

2024

S GROUP AND SUSTAINABILITY 2024

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S GROUP

BILLION-DOLLAR INVESTMENTS IN FINLAND

S Group made record investments of nearly EUR 1 billion in Finland and the development of services. The growth from the previous year was as much as 42%. The strong pace of investment will continue, and cooperatives will continue to bring work and vitality across Finland.
P. 10

A RECORD AMOUNT OF BONUS AND A RECORD NUMBER OF NEW CO-OP MEMBERS

We returned more than EUR 0.5 billion in cash benefits to the co-op members. The proportion of Bonus reached a record level of EUR 453 million. A new record was also achieved in the number of new co-op members, with more than 120,000 people joining S Group's cooperatives. More than 60 per cent of new members were under the age of 35. **P. 7–9**

MORE AND MORE PEOPLE ARE USING MULTIPLE CHANNELS

Customers are interested in the smooth operation and comprehensive coverage of our online and mobile services. S-mobile has 2.4 million users and ABC-mobile 700,000. From our online grocery store, we made 2.6 million deliveries, and the Prisma.fi and Sokos.fi online stores took a growth leap. Digital services also developed rapidly in hotels and restaurants. **P. 9–21**

TOWARDS A NEW NORMAL OF SUSTAINABLE CONSUMPTION – TOGETHER, ONE STEP AT A TIME

WE ENCOURAGE OUR CUSTOMERS TO EAT MORE SUSTAINABLY FOR THE CLIMATE

Food plays a key role in promoting health and well-being. Grocery stores can have an impact on what Finnish people eat. Our goal is that 65% of the food we sell will be plant-based by the end of 2030. In 2024, plant-based food accounted for 60% of our food sales. **P. 55**

SOKOS PROMOTES THE CIRCULAR ECONOMY OF CLOTHING

Cooperation between the Sokos department store chain and the second hand fashion online store Emmy began in 2023. Three Sokos department stores have curated Emmy collection departments, and all 21 Sokos department stores have Emmy sales boxes. In addition, 16 Sokos department stores offer sewing services, and shoe repair services are offered by four Sokos department stores. **P. 62**

S GROUP'S HOTELS ARE CONSTANTLY WORKING FOR MORE SUSTAINABLE TOURISM

Sokos Hotels and Radisson Hotels are part of Sustainable Travel Finland. In addition, Sokos Hotels is part of the Urban Climate Leaders on Sustainable Tourism group, which started operations in January 2024. Sokos Hotels was also awarded the Booking.com Travel Proud certificate in the autumn of 2024. **P. 63–64**

ABC CHARGING IS THE LARGEST ELECTRIC VEHICLE POWER CHARGING NETWORK IN FINLAND

Over the past few years, S Group has built a nationwide charging network for electric cars. The network is called ABC Charging, and it serves at S Group's ABC stations, supermarkets and hotels. At the end of 2024, there were ABC Charging stations in nearly 360 locations, with more than 2,300 charging points in total. **P. 66**

TOWARDS SUSTAINABLE GROWTH – BY RESPECTING NATURAL RESOURCES

ASSESSING HARM AND IMPACTS TO NATURE REQUIRES AN INDICATOR SUCH AS CARBON FOOTPRINTS

We evaluate the harm our operations cause to biodiversity through the pioneering research project of the University of Jyväskylä's resource wisdom community JYU.Wisdom. The outcome of the study will be a method freely available to all companies and organisations for the assessment of their impact on nature and the environment. The biodiversity footprint project was also on display at the World Circular Economy Forum. **P. 82**

S GROUP AND CHIQUITA COLLABORATE ON BIODIVERSITY

A new type of cooperation project between S Group and Chiquita aims to plant ecological corridors around banana plantations in Costa Rica. The purpose of the joint project is to improve the living conditions of the local species, to collaborate with the local landowners and to gain experience from supply chain cooperation related to biodiversity. **P. 82**

WE CONTINUED OUR AMBITIOUS CLIMATE WORK

Our carbon negativity target for our own operations will be met in 2025, and the emissions reduction target of –90% for 2030 was achieved five years ahead of schedule. **P. 72**

TOWARDS AN EQUAL WORLD – BY REMOVING INEQUALITY

S GROUP AT THE TOP OF FINLAND'S MOST ATTRACTIVE EMPLOYERS IN DIFFERENT PROFESSIONAL GROUPS

S Group was once again at the top of Finland's most attractive employers in a study conducted by Universum in various professional groups, and also fared well in the comparison of Finland's most inspiring workplaces. The total index of the workplace community surveys conducted last year was again above the general norm in Finland. **P. 115**

THE COMMON SHIFT PLANNING MODEL STREAMLINES THE BALANCING OF WORK AND LEISURE TIME

In 2024, S Group adopted more extensively the common shift planning model, in which employees are more closely involved work shift planning. At the beginning of 2025, the model was in use in eight regional cooperatives. Well-received by the employees, the model will expand to cover more than 110 locations and more than 3,000 employees. **P. 117**

S GROUP'S COTTON TARGET IS PROGRESSING

For our private-label and import products, our goal is to use only sustainably produced cotton by the end of 2025. At the end of 2024, the proportion of responsibly produced cotton was 86%. **P. 106**

S GROUP

S Group is a Finnish cooperative group of companies owned by its customers. We offer services in the supermarket trade, speciality stores, fuels retail and service stations, and the travel industry and hospitality business. In addition, some of the cooperatives engage in automotive trade and the hardware trade, and the comprehensive banking services provided by S-Bank cover the whole of Finland.

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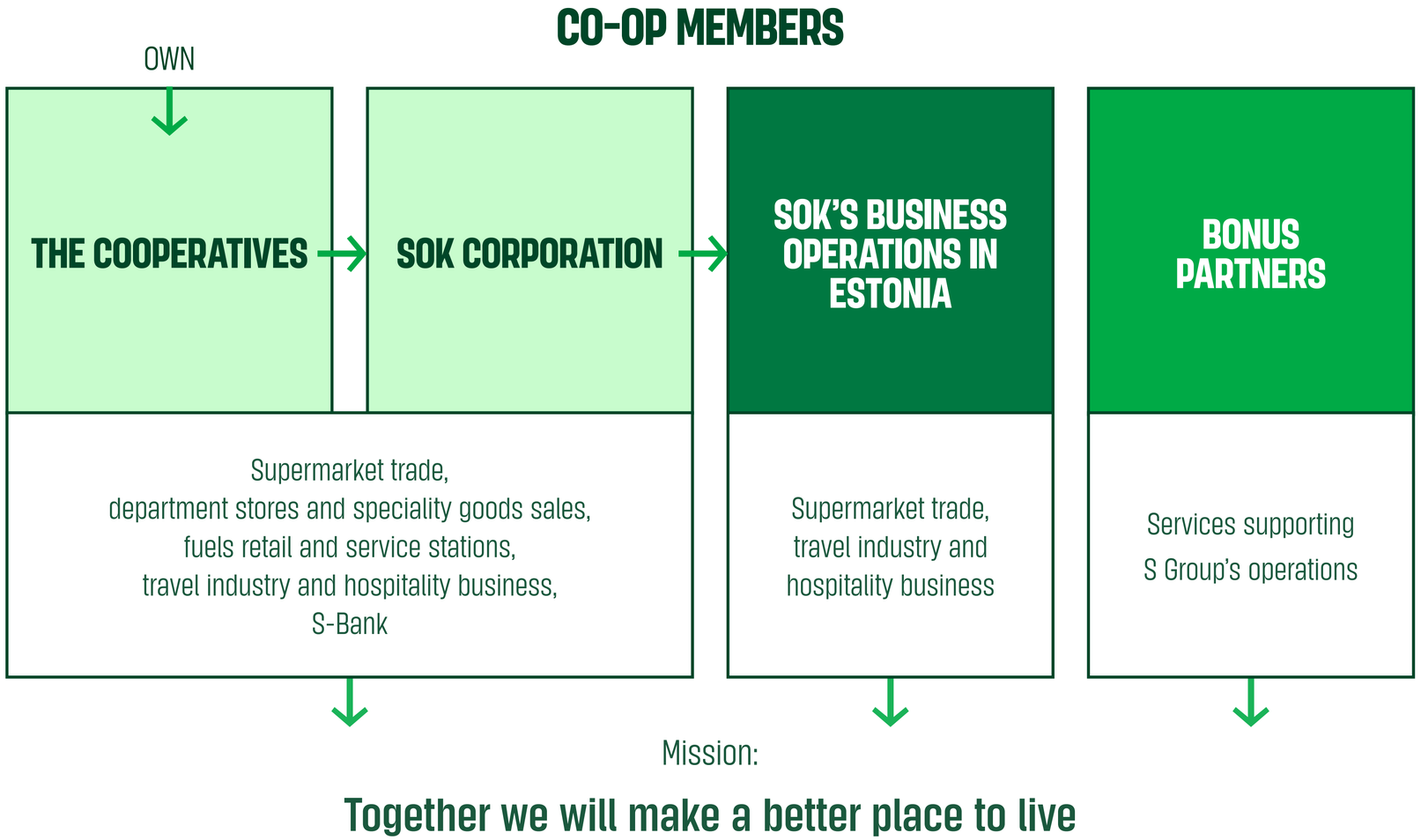


In 2024, S Group's retail sales amounted to around EUR 14.3 billion. With its 41,000 employees, S Group was the largest private sector employer in Finland.

S GROUP IN BRIEF

S Group consists of 19 regional cooperatives and SOK Corporation, as well as their subsidiaries. In addition, S Group includes six local cooperatives. The network of cooperatives extends throughout Finland, and the regional aspect is highlighted in the operations of the cooperatives. The co-op members own the cooperatives, which in turn own SOK Corporation.

SOK Corporation consists of Suomen Osuuskauppojen Keskuskunta (SOK) and its subsidiaries. SOK is a central cooperative that provides expert and support services – such as supply chain management, product range, procurement and marketing services – for the S Group cooperatives. SOK is also responsible for the strategic steering of S Group and the development of the business chains. SOK's subsidiary SOK Liiketoiminta Oy engages in the supermarket trade and the travel industry and hospitality business in Estonia.



REGIONAL COOPERATIVES AND INTERNATIONAL OPERATIONS

REGIONAL COOPERATIVES

Helsinki
Helsinki Cooperative Society Elanto

Joensuu
Northern Karelia Cooperative Society

Jyväskylä
Keskimaa Cooperative Society

Kajaani
Maakunta Cooperative Society

Kirkkonummi
Varuboden-Osla Handelslag Cooperative Society

Kokkola
KPO Cooperative Society

Kouvola
Kymi Region Cooperative Society

Kuopio
PeeÄssä Cooperative Society

Kuusamo
Koillismaa Cooperative Society

Lahti
Hämeenmaa Cooperative Society

Lappeenranta
Southern Karelia Cooperative Society

Mikkeli
Suur-Savo Cooperative Society

Oulu
Arina Cooperative Society

Pori
Satakunta Cooperative Society

Rauma
Keula Cooperative Society

Salo
Suur-Seutu Cooperative Society

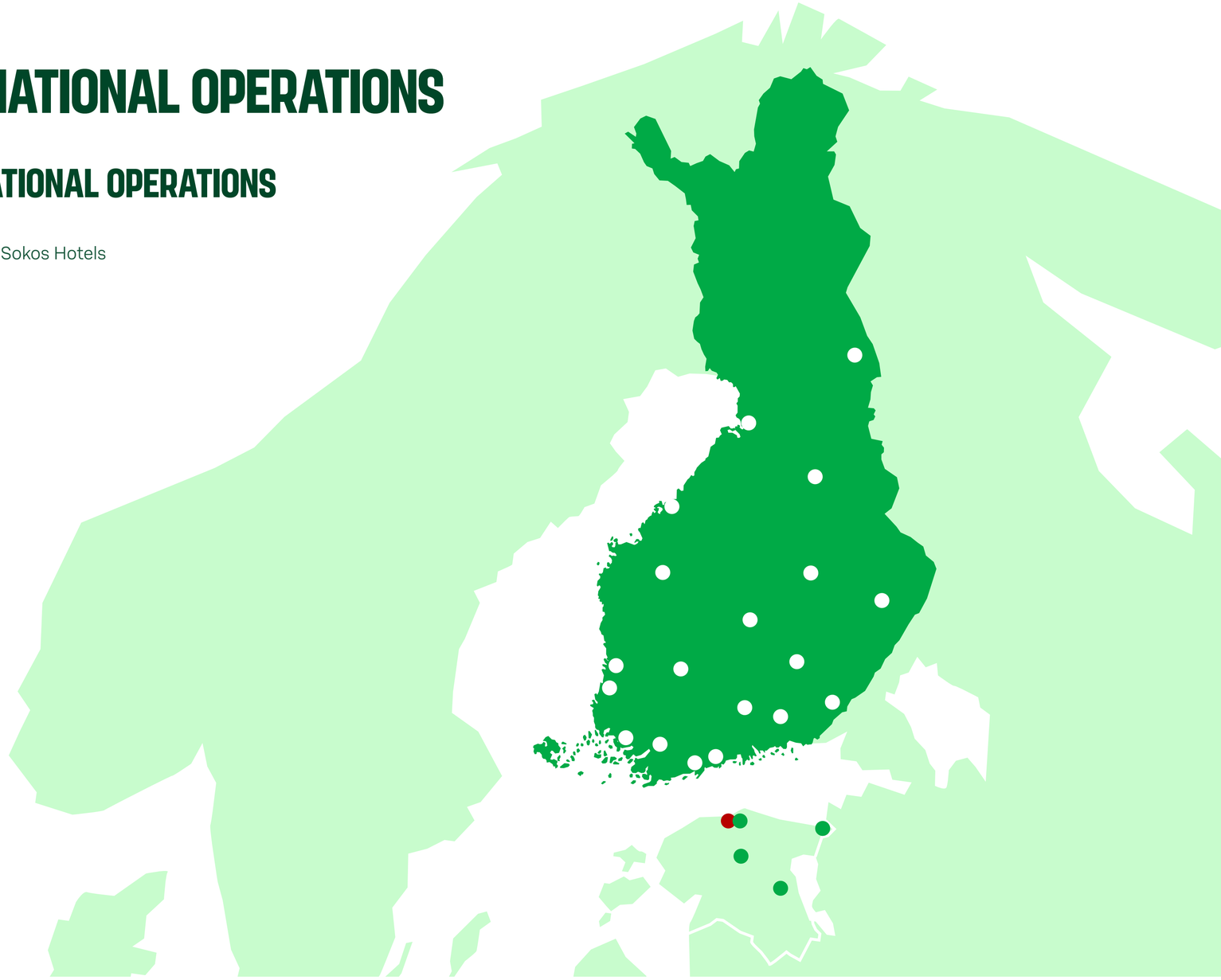
Seinäjoki
Southern Ostrobothnia Cooperative Society

Tampere
Pirkanmaa Cooperative Society

Turku
Turku Cooperative Society

INTERNATIONAL OPERATIONS

Estonia
Prisma Sokos Hotels



S GROUP IN FIGURES

S Group's operating result improved from the previous year. The development was based on increased customer numbers and on maintaining a good sales momentum in a challenging market situation. The supermarket trade had a strong year in terms of sales. The demand for services was also high in fuels retail and service stations. In the travel industry and hospitality business and speciality stores, sales remained at the previous year's level. All of S Group's online stores continued on a strong development path and increased their sales markedly. S Group's investments in Finland rose to a record level of nearly EUR 1 billion. A record number of more than 120,000 new co-op members joined the cooperatives. Cash benefits were paid to co-op members more than ever before, more than half a billion euros.

OPERATING RESULT

499

EUR MILLION

INVESTMENTS

938

EUR MILLION

BUSINESS AREA	SALES (EUR MILLION, S GROUP TOTAL)	COMPARED WITH THE PREVIOUS YEAR, %
Supermarket trade	10,723.6	2.7
Fuels retail and service stations	2,031.7	-6.4
Travel industry and hospitality business	818.0	0.5
Department stores and speciality goods sales	270.4	0.2
Others	443.9	-13.9
S Group total	**14,287.7**	**0.6**

S GROUP'S RETAIL SALES EXCLUDING TAXES (EUR MILLION)

SALES: FINLAND

14,062

EUR MILLION

SALES: ESTONIA

226

EUR MILLION



S GROUP TOTAL

14,288

EUR MILLION

COOPERATIVE ACTIVITIES AND CO-OP MEMBERSHIP

Because of the cooperative form of business, the money circulating in the operations of S Group's cooperatives benefits the co-op members and ensures regional well-being and vitality. Earnings from operations are invested for the benefit of the co-op members by developing services and renovating locations. Co-op members benefit from S Group more than other customers through the Bonus system, for example.

CO-OP MEMBERS*

2,653,671

*MEMBERSHIP OF COOPERATIVES

CASH BENEFITS PAID TO CO-OP MEMBERS

535

EUR MILLION

BONUS

453

EUR MILLION

Co-op members are eligible for a Bonus of up to 5% – in other words, they receive money back from purchases at more than 2,000 outlets.

INTEREST ON THE MEMBERSHIP FEE

2.0

EUR MILLION

If the cooperative's financial performance in the previous year is good enough, the cooperative may pay interest on the membership fee (EUR 100) paid by its co-op members.

RETURN OF THE SURPLUS

65.6

EUR MILLION

The return of surplus is calculated on purchases that co-op members make at the outlets of their own cooperative by the end of the previous year. The return of surplus is paid by some of the cooperatives.

PAYMENT METHOD BENEFIT

14.6

EUR MILLION

When co-op members pay with their S-Etukortti card, they receive a payment method benefit of 0.5%.

S GROUP'S KEY FIGURES

	2024	2023
Retail sales excluding taxes, EUR million	**14,288**	14,208
Finland	**14,062**	13,967
Estonia*	**226**	241
Operating result, EUR million	**499**	447
Investment, EUR million*	**938**	667
Cash benefits paid to co-op members, EUR million	**535**	529
Co-op members**	**2,653,671**	2,577,010
Employees	**42,025**	41,413
Job satisfaction index	**75.5**	76.3
Outlets	**2,036**	2,007
Emissions from S Group's own operations, tCO_2e	**43,410**	69,400
Share of renewable electricity in S Group's total electricity consumption, % (share of emission-free electricity in S Group's total electricity consumption, %)	**5 (100)**	4 (100)
Specific energy consumption, KWh per gross m^2	**259**	258
Recycling rate, %	**82**	82
Relative food waste in supermarket trade, %	**1.23**	1.28
Coverage of audits of purchases from high-risk countries, %	**99**	99
Certification rate in the sales volume of private-label products, %		
coffee	100	100
tea	100	100
cocoa	99	100
cotton	86	83
soy	89	58
Share of plant-based food products, %	**60**	60
Share of Finnish food products, % *	**76**	76

PERSONNEL AND OUTLETS

S GROUP TOTAL

42,025

EMPLOYEES

S BANK

1,172

EMPLOYEES

REGIONAL COOPERATIVES

34,625

EMPLOYEES

SOK CORPORATION

6,228

EMPLOYEES

OUTLETS*

2,036

S GROUP TOTAL

*The number of outlets does not include restaurants located within the same premises as other outlets.

* The comparison for 2023 has been updated.

** Membership of cooperatives.

*** Calculations based on sold food products and restaurant purchases (kg, l). The reporting on Finnish origin and data coverage have been further developed in 2024. To ensure comparability, the level of Finnish origin for 2023 was recalculated using the same boundaries and methods as for 2024. The recalculation of the level of Finnish origin for 2023 has not been assured.

The relative food waste of the market trade, the coverage of audits of purchases from high-risk countries and the share of Finnish food products do not include data from Estonia.

Assurance report 2024 for the specific consumption of energy, emissions of our own operations, recycling rate, relative food waste, coverage of audits of purchases from high-risk countries and the share of Finnish food products →



CEO'S REVIEW

120,000 NEW MEMBERS AND RECORD INVESTMENTS IN FINLAND

In 2024, our operating environment was more stable than in previous years. However, the year was marked by an economic downturn and a tense global political situation. The appeal of co-op membership continued to be strong, and we paid more Bonus than ever before. At the same time, we invested a record amount of nearly EUR 1 billion in Finland.

In 2024, S Group continued on a good development path. Despite the subdued cycle, we increased our customer numbers, and our sales momentum in relation to the market remained good. Our sales and operating result strengthened from the previous year. Our online stores took a leap in development, and the even better service has received positive feedback from customers. The emergence of our hotel operations as the market leader after a few years' break was particularly delightful.

The challenging market situation was reflected in price-driven demand and consumer caution. Products from more affordable price groups were selected for the shopping cart, larger purchases were postponed and restaurants were visited less often than they might have been otherwise. Towards the end of the year, economic recovery was triggered by lower interest rates and the stabilisation of inflation. However, the simultaneous tax increases and the weakening of employment slowed down the recovery.

The trend of multichannel transactions strengthened.

At S Group, we focused on our basic task. We redeemed our promise of an always affordable shopping cart. We also implemented significant price reductions at both the beginning and the end of the year. At the same time, relevant selections and high-quality multichannel services successfully met the needs of customers.

The strong attraction of co-op membership continued in 2024. Customers appreciate the fact that the Bonus is real money in a bank account. In 2024, Bonus and other monetary benefits were paid to the co-op members more than ever before, EUR 535 million.

The Bonus Payday campaign, which highlights the benefits of co-op members, was featured prominently in advertising and at our locations. As a result, a record number of more than 120,000 people joined the cooperatives. The majority of them were young adults: more than 60% of the new co-op members were aged under 35.

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In 2024, our investments rose to a record level of almost EUR 1 billion. Cooperatives directly and indirectly create a significant amount of work and vitality for the whole country, even in difficult times.

Significant investments included the online grocery shopping collection centres opened by HOK-Elanto and the Pirkanmaa Cooperative Society, the strong expansion of the ABC Charging Network, and S-Bank's capitalisation for the implementation of the Handelsbanken acquisition. More than 120 new or refurbished grocery stores, dozens of restaurants and several hotels were added to the network of outlets. S Group's newest wind farm in Luvia in Eurajoki was completed in January 2025.

More and more Finns use multichannel services. The customer path must be seamless and the customer experience smooth. Alongside the network of locations, we invest heavily in digital services. Work is carried out in both services visible to customers and background processes. With the help of new technology, we can use data and analytics more efficiently in optimising selections and targeting services.

Customers are interested in our evolving online and mobile services. For example, there are already about 2.4 million people who have downloaded S-mobiili. Last year, we made more than 2.6 million deliveries through online grocery shopping. In the Prisma.fi and Sokos.fi online stores, sales grew considerably from the previous year. Expanded selections and quicker deliveries have further improved the customer experience.

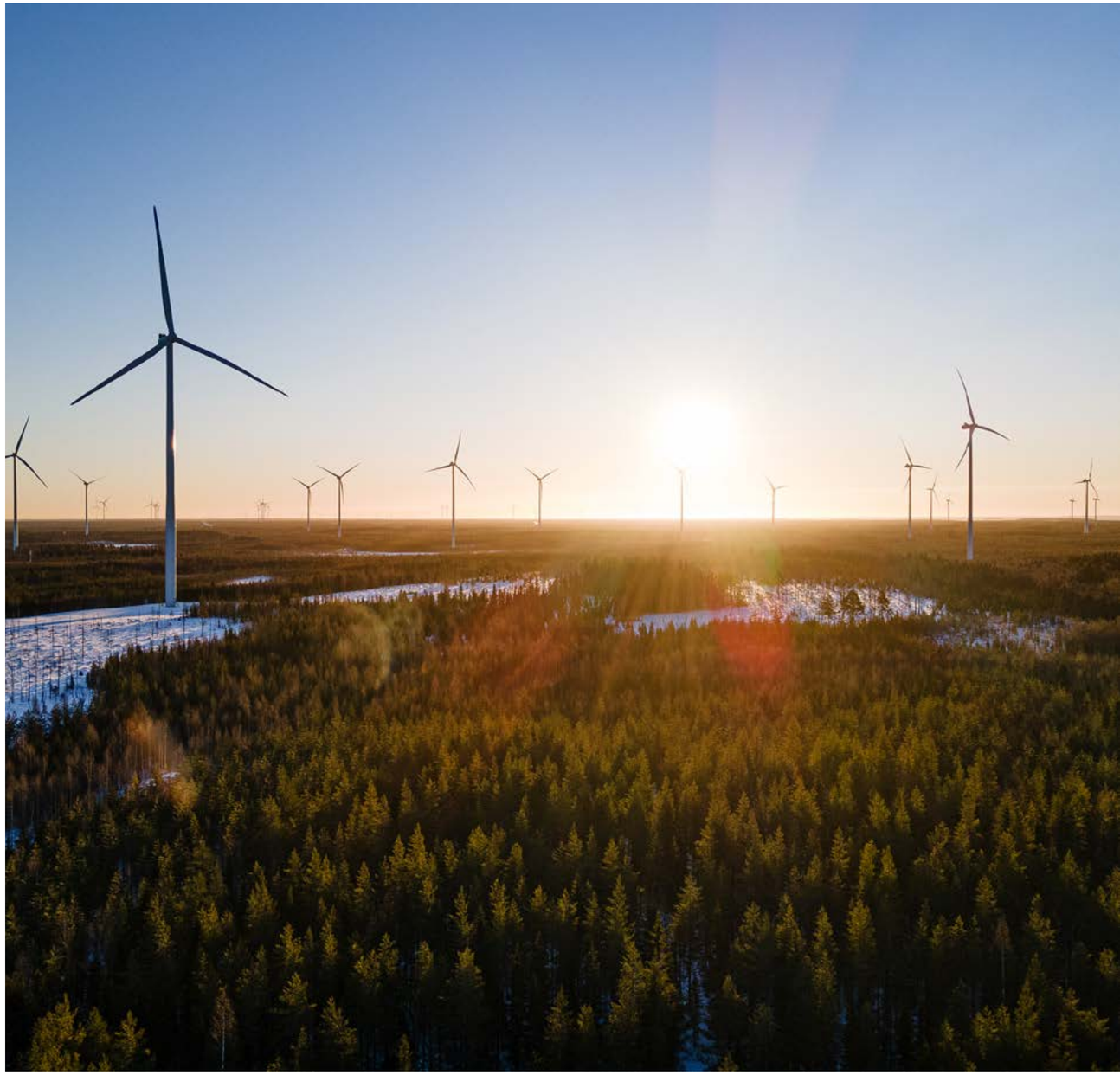
We reached the emissions reduction target set for 2030 (–90%) five years ahead of schedule.

In 2024, we continued our ambitious climate and nature work while preparing for the expanding obligations of sustainability reporting. Our carbon negativity target for our own operations will be met in accordance with the target we have set for 2025. We reached the emissions reduction target set for 2030 (-90%) five years ahead of schedule. Cooperation with the value chain plays an important role in our sustainability work. In 2024, through cooperation projects, we promoted sustainable water use, as well as increased biodiversity in Costa Rica in banana plantations.

Our reputation as an employer is strong. In a survey carried out by Universum, we are at the top of the list of attractive employers in the assessments of professionals in the commercial sector. In the reviews by IT professionals, we rose to sixth place and were the only retail sector company in the top ten. The results of our workplace community surveys are at a very good level and well above the Finnish general standard. Dedicated personnel is the key to our success, and we again owe them thanks for a successful year.

We are well-positioned for 2025, even though the economy and consumer confidence are recovering slowly. The global political situation also involves uncertainties. However, the cooperative has the patience to build services in a long-term and sustainable manner. In a changing world, we want to keep everyone involved and be a meaningful everyday partner for current and future generations of co-op members.

Hannu Krook,
CEO, SOK





AT THE HEART OF THE STRATEGY IS A GROWING BENEFIT FOR CO-OP MEMBERS

Our strategy, based on co-op member benefits and cooperative strengths, has proven its sustainability throughout the turbulence of recent years. In 2024, we again succeeded in both responding to customer needs and advancing our long-term goals. At the same time, we worked on the reform of our Group strategy for 2025.

In 2024, the operating environment was more stable than in previous years. However, the weak economic situation and the uncertain world political situation were also reflected in S Group. Alongside these, the pace of change in digitalisation, polarisation and globalisation, which shape trade and services, accelerated.

Changes and uncertainty in our operating environment continue. The pace of change is accelerating in terms of both consumer behaviour and competition. Polarisation is reflected in the fragmentation of demand and in demographic change and regional segregation. At the same time, competition across our business areas is becoming more intense and international. The level for co-op members' expectations is set by the best global operators.

Digitalisation has also brought a new kind of meeting supply and demand to the retail sector and services. At the same time, new technologies help us renew and improve our operations. In addition to improving services, digital tools streamline the work of our personnel in S Group in many ways. Here we need to be even better in the future as we renew our customer paths and business models.

Our Group strategy outlines the way we in which respond to changes in the operating environment and consumption amidst an accelerating pace of change and increasing competition. It enables us to carry out our mission and move towards our vision.

Our retail group's mission is *"Together we will make a better place to live"*. We are present in people's daily lives, and we build a better life one shopping trip, purchase, service and journey at a time. We take responsibility for a sustainable future, and we want to lead the way in sustainability in our sectors. Our sustainability programme implements S Group's mission until 2030.

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Our strategy is also based on the purpose of our operations and S Group's values. Our mission is to produce affordable and high-quality products and services for the members of the cooperatives; that is, Finnish consumers. In accordance with our values, we are here for our customers, we take responsibility for people and the environment, we constantly review our operations, and our operations generate results.

Responding to changes in the operating environment and the higher expectations of co-op members requires of us the ability for renewal and to look beyond the next few years. S Group works to be the best partner for its co-op members, making their daily lives easier today and in the future.

As a cooperative retail group, the basic elements of our strategy include increasing customer benefits and improving our competitiveness. As a group, we focus on business operations in which we have significant economies of scale. This gives us the leverage to offer the best value for money. Important elements in our strategy also include the efficiency of our own operations, as well as the cooperative nature that generates a competitive advantage: our corporate form obligates us to be cost-effective and to harness our operating revenues for the benefit of the co-op members.

Our main goal is to increase co-op member value for current and future generations.

In order for us to remain relevant to our co-op members and offer the best value for their money, we need to take their differentiating and changing needs into account more and more closely.

This requires S Group to have deeper customer insight, a more agile ability to make changes and new actions to increase co-op member value. In addition, long-term investment is needed to improve the efficiency of our operations and to provide more relevant selections and services.

Digital business renewal, the full use of analytics and automation and smooth multichannel transactions were our key development targets in 2024. They are also key factors in implementing the targets of our new strategy. At the same time, we take care of the growth, competitiveness and performance of our business operations, and set clear, ambitious targets. In this way, we enable the necessary continuous renewal and ensure growing co-op member value for current and future generations.

Through our strategy, we are implementing our vision *"Making your everyday taste special"*. This means that we know millions of Finns and their tastes in a unique way. We are also trusted. We deepen the relationship of trust by improving our customers' daily lives and offering products, services and experiences tailored to their tastes and needs. It is equally important to offer them in the way that suits the customer best at the time in question. By acting in this way, we will increase co-op member value in the long term and together we will create a better place to live.



BUSINESS AREAS

SUPERMARKET TRADE

A YEAR OF STRONG GROWTH

The strong development of S Group's supermarket trade continued in 2024. Sales increased by 2.7% from the previous year, and the operating result developed favourably as well. In the grocery trade, sales continued to grow more strongly than the rest of the Finnish market. In online grocery shopping, we continued as the market leader. Despite the challenging operating environment, the consumer goods trade at Prisma stores also outperformed the general market development.

Although the price increase rate stabilised in 2024, customers' purchasing power was still tight, and there was no significant change in consumer behaviour. S Group's grocery trade fulfilled its promise of an always affordable shopping cart with considerable price reductions in the Xtra product line and continuously low prices for thousands of products.

Customers' price awareness also continued to be visible in the consumer goods trade. Customers' purchasing intentions for higher-price products remained low, and the importance of price-driven campaigns grew. At Prisma, sales developed better than the market in the product categories of mobile phones and TV and audio products, for example, and in the product categories of construction and renovation.

CUSTOMERS WERE INTERESTED IN RENEWED PRODUCT RANGES

At the heart of our operations is the implementation of a permanently inexpensive and high-quality shopping cart. Customers were also interested in our private labels, such as the popular Kotimaista brand, Coop, Xtra, Änglemark and Herkku, in 2024. The Coop brand, which was renewed in 2023, has become one of the best-known private labels.

In 2024, we successfully launched two new private labels for the consumer goods trade. The products of the Luode12 brand, which focuses on outdoor activities and hiking equipment, are suitable for everyday use. The WKLY clothing brand complements our clothing range with a youthful, relevant and urban style.

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124
ALEPA STORES

1
FOOD MARKET HERKKU STORE

In June, as a result of a legislative amendment, we were able to start selling fermented wines and other grape products, as well as brewery beverages, with a maximum alcohol content of 8%. In a couple of days, we put together a wide selection that interests customers.

The popular Finnish Recipe for Success competition and TV show was carried out for the sixth time. We launched the finalist products at the beginning of 2025. The competition has attracted a record audience. It is open to small and medium-sized food companies with their own product development and innovations.

NEW STORES AND STRONGER ONLINE SALES

More than 120 new or refurbished stores were opened in the supermarket trade. In addition, a number of smaller partial reforms were carried out. Seven completely new small stores were opened and 15 new S-markets. New Prisma stores were opened in Ylöjärvi, Lappeenranta and Valkeakoski.

Purchasing behaviour continued to become more multichannel in 2024. The sales of the S-kaupat service increased by around 18% from the previous year, and the sales of the Prisma.fi online store almost doubled.

We redeemed our promise of an always affordable shopping cart.

The popularity of online grocery shopping increased in 2024. Great strides were made in increasing capacity, reliability and speed when HOK-Elanto and the Pirkanmaa Cooperative Society opened the first grocery collection centres of the retail group. Instant deliveries, which are growing in popularity, expanded with the introduction of robot deliveries in new areas and increased cooperation with Foodora. A pilot was also launched with Wolt. The Prisma.fi online store's selection grew significantly, and the click-and-collect service expanded to all Prisma stores.

SUSTAINABILITY EFFORTS IN MANY AREAS

During the year, there were small signs of the importance of sustainability, healthiness and wellbeing increasing again in purchasing decisions. The concept of fruit and vegetables for less than a euro and the products of the harvest seasons were particularly popular. Customers were also interested in the vegan challenge at the beginning of the year. It is our goal that by 2030, at least 65% of the food we sell will be plant-based, and 80% will be produced in Finland.

In 2024, we participated in an industry-wide campaign to reduce the use of plastic bags. The project we launched in banana plantations in Costa Rica supports the enhancement of biodiversity. The aim is to improve the biodiversity of the area and the living conditions of plants and animals by combining rainforests into a coherent network.

In the annual workplace community surveys, job satisfaction in the supermarket trade remained at a high level in 2024. Our customers are served by 20,000 top-notch supermarket trade professionals every day.

2025 STARTED WITH PRICE REDUCTIONS

Offering an affordable and high-quality shopping cart will remain our priority in 2025. On 30 December 2024, we announced price reductions on all the grocery products of the Xtra brand and on nearly 200 branded products.

The development of our online stores and network will also continue. We invest heavily in increasing multichannel sales. At the same time, we ensure our price competitiveness and cost-effectiveness.



SALES

270

EUR MILLION

21

SOKOS STORES

39

EMOTION SHOPS

7

OTHER SPECIALITY STORES

DEPARTMENT STORES AND SPECIALITY STORES

CUSTOMERS WERE INTERESTED IN ONLINE SHOPPING AND CAMPAIGNS

In 2024, S Group's speciality stores achieved several successes despite the challenging general market situation. During the year, a new Sokos department store was opened in Vaasa, and the Sokos.fi online store continued on its strong growth path.

General uncertainty and weakened purchasing power had a clear impact on demand in 2024. However, in Sokos department stores and the Emotion chain, sales were in many respects better than the general market development. Sales remained at the previous year's level, but the difficult economic situation weakened the development of the operating result.

In a tight economic situation, the significance of campaigns was highlighted. The Sokos department stores and the Emotion chain recorded excellent successes. For example, the traditional 3+1 campaigns in the spring and autumn set new sales records.

More and more people are shopping both online and in bricks-and-mortar stores.

STRONG DEMAND FOR BEAUTY PRODUCTS, INTEREST IN RECYCLED FASHION

Sales were particularly good in the beauty and cosmetics product area in 2024. Popular purchases included, for example, perfumes, which also attracted young customers to bricks-and-mortar stores. The demand for cosmetics and hair products was also strong throughout the year.

Consumers' caution and careful consideration of purchasing decisions were particularly evident in the clothing product area. The domestic fashion and sports market decreased by 5.8%. However, Sokos succeeded in supplementing its selection with new brands of interest to customers, which was reflected in its outperformance of the market.

Recommerce, or recycled fashion, is a growing phenomenon in the clothing market. Sokos is now offering its customers the option to buy second-hand products in three department stores. In 2024, the cooperation with the Emmy Clothing Company, which started at Sokos in Tampere, expanded to Sokos in the centre of Helsinki and to Sokos Wiklund in Turku.

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Sokos was the most valued clothing store in Finland in 2024.

Source: Brand Valuation 2024 survey

A NEW DEPARTMENT STORE AND ONLINE SHOPPING BOOSTED THE MULTICHANNEL APPROACH

The multichannel service trend continued to strengthen in 2024. Customers appreciate both online stores with diverse selections and bricks-and-mortar stores that offer good customer service.

S Group's department store network expanded in April, when the KPO Cooperative Society opened a new Sokos store in Vaasa. Centrally located, the modern department store offers a high-quality range of cosmetics, fashion and home products.

The sales of the Sokos.fi online store increased by nearly 30% from the previous year. With the expanded selection and faster deliveries, customer satisfaction also increased significantly. The online store selection has expanded in new product areas such as lamps, carpets and beds.

At the heart of the service development work are smooth and inspiring transactions, and the innovative approach has brought results. For example, the beauty makeup filters built in cooperation with Meta enrich the shopping experience and are of particular interest to new young customers.

GOOD FEEDBACK FROM CUSTOMERS AND PERSONNEL

Customer satisfaction strengthened in 2024 in both Sokos stores and the Emotion chain. In addition, Sokos, known for its excellent customer service, was selected for the third time as the most valued clothing store in Finland in the 2024 Taloustutkimus Brand Valuation survey.

The results of the workplace community survey also remained at a high level, and the willingness of the personnel to recommend their own employer is strong. It is also delightful to see the good scores given by summer employees and trainees for induction, management and customer work.

S Group's speciality stores are also investing in the multichannel approach, relevant selections and high-quality service in 2025. At the same time, the continuous competence development of the personnel is being further strengthened with the Selling with Pleasure model of service management.

At the end of 2024, the *Sokos of Finland* history was published, which describes the stages of S Group's oldest chain concept, which began in 1952, throughout the decades. The book is available on the Sokos.fi online store.





SALES

2,031.7

EUR MILLION

94

ABC SERVICE STATIONS

366

UNMANNED ABC STATIONS

FUELS RETAIL AND SERVICE STATIONS

GREAT SUCCESSES THROUGHOUT THE ABC CHAIN

2024 was a year of steady development for S Group's fuels retail and service stations, with great successes in all business areas of the ABC chain.

Traffic volumes on Finland's main roads increased moderately, especially towards the end of the year. Inflation calmed down, but the increased general cost level, together with the weakening of consumers' purchasing power, continued to pose challenges to ABC's operations.

In terms of sales, the year 2024 was successful throughout the chain. Sales increased from the previous year in in-store trade at service stations, car wash and electric charging. The world market prices of fuels were lower than in the previous year, which had a negative impact on the total sales of the chain.

STRONG GROWTH IN DIGITAL BUSINESS

In 2024, ABC's digital journey was boosted by self-service checkouts and real-time order displays, the test periods of which began in a few service station stores.

Nearly 700,000 ABC-mobiili users.

Self-service checkouts make it possible to buy and pay for all items in the service station store's selection, and they have already improved the customer experience and streamlined work. The goal is for the operating model to expand in the chain after the tests.

The ABC-mobiili application strengthened its position as the number one app for road users. The app already has close to 700,000 registered users. ABC-mobiili also plays a significant role as a sales channel – its annual sales are already in the hundreds of millions of euros.

In addition to popular mobile refuelling, ABC-mobiili services include, for example, prepaid food orders, electric car charging and car wash.

MORE VARIETY IN RESTAURANT OFFERINGS

The ABC Buffet is an icon and the heart of the ABC Restaurants. With the growing popularity of buffet dining, the chain has decided to test an even wider offering alongside the buffet. Some of the service station stores have extensive Buffet Worlds that also offer international flavours, and some of the stations are testing S Group's popular Pizza & Buffa chain's delicious buffet.

ABC Restaurants take pride in offering completely Finnish meat. This promise has been kept for years. In addition to Finnish origin, good taste and high quality, waste management is self-evident for ABC. For example, the chain's restaurants are included in the popular ResQ service, which is one of the actions taken together with customers to reduce food waste.

ABC Markets were further developed to be even more relevant in terms of regional customer needs.

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THE POWERFUL GIANTS OF ELECTRIC CHARGING

ABC Charging is a nationwide charging network for electric cars. At the end of the year, there were more than 350 stations with a total of around 2,300 charging points. Finland's largest high-power charging network invested in increased power and expansions alongside the opening of new stations.

The chain's first giant stations, with around 30 charging points each, were opened in Heinola, Hämeenlinna and Lahti. And there's more to come. The newest electric charging power giant was opened at the beginning of 2025.

Strong investments in a comprehensive electric charging network are ABC's greatest act of sustainability. This is how we help Finns move towards cleaner mobility.

ABC Charging is Finland's largest high-power charging network.

SATISFIED EMPLOYEES, SATISFIED CUSTOMERS

Employee job satisfaction remained at a good level in 2024. The aim of ABC is to continuously improve job satisfaction and customer satisfaction. The personnel play a key role in improving a good customer experience, and customer satisfaction increased during the year.

ABC service station stores are significant employers in Finland. In 2024, several sites were renovated. As a result, ABC employed regional companies and thus supported the growth of regional vitality.

In modernising service station stores, more environmentally sustainable construction is an important goal for ABC. Energy-efficient refrigeration equipment and constantly updated car wash machines that enable better water recycling are examples of this.

GOOD ENERGY FOR THE NEW YEAR

Expectations for 2025 are cautiously positive as interest rates fall and consumers' purchasing power gradually strengthens. Thanks to investments in stations and the charging network, ABC is better able to meet customers' needs both on the road and locally.

