build a more sustainable and resource-wise future by offering sustainable products of a high quality and services that promote the circular economy. Stockmann engages and encourages customers to make sustainable choices.

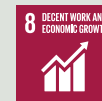


UN SUSTAINABLE DEVELOPMENT GOALS



RESPONSIBLE CONSUMPTION AND PRODUCTION

Corporate social responsibility forms a part of our operations. It is a key element in our supply chain, selections and logistics, and it informs our customers in their purchasing decisions. In addition, we strive to increase the use of more sustainable materials and processes in our own brand selections.



DECENT WORK AND ECONOMIC GROWTH

We act responsibly towards our employees and the people working in our supply chains. We offer our personnel a fair working environment and we aim to guarantee it in our supply chains as well. We strive for 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. Gender equality is at the core of Lindex's Code of Conduct, which was introduced in 2019. Lindex aims to empower women everywhere by creating equal jobs, improving women's self-esteem, encouraging women to value and respect their bodies and motivating them to lead a sustainable lifestyle.



COLLABORATION AND PARTNERSHIPS

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

Our business can make a significant contribution to the goal concerning clean water and sanitation. One of the core aims of Lindex's sustainability promise is to be a responsible company in relation to water use. The company is increasing the efficiency of water consumption throughout its value chain.

2 OUR APPROACH TO SUSTAINABILITY

The Stockmann Group is committed to compliance with the principles of sustainable development. Our sustainability work is guided by the UN Sustainable Development Goals and the Group's sustainability commitments. Each division's CSR strategy is guided by its vision, strategy, values and CSR promise, as well as a materiality analysis based on extensive stakeholder dialogue. Sustainability is a core part of Stockmann Group's operations. It is incorporated in our daily management approach, covering the entire value chain of our operations.

The Stockmann Group is working systematically to achieve its goals for sustainability and further develop its operations. Both its divisions have sustainability strategies that are implemented and monitored actively. As a joint measure, the Stockmann Group has signed the Science Based Targets

initiative (SBTi) to set targets for reducing its carbon dioxide emissions in line with the Paris Agreement. Through the SBTi commitment, Stockmann will enhance its climate action and further develop a low-carbon roadmap to cut emissions and reduce climate risks. Stockmann will determine its science-based climate targets in 2023 in accordance with the schedule of the initiative.

In terms of social responsibility, both of Stockmann's divisions seek to promote and ensure ethical and safe working conditions.

The Stockmann Group's human rights policy lays the foundation for this work, and the Group is committed to the following international principles: the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the UN Global

Compact principles, the amfori BSCI/Sedex Code of Conduct and the International Accord for Health and Safety in the Textile and Garment Industry (replaces the Bangladesh Accord on Fire and Building Safety, which entered into force in 2013). Each partner signs a commitment to comply with Stockmann Group's sustainability principles. Implementation of operating principles is ensured for partner factories by conducting own and third-party audits, factory visits and engaging continuous dialogue.

THE DIVISIONS' SUSTAINABILITY STRATEGIES

Lindex regularly conducts an extensive stakeholder survey, based on which it further develops its sustainability work in line with its targets. Lindex's sustainability promise is based on the company's vision: "Empowering and inspiring women everywhere". The promise is divided into three areas:

LINDEX SUSTAINABILITY STRATEGY

We promise to make a difference for future generations



EMPOWER WOMEN

Female health and wellbeing

Investing and using our business power to improve women's health and wellbeing in the markets and communities where we operate.

Gender inclusive workplaces

Taking the lead in strengthening women's positions and equal rights across our entire value chain, closing gender pay gaps and making sure women have the same opportunities to fulfil their potential as men have.

RESPECT THE PLANET

Climate

Accelerating energy efficiency and transitioning to renewable energy, to reduce our climate impact in line with science in our entire value chain.

Circularity

Transforming our business to create value and growth while decreasing our climate impact, minimising our use of natural resources and impacting consumer behaviour to reduce overconsumption.

Natural resources

Minimising our impact on ecosystems and biodiversity with a responsible and regenerative approach to natural resources.

ENSURE HUMAN RIGHTS

Fair and decent work

Enabling safe and healthy workplaces where labour rights are respected and making sure our whole value chain is progressing within living wage.

Diversity, equity and inclusion

Making sure our whole value chain is free from discrimination and has an inclusive environment where all individuals are treated fairly, with respect and have equal access to opportunities and resources.

Stockmann's new CSR strategy has been updated for 2022–2025, and it is aligned with the customer-centric business strategy, guiding the division towards resource-wise business operations. Resource-wise business operations mean the wise use of all available resources: financial resources, human resources and competence, and the environment and natural resources. The Stockmann's CSR strategy is based on its CSR promise. The targets set determine the future of sustainability work and guide day-to-day operations. The goal is to further increase the range of sustainable materials and products and continue the systematic work to promote sustainability in supply chains. In addition to own brand fashion and home products, customers are offered domestic and international quality brands and services that support sustainable consumption.

As part of the Stockmann's CSR strategy process, an extensive stakeholder survey has been conducted in all of its countries of operation. The results of the materiality analysis will serve as the foundation for shaping the strategy and further developing sustainability work. The targets of the Stockmann division's CSR strategy and the related measures are divided into three priority areas that determine the future direction of sustainability work. Indicators have been set for each target that enable the continuous monitoring of CSR work and the assessment of its progress. These indicators and targets will be assessed and further specified as necessary. Based on the stakeholder survey and materiality analysis, the following three strategic priorities have been identified:



STOCKMANN SUSTAINABILITY STRATEGY 2022–2025

Towards resource- wise retail business

PROFITABLE AND RESPONSIBLE BUSINESS

We ensure profitable, responsible and stable earnings and create added value for all stakeholders by responding to customers' needs, complying with good governance and requirements, and communicating transparently.

- Generating sustainable and stable returns for shareholders through added value for all stakeholders
- Ensuring profitable business operations by responding to customers' needs
- Ensuring transparent communication and good governance

ETHICAL RESPONSIBILITY AND COLLABORATION

We develop and encourage the workplace community towards experiences of meaningful work and continuously develop measures to ensure an equal, diverse and safe workplace community in all our operations and value chain.

- Meaningful customer-centric work
- An equal, diverse, inclusive and safe workplace community
- Ensuring an ethical supply chain

ENVIRONMENTAL SUSTAINABILITY

We actively take new measures to strengthen an environmentally sustainable value chain and support measures to mitigate climate change in all our operations, and increasingly integrate the circular economy into our range of products and services.

- Environmentally sustainable value chain
- Measures to mitigate climate change
- The circular economy as a growing part of our product and service offering

RESOURCE-WISE RETAIL BUSINESS
RESOURCE-WISE RETAIL BUSINESS

3 SUSTAINABILITY MANAGEMENT

The CSR work of the Stockmann Group's divisions is based on the UN Sustainable Development Goals, the Group's sustainability commitments and each division's vision, strategy, values and materiality analysis. The divisions' CSR strategies are regularly reviewed with the Stockmann Group's Board of Directors as part of the business strategy process. In addition, the progress of CSR work as a whole is monitored annually in connection with CSR reporting and more frequently as part of the Board's and its committees' work in terms of financial targets and development projects, for example. Sustainability risks are identified and processed as part of the company's risk management process, which also involves the Board and its Audit Committee. The Stockmann Group's Chief Counsel is responsible for risk management within the Group.

The divisions regularly update their sustainability strategies and conduct a new materiality analysis for each strategy period, once every two or three years on average. The implementation of the strategy as a whole is monitored semi-annually. The achievement of each target is monitored as part of standard business management on a monthly, semi-annual or annual basis, depending on the target, in line with the basic principle determined in 2020. The Board reviews the strategy annually as part of the strategy process, in addition to monitoring the overall implementation of the CSR strategy as part of the annual performance and reporting process at the turn of the year. The Audit Committee and the Board review the key sustainability indicators as part of the Board of Directors' Report, and the Audit Committee and the Board also have access to the Group's corporate social responsibility report.

Integrating sustainability into each division's strategy is teamwork that requires dedication and resources. Taking planetary and human factors into account in all business decisions has been an essential part of Lindex's recent transformation. Director of Sustainability is part of the Lindex

management team and reports directly to the Lindex CEO. Following organisational changes, Stockmann has also set out to build an operating model to promote ownership of sustainable operations throughout the organisation in all countries of operation. The change is headed in the right direction, but it is progressing slowly because of the division's financial situation, the corporate restructuring programme and the transition to a new operating model.

The **Lindex's** Management Team is responsible for the direction, goals and strategy of its sustainability work, with assistance from the Corporate Sustainability Team. Lindex's sustainability work is steered from its head office in Gothenburg.

The Chair of Lindex's Board of Directors is responsible for human rights impacts. Lindex's Director of Sustainability is part of its Management Group and reports directly to the CEO of the division. Supported by the Corporate Sustainability Team, the Director of Sustainability is responsible for the overall direction and strategy of sustainability work. The Sustainability Team ensures that the targets are aligned with science, and that the strategy is based on Lindex's materiality. The team supports the entire organisation in the implementation of the sustainability strategy, is responsible for developing sustainability at Lindex and cooperates closely with the Production Sustainability Teams, which are based at the purchasing offices. Each department and

STOCKMANN GROUP GOVERNANCE STRUCTURE AND SUSTAINABILITY FUNCTIONS

BOARD OF DIRECTORS		STOCKMANN PLC Board of Directors Chair of the Board	
GROUP MANAGEMENT		STOCKMANN GROUP MANAGEMENT TEAM Chair: Chief Executive Officer, Stockmann Group	
BUSINESS UNITS	STOCKMANN DIVISION Leadership Team Chair: Stockmann Division CEO Sustainability representative: Chief People, Communication and CSR Officer	LINDEX DIVISION Management Team Chair: Lindex Division CEO Sustainability representative: Director of Sustainability	
SUSTAINABILITY FUNCTIONS	Stockmann Corporate Sustainability Team Director, Communications, CSR and IR Manager, CSR	Lindex Corporate Sustainability Team Strategic Lead Circularity & Environmental Sustainability Strategic Lead Human Rights & Women's Empowerment	Lindex Regional Sustainability Team Regional Sustainability Manager, East Asia Regional Sustainability Manager, Turkey Regional Sustainability Manager, South Asia

country organisation develops its sustainability work in line with the direction, goals and strategies determined by the Management Group.

Stockmann's Management Team approves the focus areas and goals of the division-level CSR strategy, as well as the measures to be implemented with the help of standard management systems. Stockmann's Communications, CSR and IR function is responsible for definitions of materiality and the CSR strategy, its goals and indicators. Stockmann's

CODE OF CONDUCT

The Stockmann Group's Code of Conduct defines the ways of working for all employees and management staff. Stockmann also requires its suppliers and other partners to comply with the Code of Conduct, which covers the following main themes:

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

This approach is supplemented and further specified by the following:

- Stockmann's Anti-Corruption Policy
- Stockmann's Human Rights Policy

*More about the Stockmann Group policies:
www.stockmanngroup.com/en/code-of-conduct*

Communications, CSR and IR function is also responsible for developing, coordinating and reporting on the Group's sustainability work, together with the company's management and experts within its units.

Since the integration of Stockmann's CSR strategy into the company's business strategy, the units and the Management Team have been responsible for executing the strategy and monitoring its progress. Stockmann's Management Team is also responsible for determining the targets and focus areas of the CSR strategy and managing the strategy. The Management Team monitors the progress of CSR work semi-annually. The practical implementation of sustainability work and the monitoring of its progress take place in the units as part of their day-to-day operations. The Management Team approves guidelines and the sustainability projects, which are implemented with the help of standard management systems. If necessary, Stockmann's Management Team establishes separate working groups to prepare or implement decisions or matters to be processed. In addition, Stockmann's Environmental Management System Steering Group meets regularly and monitors matters related to environmental management in line with the requirements of ISO 14001 certification in all Stockmann's operations in Finland.

GRIEVANCE MECHANISMS

The Stockmann Group uses a group-wide whistleblowing channel provided by an external partner. The channel is a tool for Stockmann's employees, business partners and other stakeholders to anonymously report any suspected or detected violations of the Code of Conduct or other Group policies. Stockmann's employees can also report any suspicions to their supervisor, their unit's security manager, the Group management, the legal department or the Group's Internal Audit. All whistleblowing reports and discussions are taken seriously and processed confidentially. All incidents are reported to Internal Audit and the Chief Counsel, who report their observations to the Board's Audit Committee. Any deviations or unethical practices



can be detrimental to business operations and stakeholder relations, which is why deviations are always taken seriously.

In 2022, one incident was reported through the channel. The incident was related to Lindex and was not associated with corruption. The case was investigated, and the necessary internal reports were prepared. No further action was required. The Stockmann Group's Chief Counsel monitors legal compliance and ethical business practices and starts an internal audit process to address issues if necessary.

4 MATERIALITY AND COOPERATION WITH STAKEHOLDERS

MATERIALITY

The Stockmann Group's CSR review covers the Group's own operations. The company's reporting segments are Stockmann and Lindex. Stockmann's subsidiary Lindex publishes more detailed information about its sustainability work in its sustainability report, which is available at lindex.com. The environmental figures also cover the operations of the Stockmann division's tenants in its department store properties. The supply chain is covered to the extent defined in the materiality analysis. The GRI indicators have been selected based on materiality, and their coverage will be expanded in the coming years. The goal is to report the key indicators at least for Finland and Sweden, which are our main countries of operation in terms of revenue and the number of personnel. Because of differences in reporting practices between the Stockmann Group's units, some of the indicators concerning personnel and the environment are reported only for Finland. The measurement and accounting policies are described in connection with the indicators. The reporting and processes are developed continuously to meet the requirements of changing regulations and the expectations of stakeholders.

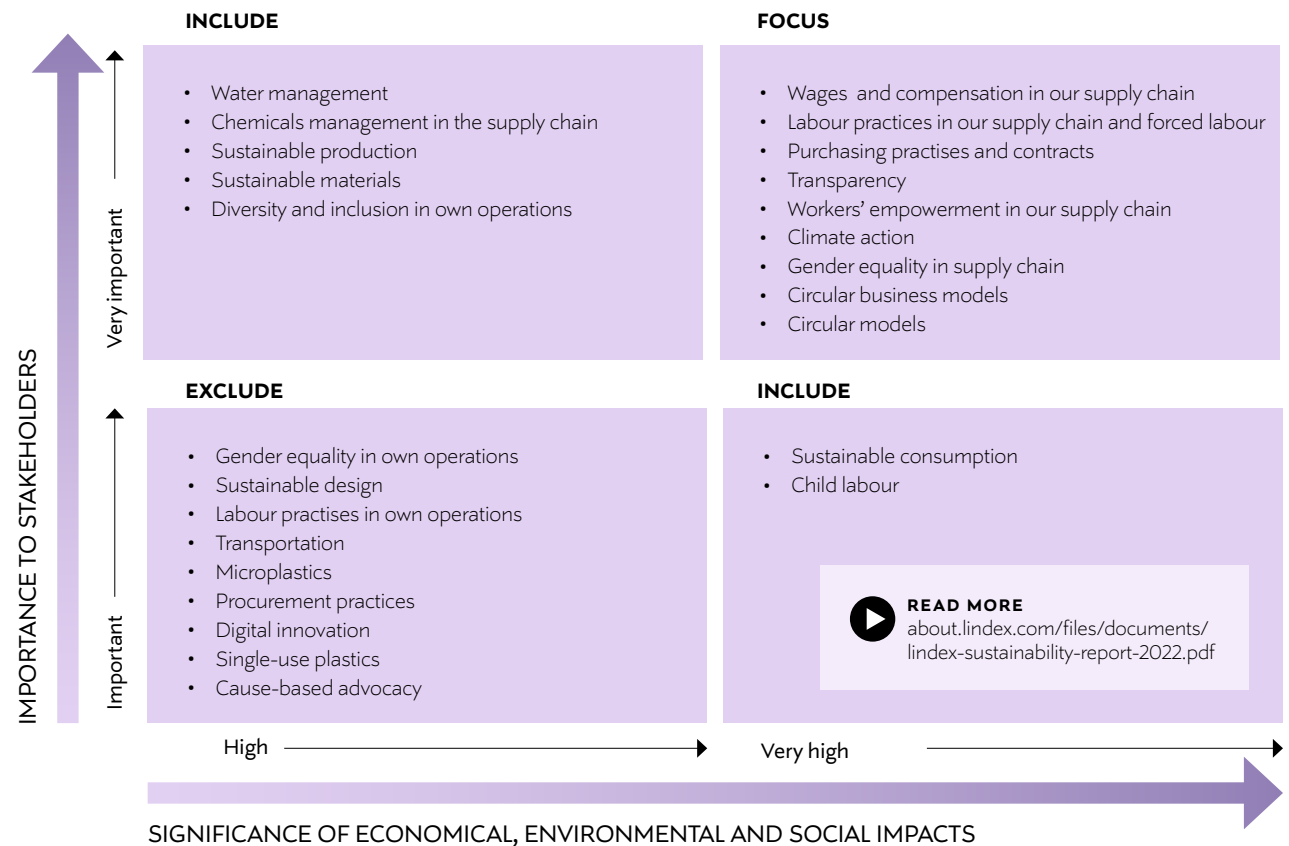
LINDEX

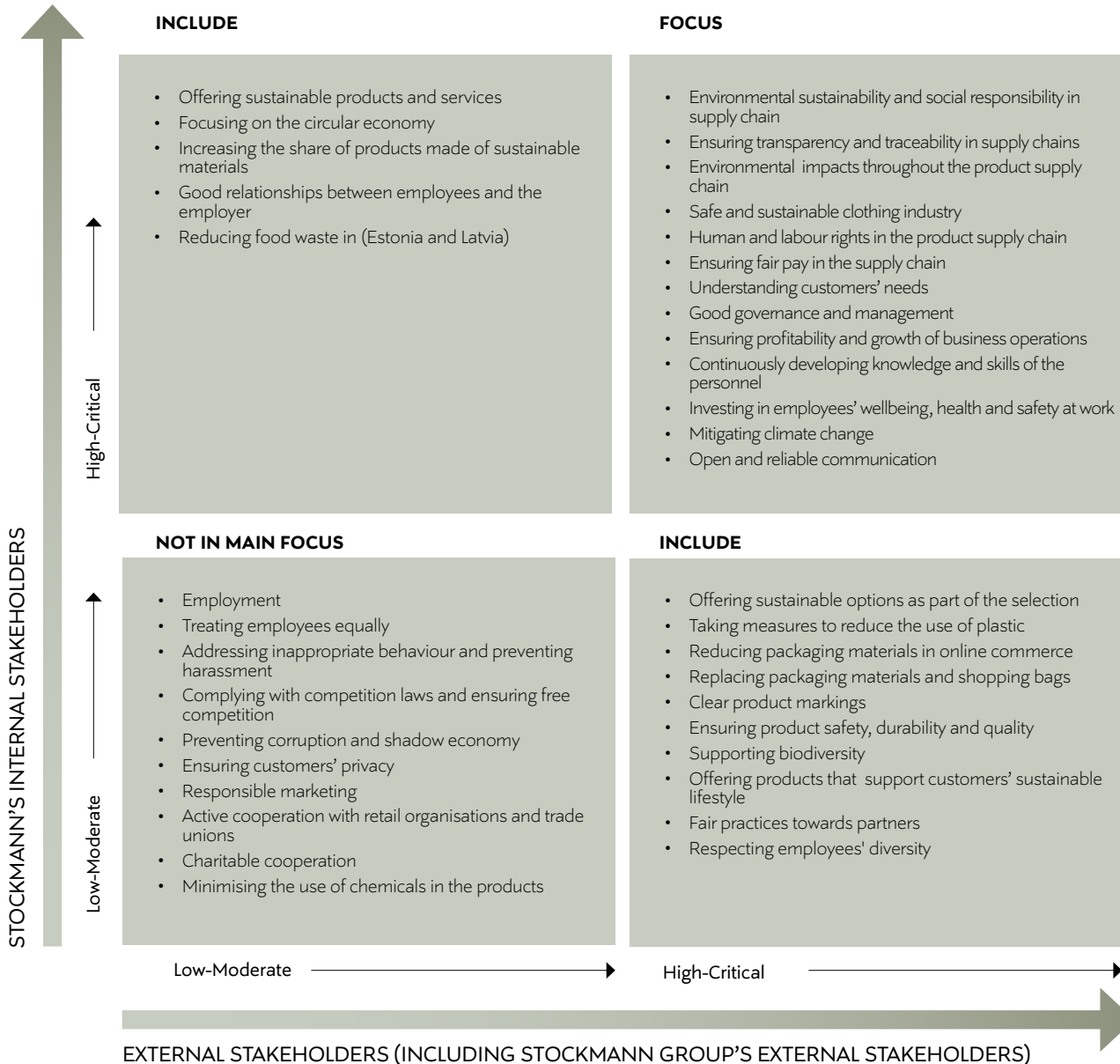
Lindex conducted a comprehensive stakeholder survey in 2021. The aim of the process was to collect feedback from stakeholders on the focus areas of sustainability to make it possible to report Lindex's approach and establish the level of commitment to key topics. Through a survey, interviews and a qualitative feedback channel, representatives of a total of 21 stakeholder groups and 500 customers participated in the feedback process, including the members of Lindex's Board of

Directors and Management Group, franchises, suppliers, customers, researchers and representatives of 16 organisations, from advocacy groups to industry regulators, government agencies, financial companies and trade unions.

The results of the stakeholder materiality analysis have been discussed by Lindex's teams, and the table below summarises the main findings. The topics in the top right-hand quadrant of the table, which indicate the topics that Lindex's stakeholders found most important, are described in detail in Lindex's sustainability report and have also been taken into account in this Group-level report. The items in the top left-hand quadrant and the bottom right-hand quadrant are

included in Lindex's report, but less prominently. To prioritise the most relevant areas of the report, the items in the bottom left-hand quadrant are not highlighted in the report, with the exception of topics that were either very important for the strategy (e.g. sustainable design) or needed to be addressed because of the global context (e.g. transport). The reporting also includes the topic of 'digital innovation', which was perceived to be of growing strategic importance because of the changing digital future scenario, and which the stakeholders felt would be a topical issue in the coming years. More information is available in Lindex's 2022 Sustainability Report, under 'Materiality' in the 'Report background' chapter.





STOCKMANN

As part of the strategy process for CSR work, an extensive stakeholder survey of all stakeholder groups was carried out in all of the countries of operation of Stockmann during 2021. In the first phase, an extensive online survey was carried out among employees, customers, investors, financiers, partners, authorities and organisations to identify stakeholders' views and expectations concerning sustainability work. Almost 1,000 respondents took part in the survey. Based on the results, in-depth interviews with representatives of all the key stakeholders were conducted to gain a more profound understanding. To facilitate operational development at Stockmann, the feedback was supplemented by a consumer survey of both customers and non-customers, with a total of 760 respondents. On this basis, a materiality matrix was created and compared with the company's strategy and operating environment.

This sustainability study was part of the CSR strategy reform process for 2022–2025. Materiality analysis is part of Stockmann's continuous operations. In addition to continuous stakeholder dialogue and market analysis, the development needs and indicators material for reporting were also updated and aligned with the sustainability targets. The results of the materiality analysis will serve as the foundation for shaping the strategy and further developing sustainability work. The priority areas of the CSR strategy were determined based on the stakeholder survey and the materiality analysis.

THE BOARD OF DIRECTORS' APPROVAL PROCESS

As the Stockmann Group does not currently have a common CSR strategy, the views of the Stockmann Group's stakeholders and Board of Directors have been taken into account in the Stockmann division's materiality assessment process. Representatives of the Board of Directors have participated in the materiality assessment based on the results of the Stockmann division's extensive online survey through in-depth interviews, during which the preliminary results have been reviewed and discussed further. Stockmann Group's Board of Directors discussed the divisions' sustainability strategies, focus areas and risks as part of the strategy process in the spring of 2022.

COOPERATION WITH STAKEHOLDERS

Stockmann Group engages in active and continuous dialogue with its stakeholders to strengthen relations and better respond to the expectations and wishes placed on the Group. The Group has identified five key stakeholder groups that most affect and are most affected by its business operations.

STAKEHOLDER GROUP	INTERACTION	KEY INTERESTS AND CONCERNS FOR STAKEHOLDERS IN 2022	RESPONDING TO STAKEHOLDER EXPECTATIONS
CUSTOMERS Customers are a particularly important stakeholder group for the Stockmann Group.	Interaction in department stores, fashion stores and digital marketplaces and at events, customer service (email, phone, chat, social media), customer surveys, development projects and customer panels, marketing communications, loyal customer programme, customer magazine, letters to loyal customers, social media channels, mobile app, press releases and social media influencers.	Customer service and satisfaction, customer privacy protection and health and safety when shopping, materials and chemicals in products, labour practices and salaries in supply chains, animal welfare, online store orders and their packaging and distribution over multiple shipments, sustainable products in the selection, the renewal of Stockmann's loyal customer programme and its benefits, the Russian attack on Ukraine. In addition to these, in Lindex's operations in particular, women and local communities, as well as digital innovation, which is of growing strategic importance in the changing digital landscape.	We developed our operations and renewed our loyal customer programme to better meet our customers' expectations. We improved the sustainability of our selection and adjusted our operations to the coronavirus pandemic situation, offered our employees an opportunity to participate in charitable work in partnerships in 2022, and responded to the Russian attack on Ukraine by immediately withdrawing products of Russian origin from Stockmann's department stores and online store, by suspending exports to Russia and by offering Ukrainians opportunities to work in all the Stockmann divisions' countries of operation and showing our support in department stores and social media channels. In 2022, we carried out a sustainability survey of the Stockmann division's customers to improve our operations.
PERSONNEL Stockmann Group values its personnel and their commitment to the company. The focus is on continuously improving the working environment and developing interaction with employees.	Performance and development discussions, personnel surveys, Employees' Councils, codetermination, change negotiations, staff events, workshops, intranet, Teams.	Employee wellbeing and safety, coping at work; continuous learning, professional and career development, caring about the staff, increasing DEI awareness (diversity, equality, inclusion), modern collaboration platforms and communication channels, environmental aspects, sustainable products in the selection, textile recycling, materials, production processes, circular economy, water management in the supply chain; animal welfare, impacts of the Russian attack on Ukraine.	In both divisions, the personnel participated in the development of operations in a variety of ways as part of continuous dialogue and development projects. Stockmann redesigned its operating model and worked on development proposals in all teams and in separate workshops. In addition, the personnel were heard through personnel surveys and other internal communication channels, such as teamwork platforms on Teams. The personnel provided Ukrainians with guidance on their tasks and had the opportunity to show their support to Ukrainians by wearing the Ukrainian flag or a similar symbol on their work uniform.
SHAREHOLDERS AND INVESTORS Stockmann Group aims to be an attractive and sought-after investment in the capital markets.	Stock exchange releases, press releases, financial reviews, annual reporting, Group website, webcasts, regular investor relations meetings, Annual General Meeting, surveys and social media channels.	Financial performance and ability to change the course of the company, execution of the strategy and the corporate restructuring programme, share price performance, payment of dividends, sustainability of business operations, ESG ratings, customer and employee satisfaction.	We communicate openly and transparently with stakeholders. We participated in the Carbon Disclosure Project (CDP) and CoP, for example, and responded to numerous sustainability and ESG surveys.
SUPPLIERS AND SERVICE PROVIDERS They play a key role in our sustainability work and the continuous improvement of our production. All suppliers are expected to follow the Stockmann Group's Code of Conduct.	Meetings, negotiations, workshops, cooperation projects and campaigns, factory visits and inspections, website, supplier surveys.	Developing the selection together with suppliers and service providers, implementing sustainability targets and initiatives in business operations, raising sustainability topics, materials, production processes, labour practices, transparency, improving women's position, water management.	We engaged in active dialogue with our purchasing offices and service providers to take our goods suppliers' situation and safety into consideration. Lindex introduced the WE Women toolkit to improve gender equality and inclusion in its supply chain.
AUTHORITIES AND ORGANISATIONS We collaborate and engage in continuous dialogue with the authorities and organisations to develop our business operations.	Activities in organisations, collaboration, projects, cooperation meetings, responding to surveys, charitable work, website, annual reporting.	Environmental and human rights risks in the supply chain, supply chain management and transparency, human rights due diligence law proposal, design and procurement practices, production processes, work practices in our own operations, combating climate change and GHG emissions in the value chain, animal welfare, use of plastics, the circular economy, compliance with regulations and guidelines.	We responded to surveys, gave interviews and continued our dialogue with the authorities and organisations. We participated in several charity campaigns.

5 CSR HIGHLIGHTS 2022

In 2022, the Stockmann Group systematically promoted sustainability work in line with the goals of the divisions. The Group's carbon dioxide calculation was revised during 2022 to meet the SBTi requirements so that the calculation covers all the key areas of the Group's operations. Processes are developed accordingly, and attention is paid to the quality and verifiability of the data collected, taking into account future regulatory changes.

Lindex introduced **Female Engineering**, a new brand offering innovative science-based underwear that can be worn again and again. The underwear is manufactured by carefully selected, highly efficient production partners. In addition, Lindex retains a majority stake in Spacerpad AB, which aims to bring its innovative and reusable products to low-income countries, and to enable as many girls and women as possible to overcome menstrual poverty.

Lindex expanded its children's second-hand pilots to online and pop-up stores. As part of the Sodra pilot and its commitment to the circular economy, Lindex reserved 250 tonnes of OnceMore®, a material made from post-consumer textile waste, combined with materials from responsibly managed forests. Around one million garments are made in this way. Lindex has replaced all the materials used in transport and sales packaging with 100 per cent recycled and recyclable materials.

In cooperation with **WaterAid**, Lindex has built and renovated 20 improved sanitation facilities in the communities of clothing manufacturing workers and their families.



Lindex's WE Women management system programme has been introduced in Bangladesh, India and Turkey. This made it possible to reach an additional 3,000 people, of whom 1,900 are women, in eight factories.

Together with its customers, Lindex has donated EUR 19.3 million to cancer research in cooperation with the Pink Ribbon campaign and Cancer Foundation.



As a fashion and department store operator, **Stockmann** plays a key role in promoting sustainable consumption and operating models that support the circular economy, and can thus have a positive impact on change through its operations. Stockmann focuses on high product quality throughout its selection and on creating sustainable style for the customer, meaning that the life cycles of products are as long as possible.

For many years, responsible and sustainable materials and options in the Stockmann product and service selection have been a key design principle for its own brands and the selection as a whole. In the future, Stockmann will increasingly invest in product selections and services that support the circular economy. The goal is to increase the selection of sustainably manufactured products and further develop own brand collections to meet customers' expectations and changing requirements.

Sustainably produced high-quality materials that are long-lasting and endure maintenance are used in the collections. In addition to a customer focus and high-quality materials, the design of Stockmann's own products takes into account material efficiency and product maintenance and reparability, which contribute to extending the product's service life, among other aspects. The recyclability of products is taken into account in the design so that different materials can be separated to produce new raw materials or to be reused. In addition, in its department stores, Stockmann invests in extending the life cycles of products by providing repair, laundry and shoe repair services, as well as personal fashion services to create sustainable style for the customer.

In 2022, the Stockmann department stores added several new collections to their selections that take into account sustainable values. Such collections are in growing demand among customers. These include brands that take into account different aspects of sustainability in their operations and in the manufacturing of their products. There are also new brands in natural cosmetics and locally manufactured products that focus on sustainable production

and use of materials, including refillable and recyclable packaging and raw materials from industrial sidestreams.

The circular economy is playing an increasingly important role in Stockmann's sustainable business operations. **The pilot project on recycling end-of-life textiles**, which was launched in cooperation with Helsinki Region Environmental Services (HSY) in January 2022, is a concrete step in promoting the circular economy. In addition to promoting environmental responsibility and resource efficiency, the pilot supports the Finnish circular economy. The discarded textiles collected from the four Stockmann department stores in the Helsinki metropolitan area are processed and recycled in Finland. After pretreatment, the recoverable textiles are delivered to Northern Europe's largest processing plant for end-of-life textiles, which



is located in Paimio, Finland. During 2022, 29,634 kilograms of end-of-life textiles were collected in Stockmann department stores. This pilot project has been well received by Stockmann's customers and will continue in the four department stores. A similar collection of end-of-life textiles will take place in Stockmann's Turku department store in the first quarter of 2023. Negotiations are also in progress with a local operator in Tampere.

In December 2022, as part of Stockmann's fashion strategy, a Relove second-hand store was opened in the Stockmann department store in Tampere, making recycled fashion more accessible to everyone. Relove has been operating in the Stockmann department store in Helsinki city centre for a year, and has gained popularity among customers as a high-quality provider of recycled fashion.

Stockmann has been selected to participate in the **Circular Design – a path towards the circular economy** training programme, the first of its kind for companies in Finland. Stockmann aims to further develop its operating model and product and service design towards the circular economy. The programme will be implemented by Design Forum Finland and the Finnish Ministry of the Environment, among other parties. The programme will be implemented during 2023 as part of Finland's national circular economy programme.



SUSTAINABLE BUSINESS OPERATIONS

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



The Stockmann Group does not have any factories or production plants of its own. Its own brand products are produced by contract manufacturers. These operations have environmental and social impacts in the contract manufacturers' countries and the countries where the raw materials are produced. Close cooperation with partners improves quality and transparency and increases sustainability expertise throughout the supply chain. Attention is paid to several factors when selecting suppliers. The most important criteria are the needs of the Stockmann Group's customers, suppliers' know-how and ability to deliver, quality and price, sustainability in terms of working conditions and environmental aspects in particular, and the potential for long-term cooperation. All factories must fulfil the Stockmann Group's starting requirements and commit to the Supplier Code of Conduct and to continuous improvement. Lindex has 89 direct suppliers and Stockmann has 80 direct suppliers in high-risk countries. Lindex has 144 and Stockmann has 118 production plants in high-risk countries from which direct purchases are made.



A sustainable and transparent supply chain is one of the focus areas in the Stockmann Group's sustainability work in both divisions. In Stockmann's operations, the supply chain involves significant social responsibility aspects in terms of working conditions and occupational safety, for example. Textile production also has significant impacts on the environment, energy and water consumption and biodiversity. Stockmann's reporting on the supply chain is based on risk assessment and the company's ability to exert an influence. Stockmann focuses especially on developing the sustainability of the supply chains for the Stockmann Group's own brands, which the company has the best possibility to affect. Stockmann also engages in active dialogue with its partners and suppliers.

Its stakeholders are showing increasing interest in the work carried out in supply chains. The questions raised include purchasing practices, the countries of manufacture and Stockmann Group's Supplier Code of Conduct, as well as human rights, including a living wage, freedom of association and traceability. All suppliers are expected to follow the Stockmann Group's Supplier Code of Conduct or demonstrate a similar commitment. Sustainability issues are discussed during purchasing negotiations and when supplier agreements are concluded. Well-known international and Finnish brands make up the majority of the selection sold at Stockmann's department stores. In addition to these, there is a large selection of own brand products designed by the Stockmann Design Studio. Almost all the brands sold by Lindex are exclusive to the company.

PROGRESS:

Lindex has continued to develop its operations to improve the sustainability of its supply chain, and accelerated its efforts related to water during 2022. Lindex has taken special measures to consider the quantity and quality of water in the supply chain to ensure water efficiency, reduce the risk of water shortages in areas related to its operations, safeguard the environment and

human health, and provide water and sanitation in factories and local communities in cooperation with business partners. Read more on page 35.

Stockmann's Customer Experience and Insights unit started operations in February 2022. The team is responsible for managing customer experience development and service design operations, ensuring that key business design processes are guided by relevant customer insights. The team seeks to design and manage the customer experience in every encounter between the company and its customers in line with their expectations. Operations, selections and services are developed by listening closely to the customers. Read more on page 21.

CHALLENGES:

Global operations and supply chains faced unexpected new disruptions during 2022, including the Russian attack on Ukraine, the energy crisis and inflation. These challenges affect the supply chain, employees and broader business and sustainability strategies. While this brings risk reduction into sharper focus, new approaches must also be considered that support sustainable development, taking into account social and environmental distress in the form of floods, disasters and human rights violations in the sourcing regions.

DEVELOPMENT:

Through the WE Women management system, Lindex provides a healthy and inclusive working environment free of harassment and gender-based violence, especially for female employees. The goal is to have the programme in place throughout Lindex's supply chain by 2025. Read more on page 19.

With Stockmann's new organisational model, processes and cooperation are being developed to achieve more resource-efficient operations within the division and the Group.

6 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The **Stockmann Group** respects and promotes all human rights, as defined in the company's Code of Conduct and the supplementary Human Rights Principles. Most of the Stockmann Group's employees work in countries classified by amfori BSCI as low-risk countries for human rights violations. In 2022, Stockmann continued the due diligence project in which it assesses the fulfilment of human rights in Lindex's sales and franchising countries and evaluates human rights from the perspective of key stakeholders.

PROCUREMENT PRACTICES AND SUPPLIER EVALUATION

The **Stockmann Group** has five local purchasing offices in Bangladesh, Hong Kong, India, China and Turkey. Of these, the Stockmann division cooperated with the purchasing offices in Bangladesh, China, India and Turkey. The offices play a key role in developing working conditions and identifying risks. A total of 118 (118) people are employed by the offices and are tasked with supervising purchasing and production. The purchasing offices review the procedures of each factory that they use before placing any orders. After the initial inspection, the systematic responsibility work continues. Around 94 per cent of Lindex's products were bought via the purchasing offices. A total of 51 per cent (51) of Stockmann's own brand producers were direct suppliers and 49 per cent (49) supplied their products through purchasing offices in 2022. Of the Lindex purchasing volume, 92 per cent comes from suppliers through the purchasing offices and 8 per cent from the suppliers directly.