The digitalisation of the service stations and the development of the charging network and station concepts continue, among other efforts. The key objective of ABC is to be even more attractive and relevant in terms of customer needs.



TRAVEL INDUSTRY AND HOSPITALITY BUSINESS

THE MARKET LEADER IN THE TOURISM TRADE

2024 marked an upward trend for S Group's travel industry and hospitality business. The hotel and restaurant concepts fared well in a weak market situation. The growth rate was higher than that of the market, and sales and the operating result remained at the previous year's level. S Group's travel industry and hospitality business returned to market leadership.

However, the shocks of recent years, beginning with the pandemic, were reflected in demand: the economic situation, weakened by inflation and interest rates, did not encourage eating out or tourism. At the same time, the costs of raw materials, labour and real estate increased. The increase in the VAT rate in the autumn also increased costs for the industry. The operating environment was challenging for all operators in the sector, and S Group's travel industry and hospitality business had to adjust its operations.

An increasing number of domestic and international customers chose an S Group hotel.

THE MAGIC OF LAPLAND WAS STRONG

The beginning of the year was quieter than usual in restaurants and hotels as a result of the rise in the cost level, among other factors. Demand picked up towards the spring, and the summer was quite busy in hotels and restaurants. In July, we even reached record sales.

In particular, restaurant concepts that offer fast food, such as Pizza & Buffa and Hesburger, were popular among customers. In à la carte restaurants and evening restaurants, demand was moderate, but the tight economic situation was reflected in what customers chose to eat and drink, among other aspects. Towards the end of the year, however, there were signs of picking up.

In tourism, the attraction of Lapland in particular was strong among both domestic and international customers. On the other hand, in the Helsinki metropolitan area, the industry was challenged by increased competition and increased costs as a result of increased accommodation capacity. However, there were small positive signs of a recovery in tourism, with demand picking up towards the end of the year. For example, events such as Coldplay's concerts at the Helsinki Olympic Stadium boosted demand locally.

An increasing number of domestic and international customers chose an S Group hotel in 2024. In total, more than 3.6 million customers visited the hotels of the retail group. The number of international customers increased by more than 12% from the previous year. Growth came especially from Germany, the United States, Japan and China.



SALES

818.0

EUR MILLION

47	8	1	440
SOKOS HOTELS	RADISSON BLU HOTELS	RADISSON RED HOTEL	RESTAURANTS



DIGITAL SERVICES DEVELOPED BY LEAPS AND BOUNDS

S Group's hotel and restaurant offerings developed significantly during the year. The restaurant selection was complemented by the Lasipalatsi restaurants in Helsinki, and the Amarillo chain expanded to the Mylly shopping centre and Porvoo. In addition, dozens of restaurants across Finland were refurbished.

As a new hotel in Helsinki, Solo Sokos Hotel Pier 4 was opened, and Break Sokos Hotel Bomba, Break Sokos Hotel Tahko, Original Sokos Hotel Vantaa and Original Sokos Hotel Royal Vaasa were refurbished.

The mobile services of Raflaamo.fi, which brings together all S Group's restaurants, were introduced in more than 80 restaurants around Finland. Through a mobile service based on a QR code, the customer can explore the menu in the restaurant, call a waiter and order products and an invoice.

The strong network and digital services complement each other.

The Sokoshotels.fi website was revamped, and especially the ease of booking received positive feedback from customers. The kokous.sokoshotels.fi digital conference service also gained popularity. Self-service machines enable checking in, checking out and paying for the stay at most S Group hotels. The Sokos Hotels mobile app was launched at the beginning of 2025.

Significant progress was made in the field of concept and network development in the development of analytics tools and the use of artificial intelligence. As a new concept, customer evenings were launched for customers to participate in the development of restaurant concepts.

SKILLED STAFF IS A GUARANTEE OF SUCCESS

Sustainability work continued in S Group's travel industry and hospitality business in many areas in 2024. For example, through Save the Children, 50 low-income families were offered a hotel weekend with meals. By the end of the year, the Green Key and Sustainable Travel Finland sustainability certificates were already to be found in almost all S Group's hotels.

Efforts to reduce waste were continued, and the attractiveness of vegetarian foods and Finnish broad beans was piloted with the University of Helsinki and Natural Resources Institute Finland (Luke). Sokos Hotels trained personnel on the principles of safer space and received the Travel Proud label on Booking.com.

Skilled personnel ensure the attractiveness of S Group's restaurants and hotels. Job satisfaction remained at a good level and, in some locations, at a very good level, despite the challenging year. The role of the personnel is also emphasised in the current year, for which significant and much-needed growth is expected.



S-BANK

A STRONG YEAR WAS CROWNED BY THE COMPLETION OF THE HANDELSBANKEN ACQUISITION

In many ways, 2024 was a historic year for S-Bank. In December, the company completed its largest ever acquisition, the acquisition of Handelsbanken's private customer, asset management and investment service businesses in Finland. As a result, S-Bank grew into a new size category and is now the fourth largest private customer bank in Finland. The transaction also strengthened the company's ability to deliver results and solvency.

S-Bank's financial performance was strong. Its operating result increased to EUR 165.2 million. The result is excellent, considering that a demanding integration project was carried out at the same time. The total private customer funds on deposit increased by 17% from the previous year, totalling EUR 8,729.1 million. Lending increased by 36.5%, totalling EUR 9,466.8 million. S-Bank continued to outperform the market thanks to the successful Handelsbanken acquisition and the good development of other business operations.

The Handelsbanken acquisition was the most important event of the year and a significant step in implementing the strategy. As a result of the transaction, S-Bank approached the threshold of one million customers in accordance with its strategy. At the end of 2024, the number of our active customers was 747,000 (660,000). Active customers are defined as customers who use multiple S-Bank products or services. In addition, more than 200 skilled and highly competent employees of Handelsbanken and the branch network were transferred to S-Bank as a result of the transaction.

In connection with the completion of the transaction, the companies started cooperation, through which S-Bank began to offer funds managed by Handelsbanken Fonder AB. The cooperation diversifies the range of funds available to S-Bank's current and future customers.

The popularity of S-Bank's services continued to grow. The number of purchases made using S-Etukortti Visa increased by around 14.4% from 2023. The co-op members of S Group's regional cooperatives paid for 27.1% of their Bonus purchases using S-Bank cards (25.5). S-mobiili's banking services had more than 1.5 million weekly users.

S-Bank's popular Säästäjä micro-savings service reached a significant milestone in May when its number of users exceeded 100,000. Launched in 2018, the Säästäjä service is the first microsavings service launched in Finland.

S-Bank was the most valued financial sector brand in Finland for the seventh year in a row.

The number of unit-holders in S-Bank funds continued to grow, rising to around 447,000 from around 391,000 a year earlier. In November 2024, S-Bank announced that eight S-Bank mutual funds will be offered to customers without subscription and redemption fees. Previously, the same pricing applied to S-Bank's equity, fixed-income and asset management funds. The managed funds at the end of 2024 totalled EUR 8.3 (6.2) billion.

The continuous development of our services is very important to S-Bank. In 2024, S-Bank focused especially on the development of mobile services, so that the services are easily available to all customers. At the end of the year, S-mobiili's banking services had more than 1.5 million weekly users. During the year, S-Bank released more than 30 new banking functions for digital and mobile platforms. In addition, in May, S-Group and S-Bank introduced the possibility to use Apple Pay for their S-Etukortti Visa customers. The introduction of the service exceeded expectations.

Positive news about the attractiveness of the S-Bank brand continued. For example, S-Bank was Finland's most valued financial sector brand for the seventh year in a row. Employee satisfaction is also at a high level. In November, S-Bank was selected as one of Finland's most inspiring workplaces for the fourth time in a row.

S-Bank's Executive Board has confirmed the company's strategy and financial targets for the strategy period 2024–2027. The goals to be achieved by the end of the strategy period include one million active customers, the position of Finland's fourth largest private customer bank and having more and more customers concentrate their transactions with S-Bank.

Achieving the strategic goals requires a transformation into a more customer-oriented and digital bank. To strengthen the company's ability to continue profitable growth and develop in accordance with its strategy, S-Bank renewed its organisation and appointed new members to its management team.

S-Bank is an entirely Finnish bank that combines retail and banking services in a unique way for co-op members. The paid dividends also benefit our co-op members. The purpose of our operations is to enable a slightly wealthier tomorrow for our co-op members.

ADMINISTRATION

SOK's Supervisory Board, 25/04/2024



Timo Santavuo (b. 1960)

- Lawyer, LLM with court training, Law Counsellor
- Chair since 2022
- Chair of the Supervisory Board of the Satakunta Cooperative Society
- Member of the Supervisory Board since 2012
- Outgoing in 2027



Jarkko Rautaoja (b. 1964)

- MSc (Tech)
- First Vice Chair since 2022
- Chair of the Supervisory Board of the Osuuskauppa Hämeenmaa Cooperative Society
- Member of the Supervisory Board since 2017
- Outgoing in 2026



Tapio Finér (b. 1968)

- MBA
- Second Vice Chair since 2022
- Managing Director of the Suur-Seutu Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2025

Perttu Huusko (b. 1978)

- Head Lecturer, Licentiate of Science (Econ.)
- Chair of the Supervisory Board of the Maakunta Cooperative Society
- Member of the Supervisory Board since 2024
- Outgoing in 2027

Mikko Junttila (b. 1983)

- MSc (Econ)
- Managing Director of the PeeÄssä Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2026

Sinikka Kelhä (b. 1964)

- Lawyer
- Chair of the Supervisory Board of the Keula Cooperative Society
- Member of the Supervisory Board since 2017
- Outgoing in 2026

Sami Kettunen (b. 1969)

- CEO
- Chair of the Supervisory Board of the Keskimaa Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2025

Mathias Kivikoski (b. 1973)

- MSc (Econ)
- Managing Director of the Varuboden-Osla Handelslag Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2025

Mikko Lassila (b. 1969)

- MSc (Agriculture)
- Chair of the Supervisory Board of the Kymi Region Cooperative Society
- Member of the Supervisory Board since 2021
- Outgoing in 2027

Antti Latola (b. 1959)

- Lawyer
- Vice Chair of the Supervisory Board of the Arina Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2025

Martti Lokka (b. 1967)

- CEO, Building Manager
- Chair of the Supervisory Board of the Suur-Savo Cooperative Society
- Member of the Supervisory Board since 2014
- Outgoing in 2027

Harri Lämsä (b. 1979)

- LLM with court training
- Managing Director of the Koillismaa Cooperative Society
- Member of the Supervisory Board since 2022
- Outgoing in 2027

Anne Mäkelä (b. 1965)

- Lawyer, LLM with court training
- Chair of the Supervisory Board of the Osuuskauppa KPO cooperative
- Member of the Supervisory Board since 2015
- Outgoing in 2026

Mika Rantanen (b. 1959)

- Counsellor of Education
- Chair of the Supervisory Board of the Turku Cooperative Society
- Member of the Supervisory Board since 2019
- Outgoing in 2025

Kim Wrange (b. 1968)

- Licentiate of Science (Econ.), Head Lecturer
- Chair of the Supervisory Board of the Northern Karelia Cooperative Society
- Member of the Supervisory Board since 2018
- Outgoing in 2025

Heli Puura (b. 1965)

- LLB, eMBA
- Chair of the Supervisory Board of the Helsinki Cooperative Society Elanto
- Member of the Supervisory Board since 2022
- Outgoing in 2026

Kari Suninen (b. 1963)

- CEO
- Chair of the Supervisory Board of the Southern Karelia Cooperative Society
- Member of the Supervisory Board since 2018
- Outgoing in 2027

EMPLOYEE REPRESENTATIVE

Iiris Jakku (b. 1962)

- Administrative Assistant
- SOK Administrative Services and Risk Management
- Member of the Supervisory Board since 2009

Timo Rajala (b. 1957)

- Project Director
- Chair of the Supervisory Board of the Pirkanmaan Cooperative Society
- Member of the Supervisory Board since 2017

Elina Varamäki (b. 1971)

- Vice Principal, Adjunct Professor
- Chair of the Supervisory Board of the Southern Ostrobothnia Cooperative Society
- Member of the Supervisory Board since 2016
- Outgoing in 2025

EMPLOYEE REPRESENTATIVE

Olli Rauste (b. 1963)

- Legal Counsel
- SOK Legal
- Member of the Supervisory Board since 2023



SOK'S EXECUTIVE BOARD 2024



Hannu Krook (b. 1965)

- CEO, MSc (Econ)
- Chair of SOK's Executive Board
- Member of SOK's Executive Board 2016–2020
- With S Group since 2013



Kim Biskop (b. 1971)

- Managing Director, MSc (Econ)
- KPO Cooperative Society
- Member of SOK's Executive Board since 2019
- With S Group since 1987



Nermin Hairedin (b. 1975)

- Managing Director, MSc (Econ)
- Member of SOK's Executive Board since 2019



Katri Harra-Salonen (b. 1969)

- Board professional, MSc (Tech), eMBA
- Member of SOK's Executive Board since 2023



Antti Heikkinen (b. 1974)

- Managing Director, MSc (Eng), eMBA
- Pirkanmaa Cooperative Society
- Member of SOK's Executive Board since 2023
- With S Group since 2005



Veli-Matti Liimatainen (b. 1969)

- Managing Director, MSc (Econ)
- Helsinki Cooperative Society Elanto
- Member of SOK's Executive Board since 2018
- With S Group since 1995



Harri Miettinen (b. 1962)

- Managing Director, MSc (Econ), Commercial Counsellor
- Kymi Region Cooperative Society
- Member of SOK's Executive Board since 2021
- With S Group since 1997



Antti Määttä (b. 1966)

- Managing Director, MSc (Econ), Commercial Counsellor
- Keskimaa Cooperative Society
- Member of SOK's Executive Board since 2022
- With S Group since 1991



Juha Riikola (b. 1965)

- CEO, yMBA, Commercial Counsellor
- Southern Karelia Cooperative Society
- Member of SOK's Executive Board since 2024
- With S Group since 1981

SOK CORPORATION'S CORPORATE MANAGEMENT TEAM 2024



Hannu Krook (b. 1965)

- CEO, MSc (Econ)
- With S Group since 2013



Arttu Laine (b. 1970)

- EVP, Deputy CEO, MSc (Econ)
- Chain Management, Procurement and Logistics
- With S Group since 1995



Jari Annala (b. 1964)

- EVP, MSc (Econ)
- SOK's business operations
- Chair of the Board of S-Bank Plc
- With S Group since 1989



Päivi Anttikoski (b. 1971)

- EVP, Media, MA
- Marketing, Communications, Content
- Cooperative Brand, Retail Media, Public Affairs
- With S Group since 2021



Seppo Kuitunen (b. 1961)

- EVP, LLB
- Legal Affairs and Secretaries
- With S Group since 2005



Hanne Lehtovuori (b. 1974)

- EVP, LLM, eMBA
- SOK Human Resources
- With S Group since 2021



Sebastian Nyström (b. 1974)

- EVP, CTO, MSc (Tech)
- Loyalty, IT & Digital Development
- With S Group since 2015



Maria Timgren (b. 1984)

- EVP, MSc (Econ)
- Strategy
- With S Group since 2021



Jorma Vehviläinen (b. 1967)

- CFO, MSc (Econ)
- Economy, Finances and Administration
- With S Group since 1991
- Im cone aborendiae saersperume



SOK CORPORATION'S CORPORATE GOVERNANCE AND MANAGEMENT SYSTEM 2024

SOK Corporation (SOK) is a Finnish cooperative, subject to the provisions of the Cooperatives Act and other regulations concerning the operations of its business areas, as well as SOK's Statutes. The operations of the subsidiaries are regulated by, among others, the Limited Liability Companies Act, and SOK Corporation's operations are governed by the operating principles, operating policies and investment and approval guidelines confirmed by SOK's Executive Board as well as the rules of procedure confirmed for different bodies.

On 19 September 2019, the Securities Market Association approved a Corporate Governance Code for listed companies (available at https://cgfinland.fi ↗), which entered into force on 1 January 2020. In accordance with the statement issued by the Finland Chamber of Commerce in 2006, other nationally significant organisations should also adhere to the Code to the extent possible, taking into account their special characteristics, in accordance with the "comply or explain" principle, so that any deviation and the reason for it must be indicated. SOK adheres to the Corporate Governance Code to the extent relevant and possible considering its cooperative form of business and special characteristics.

This Corporate Governance Statement (CG statement) and the remuneration report attached to it have been prepared in accordance with the Corporate Governance Code's recommendations. SOK will present the report by the Executive Board as a separate report.

S Group consists of the cooperatives and SOK, which is owned by the cooperatives, as well as their subsidiaries. The purpose of S Group is to provide co-op members with services and benefits. SOK provides the cooperatives with procurement, expert and support services, as well as being responsible for S Group's strategic steering and the development of business chains.

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DEVIATIONS FROM THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code was drawn up for listed companies, and its recommendations complement the obligations prescribed in legislation. Therefore, it is basically not applicable to SOK in all respects.

Deviations from the Corporate Governance Code are largely based on the fact that SOK is a cooperative society whose co-op members are consumer cooperatives, which differ significantly from listed companies and other limited liability companies. In addition, the reform of the Corporate Governance Code, which entered into force on 1 January 2020, was based on legislation, such as the Shareholders' Rights Amendment Directive, the obligations of which were transposed into national legislation on 10 June 2019. However, due to SOK's form of enterprise, the legislation does not apply to SOK or its member cooperatives. According to the rules regarding SOK's member cooperatives, only natural persons can be members, and each member may only have one share.

The purpose of the operations of the member cooperatives of SOK is to provide members with services and benefits, not to produce profit for shareholders. To fulfil the purpose of operations and to ensure that owner control and the participation of the owners can be realised in an efficient and comprehensive manner, SOK has a Supervisory Board. Among other things, the deviations further improve communication and decision-making in SOK's administration and provide the members with more influence over SOK's operations through the administrative structure, which includes a Supervisory Board.

Taking into account the above, the material deviations by SOK from the Corporate Governance Code are the following:

- According to the Statutes, SOK has a two-level governance model; in other words, in addition to the Executive Board and the CEO, the cooperative has a Supervisory Board.
- According to the Statutes, the Supervisory Board elects the Executive Board (Recommendation 5) on the basis of the two-level governance model referred to above.
- According to the Statutes, SOK's Cooperative Meeting elects the members of the Supervisory Board for three calendar years at a time, so that approximately one third of the members of the Supervisory Board are outgoing each year (Recommendation 6). The term of office of three calendar years is justified to maintain the continuity of the work of the Supervisory Board.
- According to the Statutes, SOK's Chief Executive Officer (managing director) acts as Chair of the Executive Board (Recommendation 20). A deviation from the recommendation is justified, as SOK also has a Supervisory Board that supervises the activities of the Executive Board and the CEO (the managing director).
- According to the Statutes, the Supervisory Board decides on the CEO's (managing director's) remuneration (Recommendation 22). A deviation from the recommendation is justified, as the Supervisory Board also elects the CEO, and the CEO acts as Chair of the Executive Board.
- SOK has a remuneration policy, but its content differs from the remuneration policy required by the legislation governing listed companies referred to in the Corporate Governance Code.
  - The legislation governing listed companies does not apply to SOK.
  - According to the Statutes, the Annual Cooperative Meeting decides on the remuneration of the Chair, Vice Chairs and other members of the Supervisory Board.
  - According to the Statutes, the Supervisory Board also decides on the basis of the CEO's remuneration, and the Chair of the Supervisory Board agrees together with the Vice Chairs of the Supervisory Board on the remuneration of the CEO in accordance with the basis of the pay criteria set by the Supervisory Board, and on the remuneration of Executive Board members employed by the cooperative on the basis of the CEO's proposal and in accordance with the basis of remuneration set by the Executive Board.
- The reporting on SOK's remuneration policy is not fully compliant with the remuneration reporting required of listed companies by the Securities Market Act and the Ministry of Social Affairs and Finance Decree on the remuneration policy of and remuneration report by the organisation issuing shares ("legislation governing listed companies") (Recommendations 1, 4, 17, 20 and 22).
- SOK's Supervisory Board has set up an Audit Committee, but its duties, operations and composition differ from the requirements of compelling audit legislation applicable to listed companies, because they are not applied to SOK (recommendation 16).

SOK AND S GROUP

S Group is a group of companies that comprises cooperatives and the SOK owned by them, as well as the subsidiaries owned by the cooperatives. The purpose of S Group is to provide co-op members with services and benefits. SOK provides the cooperatives with procurement, expert and support services, as well as being responsible for S Group's strategic steering and the control and development of business chains.

According to its Statutes, the purpose of SOK is to provide services primarily for the cooperative members and other companies included in the S Group. For this purpose, it must:

1. promote and develop the operations of the cooperative enterprises and other companies belonging to the S Group, as well as guiding and supervising the efficient use of the overall resources of the Group;
2. monitor the operations and interests of the S Group and its segments;
3. manage the centralised support and service operations required by the S Group;
4. engage in business activities in Finland and abroad, in its own name or through its subsidiaries and associated companies.

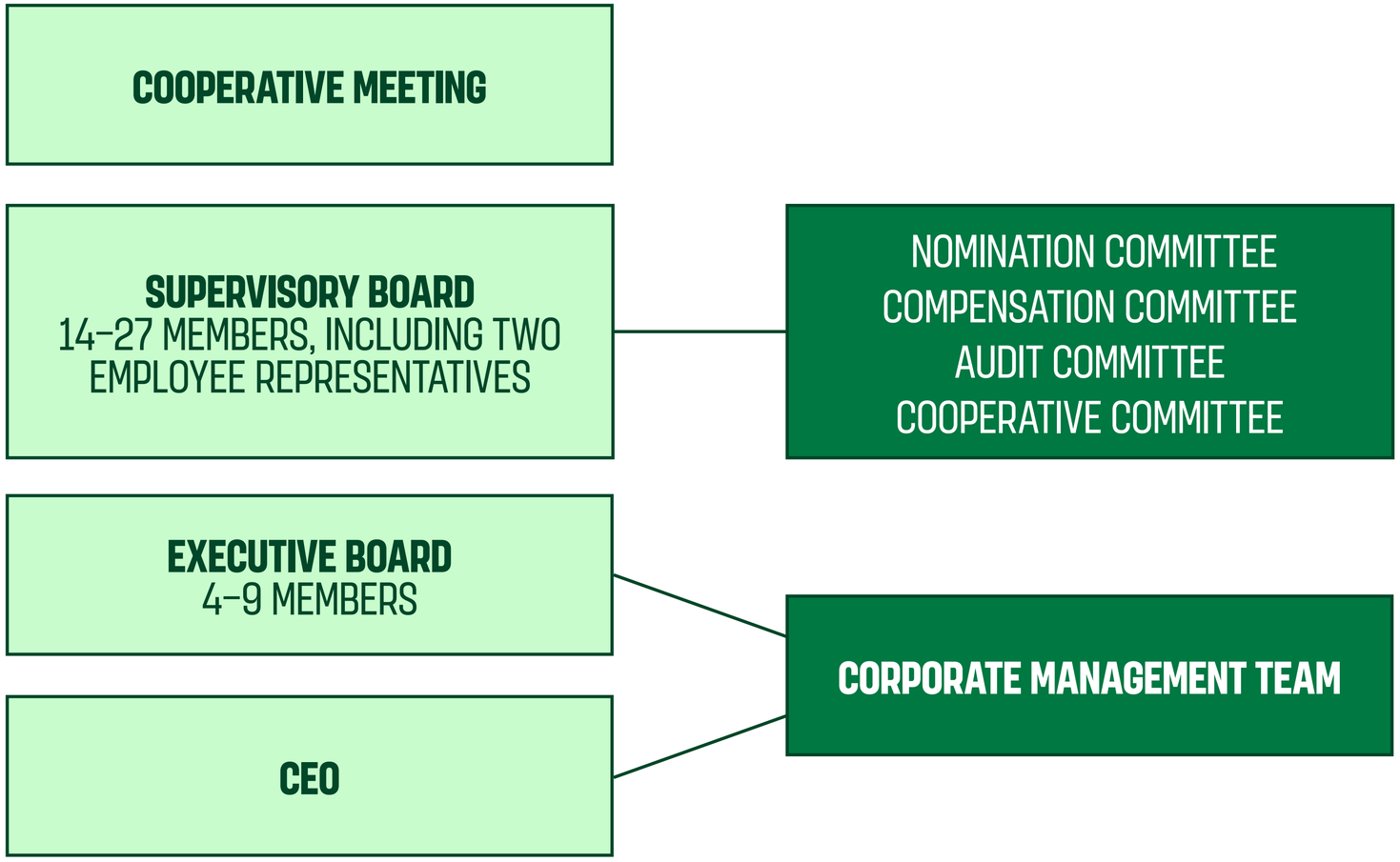
SOK Group (SOK Corporation) includes the parent cooperative SOK and its wholly owned subsidiaries. SOK Corporation's organisational structure (including SOK's commercial subsidiaries; the companies shown indented are subsidiaries of the company shown above them):

- → SOK LIIKETOIMINTA OY
  - → SOKOTEL OY
    - → KIINT. OY OULUN VAAKUNA
  - → AS SOKOTEL
  - → SOK RETAIL INT. OY
  - → PRISMA PEREMARKET AS
- → INEX PARTNERS OY
- → MEIRA NOVA OY
- → REILA PALVELUT OY
- → JOLLAS-OPISTO OY
- → S-BUSINESS OY
- → S-YRITYSPALVELU OY
- → FSTP REAL ESTATE OY (FORMERLY SOK REAL ESTATE INT. OY)
  - → OOO OTEL PLUS*
  - → OOO ITIS 2*
  - → OOO KARELIA*
- → SOK FUND MANAGEMENT OY
- → S-VERKKOKAUPPA OY

*Russian businesses were discontinued and divested in 2022. SOK Corporation still owns some real estate companies that are in the process of being divested.

SOK'S GOVERNANCE MODEL

Contrary to the Corporate Governance Code, SOK has a two-level governance model, which consists of the Cooperative Meeting, Supervisory Board, Executive Board and CEO (managing director) in line with the diagram below. The CEO is assisted in the operational management of the company by the Corporate Management Team.



COOPERATIVE MEETING

The members (owners) of SOK exercise their decision-making power at the Cooperative Meeting. The Cooperative Meeting makes decisions concerning issues that fall into its sphere of responsibility in accordance with the Cooperatives Act and SOK's Statutes. Each member cooperative of SOK is entitled to elect a maximum of five representatives to the Cooperative Meeting, all of whom have the right to address the meeting, but only one of whom has the right to vote on behalf of the cooperative. The execution of ownership rights and the voting rights are based on the members' ownership shares and SOK's Statutes.

The task of the Annual Cooperative Meeting is to attend to the matters set out in the law and the Statutes, such as adopting the financial statements, distributing the surplus shown on the balance sheet and releasing the members of the Supervisory Board and Executive Board from liability, as well as the election and remuneration of the Supervisory Board and the auditors. In addition, the Cooperative Meeting attends to other matters listed on the agenda. An Extraordinary Cooperative Meeting can be convened when necessary.

According to the Statutes, the members of the Supervisory Board are elected at the Cooperative Meeting on the basis of proposals made by the delegates of the cooperative enterprises.

In 2024, the Annual Cooperative Meeting was held on 25 April. The meeting attended to the matters on its statutory agenda.
No Extraordinary Cooperative Meetings were held in 2024.

SUPERVISORY BOARD

According to the Statutes, SOK has a Supervisory Board. The Supervisory Board convenes at the invitation of the Chair as often as matters require or when the Executive Board proposes it.

COMPOSITION AND ELECTION

The Supervisory Board has 14–27 members, of whom 12–25 are elected by the Cooperative Meeting based on proposals from the cooperatives. The members of the Supervisory Board are elected for three years so that their term of office begins at the close of the meeting electing them and ends at the close of the third Annual Cooperative Meeting following their election. The terms of office of the members of the Supervisory Board are staggered in order to secure continuity in such a way that approximately one third of the terms of office end each year.

According to the Statutes, a person cannot be elected as a member of the Supervisory Board if he or she has turned 68 before the beginning of the term of office.

SOK contributes to taking into account the diversity of the members of the Supervisory Board, including age and gender distribution, when seeking new members for the Supervisory Board.

In addition to the members elected by the Cooperative Meeting, SOK's Statutes require that SOK's personnel can, pursuant to the Act on Personnel Representation in the Administration of Undertakings, nominate two members for the Supervisory Board from among its members, as well as personal deputies for them. The term of office of the personnel representatives in the Supervisory Board is in practice determined by the decisions of personnel groups regarding the election of representatives. The purpose of personnel representation is, among other things, to provide employees with an opportunity to influence SOK's organisation, to improve communication and decision-making, and to increase the trust between management and personnel. However, the employees' representatives do not participate in the processing of matters concerning the selection or dismissal of the company's management, its contract terms, the terms and conditions of employees' employment contracts or industrial action.

In its first meeting held after the Annual Cooperative Meeting, the Supervisory Board elects a Chair as well as the First and Second Vice Chairs from among its members for one year at a time. The Chair of the Supervisory Board and the two Vice Chairs make up the Committee of Presiding Officers, which assists the Supervisory Board in carrying out its duties. The Chief Executive Officer attends the meetings of the Committee of Presiding Officers. In addition, the Committee of Presiding Officers decides, for example, on the emoluments of the CEO in accordance with the guidelines provided by the Supervisory Board.

THE DUTIES

The role of the Supervisory Board is to represent the extensive grassroots membership and to act as a forum in which the cooperative society's joint position on S Group's key strategic issues is defined. Its duty is to determine overall policies and safeguard the members' interests. The Supervisory Board confirms the strategy of S Group and SOK Corporation and the key objectives of SOK Corporation at the proposal of the Executive Board and monitors their implementation.

The Supervisory Board is tasked with supervising the management of the cooperative by the Cooperative's CEO, which is the responsibility of the cooperative's Executive Board and CEO, in accordance with the law, the Statutes, cooperative meetings and the decisions of the Supervisory Board, as well as the cooperative's interests. In addition, the Supervisory Board approves and, if necessary, expels members of the cooperative society and appoints and dismisses the Chief Executive Officer and other members of the Executive Board, and also decides on the remuneration of Executive Board members other than those employed by the cooperative society.

In addition, the Supervisory Board confirms the key principles of cooperation between the cooperatives and SOK Corporation and confirms the general financial target levels of S Group's operations.

The Supervisory Board regularly receives from the CEO and the Executive Board sufficient information for attending to the duties of the Supervisory Board. In practice, such information is provided in connection with the meetings of the Supervisory Board. The Chair and Vice Chairs of the Supervisory Board are entitled to participate in the meetings of the Executive Board and to exercise the right to be heard there.

The main tasks and working principles of the Supervisory Board are defined in SOK's Statutes and the Rules of Procedure based on them and approved by the Supervisory Board. The Rules of Procedure are available on the Cooperative's website at https://s-ryhma.fi/en/finance-and-administration/governance ↗.

COMMITTEES OF THE SUPERVISORY BOARD

Based on the Statutes, the Supervisory Board sets up committees as it deems necessary. For the time being, the Supervisory Board has established four committees: the Nomination Committee, Compensation Committee, Audit Committee and Cooperative Committee, all of which have their own rules of procedure.

Nomination Committee

The Nomination Committee prepares matters related to the selection of the CEO and the members of the Executive Board. The Nomination Committee consists of the Chair of the Supervisory Board, the first and second Vice Chairs of the Supervisory Board and two other members elected by the members of the Supervisory Board from among themselves. The members are elected at the meeting of the Supervisory Board. The Chair of the Nomination Committee is held by the Chair of the Supervisory Board and its Vice Chair is held by the First Vice Chair of the Supervisory Board. The Supervisory Board's election procedure ensures the owners' possibilities to influence the composition of the Executive Board and thus the operations of SOK as a whole.

The terms of office of the Nomination Committee members expire when the new Nomination Committee has been appointed.

The Rules of Procedure of the Nomination Committee are available on the Cooperative's website at https://s-ryhma.fi/en/finance-and-administration/governance ↗.

In 2024, the Nomination Committee, which prepared proposals for the Supervisory Committee, consisted of the following members of the Supervisory Board:

NAME	BORN	EDUCATION	MAIN JOB	ROLE	MEETING ATTENDANCE RATE
Timo Santavuo	1960	LLM with court training	Lawyer	Chair of the Supervisory Board	100%
Jarkko Rautaoja	1964	MSc (Tech)	CEO	First Vice Chair of the Supervisory Board	100%
Tapio Finér	1968	MBA	Managing Director of the Suur-Seutu Cooperative Society	Second Vice Chair of the Supervisory Board	100%
Anne Mäkelä	1965	LLM with court training	Lawyer	Member of the Supervisory Board	100%
Heli Puura	1965	LLB, eMBA	Director	Member of the Supervisory Board	100%

The Nomination Committee convened two times during 2024, and its members' attendance rate was 100%. The committee presented the Supervisory Board with its proposal for the composition of the Executive Board on 4 December 2024.

Compensation Committee

The task of the Compensation Committee is to assess and develop the compensation systems and principles of S Group's senior management and to issue recommendations on these and on compensation to the cooperatives' governing bodies. The Compensation Committee also prepares proposals concerning compensation to the members of the Executive Board and the Supervisory Board and their committees, for the relevant governing bodies to decide on. The Compensation Committee consists of the Chair of the Supervisory Board, the first Vice Chair of the Supervisory Board and three other members elected by the members of the Supervisory Board from among themselves.

In 2024, the Nomination Committee, which prepared proposals for the Supervisory Committee, consisted of the following members of the Supervisory Board:

NAME	BORN	EDUCATION	MAIN JOB	ROLE	MEETING ATTENDANCE RATE
Timo Santavuo	1960	LLM with court training	Lawyer	Chair of the Supervisory Board	100%
Jarkko Rautaoja	1964	MSc (Tech)	CEO	First Vice Chair of the Supervisory Board	100%
Sinikka Kelhä	1964	LLM with court training	Lawyer	Member of the Supervisory Board	100%
Sami Kettunen	1969	MSc (Econ)	CEO	Member of the Supervisory Board	100%
Antti Latola	1959	LLM with court training	Lawyer	Member of the Supervisory Board	100%

The Compensation Committee convened three times during 2024, and its members' attendance rate was 100%. The committee presented the Supervisory Board with its proposal for remuneration of the members of the Executive Board on 4 December 2024.

The rules of procedure of the Remuneration Committee can be found on the cooperative's website **Administration and management – S Group (s-ryhma.fi)** ↗.

Audit Committee

The Audit Committee assists and supports the Supervisory Board in monitoring the Executive Board and the governance of the cooperative society. The Audit committee consists of the second Vice Chair of the Supervisory Board and two to four other members elected by the members of the Supervisory Board from among themselves.

In 2024, the Audit Committee consisted of the following members of the Supervisory Board:

NAME	BORN	EDUCATION	MAIN JOB	ROLE	MEETING ATTENDANCE RATE
Tapio Finér	1968	MBA	Managing Director of the Suur-Seutu Cooperative Society	Second Vice Chair of the Supervisory Board	100%
Timo Rajala	1957	LLM with court training	Project Director	Member of the Supervisory Board	75%
Mika Rantanen	1959	MA (Ed)	Leading Headmaster	Member of the Supervisory Board	100%
Kari Suninen	1963	MSc (Tech)	CEO	Member of the Supervisory Board	100%
Kim Wrange	1968	Licentiate of Science (Econ.)	Head Lecturer	Member of the Supervisory Board	100%

The Audit Committee convened four times and its members' attendance rate was 95%.

The rules of procedure of the Audit Committee can be found on the Cooperative's website Administration and management – S Group (s-ryhma.fi) ↗.

Cooperative Committee

The Cooperative Committee assists the Supervisory Board in ensuring compliance with and the implementation of the principles of cooperative activities within S Group. The Cooperative Committee consists of the first Vice Chair of the Supervisory Board and four other members elected by the members of the Supervisory Board from among themselves.

In 2024, the Cooperative Committee, which prepared proposals for the Supervisory Committee, consisted of the following members of the Supervisory Board:

NAME	BORN	EDUCATION	MAIN JOB	ROLE	MEETING ATTENDANCE RATE
Jarkko Rautaoja	1964	MSc (Tech)	CEO	First Vice Chair of the Supervisory Board	100%
Mathias Kivikoski	1973	MSc (Econ)	CEO	Member of the Supervisory Board	80%
Mikko Lassila	1969	MSc (Agriculture)	Agriculture and forestry entrepreneur	Member of the Supervisory Board	100%
Martti Lokka	1967	Bachelor of Engineering, AIT, ITS	CEO, Property Manager, Honorary Real Estate Counsellor	Member of the Supervisory Board	100%
Elina Varamäki	1971	DSc (Econ), Docent	Vice Principal	Member of the Supervisory Board	100%

The Cooperative Committee convened five times, and its members' attendance rate was 96%.

The Rules of Procedure of the Cooperative Committee are available on the cooperative's website Administration and management – S Group (s-ryhma.fi) ↗.

CHAIR OF THE SUPERVISORY BOARD

In addition to leading the meetings of the Supervisory Board, the Chair of the Supervisory Board has the following duties, for example:

- → Serving as the administrative supervisor of the CEO
- → Preparing Supervisory Board meetings together with the Executive Board
- → Deciding together with the Vice Chairs of the Supervisory Board, on the remuneration of the CEO (managing director) in accordance with the pay criteria set by the Supervisory Board
- → Issuing notice of Cooperative Meetings on behalf of the Supervisory Board.

YEAR 2024

The Supervisory Board had 19 members and two personnel representatives. The Supervisory Board convened five times. The attendance rate was 98%.

In 2024, the members of the Supervisory Board were:

NAME	BORN	EDUCATION	MAIN JOB	DOMICILE	OUTGOING	MEETING ATTENDANCE RATE
Timo Santavuo, Chair	1960	LLM with court training	Lawyer	Pori	2027	100%
Jarkko Rautaoja, First Vice Chair	1964	MSc (Tech)	CEO	Heinola	2026	100%
Tapio Finér, Second Vice Chair	1968	MBA	Managing Director of the Suur-Seutu Cooperative Society	Lohja	2025	100%
Perttu Huusko	1978	Licentiate of Science (Econ.)	Head Lecturer	Vuokatti	2027	100%
Mikko Junttila	1983	MSc (Econ)	Managing Director of the Osuuskauppa PeeÄssä cooperative	Kuopio	2026	100%
Sinikka Kelhä	1964	LLM with court training	Lawyer	Rauma	2026	100%
Sami Kettunen	1969	MSc (Econ)	CEO	Jyväskylä	2025	100%
Mathias Kivikoski	1973	MSc (Econ)	Managing Director of the Varuboden-Osla Handelslag Cooperative Society	Espoo	2025	100%
Mikko Lassila	1969	MSc (Agriculture)	Agriculture and forestry entrepreneur	Pilkanmaa	2027	100%
Antti Latola	1959	LLM with court training	Lawyer	Oulu	2025	100%
Martti Lokka	1967	Bachelor of Engineering, AIT, ITS	CEO, Building Manager	Otava	2027	100%
Harri Lämsä	1979	LLM with court training	Managing Director of the Koillismaa Cooperative Society	Kuusamo	2027	100%
Anne Mäkelä	1965	LLM with court training	Lawyer	Kokkola	2026	100%
Heli Puura	1965	LLB, eMBA	Director	Helsinki	2026	100%
Timo Rajala	1957	LLM with court training	Project Director	Akaa	2026	60%
Mika Rantanen	1959	Counsellor of Education		Kaarina	2025	100%
Kari Suninen	1963	MSc (Tech)	CEO	Lappeenranta	2027	100%
Elina Varamäki	1971	DSc (Econ), Docent	Vice Principal	Seinäjoki	2025	100%
Kim Wrange	1968	Licentiate of Science (Econ.)	Head Lecturer	Lehmo	2025	100%
Personnel representatives:						
Iiris Jakku	1962		Administrative Assistant	Helsinki		100%
Olli Rauste	1963	LLM with court training	Legal Counsel	Helsinki		100%

INDEPENDENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board evaluates its members' independence annually on the basis of the independence criteria set out in the Corporate Governance Code.

Due to the structure of S Group and its ownership, the members of the Supervisory Board are mainly other Chairs of the Supervisory Boards or managing directors of the S Group's cooperatives. SOK has only one significant shareholder as referred to in the Corporate Governance Code, Helsinki Cooperative Society Elanto, whose Chair of the Supervisory Board was in 2024 on its Supervisory Board.

Of the members of the Supervisory Board, the managing directors of S Group's cooperatives (Recommendation 10, item f), the representative of Helsinki Cooperative Society Elanto, and the representatives of personnel are not independent of the cooperative in the manner referred to in the Corporate Governance Code.

EVALUATING THE ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board regularly evaluates its work and procedures by carrying out a self-assessment annually.

EXECUTIVE BOARD

COMPOSITION AND ELECTION

According to SOK's Statutes, the Executive Board consists of the cooperative society's CEO, who serves as Chair of the Executive Board, and 3–8 other members.

The Supervisory Board elects the members of the Executive Board for a term of one calendar year based on the Nomination Committee's proposal. When preparing its proposal, the committee evaluates the size and composition of the Executive Board, as well as the competences required of its members from the perspective of the cooperative society's current and changing needs. The purpose of the preparatory work is to ensure that the Executive Board is sufficiently diverse in terms of gender and age distribution and that its members have complementary experience and a diverse range of competences, as well as the qualifications required for the efficient management of the Executive Board's duties. According to the Statutes, a person being elected to the Supervisory Board must be a Finnish citizen and under 68 years of age at the beginning of the term of office. The goal is to ensure sufficient rotation, and sufficient continuity is also considered important in the work of the Executive Board.

The composition of the Executive Board deviates from the requirements of the Corporate Governance Code. This is due to SOK's ownership base and S Group's structure, as well as the Executive Board's role in steering the Group's operations, which requires that the owner organisations have sufficient representation on the Board.

THE DUTIES

The Executive Board's key duties and operating principles are defined in its rules of procedure, which the Supervisory Board has confirmed.

The Executive Board represents the cooperative society and attends to its governance and the appropriate organisation of its operations within the framework of SOK Corporation and in compliance with the applicable laws and rules. The Executive Board is responsible for, among other aspects, deciding on the content of SOK Corporation's and S Group's strategy and presenting them to the Supervisory Board for approval. In addition, the Executive Board decides on the competition strategies of the business areas and on the action plans of SOK and its subsidiaries. The Executive Board is also responsible for preparing certain other matters for the Supervisory Board to decide on.