Lindex's local CSR specialists provide training and support to the suppliers and factory owners to help them make improvements in line with Stockmann's Code of Conduct and

environmental requirements. They also perform announced and unannounced audits. Local production and quality controllers also regularly visit the production units to ensure that conditions meet the Group's requirements, and they report on any suspected violations of the Code of Conduct.

In addition to factory audits and training, every aspect of the suppliers' operations is rated according to a scorecard, which forms the basis for development. Suppliers are evaluated based on their scorecard twice a year. The indicators used include sustainability and business performance. Suppliers are graded based on evaluations, and those with the highest score get the most orders.

The Stockmann Group's Code of Conduct underpins the purchasing practices of both Stockmann and Lindex. All suppliers are expected to follow the Supplier Code of Conduct, the SEDEX standard, or the amfori BSCI operating principles complemented with the division's additional requirements, which are set based on detected human rights risks and other risks. These include a ban on the sand-blasting of jeans, fundamental requirements for animal rights and restrictions on chemicals. Unauthorised subcontracting poses a risk to compliance with the Code of Conduct. Producers are always required to inform Stockmann in advance about the use of subcontractors. As a result of our risk analysis, all use of subcontractors has been banned in Bangladesh. The Stockmann Group follows a zero-tolerance policy in this respect, and no more orders will be placed if the ban is violated.

The business success is based on choosing business partners who share the company's values and with whom the company works together to maintain strong relationships and high ethical standards. Lindex's management system structure makes it possible to identify potential long-term partners who share a vision of a transparent and sustainable fashion industry, seek to exceed compliance requirements, focus on continuous improvement and are committed to empowering women, respecting the planet and ensuring human rights.



The Stockmann Group's Codes of Conduct is a fundamental document that guides the divisions' work with their supply chain partners. It clearly expresses that partners are expected to act honestly and ethically in compliance with laws and regulations and to always avoid actual, potential or evident conflicts of interest. The Code of Conduct is based on the ETI Base Code of the Ethical Trading Initiative, which is based on the conventions of the International Labor Organization (ILO), and it covers basic requirements on wages, working conditions and freedom of association, among other aspects. Lindex has taken its Code of Conduct one step further by updating the document in order to reinforce expectations of gender equality in suppliers' facilities.

In line with one of the UN's Sustainable Development Goals, Stockmann Group seeks to increase gender equality at a national level and across its industry. The company's guidelines make this focus area clear to all partners and help identify and support suppliers who are committed to offering a supportive working environment for all male and female employees and to participating in accelerating systemic change. All business partners are obligated to comply with the Code of Conduct.

SOCIAL RESPONSIBILITY AUDITS

Stockmann Group has been a member of amfori BSCI (formerly known as Business Social Compliance Initiative, BSCI) since 2005 and will continue the cooperation. Amfori BSCI is a business-driven initiative for companies committed to improving working conditions in factories worldwide. Based on international treaties, the amfori BSCI Code of Conduct sets out 11 core labour rights which the participating companies and their business partners undertake to observe and continuously improve their supply chain operations in line with the rules. Stockmann actively communicates about the amfori BSCI Code of Conduct to its suppliers and producers and cooperates with them to improve working conditions in the supply chain. Factories that manufacture Stockmann's and Lindex's own brand products in countries classified as high-risk by amfori BSCI are subjected to regular audits by Lindex, which are conducted by its local personnel, and to amfori BSCI, Sedex and SA8000 audits conducted by a third party.

In 2020, **Lindex** transferred from amfori BSCI to compliance with the Sedex standard. As a member of Sedex, Lindex uses the Sedex Members Ethical Trade Audit (SMETA). This approach was selected because it focuses closely on gender equality, which is in line with Lindex's goals and values. The Stockmann division will assess the situation with regard to cooperation in audits following Lindex's decision and based on experience. Factories used by Lindex are regularly audited, with both internal and third-party audits. Parallel with audits, Lindex is developing self-assessment and training its suppliers to assess themselves and report to the company. With self-assessment, Lindex aims to shift responsibility and ownership to the suppliers and develop their skills to improve conditions without constant external pressure.

Within Sedex, Lindex communicates directly with suppliers and production plants about issues identified during

third-party audits and checks to ensure that such issues have been corrected during the year. Of all identified deviations, 253 have been corrected, and cooperation with suppliers and production plants continues for the remaining deviations and corrective actions. The main criteria for non-compliance are health, safety and hygiene (57%), wages (16%), working hours (15%), management systems (8%) and the environment (4%).

Through the WE Women management system, Lindex seeks to provide a healthy and inclusive working environment free of harassment and gender-based violence, especially for female employees. The goal is to provide female workers with the same opportunities as male workers, such as access to vocational education and career development opportunities. Lindex has introduced WE Women in Bangladesh, India and Turkey, which are expected to be followed by China. The goal is to have this programme in place throughout Lindex's value chain by 2025. The implementation of the programme is managed by the Global Women Empowerment Manager, who joined Lindex in 2021 and works in Bangladesh. The Code of Conduct is 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 of Lindex's business partners are required to follow the Code of Conduct, which was implemented throughout Lindex's value chain by the end of 2021.

An audit report with a corrective action plan to address detected deficiencies is prepared after each audit, be it an amfori BSCI audit, an own audit or an inspection in compliance with the Accord on Fire and Building Safety in Bangladesh. Each task on the corrective action plan is given a deadline and progress is monitored. The amfori BSCI audits in the Stockmann division are conducted by internationally accredited independent auditors. The main findings in the audits were non-compliance with the requirements on working hours or providing one day off every seven days, as well as issues with

health and safety, the management system and fair remuneration.

In May 2013, the Stockmann Group joined the Accord on Fire and Building Safety in Bangladesh as the first Finnish company to do so. Stockmann was also among the first companies to sign the new expanded International Accord for Health and Safety in the Textile and Garment Industry. The signatories are committed to working exclusively with

NUMBER OF AUDITS

	2022	2021	2020	2019	2018
amfori BSCI	44	59	57	115	257
Internal	4	18	0	62	66
SA8000 certificate	7	9	2	8	3
Accord inspections	78	34	88	88	145

AMFORI BSCI AUDITS

Score	2022	2021	2020	2019	2018
A = Outstanding	11%	10%	9%	8%	8%
B = Good	32%	17%	9%	15%	9%
C = Acceptable	55%	70%	80%	67%	70%
D = Insufficient	2%	3%	2%	10%	13%
E = Unacceptable	0%	0%	0%	0%	0%
Number of audits	44	59	57	115	252

* The COVID-19 pandemic had an impact on the number of audits in 2020–2022

ACCORD REMEDIATION PROGRESS RATE

	2022	2021	2020	2019	2018
Stockmann Group	95%	93%	96%	96%	93%
Average	90%	93%	92%	91%	89%

suppliers and factories covered by the Accord. 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. Stockmann is also committed to continuing 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 necessary improvements that were detected during the original Accord. A total of 78 (34) Accord inspections were carried out in 2022. A total of 95 per cent (93) of the remediation required under the Accord has been completed.

PRODUCTION COUNTRIES AND FACTORY LISTS

Stockmann's goal is to communicate transparently about topics that interest its stakeholders. Stockmann therefore publishes lists of the factories of both divisions' suppliers of own brand fashion and home products on its website.

Lindex had 97 (99) suppliers with a total of 152 (154) factories in 2022. One hundred per cent of these were covered by the Code of Conduct. Lindex has 30 (30) key suppliers, who account for 80 per cent (75) of production. Lindex has systematically consolidated its supply chain to be able to focus on fewer suppliers and on improving cooperation, working conditions and environmental work in the most important factories. Lindex publishes on its website supplier lists that include manufacturing plants, processing facilities and tier 2 factories. You can read more about Lindex's supply chain management in Lindex's responsibility overview.

The **Stockmann's** own brand fashion products were bought from 59 (76) suppliers and made in around 67 (110) factories. Around 51 per cent (51) of the factories were direct suppliers and 49 per cent (49) supplied their products through our purchasing offices. Stockmann's own brand home products



were bought from 53 (51) suppliers and made in 57 (58) factories. The majority, or 95 per cent (96), of the suppliers were direct suppliers.

KEY PRODUCTION COUNTRIES

STOCKMANN DIVISION'S OWN FASHION BRANDS	2022	2021
China	65%	60%
Bangladesh	13%	13%
India	6%	7%
Cambodia	5%	0%
EU countries (low-risk)	4%	6%

Five main areas account for: 93%

STOCKMANN'S OWN HOME BRANDS	2022	2021
EU countries (low-risk)	57%	57%
China	14%	14%
Pakistan	9%	10%
India	8%	6%
Turkey	6%	5%

Five main areas account for: 94%

LINDEX DIVISION'S FASHION	2022	2021
Bangladesh	41%	47%
China	30%	27%
Turkey	11%	9%
Italy	5%	-
India	5%	5%

Five main areas account for: 92%

* Calculated based on order qty % per production country (excl cosmetics)

7 SUSTAINABLE CHOICES

CUSTOMER SATISFACTION

Stockmann aims to be a source of inspiration for responsible lifestyles. Stockmann offers responsible and long-lasting quality fashion and listens to and respects its customers, making every customer encounter special. Stockmann highlights responsible brands, provides services that support more sustainable lifestyles and promotes sustainable supply chains.

Stockmann invests in excellent customer service by providing its employees with training on a regular basis and by conducting customer satisfaction surveys. Customer feedback is used to continuously improve customer service and sales, to manage the personnel on a daily basis, to develop skills, in remuneration and commitment and in the design of training programmes.

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

Stockmann's Customer Experience and Insights unit started operations in February 2022. The unit consists of three teams, who provide support to other Stockmann teams as needed. The unit is responsible for managing customer experience development and service design operations at Stockmann, ensuring that key business design processes are guided by relevant customer insights. The unit seeks to design and manage the customer experience in every encounter between the company and its customers in line with their expectations.

Stockmann actively involves customers in its operational development. In 2022, quantitative and qualitative studies and group interviews were conducted in connection with the renovation of the Turku department store, the development of

fashion services and many other projects. In addition, the Stockmann division has an online customer community, Our Stocka, which involves nearly 700 customers in various activities. Stockmann's customer service responds to feedback via phone, email, chat service and social media. In 2022, the centre processed around 140,000 (162,000) cases. The themes that generated the most feedback were online store orders, deliveries and the availability of products. Other themes included the Crazy Days campaign and customer service in general.

All feedback collected via customer encounters, the phone or social media is analysed by Stockmann. The customer experience is measured through regular customer surveys conducted at different points of the customer journey. The most important indicator in the surveys is the Emotional Value Index (EVI), which was adopted at the beginning of April 2021 in the

department stores, the online store and customer service. The EVI is our new strategic performance indicator. In 2022, the Stockmann division's EVI score was 58 (49), with more than 160,000 responses to feedback surveys. During 2022, the measurement of the emotional experience was expanded to include marketing (MyStockmann Magazine, Live Shopping, events) and the emotional experience after an order has been delivered.

Open feedback is analysed using Aiwo, an AI-based tool that makes it possible to quickly analyse which root causes reinforce and which root causes undermine a positive emotional experience. This allows data to be used to target development measures and resources at issues that undermine the customer experience. We continued to develop the customer experience systematically and purposefully during 2022.

Every year, the Stockmann conducts a survey of its customers on their experiences of the sustainability of its operations and selections. The most recent survey was carried out in late 2022, with 437 responses from customers from all the three countries of operation. The survey showed that the Stockmann division's customers considered the sustainability of its operations to be at a good level in general. In Finland, customers are slightly more critical in their assessments than in the Baltic countries. Stockmann is expected to act responsibly and ensure the high quality of the products it sells, even in terms of sustainability. Customers have noticed Stockmann's efforts and measures to promote responsible and sustainable business operations (e.g. reduced use of plastics, local products, sustainable products), but increasingly expect more information about its sustainability efforts and background information about its products. In addition, Stockmann's employees are expected to help customers identify sustainably produced products and to explain their qualities, maintenance and recycling. The goal is to conduct a similar survey every six months.



SUSTAINABILITY AND SAFETY OF THE PRODUCT SELECTION

The product selection in the Stockmann department stores and Lindex stores enables customers to make safe and sustainable shopping choices. In fashion, cosmetics and home products, the choices include e.g. products made from organic, recycled and high quality longlasting materials. The sales personnel are encouraged to identify sustainable products in their areas of responsibility and provide customers with information about the products. Information about sustainability aspects and the origin of products is available for employees on the Lindex and Stockmann websites and online store.

The Lindex and Stockmann divisions are responsible for ensuring, on their part, that the products available for sale are safe and do not pose a risk to customers' health or property. Both divisions have established procedures for the systematic monitoring and continuous improvement of their operations. The divisions follow the precautionary principle and have adopted a preventive approach to ensuring product safety.

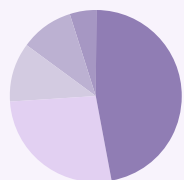
The fashion industry strongly depends on the use of chemicals during production. Chemicals are used for dyeing and to improve properties such as softness. Chemicals are also used to enable better performance, such as waterproofing. In many cases, the use of chemicals goes hand in hand with the use of water, as water is used to combine products and chemicals. The use of the chemical requires the water to be purified and treated. For this reason, responsible chemical management is essential in supply chains, and Lindex is committed to being a water responsible company.

To ensure the safety and high quality of products, it must be ensured that they do not contain prohibited chemicals. The Stockmann Group complies with the REACH chemicals legislation. In some cases, its requirements are even stricter. The requirements for product manufacturers are explained in the Restricted Substances List (RSL), which lists the chemicals that are not allowed in finished products. The chemicals on the list pose a risk to health or the environment. Suppliers must also ensure that their operations comply with the requirements of the RSL. In addition, the Stockmann Group uses independent

laboratories where product testing is carried out to ensure compliance. The RSL is continuously updated based on studies and changes in legislation. Lindex updated its RSL twice in 2022, and has increased the limit levels and expanded the requirements to include more materials.

Stockmann's Stockmann Style unit is responsible for ensuring that the products sold in the department stores meet the requirements set by legislation. Products are tested regularly by their manufacturers and importers in accordance with the requirements. Stockmann also tests its own brand products and own imports by taking regular samples and conducting risk analysis. Testing ensures that the products fulfil all quality and safety requirements set by legislation or the stricter requirements set by Stockmann. In addition, Stockmann follows product and defect notifications issued by the EU in order to inform customers as quickly as possible about products that pose a risk. Product safety is promoted by Finnish Customs and the Finnish Safety and Chemicals Agency (Tukes) in Finland and by the local authorities in Estonia and Latvia.

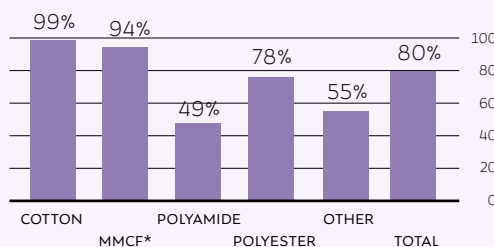
MATERIALS LINDEX USED IN 2022 (LINDEX 2022)



COTTON	47%
POLYAMIDE	27%
POLYESTER	11%
MMCF*	10%
OTHER	5%

*man-made cellulosic fibres

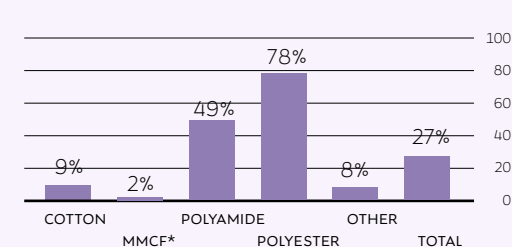
LINDEX'S PROGRESS IN SWITCHING TO MORE SUSTAINABLE OPTIONS SUSTAINABLE SHARE PER FIBRE (LINDEX 2022)



Products containing at least 50 per cent sustainable materials are counted toward the sustainable share total.

*man-made cellulosic fibres

SHARE OF PRODUCTS WITH AT LEAST 15 PER CENT RECYCLED CONTENT (LINDEX 2022)



*man-made cellulosic fibres

Product recalls are handled in accordance with Stockmann's and Lindex's internal product recall guidelines, which specify the responsibilities and the action required. In 2022, there were no public recalls involving own brand products sold at Stockmann. One recall was made for an imported product, which had been sold in small quantities through one department store and the online store. Lindex had no product recalls. Customer complaints continue to remain at a low and stable level, meaning that there were no general quality defects. In addition, Lindex's quality requirement percentage remained stable in 2022 compared with the two previous years, with returns at around 0.10 per cent.

MATERIALS

Sustainability is integral to the Stockmann Group's processes concerning clothing design and procurement of materials and products. The goal is to systematically increase the proportion of more environmentally friendly and sustainable materials, such as sustainable cotton and lyocell and recycled fibres, in the Group's own brand products. Sustainable cotton refers to the use of organic cotton, Better Cotton (BCI) or recycled cotton. Lindex systematically promotes the transition towards the use of more sustainable materials and actively monitors the progress. At Stockmann, the use of more durable and high-quality materials is a natural part of design, and the aim is also to develop reporting and monitoring of material quality. Stockmann's own fashion brands are based on timeless design and sustainable materials that withstand wear and tear. The product ranges are created by Stockmann's own Design Studio in Helsinki.

The materials used in the products are selected at the design stage with an eye to sustainability and Stockmann's customer target groups. The longevity and recyclability of the products are the key focus in the design process, and the order quantities are optimised to meet the demand. The knitted products have e.g. used more responsibly produced certified materials and down-filled products use recycled down or otherwise certified down. In outdoor products, we have increased the proportion of recycled materials in the lining and outer shell fabrics as well as their fillers. In addition, recycled materials, including recycled polyester and wool, are used in clothing and accessories.

In 2022, 66 per cent (60) of Stockmann's own brand garments were made of more sustainable materials, and 92 per cent (88) of its own brand jersey garments were made of more sustainable cotton. For example, in 2022, in the BOGI children's wear brand, 97 per cent (97) of the jersey products were made from more sustainable cotton, and in the Cap Horn men's wear brand, for example, more sustainable cotton accounted for 100 per cent (94) of jersey products in 2022. In addition, 87 per cent (77) of the leather products of the A+more accessory brand were made from LWG-certified leather in 2022.

The company continues active collaboration with all its goods suppliers to provide information to its customers about the origin of its own brand products and its partners' products and the sustainable materials used in them. Stockmann's development projects in sustainability and its expectations concerning stakeholders are actively communicated to suppliers.

SERVICES TO SUPPORT A RESPONSIBLE LIFESTYLE

Stockmann aims to be a source of inspiration for more responsible lifestyles. Stockmann listens to and respects its customers, making every customer encounter special. Stockmann also offers services that promote more responsible lifestyles for its customers by supporting second-hand fashion in cooperation with Relove and Emmy, for example. With Helsinki Region Environmental Services (HSY), Stockmann has sought services for end-of-life products and cooperated on textile recycling. In addition, the department stores provide customers with repair and sewing services to extend the life cycles of products.

MARKETING AND LABELLING

Stockmann Group respects consumers' rights and engages in responsible marketing. This policy is included in the Stockmann Group's Code of Conduct. In its marketing communications, Stockmann follows the Consolidated ICC Code of Advertising and Marketing Communication Practice, the Consumer Protection Act and the company's strategy. Stockmann's marketing communications avoid all misleading practices, such as false or deceptive messages and the omission of important information. Marketing should never be inappropriate or offensive. These practices are known and followed by all of the company's marketing designers. The implementation of the practices is followed by the divisions' marketing managers. In 2022, there were no incidents of non-compliance concerning marketing communications legislation or voluntary principles at the Stockmann Group.

The **Stockmann Group** complies with statutory labelling and the country of origin is marked on all of Stockmann's own brand garments and home textiles, as well as on all Lindex garments. **Lindex** has its own marketing guidelines concerning images, marketing copy, the selection of models and photo editing, among other aspects, as well as social media guidelines. Lindex is a member of the self-regulatory Swedish Advertising Ombudsman (Reklamombudsmannen, RO) organisation, founded by the industry to review and maintain advertising standards. RO receives complaints about advertising and assesses whether the advertising follows the Consolidated ICC Code. It also provides information, guidance and training in the field of ethical marketing.

The Stockmann's own brands have been granted the right to use the Design from Finland label until 2023. The label indicates that the product has been designed in Finland with a



focus on its user. The company is committed to publicly communicating about the structure of its production chain, the countries of origin and Finnish products with its stakeholders. Stockmann's own brand products are designed at the Stockmann Design Studio in Helsinki. The teams at the Stockmann Design Studio actively train sales staff and other stakeholders on the grades of sustainable development so that they are able to provide customers with better service at the customer interface and provide inspiration and care instructions for the long-term use of the product.

An increasing number of brands included in Stockmann's product selection provide additional information about the sustainability of their products. Stockmann's online store will continue to add and further specify sustainability information to support consumers' sustainable choices. In addition, customers can browse the selection of products made from more sustainable materials by using a separate navigation function.

CUSTOMER PRIVACY

The Stockmann Group and its employees respect the privacy of customers and stakeholders and the inviolability of their rights. The Group does not disclose or use customer information other than in strict accordance with the EU General Data Protection Regulation (GDPR) and Stockmann's privacy policies. Training on the GDPR and customer privacy is mandatory for all employees and is included in the induction programme for new employees.

The company has two loyal customer programmes. Stockmann's MyStockmann programme has more than 1.4 million members, and Lindex's More at Lindex programme has 5.3 million members. Loyal customers are offered personal offers and benefits. The data file descriptions of the loyal customer programmes are available on the divisions' websites. Each of the loyal customer programmes has a separate 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 processed confidentially in accordance with the applicable legislation. The Stockmann Group's annual target is zero incidents of customer privacy breaches. In 2022, no breaches of customer privacy were reported in the Stockmann Group.

8 SUSTAINABLE BUSINESS APPROACH

Stockmann is committed to good corporate governance, and the company acts in compliance with its Code of Conduct. The company's goal is to create added value for all its stakeholders through active engagement in society. Stockmann aims for long-term profitable operations and takes structural measures to return its business to profitability.

ECONOMIC PERFORMANCE AND VALUE CREATION

Stockmann Group's adjusted operating result in 2022 was EUR 79.8 million (68.3). The adjusted operating result increased in both Lindex and Stockmann division. The reported operating result was EUR 154.9 million (82.1). Stockmann plc's restructuring process is proceeding according to plan. All Stockmann's department store properties have been sold and all interest-bearing debt has been paid except for the bond of EUR 67.5 million. The department store property in Tallinn was sold in December 2021 and the agreement for the sale of the Riga department store property was signed in December 2021 with closure in January 2022. The department store property in Helsinki city centre was sold in April 2022, and the last confirmed restructuring debt was paid. Other measures and undertakings, as specified in Stockmann plc's restructuring programme, were completed already during 2021. They are explained in the 2021 annual report.

DISTRIBUTION OF ECONOMIC ADDED VALUE TO DIFFERENT STAKEHOLDERS

EUR Million		2022	2021	2020	2019	2018*
Creating added value						
Customers	Sales excluding VAT, other operating income, financial income	1,079.8	923.5	811.4	961.5	1,026.2
Goods suppliers and service providers	Purchased goods and services, including capital goods and paid rents	-772.8	-646.3	-613.1	-732.3	-756.9
ADDED VALUE GENERATED BY STOCKMANN		307.0	277.2	198.3	229.2	269.3
Distribution of added value						
Personnel	Salaries, fees and pension contributions	-179.2	-163.4	-153.1	-178.9	-188.6
Shareholders	Dividends	0.0	0.0	0.0	0.0	0.0
Finance providers	Financial expenses	-28.3	-19.6	-45.4	-53.7	-35.3
Public sector	Other social security payments, taxes	-56.4	-38.4	-16.6	-47.1	-37.6
DISTRIBUTED TO STAKEHOLDERS IN TOTAL		-263.8	-221.3	-215.1	-279.8	-261.4
Retained in the company to develop operations		43.1	55.8	-16.8	-50.6	7.9

* Continuing operations. Delicatessen operations in Finland have been reported as discontinued operations for 2018.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The Stockmann Group's operations create economic added value to its stakeholders in all of its countries of operation. The majority of the economic added value goes into employees' salaries and other remuneration, as well as to goods and materials suppliers and service providers. The shares of Stockmann plc are listed on Nasdaq Helsinki. At the end of 2022, Stockmann had 44,289 (45,054) registered shareholders. In 2021 Stockmann plc reduced its share capital to cover losses. According to Companies Act, distributions to shareholders during three years following the registration of the reduction of

share capital in order to cover losses can only be made by following the creditor protection procedure. During the restructuring programme Stockmann plc is not allowed to distribute funds either.

Stockmann Group's operations create economic *added value for all its stakeholders* in all of its countries of operation.

CHARITY COOPERATION

As part of its social responsibility, Stockmann may make donations to non-profit public benefit organisations that provide funding for education, culture, research and other social projects in Stockmann's countries of operation. Charity work is guided by the company's donation policy. The Group's divisions may also support non-profit projects as part of their commercial campaigns.

Lindex is one of the main partners of the Pink Ribbon project. Together with its customers, Lindex has donated EUR 19.3 million to cancer research in cooperation with the Pink Ribbon campaign and Cancer Foundation Finland. Lindex is also working to raise awareness about breast cancer prevention and health. Lindex Real Talks is a platform to hear stories from women who want to share their journeys and experiences. Read more at www.lindex.com/uk/pink/real-talks.

To celebrate its 160th anniversary, the **Stockmann division** entered into a partnership with the John Nurminen Foundation to protect the Baltic Sea and the diversity of species and restore an important carbon sink. The cooperation included the organisation of Baltic Sea Day events in all department stores, a special anniversary collection and staff activities in all the three countries of operation by the Baltic Sea. Stockmann donated a total of EUR 10,000 to the John Nurminen Foundation during the year of its 160th anniversary.

The joint Christmas charity campaign of Stockmann and Save the Children was held once again at all the Stockmann department stores in Finland and in the online store. Save the Children received donations worth EUR 14,582 through the Christmas charity campaign, and the money will be used for procuring teaching materials and providing recreational activities for children in Finland, as well as offering support to families and individuals.



In 2022, Stockmann engaged in charitable cooperation with the Red Cross in all of its countries of operation. The donations enabled the Red Cross to send aid workers and material aid to Ukraine and its surrounding areas and to help Ukrainian refugees. The total amount of the donation was EUR 30,976.

Stockmann was also involved in the Kotona Asuen Seniorihoiva organisation's Be Father Christmas campaign, which distributes donations of Christmas flowers to senior citizens living alone at home. A total of 2,100 senior citizens received a surprise flower bouquet that was delivered by Kotona Asuen Seniorihoiva before Christmas. Stockmann has also donated textiles and other products to a number of charitable causes during the year.

Stockmann may make donations to non-profit public benefit organisations that provide funding for *education, culture, research* and other *social projects*.

ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR

The Stockmann Group's principle is to engage in transparent and responsible operations. Stockmann's policies concerning anti-corruption measures and anti-competitive behaviour are included in the Stockmann Code of Conduct and further specified in the Stockmann anti-corruption policy on the Group's website. Stockmann's employees and management must act in the best interests of the company and avoid conflicts of interest.

Stockmann's Employee Discount Rules include instructions for the personnel on Stockmann policies regarding the acceptance of samples, gifts, travel expenses or other monetary benefits from suppliers. Similarly, the Lindex Ethical Policy provides a foundation for combatting all forms of corruption at Lindex. It has been applied in all countries of operation, and all suppliers are informed of the policy before cooperation with them is started. 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 International Suomi ry, the Finnish chapter of Transparency International, an organisation operating in more than 100 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 codes of conduct applied in our supply chain, such as the Stockmann Supplier Code of Conduct, the amfori BSCI Code of Conduct and the comprehensive Lindex Code of Conduct, which promote strong stakeholder relationships and high ethical standards. The Board of Directors has approved the company's risk management principles, which concern all of the Stockmann Group's divisions and business areas. The effectiveness of internal control is monitored by the Internal Audit, which operates as an independent unit under the CEO and reports to the Board's Audit Committee.

Stockmann's Board of Directors and the Group Management Team regularly assess the risk factors to which business operations are exposed and the adequacy of risk management actions, as a part of the strategy process. Risk management is supported by internal control systems and guidelines. The divisions' management teams are responsible for making financial and strategic plans in their own units. The analysis of business risks and the assessment of management measures are part of the strategy planning process. Business risks are also analysed outside the strategic process, especially in connection with significant projects and investments, and are reported to the Board of Directors as needed. Unethical

business practices among Stockmann's employees or stakeholders could cause reputational damage for Stockmann and, potentially, negative financial impacts. In 2022, there were no confirmed cases of corruption and Stockmann was not aware of any corruption-related lawsuits against the Group. Similarly, Lindex is not aware of any corruption cases in its operations.

COMMUNICATIONS AND TRAINING IN THE CODE OF CONDUCT

Employees are provided with training in matters related to the Code of Conduct and encouraged to contact their supervisors if the best course of action is unclear. The Group's Code of Conduct is published on its website and communicated internally via the intranet.

By the end of 2022, 93 per cent (89) of the Stockmann Division's personnel in Finland and 100 per cent (100) of its personnel in Latvia had completed online training in the Code of Conduct. In Estonia, the online training was included in the training practices during 2022 and all new employees read through the instructions on their first day of work. In Finland, 83 per cent (90) of the members of Stockmann's support functions and department store management teams have completed the training. For Estonia and Latvia, the corresponding figure is 100 per cent.

Our goal is that **100%**
of the Stockmann's
employees have completed
training in Code of Conduct
in all countries.

ENVIRONMENTAL RESPONSIBILITY

We regularly assess the environmental impact of our business operations and, among other things, aim to reduce our negative environmental impact and to act according to the principles of the circular economy. We have sought new ways of cutting the environmental footprint of our packaging materials and reviewed new alternatives that use materials more efficiently.

The Stockmann Group complies with valid environmental legislation and requires the same from its partners. The Group regularly assesses the environmental impacts of its business operations and aims to reduce its negative climate impacts and act in line with the principles of the circular economy, among other goals. The Stockmann Group has sought new ways of cutting the environmental footprint of its packaging materials and has identified new options that use materials more efficiently. The Group takes environmental aspects into account when planning and managing operations and when procuring products and services for its own use. Stockmann requires its service providers to commit to the Group's Code of Conduct and operating principles, and environmental issues and targets are regularly discussed during cooperation. The Stockmann Group's purchasing offices operate near the production locations, focusing on assessing and minimising the harmful environmental impacts that can be caused by suppliers' factories.

Both divisions of the Stockmann Group are aware of climate change and the impact of their operations on the most severe environmental crisis of our time. The divisions aim to transfer to renewable fuels and energy in their own operations and supply chains. Environmental management is part of the divisions' day-to-day operations. The divisions set specific environmental targets, determine indicators for monitoring the achievement of these targets and establish appropriate management practices.

Lindex updated its targets in 2022 to reflect its focus on addressing the climate crisis, transform its business to a circular model and protect natural resources. In 2022, the Stockmann division renewed its entire CSR strategy to meet these challenges and move towards resource-wise business operations.

PROGRESS:

The **Stockmann Group** is committed to the Science Based Targets (SBTi) initiative. Its targets will be set and submitted to the SBTi for review and approval before October 2023. This project led to the renewal of the Group-level calculation of carbon dioxide emissions during 2022. A more extensive calculation of the overall climate balance has been conducted based on 2021 and will be used from now on.

The Stockmann Group's divisions have common procurement channels to promote resource efficiency. This synergy contributes to the achievement of both divisions' targets and their commitment to promoting sustainability in the supply chain. A project started by Lindex to reduce carbon emissions in the supply chain includes five key suppliers in Bangladesh, among other parties. This enables Lindex to create a roadmap towards a 50 per cent reduction in emissions while also supporting the achievement of the Stockmann Group's emission reduction targets.

Lindex reduced energy consumption in more than 120 stores by 30 per cent on average. As part of the Sodra pilot and its commitment to the circular economy, Lindex reserved 250 tonnes of OnceMore® material, which is made from post-consumer textile waste and contains materials from responsibly managed forests. Around one million garments are made in this way. In addition, Lindex replaced all transport and sales packaging materials with 100% recycled and recyclable materials and expanded its children's second-hand pilots to online and pop-up stores.

Lindex has made excellent progress towards its goal of being climate neutral in its own operations by 2023. Lindex has purchased renewable energy with guarantees of origin for all the electricity needs of its own operations, including stores, offices and warehouses worldwide. A project to replace halogen lighting with LED lighting in stores around the world was launched in 2020 to reduce energy consumption. The project

has covered 50–60 stores per year, with the total being more than 120 stores at the end of 2022. This will reduce energy consumption by 30 per cent on average in each location. You can read more about Lindex's progress in achieving its environmental responsibility targets at lindex.com.

Stockmann has further intensified its efforts to promote energy-saving measures. Its recycling rate continues at an excellent level. This is supported by active dialogue and the identification of new sustainable solutions in cooperation with partners. For example, dialogue has continued with key logistics service partners to specify emission reduction targets and identify ways to switch to renewable energy sources. In 2022, the Stockmann division reduced the share of air freight, which was low to begin with, by 50 per cent.

CHALLENGES:

Increasing regulation is seen as a positive driver towards the green transition, but it also sets new requirements that have a wide-reaching impact on various aspects of business operations. This poses challenges with resources that are difficult to address to the necessary extent. In addition, the prevailing energy availability situation in Europe, the sharp rise in price levels and the availability and higher cost of guarantees of origin for renewable energy may slow down the transition to more extensive use of renewable energy.

DEVELOPMENT:

At Group level, the goal is to reduce climate impacts in line with science-based targets across the value chain and to build a roadmap to meet these targets. In addition, the transition to operations that support the circular economy is a common goal for the divisions. Minimising the use of natural resources, guiding customers towards sustainable consumption and optimising in-house design and production in line with the circular approach are examples of ways to achieve the targets.

Lindex has updated its targets to meet the changing climate challenges. This means e.g. accelerating energy efficiency and shifting to renewable energy to reduce climate impacts in line with science across the value chain. Lindex is also transforming business operations to create value and growth by simultaneously reducing climate impacts, minimising the use of natural resources and affecting consumer behaviour to reduce overconsumption. The updated goals also include minimising impacts on ecosystems and biodiversity through a responsible and regenerative approach to natural resources.

The **Stockmann division** has been selected to participate in the Circular Design – a path towards the circular economy training programme, the first of its kind for companies in

Finland. The programme delves into the principles and practical solutions of circular design, which is based on the principles of the circular economy. Stockmann aims to develop its operating model and product and service design towards the circular economy even more strongly in the future. The programme started in January 2023 and runs until the end of the year.

Stockmann is planning to replace the lighting in several department stores in 2023. These measures will improve the energy efficiency of buildings. The development of the online order fulfilment has been started to increase the efficiency of outgoing shipments, and is estimated to reduce the need for packaging boxes by around 5 per cent. Sustainability targets will be used as additional criteria in the selection of partners.

STOCKMANN'S OPERATIONS IN FINLAND HAVE ISO 14001 CERTIFICATION

Environmental management is part of the day-to-day operations of Stockmann's business units. The company has set specific environmental targets, determined the most suitable indicators for their achievement and established appropriate management practices. The achievement of the targets is monitored on a regular basis. Since 2003, an ISO 14001 certified environmental management system standard has been in use in the Stockmann division's department stores and support functions in Finland. The department stores in the Baltics have adopted the operating methods and guidelines of Stockmann's environmental management system. The company cooperates closely with its service providers, who play an important role in achieving its environmental targets.

Lindex does not have a certified environmental management system in place, but it has introduced internal environmental guidelines, including an energy efficiency concept.

Every employee's input is required for the achievement of the company's environmental targets. The personnel's environmental awareness is maintained and enhanced through training and regular internal communications. Environmental topics are part of the induction training for all new employees, as well as online training for all employees. In addition, Stockmann's department stores have the Pelsu online service for sharing safety and sustainability information to all operators. The service gives Stockmann's partners easy access to its key safety and sustainability documents. According to the external auditor, Stockmann's strengths include a high level of environmental awareness among its employees and the fact that sustainability is reflected in all operations. Development needs were detected in ensuring the induction of temporary workers, for example.



9 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 carbon dioxide emissions. As part of

its environmental work, Stockmann strives to implement energy efficiency measures to mitigate its climate impact and improve efficiency.

Lindex's stores focus on minimising energy consumption, and all stores follow an efficient energy consumption checklist as a routine practice. A survey of electricity consumption has been conducted in a representative sample of Lindex stores. The survey indicated that lighting, cooling, ventilation and escalators account for around 90 per cent of energy consumption. For this reason, energy reduction measures will focus on these areas.

In accordance with its sustainability promise, Lindex respects the planet and therefore prioritises renewable energy.

Lindex aims to achieve climate neutrality in its own operations by the end of 2023 and to eliminate 50 per cent of carbon dioxide emissions in its entire value chain by the end of 2030, compared with 2017.

The **Stockmann's** Facility Management Team is responsible for energy management in the department stores, distribution centre and support functions in Finland. The Baltic department stores have their own managers who monitor and develop energy management in the Tallinn and Riga department stores. Energy consumption is monitored daily and measures are taken to address deviations. During 2022, Stockmann continued implementing its energy efficiency programme by optimising the operating hours of building systems and ventilation and lighting control in all its premises. For example, the Tallinn department store has achieved significant savings by optimising energy efficiency. In the autumn of 2022, the Stockmann division's management team organised a competition for employees to come up with energy-saving ideas. The aim was to involve employees in energy-saving initiatives and share ideas and good practices between units.

Stockmann's distribution centre in Finland serves the stockmann.com online store and the department stores in all countries of operation. The Stockmann distribution centre has been awarded the LEED Gold environmental certificate. The centre uses LED lighting, and its geothermal system produces a significant proportion of the heating and cooling energy needed in the property.