In addition, the Executive Board, upon the CEO's proposal, decides on setting up SOK's Corporate Management Team and on appointing its members and on their compensation, with the exception of the CEO. The Executive Board appoints a Nomination Working Group, which prepares a proposal for the composition of the boards of directors of SOK's subsidiaries for the Executive Board to decide on.

Considering its duties and composition, SOK's Executive Board has not deemed it necessary to establish the committees mentioned in the Corporate Governance Code to prepare matters to be discussed by the Executive Board. At SOK, the Supervisory Board has established the necessary committees. The Executive Board also did not consider it necessary to establish any other committees for preparing matters to be decided by the Executive Board.

The Executive Board convenes as required and on the Chair's invitation, and forms a quorum when more than half of the members are present, including the Chair or Vice Chair of the Executive Board.

The Executive Board's key duties and operating principles are defined in its rules of procedure, which the Supervisory Board has confirmed. The rules of procedure are available on the cooperative's website at Administration and management – S Group (s-ryhma.fi) ↗.

YEAR 2024

In 2024, SOK's Executive Board had nine members, 22% of whom were women. Six were managing directors of cooperatives, and two were external to the S Group. In accordance with the cooperative society's statutes, SOK's Chief Executive Officer is the Chair of the Executive Board.

In 2024, SOK's Executive Board consisted of the following members:

Hannu Krook	b. 1965	MSc (Econ)	CEO
Kim Biskop	b. 1971	MSc (Econ)	CEO
Nermin Hairedin	b. 1975	MSc (Econ)	CEO
Katri Harra-Salonen	b. 1969	MSc (Tech), eMBA	Board professional
Antti Heikkinen	b. 1974	MSc (Tech), eMBA	CEO
Veli-Matti Liimatainen	b. 1969	MSc (Econ)	CEO
Harri Miettinen	b. 1962	MSc (Econ)	CEO
Antti Määttä	b. 1966	MSc (Econ)	CEO
Juha Riikola	b. 1965	yMBA	CEO

Seppo Kuitunen, SOK's Executive Vice President, Legal Affairs, served as Secretary to the Executive Board.

Harri Miettinen was elected as Vice Chair for 2024.

The Executive Board convened 12 times during 2024, and its members' attendance rate was 100%. The Chair and Vice Chairs of the Supervisory Board are also entitled to attend the meetings of the Executive Board.

INDEPENDENCE OF THE MEMBERS OF THE EXECUTIVE BOARD

The Committee of Presiding Officers evaluates the Executive Board members' independence and the work of the Executive Board annually. The Executive Board members' independence is evaluated based on the criteria presented in the Corporate Governance Code.

In accordance with the Statutes, the CEO of the cooperative society serves as Chair of the Executive Board. As of the beginning of 2019, the composition of the Executive Board has also included two independent members from outside S Group. Due to S Group's structure and ownership base, the other members of the Executive Board are managing directors of S Group's cooperatives. In this respect, the composition of the Executive Board deviates from the recommendation of the Corporate Governance Code with regard to independence. SOK has only one significant shareholder as referred to in the Corporate Governance Code, Helsinki Cooperative Society Elanto (Recommendation 10, item f) whose managing director has acted as a member of SOK's Executive Board in 2024.

THE EXECUTIVE BOARD'S SELF-ASSESSMENT

The Executive Board evaluates its operations and ways of working annually. This evaluation is usually carried out as a self-assessment, and its results are reviewed and discussed annually.

Identified development needs are considered when planning the duties of the Executive Board, and the Nomination Committee of the Supervisory Board takes the results into account when preparing its proposal for the composition of the Executive Board to the Supervisory Board. In addition, the Committee of Presiding Officers provides an assessment of the Executive Board's work annually.

CEO

The CEO of SOK is the managing director as referred to in the Cooperatives Act. The CEO is responsible for the cooperative society's routine management duties in accordance with the instructions and regulations issued by the Executive Board and the Supervisory Board. As the managing director, the CEO is responsible for ensuring that the cooperative society's accounting complies with the applicable laws and that its financial management is appropriately organised. If the CEO is indisposed, a deputy elected by the Supervisory board will act on behalf of the CEO.

The CEO also serves as Chair of the Executive Board. This practice, which deviates from the requirements of the Corporate Governance Code, is due to S Group's structure and the fact that the cooperative society also has a Supervisory Board, which monitors the work of the Executive Board and the CEO. In addition, the Supervisory Board elects the CEO and determines the grounds for their remuneration.

CEO Hannu Krook (b. 1965), MSc (Econ), serves as managing director and Chair of SOK's Executive Board, as referred to in the Cooperatives Act. Executive Vice President Arttu Laine has been the deputy of the CEO.

Hannu Krook (b. 1965),
CEO, Chair of the Board, MSc (Econ)

- → CEO since 2021
- → With SOK Corporation since 2021
- → With S Group since 2013
- → Retirement age: 63 years
- → Main work experience:
  - – OK Varuboden-Osla Hlg, Managing Director (CEO)
  - – Oy Otto Brandt Ab, Managing Director of the Group (CEO)
  - – Tiimari Oyj, Managing Director (CEO)
  - – TeliaSonera Finland Oyj and Sonera Oyj, several positions, including CMO at Sonera
  - – Coca-Cola Juomat Oy, Managing Director
  - – The Boston Consulting Group, consultant
- → Main positions of trust:
  - – Executive Board of SOK, 2015–2017 Member, Vice Chair 2018–2020, Chair since 2021
  - – Member of the Board of Directors of the Confederation of Finnish Industries since 2022, Vice Chair of the Board in 2022
  - – Member of the Board of the Finnish Commerce Federation since 2021, Chair of the Board in 2022 and 2023
  - – Member of the Board of the Central Chamber of Commerce since 2022
  - – Member of the Supervisory Board of LocalTapiola Mutual Insurance Company since 2021
  - – Member of SOK's Supervisory Board 2013–2014
  - – East Uusimaa Chamber of Commerce, Member of the Board 2013–2020
  - – Kooperativa Affärsledare, Chair of the Board 2012–2020

Arttu Laine, (b. 1970),
Executive Vice President, MSc (Econ)

- → With SOK Corporation since 2014
- → Deputy to the CEO since 2014
- → Retirement age: 63 years
- → Main work experience:
  - – Managing Director of KPO Cooperative Society
  - – Regional Director of SOK in the Baltic countries
  - – Managing Director of AS Prisma Peremarket
- → Main positions of trust:
  - – Chair of the Boards of Directors of the companies belonging to his scope of responsibility
  - – Member of the Board of the Finnish Grocery Trade Association since 2014, Chair in 2015–2016, 2019–2020, 2023–2024
  - – Member of the Supervisory Board of LocalTapiola Mutual Life Insurance Company from 2007 to 2013 and since 2017
  - – Member of the National Emergency Supply Council since 2021

CORPORATE MANAGEMENT TEAM

SOK has a Corporate Management Team. The Executive Board decides on the establishment of the Corporate Management Team and the appointment of its members, as well as on the remuneration of Corporate Management Team members who are not members of the Executive Board, based on the CEO's proposal. The duties of SOK's Corporate Management Team include assisting the CEO in the management of SOK Corporation and S Group. The Corporate Management Team coordinates and prepares key proposals made to the Executive Board, for example. These proposals include S Group's and SOK Corporation's business strategies, target levels, operating plans and budgets, as well as major investment projects and disposals. In addition, the Corporate Management Team discusses operational matters concerning all of SOK Corporation's areas of responsibility. In accordance with the statutes of the cooperative society, the Executive Board provides the Corporate Management Team with guidelines, if necessary, and the Corporate Management Team does not have authority based on laws or the cooperative society's statutes. The Corporate Management Team generally convenes twice a month. The retirement age of the members of SOK's Corporate Management Team is 63 years, determined in accordance with personal executive contracts.

In 2024, the Corporate Management Team consisted of the following members:

			EMPLOYED BY S GROUP	MEMBER OF THE SOK EXECUTIVE BOARD	RETIREMENT AGE
Hannu Krook	b. 1965	CEO	since 2013	2021	63
Arttu Laine	b. 1970	Executive Vice President, Chain Management, Procurement and Logistics	since 1995	since 2014	63
Jari Annala	b. 1964	Executive Vice President, SOK Business	since 1989	since 2007	63
Päivi Anttikoski	b. 1971	EVP, Chief Media Officer, Marketing, Communications, Content, Media Business, Public Affairs	since 2021	since 2021	63
Seppo Kuitunen	b. 1961	Executive Vice President, Legal Affairs, Legal Affairs and Secretaries	since 2005	since 2021	63
Hanne Lehtovuori	b. 1974	HR Director, HR functions	since 2021	since 2021	63
Sebastian Nyström	b. 1974	Executive Vice President, CTO, Loyalty, IT & Digital Development	since 2016	since 2016	63
Maria Timgren	b. 1984	Executive Vice President, Strategy	since 2021	since 2021	63
Jorma Vehviläinen	b. 1967	CFO, Finance and Funding	since 1991	since 2013	63

The Corporate Management Team convened 21 times in 2024.

SUBSIDIARIES

Primarily, the Chair of the Board of Directors of a subsidiary is a member of the Corporate Management Team, employed by SOK and responsible for the line of business in question. The CEO is the Chair of SOK Liiketoiminta Oy's Board of Directors. SOK's Executive Board nominates the members of the subsidiaries' Boards of Directors for the subsidiaries' Annual General Meetings to decide on. The members of the Boards of Directors of subsidiaries are primarily elected from among S Group's employees.

The subsidiary's Board elects the company's managing director, but in accordance with the Group's internal guidelines, the election is also subject to approval by SOK's Executive Board. As a rule, the managing directors of subsidiaries do not have seats on the Board of Directors of the company in question. The operations of subsidiaries are guided by the Corporation-wide principles and operating policies decided by SOK's Executive Board.

CHAIN MANAGEMENT

SOK's chain management units are responsible for developing the business area or chains and for preparing matters for SOK's Executive Board to decide on. Key responsibilities include the preparation of the competition strategy of the chains, the chain business idea and development of the chain concept as well as the chains' annual operating plan. The business chain management units are managed by chain directors, who are included in the area of responsibility of the Executive Vice Presidents at the Corporate Management Team level. The business support teams support and assist the chain management functions. The teams consist of 4–13 representatives of regional cooperatives' Managing Directors and representatives of SOK's chain management. An Executive Vice President of SOK serves as the chair of the business support teams.

SOK's support and service functions also have their own support teams, which provide assistance and support to the management of the SOK function that is responsible for providing services and developing the support function in question. The support teams include managing directors of regional cooperatives and directors of the responsibility area in question, and a member of SOK's Corporate Management Team who is responsible for the support function in question serves as the chair of the team.

The business support teams and service operations support teams are not decision-making bodies by nature. A member of SOK's Corporate Management Team responsible for the business or support functions in question is in charge of selecting the support team members, and SOK's Executive Board is informed of the selection. The management model streamlines the authority and responsibilities of the chains and the service operations.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

INTERNAL CONTROL

Internal control is an integral part of SOK Corporation's management and governance system. Internal control supports and ensures the operations of SOK Corporation's companies within S Group in accordance with S Group's values and strategies.

The purpose of internal control is to provide reasonable assurance that:

- the operations are efficient and the targets are reached
- external and internal reporting is adequate and reliable
- legislation, regulations and company principles and policies are complied with
- risks related to operations are identified and their management is implemented in a cost-effective manner
- assets are protected.

SOK's Board of Directors has the most central responsibility for the proper organisation and effectiveness of internal control. SOK's Supervisory Board plays a significant role in supervising the management of the cooperative, which is the responsibility of the Executive Board and CEO. In addition, internal control is the responsibility of each supervisor and employee, and it concerns all levels and functions of SOK Corporation.

SOK Corporation's internal control framework is based on the Internal Control – Integrated Framework 2013 published by COSO, the Committee of Sponsoring Organisations of the Treadway Commission.

The following describes the components of SOK Corporation's internal control:

1. Control environment

The control environment consists of those structures, principles, policies, guidelines and processes that create the basis for SOK Corporation's internal control throughout the organisation. It is supported by S Group's values, responsibility principles, human rights principles and SOK Corporation's Code of Conduct, compliance with which is required of all personnel in SOK Corporation. The example and leadership style of management is of great importance in creating a culture and awareness that support control. Organisational structure, the granting of responsibilities and authorisations, as well as HR practices, are also part of the control environment.

The condition of the control environment is reflected in matters such as the up-to-dateness of and compliance with internal principles, policies and guidelines, as well as in how the organisation treats the control measures and the correction of deviations found during monitoring and audits.

2. Risk management

Risk management is part of SOK Corporation's internal control. The task of the risk management process is to produce information about the risks associated with the operations to support decision-making and to provide reasonable assurance that the risks are managed to achieve the objectives. The risk management process integrated into SOK Corporation's management system and process includes the identification, analysis and prioritisation of risks and opportunities, as well as the implementation and monitoring of cost-effective management measures based on them.

3. Processes and control activities

Processes and control activities aim to ensure that SOK Corporation operates in accordance with the objectives set by the management and that the objectives are achieved in a controlled manner. S Group-level principles, SOK Corporation's policies and guidelines provide direction on what should be done. In turn, the processes and control activities are used to determine how the above principles, policies and guidelines are implemented and monitored. Control activities can be preventive, detective, manual, automatic, or management controls.

4. Information and communication

Internal control is supported by adequate, reliable and up-to-date information flow and communication. The internal flow of information and communication are particularly important for internal control to convey information about matters such as guidelines, company objectives and their monitoring, and the functionality of internal control. Internal communication supports business operations and promotes its goals by engaging the working community in working towards common goals. In SOK Corporation, the core of internal communication is managerial communication as part of good management.

5. Monitoring and verification

Monitoring and audits ensure the functionality and efficiency of internal control. Continuous monitoring is carried out as part of management and supervisory work. The functionality and efficiency of internal control is also ensured through separate internal and external assessments such as internal audits and financial audits. The management is notified of any shortcomings in the control system identified through monitoring and audits, and the necessary corrective measures can be started.

SOK's Board of Directors is responsible for ensuring that SOK Corporation has defined the principles of internal control and that SOK Corporation monitors the effectiveness of the control and monitoring. The President and CEO of SOK, the members of SOK's Corporate Management Team, the heads of SOK's units and the Boards of Directors of SOK's subsidiaries, as well as the Managing Directors, carry out continuous monitoring of the day-to-day operations in their respective areas of responsibility.

Internal control is carried out at all levels of SOK Corporation and organised according to a three-line model:

The first line (line 1) consists of the management and personnel responsible for the business areas and their operational support and service functions. The first line has primary and principal ongoing responsibilities for internal control. The first line is responsible for the efficient adoption and implementation of the management system and processes, the implementation of policies, guidelines, compliance, risk management, day-to-day performance management and the implementation of practices and control measures to achieve strategic objectives.

The second line (line 2) is formed by the joint support functions of SOK and its subsidiaries. The second line's functions define internal control practices and support other units in the implementation of internal control. These functions define policies and guidelines and implement the group-level monitoring through measures such as reporting and supporting the monitoring of compliance with guidelines. These functions include Human Resources, IT, Real Estate Management, Legal Affairs, Media, Business Control and Finance, Risk Management, Strategy, Finance and Responsibility, and others.

The third line (line 3) consists of the internal audit functions of SOK and its subsidiaries, as well as SOK's Data Protection Officer (DPO). The third line is independent of the businesses and the second line and operates independently. The internal audit functions, among other things, evaluate the appropriateness and effectiveness of SOK Corporation's control system and ensure through evaluations and audits, as well as consultations if necessary, that lines 1 and 2 implement internal control effectively and that it is developed as necessary. External parties such as auditors also assess the functionality of the control system.

RISK MANAGEMENT

SOK's Executive Board confirms S Group's risk management principles and SOK Corporation's risk management policy, according to which the Group identifies and analyses risks and assigns them management measures as part of the strategy process, operational planning and development projects. Based on analyses, key risks are identified in terms of the corporation's operations and the achievement of its strategic goals. The Executive Board discusses and decides on these key risks annually. The management of SOK Corporation's subsidiaries and units reviews and determines each unit's most significant risks and the related risk management measures, as well as being responsible for implementing risk management measures.

Precautions have been taken for property, loss-of-profit and liability damage risks related to operations through various measures, such as contingency plans and insurance policies. SOK Corporation's risk management expert organisation steers and develops risk management within S Group and provides support in implementing risk management. SOK's internal audit function assesses the sufficiency and functionality of risk management processes.

INTERNAL AUDIT

The corporation's internal audit is carried out by the internal control function of SOK. SOK's Executive Board approves the annual plan for SOK's internal audit every year. The internal audit function regularly reports on the findings of the internal audit to the Corporate Management Team, CEO, Executive Board and the Supervisory Board's Audit Committee.

AUDITING

The cooperative society's financial statements, consolidated financial statements, accounting and governance are audited by an auditor. The auditor must be a member of a community of Authorised Public Accountants in accordance with the Auditing Act. The cooperative society's Annual Cooperative Meeting elects the auditor.

The Annual Cooperative Meeting elected KPMG Oy Ab, Authorised Public Accountants, as SOK's auditor for 2024, with Jukka Rajala, APA, as the principal auditor.

In 2024, the auditing fees paid by the SOK Corporation companies in Finland, Estonia and Russia for auditing operations amounted to EUR 218,786.22, and other fees not related to auditing amounted to EUR 38,691.16. Of these fees, audit fees for the parent company totalled EUR 175,196.92, and fees from the parent company for other consulting services totalled EUR 26,173.94.

RELATED PARTY TRANSACTIONS

SOK Corporation maintains a list of its related parties and monitors and evaluates related party transactions.

SOK defines the related parties in a manner appropriate for its structure, particularly taking into account the purpose of the recommendation concerning related party transactions and, where possible, taking into account the related parties in accordance with the Corporate Governance Code (as specified in the Limited Liability Companies Act, which is binding on listed companies). SOK's related parties include all Group companies, the members of the Executive Board, the Supervisory Board and the Corporate Management Team, as well as their immediate family members. Any conflicts of interest will be taken into account in decision-making, and each Group company maintains a list of companies belonging to its related parties in accordance with the Corporate Governance Code.

SOK Corporation presents information about related party transactions as a note to the financial statements, if they are significant and not implemented at ordinary commercial terms.

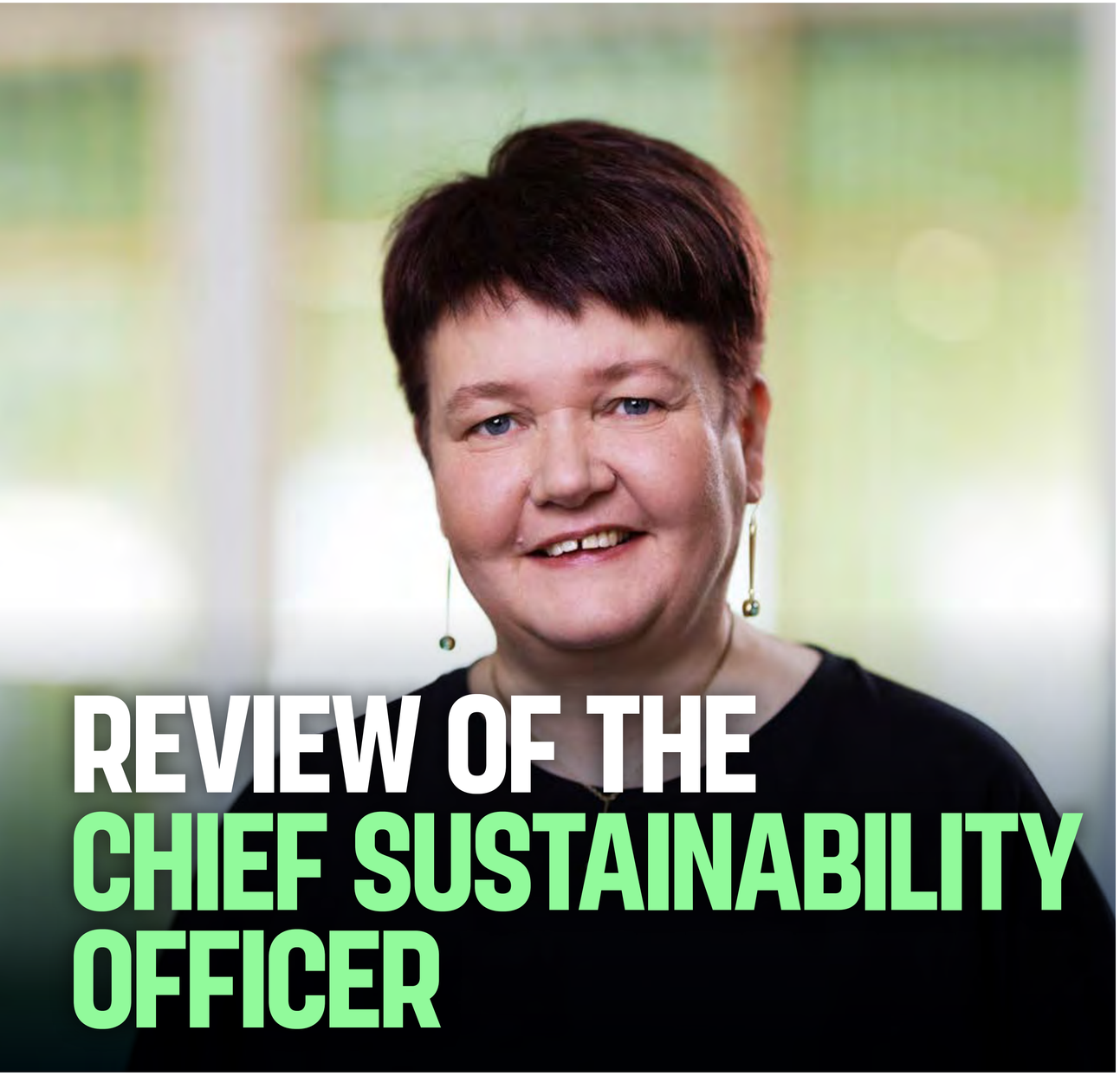
FINANCIAL REPORTING

SOK Corporation publishes its financial statements release in February. SOK Corporation's annual report, i.e. financial statements and annual report with notes, are published in March and confirmed at the Annual Cooperative Meeting in April. A half-year financial report is published in August. Furthermore, reports on the development of S Group's retail sales are published quarterly.

OTHER DISCLOSURES OF INFORMATION

Up-to-date information about SOK Corporation and S Group, including press releases, is available on the Group's website at https://s-ryhma.fi/en ↗.
SOK Media's Communications and Reputation Management unit is responsible for producing and updating the information.

The remuneration report is available on a separate website: Administration and management – S Group (s-ryhma.fi) ↗.



REVIEW OF THE CHIEF SUSTAINABILITY OFFICER

The implementation of the Corporate Sustainability Reporting Directive was at the core of our sustainability work in 2024. As a cooperative operator, the obligations of the directive will apply to us only after a year, but combining the entire S Group's information and reportable entities requires a great deal of work from us. The increased amount of sustainability related regulations have also affected our focus areas of sustainability. Regulations will change our sustainability work, its management and processes in the coming years.

S Group's strategy was updated during 2024, and the choice we made earlier to be a forerunner in sustainability in the business areas in which we operate was confirmed. While regulations put pressure on us to invest in compliance, we are sticking to the long-term goals of our sustainability programme and will continue this work without compromise. Meeting the requirements of regulations does not mean leading the way, but being a forerunner is needed for us to find new operating models and methods, as well as forms of cooperation, to meet the requirements of regulations together with the whole value chain.

The COP 16 biodiversity conference in Cali, Colombia, at the end of 2024 brought together a record number of private sector actors. At the heart of the meeting was the implementation of the COP-15 objectives. Topics related to human rights, including the rights of Indigenous peoples, were also strongly highlighted, as well as the link between climate change and biodiversity loss, in terms of both challenges and solutions. It is therefore very important that the global and national goals, as well as the goals of the companies, are aligned, and that we are moving towards a common goal. Our work on the measurement of the biodiversity footprint and reducing harm to biodiversity continued. 2025 will be the final year of the joint research project of the University of Jyväskylä's resource wisdom community JYU.Wisdom, Sitra and S Group, and we will be able to publish the calculation method for everyone to use.

Our climate work focused on working on the Net Zero emissions target, developing emissions calculations and starting the preparation of the climate transition plan together with the business operations. At the end of 2023, we committed to reducing emissions to net zero in both our own operations and the value chain by 2050. Our long-term climate work and commitment to reducing our own emissions have been significant and productive. The regional cooperatives that have systematically invested in energy efficiency deserve a big thank you.

We are proceeding as planned towards our sustainability targets. We achieved our own emissions reduction target of 90% compared with 2015 five years ahead of schedule. Our waste recycling rate was 82%. The proportion of food of Finnish origin remained at the same level as last year (76%), and the proportion of plant-based food products also remained unchanged (60%). Our audit rate was 99%.

The challenges of sustainability and the discovery of new solutions require closer cooperation across value chains and with various stakeholders. I would like to thank all our stakeholders for their invaluable cooperation and everyone at S Group engaged in sustainability work every day. Through these actions and cooperation, we make our sustainability programme and our mission a reality: *together we will make a better place to live.*

Nina Elomaa,
Chief Sustainability Officer, SOK

Our sustainability programme, Together We Will Make a Better Place to Live, realises our group's mission, in which sustainability is a central theme. Our goal is to lead the way in sustainability in the industries in which we operate. Sustainability in S Group covers all business areas and is managed jointly with the business management at the Group level.

SUSTAINABILITY MANAGEMENT AND ORGANISATION

Sustainability work is guided by S Group's sustainability programme and S Group's values. We are committed to several international initiatives, including the UN Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Treaty on Fundamental Rights at Work and the UN Global Compact initiative.

The sustainability programme, S Group's Group-level sustainability principles and strategic policies, commitments and goals are approved by SOK's Executive Board and the Supervisory Board. In 2024, we updated the S Group-level sustainability principles, ethical principles, human rights principles and risk management principles to meet the requirements of the Corporate Sustainability Reporting Directive and the ESRS standards. The Executive Board and Supervisory Board regularly discuss sustainability matters. SOK's Sustainability unit is in charge of strategic development, control and reporting of sustainability at the Group level. The Sustainability unit reports directly to SOK's CEO.





SOK's Sustainability unit is in charge of strategic goal setting and determines the focus areas of S Group's sustainability development. The business area-specific sustainability objectives and procedures are defined jointly with the business units and subsidiaries and the Sustainability unit. The Sustainability unit guides and monitors implementation and reports regularly to the heads of business management, the Corporate Management Team and SOK's Executive Board on sustainability development as part of the management system.

Policies concerning products and services are prepared jointly with the business areas. Sustainability matters are regularly discussed with regional cooperatives through internal groups and forums. The management of sustainability concerns is described in more detail in each section.

As a major operator, we have a considerable impact on the present and on the legacy we leave for future generations.

S Group's sustainability Advisory Group, consisting of external experts, is part of the sustainability management and steering model. The Advisory Group's role is to support and challenge S Group in developing sustainability. Its purpose is to provide S Group with information about new opportunities, best practices in sustainability, innovations and risks related to the operating environment. Nevertheless, decisions concerning the focus areas of development are made within S Group. In addition to the Chief Sustainability Officer, the CEO, Executive Vice President and business area management participate in the Advisory Group's work.

Our mission is to produce benefits and services that generate well-being for our owners – in other words, our customers. However, well-being means much more than just economic well-being. With our co-op members, we will make a better place to live. As a major operator, we have a considerable impact on the present and on the legacy we leave for future generations. Foresight is therefore important, and our sustainability programme will extend until 2030. The sustainability programme includes both long-term and short-term goals.

A comprehensive set of targets has been defined around the three main themes of the sustainability programme, and these goals are part of S Group's management remuneration system.

S GROUP'S SUSTAINABILITY 2030

SUSTAINABILITY LEADERSHIP

TOGETHER WE WILL MAKE A BETTER PLACE TO LIVE

TOWARDS A NEW NORMAL IN CONSUMPTION – TOGETHER, ONE STEP AT A TIME

Promoting sustainability, health and wellbeing

Promoting a planetary diet – 65% plant-based

Promoting local products – 80% domestic food products

Towards carbon-neutral transport



TOWARDS SUSTAINABLE GROWTH – BY RESPECTING NATURAL RESOURCES

Net Zero 2050

Carbon negative 2025

Towards a circular economy

Strengthening the biodiversity



TOWARDS AN EQUAL WORLD – BY REMOVING INEQUALITY

Promoting human rights

Main ingredients of food products – 100% audited

Increasing openness – origin of products and sustainability information displayed

Common, non-discriminating and diverse S Group

Strengthening an inclusive society



WE EXIST FOR THE CUSTOMER | WE TAKE RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT | WE CONSTANTLY RENEW OUR OPERATIONS | WE OPERATE PROFITABLY



Successful engagement work enables us to better understand our operating environment and stakeholders' expectations. Our aim is for S Group to be perceived as a responsible member of society, a vital and attractive company and a reliable partner. In cooperation with our stakeholders, we are solving social challenges, from minor problems in daily life to major global issues.

OPEN AND ACTIVE STAKEHOLDER ENGAGEMENT

Transparency is key for us in building trust. We communicate openly and actively about our operations. Matters are communicated as soon as objectives have been set for action. We listen to our stakeholders and share our views through constructive dialogue. We seek to learn.

MEASURING STAKEHOLDER ENGAGEMENT

Stakeholders' images of S Group as a responsible operator are studied annually by means such as the Reputation & Trust survey conducted by T-Media. The survey assesses our overall reputation through eight themes: governance, financial administration, management, innovation, interaction, products and services, workplace, and responsibility. In the 2024 survey, S Group was the fifth most reputable company in Finland among the general public. S Group's overall reputation score in the study was 3.83, the best result in S Group's measurement history. The overall reputation rating was 3.59 among policy-makers and 3.55 among the media. The result was good for both.

S Group and its chains were again ranked highly in the Sustainable Brand Index, the most extensive annual study on sustainability images in Europe. In 2024, consumers viewed S Group as the most sustainable consumer goods brand in Finland, and ABC, S-market, Sokos Hotels and S-Bank were all leaders in sustainability in their sectors.

OUR KEY STAKEHOLD	INTERACTION CHANNELS AND ENGAGEMENT	KEY THEMES IN 2024	EXAMPLES OF OUR OPERATIONS IN 2024
CO-OP MEMBERS	→ Daily customer encounters. → Customer surveys. → Yhteishyvä, S Group's own media outlet. → Customer service channels. → Social media. → Customer-owners.	→ Selection, Finnish origin. → Price and availability. → Responsibility and transparency. → Safety and quality.	→ We provide our co-op members with competitive services and benefits in a profitable manner. → Wide range of Kotimaista private-label products. → 76% of the food we sold was of Finnish origin. → S-mobiili price comparison tool. → Quality requirements and assurance processes. → Operating in accordance with our “Together, we make a better place to live” sustainability programme.
PERSONNEL	→ Workplace community surveys and performance reviews. → Open dialogue. → Electronic communication channels and Ässä personnel magazine. → Leadership commitments. → Ethics principles. → S Group whistleblowing channel. → Cooperation and training.	→ Wellbeing at work. → Job satisfaction. → Training and career opportunities. → Occupational safety. → Availability of labour.	→ We are the largest private employer in Finland. → Annual workplace community survey. → We don’t ask applicants for their age in recruitment. → Support for the Mind model. → Common work shift planning.
DECISION-MAKERS IN SOCIETY	→ Dialogue at various stakeholder forums. → Meetings. → Hearings. → Statements.	→ Promoting free competition. → Food chain matters. → Availability of personnel. → Diversification of emission reduction methods. → Security of supply. → Responsible business operations.	→ Open dialogue with those preparing decisions and those making them regarding issues impacting S Group’s operations and regarding development of the service sector. → In accordance with the Transparency Register Act, we report on our contacts with political decision-makers. The Transparency Register Act entered into force in 2024. SOK is committed to the recommendations on good lobbying practice prepared by the Transparency Register Advisory Board, which promote a good lobbying culture. → We engaged in dialogue with the key ministers, their assistants and civil servants of pivotal importance to our sector, as well as with MPs interested in S Group’s operations. → We also bring perspectives to decision-making through statements. → In addition, we actively participate in events held by our stakeholders, as well as various hearings at ministries, for example.

OUR KEY STAKEHOLD	INTERACTION CHANNELS AND ENGAGEMENT	KEY THEMES IN 2024	EXAMPLES OF OUR OPERATIONS IN 2024
SUPPLIERS AND SERVICE PROVIDERS, OTHER OPERATORS IN THE SUPPLY CHAIN	→ Sustainability requirements for procurement, e.g. the amfori BSCI Code of Conduct and amfori BEPI Code of Conduct. → Dialogue and meetings.	→ Cooperation, partnerships. → Requirements for suppliers and service providers. → Human rights and environmental matters.	→ Annual Ässäpäivä event for supermarket trade suppliers. → Our Big Deal programme aims to reduce emissions by a million tonnes together with suppliers. → We participate in amfori, which promotes the development of the social and environmental responsibility of European companies. → In 2024, we continued our long-term cooperation and discussion on the success of the food chain with ProAgria and the Baltic Sea Action Group. We continued to support e-learning on regenerative farming.
NGOS AND CHARITIES	→ Meetings and events. → Surveys. → Cooperation projects.	→ Climate, environmental and human rights matters. → Health. → Sustainable consumption.	→ We support the operations of SETA – LGBTIQ Rights in Finland. → Cooperation with the Finnish Red Cross to help those suffering from the crisis in Ukraine. → Supporting the John Nurminen Foundation and its marine environment projects. → Organising Ässäkokki cooking courses for schoolchildren with the Martha Association since 2017.
INDUSTRY ASSOCIATIONS	→ Active participation in working groups and committees. → Expressing perspectives. → Positions of trust.	→ Monitoring and development of the operating environment. → Influencing opinion-shaping processes.	→ We collaborate with advocacy associations and other communities in the development of our industry. → We are members of the largest industry organisations, such as the Confederation of Finnish Industries, the Central Chamber of Commerce, the Finnish Commerce Federation, the Finnish Grocery Trade Association, the Finnish Hospitality Association and the Pellervo Coop Centre. → We engage in sustainability cooperation with parties such as the UN Global Compact network, Finnish Business & Society and the Climate Leadership Coalition.

OUR KEY STAKEHOLD	INTERACTION CHANNELS AND ENGAGEMENT	KEY THEMES IN 2024	EXAMPLES OF OUR OPERATIONS IN 2024
MEDIA	→ Notifications. → Interviews. → Media meetings. → S Group's own communication channels. → Media service.	→ Openly conveying information about our operations.	→ We are easily accessible to the media, and we answer questions as quickly as possible. → We share timely and interesting information via multiple channels.
EDUCATIONAL INSTITUTIONS, UNIVERSITIES AND RESEARCH INSTITUTES	→ Cooperation projects. → Dialogue. → Lectures and presentations.	→ Health. → Data. → Climate impact.	→ We assess S Group's natural footprint in a research project organised in cooperation with the University of Jyväskylä. → The LoCard project, led by the University of Helsinki and University of Tampere, is studying food use and lifestyles in an internationally unique project by using S Group's purchasing data and surveys of co-op members.
LOCAL COMMUNITIES	→ Local services. → Cooperation projects. → Dialogue.	→ Well-being and development of the region.	→ We want to safeguard local services and regional vitality throughout the country. → We offer employment, summer jobs and trainee positions.

2024



Photo: Linda De Volder

Dialogue with EU decision-makers

The decision-making of and regulation by the European Union has a significant impact on companies' operations. At S Group, we want to understand, monitor and seek to influence EU legislative projects concerning the retail group. In 2024, we engaged in dialogue with EU decision-makers on those themes that are particularly important to S Group.

Our goal is to anticipate future changes and try to bring practical solutions to the implementation of the regulation. It is important for us to understand the impacts of regulation and the expertise they require. We want to identify new business opportunities and communicate to decision-makers about essential matters in our industry, as well as topics that affect consumers. We have discussed issues such as the future of the food chain, climate change and the green transition.

During 2024, we met MEPs, assistants and EU officials. The purpose has been to provide relevant information about S Group and our business areas and to develop mutual understanding of the impacts of regulation. In future, we will bring out the voice and vision of co-op members even better for EU decision-makers.

VALUE CREATION

INPUT

SOCIAL CAPITAL

- More than 42,000 S Group employees, 94 different nationalities
- Procurement sustainability guidelines for the promotion of human rights
- Daily work to ensure t he safety and healthiness of products

NATURE CAPITAL

- 90% less emissions from our own operations (2015–2024), offsetting, 15% improvement in energy efficiency (2015–2024), mitigating climate change
- 5% renewable and 100% emission-free electricity, more than 120,000 solar panels, 62 wind farms
- Use of refrigerants
- Water consumption
- Products and services, planetary diet target, responsible investment services
- Policy decisions regarding procurement of raw materials

FINANCIAL ASSETS

- More than 17,500 product and service suppliers
- Capital invested by co-op members and cooperative contribution fund EUR 270.8 million
- 2,036 outlets
- More than 2.6 million co-op members

INTANGIBLE ASSETS

- Stakeholder dialogue and relationships
- Co-op members and customer information
- Management by data, research & product development and new innovations
- The respected and well-known S-brand and private-label products

S GROUP

19 cooperatives, supermarket trade, department store and speciality store trade, service station store and fuel sales, travel industry and hospitality business, hardware trade, banking services, Estonia: supermarket trade, travel industry and restaurant operations

OUR VISION

Making your every day taste special.

OUR MISSION

Together we will make a better place to live.

KEY THEMES

Towards a new normal of sustainable consumption – together, one step at a time

Towards sustainable growth – by respecting natural resources

Towards an equal world – by removing inequality

OUTPUT

- Job satisfaction 75.5 (TYT index), EUR 1.4 billion paid in salaries
- Private-label purchases 99% from audited factories
- Information about the country of origin displayed transparently all private-label products
- Advocacy through international networks to promote human rights
- 89 reports to S Group's whistleblowing channel
- Safe products
- Millions of age limit checks, 321 product recalls

- 8,747,270 tCO_2e emissions into air (Scopes 1, 2 and 3)
- Wastewater
- 113,700 tonnes of waste, 1.23% relative food waste in the supermarket trade, 82% recycling rate in Finland
- 442 recycling stations, carbon footprint calculator
- Extensive range of certified products and certification rate

- Purchases, procurement and degree of domestic origin
- Tax footprint / taxes paid EUR 1,853 million, investments EUR 938 million
- EUR 453 million paid to co-op members in bonuses, covering 85% of households
- Sustainability cooperation totalling almost EUR 7 million

- Functionality of the product range, comprehensive products (number of items) and services (digital and data), permanently inexpensive prices
- Future-related coaching, research cooperation, new services and innovations
- Approximately 615 products in the *Kotimaista* range

IMPACTS

- The largest private employer in Finland, innovation, satisfied employees, non-discrimination and equality, skilled personnel
- Respect for human rights, improving rights and working conditions for employees
- Safe, healthy and responsible products and services, improved national health

- Impact of wastewater emissions
- Nearly 10,700 more tonnes of waste sent to recycling compared to 2019, systematic reduction of waste
- Improvement of recycling opportunities, reducing emissions, sustainable consumption and investing
- Ensuring the diversity of nature and promoting human rights

- Supporting local purchases, indirect employment
- Supporting a vital Finland, prevention of inequalities, services for everyone, accessibility
- Local and national cooperation projects and financial support

- Broad social vision for development of business operations, development of new ways and solutions by listening to all parties, increased understanding on both sides
- Diverse product range

Specific consumption of energy, relative food waste in the supermarket trade, coverage of audits of purchases from high-risk countries and the share of Finnish food products do not include data from Estonia.

Assurance report 2024 for the specific consumption of energy, emissions of our own operations, recycling rate, relative food waste, coverage of audits of purchases from high-risk countries and the share of Finnish food products →

We are a Finnish group of companies. Most of the taxes we pay benefit our local regions, as do the benefits arising from procurement and construction. S Group is Finland's largest private employer.

WELL-BEING THROUGH COOPERATIVE ACTIVITIES

Cooperative activities refer to business operations that emphasise both financial profitability and social responsibility. Our operations are guided by our values:

- WE ARE HERE FOR THE CUSTOMER.
- WE TAKE RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT.
- WE CONSTANTLY RENEW OUR OPERATIONS.
- WE OPERATE PROFITABLY.

The co-op members are the sole owners of S Group's cooperative enterprises. All co-op members own an equal share of their cooperative. In other words, everyone has an equal opportunity to impact the operations of their local cooperative by voting for or running for membership of the Council of Representatives of the cooperative.

Because of the cooperative form of business, the money circulating in the operations of S Group's cooperatives benefits the co-op members and ensures regional well-being and vitality. Earnings from operations are invested for the benefit of the co-op members by developing services and renovating locations. Co-op members benefit from S Group more than other customers through the Bonus system, for example.

NUMBER OF CO-OP MEMBERS*

2.6

MILLION

CASH BENEFITS PAID TO CO-OP MEMBERS

535

EUR MILLION

BONUS

453

EUR MILLION

* Membership of cooperatives



65.6

RETURN OF SURPLUS, EUR MILLION

14.6

PAYMENT METHOD BENEFIT, EUR MILLION

2.0

PAYMENT OF INTEREST ON MEMBERSHIP FEE, EUR MILLION



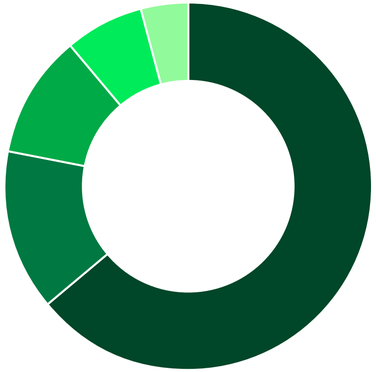
A major Finnish taxpayer

S Group companies paid a total of nearly EUR 1.9 billion in taxes and payments to the Finnish state and municipalities in 2024. In addition to direct income tax and indirect taxes on consumption, S Group's tax footprint includes tax-like payments related to employees and tax withheld from their salaries.

In recent years, the focus in taxation has shifted from income taxes towards indirect taxes. Indirect taxes include value added tax and various excise duties, such as alcohol taxes, beverage taxes and fuel tax. Value added tax is a common consumption tax ultimately paid by the consumers of goods and services; that is, mainly households. We pay value added tax to the state as a company selling goods and services. Excise duties are consumption taxes included in the price of the product, and are levied from product manufacturers, producers, importers or wholesalers.