The Stockmann division has used renewable energy at its distribution centre since the beginning of 2020. As far as possible, renewable energy is favoured in the procurement of electricity for the department stores. The Helsinki department store continued to replace its lighting with LED-based lighting, and fans and automation were upgraded to be more energy efficient in connection with individual ventilation changes.

ENERGY AND WATER CONSUMPTION 2019–2022

	2019	2020	2021	2022	Change % 2021–2022
DIRECT CONSUMPTION	41	44	47	661	1 306
Heating fuels (MWh)	22	25	25	117	
Stockmann	19	19	22	543	
Lindex					
INDIRECT CONSUMPTION					
Electricity (MWh)	81 409	69 221	62 810	42 894	-32
Stockmann	42 896	36 589	31 953	13 350	
Lindex	38 513	32 633	30 857	29 544	
District heating and cooling (MWh)	52 052	48 737	49 765	39 489	-21
Stockmann	21 705	18 761	20 290	8 720	
Lindex	30 347	29 976	29 475	30 768	
Share of green energy			31 %	49 %	
Water (m³)	95 875	77 450	66 362	76 107	15
Stockmann	93 752	75 588	64 256	74 069	
Lindex	2 123	1 862	2 106	2 038	

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. Lindex heating is estimated, the estimate has been updated and figures for 2020 and 2019 restated accordingly. Reporting on water covers all the Stockmann functions (excluding the department store in Itis in Helsinki) and Lindex's distribution centre.

10 EMISSIONS

Stockmann Group's carbon footprint in 2022 was approximately 296 kilotonnes of carbon dioxide emissions. The largest share of emissions, approximately 68 per cent (67) of the Stockmann Group's carbon footprint, resulted from purchased goods and services, which included all the production emissions of inbound goods and also of operational expenses (Scope 3, Category 1). The next largest emissions come from downstream transportation and distribution (Scope 3, Category 9), with a share of 11 per cent (10). The third largest emissions, 8 per cent (9), come from the use of sold products (Scope 3, Category 11).

Measuring and reporting on GHG emissions serve as a management tool in the Stockmann Group, providing a basis for determining where emissions should be reduced and for setting reduction targets. Stockmann's carbon footprint in 2022 still covers the Stockmann and Lindex divisions in all countries of operation, including Lindex's franchising operations. The figures for Stockmann also cover the emissions generated by tenants in the department stores. At the end of 2022, Stockmann was using 72 per cent (71.5) of the gross leasable area, and the rest was used by tenants.

Stockmann has reported its GHG emissions at the Group level for 11 years. The Group's emissions are presented in the GHG emissions table. The GHG figures for 2019–2022 are also presented in the table to enable short-term comparison. Comments and possible changes in the scope of the calculations are presented in the table. The calculation of emissions was carried out in accordance with the international Greenhouse Gas (GHG) Protocol reporting principles. In 2022, the calculation was revised and extended to meet the requirements of the SBTi, and the calculation is therefore more comprehensive than in previous years. This process also led to a recalculation of carbon dioxide emissions for 2021 on a broader scale.

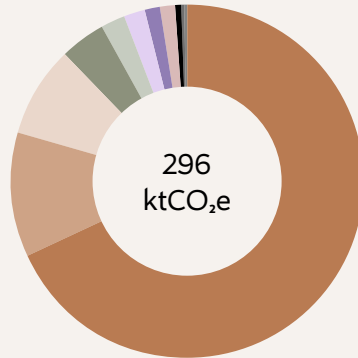
GREENHOUSE GAS EMISSIONS 2019–2022

	tCO ₂ e 2022	tCO ₂ e 2021	tCO ₂ e 2020	tCO ₂ e 2019	Change % 2021–2022
DIRECT EMISSIONS (SCOPE 1)	223	413	559	748	-46
Stockmann	28	295	*	*	-91
Stationary and mobile combustion	28	36	*	*	-23
Refrigerants	0	259	*	*	-100
Lindex	195	118	*	*	66
Stationary and mobile combustion	115	38	*	*	202
Refrigerants	80	80	*	*	0
INDIRECT EMISSIONS FROM PURCHASED ENERGY (SCOPE 2)	12 206	17 324	23 852	28 430	-30
Stockmann	6 481	11 561	*	*	-44
Purchased electricity (market-based)	4 872	9 751	*	*	-50
Purchased electricity (location-based)	4 884	5 891	*	*	-17
Heating and cooling (market-based)	1 609	1 809	*	*	-11
Heating and cooling (location-based)	1 840	1 809	*	*	2
Lindex	5 725	5 764	*	*	-1
Purchased electricity (market-based)	0	-	*	*	0
Purchased electricity (location-based)	1 481	2 026	*	*	-27
Heating and cooling (market-based)	5 725	5 764	*	*	-1
Heating and cooling (location-based)	2 029	2 568	*	*	-21
OTHER INDIRECT EMISSIONS (SCOPE 3)	283 720	281 707	9 294	10 160	1
Stockmann	97 033	98 192	*	*	-1
Purchased goods and services	73 045	76 183	*	*	-4
Capital goods	2 267	2 357	*	*	-4
Fuel and energy related activities	3 442	3 852	*	*	-11
Upstream logistics	922	1 100	*	*	-16
Waste	115	124	*	*	-7
Business travel	141	65	*	*	118
Employee commuting	860	913	*	*	-6
Downstream logistics	12 757	10 216	*	*	25
Use of sold products	3 426	3 335	*	*	3
End-of-life treatment of sold products	57	46	*	*	22
Lindex	186 687	183 233	*	*	2
Purchased goods and services	129 121	125 063	*	*	3
Capital goods	4 911	1 634	*	*	201
Fuel and energy related activities	2 245	2 587	*	*	-13
Upstream logistics	3 253	7 744	*	*	-58
Waste	62	38	*	*	63
Business travel	519	139	*	*	274
Employee commuting	2 892	2 925	*	*	-1
Downstream logistics	20 895	19 387	*	*	8
Use of sold products	21 012	22 289	*	*	-6
End-of-life treatment of sold products	72	73	*	*	-2
Franchising	1 705	1 353	*	*	26

**Attention. A change has been made to the group's calculation methodology for the years 2021–2022, and the figures from previous years are therefore not comparable with these years. The new calculation corresponds to SBT requirements covering Scope 1, 2, 3 and all the most relevant categories.*

STOCKMANN GROUP'S CARBON FOOTPRINT 2022

S3 Cat. 1 Purchased goods and services	68.3%
S3 Cat. 9 Downstream transportation and distribution	11.4%
S3 Cat. 11 Use of sold products	8.3%
S2 purchased energy	4.1%
S3 Cat. 2 Capital goods	2.4%
S3 Cat. 3 Fuel and energy related activities	1.9%
S3 Cat. 4 Upstream transportation and distribution	1.4%
S3 Cat. 7 Employee commuting	1.3%
S3 Cat. 14 Franchises	0.6%
S3 Cat. 6 Business travel	0.2%
S1 fuel use in vehicles and stationary	0.1%
S3 Cat. 5 Waste generated in operation	0.1%
S3 Cat. 12 End-of-life treatment of sold products	0.04%



STOCKMANN GROUP'S CARBON FOOTPRINT 2021 AND 2022

	GHG 2022 tCO ₂ e	GHG 2021 tCO ₂ e	Change % 2021-2022
Scope 1 Own direct emissions	223	413	-46
Scope 2 Indirect emissions from purchased energy (market-based)	12 206	17 324	-30
Scope 3, Cat 1 Purchased goods and services	202 165	201 640	0
Scope 3, Cat 2 Capital goods	7 179	3 991	80
Scope 3, Cat 3 Fuel and energy related activities	5 687	6 030	-6
Scope 3, Cat 4 Upstream transportation and distribution	4 175	9 017	-54
Scope 3, Cat 5 Waste	177	162	-9
Scope 3, Cat 6 Business travel	661	204	224
Scope 3, Cat 7 Employee commuting	3 752	3 838	-2
Scope 3, Cat 9 Downstream transportation and distribution	33 652	29 603	14
Scope 3, Cat 11 Use of sold products	24 438	25 624	-5
Scope 3, Cat 12 EoL of sold products	128	119	-7
Scope 3, Cat 14 Franchises	1 705	1 477	16
Total	296 149	299 444	-1

REDUCING TRANSPORT EMISSIONS

The **Stockmann Group** has operations in 19 countries, which means the distribution of goods to the stores and imported freight result in emissions that the Group is actively working to cut together with its partners. Attention is focused on the efficient and environmentally friendly movement of product flows. In transport operations, the Group values long-term partnerships and strives for close cooperation with its partners to further improve efficiency. Distribution transport is continuously optimised through route planning and the use of return transport. The Group monitors transports systematically and engages in an active dialogue with its partners.

Lindex uses air freight only in exceptional cases. In cases where speed is the key criterion for a delivery, Lindex transports goods by rail. Since maritime shipping has a much smaller carbon footprint than air freight, shipping is the primary mode of

transportation. Lindex switched to using biofuels for all ocean freight at the beginning of 2021.

Lindex has reduced its environmental impacts at every stage of its logistics. Smart product distribution is used to avoid unnecessary transportation between stores. Transport is combined with that of other companies located in the same area. Transport equipment and containers are fully loaded. The company complies with the requirements of the Swedish Transport Administration in such aspects as traffic safety, emissions and speed limits, as well as legislation. Around 70 per cent of online store product returns are delivered directly to a Lindex store instead of a warehouse.

REDUCING BUSINESS TRAVEL EMISSIONS

To minimise travel, videoconferencing and teleconferencing solutions are actively used at meetings. Attention is paid to

emissions from business travel, and low emission options are preferred for such trips. The company's travel guidelines recommend travel by train or bus over the use of a private car, and the leasing cars used by the company have a limit set on maximum emissions. In addition, Stockmann has a remote work policy that allows personnel to reduce their emissions from commuting and supports their work-life balance.

CDP DISCLOSURE

The Stockmann Group reports on its GHG emissions annually in the international Carbon Disclosure Project (CDP). In 2022, Stockmann's score continued to be at a good level, with a Management level score of B- (B-), as in the previous three years. The rating is at the same level as the overall average internationally and in the retail sector, and slightly lower than the European regional average. The rating reveals that the company has taken coordinated action on climate issues.

11 CIRCULAR ECONOMY

Both of Stockmann's divisions have identified the circular economy as one of the key themes in the promotion of sustainable business operations, and therefore they also aim to actively act in accordance with the principles of the circular economy. The aim is to keep materials and products in circulation for as long as possible while preserving their value. In addition, Stockmann continuously develops business operations that support the circular economy by monitoring and studying new solutions to extend the service life of products and materials, while also saving natural resources and reducing climate impacts. The company also guides its customers towards sustainable consumption by increasing communication on issues such as the maintenance of product materials to extend the service life of products, and on the wide range of recycling opportunities and service options offered by the company.

The **Group's** approach to the circular economy is in line with the Ellen MacArthur Foundation's three principles of the circular economy: design out waste and pollution, keep products and materials in use, and regenerate natural systems. In addition, the energy required for the cycle should be naturally renewable. Lindex has been successfully implementing circular economy principles in its operations for several years. Stockmann continues to resolutely develop business that supports the circular economy in various areas of its operation.

PACKAGING MATERIALS

Stockmann pays attention to the quality, recyclability and amount of packaging materials in order to keep the environmental load caused by packaging as low as possible. Stockmann has made a commitment to reduce the

consumption of plastic bags under Society's Commitment to Sustainable Development. Accordingly, plastic bags are no longer available for its customers at cash desks free of charge. The company has continued its in-store communication on more sustainable options. The Stockmann Group reports on the packaging materials it uses in accordance with the EU Packaging Directive.

In 2022, around 23 per cent (22) of our customers chose to buy a bag with their purchase, and out of those, 11 per cent (30) were plastic bags, 89 per cent (70) were paper bags and 0.3 per cent (0) were reusable bags.

Stockmann's plastic bags are 80 per cent recycled plastic (the bags sold at the Delicatessens in the Baltics are 60 per cent recycled plastic). The paper bags and corrugated cardboard packaging are made from FSC-certified material. Stockmann has introduced recyclable Paptic® Tringa fibre packaging made of FSC-certified spruce pulp at the department stores and in the online store.

The packaging materials, such as the cardboard boxes and packing paper, used for packaging the items purchased in

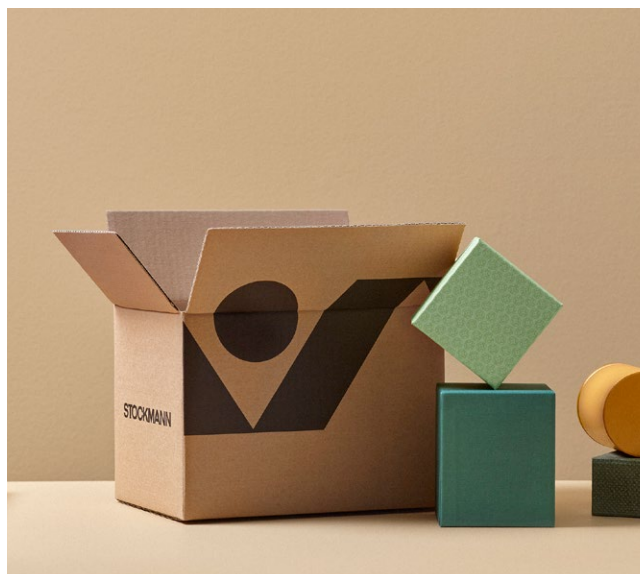


the stockmann.com online store are partially made of recycled materials. Stockmann uses plastic-free online store deliveries, and the plastic seal bags used in the online store will be replaced with seal labels.

Lindex's carrier bags are made of 80 per cent post-consumer recycled plastic and 20 per cent post-industry recycled plastic. Lindex's online store packages are made of 100 per cent recycled materials. In addition, Lindex has reduced the use of plastic in its supply chain by reducing the plastic used for packing garments shipped from production countries, for example.

PROMOTION OF RECYCLING THROUGH DONATIONS

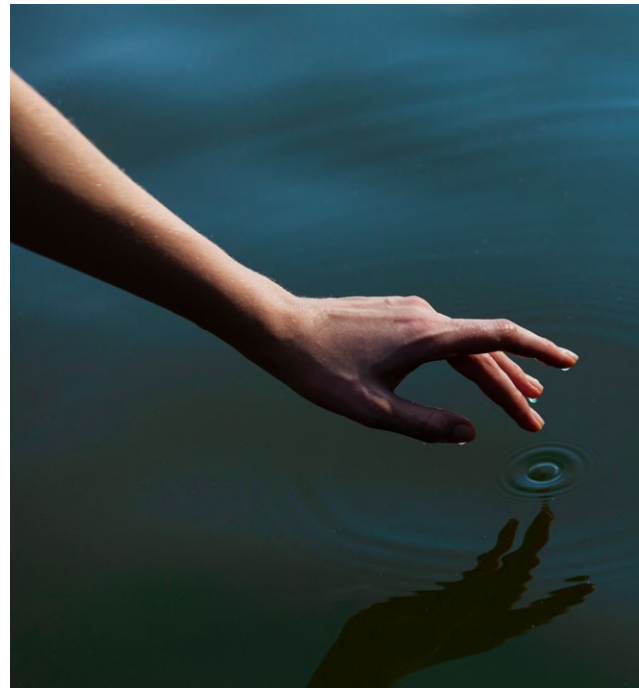
Stockmann's department stores and service functions engage in charity cooperation together to promote reuse and recycling by donating unsold products, product samples and leftover materials to local partners, charitable organisations and recycling organisations. An important criterion when selecting partners is that they help underprivileged people and deliver donations to those who need them the most.



USE OF CHEMICALS

When producing garments, chemicals are used in processes such as dyeing, printing and washing. The Stockmann Group fulfils the requirements of the REACH regulation and actively works to limit the use of harmful chemicals in all of its products. The Group has certain measures to achieve this aim. The use of perfluorinated compounds (PFCs), among other chemicals, has been completely banned since 2014. The ban affects all of Stockmann's and Lindex's own brand outerwear, and these items are now treated with Bionic-finish@ECO instead of PFCs. In addition, Lindex has adopted a voluntary ban on the use of cyclic siloxanes and perfluorinated alkylated substances (PFAS) in cosmetic products.

Lindex and **WatrAid** are working together to improve access to clean water and sanitation.



12 WATER

Lindex has promised future generations that it will be a water responsible company. **Lindex and WaterAid** are working together to improve access to clean water and sanitation around the world. The goal is to take into account the amount of water available while giving priority to the availability of water in agricultural and production communities for other purposes, such as drinking, fishing or other agricultural activities. It must also be ensured that the water used during production is clean and safe to be returned to the environment, which means the careful consideration of the use of chemicals, equipment and processes. Lindex has taken special measures to consider the quantity and quality of water in the supply chain to ensure water efficiency, reduce the risk of water shortages in areas related to its operations, safeguard the environment and human health, and provide water and sanitation in factories and local communities in cooperation with business partners. Lindex has a country-specific approach to water, and the water risk assessment is monitored and updated in cooperation with external experts.

During 2022, Lindex has accelerated its work concerning water. A comprehensive water strategy and framework are used to guide water-related operations. This framework illustrates what responsible water management involves, covering topics ranging from impacts to raw materials, processing, design and sanitation.

13 EFFLUENTS AND WASTE

The waste generated by the operations of the Stockmann Group's divisions is mainly packaging waste, such as cardboard and plastic. Biodegradable waste is also generated in the operations of the Stockmann division's Delicatessens in the Baltics and in the tenants' operations, which include grocery stores, restaurants and cafés. Stockmann pays close attention to waste sorting and recycling by providing training for the personnel and tenants, developing its guidelines and making sorting more convenient.

In the Finnish operations, waste sorting is managed in accordance with an ISO 14001 environmental management system, and the results of waste sorting and the amount of waste at the various business locations are monitored regularly. The goal is to reduce the amount of waste and to recycle as much waste as possible into new materials. Stockmann's total amount of waste decreased by around 7 per cent (-15) in 2022 and Stockmann's recycling rate was 66 per cent. Stockmann cooperates closely with its waste management service provider to improve the efficiency of its recycling operations.