Many products sold by S Group include excise duties. In addition to the taxes included in the tax footprint, we pay transfer tax, lottery tax and tax at source, which are not included in the table on the next page. We also pay local taxes on the operations of our companies abroad in accordance with the regulations of each country.

The majority of the tax income generated by S Group is distributed regionally around Finland. Tax withheld from salaries and the corporate tax paid by the S Group companies are primarily accumulated by municipalities. The tax revenue is used to finance services offered by society in each cooperative's region in Finland.



VALUE CREATED FOR SOCIETY IN 2024

Purchases from suppliers of goods and services	8,544 EUR million
Taxes	1,853 EUR million
Personnel remuneration	1,447 EUR million
Investments	938 EUR million
Rewards to co-op members	535 EUR million

TAX FOOTPRINT IN 2024

INCOME AND CAPITAL TAXES	2024 EUR MILLION
Corporate income tax	132.1
Property tax	28.5
	160.6

INDIRECT TAXES	2024 EUR MILLION
Remitted value-added tax	**353.9**
Insurance premium tax	1.7
Electricity tax	23.7
Fuel excise duty	700.3
Beverage excise duty	2.2
Alcohol tax	8.3
Importation customs duties	5.3
Vehicle tax	12.3
	1,107.7

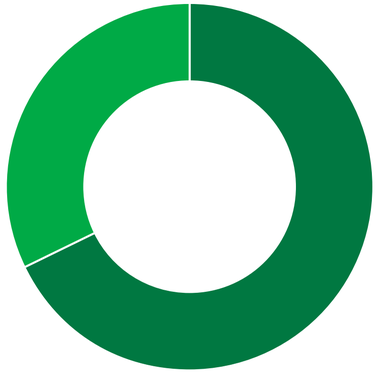
TAX WITHHELD AND EMPLOYER CONTRIBUTIONS	2024 EUR MILLION
Tax withheld on salaries	**278.3**
Pension insurance payments	260.4
Sickness and unemployment insurance payments	45.5
	584.2
Total	**1,852.5**

S-Bank is also included in the figures.



TAX FOOTPRINT IN 2024
1,852.5 EUR MILLION

Indirect taxes	1,107.7 EUR million
Tax withheld and employer contributions	584.2 EUR million
Income and capital taxes	160.6 EUR million



TAX WITHHOLDINGS AND CORPORATE TAXES IN 2024
410.4 EUR MILLION

Tax withheld	278.3 EUR million
Corporate taxes	132.1 EUR million
Total	**410.4 EUR million**

TAX FOOTPRINT IN 2024

1,853

EUR MILLION

2024

Supporting Finnish child welfare work since 2007

S Group has cooperated with the Children's Day Foundation since 2007. The purpose of the operations of the foundation is to collect funds for child welfare work in Finland by means of maintaining and developing the Linnanmäki Amusement Park. The founding members of the Children's Day Foundation, such as the Mannerheim League for Child Welfare and the Federation of Mother and Child Homes and Shelters, allocate the funds to where the need is greatest.

Co-op member families can purchase the bracelets at a discount with the S-Etukortti card, and S Group also acts as a vendor of Linnanmäki's entry wristbands. As an added benefit, purchasing the wristband in advance allows customers to avoid queuing to buy wristbands at the entrance.

2024

The cooperation between S Group and the Finnish Red Cross continued in 2024

The Red Cross provides impartial humanitarian aid and helps all victims of conflicts based solely on their need for help. S Group is a long-term partner of the Finnish Red Cross.

Our support to help those affected by the crisis in Ukraine continued in 2024. S Group and the Finnish Red Cross's joint collection to aid those suffering from the crisis in Ukraine started in the spring of 2022. Thanks to customers' contributions, more than EUR 1.7 million was collected for the Finnish Red Cross's Disaster Relief Fund by the end of 2024. The sum includes donations from regional cooperatives, donations from co-op members, and co-op members' donations from reverse vending machines through Tomra's campaign. S Group also sold Ukrainian products as part of the campaign, and 20 cents per sold product were donated to the Finnish Red Cross's Disaster Relief Fund.

In addition, S Group has made material donations to the Finnish Red Cross for purposes such as assisting Ukrainian refugees in Finland. In addition, cooperatives have employed Ukrainians where possible.

2024

Pink Ribbon campaign results in record contributions to Finnish cancer research

Cancer Foundation Finland is the largest private financer of cancer research in Finland. The Pink Ribbon campaign of the Foundation supports Finnish cancer research by issuing grants to the country's most influential cancer research projects and best cancer researchers. The campaign in the autumn of 2024 once again achieved an all-time record: EUR 5.4 million.

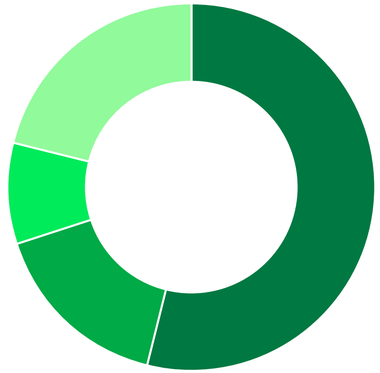
We participated in the campaign by selling the campaign's ribbons and bracelets in all of our supermarket chains and ABC, Sokos and Emotion locations. In addition to ribbons and bracelets, we sold Pink Ribbon flower bouquets and roses for the first time, and our customers reacted to these new options very positively.

Diverse activities through cooperation on sustainability

As a cooperative community, we seek to be a driver of regional activities with initiatives that promote sports, culture and social well-being.

In 2024, we provided almost EUR 6.9 million in support to various operators across Finland. More than half of the support amount was allocated to sports and the rest to supporting social activities and culture, as well as to various donations.

Our cooperatives extensively support local activities through the Kannustajat ("Supporters") concept, for example. The concept makes it possible for the cooperatives to support children's and young people's hobbies transparently. Co-op members can join as supporters and have an impact on the amount and recipients of the support paid by the cooperative.



RESPONSBILITY COOPERATION IN 2024, %

Sports cooperation	54%
Social activities	16%
Donations	9%
Cultural cooperation	21%

2024



The Green Ribbon campaign raised funds for crisis help and for strengthening mental health

The 2024 Green Ribbon campaign raised nearly EUR 500,000 to strengthen the mental health of people living in Finland and for crisis help. With the help of donations, more and more people are getting the conversational help they need in time. Donations also enable more long-term and systematic work to strengthen the mental health of everyone living in Finland.

Green Ribbons were on sale in all S Group's grocery store chains, ABC, Sokos and Emotions. In addition to the Green Ribbon, for the first time we sold Green Ribbon flower bouquets, donating 20 cents per each bouquet sold to the collection.

TOWARDS A NEW NORMAL OF SUSTAINABLE CONSUMPTION – TOGETHER, ONE STEP AT A TIME

We encourage our customers to make smart choices for their wallet, their health and the planet. Our goal is that in 2030, at least 65% of the food we sell will be plant-based, and 80% will be produced in Finland. We will also ensure the improvement of animal welfare. We offer sustainable consumption services and promote carbon-neutral mobility in Finland.

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KEY TARGETS

THEME	TARGET	ACTUAL 2023	ACTUAL 2024	COMMENT
PLANETARY DIET	65% of the food we sell will be plant-based by the end of 2030.	60%	60%	Calculations of the proportion of plant-based food are based on sold food products and restaurant procurement (kg, l).
FINNISH ORIGIN	80% of the food we sell will be made in Finland by the end of 2030.	76%	76%	Calculations of the proportion of food made in Finland are based on sold food products and restaurant procurement (kg, l). The reporting on Finnish origin and data coverage have been further developed in 2024. To ensure comparability, the level of Finnish origin for 2023 was recalculated using the same boundaries and methods as for 2024. The recalculation of the level of Finnish origin for 2023 has not been assured.
CARBON NEUTRAL MOBILITY	We are building a network of ABC charging stations for electric cars covering the whole country during 2021–2024.	294 pcs	358 pcs	Number of outlets with an ABC Charging Station for electric cars.



SUSTAINABLE CONSUMPTION AT S GROUP

Food plays a key role in promoting health and wellbeing. Grocery stores can have an impact on what Finnish people eat. We want healthy eating to be possible for everyone, and we believe that when smart choices are easy, they are also made.

In 2024, the updated domestic nutrition recommendations placed emphasis on environmental impacts alongside health. We at S Group aim to increase the share of plant-based food without compromising on the food's domestic origin. The transition in food behaviour affects all parties involved in the food supply chain, so everyone has a role to play. As the largest food retailer in Finland, we have wanted to take an active role in this work.

One of the goals of our responsibility programme is for 65% of the food we sell to be plant-based in 2030. At the same time, we want 80% of the food we sell to be made in Finland. These goals do not make for a very simple equation. Finding a solution means that we need more investments to promote domestic plant production and processing, as well as more easy, tasty and Finnish plant-based products to make sustainable eating more ordinary.

We have signed a joint call to action with almost 30 Finnish food companies and other food business operators, stating that now is the time to invest in plant-based food products. The development of the Finnish food system should be supported this decade so that it can benefit from the opportunities of growing markets both in Finland and internationally. Investing in plant-based food promotes exports, self-sufficiency and public health. The goal is for the government to draw up a public investment package supporting the promotion of plant-based food value chains. The task of allocating the funding must be given to a body consisting of experts.

The Finnish people are making progress towards more diverse and plant-friendly groceries, but there is still a long way to go until we achieve the goals of the current nutritional recommendations or climate-friendly food behaviour. From our data, we see that plant-based choices are gradually becoming more commonplace.

The retail sector's duty is to respond to the different and increasingly individual wishes and needs of our customers. We respect the freedom of choice of our customers, and we do not believe in forcing them. We believe in encouraging, lowering thresholds, inspiring and lightly nudging, whether it is about food choices, the products and services we offer, matters of animal welfare or more sustainable mobility.

The key idea of a climate-friendly diet is that healthy eating also allows you to act sensibly from the climate point of view. It is important for the choice of food what is available, how easy it is to prepare and what it costs.

PROMOTING A PLANETARY DIET

We encourage our customers to eat more healthily and more sustainably for the climate. Our goal is that 65% of the food we sell will be plant-based by the end of 2030. In 2024, plant-based food accounted for 60% of our food sales.

Our goal is to get people to increase their intake of vegetables by, among other things, expanding the selection of Finnish vegetables, and by highlighting seasonal vegetables, fruit and berries in our grocery stores. Prisma stores and S-markets are running the “Alle euron hevi” campaign, where vegetables and fruit cost less than EUR 1 per kilo, box, bag or piece. The campaign’s purpose is to draw attention to the affordable prices of our fruit and vegetable section and encourage consumers to increase the share of vegetables in their diet. In addition, all S-markets and several Prisma, Alepa and Sale stores have waste fruit and vegetable boxes and bags for sale. ABC stations have varied salad buffets. The buffets now also include a daily vegetarian option, and the selection has more fish and vegetables than before. Every day, around 30,000 people enjoy meals at ABC service stations, meaning that we can have an impact on the diets of a large number of Finns by offering a wide selection of vegetarian meals and vegetables.

When developing our private-label products, we take the amount of salt, sugar and fat into consideration, aiming for an end result that is as healthy as possible. For example, we always aim for a salt content below the limit for labelling foods as being high in salt. At the end of 2024, there were 219 private-label products in our selection that had been awarded the Heart Symbol.



We believe that people can learn to eat more healthily by monitoring their consumption of vegetables and nutritional intake. The My Purchases service in S-mobiili can be used to view how many kilograms of fruit and vegetables you have bought in a year or in a month, or daily on average. In addition, there is a nutrition calculator that estimates the true nutritional content of your grocery shopping and how it compares to official nutrition recommendations.

PLANT BASED FOOD FINLAND ASSOCIATION

S Group is one of the founding members of the Plant Based Food Finland association, which aims to promote the development and growth of plant-based food in Finland. The Plant Based Food Finland association's members include a wide range of Finnish food industry companies, other food industry operators and the largest grocery chains.

The association sheds light on the connections between the food system and climate change, nature loss, food culture and health issues. The association is particularly interested in plant proteins and plant milk products, as they are particularly key to the sustainability transformation of the food system. Another key goal is to make plant-based food attractive to as many people as possible.

LIKE-A-PRO HORIZON PROJECT

As the only Finnish operator in the retail sector, S Group is involved in an international EU-funded Horizon project, which aims to promote more sustainable and healthy diets by considering how promising alternative proteins and products can be mainstreamed, for example. The project involves more than 50 food chain professionals from 22 countries.

THE VEGAN CHALLENGE ENCOURAGES PEOPLE TO TRY PLANT-BASED FOOD

S-market, Finland's largest grocery chain, has been cooperating with the Vegan Challenge for several years. In January 2025, the cooperation expanded to include all S Group's grocery stores (Prisma, S-market, Sale and Alepa). Open to all, the free-of-charge Vegan Challenge organised in January encourages people to try plant-based food for a month.

Participants in the challenge are sent recipes and other useful information by email every day. In addition, the Vegan Challenge social media channels publish videos filmed in S-markets and Prisma stores that showcase vegan products under different themes.

During the Vegan Challenge in 2025, S Group's grocery stores encouraged customers to join the challenge and try out different products and options with an open mind. The stores also made it easier to try plant-based products by offering a 20% discount on all Oddlygood and Härkis products in January. According to S Group's sales data, the cooperation and price campaigns clearly spoke to our customers regardless of the chain, and we managed to successfully increase the demand for plant-based products in January from last year. For example, the sales volumes of plant-based cheese and plant-based milk increased by more than 10% year-on-year. The sales of Härkis and Oddlygood products that were covered by the campaign in January saw an increase of several tens of per cent.

Interest in more plant-based food was also evident in other product groups. For example, the demand for fresh vegetables, frozen vegetables and plant-based cooking products showed an increase compared with January last year.

HEALTHY RECIPES FOR DAILY LIFE

The nutritional quality of food recipes plays a major role in implementing the dietary recommendations, and they also guide purchasing behaviour. Preparing food and meals compliant with nutritional recommendations should also be made easy for consumers.

Yhteishyvä's everyday food recipes are created in accordance with nutritional recommendations. The recipes are produced in the S Test Kitchen, and they have been tested to suit Finnish domestic kitchens. *Yhteishyvä* offers articles, interviews and recipes with nutritional content. The continuously growing *Yhteishyvä* content in digital channels had 7.6 million displays per month, and the circulation of the *Yhteishyvä* and *Samarbete* magazines, published four times a year, was more than 534,000 in 2024.

2024



An experiment to boost plant-based purchases

VTT and S Group explored the possibilities of the grocery trade to support consumers in changing their purchasing behaviour to be sustainable. The experiment was carried out in the Prisma store in Tornio in March 2024. It was designed to increase plant-based purchases and reduce obstacles to their selection.

During the four-week experiment, the fruit and vegetable department of the store showcased vegetarian recipes published in *Yhteishyvä* magazine and all the raw materials necessary for their preparation. In the implementation, the recipes and ingredients were located in the same place, from where they could be easily collected by customers. Popular and familiar *Yhteishyvä* recipes were selected for the experiment. In connection with the implementation, there was also a clear message of more climate-friendly eating.

The impacts of the experiment were measured through a survey and actual sales. During the experiment, around 30% of the customers who visited the store paid attention to the implementation. Almost 80% of customers interested in vegetarian food paid attention to the implementation, but also 30% of customers who do not usually prepare vegetarian food found the presentation inspiring. The results showed that, among other aspects, product placement and in-store messages can encourage consumers to make more sustainable choices. During the experiment, a significant 30% increase in sales was observed in the total demand for plant proteins.



ÄSSÄKOKKI INSPIRES CLIMATE-SMART COOKING

Besides developing the selection and adjusting products and recipes, healthy food choices can also be affected through education. S Group and the Martha Association have organised Ässäkokki courses around Finland since 2017. In these free-of-charge classes, children aged 8–12 learn how to prepare plant-based meals from seasonal ingredients inventively and economically.

The courses use simple Ässäkokki recipes aimed at children to encourage the use of Finnish ingredients, experiment with plant-based products and pay attention to waste. The recipes favour Finnish ingredients that are rich in fibre, use salt and sugar in accordance with nutritional recommendations, and prefer plant-based products as sources of fat. In addition to the popular Ässäkokki courses, the recipes are freely available on the Yhteishyvä website.

In 2024, 110 Ässäkokki courses were organised, with a total of 989 children participating. According to the feedback received from the children, 99.2% of them would like to return to the course.

The Break breakfast represents a modern and sustainable food culture that promotes wellbeing, combining customers' wishes and deliciousness.

A HOTEL BREAKFAST PROMOTING A PLANETARY DIET

The Break breakfast selection has been developed in a customer-oriented manner, using the customer feedback collected during the 2023 pilot, as well as the views of the personnel. Last autumn, the final Break breakfast concept was confirmed, focusing on sustainability considerations, wellbeing and energising options.

In the design of breakfasts, special emphasis has been placed on the supply of plant-based and vegan products. Red meat has been reduced, and the selection has been enriched with vegetables and fruits. Particular attention has also been paid to freshness and in-house preparation: Breakfast's top products include fresh breads, smoothies and homemade delicacies, such as hand-baked buns, freshwater fish paste, pickled vegetables and homemade jams.

The breakfast solution, which was tested during the pilot phase and promotes a planetary diet, has been further developed based on customers' wishes. For example, bacon, egg products and traditional yogurt have been brought back to the selection based on customer feedback. At the same time, solutions that support sustainability have been continued – for example, the consumption of bacon is affected by its placement at the buffet and the size of display containers, to encourage customers to make balanced choices.

The Break breakfast represents a modern and sustainable food culture that promotes wellbeing, combining customers' wishes and deliciousness.

EXPERIMENTING WITH LEGUMES IN S GROUP'S RESTAURANTS

The transition to a sustainable and climate-neutral food system requires more diverse cultivation, processing and use of plant protein sources.

The goal of the Leg4Life project of the University of Helsinki, Natural Resources Institute Finland and the Finnish Institute for Health and Welfare is to contribute to

significantly greater cultivation and use of legumes throughout the food system, from primary production to the consumer's plate. Since 2022, S Group's restaurants have had an ongoing cooperation project with Leg4Life, aiming to examine the potential of commercialising domestic plant protein products.

The goal is to encourage and guide the customers of S Group's restaurants to select menu choices with legume-based products developed in the Leg4Life project. The project also collects customer feedback and data on legume-based dishes and customers' preferences regarding them.

In late 2024, the researchers in the project focused on promoting vegetarian food in general. The promotion was carried out in the lunch buffet of the Tripla conference restaurant, where two warm main dishes are served every day, one of which is vegetarian and the other meat or fish. Much has already been done at Tripla to increase the consumption of vegetables, so staff interviews were conducted to understand what has already been tested and what new could be tested.

A social incentive – that is, the recommendations of other customers for the main vegetarian meal of the day – was chosen as the means of promotion. In the first week, the menu showed the percentage of customers who recommended the vegetarian meal for the day. In the second week, incoming customers were told verbally the same information about how many customers would recommend the vegetarian meal of the day.

During the study, data were collected on food choices and the reasons why customers chose or did not choose vegetables and vegetarian food on their plates. Nearly 900 customers responded to the survey, in addition to which 30 customer interviews were conducted.

A more detailed analysis of the results of the study is still ongoing, but the results clearly show that the consumption of the main vegetable food increased during both weeks of promotion. By promoting, it was possible to increase the consumption of the vegetarian main food every day, but the vegetarian food on offer and the image it created had the greatest impact on customers' selections. When a restaurant serves tasty food to customers, it also has the greatest impact on food sales.

FOOD RESEARCH WITH S GROUP'S DATA

The LoCard research project coordinated by the University of Helsinki and the University of Tampere is doing internationally pioneering research on food use and lifestyles using S Group's purchasing data and surveys carried out with co-op members.

Cooperation between S Group and the universities started in 2016, and the project has already been able to study matters such as sustainable diets, motives for food selection and the carbon footprint of purchases.

For example, the research has found that price is not necessarily an obstacle to more sustainable food choices in terms of their environmental and health impacts. Researchers have also recognised that when switching to a more sustainable and healthy diet, it is important to take into account the differences between different population groups' motives of everyday food choices. For example, a good price-quality ratio is an important motive for all income and education groups.

In the autumn of 2023, the project carried out a new data collection phase in which S Group's co-op members were asked for their consent to the use of their purchase data for research purposes. They were also asked to answer an electronic survey which collected important background information to support the study. The new research data enables interesting and socially important research questions, such as investigating the effects of the pandemic and inflation in different population groups. As many as half of Finnish households were given the opportunity to participate in the survey.

S Group acts as an enabler of research, as it gives its co-op members the opportunity to participate in the universities' research. The group does not predefine the research questions and does not fund the research. S Group also does not have access to the research data collected by the project.

FASD CAMPAIGN

As a significant national operator, we want to do our part and remind everybody of the responsible consumption of alcohol, particularly during pregnancy.

In 2024, S Group's grocery stores were again involved in International FASD Awareness Day. (FASD is short for Foetal Alcohol Spectrum Disorders.) The aim of the day is to remind people that there is no safe limit for consuming alcohol during pregnancy. As part of the campaign, the sale of alcohol in all S Group's grocery stores started nine minutes later than usual on International FASD Awareness Day, 9 September 2024 (at 9.09 am).

S-BANK PARTICIPATING IN INTERNATIONAL ANTI-TOBACCO INITIATIVE

S-Bank's Asset Management is involved in the international Tobacco-Free Finance Pledge initiative. The initiative seeks to increase awareness in the financial sector of its own role in promoting the implementation of anti-tobacco guidelines. S-Bank's Asset Management had already excluded tobacco companies from its principles of responsible investment even before joining the initiative. This means that S-Bank does not make direct investments in companies that manufacture tobacco products. Through the international initiative, S-Bank wants to highlight the role of the financial sector in limiting investments in the tobacco industry globally. The signatories are committed to encouraging investors to discontinue funding for the tobacco industry. This would promote the goal of reducing smoking globally by discouraging people from starting to use tobacco products. The signatories are also committed to increasing the popularity of funding free from the tobacco industry by providing information and increasing awareness of the harmful effects of tobacco.



Our customers value the domestic origin of products. The demand for Finnish products also promotes employment in Finland. Climate change, global population growth, urbanisation, technological development and consumers' changing needs are challenging traditional food chain operations. We believe that the food sector can be one of the growth engines of the Finnish economy. The food production and technologies of the future offer opportunities for Finland.

FINNISH ORIGIN

We are Finland's largest seller of groceries and Finnish food. Our goal is that 80% of the food we sell is of domestic origin by the end of 2030. In 2024, 76% of the food we sold in grocery stores was produced in Finland. As a completely Finnish businesS Group, the high share of domestic origin in our products and the functionality of the food supply chain are important things to us.

WE OFFER FINNISH PRODUCTS

We work to actively promote the success and future of Finnish food through our actions and by providing our customers with a wide range of options through our products and services. For example, the domestic content calculator in S-mobiili allows customers to check the domestic origin of the raw materials and manufacture of the products they buy.

In 2024, S Group's Kotimaista range included 615 products of Finnish origin that meet the generally accepted requirements of the Hyvää Suomesta label or the Sirkkalehti label for Finnish origin, meaning that their raw materials come from Finland and the products have been produced in Finland.

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Our ABC restaurants have only served Finnish pork, beef and chicken since 2015. The fresh chicken and pork served at our other restaurant chains is always Finnish. For frozen and processed foods, on the other hand, the goal is for 90% of the products to be of Finnish origin. In 2024, we lagged behind the target in terms of pork as a result of challenges in the availability of individual products. S Group has around 600 restaurants serving food.

DEGREE OF FINNISH ORIGIN OF MEAT IN RESTAURANT CHAINS IN 2024, %

	OF THE ACQUIRED VOLUME
Chicken, fresh	100%
Frozen and processed chicken products	97%
Pork, fresh	100%
Frozen and processed pork products	83%

A FINNISH RECIPE FOR SUCCESS

The Finnish Recipe for Success (*Suomalainen menestysresepti*) competition, held for the sixth time in 2024, aims to encourage the Finnish food industry and make the challenging world of product development more approachable. The competition is aimed at small and medium-sized domestic enterprises. The Finnish recipe for success competition, which grew from S Group's idea, has brought new products to the store shelves that have become success stories.

It usually takes a long time to get a new food product on the shelves, and many challenges need to be overcome along the way. The competition's finalists have six months to develop their product concept into a product that is ready to be launched. The finalists receive a product development package and assistance for matters such as the product packaging design, product story building and marketing. During their launch years, the winners of each season of the competition have grown to be among the best-selling new products of the whole year in S Group's stores. Most of the other finalist products have also found their way onto the shelves of S Group's grocery stores.



Value-based consumption is gaining increasing emphasis, and as a major operator, we have an important role to play in and the responsibility for helping our customers make sustainable choices. We listen to our customers' wishes and seek and develop new ways in which to take them into account.

SUSTAINABLE CONSUMPTION SERVICES FOR CUSTOMERS

In the Western countries, we are constantly consuming more than the Earth can support. However, by changing our consumption behaviour, it is possible to mitigate the natural destruction caused by consumption so that future generations can still live well.

CALCULATORS PROVIDE ADDITIONAL INFORMATION ABOUT THE SUSTAINABILITY OF YOUR SHOPPING CART

We have developed a special My Purchases service for S-mobiili, which provides price comparisons and a calculator for the carbon footprint, nutritional value and domestic content of your shopping cart.

The carbon footprint calculator allows our customers to monitor the climate impact of their shopping cart for each product group, make comparisons between product groups and find ways to have a personal impact on the carbon footprint of their food purchases. The service also allows customers to separately monitor their consumption of vegetables, for example. The calculator has been developed in cooperation with experts from Natural Resources Institute Finland and consumers.



The domestic content calculator can be used to monitor food products and raw materials. The calculator indicates the degree of Finnish origin of groceries on two levels. The first level includes products made from Finnish raw materials and products with the Hyvää Suomesta label or the Sirkkalehti label for Finnish origin. The second level includes products made in Finland. In addition, the calculator shows foreign groceries as a separate list. The domestic content calculator has received much praise for its illustrative way of explaining how the domestic content of a co-op member's food basket is formed by product category, down to the level of individual products. The calculator's users are particularly interested in the domestic origins of dry food products, meat, beverages and dairy products.

The nutrition calculator, which is unique even on a global scale, was developed in cooperation with leading Finnish nutritionists. The users of the calculator can monitor the health and nutritional values of the food they buy, and compare it with the Finnish nutritional recommendations. The calculator will help users understand the nutritional value of the food they buy and help them make healthier choices. Users have been most interested in their consumption of salt, sugar and fat. In addition, the calculator shows the share of fibre, carbohydrates, proteins, fat and saturated fats in the diet. It is possible to drill down to the product level in the case of all the nutritional values.

The domestic content calculator can be used to monitor food products and raw materials. The calculator indicates the degree of Finnish origin of groceries on two levels.

In turn, the price comparison service compares the price of a food basket between two stores. The price comparison is transparent, given that the tool automatically collects the available current prices from S Group's and its competitors' stores, which communicate their price information openly online. The price comparison allows our customers to compare any two stores that are most important to them and to investigate which of them is more affordable. The service is unique to each customer, because the comparison covers products bought by the customer themselves.

THE MAJOR IMPACT OF PAPERLESS TRANSACTIONS: HUNDREDS OF KILOMETRES OF RECEIPT PAPER SAVED PER MONTH

S Group has had digital receipts in use since 2016. They are available in all Prisma, S-market, Sale, Alepa, Food Market Herkku, Sokos, Emotion and ABC locations. The digital receipt archive is part of S-mobiili and automatically available to all S-mobiili users.

In addition to digital receipts, around 720,000 of our co-op members have chosen to stop receiving paper receipts, which means that paper receipts are not printed at the checkout at all, unless specifically requested. For example, in December 2024, more than 4.2 million cash receipts were not printed at S Group's checkouts, and were delivered to customers digitally. It would take about 800 kilometres of receipt paper to print this amount. That is approximately the distance from Helsinki to Kolari.

SOKOS PROMOTES THE CIRCULAR ECONOMY OF CLOTHING

Buying second hand clothing is now as easy as buying new clothes. The cooperation between the Sokos department store chain and the second-hand fashion online store Emmy began in 2023. Emmy's curated selection can now be found on the sustainable fashion floor of Sokos Tampere, on the 2nd and 4th floors of Sokos Helsinki, and on the street level of the Sokos Wiklund department store in Turku. All 21 Sokos department stores have Emmy sales boxes. In addition, 16 Sokos department stores offer sewing services, and shoe repair services are offered by four Sokos department stores.

TOWARDS A CIRCULAR ECONOMY TOGETHER WITH CUSTOMERS – BOKSI DONATION POINTS AT HOK-ELANTO LOCATIONS

HOK-Elanto has cooperated with Kierrätyskeskus (Helsinki metropolitan area recycling centre) since 2022, when the first self-service donation point, Boksi, was opened in the Prisma car park in Olari. Today, donation points can be found at Sokos in the centre of Helsinki and in three Prisma stores. Smaller donation points can be found in three S-market stores.

All kinds of small items suitable for reuse, such as intact and clean clothes, shoes, bags, books and other household and interior decoration items, can be donated to the donation points.

REFURBISHED DEVICES ON PRISMA.FI

Prisma.fi has had refurbished phones for sale since 2023. At the beginning of 2024, the range of refurbished devices expanded to include laptops and tablets in response to customers' growing interest in used mobile devices. The expanded selection found its customers, and refurbished computers were surprisingly popular in the computer category in 2024.

The cooperation between S Group and Swappie, which sells refurbished iPhones, continued in the Pirkanmaa Cooperative Society area. The Prisma store in Kaleva receives used iPhones sold by the customer to Swappie for service and resale. The goal is to make it easier for customers to let their old smartphones be reused by bringing them to the collection point when they go grocery shopping.

PRISMA WILL INVEST IN BICYCLES AND EQUIPMENT MAINTENANCE

Prisma stores have invested in bicycles in recent years. Cycling is a sustainable mode of mobility and an easy-to-reach bicycle maintenance service for customers increases both the bicycle's life span and its safety.



Cycling provides a quick and smooth way to get around, whether for everyday chores or commuting to work. The Prisma chain has also invested in the sale of employee bicycles. The sales network continued to expand in the spring of 2024 in collaboration with regional cooperatives and employee bike operators. The electrification of cycling is visible in Prisma's selections, as the share of e-bikes has increased. E-bikes allow you to travel longer distances effortlessly and are the choice of many people who cycle to work or use employee bicycles.

By the end of 2024, maintenance services were offered in seven Prisma stores: Prisma Kaari in Helsinki, Prisma Laune in Lahti, Prisma Kaleva in Tampere, Prisma Limingantulli in Oulu and the Prisma stores in Joensuu, Kajaani and Rauma. The intent is to continue expanding the network. The service point covers all the most common maintenance and repair services, such as initial maintenance and annual maintenance for bicycles. The maintenance services are for all bicycles, not just those bought from Prisma stores. In addition to bicycle maintenance, the service points provide services such as skate sharpening and ski maintenance. For do-it-yourself maintenance, Prisma stores also provide an extensive selection of bicycle spare parts, such as tyres.

We have been organising training for our personnel for several years to ensure that they can help customers choose bicycles that are safe and the right kind for them.

Our product selections feature products that are easy to install by the user.

In addition to expanding the maintenance services, we will also invest in the personnel's competence development. We have been organising training for our personnel for several years to ensure that they can help customers choose bicycles that are safe and the right kind for them. We have been organising training for our personnel for several years to ensure that they can help customers choose bicycles that are safe and the right kind for them.

Training for new cycling sales experts was also organised in 2024. A total of 131 Prisma employees from all over Finland learned about the product ranges for the coming season, the sales preparation for bicycles and Prisma's bicycle sales operating models. The participants also received tips on the sales and customer service situations for bicycles, helmets and bicycle equipment. In addition to the basic training, we also offered our Pyörä-Ässä training for more experienced sellers of bicycles. The goal is to extend the life cycle of bicycles, in addition to providing a service-based shopping experience.

TRAVEL PROUD CERTIFICATION FOR SOKOS HOTELS

In the autumn of 2024, Sokos Hotels was awarded the Booking.com Travel Proud certificate. The Travel Proud programme is Booking.com's equality and non-discrimination programme that communicates to LGBTIQ+ travellers that the site is working towards equality in travel.

A prerequisite for the certificate is diversity training, which for Sokos Hotels was organised by Seta – LGBTIQ Rights in Finland. The training focused, among other aspects, on the status of minorities, the principles of safe space and DEI concepts.

Sokos Hotels is the first hotel chain in Finland to receive this certificate.

S GROUP'S HOTELS ARE CONTINUOUSLY WORKING FOR MORE SUSTAINABLE TOURISM

Sokos Hotels and Radisson Hotels are part of Sustainable Travel Finland. The purpose of the Sustainable Travel Finland label granted by Visit Finland and the development programme supporting it is to promote sustainable travel in Finland, communicate in a more harmonised manner about Finland as a country for sustainable travel and make travellers' choices easier. This label is granted when a hotel meets the sustainable development criteria created by Visit Finland, which take into account the ecological, economic, social and cultural sustainability of the hotel. At the end of 2024, 45 out of 56 hotels had the right to use the label. The remaining 11 hotels are in the process of renewing their label rights, with the goal of obtaining them by the end of March 2025.

In addition, Sokos Hotels is part of the Urban Climate Leaders on Sustainable Tourism group, which started operations in January 2024. The group was initiated by the City of Helsinki tourism unit and Visit Tampere. Sokos Hotels has been a member company since the beginning of the group. The aim of the group is to lead the way in sustainable tourism both nationally and globally, and to encourage group members and other actors in the sector to engage in sustainable tourism through concrete measures.

As a concrete action, the group's members are encouraged to join Sustainable Travel Finland (STF) and the UN World Tourism Organisation's (UNWTO) sustainable tourism programme, the Glasgow Declaration. Sokos Hotels became the first large hotel chain in Finland to join the signatories of the Glasgow Declaration in the autumn of 2024. The Glasgow Declaration aims for signatories to halve their emissions by 2035 and decrease their emissions to zero by 2050. For Sokos Hotels in Finland, the emissions from their own operations are already at a low level, so in the early stages, the role of Sokos Hotels is to encourage and help other actors in the sector to take similar measures.

INVESTING IN MAKING THE WORLD A BETTER PLACE TO LIVE

Sustainability is taken into account comprehensively in all S-Bank funds' normal investment activities. S-Bank also has seven responsible investment products. At the end of 2024, the total capital of the Sustainability Plus fund family was EUR 1,429.5 million. The funds in the Sustainability Plus fund family are united by the fact that they have some type of absolute sustainability requirement, in addition to a general comprehensive responsible investment process. The requirement may relate, for example, to an ESG rating issued by an external rating agency or more comprehensive exclusion criteria. The S-Bank Fossil-free Europe ESG Equity fund, for example, excludes fossil-based energy from its investments in addition to our normal exclusion criteria. The fund does not invest in fossil energy producers, companies that own reserves of fossil energy sources or companies focusing on electricity generation that use fossil fuels in their production.

In addition to the products above, S-Bank's range also includes impact investing products. Sustainability plays a key role in impact investing products. As the name suggests, these products focus on impact alongside revenue.

S-Bank signed the Net Zero Asset Managers initiative in June 2023 and, as an asset manager, is committed to achieving net zero emissions by 2050. The initiative includes an obligation to set an intermediate target for 2030. In June 2024, S-Bank set an emissions reduction target to reduce emissions by 50% by 2030 compared with the 2019 level. The target covers funds investing directly in shares and corporate bonds, as well as combination funds investing in these, for which

During 2024, S-Bank sought to deepen its understanding of and expertise in biodiversity and the nature impacts and dependencies of its investment activities.

S-Bank is responsible for portfolio management – that is, at the time of setting the target, around 44% of the funds managed by S-Bank. At this stage, the target takes into account Scope 1 and Scope 2 greenhouse gas emissions of the investees.

During 2024, S-Bank sought to deepen its understanding of and expertise in biodiversity and the nature impacts and dependencies of its investment activities. As one concrete measure, S-Bank has carried out an industry risk assessment, with the help of which S-Bank has assessed the exposure of its equity and fixed-income funds to high nature risk industries by using the ENCORE tool. The ultimate purpose of the industry risk assessment is to identify the holdings of investment funds that should be analysed in more detail.

Based on the industry risk assessment, S-Bank has selected as its targets of influencing ten companies from sectors that involve dependencies and influence relationships that are risky from the point of view of biodiversity. The purpose of influencing is to understand how companies take biodiversity into account and what measures companies take to preserve biodiversity. S-Bank also seeks to ensure that companies take the subject with sufficient seriousness.

In addition, at the end of 2024, in accordance with its climate strategy, S-Bank tightened the turnover limit for carbon-based exclusion to 10% (previously 15%) and set an exclusion criterion for oil and gas production in the Arctic. According to the new criterion, S-Bank excludes companies where more than five per cent of their turnover comes from oil or gas production in the Arctic.

During 2024, 11 companies were targets of direct corporate influencing. Eight of these companies are European, two are American and one is South American. All the conversations have been related to biodiversity.

During 2024, S-Bank's portfolio managers met with investees or potential investees 289 times. Of these meetings, around 42% (120) discussed at least one ESG issue. The topics of discussion were diverse and related to the remuneration of the management and the board of directors, for example, as well as the development of the companies' emissions and emission reduction targets. The meetings include bilateral, small group and seminar meetings, as well as email conversations, phone calls and general meetings involving discussions with the company's management or addressing the meeting.

GUIDELINES TO SUPPORT SUSTAINABILITY MARKETING AND COMMUNICATION

SOK has comprehensive internal guidelines to support sustainability marketing and communications. In December 2021, the marketing rules relating to the use of sustainability-related claims have become stricter, following the Commission's adoption of new interpretative guidelines for current legislation. The regulation of the use of sustainability claims will also become even stricter in the coming years with the introduction of EU regulation. Companies must be careful when making sustainability claims so that consumers receive correct and accurate information about the sustainability of products, services and the company. The purpose of SOK's guidelines is to support marketing and communication professionals in ensuring the compliance of messages.



ANIMAL WELFARE

In addition to the domestic origin and health and climate impacts, animal welfare is also an important element of the responsibility of food to our customers. S Group is committed to responsible procurement, as well as to respecting and promoting animal welfare. Our animal welfare policy has species-specific requirements.

S Group's policy to promote animal welfare was drawn up in 2020 and updated in 2023. The policy collates the expectations relating to the production of animal-based products in S Group's product ranges. This is not a new issue, and the criteria concerning textile products have been included in our procurement contracts since 2013, for example, while the criteria concerning imported meat and private-label food products have been in place since 2010.

The policy applies to products under S Group's private labels and branded products, as well as both Finnish and foreign production. The policy concerns S Group's operations in Finland, but discussions are also in progress with suppliers in Estonia on the promotion of animal welfare. With regard to operations in Estonia, the situation is being monitored in respect of future development steps.

With the policy, we have also initiated discussions with agricultural producers and animal rights organisations on the goals and schedule for further improving the welfare of animals. We monitor the implementation of wellbeing requirements through visits to farms and surveys.

We have joined the "Production possibilities for slow-growing broiler in Finland" project, launched in 2023 and organised by Natural Resources Institute Finland (LUKE) and funded by operators such as the Development Fund for Agriculture and Forestry (Makera). The aim of the project is to investigate whether a transition to the production of slow-growing broiler chicken is possible in Finland, and to find out what the production and economic impact of the transition would be on the industry and the entire production chain. In addition, the project will investigate how the transition to a slow-growing broiler production line would affect animal welfare and the environmental impact of production compared with the current one. The aim of the project is to produce sufficient information about the consequences of the transition for decision-makers and authorities.

DISCONTINUING THE SALE OF ENRICHED CAGE EGGS

In 2019, we implemented a policy to discontinue to sale of enriched cage eggs in stages by the end of 2026. This policy also concerns S Group's Prisma stores and hotels in Estonia. Many producers made major investments in henhouses with enriched cages when henhouses with traditional cages were prohibited by law in 2012. For this reason, it is our view at S Group that this change aimed at improving animal welfare must be implemented in a controlled manner and in good cooperation with the producers.

The change will be implemented in two stages at S Group's grocery stores: the sale of enriched cage eggs under the Kotimaista brand will be discontinued in the autumn of 2023, and the sale of other enriched cage eggs will be discontinued gradually by the end of 2026. In 2024, the share of enriched cage eggs in S grocery stores decreased slightly from the previous year, to 14.3%, compared with 24% in 2022.

The goal of hotels and restaurants has been to stop using enriched cage eggs by the end of 2021. In 2024, we almost achieved our goal, as the share of enriched cage eggs was only 0.01%.

In Estonia, the share of enriched cage eggs was 68.5% in Prisma stores and 100% in hotels, but preparations with producers have been planned so that the goal of transitioning away from enriched cage eggs will be achieved within the agreed schedule in 2026.

Various sources of energy will be used in Finnish road traffic for a long time to come – and this is why they all have to be responsible, sustainable and evolving. Our aim is that Finnish people can drive more sustainably irrespective of the power source. It is important that we look for cost-efficient and technically feasible solutions to reduce the fossil emissions of transport now and in the future.

TOWARDS CARBON-NEUTRAL TRANSPORT

Over the past few years, S Group has built a nationwide charging network for electric cars. The network is called ABC Charging, and it will serve customers at S Group's ABC stations, supermarkets and hotels. The first ABC Charging Stations were opened in spring 2021, and ABC Charging grew to become Finland's largest power charging network in just over a year. By the end of 2024, a total of 358 outlets had ABC Charging Stations.

These stations had a total of 1,106 basic, 246 power and 964 high-power charging points. The electricity used in ABC Charging is emission-free. In addition to ABC Charging, electrical charging points of our partners can be found at around 30 S Group outlets. Of our partners' charging points, 169 are basic charging points and 83 are power or high-power charging points.

BIOFUEL MIXED IN FUEL HELPS TO REDUCE EMISSIONS

Fuel sales increased in 2024 from the previous year, as we started direct sales to companies, and data automation work enabled us to improve the coverage of our emissions calculation by also including the emissions caused by the delivery sales of regional cooperatives and the transfer of zero-emission electricity charging. Emissions from the fuel we sell are reduced by increasing the share of





biofuel mixed in the fuel. In 2024, the share of the legally required biocomponent in fuels remained the same as in 2023. In 2024, the reduction in emissions arising from the distribution obligation for fossil fuels was 394,000 tonnes, compared with 405,000 tonnes in 2023. Around 68% of the raw materials for purchased biofuels (2023: 70%) were waste- and residue-based. Some of the biowaste used in the raw material is collected from our own service stations. ABC's range of fuels also includes the Eko E85 high-level ethanol blend ↗ which reduces the fossil carbon dioxide emissions of cars by up to 80%.