In recent years, Stockmann's stakeholders have shown interest in the company's approach to unsold clothing. At the Stockmann department stores, all products are ultimately sold at discounted prices, or to the personnel through personnel sales, to ensure that no products are left over. Spoilage of products due to mould or other reasons during transport is rare. However, in such cases the products end up as waste in accordance with a set process monitored by Finnish Customs. Water consumption in Stockmann's own operations is minimal. Measuring and minimising water consumption are nevertheless an important part of Stockmann's environmental responsibility. Most of the water is used in the department

STOCKMANN GROUP WASTE IN 2019–2022, TONNES

	Stockmann				Index			
	2019	2020	2021	2022	2019	2020	2021	2022
Recycling								
Cardboard	1 039	806	790	801	1451	1338	1420	1395
Paper	45	61	35	33	410	205	161	199
Biowaste	1 186	813	615	686	6	2	2	
Plastic	51	37	33	28	509	385	574	712
Glass	29	22	40	29	-	-	-	-
Metal	33	28	34	39	-	-	6	-
Electronic waste (WEEE)	2	7	3	2	-	-	1	-
Recovery								
Mixed waste	310	226	179	135	31	70	184	-
Combustible waste	893	596	550	533	-	-	-	-
Construction waste	-	-	-	150	-	-	-	-
Hazardous waste	10	4	2	3	-	-	1203	-
Total	3 597	2 598	2 280	2 438	2 407	2 001	3 551	2 306
Recycling, %	66	68	68	66	99	97	61	100
Recovery, %	33	32	32	34	1	3	5	0

* Attention. A change has been made to the group's calculation methodology for the years 2021–2022, and the figures from previous years are therefore not comparable with these years. The new calculation corresponds to SBT requirements covering Scope 1, 2, 3 and all the most relevant categories.

stores' restaurant, kitchen and sanitary facilities. Water consumption is minimised by instructing the personnel and tenants, preventing and repairing even the smallest leaks and procuring more efficient water fixtures to replace older ones.

SOCIAL RESPONSIBILITY

Motivated and committed retail experts are the foundation of our business. We value equality and diversity and treat our employees fairly and impartially according to the principle of equal opportunities. We pay our employees fair wages for their work and support their personal and professional growth. We take care of our employees, provide them with healthy and safe working conditions and promote their wellbeing.

The Group's HR policies take into account the UN Sustainable Development Goals, and the divisions' vision, mission, values and management principles, and are based on the company's human rights policy and international commitments. The Stockmann Group's strength comes from people who do everything they can for customers. Stockmann Group works to be a company where employees can grow and develop, and contribute to a sustainable future together. And it encourages its people to take responsibility and fulfil themselves and their potential.

The Stockmann Group's common HR principles are:

- We treat everyone equally and promote diversity and inclusion
- We provide a healthy work environment that encourages initiative
- We manage ourselves and others based on our values
- Our community relies on individuals and teams who focus on their performance and growth
- We foster a culture of continuous learning and support everyone's growth
- We promote opportunities for participation and a sense of community

The Stockmann Group's divisions have their own HR policies, which are more detailed and support the implementation of the common principles. The implementation of good HR policies is monitored through personnel surveys, performance and development discussions and other feedback channels. Cooperation also takes place in local personnel forums and the Group's Employee Council in Finland. The divisions' HR Directors are responsible for the company's human resources management and report to the CEO of their respective division.

In the social responsibility section of the report, the Stockmann division's contribution is emphasised, as employee wellbeing and competence development have been identified as material themes.

STOCKMANN GROUP PERSONNEL FIGURES 2022

	2022	2021	2020
Number of personnel, 31 December	6 008	5 833	5 639
in Finland (men/women)	234/1 385	214/1 298	239/1 377
in Sweden (men/women)	154/2 031	152/1 982	173/1 850
Personnel on average	5 802	5 649	5 991
Personnel as full time equivalents, on average	4 332	3 886	3 973
Personnel by employment relationship and contract			
fixed-term (men/women)/permanent (men/women)	16 (5/95) / 84 (10/90)	17 (10/90) / 83 (2/98)	14 (9/91) / 86 (10/90)
fixed-term (men/women)/permanent (men/women) in Finland	7 (9/91) / 93 (15/85)	7 (8/92) / 93 (15/85)	3 (15/85) / 97 (15/85)
fixed-term (men/women)/permanent (men/women) in Sweden	20 (7/93) / 80 (7/93)	20 (7/93) / 80 (1/99)	14 (17/83) / 86 (7/93)
Share of full-time/part-time employees of personnel, %	35/65	37/63	40/60
in Finland (men/women)	36 (26/74) 64 (8/92)	39 (25/75) 61 (7/93)	41 (24/76) / 59 (8/92)
in other countries (men/women)	35 (18/82) 65 (1/99)	36 (17/83) 64 (2/98)	40 (20/80) / 60 (4/96)
Turnover of permanent employees, on average, %	21	17	18
in Finland	17	16	12
in Sweden	12	8	8
New permanent employee hires, %	19	17	12
in Finland	17	9	6
in Sweden	8	5	4
Personnel costs, EUR million	212.1	194.6	181.9
Personnel expenses, share of revenue %	21.6	21.6	23.0
Average age of personnel	35	38	39
in Finland	41	42	42
in Sweden	39	40	40
Sickness absences, %	6.1	5.1	5.3
in Finland	7.2	4.7	4.1
in Sweden	6.3	5.7	6.2
Reported workplace accidents at the workplace + on the way to work in Finland, quantity	79 + 53	35 + 31	51 + 19
Reported workplace accidents at the workplace in Sweden, quantity	111	49	225
Personnel training expenses (Stockmann Finland, excluding direct wage costs), EUR million	0.3	0.1	0.1

Comparison figures are only presented for two years, due to changes in reporting practices.

PROGRESS:

Lindex has set targets to increase gender equality and improve its employees' sense of inclusion and their perception of Lindex as an inclusive workplace. To promote these aspects, Lindex has hired a new internal expert to lead this work and develop a diversity, equity and inclusion (DEI) strategy. Because DEI is about people and all perspectives, the work has been started by collecting information within the company through surveys and in-depth interviews, among other means. This has enabled the company to set concrete targets that reflect its specific needs, perspectives and values, and to identify specific measures to achieve these targets. Development work is carried out under the awareness that it takes time and effort to achieve the desired changes and for them to become a natural part of Lindex's way of working. This is in line with Lindex's promise to make changes for future generations, and the company has made excellent progress in achieving its goals to build a more diverse, equitable and inclusive Lindex.

At the beginning of 2022, **Stockmann's** operating model, organisational structure, management style and processes were renewed to better support customer-oriented operations in line with the strategy. Employees were involved in the planning phase, and their views and ideas were heard in order to find the best possible solution. The result was an organisation with a lower hierarchy, that operates in international teams in three countries, guided by common processes across boundaries between units and countries. During the change, particular attention was paid to transparent communication, and supervisors were supported through regular joint briefings and discussions.

Further efforts have been made to develop competence and support customer-oriented operations by providing various target groups with learning opportunities and training. A common learning platform is available in all countries of operation. In Finland, workplace surveys on wellbeing have been supplemented by health surveys to prevent health risks for

individuals. The wellbeing theme has also been highlighted through blog posts on the revamped intranet, for example. In 2022, the Stockmann division revamped its employer brand to recruit the talent of the future. We also improved the exploitation of the personnel survey by providing supervisors and teams with better analytics on the survey results. In terms of remuneration, during Stockmann's 160th anniversary year, the company made a special effort to pay attention and show appreciation to its employees, through both 160th anniversary gifts and employee parties.

According to the results of a systematic personnel survey, the employees feel that the Stockmann division's strengths include, in particular, the opportunity to delight customers, the clarity of expectations concerning one's work, the ability to make decisions concerning one's work, cooperation within the team and the opportunity to fulfil oneself at work.

CHALLENGES:

Lindex has collected information about employees' experiences of harassment and discrimination through employee surveys. As part of a survey, employees were asked to respond to the statement 'If I experience serious mistreatment in my work, I am confident that Lindex will take action to remedy the situation.' The result showed less confidence than had been hoped for, which means that Lindex needs to focus on improving this theme.

According to **Stockmann's** personnel survey, the division should continue to pay special attention to improving learning and career opportunities. Although the results have improved, employees continue to expect more opportunities for development.

Another important area for development is strengthening the experience that wellbeing is considered important. The company's financial situation and restructuring proceedings are challenging employees' ability to cope at work. Sickness absences also remained at a high level in 2022, partly due to the

coronavirus pandemic, which continues to burden workplace communities.

The availability of labour was a significant challenge in 2022, especially in Estonia. This challenge has also been recognised in other markets where Stockmann operates. Retaining and attracting talent will be one of the most important focus areas in the coming years. We must also continue to strengthen key strategic capabilities.

The development of HR analytics and digital practices will also create better conditions for high-quality decision-making and the employee experience.

DEVELOPMENT:

Providing equal opportunities is part of **Lindex's** promise to future generations. Diversity work includes ensuring that all Lindex's employees are treated with respect and equally. A recent engagement survey showed that the majority of employees feel that Lindex offers equal opportunities and treats people from different backgrounds fairly. While this is a good indication that the company's values and culture are on the right track, it is still important to understand that work is about continuous improvement, operational development and learning from critical feedback.

Stockmann will continue to develop a culture of continuous learning and increase opportunities for on-the-job learning. During 2023, we will introduce our wellbeing vision, which was determined in 2022, and our renewed site-specific wellbeing teams will start their work. Based on the revamped employer brand, a separate action plan will be developed to increase the retention of talent and the attractiveness of the company. Investments will continue in the development of personnel data and analytics and employees' digital skills. Progress will be monitored through systematic personnel surveys, the development of the employer image and employee turnover and the opportunities offered by a phased approach to personnel analytics.

14 EQUALITY AND DIVERSITY

Diversity is taken into account when electing the members of the Board of Directors and the management teams, so that the members represent different fields of education and professions, international backgrounds, and different ages and genders. Information about the average age of the employees is presented in the 'Personnel Figures' table.

EQUAL OPPORTUNITIES

Equal and fair remuneration is one of the areas in the Stockmann Group's equality and diversity plan. Stockmann Group aims to promote a people-oriented culture that, at its core, includes fair, equal and appreciative treatment of all employees, with respect for diversity. It has a zero tolerance policy against discrimination and other inappropriate behaviour.

In **Stockmann** the remuneration of women and men working at Stockmann in Finland is monitored annually using an index. The causes of pay differences in the index include, for example, the differences between job roles, the level of qualifications and individual competences within the same job evaluation grade, which the index does not take into account. There are relatively more men working in supervisory and ICT positions, which explains some of the differences. Potential pay differences were reviewed in 2022 as part of the salary review process, and unjustified pay differences are being addressed.

STOCKMANN GROUP'S EMPLOYEES BY AGE GROUP IN 2022

MEN/WOMEN	Under 30	30-50	Over 50
Entire personnel, %	38 (6/94)	40 (11/89)	22 (9/91)
Group Management Team, persons	0/0	0/2	3/1

EMPLOYEES BY GENDER

MEN/WOMEN	2022	2021	2020	2019	2018
Entire personnel, %	9/91	9/91	10/90	9/91	9/91
With Director title, Group (%)	35/65	38/62	40/60	36/64	44/56
Group Management Team, persons (%)	2/3 (40/60)	3/3 (50/50)	3/3 (50/50)	3/2	4/6 (40/60)
Board of Directors, persons (%)	3/4 (43/57)	3/4 (43/57)	4/2 (67/33)	5/3	5/3 (63/37)

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

INDEX	2022	2021	2020	2019	2018
Sales personnel (hourly salary)	101	98	99	98	98
Warehouse personnel (hourly salary)	97	96	96	94	94
Office personnel (monthly salary)	93	95	96	109	94
Senior salaried employees and management (monthly salary)	87	79	78	82	84

The index is only indicative, as it does not take into account the diversity of job roles and descriptions and differences in competence levels.

NON-DISCRIMINATION

During the reporting year, no cases of sexual harassment or religious or political discrimination were raised at Stockmann Group.

In compliance with the Swedish Discrimination Act, Lindex annually conducts a salary review with the aim of detecting, remedying and preventing unjustified salary differences between women and men who perform the same or equivalent duties.

Lindex has its own non-discrimination policy, and the company does not accept any form of discrimination. In adherence to the company's plans on equal opportunities and diversity, Lindex strives to ensure that all employees are treated with respect and have equal opportunities and a positive working environment. Diversity is seen as a competitive advantage that supports creativity and innovation and delivers better results. Every Lindex manager is responsible for ensuring that they have a diverse

Our Sustainability
WorkOur Ways of
WorkingSustainable
EnvironmentResponsible
Work CommunityGoals, Reporting principles,
GRI Content Index

team and that diversity becomes a natural part of systematic competence development over the long term. To ensure non-discrimination and the benefits of diversity, Lindex continuously analyses and monitors working conditions, salaries, terms of employment, recruitment and promotions, training, and combining parenting and work.

Lindex's new Diversity, Equity and Inclusion (DEI) strategy was completed in 2022. Lindex regularly conducts a global employee survey to obtain an overview of how the company's employees experience their workplace and corporate culture. More about the results of the personnel survey can be read in Lindex's Annual Report at lindex.com.

Lindex's strategic approach to DEI is to increase gender diversity and balance by building and communicating an inclusive environment through two main objectives. The Inclusive Workplace objective aims to improve both performance and wellbeing measured by employee survey. The measures to achieve this include training both managers and

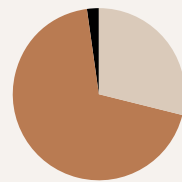
employees on inclusion and unconscious bias, introducing new inclusion policies in employee training, training policies on issues such as discrimination, equal treatment and whistle-blowing and creating and implementing a new Code of Conduct.

The Increasing Diversity objective aims to increase innovation and performance and strengthen the Lindex brand. Progress in these areas will be measured through the internal personnel survey, external branding surveys and KPIs for gender balance.

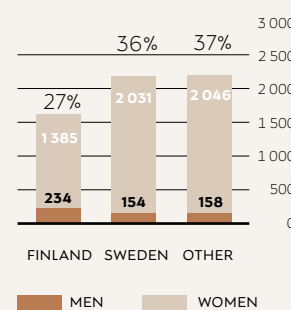
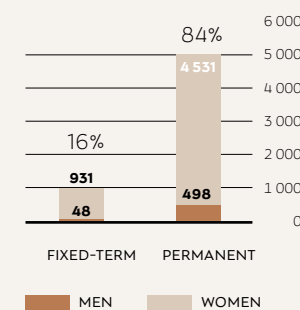
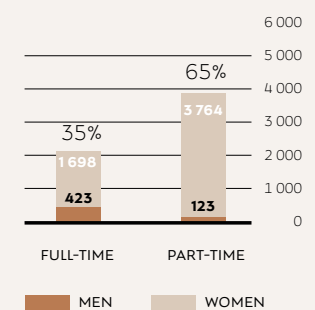
To achieve this, the following strategic actions have been identified: updating both internal and external communication, launching recruitment training on unconscious bias and gender decoding, setting science-based targets to increase multiculturalism and gender balance in teams, succession planning, and participating in networking and mentoring programmes.

Stockmann, in cooperation with its employees, has created a new conflict resolution model that describes how conflicts can be prevented and resolved in various situations. Among other aspects, the model describes how to act in line with the company's values in conflicts and what to do if one has been treated inappropriately. The model also sets out the responsibilities of every team member, the supervisor and the management, as well as the conflict resolution path. Employees are treated fairly and equally, with respect for diversity.

Stockmann has an equality plan, which is regularly updated and approved in the Group Council. The purpose of the plan is to point out structural issues in work duties with the aid of statistics and to set improvement targets for achieving a more equal working environment. The realisation of equality is actively promoted in all employment categories. Mutual respect and compliance with mutually set rules are part of this. In recruitment, the company is open-minded towards the various backgrounds of the candidates, aiming to create a diverse

STOCKMANN
GROUP 2022EMPLOYEES
BY DIVISION

STOCKMANN, 1,746	29%
LINDEX, 4,141	69%
PURCHASING OFFICES, 121	2%

EMPLOYEES
BY COUNTRYFIXED-TERM/
PERMANENTFULL-TIME/
PART-TIME

workplace community. Stockmann ensures that tasks, qualification requirements and titles are gender-neutral. Age, sex or religious beliefs are only considered if there is a justified reason based on the position. Age discrimination is not accepted, and different age groups are well represented in the company. The average age of Stockmann personnel in Finland is 45 years.

Personnel planning has been developed to ensure equal treatment, for example, when additional working hours are offered and days off and Sunday work are distributed, and by offering guidance for remote work. Stockmann works actively in cooperation with supervisors and employee representatives to deal with and anticipate potential cases of harassment and discrimination and issues concerning equal opportunity, the work atmosphere and the workload.

Stockmann has guidelines for working clothes, which encourage personnel to dress according to their own style and identity. These guidelines were further developed in line with employees' wishes during 2022. Stockmann works to strengthen diversity and inclusion in its organisation.

15 COMPETENCE DEVELOPMENT

Enabling systematic continuous learning is a core part of the **Stockmann Group's** HR practices and consists of on-the-job learning, online training programmes and internal coaching sessions and training events involving representatives from different business functions and personnel groups. Stockmann's goal is to enable and develop its employees' personal skills and offer professional learning opportunities.

Lindex promotes continuous professional development through various in-house training courses and events. In addition, the company offers external management training. At Lindex's purchasing offices, continuous training is offered to keep the personnel's knowledge and skills up to date in a rapidly developing industry.

In **Stockmann**, everyone has the opportunity to learn and develop. The company supports development in various ways, such as through on-the-job learning, participation in courses and training programmes, peer learning, supervised learning and e-learning. Regular success discussions (performance appraisals) are one way to identify learning needs, and are held regularly with each employee, at least twice a year. The information shared in these discussions is also useful for team leaders in succession planning. The aim of these discussions is to ensure the necessary expertise to implement Stockmann's strategy now and in the future.

In 2022, the strategic key competences and the key talents at the organisational level continued to be strengthened in the Stockmann in the following ways: The All Stars game, a peer feedback learning tool for sales staff, was introduced to strengthen their understanding of key competencies. Stockmann created the concept of Retailer Workshops, which was piloted in the Stockmann department store in Helsinki City

Centre. All key personnel and 344 members of the sales staff participated in workshops to agree on operational and management measures to improve the customer experience. In 2023, the programme will be implemented in all of the other Stockmann department stores in Finland and in the Baltic countries.

Product and service expertise was strengthened by providing sales staff with several training sessions, both online and face to face. The training focused on comprehensive solutions, fashion trends, selections in different categories, and Stockmann's services and customer loyalty programme. In the Baltics, new cash register systems were introduced, and training was organised for the staff of the sales unit in cooperation with the financial department. Data-driven management skills were developed in study circles, and 30 professionals took advantage of the Coursera learning platform to the extent applicable to Stockmann. The adoption of agile working methods was supported by organising Core of Agility study circles, where 23 employees from across the organisation completed an online course and carried out small development projects in their own work to support their learning. In the Finnish units, the induction training for sales staff recruited through a partner agency was improved, and the materials for the online training platform were further developed. Feedback is collected actively from seasonal workers, and their willingness to recommend Stockmann as an employer (eNPS score) after the Crazy Days campaign in the autumn was 72 (58 after the campaign in the spring of 2022).

During 2022, several modern tools were introduced, including a new solution for internal communication, the intranet, invoice processing, financial forecasting and budgeting, time and payroll management, and recruitment. To support employees' sense of control amidst changing tools, the company seeks to ensure that they learn how to use the new tools. More than 900 employees participated in training on the adoption of new systems.

Stockmann continues to support the combination of work and study and actively offers opportunities for apprenticeships, internships and theses. As part of the year of Stockmann's 160th anniversary, Stockmann alumni were invited to share stories about what they had learned during their careers at Stockmann.