ABC's aim is to ensure that people can drive more sustainably irrespective of the power source.

NERO DIESEL

Road traffic emissions account for 90% of total transport emissions, which in turn represent a fifth of Finland's total emissions. ABC's aim is to ensure that people can drive more sustainably irrespective of the power source. In June 2021, the ABC chain began selling the new fossil-free Nero Diesel. Nero is a diesel fuel made entirely of renewable materials that allows for the reduction of carbon dioxide emissions by up to 90% compared with regular diesel fuel.

Renewable diesel's biggest benefit for the climate lies in the fact that by shifting to renewables, no new fossil-based carbon is released into the atmosphere. In addition, the renewable Nero Diesel supports the circular economy of raw materials, given that it is mainly produced from industrial waste and surplus. The reuse of waste also contributes to a reduction in the amount of greenhouse gas emissions. In 2024, the sales of Nero Diesel increased by 12.5% from the previous year.

TOWARDS SUSTAINABLE GROWTH – BY RESPECTING NATURAL RESOURCES

We assume the responsibility for a sustainable future, and we want to mitigate climate change with ambitious measures. In our choices, we take nature into account and help to conserve different habitats and species. We combat climate change by cutting emissions from our own operations and including our partners in this work. In 2025, we will remove more carbon from the atmosphere in terms of our own operations than we produce. Our goal is to continue making progress towards cutting food waste in half and promoting the circular economy. We offer solutions for sustainable consumption and help our co-op members reduce emissions.

70 CLIMATE
79 BIODIVERSITY
86 THE CIRCULAR ECONOMY



KEY TARGETS

THEME	TARGET	ACTUAL 2023	ACTUAL 2024	COMMENT
CLIMATE (SCIENCE-BASED TARGET), OWN OPERATIONS (SCOPE 1+2)	90% reduction in climate emissions from our own operations in 2030, compared with 2015.	–83%	–90%	This target applies to all countries of operation. The target is calculated based on market-based emissions.
CLIMATE (SCIENCE-BASED TARGET), VALUE CHAIN (SCOPE 3)	We will reduce the emission intensity of fuel sold by 21% by 2030, compared with 2015.	–6%	–4.3%	This target only applies to Finland. The emission intensity is calculated based on the amount of emissions relative to the litres of fuel sold. In 2024, direct sales to corporate customers, which started in autumn 2023, were included, and for the first time, the low supply sales of regional cooperatives in terms of fuels were also included. These factors, together with the bio component of the reduced distribution obligation, reduced the emissions intensity result.
CLIMATE	We will achieve carbon negativity in our own operations by the end of 2025.	Properties without climate emissions: 190	Properties without climate emissions: 557	This target applies to all countries of operation. We have established ground rules for offsetting and updated our investment plans. Our carbon-negative locations are the Lohi shopping centre in Lohja and the Sokos, S-market and restaurants operating in the Sokos property in Helsinki.
CLIMATE	Our goal is to reduce emissions from the value chain by 1 million tonnes by the end of 2030 in cooperation with our partners.	860,024 tCO2e	more than 1 million tCO2e	The target applies to companies participating in the Big Deal programme (S Group suppliers).
ENERGY	We will increase the efficiency of our energy consumption by 30% by 2030, compared with 2015.	–15%	–15%	This target only applies to Finland.
ENERGY	The electricity we use is emission-free and will be completely renewable by the end of 2030.	4% renewable and 100% emission-free	5% renewable and 100% emission-free	This target applies to all countries of operation. Currently, all electricity used by S Group is emission-free.
CIRCULAR ECONOMY	We will recycle 80% of our waste as materials or new products by the end of 2025.	82%	82%	The actual figures reflect the entire S Group, but the target only applies to operations in Finland.
CIRCULAR ECONOMY	Our goal is to halve food waste by 2030.	Grocery shop 1.28% Restaurants 1.15% ABC restaurants 2.52%	Grocery stores 1.23% Restaurants 1.17% ABC restaurants 3.00%	The target applies to all business operations in Finland, and monitoring is carried out on a business-by-business basis. Food waste is calculated based on kilo-based food waste in relation to sales. Food waste in grocery stores has decreased by 31% compared with 2014.

Global warming caused by human activity is one of the largest global crises of our time. Climate change is already having an impact on people and natural environments across the world, and its impacts are also evident in Finland. Urgent action to combat climate change is one of the UN's primary sustainable development goals.

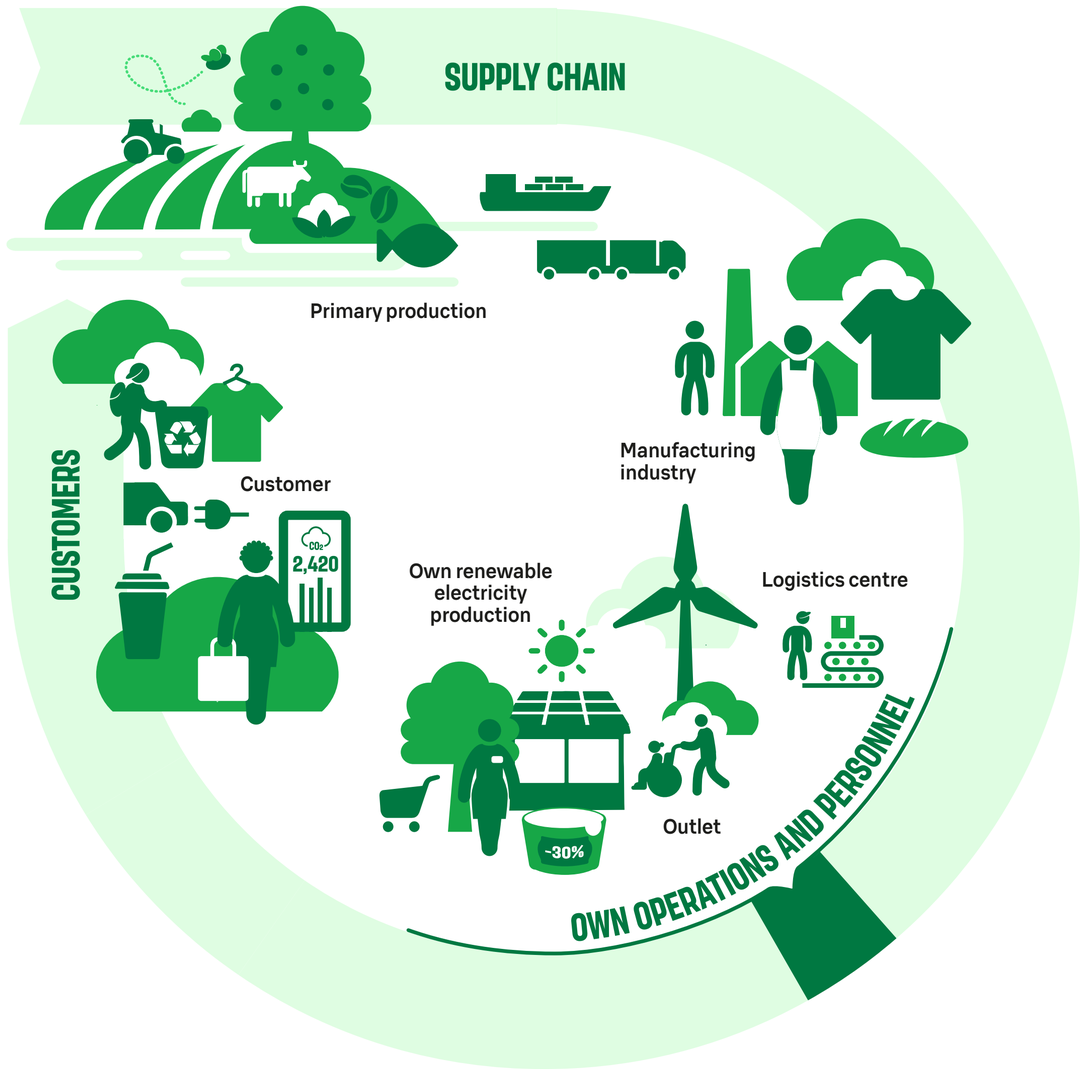
CLIMATE

Mitigating climate change and adapting to the changing environment is one of the key themes in our sustainability programme. As an operator in many sectors, we have an extensive impact, both directly and indirectly, in the entire value chain. Preventing and reducing carbon dioxide emissions that cause climate warming are an important part of our ambitious and systematic climate work over the long term. We also help our customers towards a low-carbon lifestyle by introducing new solutions and services. Most of our emissions are generated in the value chain. The proportion of our own operations has decreased to only 0.5% of the total emissions as a result of long-term energy efficiency work.

We are committed to setting a net zero target (Net Zero by 2050 at the latest) in 2025, and we carried out related work in 2024. We updated and renewed the emissions calculation in accordance with the new emission calculation requirements and calculated the emissions caused by S Group's land use and land use change. These new calculation models will be assessed during 2025, and we will report our emissions calculated in these ways in connection with our 2025 sustainability reporting. The emissions calculation update and automation work carried out in 2024, as well as the related system development, improve the reliability of our calculations and enable better monitoring of emissions to support the business operations' decision-making. We also started climate transition planning work on sustainability reporting during 2024.

According to an assessment by CDP (formerly the Carbon Disclosure Project), S Group's climate work continues to be at a good level. In 2024, our climate work was rated A-. CDP is an independent global organisation established by non-governmental organisations in 2000. It assesses the environmental efforts of thousands of companies each year, mainly based on the wishes of their financiers and investors. In the CDP Forest survey, S Group's work to stop deforestation was rated C.





In addition, we were the first retail operator in Finland to join the CDP Supply Chain programme's climate action. Companies delivering products or services through the CDP Supply Chain programme report their emissions reductions in a consistent manner, and our response rate for 2024 was 77%. For the CDP Supplier Engagement Rating assessment, we did not receive the result before the publication of this report.

Since 2021, S Group has been part of the international Call on Carbon initiative, which aims to accelerate climate investments and the adoption of efficient pricing for climate emissions. Launched by the Finnish Climate Leadership Coalition, the Swedish Haga Initiative and Norwegian Skift Business Climate Leaders, the initiative has already been signed by more than 150 companies, universities, research institutes and cities. The participants aim to create efficient, reliable and appropriate carbon-emission pricing tools in line with the Paris Agreement to support their carbon neutrality targets and to achieve a level playing field and minimise carbon leakage.

PRINCIPLES FOR CALCULATING CLIMATE EMISSIONS

We calculate our climate emissions according to the GHG Protocol standard. According to the standard, emissions are divided into direct (Scope 1) and indirect (Scope 2) emissions from the company's own operations, and indirect emissions from the value chain (Scope 3). We calculate our emissions as carbon dioxide equivalent emissions and refer to them with the term "climate emissions".

> In practice, the Scope 1 emissions are generated by the fuel used for heating our properties and by refrigerant leakages. Refrigerants are cooling gases that circulate in refrigeration equipment. When released into the atmosphere, refrigerants behave in the same manner as carbon dioxide and warm the climate, some as much as nearly 4,000 times more intensely than carbon dioxide. If a pipe in the refrigeration equipment is dented or has even a minor puncture, refrigerant may leak into the atmosphere. Therefore, leaks are carefully monitored and measures are taken to seal them.

> Scope 2 emissions are indirect climate emissions from our own operations, attributable to the production of purchased electricity, district heating and cooling.

> Scope 3 emissions include the life-cycle emissions of the products and services purchased and sold by S Group, such as the primary production of raw materials and the manufacture, packaging and transport of products, as well as customer traffic and the use of the products. Scope 3 emissions are also caused by commuting and business travel by S Group's personnel, the final processing of S Group's waste, S Group's investments and the energy production and distribution waste of purchased electricity.

Emissions calculation and data coverage was further developed in 2024. To ensure comparability, our Scope 3 emissions for 2023 were recalculated using the same boundaries and methods as for the 2024 emissions. The Scope 3 recalculation for 2023 has not been assured.

S GROUP'S TOTAL CLIMATE EMISSIONS

S Group's total climate emissions (GHG inventory, Scope 1, 2 and 3 total) were 8,747,270 carbon dioxide equivalent tonnes in 2024. In 2023, comparable non-assured total emissions for S Group were 8,591,060 carbon dioxide equivalent tonnes, meaning that our total emissions increased by around 2% from the previous year. Emissions from own operations continued to decrease, falling from 1% in the previous year to 0.5% of the total emissions. An increase in emissions from the value chain (Scope 3) contributed to the slight increase in S Group's total emissions. This is mainly the result of increased sales, including the direct sales of fuels to companies, which started at the end of 2023. As in the previous year, our total emissions were affected by the fact that the proportion of the biocomponent of the fuel biodistribution obligation remained lower than originally because of a change in legislation.

S GROUP'S TOTAL CLIMATE EMISSIONS (TN CO_2e)

	2022	2023	2024
Scope 1	46,300	34,900	**31,860**
Scope 2 (market-based)	52,200	34,500	**11,550**
Scope 3	8,215,900	8,521,660*	**8,703,860**
Total	**8,314,400**	**8,591,060**	**8,747,270**

For Scope 2 emissions, the table shows market-based emissions since 2023. For 2022, the table includes market-based emissions figures for electricity and location-based emissions figures for district heating and cooling. The figures include Finland and Estonia.

* Emissions calculation and data coverage was further developed in 2024. To ensure comparability, our Scope 3 emissions for 2023 were recalculated using the same boundaries and methods as for the 2024 emissions. The Scope 3 recalculation for 2023 has not been assured.

The calculation principles for emissions are provided in a separate appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on emissions data for 2024 →.



CLIMATE EMISSIONS (SCOPE 1 AND 2) OF OWN OPERATIONS

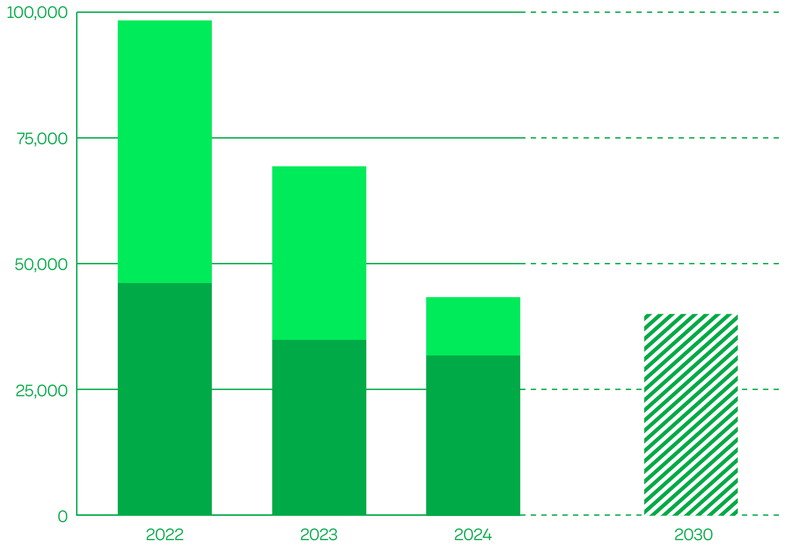
In 2024, emissions from our own operations decreased by 40% year-on-year. Since 2015, emissions have decreased by 90% thanks to improved energy efficiency and renewed refrigeration facilities using natural refrigerants. In addition, the electricity we use is emission-free, and in 2024, an increasing proportion of the district heating we used was produced using renewable energy sources.

By the end of 2024, refrigeration facilities that rely on carbon dioxide and other natural refrigerants had been installed in 654 outlets. Thanks to wind and solar power production, our climate emissions decreased by nearly 375,000 tonnes in 2024 compared with the specific emissions in accordance with the residual mix of electricity production in Finland in 2023.

THE EMISSIONS FROM S GROUP'S OWN OPERATIONS (FINLAND AND ESTONIA) WERE

43,410

TN CO_2e



For 2022 and 2023, the figures have been calculated with market-based emissions figures for electricity and location-based emissions figures for district heating and cooling. For 2024, the table shows market-based emissions. The figures include Finland and Estonia.

The calculation principles for emissions from our own operations are provided in an appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on emissions data for 2024 →.

THE EMISSION INTENSITY OF OWN OPERATIONS (FINLAND AND ESTONIA) WAS

3.05

TCO_2e/PER EUR 1 MILLION OF SALES

THE EMISSION INTENSITY OF OWN OPERATIONS (FINLAND AND ESTONIA) WAS

7.38

TCO_2e PER 1,000 GROSS M^2

EMISSIONS FROM S GROUP'S OWN OPERATIONS IN (TCO_2e)

Scope 1	31,860
Scope 2	11,550

EMISSIONS FROM S GROUP'S OWN OPERATIONS (TCO_2e)

	2022	2023	2024
DIRECT, SCOPE 1			
Own heating production from fossil sources (heating oil and natural gas)	3,000	2,200	**1,340**
refrigerant leakages	43,200	32,700	**30,520**
INDIRECT, SCOPE 2			
purchased electricity (market-based)	0	0	**0**
purchased electricity (location-based)	53,500	61,800	**39,520**
purchased district heating and cooling (market-based)	–	34,500	**11,550**
purchased district heating and cooling (location-based)	52,200	50,900	**42,950**
TOTAL SCOPES 1 AND 2 (market-based)	**98,400**	**69,400**	**43,410**
TOTAL SCOPES 1 AND 2 (location-based)	**151,900**	**147,600**	**114,330**

The figures include Finland and Estonia.

From 2023 onwards, reported emissions from purchased district heating and cooling will include both market- and location-based emissions.

The calculation principles for emissions from our own operations are provided in an appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on emissions figures for 2024 →.

CLIMATE EMISSIONS (SCOPE 3) IN THE VALUE CHAIN

The biggest climate emissions (around 99.5%) are generated in our value chain, such as in the production of the products we sell and the fuel we sell. This is why we encourage our partners to measure the climate impacts of their products and reduce their emissions systematically. It is also important that we ensure that the fuel we sell meets the statutory requirements for biofuel content and the promotion of electrification through ABC charging stations.

Emissions in our value chain (Scope 3) are mainly affected by our product selection and fuel sales, and the related legal distribution obligation for biofuels. The emission impact of animal products is higher than that of plant-based products. An increase in animal-based products increases emissions, while an increase in the sales of plant-based products reduces emissions if the sales of plant-based products replace sales of animal-based products. In 2024, there was no change in the distribution of plant-based or animal-based products, but in fuels retail and service stations, direct sales to companies, which started at the end of 2023, together with the lighter bio-distribution obligation and increased retail sales, caused Scope 3 emissions to increase slightly.

EMISSIONS FROM S GROUP'S VALUE CHAINS (TCO2e)

	2022	2023*	2024
UPSTREAM SCOPE 3			
Purchased products and services	5,409,200	5,643,990	**5,748,320**
Capital assets (buildings)	900	700	**60**
Indirect emissions from purchased energy	12,600	21,570	**48,120**
Product transportation and delivery	138,600	114,470	**122,510**
Waste	20,400	20,780	**23,000**
Business travel	1,200	4,370	**5,510**
Commuting	13,600	11,830	**12,500**
DOWNSTREAM SCOPE 3			
Customer traffic	257,100	272,050	**276,870**
Use of products sold	2,207,900	2,413,900	**2,448,970**
Investments	154,500	18,000	**18,000**
TOTAL	**8,244,700**	**8,521,660**	**8,703,860**

In the "purchased products and services", "capital goods", "indirect emissions from purchased energy", "waste and wastewater" and "business trips" categories, the figures include Finland and partly Estonia. In the other categories, only the figures for Finland are included. The "investments" category includes emissions to the extent that information has been available.

The purchased products and services emissions calculation category for 2022 has been adjusted to correspond to the 2023 index adjustment.

* Emissions calculation and data coverage was further developed in 2024. To ensure comparability, our Scope 3 emissions for 2023 were recalculated using the same boundaries and methods as for the 2024 emissions. The Scope 3 recalculation for 2023 has not been assured.

The calculation principles for Scope 3 emissions are provided in an appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on emissions figures for 2024 →.

As part of our science-based climate targets, we have set a target for fuel sales. The goal is to reduce the emissions per litre of fuel by 21% by 2030, compared with 2015. The fuel distribution obligation is of great importance here, and it also had an impact in 2024. As a result of the reduction of the biodistribution obligation and the fuel brought in by the direct sales business to companies starting at the end of 2023, the emission reduction per litre in 2024 decreased to 4.3%. Now the calculation also includes direct sales, which has not been taken into account before.

We set a million-tonne emission target for our value chain by launching our Big Deal programme for our partner companies in 2016. The goal of the programme is to reduce climate emissions by 1 million tonnes between 2015 and 2030 in cooperation with our goods suppliers and service providers. With the programme, we want to encourage and inspire our partners to reduce their emissions and achieve more effective results.

The programme includes more than a hundred of S Group's partners. The Dig Deal emissions reduction target of 1,000,000 tonnes was achieved by the end of 2024, five years ahead of schedule. In achieving this goal, the obligation to distribute fuels has had a really significant impact. Emissions reduction work related to the value chain must be continued in order to reach net zero, and it requires input from the whole chain. The Big Deal programme will continue, and we will continue to focus on monitoring all suppliers' emissions reduction actions and the related cooperation.

During 2024, preparations were made for setting a net zero target. S Group is committed to setting a net zero target by the end of 2025. The net zero target means reducing climate emissions to net zero by 2050, in terms of both own operations and the value chain.



Energy efficiency

We are the largest non-industrial consumer of electricity in Finland. Refrigeration equipment, store lighting, heating and ventilation systems have the highest energy consumption in our outlets. We can achieve considerable cost savings by improving their efficiency and by renovating them. What lies at the core of our climate work in terms of our operations is solutions to improve energy and resource efficiency and investments in renewable energy solutions. We are continuously working to save energy and to use energy more efficiently.

We are now seeking to improve our energy efficiency by 30% by the end of 2030, compared with 2015. In 2024, our locations in Finland consumed 259 kWh of energy per gross m2, which represents a decrease of 15%, compared with 2015. Compared with 2023, our relative energy consumption remained roughly the same. We have reduced our relative energy consumption by more than 40% compared with 2010 by measures such as renovating refrigeration facilities, adding doors and lids to refrigeration equipment, transitioning to LED lights and installing heat pumps. Our goal is to improve the overall energy and cost efficiency of our sites by measures such as utilising waste heat, optimising systems and controlling the necessary use of building technology.

The utilisation of condensate heat from commercial refrigeration equipment has been improved in recent years. For example, there is an S-market in Ritaharju, Oulu, where condensate heat is routed to the district heating network to heat local homes. In Helsinki, the excess heat energy generated by the refrigeration equipment of Alepa Pietarinkatu, Alepa Munkkiniemi and Alepa Postipuisto is used to heat the residential buildings the stores are located in. In Vantaa, the condensate heat of Alepa Backas is stored in geothermal heat accumulators and used to heat the store.

S Group has signed energy efficiency agreements concerning both the retail sector and travel industry and hospitality business. Energy efficiency agreements are a method chosen by the government and the sectors to meet Finland's international energy efficiency targets.

Through the energy efficiency agreements, we have committed to seeking a reduction of 7.5% in our energy consumption from the 2015 level by 2025. By the end of 2024, energy-saving measures of around 158 GWh were recorded for the commerce sector (2023: 135), which is nearly double the target. By the end of 2024, energy saving measures of 4 GWh were recorded for hotels and restaurants (2023: 4), which is around 29% of the target.

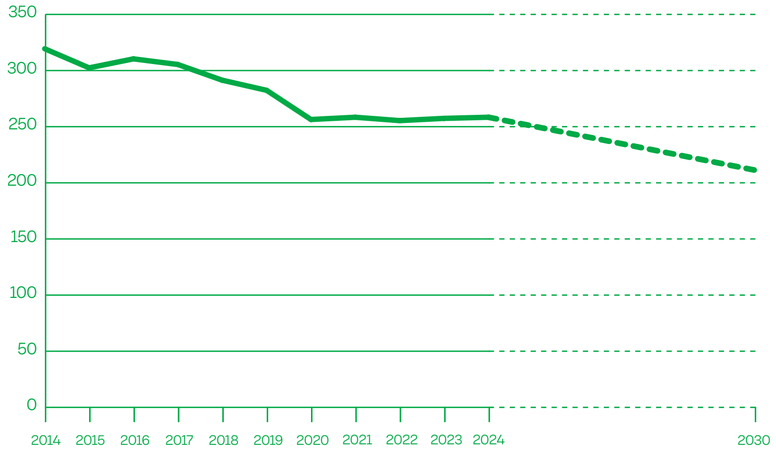
S Group has an energy efficiency system (ETJ+) in place. It determines a systematic operating model that helps S Group set and verify energy efficiency targets, in addition to providing support with the planning, implementation, monitoring and reporting of measures. ETJ+ is a method of continuous operational development towards increased efficiency in reducing emissions, energy consumption and costs. At the same time, the aim is to share good practices within the organisation. The energy efficiency system's operating model is followed across S Group, in regional cooperatives and SOK's subsidiaries alike. The operating model was reformed in 2023, and the new operating model has been followed since 2024.

RELATIVE ENERGY CONSUMPTION IN FINLAND

–15%

FROM 2015

SPECIFIC ENERGY CONSUMPTION, FINLAND (KWH PER GROSS M²)



SPECIFIC ENERGY CONSUMPTION, FINLAND (KWH PER GROSS M²)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
320	303	311	306	292	283	257	259	256	258	**259**

The figures only include Finland. The reported consumption data is based on data measured and reported by building or by residence.

Until 2018, our heat consumption was weather-normalised in accordance with Jyväskylä. Since 2018, our heat-consumption has been weather-normalised in accordance with a local comparison point.

The calculation principles for energy and area data are provided in an appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on the energy and area data for 2024 →.

CONSUMPTION AND FLOOR AREAS IN 2024

	2022	2023	2024	TOTAL FOR S GROUP IN 2024
Electricity, Finland, GWh	1,032	1,022	**1,036**	**1,053**
Electricity, neighbouring countries, GWh	17	16	**17**	
Heating and cooling, Finland, GWh	399	446	**455**	**465**
Heating and cooling, neighbouring countries, GWh	10	13	**10**	
Floor area, Finland, gross m²	5.54	5.68	**5.72**	**5.87**
Floor area, neighbouring countries, gross m²	0.13	0.15	**0.15**	

The figures include Finland and Estonia.

The adjustment for weather is made in relation to the regional reference point.

Coverage of data for monitoring: electricity 95%, heating 95% and gross area 96% of the sites.

The calculation principles for energy and area data are provided in an appendix to the S Group GHG Inventory Report 2024 →.

Assurance report on the energy and area data for 2024 →.

ZERO-EMISSION ELECTRICITY

We consume more than 1% of all the electricity used in Finland. In our more than 2,000 outlets, electricity is particularly required for refrigeration equipment, lighting and HVAC systems. We have made considerable investments in our production of renewable energy, and increasing its share will continue to considerably support the achievement of our emission reduction targets.

We are currently committed to ensuring that all electricity we use is emission-free and totally renewable starting from 2030. In 2024, 95% of the electricity we used was produced with nuclear power and 5% with wind.

S Group has invested in renewable electricity production. In 2024, Gigawatti Oy, which is responsible for S Group's wind power production, had a total of 75 turbines at five wind farms. The wind farms are located in Simo (Leipiö II and Sarvisuo) and in Raahe and Siikainen. The newest wind farm, located in Eurajoki in Luvia, was completed in late 2024. When completed, the newest wind farm will cover around 20% of the retail group's electricity needs. The project is a continuation of S Group's long-term investments

in increasing its own renewable electricity production. During the last ten years, S Group has been one of the largest domestic developers of wind power production, and has invested nearly EUR 600 million in wind power.

At the end of 2024, there were more than 120,000 solar panels in connection with more than 310 S Group locations. During 2025, we will continue to invest in solar power plants, which can from time to time cover the entire electricity demand of the property on a sunny summer day, when the electricity demand of the stores' refrigeration equipment is at its highest. There are two solar power stations located in conjunction with S Group's logistics centres in Sipoo, where the solar panels are located on the ground instead of the roofs of the buildings. The solar power stations cover an area of more than two hectares, while the surface area of the panels comes to about 8,500 square metres. Both solar power stations have around 2,000 solar panels. The key benefit is that the electricity produced on these sites can be used in our own outlets and locations. There are also ground-mounted power plants at, for example, ABC Kuninkaantie, Prisma Kirkkonummi, ABC Lohja and a few Inex logistics terminals.

The use of emission-free energy is one of the most significant ways to reduce the climate emissions generated by our properties.

Since 2020, S Group has had principles for acquiring guarantees of origin for electricity. In 2022, we established principles for acquiring guarantees of origin for district heat, given that an amendment to legislation made in 2021 also allows for acquiring guarantees of origin for renewable energy. The guarantees of origin used by S Group come from plants where energy is produced using wind, solar and geothermal energy. In addition, energy production that meets the EKOenergy criteria is also acceptable, including hydropower and ocean power, as well as electricity produced using biomass, landfill waste, wastewater treatment plants and biogas.

Most of our properties use district heating. With regard to district heating, we engaged in a continuous discussion with district heating suppliers regarding the energy sources they use for district heating and how the emissions from district heating could be reduced. Around half of the district heat we use was renewable in 2024. The use of emission-free energy is one of the most significant ways to reduce the climate emissions generated by our properties. When renovating properties, heating systems can be replaced with more efficient and lower-emission systems. For example, old oil and natural gas heating systems have been replaced with systems using geothermal heat and district heating or heat pump systems that utilise other sources of heat energy. Only 32 properties, or 2% of all our properties, still use oil or natural gas for heating.

2024

S Group's energy efficient logistics



The environmental impacts of the logistics centres in Bastukärr in Sipoo were strongly taken into account during the design phase. The grocery logistics centre achieved a classification of Excellent in the international BREEAM environmental certification, and the consumer goods logistics centre has been built according to the principles of the Finnish PromisE ecolabel system.

In Sipoo, energy self-sufficiency has been implemented wherever possible. The logistics centres in Sipoo form one of the largest geothermal sites in Europe, with a total of 300 geothermal wells. The logistics centre for grocery products has been designed so that the waste heat generated in the cooling of storage facilities is used for heating, and waste heat is stored in the geothermal field in summertime. This produces around 70% of the heat required by the centre. In addition, bio-based fuels are used for heating, if necessary. Sipoo also has S Group's largest solar power plant, as well as electric batteries installed to improve supply reliability.

In addition to the solar power plants and batteries, the logistics centre has made a number of other investments to reduce energy consumption and emissions. The facilities have switched to adjustable lighting, proactive heating control based on weather forecasting and operation based on the need for refrigerating machines.

In addition, half of S Group's logistics terminals around Finland are already emission-free. The newest terminals have been built to use geoenergy and generate electricity using their own solar power plants.

2024

We are compensating for emissions from business flights

We are offsetting the climate emissions from our employees' business flights for the third year running. In 2024, the carbon offsetting from flights was allocated to forest conservation projects in Peru and Indonesia, verified by a third party, as forests are natural carbon sinks and sequestrate carbon from the atmosphere through photosynthesis. In 2024, our employees made 6,473 business flights, flying a total distance of more than 9.7 million kilometres, which generated climate emissions of slightly under 2,700 carbon dioxide tonnes. There were still around half as many flights as before the pandemic in 2019.

EMISSION-FREE PROPERTIES

We are making rapid progress in achieving the ambitious climate targets set for our own operations. Emission-free properties mean properties that do not increase the amount of greenhouse gas emissions in the atmosphere. At the end of 2024, this included 557 of our properties. The number of zero-emission sites increased significantly from the previous year, as investment plans have progressed as planned and more and more sites have switched to using renewable district heat. The use of emission-free energy, the continuous improvement of energy efficiency, renovating refrigeration facilities into carbon dioxide facilities, and the recovery of surplus heat generated in refrigeration equipment have been important in reducing our own emissions.

Some of our properties are carbon negative. Carbon negativity requires emissions to be reduced as far as possible with energy-efficient solutions and the rest of the negativity target to be achieved through carbon offsetting. Carbon-negative sites are properties that have been built to be energy efficient or in which energy efficiency has been improved for a long time by various measures.

In 2020, we established principles for the carbon-negativity of our own operations and, at the same time, decided on minimum requirements for the start of carbon offsetting. Systematic energy management is a prerequisite for starting carbon offsetting. In addition, the refrigeration facilities of the site must be low-emission carbon dioxide facilities or similar facilities, and the site must be equipped with LED lighting. Sites with oil or gas heating are not accepted under the scope of offsetting.

S Group's first carbon-negative property was the Suur-Seudun Osuuskauppa shopping centre opened in 2020 at Lohi Lohja. Since then, we have also relied on carbon offsetting to achieve carbon negativity for HOK-Elanto's Sokos, S-Market and restaurants operating in the property of the Sokos department store in Helsinki. In 2024, a total of 496 tonnes of offsetting was acquired for these. The emissions generated by all these sites are offset by utilising a forest conservation project in Cambodia, verified by a third party.

WE DEVELOP PRODUCTS AND SERVICES AS PART OF OUR CLIMATE TARGETS

We reduce emissions from transport by using bio fuels and support the electrification of transport by developing our charging station network. We are developing various digital services so that our customers receive better information about the climate impacts of their own consumption. For example, we are promoting climate-smart food by adding more plant proteins and Finnish fish to our product range. We are also actively communicating these matters to our customers through our own channels.

Read more about the circular economy in the "Sustainable consumption" section →

2024



Photo: Juha Salminen/ Yhteishyvä

E-institute for regenerative agriculture

The e-institute for regenerative agriculture is a free, approximately 60-hour study module on regenerative agriculture online. The e-institute for regenerative agriculture is a joint project of the Baltic Sea Action Group and MinnaLearn. S Group and a number of operators in the Finnish food supply chain support the project. These companies have committed to ambitious sustainability goals and have started work through the Carbon Action project. The cooperation is also one of the many ways by which S Group seeks to ensure a bright future for Finnish food. The e-institute provides a high-quality online course for everyone interested in the growth conditions of soil. In addition, the course teaches how comprehensive farm management improves profitability and the state of the environment. The course is science-based, draws on farmers' experience and brings together a collection of farming practices ranging from the tried and true to the best new practices. Soil in good condition will sequestrate carbon, and is also more productive when cultivated. This creates a positive cycle for mitigating climate change.



Biodiversity loss is a major threat to humanity and the environment. Through the products we sell, our business depends on the resources produced in the environment. S Group's aim is to safeguard biodiversity, both in our own operations and in our value chain. By acting together, we can influence the sustainable use of land areas and forests, look after the well-being of water areas and the flora and fauna in them, and also build a sustainable food regime.

BIODIVERSITY

According to the report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the most significant direct causes of biodiversity loss are land and water use, the direct exploitation of natural resources, climate change, pollution and invasive alien species. In turn, the direct causes of biodiversity loss are caused by indirect causes such as people's values and consumption behaviour. Unlike the climate, nature and biodiversity are very local issues, so it matters greatly where the impacts on biodiversity are taking place.

In S Group, the framework for biodiversity comprises the promotion of sustainable consumption, the minimisation of impacts and emissions, and the strengthening of protection measures. Key measures in addition to nature conservation include our climate work and recycling. In the retail sector, work towards biodiversity often becomes relevant in matters such as raw materials, whose availability may suffer as a result of the loss of biodiversity. S Group's policies on the matter include buying fish sourced from sustainable fish populations, and our procurement processes exclude raw materials from regions that are sensitive to deforestation. We have also placed a strong emphasis on reducing food waste and promoting climate-smart eating and carbon farming.

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Our direct land use includes the land used by our network of outlets. For this land use, it is important to conduct environmental surveying before initiating and to ensure the minimisation of impacts during construction and the early stages of operations. We are also involved in combating invasive alien species by measures such as removing any rugosa roses found in our parking areas. Prior to the start of the construction work of the grocery logistics centre in Sipoo, we carried out a survey of the site's ecological value and an assessment of the construction's impact on it. At the same time, we received preliminary recommendations on improving the ecological value.

In S Group, the framework for biodiversity comprises the promotion of sustainable consumption, the minimisation of impacts and emissions and the strengthening of protection measures.



KEY THEMES RELATED TO S GROUP'S BIODIVERSITY

STRENGTHENING PROTECTION MEASURES

> The protection of species, such as pollinators
> Nature projects, ecological restoration
> Nature surveys, instructions on alien species
> Green construction



PROMOTING SUSTAINABLE CONSUMPTION

> Raw materials, guidelines
> Planetary diet and selection, including organic
> Promotion of carbon farming, land use
> Promotion of the circular economy in packaging, for example
> New business models, the sharing economy
> Reducing consumption, supporting customers towards more sustainable consumption

MINIMISING IMPACTS AND EMISSIONS

> Climate goals
> Reducing wastage
> Carbon neutral transport
> Accounting for biodiversity in offsetting
> Sustainable use of water
> Chemicals

EVALUATING HARM AND IMPACTS TO NATURE REQUIRES AN INDICATOR SUCH AS CARBON FOOTPRINTS

To enable companies to set targets and measures to reduce their biodiversity footprint, they should know their most significant impacts on the biodiversity footprint and how significant their footprint is as a whole.

At S Group, we evaluate the harm our operations cause to biodiversity through the pioneering ↗ research project of the University of Jyväskylä's resource wisdom community JYU.Wisdom.

There are currently challenges in identifying the harmful impacts of the value chain, such as the procurement of products and services, for reasons including the fact that a large part of the harmful impact caused by Finnish consumption is transferred outside Finland's borders around the globe.

The purpose of the joint research project, funded by S Group and Sitra, is to develop a comprehensive model for calculating the environmental impacts of an organisation. The methods and tools to be made available in the public domain will enable the planning of more efficient measures preventing the loss of biodiversity in the value chains of companies, for example. The goal is for the model to be usable in both Finland and abroad, facilitating organisations' commitment to avoiding operations with an overall detrimental impact on biodiversity. In the model, the measure of harm to biodiversity is calculated as a share of species that are at risk of global extinction (PDF = potentially disappeared fraction of species). The preliminary results of S Group's total biodiversity footprint were published in the spring of 2023, and the interim report of the study can be read in its entirety on the University of Jyväskylä's publication archive website. The majority of S Group's biodiversity footprint consists of food products.

Our biodiversity footprint project was selected to be included in Sitra's Circular Solutions for Nature list. A list of 30 pioneering European companies' actions to promote the circular economy and biodiversity was published at the World Circular Economy Forum in Brussels in the spring of 2024.

We joined the early adopter programme of the TNFD (Task Force on Nature-related Financial Disclosures) initiative, whereby we commit to reporting our nature-related impacts to our various stakeholders from 2024 onwards.

S GROUP PARTICIPATING IN NATURE INITIATIVES

S Group is participating in the Business for Nature initiatives. The Call for Action target called for governments to take active measures to stop the extinction of animal and plant species within the decade. Climate change is a growing threat to biodiversity, and at the same time, the accelerating loss of diversity is also making climate change worse. The disappearance of species is also threatening the availability of raw materials, which is why its prevention is not only of interest to governments, but also to companies such as us. More than 1,000 companies were involved in the Call for Action initiative. The Make it Mandatory appeal was addressed to decision-makers during the Montréal Biodiversity Conference. The aim of the appeal was to ensure that the upcoming UN Biodiversity Conference would come to an agreement on making the assessment of the natural impacts of large companies and financing institutions mandatory by 2030. Countries are encouraged to adopt ambitious targets to prevent damage to nature and promote biodiversity. The Make it Mandatory appeal was signed by more than 400 companies worldwide.

2024

S Group and Chiquita collaborate on biodiversity



Photo: Minna Perovuo

Biodiversity loss is one of the biggest global sustainability challenges alongside climate change. Halting biodiversity loss requires companies to minimise their negative impact on biodiversity. Around 90% of the ecosystem degradation caused by Finnish consumers occurs outside Finland. Reducing the adverse impacts requires a new kind of collaboration between companies in the supply chain.

S Group worked with researchers to investigate its environmental footprint, and the banana has the most significant impact on the footprint of all vegetable products in terms of kilograms. This is because of its large sales volumes and farming in the equatorial area rich in species. Almost everyone in Finland buys bananas at least weekly. Among fruits and vegetables, bananas are the second best-selling product after potatoes. S Group sells around 45 million kilograms of bananas a year, and most of them come from Costa Rica and Panama.

A new type of collaboration between S Group and Chiquita aims to plant ecological corridors around banana plantations in Costa Rica. The joint project by Chiquita and S Group aims to improve the living conditions of the local species, to collaborate with the local landowners and to gain experience from supply chain cooperation related to nature.

A strip of forest planted around banana plantations is connected to a rainforest protection network stretching from Mexico to Panama. Although the area to be planted is small in size, it is highly significant for the integrated network of natural rainforests, as they provide the missing part of the forest areas around banana plantations. Over the years, natural forests have become isolated in the region because of cutting down trees for agriculture, construction use and firewood.

Reforestation supports the biodiversity of the area and improves the living conditions of animal species such as the spider monkey, the tapir, which is a mammal typical of the region, and the critically endangered great green macaw. One of the tree species to be planted is the cumaru tree, which is a nesting site and a food source for the great green macaw in Costa Rica. In the dry season, it is one of the few fruit-producing species, and it evens out and secures nutrition for numerous organisms.

The joint project by S Group and Chiquita is running for five years. The first young trees were planted at the end of 2023, and reforestation continued in 2024. The growth of trees planted in the autumn of 2023 and during 2024 has started well. The implementation of all planned plantings has been delayed by challenges in engaging local farmers, partly because of unclear land ownership and tenancy relationships and the desire to use the land for grazing. It has therefore been necessary to find a partly alternative route through farms that have been willing to make a commitment and where ownership relationships have been clear. The project will be certified by a third party, Preferred by Nature, which has also carried out a baseline survey for the project. In 2025, an intermediate review will be carried out by Preferred by Nature.

2024

S Group calculated the biodiversity footprint of ready-made foods

S Group and researchers at the University of Jyväskylä also tested biodiversity footprint calculation at the level of individual products by studying the biodiversity impacts of ready-made foods from the Kotimaista product line.

S Group and the food company Saarioinen disclosed the recipes of the Kotimaista ready-made food products to researchers. When comparing ham casserole, rainbow trout casserole and rainbow trout soup, the differences in biodiversity impacts between the products were small. The soup's biodiversity footprint is around 30% lower than of the casseroles, and one key factor is the liquid content of the soup. The biodiversity footprints of the casseroles were almost at the same level, as the most significant biodiversity impacts come from the main protein sources. The biodiversity footprint of both rainbow trout and pork is affected by, among other factors, land use caused by the cultivation of feed.