During the year, the learning and development of key staff and supervisors was supported in many ways, such as by organising three Leadership Day events and providing training for new supervisors. Additional support was also provided to supervisors to promote organisational change through weekly STAR30 events and team coaching sessions.

Stockmann's e-learning environment is available in all of its three countries of operation, and can be accessed 24/7 even outside the Stockmann network. A total of 175 courses are available, from induction to basic training for sales staff and courses for supervisors. In 2022, nearly 2,000 staff members completed courses in the e-learning environment. In Finland, the training platform is also available to partner companies. Mobile games are also used for training, including the use of gamification to familiarise employees with sustainability work. The continuous learning experiences of Stockmann's employees are regularly measured through two questions in the personnel survey.

Stockmann's strengths include the opportunity to *delight customers in one's work, the clarity of expectations concerning one's work, the ability to make decisions concerning own work, cooperation within the team and the opportunity to fulfil oneself at work.*

16 PERSONNEL WELLBEING

The Group's occupational health care services are organised in accordance with the local laws and regulations in all of its 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 wellbeing is measured through employee surveys.

Two employee surveys were conducted in the **Stockmann division** in 2022. According to the survey, Stockmann's strengths include the opportunity to delight customers in your work, the clarity of expectations concerning your work, the ability to make decisions concerning your work, cooperation within the team and the opportunity to fulfil yourself at work.

There is room for development in areas such as improving your own learning and career opportunities and strengthening the experience that wellbeing is considered important.

Stockmann offers the opportunity for remote work. The goal is to support work-life balance and equal opportunities. To improve occupational health and safety during the pandemic, Stockmann issued a remote work recommendation to all employees whose duties permit it. This practice will continue.

In addition to statutory occupational healthcare, the Stockmann division's occupational healthcare in Finland includes medical care and low-threshold mental health support. Close cooperation with the service provider includes, for example, ensuring well-functioning and effective services through steering groups, based on feedback from staff, among other aspects. Support provided by the supervisor, a safe working environment and the opportunity to eat healthy food during the workday are also considered part of the support for employees' ability to work. Stockmann offers its employees in Finland the opportunity to get vaccinated against the seasonal flu every year. In 2022, the opportunity to get vaccinated against the coronavirus was added in line with the national vaccination

programme. Judging from the feedback received, the employees appreciate this opportunity.

Stockmann has an early intervention model in place to monitor and promote the work ability and health of its employees. Early intervention discussions are supervisors' confidential tool, which they are recommended to use when an employee's wellbeing or ability to work has been affected in one way or another. A follow-up of sickness absences requires cooperation between the supervisor and occupational healthcare provider, and sometimes involves a personnel representative and the HR department. The number of sickness absences is monitored by using system and by means of the sickness absence rate. Different forms of support for the return to work, such as a trial period, reduced workload or part-time sick leave, are used actively. The company also has a substance abuse programme to intervene in cases involving substance abuse. The programme was updated in 2022.

Efforts have been made to strengthen staff involvement in the development of wellbeing at work through site-specific employees' councils. At the end of 2022, the councils' policies and practices were revised, and the forums were renamed the wellbeing teams. These site-specific teams will start their work in 2023. The reform aims to further increase the inclusiveness and effectiveness of local teams and the co-development of work and the workplace community.

OCCUPATIONAL SAFETY AND WELLBEING AT WORK

Occupational accidents and sickness absences in 2022 are reported in the table 'Personnel figures'. In Finland and Sweden, the majority of accidents were caused by slipping or falling or by dropping or lifting objects. In the Stockmann division, each site has an occupational safety and health organisation that is responsible for maintaining and developing safety at work. All employees in Finland were covered by the services of the occupational healthcare provider in 2022. Occupational healthcare at the Group's units in Finland is arranged through outsourced services.

17 LABOUR AND MANAGEMENT RELATIONS

The **Stockmann Group** monitors the implementation of good HR practices through personnel surveys, performance and development discussions (success discussions in the Stockmann division) and other feedback channels. The personnel participate in interaction and discussion in many ways. The company promotes a culture of openness and strives to communicate about issues concerning its personnel as promptly as possible. To this end, the company reviews its strategy and financial performance and sets goals for its performance in these areas.

Two employee representatives participate in the meetings of Stockmann's Board of Directors, and they have the right to be present and speak at these meetings. One of the employee representatives is the chief shop steward elected by the employees, and the other is elected by Stockmann's senior managers. The representatives are appointed by the Group Council.

The **Stockmann division's** Chief Executive Officer regularly reviews the company's strategy and financial position in quarterly personnel information sessions as well as in separate information sessions about the strategy, the focus areas and news concerning the personnel together with other management and experts. In 2022, the CEO made several visits to all sites to meet both staff and customers and engage in discussions with them. In early 2022, the CEO's tour focused on discussing the new organisational structure and ways of working. The CEO also meets employees and customers when working regularly at the customer interface.



The goal is that a success discussion is conducted twice a year with every employee. The discussions can also be held in groups.

In Finland, there is an Employees' Council at every business location, and they convene four times a year. A similar model is followed in the Baltics. The Employees' Councils will start operating on a new basis at the beginning of 2023, when the practices revised in 2022 enter into force and the forums start to operate as wellbeing teams consisting of employees. Dialogue also takes place in the Group Council, which is a Group-level cooperation forum in Finland to discuss statutory personnel and financial matters and other topical issues concerning Stockmann plc and Lindex Oy. The Group Council meets twice a year.

During the preparatory phase of the organisational change in 2022, employees were consulted through two rounds of feedback. In the first phase, everyone had the opportunity to

give their views on the top-level unit structure planned for the division. In the second round, unit-specific plans were discussed and feedback was gathered in each unit. In total, feedback was collected in 36 team meetings, and 64 people gave anonymous feedback. The organisational plans were adjusted on the basis of the feedback rounds.

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 86 per cent (83) 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 collective agreements.

The company does not monitor the extent of union membership, but it does compile statistics on the number of employees in Finland whose trade union membership fee is deducted from their salary. In 2022, such employees accounted for 29 per cent (36) of the Group's personnel working in Finland. In the other countries of operation, statistics on union membership have not been collected.

18 EMPLOYMENT

The past few years have been challenging for Stockmann and its personnel, and the coronavirus pandemic, which broke out in the spring of 2020, posed further challenges for the business. The Stockmann division continued its organisational reforms to improve profitability and performance, and the new organisation entered into force at the beginning of February 2022. At the same time, the division focused strongly on developing competence and its corporate culture. In accordance with the Stockmann division's strategy, which was updated in 2020, the division continued to develop a customer-centric culture. It also strengthened leadership based on the joint leadership principles and the value-based employee experience. The Stockmann division also systematically developed the employee experience and strengthened employee commitment.

EMPLOYMENT CONTRACTS

In retail, the need for fixed-term employees is traditionally high, as the summer and Christmas seasons and campaigns increase the need for seasonal employees. The use of self-employed workers and freelancers is minimal at the Stockmann Group. The number of fixed-term employees at the Stockmann division has decreased, while seasonal workers at the department stores for the Crazy Days campaign and special seasons are now recruited entirely through a recruitment agency. Some of the people working at the Stockmann department stores are employed by Stockmann's tenants in, for example, restaurants and departments operated by partners.

The Stockmann department stores offer many young people an opportunity to become familiar with the retail sector, for example, in the form of practical training periods that are required by various educational institutions. In the summer of 2022, we offered 32 young people work experience through the

Tutustu työelämään ja tienaa (Earn while experiencing working life) programme.

EMPLOYEE BENEFITS

The Stockmann Group offers its personnel the benefits stipulated by the local legislation in each of its countries of operation. These benefits may include occupational healthcare services, insurance against occupational accidents and diseases, parental leave and retirement benefits. The same personnel benefits are offered to part-time and full-time employees. In most countries, employees receive benefits that clearly exceed the requirements set by the legislation, including healthcare, health insurance and meal benefits.

These benefits are evaluated and updated regularly. All employees can purchase products using an employee discount in the stores belonging to the Group. In addition, Stockmann offers its employees in Finland the opportunity to purchase work clothes with an additional discount four times a year. Furthermore, separate personnel sales are organised, enabling employees to purchase discontinued products at a budget price.

Stockmann has an incentive programme that covers every employee. The purpose of the programme is to encourage and motivate employees to succeed in their work and to reward them for success. In line with the updated strategy, the main focus is on profitable business operations and customer satisfaction. Long-serving employees are rewarded annually with a medal. In both divisions, employees are rewarded on their 50th birthday. In the Stockmann division, employees are rewarded for 30 years of service with an additional holiday. We also encourage supervisors to recognise special achievements with personal incentives and praise.

STOCKMANN'S IMPACTS ON LOCAL COMMUNITIES

The Stockmann Group has studied and identified its impacts on local communities from the perspectives of social and



environmental responsibility. The Stockmann Group has a significant employment impact in upstream countries in the value chain, especially among women, which improves their position and earning opportunities. The textile industry is concentrated in high-risk countries, as classified by the BSCI, where concerns include working conditions, human rights issues and living wages. Both divisions of the Group require their partners to commit to responsible business practices, conduct their own audits and ensure the performance of their factories through third-party audits. Lindex also has tools, in line with the principle of empowering women, which it uses and offers to companies in the countries where it operates in its supply chain. In terms of the environment, the energy and water consumption of the factories used by the Group is also under review, and environmental issues are being addressed through pilot projects. The Stockmann Group will seek a Group-wide roadmap for its carbon footprint and build targets during 2023. The goal is to build science-based targets for the Group by 2023.



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GOALS, REPORTING PRINCIPLES, GRI CONTENT INDEX



STOCKMANN GOALS: PROFITABLE AND RESPONSIBLE BUSINESS

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022–2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Responsible and stable returns for owners by creating added value to all stakeholders	Improving economic performance progress	Increasing visitor rates and revenue growth	Increasing market share	Positive net result	Own operations	<ul style="list-style-type: none"> ● In progress • More information avail- able in the financial review
	Increasing shareholder value	Exit corporate restructuring programme	Restart dividend payout	Positive net result		<ul style="list-style-type: none"> ● In progress • More information avail- able in the financial review
Ensure profitable business by responding to the customer needs	Constantly improve customer experience to achieve the premium- class customer satisfaction	Voice of Customer program collects and shares customer insight that leads to actions MyStockmann loyalty program is developed based on customer needs and it gains new and more active members	Continuous development and identification of customer needs and increasing incentives for responsible consumption	Touchpoint level EVI improvement Amount of active MyStockmann members		<ul style="list-style-type: none"> ● Achieved • The division-level EVI result for 2022 was 58 (49). The EVI result was 65 (65) for the department stores, 22 (6) for customer service and 54 (48) for the online store. Increase in the number of active MyStockmann members 552,900 (523,400) MyStockmann members in total 1.4M (1.4M)
Transparent communication, good governance, compliancy	Ensure customer pri- vacy in omnichannel operations	Continuous development of Stockmann GDPR and security process	Continuous development of Stockmann GDPR and security process	Zero deviations		<ul style="list-style-type: none"> ● Achieved • Zero deviations
	Transparent stakeholder communication	Maintain the good current level and active dialogue with stakeholders	Active development of Stockmann reporting according to reporting directive changes and stakeholders needs	Zero deviations to directives and authority require- ments		<ul style="list-style-type: none"> ● Achieved • Zero deviations
	Maintaining high level of anti-corruption and anti-competitive behaviour	All Stockmann employees have completed the Code of Conduct training	E-learning platform in use at Stockmann division	Zero deviations		<ul style="list-style-type: none"> ● In progress • Finland: 93% (89) • Latvia: 100% (100) • Estonia: 6% on the E-learning platform, 100% otherwise

STOCKMANN GOALS: ENVIRONMENTAL SUSTAINABILITY 1/2

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022–2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Environmentally sustainable valuechain	Customer health and product safety (materials, chemicals)	We actively monitor regulatory updates and maintain product safety in all product categories and services	We actively monitor regulatory changes and maintain product safety	Zero deviations		<p>● Achieved</p> <ul style="list-style-type: none"> • Zero deviations
	Environmental assessment of suppliers	Identify and build best practices for suppliers' environmental responsibility development together with them and other stakeholders	Continuously support suppliers in developing responsible practices together with other stakeholders	Define the target		<p>● Not achieved</p> <ul style="list-style-type: none"> • Identifying and building the practices have not been started
	Ensure sustainable procurement practices	Develop and monitor procurement process	Monitoring and further development of sustainable procurement process	100% sustainability due diligence		<p>● In progress</p> <ul style="list-style-type: none"> • Work in progress
Climate change mitigation actions	Set SBT climate targets and action roadmap	Development of CO ₂ calculation to meet SBT's requirements covering Scope 1, 2, 3 and the essential categories, and to achieve more effective emission reduction solutions	Active monitoring and further development of emission calculations in all countries of operation of the division	SBT targets will be defined Q3/2023	All operations	<p>● Achieved</p> <ul style="list-style-type: none"> • CO₂ calculation improved to meet SBT requirements ● In progress • SBT targets to be set by 6/2023
	Increase energy efficiency and reduce emissions	Develop and monitor emissions accounting to improve the efficiency of sustainable solutions	Monitoring and further development of emission accounting Energy efficiency target -7,5% 2018–2023	CO ₂ neutrality TBD in accordance with CO ₂ roadmap		<p>● In progress</p> <ul style="list-style-type: none"> • New goals will be set by 6/2023. The previous energy efficiency target of -7.5% for the years 2018–2023 was achieved with a total reduction of -32.61.
	Reduce waste and maintain high recycling rate	Reduce the amount of biowaste in the Baltic department stores and actively utilise new ways of recycling waste in all operations	Maintain the ISO 14001 certification of Stockmann Finland operations and improve similar system in Baltics	Reduction of bio-waste in the Baltics as a percentage of turnover	Own operations	<p>● In progress</p> <ul style="list-style-type: none"> • High and stable coverage

STOCKMANN GOALS: ENVIRONMENTAL SUSTAINABILITY 2/2

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022–2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Circular economy as a growing part of product range and services	Create and implement a circular design process for own brands	Explore the possibilities for developing the Stockmann design process towards a circular economy model. Optimise the use of product packaging materials, increase the use of recycled and certified material in private label packaging materials and update the supplier guidelines.	Continuous development of the design process to find new business opportunities in the circular economy	Investigate and create model	Own operations, (collaborate with Lindex)	<p>● In progress</p> <p>• Participation in the national Circular Design program. Using the Circular Design model in the design process of own clothing brands.</p>
	Increase the number of sustainable choices of our high-quality offering	Develop the sustainable product selection by identifying customer needs, exceeding expectations and encouraging towards responsible consumption and lifestyle. Increase the use of high-quality sustainable materials. Explore new business opportunities locally and at the group level.	Monitoring and further development of the more responsible product and service selection by listening to customers' needs and following developments in the industry. Increase product as a service selection.	Share of sustainable materials and products of the selection	Own operations	<p>● In progress</p> <p>• Increased responsible product and service selection</p>
	Increase customer awareness of sustainable consumption by customer communication and marketing	Increase customers' awareness of sustainable consumption and recycling opportunities by offering a variety of services and communicating in multiple channels	Constantly monitor and promote sustainability topics and maintain active communication with our customers and employees	Create and implement the model	Own operations	<p>● In progress</p> <p>• Multi-channel communication to increase customer understanding of responsible consumption</p>

STOCKMANN GOALS: ETHICAL RESPONSIBILITY AND COLLABORATION 1/3

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022–2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Customer centric meaningful work	Understanding customers' needs and improving CX and EX	Improving customer experience in all touchpoints Customer Happiness development project improves CX and EX	Continuously improve identification of customer needs and increase incentives for responsible consumption	Touchpoint level EVI improvement Customer Happiness response times	Own operations	<p>● Achieved</p> <ul style="list-style-type: none"> • The division-level EVI result for 2022 was 58 (49) • The EVI result was 65 (65) for the department stores, 22 (6) for customer service and 54 (48) for the online store
		Stockmann team members get opportunities to learn and grow professionally • by having Success Dialogues on regular basis, and minimum 1/year focus is on learning and growth	Gets opportunities to learn and grow professionally • By being encouraged and empowered to think learning needs and find various ways to learn and build the needed competences • By developing systematic People Leader onboarding and development path to support Leadership principles driven competencies	"I get enough support to learn and develop at Stockmann to be able to perform well in my role."		<p>● In progress</p> <ul style="list-style-type: none"> • Employer Brand strategy for Stockmann division was created in 2022
	Enabling continuous learning and growth	Stockmann team members get support to build career paths at Stockmann • by making career steps more visible • by improving visibility on company level to recognise the people who are willing to take new steps • by creating an employer branding plan and strengthening our employer marketing • by carrying out People Review process on annual basis	Gets support to build career paths at Stockmann • By encouraging more internal career movement at Stockmann. • By always opening every vacancy at Stockmann internally equally for everyone, giving everyone the opportunity to apply for a new position. • By having My future@stockmann concept in use. • By creating automated processes and contents to support team members and people leaders with career step questions.	"Stockmann offers good opportunities to develop on my career."		<p>● In progress</p> <ul style="list-style-type: none"> • The perception of development opportunities has stayed on previous year's level. A total of 42% (43) felt that Stockmann offers good opportunities for professional development and 52% (55) said they had been given sufficient learning and development opportunities.

STOCKMANN GOALS: ETHICAL RESPONSIBILITY AND COLLABORATION 2/3

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022-2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Equal, diverse, inclusive and safe work community	Strengthening inclusion and empowerment in work community	Stockmann team members work in safe and responsible work environment • by empowering local H&QS -teams/ employee councils to work together for a healthy, safe and inspiring workplace. We will support and encourage our local teams to actively develop work, wellbeing and safety locally	We have empowered, motivated and healthy, self-steering teams that put wellbeing everyday at the core We have modern, safe working places in all countries and locations	“Stockmann cares about my wellbeing” survey	Own operations	● In progress • Renewed wellbeing teams during 2022 and the teams will be in opera- tion 2023
	Improving our wellbeing together	Stockmann team members get support for taking care of their own health and wellbeing • by having wellbeing as part of every step in our employee journey; we identify and verbalise the actions and feelings that support and/or create wellbeing in each step of the employee journey • by actively communicating about wellbeing at Stockmann to support employees' and work communities' ability to invest in wellbeing		Sick leave (days/employee) Health-% Work related accidents		● In progress • Established a Stockmann Wellbeing-vision and a cross-country wellbeing activation/communication plan for 2023 ● In progress • Cross-country working group in place for estab- lishing the wellbeing journey by end of H1/2023

STOCKMANN GOALS: ETHICAL RESPONSIBILITY AND COLLABORATION 3/3

STOCKMANN CSR STRATEGIC PRIORITIES FOR 2022–2025	ACTIONS	SHORT TERM TARGETS	LONG TERM TARGETS	KPI TARGETS	TOPIC BOUNDARY	STATUS
Ensure ethical working practices in supply chain	Ensure safe working environment by monitoring and active dialogue	Groupwide guidelines. Be transparent in choosing also local partners and publishing supplier list on webpage. Sustainability related certificates are listed and included in all contracts. Procurement agreements to cover sustainability topics.	Evaluate and update the common practices and communicate through dialogue with stakeholders to foster growing sustainable business. Expanding the supplier list of own brands to also cover Tier 2 and Tier 3 operators.	Target level of audits and follow-up	Supply chain for own brands	<p>● In progress</p> <p>• Increased amount of local partners, transparently published supplier list</p>
	Human rights assessments, sustainability due diligence	Re-evaluate and update the code of conduct and the process. Find solutions to ensuring fair pay in the supply chain. IFS system.	Active data maintenance and process development. IFS system. Conduct corporate sustainability due diligence directive (CSDD).	Code of Conduct signed by 100% of suppliers	Supply chain for own brands	<p>● In progress</p> <p>• High and stable coverage</p>
	Social audits made by third party, 100% of own suppliers (BSCI, SEDEX or similar)	Active dialogue with third parties and follow up of audits	Active data maintenance and process development. IFS system.	Social audits made by third party, 100% of own suppliers	Supply chain for own brands	<p>● In progress</p> <p>• High and stable coverage</p>

LINDEX GOALS

Lindex: Our goals are aligned with our promise, and the three focus areas of empower women, respect the planet and ensure human rights. These goals demonstrate our commitment to encouraging structural change that elevates women. Through them, we model responsible corporate behaviour that respects people as well as the

environment. The ambitious goals we have set for ourselves require a structured and organised approach, with clear definitions and proper monitoring. While our actions towards each goal will look quite different, we have applied a consistent methodology to our approach, which is:

- Define the issue
- Set the vision
- Set the policy
- Align internally
- Declare publicly
- Monitor and report

EMPOWER WOMEN

TOPIC	GOAL	DEFINITION & MONITORING FRAMEWORK IN PLACE	SUPPLEMEN- TAL KPIS	PROGRESS 2019	PROGRESS 2020	PROGRESS 2021	PROGRESS 2022	NOTES
Gender inclusive work- places	By 2025, Lindex's suppliers who stand for 80% of our production have completed our Women Empowerment programme and sustained the learnings	Yes		Suppliers standing for 38% of order quantity	Suppliers standing for 51% of order quantity, not rolled out further in 2020 due to COVID-19	Suppliers standing for 51% of order quantity	Suppliers standing for 57% of order quantity	WE Women was completed in Bangladesh in 2020 and in India in 2021. Delays experienced due to COVID. We Women was introduced in Turkey in 2022.
			Number of factories that provided skills trainings in management and leadership for female workers				Bangladesh: 14 factories (51% of our suppliers), India: 2 factories (28% of our suppliers)	We started to measure in 2022
			Number of female supervisors				Baseline in Bangladesh is 546 (10,7% of supervisors), baseline in India is 62 (8,4% of supervisors)	

RESPECT THE PLANET

TOPIC	GOAL	DEFINITION & MONITORING FRAMEWORK IN PLACE	SUPPLEMENTAL KPIs	PROGRESS 2019	PROGRESS 2020	PROGRESS 2021	PROGRESS 2022	NOTES
Climate	By 2023, we are climate neutral in Lindex's own operations	Yes		Emissions decreased by 22%	Emissions decreased by 23%	Emissions decreased by 58%	Emissions decreased by 58%	Compared to 2017
	By 2030, we have achieved 50% reduction of CO ₂ emissions in Lindex's total value chain (with 2017 as baseline)	Yes				Emissions decreased by 22%	Emissions decreased by 22%	Excludes consumer use phase
Circularity	By 2026, 100% of Lindex's materials are recycled or sustainably sourced	Yes		65%	68%	78%	80%	A garment is counted toward our 100% goal if it contains 50% or more "more sustainable materials." We have designated "more sustainable materials" to mean raw material that comes from a renewable or recyclable source, and that the fibre is cultivated or produced using methods that have less of a negative impact on nature's resources compared to conventional alternatives.
	By 2026, 70% of all products include a minimum of 15% recycled content	Yes				16%	27%	We have added a goal specific to recycled fibres uptake and with that extended our commitment until 2026, compared to previous 2025
	By 2025, our entire assortment will be designed for longevity and/or circularity	Yes				50% of teams started designing according to our circular design principles	61% of teams started designing according to our circular design principles	Measured so far by how many teams have started using our 10 circular design principles. Going forward, we will align this follow-up with coming requirements through the EU regulations on eco-design.
	By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams	Yes			89%	92%	96%	
	By 2025, all paper and plastic packaging follow our circular materials strategy	Yes					All transport packaging and stockings packaging plastic is shifted to 100% recycled content	

RESPECT THE PLANET

TOPIC	GOAL	DEFINITION & MONITORING FRAMEWORK IN PLACE	SUPPLEMEN- TAL KPIS	PROGRESS 2019	PROGRESS 2020	PROGRESS 2021	PROGRESS 2022	NOTES
Natural resources	By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals, and incorporated reduction, reuse and recycling of wastewater in the environmental management systems	Yes		Mapping and verification on-going	Thorough water risk mapping in tier 1 and 2 complete. We have also developed an action plan per market to take us towards our goals.	88%	79%	For 2022, this is based on tier 1 suppliers with water intense operations (which is 25% of our total volume). Our criteria has become more stringent compared to 2021, which is why the percentage has decreased for 2022. For 2021, this figure was recalculated based on improved data availability. See further information about our water strategy on page 55.
	By 2025, we have removed the release of all hazardous and toxic substances from Lindex's supply chain and promote transparency and more sustainable chemistry	Yes		Mapping and verification on-going	The focus has been expanding our mapping and verification. Read more about The BHive® chemical management platform and our new PPP on page 58.	91%	79%	For 2022, this is based on tier 1 suppliers with water intense operations (which is 25% of our total volume). Our criteria has become more stringent compared to 2021, which is why the percentage has decreased for 2022. See further information about our water strategy on page 55.
			Percentage of vertical suppliers in Bangladesh, India, Turkey and Pakistan, and Sri Lanka complying with local national requirements or above standard (ZDHC) on Waste-water Discharge				100%	
			Percentage of tier 1 suppliers granting access to clean water and sanitation for workers, as verified by social audit				100%	

ENSURE HUMAN RIGHTS

TOPIC	GOAL	DEFINITION & MONITORING FRAME- WORK IN PLACE	SUPPLEMENTAL KPIs	PROGRESS 2019	PROGRESS 2020	PROGRESS 2021	PROGRESS 2022	NOTES
Fair and decent work	By 2025, Lindex's suppliers who stand for 80% of our production show total supply chain transparency	In progress						While we have already mapped big parts of our supply chain, currently the IT infrastructure needed to enable SC transparency and product traceability is still in development
	By 2025, Lindex's suppliers who stand for 80% of our production show commitment to improving working conditions	Yes			77%	70%	72%	Measures the share of Lindex's suppliers who stand for 80% of our production that show commitment to improving working conditions
	By 2025, Lindex suppliers who stand for 80% of our production work actively with a living wage programme	Yes				40%	83% (goal exceeded)	
			Percentage of tier 1 suppliers providing digital payment of wages				98%	
			Percentage of top 30 suppliers conducting self-assessments			40%	86%	
			Percentage of top 30 suppliers calculating living wages using Anker & Anker methodology			40%	83%	
			Cases of discrimination and harassment that occur in Lindex's own operations	Head office has received training about workplace harassment and discrimination	Progress not measured in 2020 due to focus on COVID-19	During 2021, there was one case of discrimination in Norway and one case of harassment in Sweden reported to HR. Both were resolved during the year.	During 2022 there was one case that came in through our whistleblowing system. It was resolved during the year.	
Diversity, equity and inclusion	Inclusive workplace	In progress					Lindex has set the ambition and made a decision to educate all managers and teams in DEI. Trainings for HQ managers were launched in Q2/2022.	This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific questions in Lindex Voice.
	Increased diversity	In progress					The ambition was set and decision made to work with communication, awareness and to work more with a focus on gender balance. A well-organised onboarding process is being developed.	This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific DEI questions in Lindex Voice.

REPORTING PRINCIPLES 2022

The sustainability report covers all Stockmann Group's own operations during 1 Jan–31 Dec 2022. The report is published annually. The Group's reporting segments are Stockmann and Lindex. Stockmann's subsidiary Lindex publishes more detailed information about its sustainability work in its own sustainability report, at lindex.com. Stockmann's sustainability report will be published at the beginning of the year 2023.

The sustainability report is based on the renewed requirements of the Global Reporting Initiative (GRI). In its sustainability reporting, Stockmann has focused on the accuracy, balance, clarity, comparability, recurrence, coverage, sustainability, context and verifiability of the information.

The environmental figures also cover the operations of the tenants in the 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. The aim is to report the relevant indicators in terms of revenue and employee count at least for our main operating countries, which are Finland and Sweden. Due to differences in reporting practices within the Group's units, some of the indicators describing personnel and the environment are reported only for Finland. The measurements and accounting policies are described in connection with each relevant indicator.



GRI CONTENT INDEX

GRI standard and disclosure		Location	Comments	SDG's
GRI 2: General disclosures (2021)				
Organizational profile				
2-1	Organizational details	Our sustainability work p. 4, Back cover		
2-2	Entities included in the organization's sustainability reporting	Reporting principles, p. 57		
2-3	Reporting period, frequency and contact point	GRI Content Index	The reporting period for the review is the financial year from 1 January to 31 December 2022. The report is published annually. More information: csr@stockmann.com	
2-4	Restatements of information	GRI Content Index	Changes are reported in connection with relevant performance indicators. I.a. CO ₂ calculations have been developed to be more comprehensive, and thus previous years are not compatible.	
2-5	External assurance	GRI Content Index	The Corporate Social Responsibility Report report has not been verified by a third party. Financial indicators, which are presented in the financial statements, are assured by authorised public accountants.	
Activities and workers				
2-6	Activities, value chain and other business relationships	Sustainable business approach, p. 17-25		
2-7	Employees	Social responsibility, p. 40-42		5,8,10
2-8	Workers who are not employees	Social responsibility, p. 45	Data regarding the whole amount of workers who are not employees is not available. Data collection will be developed in the future.	5,8,10
Governance				
2-9	Governance structure and composition	Corporate governance, p. 2-4, p. 6-8		
2-10	External initiatives	Corporate governance, p. 2-4, p. 6-7		
2-11	Chair of the highest governance body	Corporate governance, p. 2, p. 6		
2-12	Role of the highest governance body in overseeing the management of impacts	Our sustainability work, p. 9-10 Corporate governance, p. 3-4		
2-13	Delegation of responsibility for managing impacts	Our sustainability work, p. 9-10 Corporate governance, p. 4		
2-14	Role of the highest governance body in sustainability reporting	Our sustainability work, p. 9-10		
2-15	Conflicts of interest	Our sustainability work p. 10 Sustainable business approach p. 27 Corporate governance p. 10		
2-16	Communication of critical concerns	Our sustainability work, p. 10		
2-17	Collective knowledge of the highest governance body	GRI Content Index	The Board of Directors has not received sustainability trainings arranged by Stockmann group.	
2-18	Evaluation of the performance of the highest governance body	Corporate governance, p. 3		
2-19	Remuneration policies	Remuneration report p. 2-4 Corporate governance p. 2, p. 9-10		
2-20	Process to determine remuneration	Remuneration report p. 2-4 Corporate governance p. 2, p. 9-10		
2-21	Annual total compensation ratio		Data missing from the report. Data collection will be developed in the future.	

Our Sustainability Work		Our Ways of Working	Sustainable Environment	Responsible Work Community	Goals, Reporting principles, GRI Content Index
GRI standard and disclosure			Location	Comments	SDG's
Strategy, policies and practices					
2-22	Statement on sustainable development strategy		Our sustainability work, p. 3; Our year, p. 7		
2-23	Policy commitments		Our sustainability work, p. 6, p. 10 Sustainable business approach, p. 18-19, p. 22-23 Social responsibility p. 38 Corporate governance, p. 4-5 Yhtiön politiikat löytyvät verkkosivuilta: https://www.stockmangroup.com/fi/politiikat-ja-periaatteet		
2-24	Embedding policy commitments		Our sustainability work, p. 6-13 Sustainable business approach, p. 16-24, p. 27 Environmental responsibility, p. 29-36 Social responsibility, p. 38-45		
2-25	Processes to remediate negative impacts		Our sustainability work, p. 10 Sustainable business approach, p. 21-24		
2-26	Mechanisms for seeking advice and raising concerns		Our sustainability work, p. 10		
2-27	Compliance with laws and regulations		GRI Content Index	There were no legal actions or fines for anti-competitive behaviour, anti-trust, or monopoly practices or their outcomes in 2022.	
2-28	Membership associations		Stockmann group website: Memberships of associations and advocacy organisations https://www.stockmangroup.com/en/activities-in-organisations		17
Stakeholder engagement					
2-29	Approach to stakeholder engagement		Our sustainability work, p. 13		
2-30	Collective bargaining agreements		Social responsibility, p. 44		
GRI 3: Material Topics (2021)					
3-1	Process to determine material topics		Our sustainability work, p. 11-12		
3-2	List of material topics		Our sustainability work, p. 11-12		
3-3	Management of material topics		Our sustainability work, p. 7-12 Sustainable business approach, p. 21-26 Environmental responsibility, p. 29-30 Social responsibility, p. 38-39		
Economic standards					
GRI 201: Economic performance (2016)					
201-1	Direct economic value generated and distributed		Sustainable business approach, p. 25-26		8
GRI 204: Procurement practices (2016)					
204-1	Proportion of spending on local suppliers		Sustainable business approach, p. 18 Stockmann group website: List of suppliers and factories https://www.stockmangroup.com/en/supplier-and-factory-list	Partially reported. A list of the suppliers and factories for Stockmann fashion's own brands is available at http://www.stockmangroup.com/en/supplier-and-factory-list , and Lindex's list of suppliers and factories, which includes production and processing factories and level 2 factories, is available at https://about.lindex.com/sustainability/how-we-work/suppliers-and-factories/	12

Our Sustainability Work	Our Ways of Working	Sustainable Environment	Responsible Work Community	Goals, Reporting principles, GRI Content Index
GRI standard and disclosure		Location	Comments	SDG's
GRI 205: Anti-corruption (2016)				
205-2	Communication and training about anti-corruption policies and procedures	Sustainable business approach, p. 27; Stockmann group website: Anti-corruption policy https://www.stockmanngroup.com/en/anti-corruption-policy		
205-3	Confirmed incidents of corruption and actions taken	Sustainable business approach, p. 27		
GRI 206: Anti-competitive behavior(2016)				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Content Index	There were no legal actions or fines for anti-competitive behaviour, anti-trust, or monopoly practices or their outcomes in 2022.	
Environmental standards				
GRI 301: Materials (2016)				
301-3	Reclaimed products and their packaging materials	Environmental responsibility, p. 34	This aspect is considered to be material, but the model for calculating the key figure is not suitable for Stockmann's operations. The section 'Responsible Shopping Environment' (p. xx) describes solutions that support circular economy with respect to packaging materials and shopping bags.	12,13
GRI 302: Energy (2016)				
302-1	Energy consumption within the organization	Environmental responsibility, p. 31	Calculations have been developed to comply with SBTi regulations. SBT targets will be specified during Q2.	13
302-2	Energy consumption outside of the organization	Environmental responsibility, p. 31	Calculations have been developed to comply with SBTi regulations. SBT targets will be specified during Q2.	13
GRI 303: Water and Effluents (2018)				
303-3	Water withdrawal	Environmental responsibility, p. 31		
GRI 305: Emissions (2016)				
305-1	Direct (Scope 1) GHG emissions	Environmental responsibility, p. 32	Calculations have been developed to comply with SBTi regulations. SBT targets will be specified during Q2.	13
305-2	Energy indirect (Scope 2) GHG emissions	Environmental responsibility, p. 32	Calculations have been developed to comply with SBTi regulations. SBT targets will be specified during Q2.	13
305-3	Other indirect (Scope 3) GHG emissions	Environmental responsibility, p. 32	Calculations have been developed to comply with SBTi regulations. SBT targets will be specified during Q2.	13
GRI 306: Waste (2020)				
306-2	Management of significant waste-related impacts	Environmental responsibility, p. 36		12
306-3	Waste generated	Environmental responsibility, p. 36		12
Social standards				
GRI 401: Employment (2016)				
401-1	New employee hires and employee turnover	Social responsibility, p. 42		5,8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social responsibility, p. 45		8
GRI 402: Labor/ management relations (2016)				
402-1	Minimum notice periods regarding operational changes	GRI Content Index	We comply with the notice periods specified in labour legislation in all our countries of operation. In Finland, the notice period is from two weeks to six months, depending on the duration of the employment relationship. In Sweden, the notice period is from one week to several months, depending on the duration of the employment relationship and the operational change in question. Minimum notice periods regarding operational changes are not specified in the collective agreements for the commerce sector.	8

Our Sustainability Work	Our Ways of Working	Sustainable Environment	Responsible Work Community	Goals, Reporting principles, GRI Content Index
GRI standard and disclosure		Location	Comments	SDG's
GRI 403: Occupational health and safety (2018)				
403-3	Occupational health services	Social responsibility, p. 43		8
403-9	Work-related injuries	Social responsibility, p. 43	In 2022, there were no deaths due to accidents at work or serious accidents at work.	8
GRI 404: Training and education (2016)				
404-1	Average hours of training per year per employee	Social responsibility, p. 42-43	Partially reported.	8
404-3	Percentage of employees receiving regular performance and career development reviews	Social responsibility, p. 42	Partially reported.	8
GRI 405: Diversity and equal opportunity (2016)				
405-1	Diversity of governance bodies and employees	Social responsibility, p. 40-42		5,8
405-2	Ratio of basic salary and remuneration of women to men	Social responsibility, p. 40		5,8
GRI 406: Non-discrimination (2016)				
406-1	Incidents of discrimination and corrective actions taken	Social responsibility, p. 40-41		5,8
GRI 407: Freedom of association and collective bargaining (2016)				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable business approach, p. 18-20 Stockmann group website: Human rights and labour practices https://www.stockmanngroup.com/en/human-rights-and-labour-practices	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.	8
GRI 414: Supplier social assessment (2016)				
414-1	New suppliers that were screened using social criteria	Sustainable business approach, p. 18-20	75% of Stockmann division's own brands' suppliers have signed the Stockmann Code of Conduct.	8,12
414-2	Negative social impacts in the supply chain and actions taken	Sustainable business approach, p. 27		8,12
GRI 415: Public policy (2016)				
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.	
GRI 416: Customer health and safety (2016)				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainable business approach, p. 22		12
GRI 417: Marketing and labelling (2016)				
417-2	Incidents of non-compliance concerning product and service information and labeling	Sustainable business approach, p. 24		12
417-3	Incidents of non-compliance concerning marketing communications	Sustainable business approach, p. 24		12
GRI 418: Customer privacy (2016)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainable business approach, p. 24		

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