In connection with the COP-16 Biodiversity Conference in Cali, Colombia, in November 2024, S Group joined Business for Nature's Business statement – Business For Nature ↗ initiative for governments with more than 230 other companies and financial institutions to support the implementation of the objectives of the global biodiversity agreement to stop biodiversity loss and start recovery during this decade.

S GROUP'S DEFORESTATION GUIDELINES RESTRICT PURCHASES FROM RISK AREAS

The world's forests are being felled uncontrollably and illegally, especially in South America and Southeast Asia. Deforestation decreases carbon sinks around the world, which accelerates climate change. We are committed to combating deforestation and supporting the sustainable use of forests. Our deforestation guidelines are part of the objectives of our sustainability programme for strengthening biodiversity. The guidelines are based on the identification of raw materials central to deforestation, and related objectives and regional restrictions concerning sustainable production.

The key principle of our deforestation guidelines ↗ is that we do not increase deforestation through our own actions. In practice, this means that several high-risk raw materials will be avoided and regional procurement restrictions will be introduced.

In terms of deforestation, crucial raw materials include palm oil, soy, coffee, cocoa and wood, as well as the production of beef.

We review our deforestation guidelines regularly, monitor how deforestation is progressing, and update the guidelines if necessary. During 2024, we also evaluated our due diligence system for deforestation to comply with the requirements of the EU Deforestation Regulation. The implementation of the regulation will continue in 2025.

We also encourage our suppliers to take into consideration the impact that their operations have on biodiversity and deforestation.

WOOD AND PAPER GUIDELINES

For the consumer packages used in our private-label products, food markets and restaurants, our private-label grocery products and tissue papers used in restaurants and hotels, our goal is to use wood that is either recycled fibre or FSC or PEFC certified material or the packaging has been awarded the Swan ecolabel or the EU Ecolabel by the end of 2023. This goal is taken into account when we add new products to our product range or redesign packaging. In 2024, the transition to the Coop brand in particular affected packaging materials and contributed to the achievement of the goal.

By the end of 2025, the wood-based raw material we use in the fibre-based packaging of our private-label consumer goods and our private-label wood and paper products will be either FSC or PEFC certified or the product will have the Swan ecolabel or the EU Ecolabel. Alternatively, we may use consumer packaging made from recycled fibre. These guidelines apply to the whole product range concerning wood and sawn timber used in construction. We work systematically to achieve the goal.

Paper products used in customer communications will also be certified or have the Swan ecolabel or the EU Ecolabel by the end of 2025.

BEEF

We avoid purchasing beef from regions where the primary production of beef is carried out in recognised deforestation areas, such as the Amazon region in South America. We serve only Finnish beef at our ABC restaurants.

MORE RESPONSIBLE SOY

Deforestation is threatening biodiversity in many areas. For example, soy is a significant raw material accelerating deforestation in South America, particularly in the Amazon region. Soy is used in various products, both on its own and indirectly in animal feed.

We have examined the origin of soy used in our private-label products, restaurants and cafés, as well as the origin of soy used in the production chains of animal-based raw materials (meat, fish, milk, eggs) and the related responsibility practices. With regard to soy used for feed, defects were found particularly when supply chains were long or the operation had no contact with the feed supplier. The origin of the soy used in products is fairly well known.

On the basis of our investigation, changes have also been made to the composition of animal feed in recent years, and the proportion of soy has been reduced by replacing it with alternative raw materials. Finnish dairy farms are soy-free, and there, feed for cows mainly consists of turnip rape, rapeseed and grass. Of the soy from high-risk origin used in S Group's products as raw material or as animal feed in the production chains of animal-based products, 89% was certified in 2024 (2023: 58%).

WE CARE ICON COSMETICS LINE SUPPORTS WWF'S NATURE CONSERVATION

Sokos' own We Care Icon range of cosmetics has actively supported the conservation work of WWF Finland since 2010.

At least five cents have been donated for each We Care Icon product sold. Over the years, we have accumulated more than EUR 160,000 in donations. These funds have supported the conservation work of WWF for the benefit of the Baltic Sea and the endangered Saimaa ringed seals and Arctic foxes.

The cosmetics in the range are sold without cartons, avoiding the production of more than 3 million cardboard packages while doing so.

New makeup racks were implemented during 2024. Refrigerator parts that have been taken out of use in Europe have been utilised in the manufacture of the racks' makeup trays.

Water stewardship is a central part of our work in nature

Water stewardship refers to the use and protection of water resources that takes environmental, economic and cultural factors and social fairness into account. At S Group, our water stewardship work covers our outlets, procurement and value chain. Water stewardship includes the use of water, access to water, hygiene and sanitation, water used in production or stored in products, and the treatment of wastewater. Promoting water stewardship locally requires cooperation from operators in the catchment area.

S Group's water stewardship work is guided by the water stewardship maps prepared for each business area until 2030, in terms of both own operations and the value chain.

WATER STEWARDSHIP FOR OUR OWN OUTLETS

Key aspects of water management in our own outlets include stormwater and any other observations arising from nature impact assessments conducted during construction projects. The environmental permits of our outlets located in groundwater areas and near bodies of water have accounted for water-related risks and preparations for them. In particular, the water stewardship risks from fuel sales are taken into account through preparation for emergencies and permit procedures. All wastewater from our outlets is directed to municipal wastewater treatment. The highest water consumption at our outlets is in hotels (water used by customers) and ABC stations (car wash lines).

	2022	2023	2024	TOTAL FOR S GROUP IN 2024
Water, Finland, million m³	1.88	1.97	**2.07**	**2.15**
Water, neighbouring regions, million m³	0.07	0.08	**0.08**	

The figures include Finland and Estonia.
The water data covers 92% of the locations.

EXAMPLES OF OUR WATER STEWARDSHIP ACTIONS AT OUR OUTLETS

ABC SERVICE STATIONS

- All ABC service stations have taken leakage and emission risks into account, whether the distribution station has an environmental permit or is otherwise registered. In addition, ABC service stations have guidelines for the management of environmental emergencies.
- All of HOK-Elanto's three ABC car washes (Kaari, Nihtisilta and Porttipuisto) are certified with a Swan ecolabel that also applies to the car wash operations. The 13 traditional car wash facilities at HOK-Elanto's ABC service stations also use only biodegradable and eco-labelled chemicals. The car wash ecolabel is based on the reduction of water consumption and chemicals emissions.

HOTELS

- All Sokos Hotels and Radisson Blu hotels have the Green Key↗ symbol, which means they meet the water-related Green Key basic criteria. Green Key's water-related requirements include water-saving water fixtures and practices.
- Sokos Hotels encourage the use of tap water and approximately half of the hotels have their own carbonators for water.
- The Radisson Blu hotel chain has participated in the Just a Drop↗ water saving programme since 2017. In addition, only tap water is used in the hotels' restaurants and meeting facilities. Both regular and sparkling water are available from the taps.

WATER STEWARDSHIP IN OUR VALUE CHAIN

We have conducted a risk review for our product categories using the WWF Water Risk Filter and CDP Water Matrix tools and identified fuels, textiles, footwear and certain food products to be our most significant product groups in terms of water use. Fuel-related water risks primarily relate to the production of the raw material.

In our water stewardship work, we want to focus first on understanding our positive and negative impact and our potential to influence them. Instead of setting restrictions, it is important in water stewardship work to support the value chain in more sustainable water use and cooperate with other operators in the catchment area.

EXAMPLES OF OUR WATER STEWARDSHIP ACTIONS IN OUR VALUE CHAIN

- We are participating in a water stewardship project in Spain→.
- We support regenerative agriculture in the Baltic Sea Action Group project.
- We are a member of the Alliance for Water Stewardship↗ collaborative network.
- We were involved in promoting water stewardship in the food chain in the Finnish Environment Institute's co-development project, which aimed to find new ways for operators and the value chain to improve the condition of water bodies and promote the sustainable use of water in Finland. The project ended in December 2023. In 2024, we continued to participate in a project run by the Centre for Economic Development, Transport and the Environment (ELY Centre) for Southwest Finland in the Archipelago Sea catchment area. The project is continuing in 2025. The aim of the project is to cover actions by operators in the food chain to develop sustainable water use to reduce the load on natural waterways and water use volumes.
- Since 2019, we have been a member of the Better Cotton↗ initiative, which aims to promote more sustainable farming methods, such as reasonable use of water and chemicals.
- Some cooperatives have made donations for causes such as the protection of the Baltic Sea, as well as restoration projects of local bodies of water. For example, the Suur-Seutu Cooperative Society has been involved in the Siuntionjoki river restoration project since 2021. The project is running until 2030.
- We supported the John Nurminen Foundation and its marine environment projects in 2024.

2024

S Group participates in an innovative joint water project in Spain focusing on the management of water resources in drought-affected areas



Spain is one of the most important producers of vegetables in Europe and one of the most significant sources of fruit and vegetables for S Group. S Group, the Nordic cooperatives' procurement company Coop Trading and three other European retail groups are participating in the Alliance for Water Stewardship (AWS) Collective Action Accelerator ↗ project. The project started at the end of 2023 and is being implemented in the water-critical areas of Huelva and Doñana in southern Spain. This new type of water stewardship collaboration project, promoting sustainable water use and management, is being implemented for the first time in Europe.

Products acquired by companies have an impact on the local environment and communities. These impacts are always local, and reducing them requires cooperation with stakeholders in the same area, such as local governments, expert organisations and the certification authorities. S Group has therefore wanted to participate in the development of new cooperation models.

The AWS Collective Action Accelerator project involves local fruit, berry and vegetable producers. The aim is to increase cooperation and understanding among food producers operating in the region and other actors in the food chain in terms of actions affecting common water resources, and to find solutions to water problems.

The project started at the end of 2023, and its first phase ended in the autumn of 2024. The first phase included an initial assessment of the water situation in the catchment area and the identification of the root causes of water problems. In addition, training sessions were organised for the farms, and farm-specific analyses were carried out to compare the existing water management measures of the farms with the AWS certification criteria. The first phase ended in the autumn of 2024 with a joint workshop that brought together all the participating farms and companies, as well as the stakeholders of the catchment area.

The second phase of the AWS Collective Action Accelerator project will start in the spring of 2025 and will focus on finalising water management plans and stakeholder workshops to jointly develop water management measures. The aim is to make the farms meet the criteria of the AWS standard and take practical measures. Overall, the aim of the project is to promote stakeholder collaboration and gather knowledge for joint development and implementation, as well as to seek best practices.

PRODUCT AND RAW MATERIAL CERTIFICATION AS PART OF WATER STEWARDSHIP

With different raw material and product certifications, we can verify the social and environmental responsibility of our products. We have set certification requirements especially for our private-label products. For example, the criteria of Fair Trade and Rainforest Alliance certificates set requirements for water consumption in addition to other environmental criteria and guide farmers in the continuous improvement of water resources and wastewater management. In addition, the Roundtable on Sustainable Palm Oil (RSPO) certification of responsible palm oil, the Round Table on Responsible Soy (RTRS) and ProTerra set many requirements for farmers, including on the adequacy, management and quality of water.



Circular economy solutions allow us to curb climate change and have an impact on biodiversity. By keeping raw materials in circulation longer, we can influence the sustainable use of natural resources.

THE CIRCULAR ECONOMY

Excessive use of resources and changes in the availability of raw materials, as well as the limited end uses of the raw materials used in products, are affecting and will continue to affect our operating environment. We promote the efficient use of raw materials and resources in line with the principles of the circular economy in many ways, focusing on recycling waste, waste management and solutions for consumers. We are continuously identifying new operating models related to the circular economy in order to recycle valuable raw materials and resources even more efficiently and for longer than before. In the **Sustainable consumption →** section, you can read more about the services we offer our customers. The circular economy in the retail sector means ensuring the reuse of materials, but also providing alternative consumption methods. Consumers' awareness of sustainability is also increasing, and they expect companies to implement measures to promote the sustainable use of natural resources.





Packaging

The most important purpose of packaging is to protect the product. Functional packaging prolongs the shelf life and safety of the product and prevents waste. Food product packaging is especially important in minimising food waste. S Group's packaging policy sets out our most important goals and requirements regarding the sustainability of packaging.

We adhere to the following five principles in terms of the sustainability of packaging:

1. **Reduction of packaging materials**
   Our objective is to minimise all unnecessary packaging and reduce the amount of material used.

2. **Recyclability of packaging and sorting instructions**
   Our objective is for all our private-label consumer products and packaging of products packaged in stores to be recyclable. We will add sorting instructions in plain language to the consumer packaging of our private-label products to make it easy for consumers to correctly sort packaging into recycling.

3. **Our objective is to increase the use of recycled materials**
   The purpose of using recycled materials such as recycled plastic and recycled paperboard is to reduce the need for virgin materials.

4. **Our objective is to increase the use of renewable materials**
   Renewable materials such as paperboard, paper and bio-based plastic can often replace fossil-based raw materials such as conventional plastic.

5. **We will investigate our opportunities to replace disposable packaging with reusable packages.**

Through the international New Plastics Economy Global Commitment launched by the Ellen MacArthur Foundation and the UN, we have been committed to promoting the circular economy of plastic since 2018. The most important goals of the commitment include avoiding unnecessary plastic and improving recyclability. The commitment also contributes to the reuse of plastic, which reduces the need for virgin plastic in packaging. S Group is also committed to the Green Deal agreement related to the directive on single-use plastics, which is primarily aimed at reducing the consumption of disposable plastic packaging for meals and drinks. In addition, S Group is involved in the food industry's commitment to improve material efficiency in 2022–2026. One of the commitment's objectives is to promote the use of environmentally sustainable packaging solutions.

SMARTER PACKAGING

The recyclability of the packaging of private-label products is assessed and promoted on a product-by-product basis. For example, in 2024, replacing glass packaging in the Coop pasta sauce series with cardboard reduced a total of 47,000 kg of glass and 2,000 kg of aluminium on an annual basis. In Coop battery packaging, the packaging material of ten products was replaced entirely with cardboard packaging, whereas the material previously used was more difficult-to-recycle combination packaging containing both plastic and cardboard. In the inner bags in Coop muesli packets, the type of plastic was changed from hard-to-recycle composite plastic to mono plastic, which is more recyclable. As the material is thinner than before, it was also possible to reduce the amount of plastic used in packaging.

Recycled plastic is currently used instead of conventional virgin plastic in more than 200 of our private-label grocery products in consumer packaging. Virgin plastic in packaging is also being replaced with bio-based plastic. In 2024, the product packaging for 50 of our private-label grocery products contained bio-based plastic. For example, the packaging of Kotimaista frozen bilberries has been replaced with packaging made of bio-based and recycled plastic material.

During 2024, a packaging reform was started in the private-label products of the consumer goods trade, in connection with which plastic was completely removed from the packaging of House sheets and pillowcases, for example.

We are looking to explore alternatives to single-use plastic packaging and switch to non-plastic alternatives when possible in terms of product quality and shelf life. In 2024, no plastic packaging was replaced by other alternatives. Plastic is often the lightest packaging option and the most feasible in terms of product quality, shelf life and waste management.

We promote reusable packaging, especially in logistics. For example, reusable produce boxes have been in use for years. These are used to replace disposable cardboard boxes.

REUSABLE PACKAGING

We promote reusable packaging, especially in logistics. For example, reusable produce boxes have been in use for years. These are used to replace disposable cardboard boxes. In 2024, our supply chain used more than 17.5 million reusable produce boxes. This is around 3% more than in the previous year. The use of reusable produce boxes has increased by more than 50% from 2018. Our produce sections also offer our customers reusable produce bags that they can use to replace disposable produce bags. The reuse of packaging is also possible in detergents and cleaning products. In 2024, five private-label products had a refillable packaging.

In 2024, S Group launched a project connected to the Reusify research project led by VTT and the University of Vaasa. In addition to S Group, there are more than 20 other key Finnish companies and operators as partners and consortium members in the value chain that enables the reuse of packaging. S Group's own analysis and modelling is carried out in close cooperation with the joint experiment and the research consortium. In the 2.5-year project, S Group aims to better understand what the possible reuse of packaging in store processes and the everyday life of store employees and customers could mean and require. The subjects of the examination include the cost and environmental impacts of different implementation models.

The Palpa bags used in stores have been made of 100% recycled material for around ten years. Since 2022, the clear PE plastic fraction generated at Inex has been used in the manufacture of its own Palpa sacks on a closed-loop basis. Plastic is recycled from Inex to L&T in Merikarvia, where the amount earmarked for SOK will be washed and recycled into plastic pellets. This material can be used directly as is for the manufacture of new Palpa bags. The bags will be produced by L&T's partner company in Merikarvia.

THE SALE OF PLASTIC BAGS PER CUSTOMER DECREASED

S Group is taking part in the national plastic bag commitment that seeks to reduce the use of plastic bags. The goal is for every Finn to use no more than 40 plastic bags per year by the end of 2025.

The grocery trade sold 151 (2023: 150) million plastic bags. The sales of plastic bags increased by 0.7% from the previous year. At the same time, the number of customers has grown significantly more. The sales of paper bags (34%) increased from the previous year, and the sales of bio-based carrier bags (-12%) continued to decline. The sales of reusable bags increased by 5%. In 2024, 76% of grocery purchases were made without buying a plastic bag.

At Sokos, the sales of reusable bags increased by around 36% compared with 2023. However, the sales volume of reusable bags at Sokos stores is fairly low, as around 4,900 were sold at Sokos stores in 2023. The sales of paper bags decreased by 5% compared with 2023. The paper bag is still the most popular shopping bag at Sokos. Sokos only uses plastic bags during its 3+1 campaign. The sales volume of plastic bags is decreasing all the time, and in 2024, 44% fewer plastic bags were sold than in the previous year.

2024

Oma kassi kaus kantaa campaign

In May 2024, S Group and other grocery companies campaigned to reduce the consumption of plastic bags. The aim was to make consumers prefer multi-purpose and durable bags, such as fabric bags and reusable shopping bags.

The campaign was based on a common goal for the sector and a national plastic bag commitment, in which S Group is also involved. The national plastic bag commitment seeks to reduce the use of plastic bags. The goal is for every Finn to use no more than 40 plastic bags per year by the end of 2025. In 2024, 62 plastic bags per person were purchased in Finland. In 2023, the figure was 64 plastic bags per person.

You can check the number of bags purchased in S-mobiili's My Purchases service, as well as the money spent on them for the past year and month.



We actively encourage our customers to use their own reusable bags instead of buying plastic bags.

COMMUNICATION AND TRAINING ON PACKAGING

S Group's policy to promote the responsibility of packaging outlines our most important goals and requirements regarding responsible packaging. During 2024, guidelines have been reviewed in the supermarket trade, and the implementation of the alignment has been specified. Our joint Nordic procurement organisation Coop increased the provision of information to its personnel about sustainable packaging, reducing plastic and alternative packaging methods during 2024.

Our goal is to highlight to our customers the environmental impacts of sustainable packaging, the recycling of packaging materials and the reduction of plastic in particular. In customer communications, we make use of in-store communications, the packaging of private-label products and our electronic customer communication channels. The packaging of our private-label products has clear sorting instructions to make it as easy as possible for the customer to sort the packaging for recycling.

During 2024, we continued to communicate about the reduction targets for plastic bags through various channels, online news, social media platforms and campaigns. During the autumn of 2024, we paid special attention to monitoring and reducing our customers' plastic bag purchases through our S-mobiili app's My Purchases service. We actively encourage our customers to use their own reusable bags instead of buying plastic bags, and we also make use of plastic bags in our customer communications. We use the texts on the plastic bags to encourage customers to reuse the bags or sort them for recycling.

2024



Discounted vegetable and bread boxes save products from going to waste

In addition to donations, all the 19 cooperatives use produce waste boxes and bags. The operating model is used in all S-markets. The practice is also in use in several Prisma stores, as well as in Sale and Alepa stores. In 2024, the waste boxes reduced the amount of fruit and bread waste by more than 4 million kilograms.

When the products of a grocery store's fruit and vegetable department are no longer in perfect condition, but still edible, they are collected for sale in separate and affordable bags and boxes. This gives us a chance to reduce wastage and save resources.

While the most important work to reduce food waste is done by forecasting that relies on data, the forecast does not always hit the bullseye, as the fruit and vegetables may also have imperfections in their appearance or be bruised. The goodie boxes on offer during morning hours are a welcome addition to the red-labelled products and the popular evening discount.

S Group aims to move towards halving food waste by 2030. In stores, the fight against food waste is a daily effort, and we also want to encourage our customers to pay attention to food waste.

Food waste

We aim to halve food waste by 2030.

The food waste of S Group's grocery stores in 2024 was 1.23% (2023: 1.28). In 2024, relative food waste decreased by 4%, and the amount of waste produced was reduced by around 1,300 tonnes compared with the previous year. Compared with 2014, the amount of food waste has decreased by 31%.

Red-labelled products at stores are one of the visible methods of wastage management. Products about to go out of date have been systematically discounted at S Group's grocery stores for more than 10 years. In 2024, we sold a total of around 97 million (2023: 92 million) red-labelled products (-30% and -60% of the normal price). The popularity of the increased evening discounts is particularly evident in smaller stores, such as Alepa stores, where the practice began around eight years ago. The evening discount practice has been in national use for seven years.

FOOD WASTE AT OUR STORES IN FINLAND HAS DECREASED BY

31%

SINCE 2014

Usable food is also donated to charity, and S Group has more than 400 food aid partners. In addition, food donations are carried out at outlets in Estonia.

In addition to donations, all the 19 cooperatives use produce waste boxes and bags.

WE ARE LOOKING FOR NEW WAYS TO REDUCE FOOD WASTE IN OUR RESTAURANTS

S Group's restaurant food waste has increased slightly and was 1.17% in 2024 (2023: 1.15). The food waste in ABC restaurants was 3% in 2024 (2023: 2.52).

We aim to continuously seek and develop new ways to reduce food waste at our restaurants. Usually, the measurement and monitoring of food waste is carried out manually alongside other restaurant work. In 2024, Biovaaka scales for weighing food waste were used in 14 Pizza & Buffa restaurants and three hotels. Biovaaka sales, which make it easier to record sales and waste, were introduced in the ABC chain in 2024. In 2024, they were in use in almost 80 units.

The scales have made it easier to record buffet-style catering in particular. Recorded food waste has increased with the increase in recording. Recorded food waste enables us to better identify the cause of waste. In 2025, we will focus on measures to reduce recorded food waste.

The system provides immediate feedback on the amount of food waste accumulated in a restaurant. At the same time, it generates data, which provides the restaurant with accurate data on the food waste generated in various areas of its operations more easily and comprehensively. Customers also play a key role in minimising food waste, and when they return dishes, the system provides them with feedback on the amount of their food waste by displaying one of three smiley faces.

MORE THAN 185,500 MEALS SAVED THROUGH THE RESQ CLUB

Through the ResQ Club, customers can purchase, at a discounted price, food and small amounts of consumer goods from restaurants, cafes and grocery stores that would otherwise be at risk of going to waste. In 2024, we managed to save a total of more than 185,500 meals, snacks, desserts, food bags, flowers, plants and cosmetic items through S Group's restaurants, grocery stores and ABC. ResQ Club was used in nearly 220 of our outlets. In addition, HOK-Elanto's Coffee House cafés, as well as some other cafés of the cooperative, have an evening discount of 50% on products in glass cabinets during the last opening hours of the day.

RAW MATERIALS INTO CIRCULATION

In 2024, our total waste volume in Finland and Estonia was 113,700 tonnes (2023: 118,200). The amount of waste from our operations in Finland is estimated to account for around 4% of the country's municipal waste. The amount of hazardous waste was around 1,100 tonnes (2023: 600), and the amount of liquid waste was 5,100 tonnes (2023: 5,600). Most of the waste generated by our operations is paperboard, paper and organic waste, as well as energy waste and waste to be incinerated. In 2024, 82% of the waste we generated was taken to be recycled into materials. Our goal is to recycle 80% of our waste as materials or new products by the end of 2025.

S GROUP'S WASTE MATERIALS (TONNES)

	2022	2023	2024
Paper and paperboard	36,700	36,000	**37,200**
Biowaste	31,500	32,700	**28,600**
Energy waste and combustible waste	23,700	23,100	**20,800**
Plastic	3,200	7,800	**8,900**
Metal	3,300	8,300	**9,200**
Glass	700	700	**600**
Other solid waste	2,400	3,400	**2,200**
TOTAL SOLID WASTE	**101,500**	**112,000**	**107,500**
Hazardous waste	900	600	**1,100**
Liquid waste	5,300	5,600	**5,100**
ALL WASTE IN TOTAL	**107,600**	**118,200**	**113,700**

The waste data covers 98% of locations.
The figures include Finland and Estonia.
Assurance report on the waste figures for 2024 →.



S GROUP'S SOLID WASTE 2024, %

Paper and paperboard	34.6%
Biowaste	26.6%
Energy waste and combustible	19.3%
Other waste	19.4%

PROCESSING AND REUSE OF S GROUP'S WASTE MATERIALS, %

	2022	2023	2024
Material recycling	45	82	**82.3**
Reuse for energy	24	18	**17.3**
Reuse of biowaste	31	–	**–**
Landfill processing	0.03	0.4	**0.4**

The figures have been calculated for all waste.
The figures include Finland and Estonia.
Since 2023, the management of biowaste has been incorporated into material recycling and energy recovery
Assurance report on waste data for 2024 →.



COMPREHENSIVE RECYCLING NETWORK HELPS CUSTOMERS RECYCLE

The comprehensive network of Rinki recycling stations for paperboard, glass, metal and plastic packaging is available at our outlets. At the end of the 2024, there were Rinki recycling stations at 442 stores. All of these collected cardboard, glass and metal, and 423 collected paper, 406 plastic and 317 textiles.

Refundable beverage containers, as well as batteries and waste electrical and electronic equipment, can be returned to our locations. In 2024, the return volumes of both plastic bottles and aluminium cans increased compared with the previous year. Customers can return old, unused nail polish to 53 stores in the Sokos and Emotion chains.

RECYCLING POINTS AND RECYCLED QUANTITIES

	2022	2023	2024
Number of recycling stations	438	438	**442**
Returned recyclable plastic bottles, million pcs	287	303	**326**
Returned recyclable glass bottles, million pcs	49	46	**44**
Returned aluminium cans, million pcs	665	682	**716**
Returned portable accumulators and batteries, tonnes	648	539	**617**

TOWARDS AN EQUAL WORLD – BY REMOVING INEQUALITY

S Group is committed to respecting human rights in all its operations and complying with the due diligence obligation to prevent negative human rights impacts in accordance with the UN Guiding Principles on Business and Human Rights.

95 HUMAN RIGHTS AT S GROUP
100 RESPONSIBLE PROCUREMENT
107 ENSURING THE SAFETY OF OUR CUSTOMERS AND EMPLOYEES
112 DATA PROTECTION
114 PERSONNEL WELL-BEING
120 DIVERSITY



KEY TARGETS

THEME	TARGET	ACTUAL 2023	ACTUAL 2024	COMMENT
PERSONNEL	Job satisfaction survey	76.3	75.5	Our most important annual indicator of job satisfaction is our workplace community survey (TYT), to which all S Group employees are invited to respond.
PERSONNEL	Our goal is to provide positive learning experiences for young people at the beginning of their careers.	about 17,000 summer employees	about 18,000 summer employees	S Group is one of the largest employers of young people in Finland. We offer a significant number of young people their first important experiences of working life, for example, through a summer job or in the form of practical training.
PERSONNEL	Our goal is that attitudes do not affect getting an invitation to a job interview, not even unconsciously.	We didn't ask jobseekers to provide their year of birth or age in their applications.	We didn't ask jobseekers to provide their year of birth or age in their applications.	We don't ask jobseekers to provide their year of birth or age in their applications.
HUMAN RIGHTS	Our goal is that all production factories of private label and own importing products located in high-risk countries are covered by amfori BSCI audits or equivalent third-party audits.	99%	99%	Among other matters, the audits are conducted to investigate the practices concerning occupational safety, working conditions and wages.
HUMAN RIGHTS	Our goal is that the production sites of the main raw materials produced in high-risk countries for our private-label food products are covered by sustainability verification or other measures related to due diligence. We are moving forward with our goal one product category at a time.	During 2023, we examined, among other aspects, hazelnut production chains, and launched a study on the rice production chain.	During 2024, we examined, among other aspects, the production chains of coconut, raisins, juices and rice.	To manage the identified risks, our aim is, for example, to increase the share of certified raw materials and intensify the dialogue with suppliers.
HUMAN RIGHTS	For our private-label and import products, our goal is to use only sustainably produced cotton by the end of 2025.	83%	86%	The production of cotton used according to our cotton policy must meet one or more of the following criteria: It must be more sustainable in terms of the environment, social responsibility or the farmers' economy.

Compliance with the UN Guiding Principles on Business and Human Rights requires public commitment to respecting human rights, as well as the careful assessment of human rights risks and operating methods to prevent risks and rectify adverse impacts. In addition, the principles require open communication about risks, measures and challenges.

HUMAN RIGHTS AT S GROUP

Our human rights impacts are related, in particular, to our employees and customers and the employees and communities in our supply chains. In supply chains in particular, human rights risks are closely linked to the surrounding society and must be impacted by means of systematic work over the long term through the operators in the supply chains and through other networks.

S GROUP'S HUMAN RIGHTS PRINCIPLES

S Group's human rights principles describe S Group's management model for identifying and managing matters related to human rights, as well as for risk management and communication. The principles also determine roles and responsibilities related to human rights. Their purpose is to support the systematic management of human rights at S Group over the long term, as well as describing our approach to human rights to our stakeholders. The principles complement S Group's commitment to respecting human rights in its ethical and sustainability principles. The human rights principles have been approved by SOK's Executive Board.



S GROUP'S COMMITMENTS AND PRINCIPLES

- **S Group's responsibility principles** – Through the sustainability principles adopted by SOK's Executive Board, we are committed to respecting and promoting human rights and describe our operating model in accordance with the due diligence requirement.
- **S Group's ethical principles** – Through the ethical principles adopted by SOK's Executive Board, we are committed to respecting and promoting human rights in all our operations, and we expect the same from our partners.
- **S Group's human rights principles** – Adopted by SOK's Executive Board, S Group's human rights principles describe our operating model, which is in line with the due diligence obligation, and the management of human rights efforts within our group of companies.
- **amfori BSCI and BEPI Code of Conduct** – As a member of the international amfori sustainability network, S Group is committed to amfori's Codes of Conduct. The amfori BSCI Code of Conduct is part of our procurement agreements, and the BEPI Code of Conduct will be gradually incorporated into our agreements. The Codes of Conduct set our expectations for our suppliers.
- **Women's Empowerment Principles** – S Group is committed to the principles of the UN's equality organisation, UN Women, and the UN's corporate sustainability initiative, the UN Global Compact, promoting equality and diversity.

MANAGEMENT OF MATTERS RELATED TO HUMAN RIGHTS

The management of matters related to human rights at S Group is part of sustainability management, which is the duty of SOK's Sustainability unit. In the Group Management Team, the CEO is in charge of the SOK Sustainability unit. The SOK Sustainability unit is responsible for human rights principles and their development, as well as for providing guidance for their implementation. Within S Group, the SOK Sustainability unit is responsible for the assessment of human rights risks and the development of new operating models. It also steers and coordinates the continuous assessment of human rights risks in different functions. SOK Sustainability is also responsible for internal and external reporting related to human rights.

According to the management model, the SOK Sustainability unit regularly reports key risks related to human rights, key figures and the most significant selected projects to SOK's Executive Board and senior management. SOK's Executive Board approves principles and commitments related to human rights. SOK's units and subsidiaries evaluate key business area-specific risks and preventive measures. The units are also responsible for preventive and corrective measures closely related to human rights. Human rights is one of the main themes of our sustainability programme. The goals, measures and projects related to human rights are determined in cooperation with the business operations. The most important goals have been integrated into our sustainability programme.

In the assessment of human rights impacts, we have identified the groups on whose human rights S Group may have direct or indirect impacts.

ASSESSMENT OF RISKS RELATED TO HUMAN RIGHTS

In accordance with the UN Guiding Principles on Business and Human Rights, we work to carefully assess and predict the human rights impacts of our operations and prevent and mitigate adverse human rights impacts. The assessment of human rights impacts is a continuous process. In the assessment of human rights impacts, we have identified the groups on whose human rights S Group may have direct or indirect impacts. The assessment also covers particularly vulnerable individuals and groups, such as children, women, migrant workers and people with special needs. In the assessment of S Group's human rights impacts, we use various organisations' and authorities' reports and studies, country-specific risk assessments (e.g. the amfori Country Risk Classification) and dialogue with stakeholders such as non-governmental organisations, Nordic cooperatives and procurement alliances. We also use the information we have obtained through audits, as well as our experiences of monitoring the working conditions at factories, for example. The assessment involves S Group's specialists from different business areas and the Procurement, HR and Sustainability units.

MOST SIGNIFICANT HUMAN RIGHTS RISKS

S Group has potentially both direct and indirect impacts on the human rights of different groups. The direct impacts are related to S Group's employees and customers, while the indirect impacts are related to supply chains through business relationships. Key direct and indirect human rights impacts are described below. The list is not exhaustive. It includes the key and most significant human rights impacts that we specifically aim to minimise. Other human rights are equally important, and we will continue our work to ensure that we do not hinder their fulfilment in any way.

DIRECT IMPACTS

S Group's most significant direct human rights impacts are related to the safety of our customers and employees. Ensuring the safety of locations and products, self-monitoring and, for example, monitoring compliance with age limits for purchasing alcohol and tobacco products call for continuous work to ensure that no-one's safety is compromised at work or when visiting an S Group location.

Our possible direct human rights impacts also include non-discrimination and the equality of our customers and employees. Non-discrimination means the equal treatment of customers and employees and the accessibility of our locations, for example. We respect our employees' right to join trade unions, and do not tolerate any kind of discrimination or harassment. For example, we prepare non-discrimination and equality plans for our employees and train our employees to ensure an equal workplace community without any discrimination.

INDIRECT IMPACTS

S Group may also have indirect impact on the human rights of people working in the supply chains of products and services. Our most significant indirect human rights impacts are related to forced labour, discrimination, violations of freedom of association, child labour, insufficient salary, excessive working hours and compromised occupational health and safety.

Generally, S Group's biggest human rights risks in its supply chains are related to the following:

- countries where the legislation and its implementation and monitoring are insufficient, or countries that have not ratified international labour and human rights agreements
- countries, regions and industries that have a large number of domestic or foreign migrant workers
- products and raw materials which are produced in high-risk countries and the production of which relies heavily on the use of low-skilled labour
- goods suppliers that have not made a commitment to sustainability initiatives and have not developed operating methods to ensure responsible procurement
- non-certified high-risk raw materials
- long supply chains.

It must also be taken into account that non-risk countries may also have areas or individual industries with elevated levels of human rights risks.

WE ARE COMMITTED TO RESPECTING HUMAN RIGHTS

> S Group's responsibility principles
> S Group's ethical principles
> S Group's human rights principles



WE RECOGNISE OUR OPERATIONS' DIRECT AND INDIRECT HUMAN RIGHTS IMPACTS AND THEIR AFFECTED PARTIES AND UNDERSTAND RISKS

> Human rights impact assessments
> Assessments of high-risk countries and business areas
> Surveys of high-risk raw materials
> Reports and studies
> Stakeholder dialogue

WE PREVENT THE REALISATION OF IDENTIFIED RISKS

> Contract requirements
> amfori BSCI Code of Conduct
> Third-party audits
> Certifications
> Training
> Supplier surveys
> Research model to investigate root causes

WE SEEK TO CORRECT HUMAN RIGHTS VIOLATIONS THAT HAVE ALREADY OCCURRED

> Plan of remedial measures
> Cooperation with partners
> Training
> S Group whistleblowing channel

WE REPORT TRANSPARENTLY ON OUR DUE DILIGENCE PROCESS, RISKS AND MEASURES

> Annual reporting
> Communications
> Stakeholder dialogue

PREVENTION OF HUMAN RIGHTS IMPACTS AND IMPLEMENTATION OF CORRECTIVE MEASURES

S Group's human rights work is based on thorough risk assessments and on targeting measures at areas where the risks are the highest. According to the UN Guiding Principles on Business and Human Rights, actions are prioritised on the basis of the severity, irrevocability and probability of impact, and of whether impact is caused directly or indirectly, such as through business relationships.

We seek to prevent human rights risks in supply chains in many ways, including audits of suppliers in high-risk countries and certification of high-risk raw materials. We expect all of our suppliers of products and services to respect human rights, as well as to ensure that products can be traced back to the source of the raw materials. Alongside independent audits and certificates, we have developed a method to investigate the root causes of human rights risks in supply chains. The goal is to identify current human rights issues related to products or production countries and their root causes, so that we can have an impact on them, together with our partners and stakeholders. Investigations are conducted by an independent third party, and we communicate their results openly.

We seek to have an impact on the development of working conditions in key countries from where we purchase products and services and on the development of laws that govern these through our partnership networks, whenever this development is in conflict with international human rights agreements and the ILO's standards. Open interaction with stakeholders and our partnership networks is key in making an impact. We can also have an impact by issuing various statements to the authorities or companies, either separately or jointly with international networks.

If any direct violations of human rights are discovered in S Group's activities, we will immediately start an investigation process together with the business or other unit concerned and the stakeholders. Corrective measures are taken to prevent any broader impacts and, if possible, to repair any harm. We will also investigate our own operating methods to prevent similar violations from recurring.

If any defects related to human rights are discovered in S Group's procurement of products and services, we will immediately start an investigation. Corrective measures will be agreed upon with the partner concerned, and their implementation will be monitored through audits, for example. Cooperation with the partner will not primarily be discontinued, as doing so would not help the workers' situation at the factories and on the farms. Cooperation is the best way to improve operations. Furthermore, boycotting a specific product or procurement area is never our primary solution, as this would often damage the position of workers who are already in the weakest position. Cooperation can be discontinued if a partner does not show any willingness to address or is not committed to addressing repeatedly discovered defects. Cooperation can also be discontinued if a partner does not consent to any audits conducted by an independent third party. The goal is to increase the capabilities of partners to improve the conditions of workers by providing training and by requesting suppliers to participate in training provided by the amfori sustainability network.

Particularly in supply chains, S Group is not always able to have any direct impact on the correction of defects. Increasing influence through cooperation with other companies, sustainability initiatives and other networks is important in such cases.

S Group has drawn up internal guidelines and trained its personnel to identify and prevent human trafficking and labour exploitation. The risk of human trafficking and labour exploitation is also real in Finland, which is why it is important for the people in our outlets and locations and those responsible for sourcing, for example, to be able to identify and report their concerns and investigate their partners' operating methods.

INTERNATIONAL ACCORD

S Group joined the Bangladesh Accord in 2020 and, following its end, the new International Accord initiative (International Accord for Health and Safety in the Textile and Garment Industry) in the autumn of 2021. Third-party inspections are carried out at the garment factories used by the companies that have joined the Accord, and the corrective measures and training undertaken on the basis of these inspections improve the fire, electrical and building safety of the factories. All Bangladeshi factories producing clothes for S Group's private labels or its import operations are included in the Accord process.

The Accord expanded to Pakistan at the end of 2022, where its operations began in 2023. S Group is also involved in the Pakistan Accord.

S GROUP WHISTLEBLOWING CHANNEL

S Group has an anonymous whistleblowing channel, open to S Group's employees and external stakeholders. Suspected misconduct and violations of ethical principles can be reported through the channel, and all reports will be processed. The whistleblowing channel is organised by our partner WhistleB. Reports can be submitted to the channel under your own name or anonymously. The reporting process is encrypted, and all reports are processed confidentially. People filing reports will be protected against retaliatory action in accordance with the requirements set out in the Whistleblower Act that entered into force in 2023.

In 2024, a total of 89 reports were submitted to S Group's whistleblowing channel. The reports were mainly related to personnel matters, occupational health and safety or sustainable and ethical ways of working. There were no reports during the year that would have led to official investigations.

The cases reported through the channel are processed by SOK Risk Management in cooperation with key people in various organisations of S Group in a manner that ensures impartiality. On the basis of reports received through the whistleblowing channel, it was decided that a clarification of instructions and ground rules and their review with the employees was in order. In addition to S Group's own channel, stakeholders have access to amfori's reporting channel, which can be used to report human rights violations in amfori members' supply chains.

We provide our employees with continuous training on ethical principles. This training covers the principle of integrity, disqualification from decision-making and equal treatment in the workplace, for example. The participants are also reminded of the opportunity to report any violations of the ethical principles to the whistleblowing channel. The training is also part of our induction training for new employees.

SUPPORT FOR DEFENDERS OF HUMAN RIGHTS

S Group has extensively and openly supported the civil society in order to support human rights in supply chains. Defenders of human rights are individuals or groups who promote the fulfilment of human rights locally, nationally or internationally. Typically, defenders of human rights are non-governmental organisations, representatives of trade unions and employees who highlight defects in working conditions.



We do not interfere with the work of defenders of human rights or the functioning of civil society, including campaigns related to S Group. We expect that our partners also respect the work of defenders of human rights and the functioning of civil society, and we do not accept any type of interference from our partners. In situations where there is clear evidence of one of our partners interfering with or preventing the work of defenders of human rights or the functioning of civil society, we aim to exert pressure within the scope of our influence on our partner to stop this interference.

2024

Ethics index

Since 2017, we have been following the ethics index, which is part of our job satisfaction survey. The index measures employees' trust in their employer, as well as their perceptions of the ethicality of the company's operating methods and the implementation of its values and principles in day-to-day work. In 2024, the index was 83.8 (2023: 80.4) on a scale of 0–100.

If the situation is directly related to S Group's operations, legal and financial measures are also possible. Such situations will be investigated on a case-by-case basis. Improving legal protection at the national level is a key method in supporting the work of defenders of human rights, and their lawful activities should not be impeded by legal means.

EMPLOYING VICTIMS OF HUMAN TRAFFICKING

In Finland, the scope of the system for assisting victims of human trafficking currently covers around a thousand people. Most of them are victims of labour trafficking, and S Group has experience of employing them through HOK-Elanto. These experiences gave rise to a broader will within S Group to find out which matters should be taken into account in recruitment situations and the recruiting process. As a student project, students of Aalto University prepared a roadmap for S Group on how companies can employ victims of labour exploitation through best practices: how to start, who to contact, what the benefits for companies are and, on the other hand, what kinds of challenges a company may face both in the recruitment and during the employment relationship.

THE RIGHT TO A CLEAN AND SAFE ENVIRONMENT IS A HUMAN RIGHT

In the autumn of 2021, S Group and a group of other companies submitted to the UN Human Rights Council and the General Assembly that the right to a safe, clean and sustainable environment be recognised as a human right. The state of the environment has an impact on the life and health of people in the local region, which is why it should be recognised as a human right. The UN Human Rights Council approved the initiative in the autumn of 2021, and the General Assembly issued a resolution on the matter in 2022.

Our operations have indirect impacts on environmental matters in the supply chains of products and services and on the human rights of the people who work in the supply chains, especially in high-risk countries in terms of social responsibility.

RESPONSIBLE PROCUREMENT

In responsible procurement, it is essential to agree on expectations and requirements regarding responsibility when selecting and cooperating with goods suppliers and service providers, and to monitor compliance with the agreed matters. In 2024, we updated our procurement contracts for groceries and consumer goods, specifying our expectations regarding due diligence on environmental and human rights impacts. In 2024, we signed the amfori BEPI Code of Conduct and included it in the contract update as part of the contract package. In our procurement contracts, we require all our suppliers to respect key labour and human rights, as well as to exercise due diligence to identify, mitigate and remedy the human rights and environmental impacts of their operations and supply chains.

We assess the human rights risks in procurement through, for example, the amfori risk tool for country-specific risks and the risk assessments of raw materials, as well as other available sources of information, such as studies, reports and surveys by organisations, international institutions or research institutions. In addition, we conduct regular surveys among all our suppliers on social responsibility practices and the origin of products.

We require third-party factory audits from all suppliers whose products are manufactured in countries with a high risk level in terms of social responsibility or contain raw materials procured from high-risk countries. We regularly monitor the fulfilment of the requirements, particularly with regard to factories producing our private-label products and products imported by us.

We are a member of the international amfori sustainability system and have actively participated for years in the development of the system and its tools through working group and board work. The goal of amfori is to improve the working conditions of employees

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to the level required by international labour and human rights agreements and to have an impact on environmental issues in the supply chain, as well as to clarify and harmonise the monitoring of supply chains by companies. S Group is also a member of the Sedex (Supplier Ethical Data Exchange) initiative and the International Accord initiative.

PRINCIPLES OF RESPONSIBLE MEDIA PROCUREMENT

S Group's media investments follow the ethical guidelines on marketing of the Council for Mass Media (CMM). They were used as the basis for producing principles to guide the procurement of purchased media. In accordance with the principles, media content must be in accordance with good practice and must not undermine the general public's trust in the news or journalistic content. In media content, human dignity must be respected, and it must not incite discrimination. Media must not encourage, admire or allow violence, illegal activities or other conduct against society. Media must not encourage or seek to benefit from superstition or beliefs not supported by science.

S GROUP'S PROCUREMENT

S GROUP'S TEN LARGEST PROCUREMENT COUNTRIES*

COUNTRY	% OF TOTAL PROCUREMENT
Finland	87.6%
Sweden	2.0%
The Netherlands	1.8%
Spain	1.0%
Germany	1.0%
China	0.9%
Denmark	0.9%
Italy	0.6%
France	0.5%
Belgium	0.5%

*) Includes S Group's goods and service procurement in Finland. Does not include fuel purchases.

S GROUP'S TEN LARGEST HIGH-RISK COUNTRIES OF PROCUREMENT IN TERMS OF SOCIAL RESPONSIBILITY*

COUNTRY	% OF TOTAL PROCUREMENT	% OF PROCUREMENT FROM HIGH-RISK COUNTRIES
China	0.90%	50.0%
Turkey	0.19%	10.5%
Bangladesh	0.12%	6.6%
Thailand	0.09%	4.9%
India	0.07%	3.9%
Vietnam	0.06%	3.5%
Egypt	0.05%	2.7%
South Africa	0.05%	2.6%
Morocco	0.04%	2.5%
Indonesia	0.04%	2.5%

*) Includes S Group's goods and service procurement in Finland. Does not include fuel purchases.

Assurance report on procurement from high-risk countries for 2024 →.

Our principle is that direct purchases from high-risk countries are only made from suppliers audited by a third party.

ASSESSMENT OF HUMAN RIGHTS RISKS IN PROCUREMENT

PROCUREMENT FROM HIGH-RISK COUNTRIES

S Group purchases products for private labels and its own imports from several countries. Of the factories manufacturing the products, 734 are located in a high-risk country. The proportion of direct purchases from high-risk countries is 1.2% of S Group's goods and service procurement (including operations in Finland, excluding fuel procurement), and 8% of private labels and own imports. Our principle is that direct purchases from high-risk countries are only made from suppliers audited by a third party. Non-risk countries may also have areas with elevated levels of human rights risks. For example, human rights risks have been generally identified in the Spanish and Italian agricultural sectors in the working conditions of immigrants. This is why we have expanded the monitoring of the social responsibility of our private label procurement in Italy and other Mediterranean countries to the initial production of fresh fruit and vegetable products, as well as the tomatoes used in canned tomato products.

The raw materials of some products originate from high-risk countries, even when production of the product itself takes place in a low-risk country, such as within the EU. For our private-label food products, we establish the production location of the main raw material. Our goal is that the production sites of the main raw materials produced in high-risk countries for our private-label food products are covered by sustainability verification or other measures related to due diligence. We are moving forward with our goal one product category at a time.

In 2024, the focus was particularly on the production chains for coconut, raisins, juices and rice. In the coconut production chain, the social responsibility challenges are related to occupational health and safety, among other aspects. The aim is to further improve the traceability of the chain in the future, as well as to increase the share of certified raw material. In the raisin chain, the weak working conditions and occupational health of migrant workers, for example, have been identified as a challenge. The raisin chain promotes continuous dialogue with actors and farm-level inspections. In terms of rice, the aim is to increase the proportion of Sustainable Rice Platform and Fairtrade certified rice, as well as to intensify dialogue with suppliers. In terms of juices, the review started in November 2024 and will continue in 2025.

In the past, we have reviewed the production chains of private-label products such as frozen fruit and berries, vanilla and nuts to promote the sustainability of the production sites of main raw materials. Our goal is that our private-label coffee, tea and cocoa are certified.

During 2022–2023, human rights violations were detected in the berry picking sector in Finland. The legal status of foreigners collecting natural products in Finland is regulated by law. In Finland, the occupational health and safety authorities supervise to ensure that appropriate occupational health and safety regulations are complied with when picking wild berries and that safety at work is taken care of. We have reviewed the situation with our suppliers and carried out sustainability surveys. We have paid special attention to the advance training of pickers, as well as information about the rights of pickers in their own language. In its contracts, S Group requires that its suppliers respect labour and human rights. We have also discussed the situation with other industry stakeholders, and this discussion will continue in 2025.

PURCHASES OF SERVICES

When purchasing services, we pay attention to risks related to labour exploitation in Finland. Our service supplier contracts include a requirement for appropriate working conditions, and we discuss the related risks with our service providers on a regular basis.

LOW-RISK PURCHASES

Some purchases are regarded as low-risk in terms of human rights, as the products and their raw materials are manufactured in areas that the amfori BSCI deems to be low-risk.

HUMAN RIGHTS REQUIRE COMMON RULES

S Group is in favour of regulating by legislation the obligation of due care compliant with the UN Guiding Principles on Business and Human Rights. For the legislation to be equal for everyone and to have a genuine impact on the realisation of human rights, it should be decreed at the EU level and apply to everyone. We have been promoting this matter in cooperation with stakeholders and networks. The EU Corporate Sustainability Due Diligence Directive was adopted in 2024, and its national implementation is in progress. The due diligence requirement applies to both environmental and human rights issues.

At the end of 2024, 86 per cent of the cotton used in S Group's private-label and own import clothing and home textile products was responsibly produced.

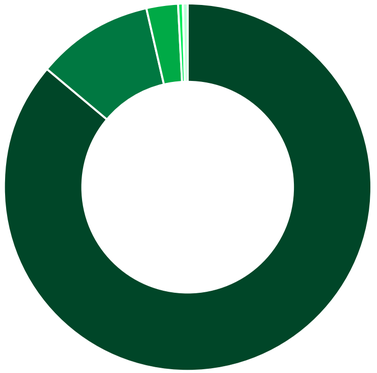


AUDITS – FACTORY INSPECTIONS BY THIRD PARTIES

When monitoring our goods suppliers, we pay special attention to countries with the most significant risk of labour and human rights violations. According to the amfori BSCI, such high-risk countries include several countries in Africa, Asia and South and Central America, as well as certain European countries. Our private-label purchases and own importing from high-risk countries are made from audited suppliers. Our goal is to audit all production factories of private label and own importing products located in high-risk countries through amfori BSCI audits or equivalent third-party audits.

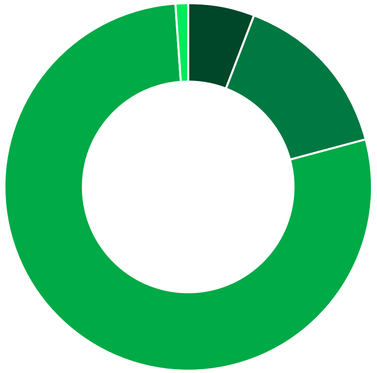
Audits refer to factory inspections such as amfori BSCI or Sedex SMETA audits, SA8000 certification or similar third-party inspections. In the audits, independent auditors inspect production plants to ensure that the criteria for the system are being met in practice. In 2024, BSCI audits were conducted at the factories of 452 S Group suppliers (2023: 442).

The audits cover matters such as working time and occupational safety practices, as well as the payment of the statutory minimum wage. A total of 99% of factories manufacturing S Group's private labels and own imports products in high-risk countries had been audited by the end of 2024. By the end of the year, 1% of the production factories were of the kind in which the necessary monitoring audit had not been carried out or whose auditing system had not been approved by S Group.



PURCHASES FROM AUDITED SUPPLIERS 2024, %

amfori BSCI	86.3%
SMETA	10.3%
SA 8000	2.6%
ICTI	0.4%
WRAP	0.4%



RESULTS OF S GROUP'S BSCI AUDITS IN 2024, %

BSCI A (Outstanding)	6%
BSCI B (Good)	15%
BSCI C (Acceptable)	78%
BSCI D (Insufficient)	1%

AUDIT SCORES

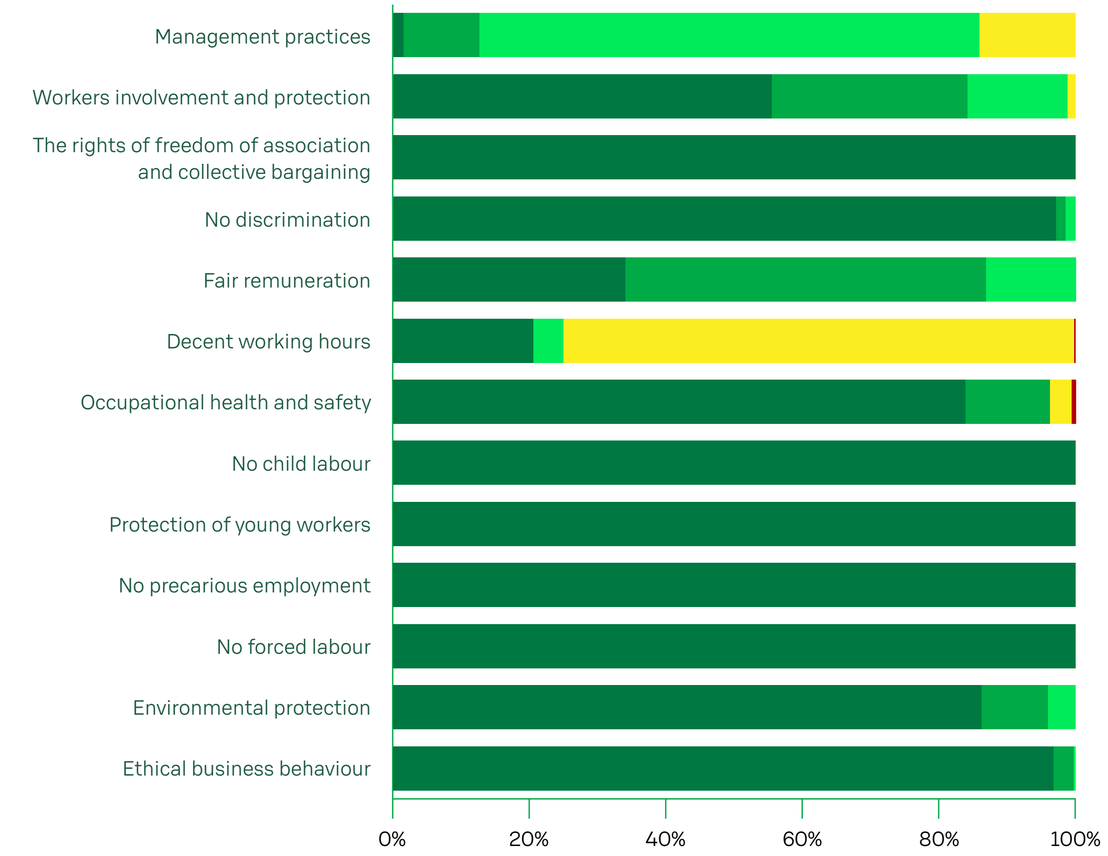
In 2024, the most significant development needs detected during the amfori BSCI audits were related to working time and management practices. If the audit score is low, the factory will draw up a plan for corrective measures. A new audit will be performed to monitor compliance with the plan. Generally, cooperation with the partner will not be discontinued, as doing so would not help the workers' situation at the factories and on the farms. The best way to develop activities is to do so together, and remedial action is crucial.

To help suppliers improve their operations, amfori provides training on correcting typical issues detected during audits. We encourage our suppliers to participate in such training.

During 2024, no zero tolerance observations were made in connection with sustainability audits in factories of private-label products and own imports located in high-risk countries. Zero tolerance observations concern child or forced labour, an immediate safety deficiency, or bribery. Through the amfori Speak for Change complaint mechanism, we received four complaints to be processed. The complaints concerned factories located in Vietnam, Turkey and Bangladesh. The complaints concerned labour rights and harassment. We take complaints that come to our attention seriously. All complaints are handled in accordance with the amfori process, involving the buyers. The amfori Speak for Change mechanism is currently available in Bangladesh, Turkey, Vietnam, India and Cambodia.

RESULTS OF BSCI AUDITS BY AREA IN 2024

FULL AUDITS IN 2024



FOLLOW-UP AUDITS IN 2024



A (OUTSTANDING) B (GOOD) C (ACCEPTABLE) D (INSUFFICIENT) E (UNACCEPTABLE)

CERTIFIED PRODUCTS

CHOICES BASED ON VALUES

GUIDELINES AND TARGET		SITUATION IN 2024
COCOA	For our private-label products, our goal was to use only cocoa that has been certified or verified for sustainability by the end of 2020. For a product to be verified for sustainability, its supply chain must be verified through audits all the way back to primary production. Acceptable certificates include Fair Trade and Rainforest Alliance, for example.	99% of the sales volume of S Group's private-label cocoa and chocolate (2023: 100%) and 99% of the relevant product items (2023: 100%) had been certified by the end of the year.
COFFEE	For our private label products and S Group's restaurants, our goal was to use only coffee that has been certified or verified for sustainability by the end of 2019. For a product to be verified for sustainability, its supply chain must be verified through audits all the way back to primary production. Acceptable certificates include Fair Trade and Rainforest Alliance, for example.	100% of the sales volume of S Group's private-label coffees (2023: 100%) and 100% of the relevant product items (2023: 100%) had been certified by the end of the year. In S Group restaurants, 99% of the sales volume of coffee (2023: 97%) and 88% of the relevant product items (2023: 84%) had been certified or verified as sustainable by the end of the year.*
FISH AND SHELLFISH	The sourcing of fish products complies with S Group's fish policy, which is mainly based on fish guidelines from WWF Finland and WWF Sweden. In our green policy (good choice), we also accept MSC- and ASC-certified fish and shellfish products. When required, information provided by Natural Resources Institute Finland is applied to species caught in Finland, while information provided by the Marine Conservation Society is applied to species caught abroad. The basic principle of our fish guidelines is to exclude from our product range any fish from fish stocks that are endangered, vulnerable or subject to overfishing, and the origin of the fish must always be known. In addition, undersized or protected fish are not accepted in the product selection. Separate criteria concerning fishing areas or fishing methods have been set for many fish species, such as prohibition of bottom trawling. The fish guidelines are regularly updated, and the latest update took place in November 2023. The guidelines apply to SOK's procurement and the cooperatives' own procurement in both S Group's grocery stores and restaurants.	At the end of the year, S Group's grocery stores had 79 (2023: 75) fish counters in the food market that had been granted the MSC and ASC traceability certificate.
EGGS	S Group will discontinue the sale of enriched cage eggs in stages by the end of 2026. For hotels and restaurants, our goal was to end their use by the end of 2021. The change will be implemented in two stages at S Group's grocery stores: the sale of enriched cage eggs under the Kotimaista brand will be discontinued by the end of 2023, and the sale of other enriched cage eggs will be discontinued gradually by the end of 2026. This policy also concerns S Group's Prisma stores and hotels in Estonia.	At the end of 2024, 14.3% of the eggs sold at S Group's grocery stores (2023: 16%) were enriched cage eggs. Less than 0.01% of the eggs used at S Group's restaurants and hotels were enriched cage eggs. In Estonia, enriched cage eggs accounted for 68.5% of the eggs in Prisma stores in 2024 (2023: 100%) and 100% in hotels (2023: 100%).

*) Group's restaurants do not serve private-label coffee.

GUIDELINES AND TARGET

PALM OIL

S Group's goal is to only use certified palm oil traceable to palm oil plantations in private-label products and in deep-frying oil in restaurants by the end of 2021. S Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. RSPO's criteria for palm oil plantations include the conservation of biodiversity and the improvement of operations through ethical and ecological standards.

COTTON

For our private-label and import products, our goal is to use only sustainably produced cotton by the end of 2025. At that point, all cotton is intended to be organic or recycled, or produced in line with Fair Trade or the Better Cotton Initiative (BCI). The use of cotton produced in Turkmenistan, Uzbekistan and the Xinjiang region of China is prohibited unless it complies with the Better Cotton Initiative (BCI) or is Fair Trade certified.

SOY

Our goal is that soy from high-risk countries that is used as an ingredient in our private-label products, as well as soy feed from high-risk countries that is used in the production chains of animal-based ingredients (meat, fish, dairy, eggs) for our private-label products, is certified. In addition, the goal is that soy from high-risk countries that is used in meals served in our restaurants and cafés, as well as soy feed from high-risk countries that is used in the production chains of animal-based ingredients (meat, fish, dairy, eggs) for the meals, is certified. Responsible soy certificates include Round Table on Responsible Soy (RTRS) and ProTerra.

TEA

The goal was that only tea that is certified or verified for sustainability is used for our private-label products and at S Group's restaurants by the end of 2019. For a product to be verified for sustainability, its supply chain must be verified through audits all the way back to primary production. Acceptable certificates include for example Fair Trade and Rainforest Alliance.

SITUATION IN 2024

The certification rate of the palm oil used in S Group's private-label food products was 100% at the end of 2024 (2023: 100%). The proportion of traceable RSPO Segregated palm oil was 98% (2023: 99%).

Of the cotton used in S Group's private-label products and own imports, 86% (2023: 83%) was responsibly produced at the end of 2024. Of this, 4.7% was organic cotton (GOTS certified), 0.5% was other organic cotton, 93.4% was cotton sourced through the Better Cotton Initiative (BCI) and 1.5% was certified recycled cotton.

Of the soy from high-risk origin used in S Group's products as raw material or as animal feed in the production chains of animal-based products, 89% is certified (2023: 58%)**. Of this, 93% was RTRS-certified and 7% Pro Terra-certified. Of the soy used, 99.7% (2023: 99.6%) is soy used as feed for animal-based products. Of all the soy used, 62% (2023: 61%) originates from a high-risk country.***

100% of the sales volume of S Group's private label tea products (2023: 100%) and 100% of the relevant product items (2023: 100%) had been certified by the end of the year. In S Group restaurants, 87% of the sales volume of tea (2023: 76%) and 71% of the relevant product items (2023: 70%) had been certified by the end of the year.

**) Includes S Group's private-label food products as well as the products used in S Group's cafés and restaurants.

***) If no reliable information about the use of soy or its origin has been obtained from the supplier, it has been assumed that it is of risk origin, and the soy factors of RTRS have been used for calculating the amount of soy.

The safety of our customers and personnel is of utmost importance to us. In addition to creating a safe environment for our customers and employees, we want our customers to be able to trust the safety and high quality of our products and services. We monitor products and supply chains in many different ways. The monitoring is supported by standards concerning products and manufacture, as well as by audits.

ENSURING THE SAFETY OF OUR CUSTOMERS AND EMPLOYEES

Ensuring the safety of S Group's personnel includes eliminating disruptive behaviour, preventing accidents and identifying and avoiding dangerous situations and near misses. The key to prevention is the continuous development of the personnel's safety competence and the proactive management of work-related hazards and risks.

A SAFE WORKING AND SERVICE ENVIRONMENT IS A FUNDAMENTAL RIGHT

S Group serves more than a million customers every day. Although the absolute majority of customer encounters are positive, societal symptoms are easily reflected in service work as an increase in disruptive behaviour and shop-lifting, for example.

The safety of our personnel is extremely important to us. S Group has clear operating models for disruptions, which we discuss during induction and other safety training. Our employees have the right to peaceful working conditions, and if they encounter threatening behaviour, disparagement or sexual harassment, they have the right to defend themselves and point out that inappropriate behaviour is not tolerated.



Work is also ongoing to prevent shoplifting by means of personnel training, product placement, security technology and security services, for example. Stores monitor products that are frequently subject to shoplifting and target special supervision at them, as well as product protection if necessary, for example.

The hazards and risks in our facilities are regularly assessed, and safety aspects are considered in the planning and design of our outlets as extensively as possible. We also carry out safety walkthroughs at outlets to observe and study the safety aspects of each outlet and improve the personnel's readiness to operate in various situations. We seek to learn from accidents and prevent similar accidents from reoccurring by means of accident investigations.

Each location has a rescue plan that has been communicated to the employees and is easily accessible. Our goal is to have employees who have completed S Group's Safety Passport training or equivalent safety training in all our locations. The completion of safety training indicates that the person has the required first aid and fire extinguishing skills, and knows how to prevent safety risks. In recent years, we have regularly increased the number of number of defibrillators in our outlets. The use of defibrillators is also taken into account in the implementation of safety training.

We have a centralised safety information management system, STurva, in place across S Group. The system offers one-stop access to safety guidelines, audits, inspections, training materials and the easy reporting of deviations and observations. We have been encouraging the personnel to actively report any safety deviations, given that this improves transparency on deviations and provides a good overview of the safety needs of outlets and enables better safety management and development. In 2024, the number of reported safety observations and deviations increased by 19%. Safety work at our outlets and locations is also supported with technical security solutions, such as camera surveillance and access control, and by using various security services, such as guarding, shop assistants with security training, and security monitoring.

S Group's own security services company, Reila Palvelut Oy, provides security solutions for our outlets and locations. The Seifi security salespersons are one of the key service products provided by Reila Palvelut. The Seifis, who have the training and qualifications of security guards, ensure the safety of our outlets and locations as part of the staff, mainly carrying out regular tasks.

2024



Photo: Reila Palvelut Oy

Seifi security salespersons

A Seifi is a customer service professional and a creator of security who, as a trained security professional, is responsible for the safety of the business and working environment.

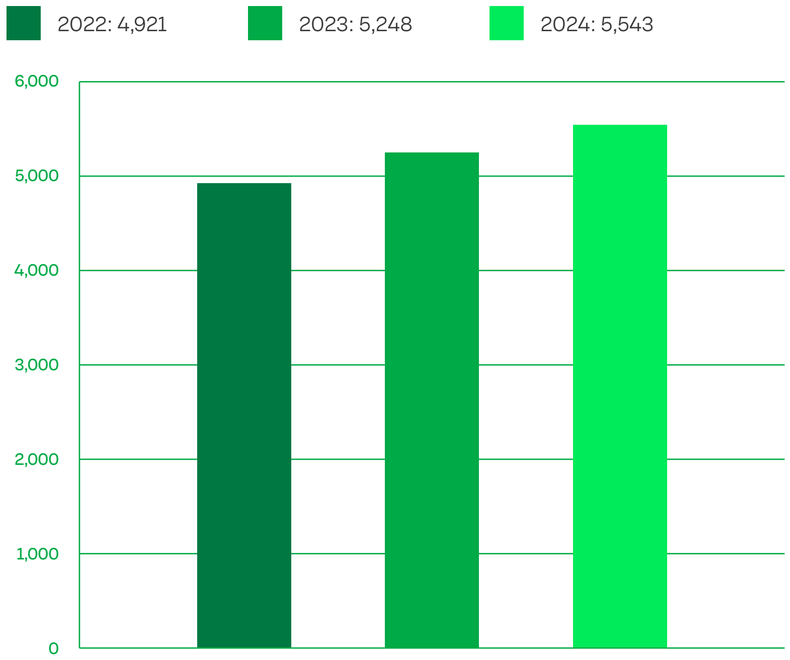
A Seifi is a versatile retail sector employee whose work combines different retail tasks in the role of a salesperson, as well as security tasks in the role of a guard. A Seifi is a salesperson who has been trained for retail tasks and a guard who has received guard training. In the work, particular emphasis is placed on the salesperson's tasks. In addition to the salesperson's work, a Seifi performs various security tasks, whenever necessary. A Seifi operates with legal guard rights and obligations. A Seifi can work in both small stores and department stores, meaning that the content and scope of the work and tasks may vary.

Most of a Seifi's working time is spent on tasks that support the store's operations. In addition to cash register work and customer service, a Seifi may be responsible for receiving and shelving products, for example. In implementing a safe environment, a Seifi's main task is to prevent disturbances by monitoring the store's customers. Thanks to their training and experience, Seifis react quickly, even when the situation is unexpected.

The Seifi service increases the preventive impact, enhances the reporting of safety incidents, improves the response speed in unexpected safety-related incidents and supports the safety of the personnel's work and customer transactions. The prevention of safety incidents reduces losses caused by criminal activity and the number of guard calls.

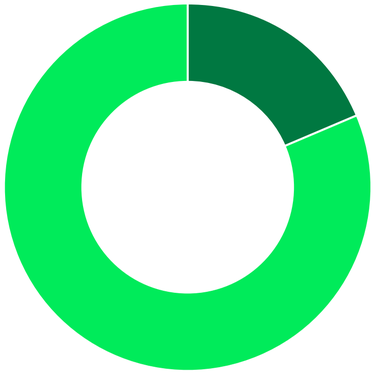
Seifis serve and guarantee safety in more than 100 stores across Finland: in the Uusimaa region, the Tavastia region, the Tampere region, South-west Finland and Northern Finland.

NUMBER OF OCCUPATIONAL ACCIDENTS



ACCIDENTS AT WORK	2022	2023	2024
Accident frequency*	29	31	**33**

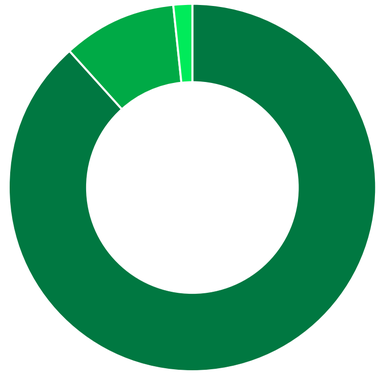
* Total number of accidents at work involving compensation per one million hours worked.



ACCIDENT SITE 2024

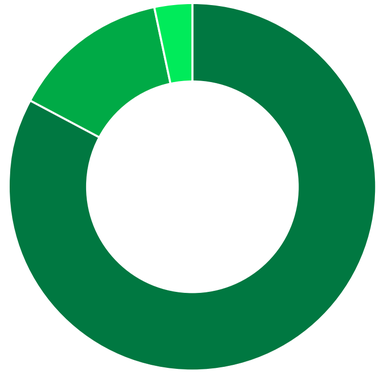
During commuting	1,044
At work	4,499

In recent years, we have particularly focused on facilitating and speeding up the reporting of accidents at work, which is why the number of reported accidents at work has increased. At the same time, however, we have managed to reduce accident-related absences and costs, thanks to quicker reporting and a more effective care process.



WORKPLACE ACCIDENTS 2024

0–3 days of absence	88.4%
4–30 days of absence	10.2%
more than 30 days of absence	1.4%



COMMUTING ACCIDENTS 2024

0–3 days of absence	83.0%
4–30 days of absence	13.8%
more than 30 days of absence	3.2%



ENSURING THE PRACTICES OF GOODS SUPPLIERS

We use a wide range of product safety certification practices in the assessment of the food production of the manufacturers of S Group's private-label products. We accept, for example, the following standards: BRC, IFS, FSSC 22000 and ISO 22000. In addition, we conduct our own audits to assess product safety processes and ensure the fulfilment S Group's quality requirements. In 2024, we audited the product safety of 48 (2023: 53) food product suppliers.

PRODUCT TESTING AND SELF-MONITORING

We regularly test product samples before releasing the product for sale. In 2024, we examined a total of 8,028 product samples (2023: 12,532). The samples were mainly related to the product development of our private labels.

As part of self-monitoring, we took 3,113 samples of our private-label and import products (2023: 4,696). The samples were studied to ensure the fulfilment of safety and quality requirements. Most of the studies were conducted by third-party research and testing laboratories.

Our self-monitoring covers the entire supply chain. For example, the freshness and quality of products is monitored in all S Group's grocery stores and restaurants. If product quality is compromised for any reason, the affected product is removed from the shelf. In addition, storage temperatures and the tidiness of the facilities, for example, are regularly monitored in accordance with the self-monitoring plan.

CONTROLLED USE OF PLANT PROTECTION PRODUCTS

The controlled use of plant protection products prevents crop losses and secures sufficient and high-quality food production. The EU has set maximum limits for residues of plant protection products in food that are safe for consumers and correspond with good agricultural practice. In addition, S Group has set stricter criteria than what is required by legislation for the use of pesticides and plant protection products in imported fruit and vegetables. By doing so, we want to support the minimisation of any risks arising from the use of pesticides to workers, consumers and biodiversity.

We carry out weekly risk-based monitoring of our products with our Nordic procurement partners, in addition to the national supervision carried out by the authorities. We carry out monitoring in case of any residues of pesticides or plant protection products that are prohibited in production within the EU. We also carry out monitoring for other compounds that have been deemed harmful to the environment and health on an international scale. This monitoring is also applied to production outside the EU. We have products tested for the presence of nearly 700 different compounds in an independent, accredited laboratory.

We apply a 50% tighter limit value than that specified in EU legislation for the maximum level of plant protection product permitted. We also test the combined use of various residues and allow the simultaneous use of no more than 3–5 approved plant protection products. Justified simultaneous use depends on the product. In 2024, we investigated 284 samples for plant protection residues. Of the samples tested, 22 (7.7%) led to measures being taken based on the findings. If use contrary to our criteria is discovered, we will actively seek alternatives to their use in cooperation with our suppliers.

PRODUCT RECALLS

Quality and product safety management mainly take place before the product is delivered to stores. Product recalls are implemented if a product is detected to be defective at the store.

In 2024, we implemented 321 product recalls (2023: 321), of which 84 concerned our private-label products (2023: 60). The most common reasons for recalls carried out during the year were technical packaging or labelling and manufacturing defects related to aspects other than product safety, as well as microbiological reasons (60% of recalls).

If a product at one of our stores is deemed to be defective in a way that poses a risk to consumers' health or safety, the product recall is communicated to consumers. The number of public recalls carried out during the year was 56 (2023: 55). Five of these concerned S Group's private-label products (2023: 4). The most common reason for product recalls was erroneous product labelling, such as insufficient information about allergens.

OIVA INSPECTIONS

The Finnish Food Authority coordinates self-monitoring inspections conducted in line with the Oiva system in facilities where foodstuffs are sold or served.

Each of our cash register employees must complete age-limit supervision training. Age-limit control is ensured through guidelines and training.

The inspections cover the temperature management of food products, the cleanliness of the facilities and personnel performance, among other aspects. In 2024, a total of 522 Oiva inspections were conducted at S Group's stores, and 229 Oiva inspections were conducted in S Group's restaurants and other catering facilities. Of the results of Oiva inspections conducted at S Group stores, 70% were excellent (2023: 70%), 27% good (2023: 26%) and 3% in need of correction (2023: 4%). None of S Group's stores received a poor result in the Oiva inspections.

Of the serving locations, 45% received excellent (2023: 49%) and 41% good (2023: 39%) results, while 14% were in need of correction (2023: 11%). Only one of S Group's serving locations received a poor Oiva inspection result. The Oiva reports are available at www.oivahymy.fi and are on display at every outlet inspected.

MONITORING OF MINIMUM AGE REQUIREMENTS

Each of our checkout counter employees must complete age-limit supervision training. Through guidelines and training, we ensure that products subject to age-limit supervision are not sold to underage people. In line with our age control guidelines, we check the age of customers buying alcoholic beverages or tobacco products who appear to be aged under 30. Starting from October 2020, the age of users or players of Veikkaus products will also be checked if they appear to be below 30 years of age.

If a customer purchases other products that have a minimum age requirement of 18, such as films or Veikkaus products, their age will be checked if they appear to be aged under 23. In 2024, our cash register personnel checked the age of more than 21 million customers buying alcoholic beverages and nearly 13 million customers buying tobacco products. Based on these checks, we refused to sell alcoholic beverages in nearly 110,000 cases and tobacco products in more than 25,000 cases.





Careful processing of personal data in compliance with law is a key prerequisite for our activities and part of responsible business operations.

DATA PROTECTION IS DATA RESPONSIBILITY

In S Group, data protection principles and the data protection policies supplementing the principles guide all processing of personal data. Their purpose is to ensure compliance with data protection laws in all personal data processing. The data protection principles also allow us to provide the S Group's co-op members and other customers with new and better services, as well as support the needs, profitability and continuity of S Group's business areas.

We use customer data to develop services that benefit the customers the most.

S Group's data protection is managed by means of a centralised model guided by SOK. Carefully thought-out, clear and common operating methods for personal data processing across S Group are a prerequisite for our credibility as a responsible operator.

S Group's data controllers, such as cooperatives, have appointed a total of around 30 data protection contact persons, who have been trained to support their organisations in implementing the requirements of data protection legislation and in promoting the data protection culture and awareness.

The implementation of data protection is monitored in S Group by assessing the maturity level of data protection, among other means.

DATA PROTECTION IN FIGURES AND ACTIONS

S Group's data controllers operate in a number of sectors, and personal data is processed for several purposes. There are around 4.4 million data subjects in S Group's co-op member and customer register. In 2024, we also processed the personal data of around 47,000 employees and around 222,000 job applicants.

In 2024, data responsibility was promoted in S Group's operations by continuing reforms in data protection online training, organising a data protection exercise focusing on the processing of employees' personal data for S Group's data controllers and implementing a data protection development programme for 2024–2025, among other means.

To appropriately take into account data protection and data security requirements in our operations as required by built-in data protection, we started data protection and information security assessments of more than 200 S Group projects and modifications in 2024. We also carried out more comprehensive assessments in cases where data protection impact assessments are required by law.

We implement the data protection processes related to the data subjects' rights consistently across all S Group's controller companies. We aim to serve data subjects in matters related to data protection through high-quality services without delay.

Our customers and employees have presented S Group with requests related to their personal data and have exercised their rights in 2024 as follows:

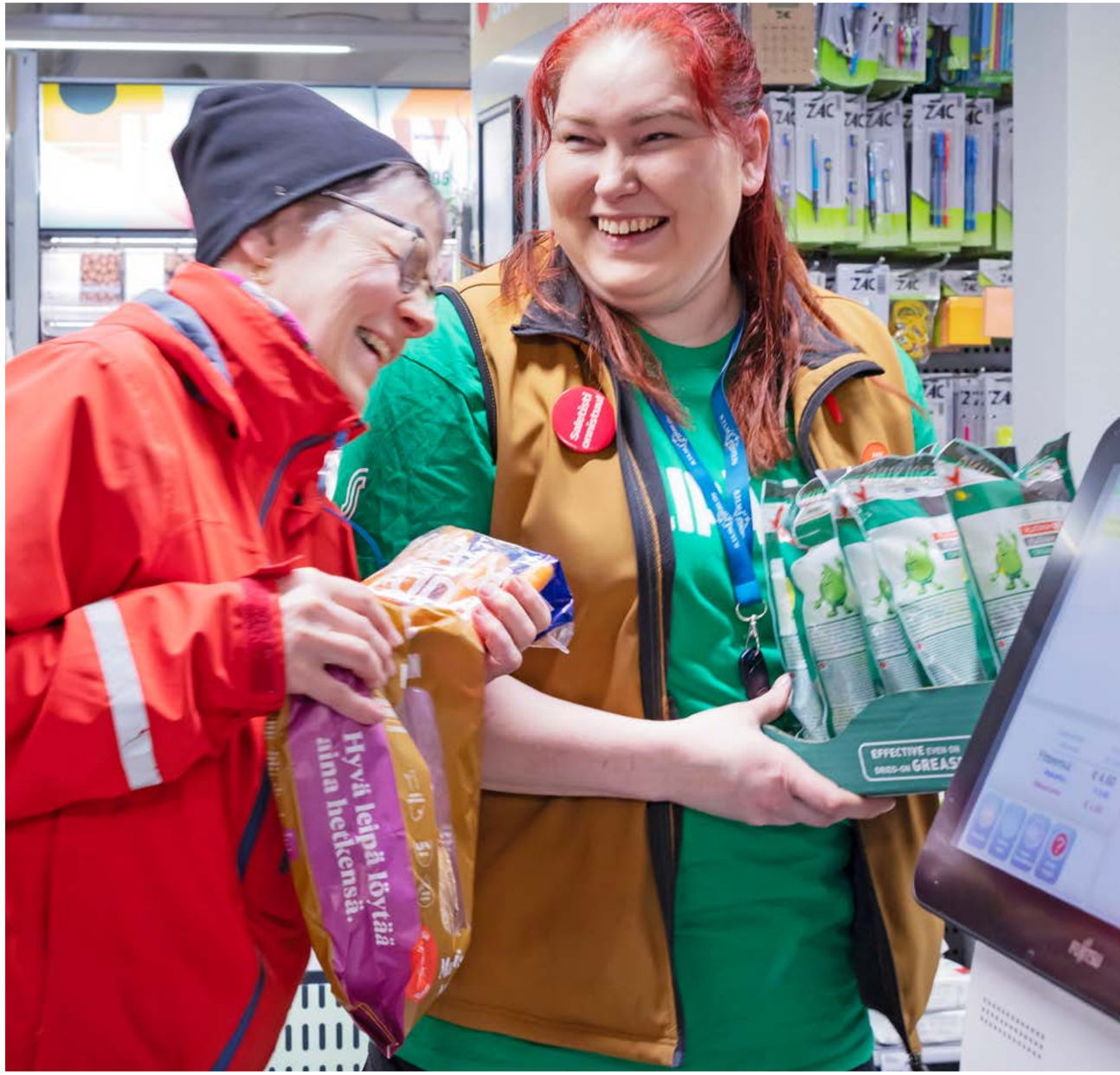
- A total of 1,600 people reviewed their data in S Group's co-op member and customer register. Of these individuals, 96% carried this out as self-service in their S User Account. For the other registers, S Group received 27 requests for access to personal data.
- S Group received 14 requests for the erasure of personal data.

Co-op members can also view their purchase information and consumption habits in their S User Account and S-mobiili in the My Purchases section. Co-op members and their household members can manage and update some of their personal data via their S User account or by contacting the data controller.

In 2024, around 41,000 S Group employees processing personal data in their work completed basic data protection training.

In September 2024, we surveyed our co-op members' thoughts about how the S Group collects customer data and uses it for different purposes. We use the results of the annual survey to develop our operations.

In 2024, around 41,000 S Group employees processing personal data in their work completed the annual basic data protection training for the maintenance of their information security competence. In addition, we provided our employees working in expert and customer service positions, as well as our management teams, with advanced data protection training and continued training on data phishing to maintain the information security of our employees.





Our strategy is implemented by competent, thriving and committed personnel. The success of people in S Group is supported by leadership that is in line with our leadership promises and encourages results, as well as a culture of cooperation. In accordance with our core mission and values as a cooperative, we are a human-centric and responsible employer.

PERSONNEL WELL-BEING

S Group's Group-level shared leadership promises are: I dare, I appreciate and I do. The leadership promises encourage good immediate leadership and leadership development.

In terms of the employee experience, the most significant annual indicator is our workplace community survey (TYT), which all employees are invited to participate in. The survey identifies and monitors factors related to each employee's work and performance, as well as factors related to their units and the company. The survey consists of several indices, which are used to measure various aspects of job satisfaction.

In 2024, the result of the workplace community survey in the S Group as a whole remained at a high level (75.5). Our employees are markedly more satisfied and committed than the Finnish average, and we again exceeded the reference standard by 6.0 units. The aim of the survey is to identify strengths and areas for development and to encourage workplace communities to continuously improve. The best results were achieved in terms of the following: immediate leadership, work management, and communication and participation. The leadership promise index describing immediate supervisory work was 77.6. The strengths of the leadership promise index were trust, the clarity of goals and the courage to challenge. The eNPS (employer Net Promoter Score) result was at a good level, at 41, ranging from -39 to +63 among S Group companies. The willingness to recommend is at a higher level than the Finnish general norm (eNPS 18).

2024

S Group is among Finland's most attractive employers in different professional groups

As in previous years, S Group fared very well in the Universum survey, in which professionals with different educational backgrounds assessed the attractiveness of employers. S Group is number one among the large number of people with upper secondary qualifications, and number two among people with higher education qualifications in the commercial sector. Among IT professionals, S Group leapt from tenth to sixth in the ranking and was the best employer in its sector.

Universum is the world's leading research and consulting company specialising in the employer image. It studies professionals' opinions and expectations concerning Finnish employers annually. S Group has fared well in these surveys and has become one of Finland's most attractive employers.

As in the previous years, the results of the following surveys from 2024 also reflect S Group's good reputation as an employer:

- T-Media Trust and Reputation survey: S Group achieved record results in surveys of both the general public and its own personnel. S Group has the best reputation in the retail sector and is ranked fifth in the top 10 list of the most reputable companies in Finland.
- Responsible Summer Job survey: S Group's overall result improved to 4.49/5.



Photo: Jussi Liikala

S GROUP'S WORKPLACE COMMUNITY SURVEY RESULTS (SCALE 0–100)	2022	2023	2024	GENERAL STANDARD IN FINLAND 2024
TYT index (includes all questions)*	76.3	76.3	**75.5**	69.5
Dedication index	79.3	79.1	**78.2**	76.0
Commitment index	77.2	77.4	**76.3**	72.8
Leadership index	76.3	76.0	**75.1**	68.6
Performance index	73.3	73.8	**73.2**	63.0
Ethics index**	80.3	80.4	**83.8**	–
Average score for the statement "The daily operations of our unit comply with the principles and values of our company" (scale 1–4)	3.49	3.50	**3.50**	3.26
Leadership promise index	78.1	78.2	**77.6**	71.8

*) The results have been weighted by the number of respondents.

**) The ethics index was revised in 2024 and contains seven questions. (2024: N=14797)

2024


Photo: Rami Louke

Three victories for S Group in Finland's Most Inspiring Workplaces competition: KPO, Eekoo and NEOT

S Group again fared extremely well in Finland's Most Inspiring Workplaces competition organised by Eezy Flow. This time, the most inspiring large company in Finland was the KPO Cooperative Society (Central Ostrobothnia). Eekoo (Southern Karelia Cooperative Society) won the category of medium-sized companies, and NEOT (North European Oil Trade Oy), a fuel procurement and logistics company owned by SOK and St1 Nordic, won the category of small companies. All S Group companies operating in Finland received an honourable mention as a result of their good workplace community survey results.

The total index of the workplace community surveys carried out by Eezy Flow was 75.5/100 in S Group last year, or Good+. The reading is at an exceptionally high level – taking into account the large number of S Group employees, more than 40,000 – and six units better than the average results of Finnish benchmark companies. The eNPS (employer Net Promoter Score) was also significantly higher in S Group than the Finnish general norm.

The survey results reflect joint successes in day-to-day work throughout S Group. The surveys reveal strengths, such as a good team spirit, immediate leadership and supervisory work, which have a great impact on the management of the work of the whole team, working together and the meaningfulness of the work.

2024



At HOK-Elanto, meaningful day-to-day work is being continuously developed through cooperation

At HOK-Elanto, the overall results of the workplace community survey (TYT) are discussed by involving personnel at the level of both the cooperative society and workplace communities. This is about the continuous development of day-to-day work: for example, channels have been opened for personnel to participate, ask questions, vote and give feedback throughout the year. In this way, concrete everyday improvement proposals are collected, and the successes of the teams are shared for the benefit of the whole personnel of the cooperative society.

Participation is also key in discussing each workplace community's survey results, for which purpose supervisors have been provided with coaching. The teams identify both strengths and development needs and agree on clear and achievable targets. Joint responsibility also applies to the implementation of targets – everyone's contribution is required to ensure success. The development targets can be revisited during the year by means of follow-up measurements.

For the Alepa stores in Vallila and at Sturenkatu 40 and 27, the overall workplace community survey indices improved by as much as 12 points in 2024 – amidst many changes. The whole team has been enthusiastic about further developing cooperation through participation, brainstorming and a commitment to addressing development needs. According to the team members, work is more meaningful when the work tasks are clear to everyone and everyone takes responsibility for the effectiveness and team spirit of the workplace community.

FLEXIBLE WORK – AIMING FOR WORK THAT SUITS EVERYONE'S LIFE SITUATION

Our goal is that, where possible, we provide our personnel with a suitable number of working hours for their life situations and, accordingly, a level of earnings from S Group. S Group has the most extensive career paths in Finland and the opportunity for flexible working hours and workloads.

We are developing our operations in such a way that those of our employees who want to receive their main income from S Group are able to do so, and their salary is sufficient for a reasonable standard of living. A great deal of part-time work is carried out in retail and the tourism and catering industries. In service work, we need a large number of employees during peak times. Of our personnel, 60% are part-time, with almost half of them working 30 or more hours per week. Part-time employees who work 30 hours a week, with evening and weekend bonuses, usually earn almost as much as full-time employees who work morning shifts.

S Group regularly asks part-time employees about their satisfaction with their working hours in the annual workplace community survey. The results are used to develop shift planning practices so that the available working hours match employees' wishes in terms of the number of working hours.

The majority of part-time employees are satisfied with their working hours. Of the part-time employees who responded to the 2024 workplace community survey, 70% were satisfied with their working hours (2023: 69%), 28% would like more working hours (2023: 29%) and 2% would like fewer working hours. Those who most want more working hours are employees working more than 30 hours a week. Those who work fewer than 15 hours a week, as well as people aged under 25 and over 55, are the most satisfied with their working hours.

We systematically work to ensure that those willing to increase their contract hours have the opportunity to do so. We offer part-time employees extra hours in their own location and other locations to increase their earnings.

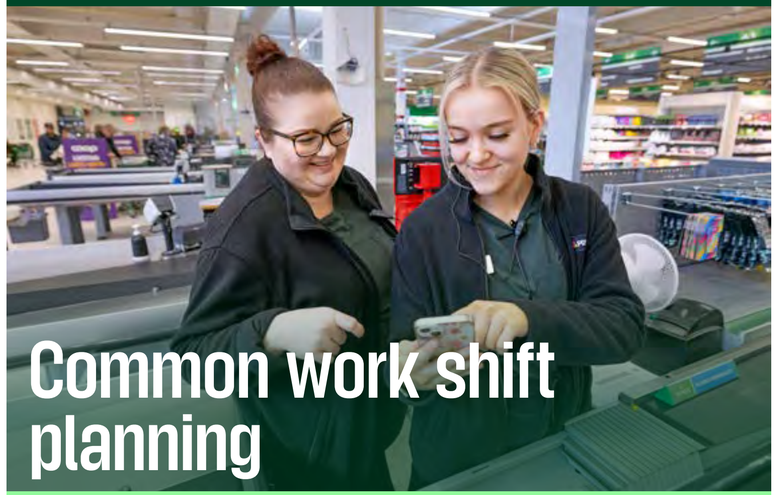
S Group's remuneration practices, such as the widely used performance bonus models and Finland's most extensive personnel benefits, support earnings. We are continuously developing our work and operating models, listening to our personnel. We want the service sectors to continue to maintain their attractiveness.

TYPE OF EMPLOYMENT, %	2022	2023	2024
Permanent	91	92	**93**
Fixed-term	9	8	**7**
Full-time	38	38	**38**
Part-time	62	62	**62**

TURNOVER OF PERMANENT EMPLOYEES, %	2022	2023	2024
Total turnover, %	23.5	19.5	**16.9**
Women, %	23.4	19.1	**16.2**
Men, %	24.4	20.6	**18.7**

The figures do not include data from Inex Partners.

2024



Common work shift planning

In 2024, S Group adopted the common work shift planning model more extensively. It enables employees to participate more strongly and affect the planning of shift lists.

In the operating model, employees pick shifts; that is, present shift and free time wishes through the mobile application in accordance with the agreed rules and schedules. The rules create a framework and boundary conditions for picking shifts, guiding employees to choose shifts in a diverse and flexible manner, taking into account, for example, their own level of competence, coping and equal treatment.

The common shift planning operating model has a positive impact on the company's ability to attract and retain employees. Above all, the operating model increases opportunities to influence and streamlines the coordination of work and leisure time. At best, more than 80% of the shifts picked by the employee are implemented as such. The operating model is well-liked among employees.

At the beginning of 2025, common shift planning was in use in eight regional cooperatives:

(Arina, Suur-Savo, Pirkanmaa, Turku, Varuboden-Osla, Suur-Seutu, Keskimaa and Hämeenmaa) and in five business areas (supermarket trade, travel industry and hospitality business, speciality stores, fuels retail and service stations, and S-Bank). The model will be actively extended to S Group's various locations. During the spring of 2025, the model will expand to more than 110 locations and more than 3,000 employees.

SICKNESS ABSENCES DECREASED IN S GROUP

S Group's sickness absences continued to decrease as a whole in 2024, as in the previous year. The greatest decrease in sickness absences was for infections, where the decrease was 14%. The increase in absences caused by mental health issues and musculoskeletal disorders was 3% in both diagnostic groups.

S Group uses an early support model and provides the possibility to adjust the work to better suit the employee's ability to work. In this way, employees' wellbeing can be supported in a targeted fashion, preventing sick leave and better maintaining the employee's working ability. In the event of illness, the employee's notification to the supervisor, which is based on mutual trust, is used extensively in S Group. For example, our employees can be absent for 1–5 days because of flu symptoms and for 1–3 days because of a child's illness by notifying the supervisor.

S Group uses an early support model and provides the possibility to adjust the work to better suit the employee's ability to work.



2024

S Group introduced research-based metrics for wellbeing at work

In August 2024, S Group started co-developing an extensive set of indicators for managing wellbeing at work with all S Group's regional cooperatives, pension insurers and occupational health care providers. Indicators that are as predictive as possible have been selected for metrics, and the information obtained through them can be used at an early stage to affect working capacity risks. Indicators were also selected to monitor trends, such as whether data changes with the season and peak times in business operations. With the help of data, phenomena can be highlighted, and we can more proactively affect their root causes. For each data point, effective measures based on research evidence have also been determined, which will be initiated if the set target level is not reached.

In S Group, in cooperation with the Elo pension insurance company, special emphasis has been placed on managing the working capacity of the senior management and immediate supervisors. S Group has implemented Toolkit for Managers and Bosses coaching for more than 100 managers and more than 500 immediate supervisors from regional cooperatives and companies. The aim of the coaching has been to increase understanding and competence in terms of both strategic and operational working capacity management. According to the cooperatives, the most important goal for training has been to find ways to put working capacity management into practice from the strategic level. Effectiveness can only be achieved when the whole management chain is committed to promoting working capacity. Encouraged by the excellent feedback on the coaching, we will continue Group-level coaching with the same content in 2025.

2024

The mental health chat, mental health coaching and short-term psychotherapy have been proven to support coping

In 2024, the age range of people contacting the mental health chat was 17–64 years. The most common reasons for contacting the mental health chat were anxiety, mood symptoms, exhaustion and symptoms related to coping, as well as stress factors in personal life. Of those who contacted the mental health chat, 30% were directed to mental health coaching, which is a video appointment during which a health care professional provides support for everyday stress situations and substance abuse and addiction concerns. Of those who contacted the mental health chat, 51% were directed to occupational health care based on medical concerns, with prolonged mood symptoms being the main reason. The mental health chat is a key anonymous early-stage contact channel for S Group's personnel in mental health concerns.

Short-term psychotherapy through the occupational health care provider has also proven to be an effective treatment for the personnel based on a follow-up study. Based on the scores at the beginning and end of short-term psychotherapy, the severity level of symptoms was alleviated during the treatment period from an average level to a mild level. Psychological symptoms were significantly reduced, and perceived psychological wellbeing and functional capacity were significantly improved during the treatment period. In addition, high-risk behaviour (aggression, self-harm) decreased markedly.



SUPPORT FOR MENTAL WELLBEING IN S GROUP IS BASED ON SCIENTIFIC DATA

The systematic promotion of mental health started at S Group with the Nuori Mieli Työssä (Young Minds at Work) project in 2017. The "Mielen tuki" (Support for the Mind) model, which started as a project, has developed into an extensive everyday operating model in S Group. Systematic management and effective support services and treatment models are at the core of the Support for the Mind model, in addition to increasing awareness of the connection between mental wellbeing and work and management among supervisors and managers. The concrete measures in the model include a mental health chat, mental health coaching, the provision of short-term psychotherapy, direct access to an occupational health psychologist's services, strengthening the support of immediate supervisors in dealing with situations and training for supervisors.

Safe work and the wellbeing of personnel enable efficient and productive work.

THE MATURITY OF WELLBEING AND SAFETY AT WORK IN S GROUP IS AT A GOOD LEVEL

In 2024, S Group carried out a maturity assessment of wellbeing and safety at work. The aim was to determine the maturity level of wellbeing and safety at work. The maturity assessment evaluates leadership, culture and operational activities. Investing in wellbeing and safety at work is an important part of being a responsible employer and building a high-quality employer image. Wellbeing and safety at work also affect the smooth running of services, customer and personal safety and customer satisfaction. Safe work and the wellbeing of personnel enable efficient and productive work.

2024

Implementation of a maturity assessment in S Group

The maturity assessment was carried out in S Group companies for the first time in 2024 by the management and occupational health and safety committees. Maturity assessments are facilitated by experts from occupational health care, the pension insurance company and the accident insurance company.

The average of the results in S Group is 68.04 (scale 0–100). The best results in S Group are achieved in partnership cooperation (79.29), inclusion (78.00) and resourcing and influencing (73.75). According to the assessment, the greatest needs for development are related to employees' attitude (55.63), the treatment of accidents, deviations and working capacity challenges (59.83) and communication about safety and wellbeing at work (61.17).

S Group-level development measures recorded for 2025 include affecting employees' occupational safety attitude and organisations' occupational safety culture through communication, using the information produced by accident investigations, and focusing on targets, indicators and reporting. Measures are already being promoted in the occupational safety development programme. In addition, each S Group company selects its own key development measures based on the maturity assessment.

AIMING FOR SAFETY IN DAY-TO-DAY WORK

The unstable state of the world is reflected in the everyday work of S Group employees, such as through the inappropriate conduct of customers. There is zero tolerance for inappropriate conduct both when interacting with customers and within the workplace community. S Group uses solution models for threat and disturbance situations, workplace bullying and disruptive behaviour, as well as aftercare models for traumatic situations.

In addition, through our own communication, we support the Finnish Commerce Federation and Service Union United PAM's Lets Behave campaign, which aims to inspire citizens to think about their own role in promoting the wellbeing of customer service professionals.

Ensuring a non-disruptive working environment and properly addressing challenging customer situations have also been strongly featured as subjects in our own forums. For example, in February 2024, S Group's *Yhteishyvä* magazine published extensive multichannel content about the harassment experienced by our personnel at work.

THE AVAILABILITY AND PERMANENCE OF PERSONNEL IS SYSTEMATICALLY DEVELOPED

S Group is a popular employer, with around 200,000 job seekers annually. Despite our good reputation as an employer, we recognise that the demographic change of the future will also challenge us in attracting applicants. The number of people of working age will decrease in the coming years, and the work and expectations of the personnel are constantly changing. The challenges in the availability and permanence of personnel concern both customer service work and expert tasks at the outlets, and are nationwide. As the largest private employer in Finland, we have a unique ability and possibility to influence the attractiveness of our business areas and companies, and to ensure that S Group's companies are good places to work and develop professional skills, now and in the future.

At S Group, we have worked hard to identify and develop our strengths and development needs. Based on these, we have jointly created a playbook, so that we can more systematically share best practices and support materials for the local development of availability and permanence. The playbook is a constantly updated set of guidelines to promote the availability and permanence of personnel. It is built under four themes that affect availability and permanence in a comprehensive manner. These include the following: attracting and rewarding employees and their livelihood; the competence of employees, career paths and employee-oriented management; improving work productivity; and the everyday employee experience. These four areas contain a total of 54 sub-sections, which are developed in close cooperation with the professionals of S Group companies.

2024

Workplace community mediation in SOK's teams

OK has added questions to the annual workplace community survey to identify team members' possible experiences of harassment, inappropriate treatment or bullying. The purpose of the questions is to communicate that we invest in well-functioning workplace communities, and that all experiences of inappropriate behaviour will be investigated without delay, supporting the teams.

In addition to HR professionals and the occupational health and safety representative, the teams are supported by a workplace community mediator, if necessary. Mediation is a forward-looking joint search for lasting positive solutions. The professional mediator interviews the persons involved and studies the situation and the stress factors of the persons. Team members and managers can talk to the mediator confidentially. Joint processing and discussions are appreciative, with no blaming, but discussions are used to increase common understanding and team interaction skills. In a joint discussion, the aim is to draw up common rules or an agreement.

After the meeting, the team meets regularly to monitor progress. The goal is for each team member to succeed in their team as themselves and for everyone to commit to the jointly agreed rules.

Professional mediation is a way to support good leadership and help teams. At best, it can turn conflicts into a resource for the workplace community. Mediation is also a learning process. According to feedback from team members, the experiences have been almost invariably positive. According to the feedback, mediation has brought clarity to the everyday life of the teams and has improved cooperation and interaction. Negative feedback is mainly related to any delays in addressing issues.

S Group has zero tolerance for inappropriate behaviour both at the customer interface and within workplace communities. Solution models and recommendations have been developed to support the personnel on how to act if they encounter unpleasant situations. Everyone has the right to a safe and respectful working environment.



A workplace community where diversity is respected and supported enables equal treatment and equal opportunities for everyone. As Finland's largest private employer, we are involved in building the Finland of the future, which is increasingly diverse and where no one is discriminated against because of their background or characteristics. Appreciation, non-discrimination and equality are at the core of cooperatives, but we also take active measures and make decisions to promote these values. It is important to us that every employee can be themselves.

WE PROMOTE DIVERSITY AND EQUALITY

S Group's companies prepare annual plans concerning personnel, training, equality and the equal treatment of employees. The personnel and training plan is prepared in order to maintain and develop employees' professional skills. The purpose of the equality plan is to promote equality between women and men in working life and to prevent discrimination based on gender identity or gender expression. The equal treatment plan promotes the equal treatment of employees with different backgrounds, prevents discrimination and improves the legal protection of individuals who experience discrimination.

We have paid more and more attention to the diversity of our group, our workplace communities and our customers, and have tried to raise awareness of diversity and the related phenomena through various types of training, among other means. For example, we have participated in the UN Global Compact's Target Gender Equality

Programme and, since the autumn of 2024, we have been part of the UN Global Compact Finland's new peer learning group focusing on DEI (Diversity, Equity and Inclusion). The group provides companies with a confidential discussion platform, which focuses on, among other aspects, measuring diversity, involving employees belonging to minorities, and the role of management. We have supported sexual and gender minorities at Helsinki Pride for several years, and since 2023 we have also supported the activities of Seta – LGBTIQ Rights in Finland.

Towards the end of 2024, we revised the set of questions in the ethical index of our annual workplace community survey, and in the future, we will get a better idea of how appreciative of diversity and how inclusive the workplace community is perceived to be.

AN INCREASING PROPORTION OF S GROUP EMPLOYEES HAVE FOREIGN BACKGROUNDS

S Group has excellent opportunities to succeed in attracting and engaging foreign-language and international experts. S Group employees represent more than 90 nationalities, and there are currently slightly more than 1,000 non-Finnish citizens. Especially in tourism and catering in the Helsinki metropolitan area, as well as in North Karelia or Lapland, multiculturalism has long been a part of everyday life. There are already a large number of foreign-language speakers and immigrants in our workplace communities. For example, around 300 chefs have arrived from the Philippines to work in different parts of S Group over the past ten years, and their skills and approach to work are highly valued.

With these actions, we are responding to the fact that, as a result of Finland's demographic development and the transformation of work, the availability of personnel is an increasing challenge in the service sectors. Typically, more professionals are needed in restaurants and hotels, and from time to time and depending on the region, also in S-markets and ABC service station stores. Availability challenges will increase in the future, and the need for foreign-language and international recruitment will be even more pronounced.

2024

HOK-Elanto develops its diverse work culture through a language-supported work try-out

In the spring of 2023, the first trainees started at HOK-Elanto stores in a language-supported work try-out. In the model developed in cooperation with the Omnia Skills Centre for immigrants in Espoo, trainees get to work in the retail sector and learn Finnish in practice. The experiences have been good, and HOK-Elanto has recruited new employees through the experiment.

The trainees have an immigrant background, and they want to find employment in the retail sector. The trainees work for three months in grocery stores across Espoo.

In the work try-out, which starts once a year, important support is provided by a Finnish language teacher, who participates in the initial interviews and training on the use of the cash register, for example. The teachers also help the outlets with any comprehensibility challenges.

The trainees prepare for the work try-out at school for two weeks before it starts. At HOK-Elanto, the trainees perform the same tasks as other salespeople; that is, the shelving of products and customer service. Some have also had the opportunity to try cash register work.

Once a week, the trainees gather at HOK-Elanto's training facilities to practise, for example, the use of the cash register and to discuss the language and cultural situations encountered during the week.

Customer service situations have gone well, as the trainees have had the opportunity to find a more experienced salesperson to help them if necessary. Usually in such situations, there have been problems with language comprehension. By the end of the try-out period, many had been encouraged to use the Finnish language and were already communicating better without the help of a teacher.

In the future, language-supported work try-outs may be one solution to the shortage of labour in the retail sector. HOK-Elanto and the Omnia Skills Centre for immigrants in Espoo will continue to cooperate on the language-supported work try-out, at least for the time being.

2024

S Group sought solutions to the experience of equality and inclusion through a hackathon

In the spring of 2024, S Group participated in the Solve the SDGs hackathon, where new solutions were sought for achieving the UN Sustainable Development Goals. The hackathon was organised by Aalto University, the Aalto Ventures Programme and Junction. S Group's challenge was related to the experience of diversity, equity and inclusion.

The hackathon teams boldly and open-mindedly considered, among other aspects, how S Group as an employer can promote equality and inclusion, what innovative solutions it can develop to promote diversity, equality and experiences of inclusion in S Group, and what concrete steps related to the theme should be taken in everyday operations.



AGE IS JUST A NUMBER

With regard to recruitment, our main principle has always been that, when filling open tasks, we always recruit the best person for the job, regardless of age, gender, cultural background, life situation or other factors that do not affect the competence and performance of the employee.

Thus, among other aspects, we do not ask jobseekers for their year of birth or age in job applications. Age was excluded from the criteria of SOK's recruitment of experts in 2019. Since the beginning of 2020, this policy has been expanded across S Group to cover stores, restaurants and ABC service station stores, among other outlets. The goal is to prevent attitudes from affecting invitations to participate in job interviews, not even unconsciously.

EMPLOYEE DIVERSITY

94

NATIONALITIES

37

AVERAGE AGE OF EMPLOYEES

PERSONNEL AGE DISTRIBUTION	2022	2023	2024
Share of employees aged under 25 (%)	26.8	26.6	**25.5**
Share of employees aged over 50 (%)	19.9	20.5	**21.2**
Share of employees aged 50–59 (%)	15.4	15.2	**15.4**
Share of employees aged 60 or more (%)	4.4	5.3	**5.8**

COMMITMENT TO THE WOMEN'S EMPOWERMENT PRINCIPLES

We have signed the Women's Empowerment Principles, established by the UN Global Compact and UN Women.

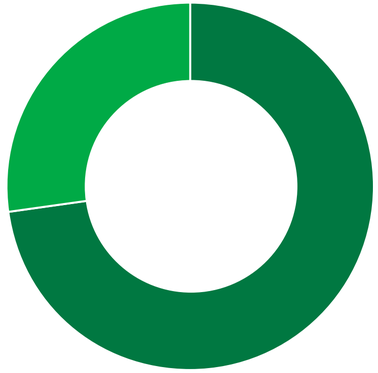
By signing the commitment, we are supporting the objective of the principles to promote equality in working life and extensively support the realisation of inclusion and diversity. As part of our commitment to these principles, we also participated in the WEPs Activator capacity-building programme coordinated by UN Women and amfori, an organisation for the promotion and development of social responsibility within European enterprises. The programme and its network provided us with tools that help us address the gender perspective as an employer and in operations involving our supply chains. We also gained new perspectives on our human resources development and our work for sustainable and responsible business, as well as an opportunity to learn as an organisation. The programme helped us analyse our current situation, set concrete targets for ourselves and adjust our action programme to better implement equality.

SOK	2022	2023	2024
Share of women among board members (%)	22.2	22.2	25.0*
Share of women among Corporate Management Team members (%)	33.3	33.3	33.3*
Share of women in supervisory positions (%)	49.4	49.5	**50.0**

*) The calculation of the figures has been further specified in 2024. In the revised calculation method, overlapping roles in different administrative bodies are taken into account. The change improves the quality of the calculation, but the figure is currently not comparable with previous years.

S GROUP	2022	2023	2024
Share of women among board members (%)	32.0	32.5	**40.7***
Share of women among Corporate Management Team members (%)	35.0	34.4	**35.1***
Share of women in supervisory positions (%)	59.5	59.6	**60.0**

*) The calculation of the figures has been further specified in 2024. In the revised calculation method, overlapping roles in different administrative bodies are taken into account. The change improves the quality of the calculation, but the figure is currently not comparable with previous years.



GENDER DISTRIBUTION OF S GROUP EMPLOYEES IN 2024, %

Women	73%
Men	27%
Other	0%
I'd rather not say / NA	0%

GENDER DISTRIBUTION OF S GROUP EMPLOYEES	2022	2023	2024
Women, %	74	74	**73**
Men, %	26	26	**27**
Other, %	0	0	**0**
I'd rather not say / NA, %	0	0	**0**

SHARE OF NEWLY RECRUITED PERMANENTEMPLOYEES BY GENDER	2022	2023	2024
Women, %	71.7	69.8	**66.2**
Men, %	28.0	29.7	**33.3**
Other or does not wish to specify, %	0.3	0.5	**0.5**

THE RETAIL SECTOR IS A BRIDGE TO WORKING LIFE FOR YOUNG PEOPLE – 18,000 SUMMER WORKERS

S Group is one of Finland's largest employers of young people. In 2024, we offered more than 18,000 young people summer jobs or internships, and in the summer, temporarily around 40% of our personnel were aged 25 or under. Our goal is to provide young people with positive learning experiences. Studies show that a young person's first experiences of working life contribute to the formation of their professional identity and their success throughout their career. We take our role as a teacher of workplace skills seriously. We organise and participate in many recruitment events across Finland and are continuously developing our cooperation with educational institutions. We want to make working life attractive for young people, as well as inspiring them to learn on the job.

We want to make working life attractive for young people, as well as inspiring them to learn on the job.

S Group employs the Duuni and Harkka Passports, which allow young people working in different sectors to learn about working life skills, occupational safety and wellbeing at work, for example.

The Duuni Passport is an online training package created in cooperation with the Finnish Institute of Occupational Health to support induction training for seasonal employees at their places of work. It allows young people to review the basic skills of working life, such as taking care of safety and wellbeing. The passport exam is taken by self-learning, supported by the supervisor. The Duuni Passport programme has been designed to ensure face-to-face meetings between young people and their supervisors, because a feeling of belonging and encouraging feedback from the supervisor are the most important factors for young people at the beginning of their careers.

The "Welcome to S Group as a trainee" induction, or the Harkka Passport, is a lighter version of the Duuni passport. The Harkka Passport is intended for TET and Learn and Earn trainees, and can be found at s-ryhma.fi.

In 2024, we were again one of the main partners of the Responsible Summer Job campaign.

2024



Summer jobs for more than 100 young people with special needs at PKO

The core mission of the Northern Karelia Cooperative Society (PKO) is to make North Karelia an even better place to live, which is also reflected in summer employment. The need for summer employees at PKO is 300 people, but summer employees are hired well over the actual need for substitutes. The aim is to provide jobs to young people in the region and teach them how to operate in working life.

For more than 15 years, PKO has offered work to young people with special needs and intellectual disabilities, and has also invited young people to summer job interviews on grounds. In 2024, around 160 of PKO's 1,200 summer employees were young people requiring special support, for whom personal instructors were hired.

In addition, summer job recruitment does not only employ young people, although many of the applicants are people entering working life. In some of PKO's summer jobs, the age limit for applications is 14 years. There is also no upper age limit. For example, pensioners are hired for summer jobs.

S Group's external reporting and communication are primarily developed in line with the expectations of co-op members, employees and other stakeholders. The reporting obligation according to the Sustainability Reporting Directive (CSRD) also applies to S Group, and we will be reporting sustainability information in accordance with European Responsibility Standards (ESRS) starting from the reporting year 2025.

DESCRIPTION OF THE ANNUAL REVIEW AND SUSTAINABILITY REVIEW

S Group's leadership in sustainability requires systematic management. Comprehensive and reliable monitoring information is needed about a number of key indicators for this purpose. External reporting should also be transparent.

S Group has reported its operations annually by applying the sustainable development reporting standard produced by the Global Reporting Initiative (GRI) since 2012. However, the cooperative structure of S Group is also taken into account in the reporting.

The review provides information about the policies prepared and implemented at Group level, as well as about key targets and measures. As legally independent businesses, the cooperatives also report their own operations in their annual reports and on their websites.

The greenhouse gas emissions presented in the report (Scopes 1, 2 and 3), the areas, energy consumption, details of waste and food waste, the total number of BSCI audits, purchases from risk countries as well as the share of Finnish food products have been assured by an external party.



GRI CONTENT INDEX

This report is made with reference to the GRI Standards.

GENERAL DISCLOSURES

CODE	CONTENT	LOCATION	STANDARD VERSION
THE ORGANIZATION AND ITS REPORTING PRACTICES			
2–1	Organizational details	5–7	2021
2–2	Entities included in the organization's sustainability reporting	28, SOK Corporation's Financial Statements	2021
2–3	Reporting period, frequency and contact point	Reporting period is 2024. Frequency annually. Contact emails firstname.lastname@sok.fi	2021
2–4	Restatements of information	Changes reported in connection with topic-specific information.	2021
2–5	External assurance	142-143	2021
ACTIVITIES AND WORKERS			
2–6	Activities, value chain and other business relationships	6-8, 47	2021
2–7	Employees	8, 115-120	2021
GOVERNANCE			
2–9	Governance structure and composition	22-23	2021
2–10	Nomination and selection of the highest governance body	29-34	2021
2–11	Chair of the highest governance body	32-34	2021
2–12	Role of the highest governance body in overseeing the management of impacts	29-33, 39-40	2021
2–13	Delegation of responsibility for managing impacts	39-40	2021
2–14	Role of the highest governance body in sustainability reporting	39	2021
2–15	Conflicts of interest	29-32, 36	2021
2–18	Evaluation of the performance of the highest governance body	32	2021
2–19	Remuneration policies	s-ryhma.fi/en	2021
2–20	Process to determine remuneration	s-ryhma.fi/en	2021
STRATEGY, POLICIES AND PRACTICES			
2–22	Statement on sustainable development strategy	10, 38-40	2021
2–23	Policy commitments	Ethical principles S Group's human rights principles	2021
2–24	Embedding policy commitments	38-40, 95-96	2021
2–25	Processes to remediate negative impacts	43-45, 97, 132-134	2021
2–26	Mechanisms for seeking advice and raising concerns	98	2021
2–28	Membership associations	44	2021
STAKEHOLDER ENGAGEMENT			
2–29	Approach to stakeholder engagement	42-45	2021
MATERIAL TOPICS			
3–1	List of material topics	41	2021
3–2	Process to determine material topics	41, 125	2021
3–3	Management of material topics	39–41, 70, 95–96, 112, 114, 120, 130	2021

ECONOMIC IMPACTS

CODE	CONTENT	LOCATION	STANDARD VERSION
ECONOMIC PERFORMANCE			
201–1	Direct economic value generated and distributed	7-8, 47	2016
201–2	Financial implications and other risks and opportunities due to climate change	130-134	2016
INDIRECT ECONOMIC IMPACTS			
203–1	Infrastructure investments and services supported	7, 11-21, 47	2016
203–2	Significant indirect economic impacts	11-21,47-51	2016
PROCUREMENT PRACTICES			
204–1	Proportion of spending on local suppliers	49, 59-60, 101	2016
ANTI-CORRUPTION			
205–2	Communication and training about anti-corruption policies and procedures	36, 100	2016
TAX			
207–1	Approach to tax	49-50	2019
207–4	Country-by-country reporting	49-50	2019

ENVIRONMENTAL IMPACTS

CODE	CONTENT	LOCATION	STANDARD VERSION
MATERIALS			
301–3	Reclaimed products and their packaging materials	91-92	2016
ENERGY			
302–1	Energy consumption within the organisation	75-77	2016
302–3	Energy intensity	76	2016
302–4	Reduction of energy consumption	75-78	2016
WATER AND EFFLUENTS			
303–1	Interactions with water as a shared resource	84-85	2018
303–2	Management of water discharge-related impacts	84-85	2018
303–5	Water consumption	84	2018
BIODIVERSITY			
304–2	Significant impacts of activities, products and services on biodiversity	79-83	2016

CODE	CONTENT	LOCATION	STANDARD VERSION
EMISSIONS			
305–1	Direct (Scope 1) GHG emissions	72-73	2016
305–2	Energy indirect (Scope 2) GHG emissions	72-73	2016
305–3	Other indirect (Scope 3) GHG emissions	74	2016
305–4	GHG emissions intensity	73	2016
305–5	Reduction of GHG emissions	70-71, 130-131	2016
WASTE			
306–1	Waste generation and significant waste-related impacts	91	2020
306–2	Management of significant waste-related impacts	86-92	2020
306–3	Waste generated	91	2020
306–4	Waste diverted from disposal	91	2020
306–5	Waste directed to disposal	91	2020
SUPPLIER ENVIRONMENTAL ASSESSMENT			
308–1	New suppliers that were screened using environmental criteria	103	2016

SOCIAL IMPACTS

CODE	CONTENT	LOCATION	STANDARD VERSION
EMPLOYMENT			
401–1	New employee hires and employee turnover	116	2016
OCCUPATIONAL HEALTH AND SAFETY			
403–2	Hazard identification, risk assessment, and incident investigation	107–111	2018
403–3	Occupational health services	107–111, 116–119	2018
403–4	Worker participation, consultation, and communication on occupational health and safety	107–111, 116–119	2018
403–5	Worker training on occupational health and safety	108–109	2018
403–6	Promotion of worker health	107–111, 116–119	2018
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	110–111, 119	2018
403–9	Work-related injuries	109, 117	2018
DIVERSITY AND EQUAL OPPORTUNITY			
405–1	Diversity of governance bodies and employees	120–124	2016
NON-DISCRIMINATION			
406–1	Incidents of discrimination and corrective actions taken	120–124	2016
CHILD LABOR			
408–1	Operations and suppliers at significant risk for incidents of child labor	96	2016

CODE	CONTENT	LOCATION	STANDARD VERSION
FORCED OR COMPULSORY LABOR			
409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	96, 101–102	2016
SUPPLIER SOCIAL ASSESSMENT			
414–1	New suppliers that were screened using social criteria	103	2016
414–2	Negative social impacts in the supply chain and actions taken	103	2016
CUSTOMER HEALTH AND SAFETY			
416–1	Assessment of the health and safety impacts of product and service categories	55–58, 110–111	2016
CUSTOMER PRIVACY			
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	112–113	2016



FINANCIAL CLIMATE AND BIODIVERSITY RISKS (IN ACCORDANCE WITH THE TCFD AND TNFD FRAMEWORKS)

As a major player in the retail sector, we are dependent on both the climate and biodiversity. We have identified related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) frameworks. We report below on the financial effects of climate and biodiversity on S Group's business operations. Identifying climate and biodiversity risks and opportunities is part of our ongoing risk management work, and we will continuously develop these assessments and our reporting on them.

CLIMATE AND BIODIVERSITY MANAGEMENT

Sustainability is integrated into S Group's strategy. In line with the strategy and mission approved in 2020, together we will make a better place to live. The will to work together and change things for the better is at the core of cooperative activities. We assume responsibility for a sustainable future, and we want to curb climate change and biodiversity loss through ambitious measures. SOK's climate and biodiversity targets, key measures and key indicators have been approved by SOK's Executive Board, which monitors the progress made in terms of the goals at least annually. The main responsibility for issues related to the climate and biodiversity lies with SOK's Chief Executive Officer, who also chairs the Executive Board and the Corporate Management Team. The Corporate Management Team coordinates and prepares all proposals for the Executive Board, including climate and biodiversity risks and opportunities, targets, action plans and the most significant communication measures. In addition, the Corporate Management Team monitors strategic and partly operational matters in all of S Group's business areas. In addition to the Executive Board, progress on S Group's climate and biodiversity targets is reported to SOK's Corporate Management Team, business operations, support functions and regional cooperatives.

SOK's Sustainability unit is responsible for developing sustainability within S Group. The SOK Sustainability unit is responsible for the strategic development of climate- and biodiversity-related targets and key indicators, and guides and monitors the progress of the targets. The operational implementation of climate- and biodiversity-related objectives is the responsibility of the chain management of business operations and units, as well as cooperatives in cooperation with the SOK Sustainability unit, SOK Property Functions, subsidiaries and S-Voima. The overall responsibility for TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures) reporting rests with SOK's Sustainability unit, headed by the Chief Sustainability Officer, who reports directly to the Group CEO. The Chief Sustainability Officer is part of the SOK Risk Management steering group.

S GROUP'S CLIMATE AND BIODIVERSITY STRATEGY

S Group's target is to achieve carbon negativity in its own operations by the end of 2025. In addition, we aim to reduce emissions from our own operations by 90% by the end of 2030, compared with 2015. What lies at the core of our climate work in terms of our operations is solutions to improve energy and resource efficiency and investments in renewable energy solutions.

Regarding our value chain, we are working together with our partners to reduce emissions by 1 million tonnes by the end of 2030. In addition, our goal is that all our suppliers who have exceeded 10 million in sales to S Group must be involved in the science-based target process by the end of 2025. We aim to reduce the emissions per litre of fuel by 21% by 2030, compared with 2015. Our climate targets are in line with the 1.5-degree target of the Paris Agreement, and they have been

confirmed as based on science in accordance with the Science Based Target initiative (SBTi). We are committed to setting a net zero target for 2050 in 2025.

We develop products and services as part of our climate targets. We reduce traffic emissions by using bio-based fuels and by supporting the electrification of traffic by developing the charging infrastructure. We are also developing various digital services so that our customers receive better information about the climate impacts of their own consumption. For example, we are promoting climate-smart food by adding more plant proteins and Finnish fish to our product range. Water stewardship is a central part of our work in biodiversity. In addition, we aim to control food waste in our operations and communicate to customers about reducing food waste. We aim to promote the circular economy through resource efficiency and new business models. We are also actively communicating these matters to our customers through our own channels.

There is a solid link between biodiversity and climate change mitigation. For example, combating deforestation through our raw material guidelines or the implementation of offsetting through forest projects helps to combat both climate change and harm to biodiversity. We see the future as a challenge to discuss overconsumption and how business models can be developed to address this challenge.

CLIMATE AND BIODIVERSITY RISK ASSESSMENT

SOK's Executive Board confirms the risk management methods for SOK. The Corporate Management Team assesses the key risks of operations every year. SOK's management, subsidiaries and units review and determine the main risks of their own operations, and decide on the risk management measures. The experts of the SOK Sustainability unit determine the risks and management measures related to climate change and biodiversity loss in the risk tools used by S Group to be used by business operations, regional cooperatives and units. The experts of the SOK Sustainability unit also participate in the assessment of risks related to climate change and biodiversity loss.

Risk management plans are based on individual risk assessments. The risks and opportunities we identify at S Group are prioritised based on their impacts, probability and timing, as well as on the basis of their expected financial impacts. Our primary consideration is risks that are likely to materialise in the short or medium term, and that will have significant financial impacts. We also consider risks the impacts of which will occur later or the impacts of which are difficult or extremely difficult to assess, but which do not necessarily require immediate measures.

In terms of climate and biodiversity risks, we assess ways to mitigate, postpone, accept or manage them, and we prepare plans for risk management measures. The significance of financial risks is linked to their probable financial impact. In addition, we have identified key processes that are subject to considerable financial impacts if the risks materialise.

In terms of climate and biodiversity risks, we adhere to the time intervals determined in the frameworks. We look at risks and opportunities in the short (less than 5 years), medium (5–10 years) and long (over ten years) term, while taking into account possible changes and financial effects related to regulations. In addition, we take into account in our assessment any geographical differences in countries where S Group has a direct impact through its outlets. The estimate regarding our procurement is general in biodiversity.

PARTICULARLY IN TERMS OF CLIMATE RISKS

In setting our targets, we used international climate scenarios and the goals of the national climate and energy strategy, as well as sector-specific forecasts. The emissions from our operations (Scope 1 and Scope 2) consist of the electricity and heating energy consumed, as well as refrigerant leakages. Based on scenario analyses, we set the goal of only using renewable electricity by the end of 2030. During the transition period, the electricity is emission-free.

The development of emission figures in our outlets is also significantly affected by the amount of fossil energy that municipalities use for district heating, as well as by the transformation of power generation towards greener energy sources. We also use guarantees of origin to reduce electricity and district heating emissions. We can partly reduce our dependence on district heating through energy efficiency solutions.

Around 75% of our emissions are generated by refrigerant leakages from refrigeration equipment. Over the next few years, we will replace fluorinated refrigerants with natural refrigerants. In addition to the investment plans, the speed of change will be affected by the availability of new refrigerants and refrigerant installers.

PARTICULARLY IN TERMS OF BIODIVERSITY RISKS

Biodiversity loss has been identified to have business unit-specific impacts through products and services, as well as Group-wide impacts that partly overlap with the business unit-specific impacts. We have carried out an impact assessment on products and services, looking at the impacts on the environment, society and people's wellbeing.

We have also carried out a scenario review through the chosen megatrends and possible change factors. We evaluated the overall impacts roughly, taking into account the following change factors in both group and business units:

1) intense global warming

2) increasing digitalisation

3) far-reaching pandemics and

4) product group-specific changes (changes in consumption behaviour, increase in the use of vegetables, changes in the fuel trade, measures taken by partners).

The measures in our sustainability programme support the need for changes discovered in the scenario review. We have launched an operating model related to the calculation of adverse biodiversity impacts with researchers, and we systematically use the calculation of adverse biodiversity impacts caused by our operations to develop our operations.

CLIMATE AND BIODIVERSITY RISKS AND THEIR MANAGEMENT

It is difficult to accurately assess the direct financial effects of climate and biodiversity risks on S Group's operations. However, the risk assessment has evaluated the financial effects in terms of magnitude.

	TRANSITION RISKS	MANAGEMENT METHODS
REGULATION AND POLICY	· Fossil fuel assets can lose value quickly. · Sudden changes in political ambitions, fragmented regulations or unpredictable regulation increase uncertainty and costs. · Short-term focus in the regulatory environment slows down the realisation of investments and weakens climate and biodiversity work. · Financial instruments do not support companies' climate or biodiversity work and make it difficult to adopt sustainable solutions.	· Active stakeholder engagement and open dialogue with political decision-makers, influencing the organisations looking after the interests of the sector or international organisations. Development of own operations and the promotion of climate and biodiversity work throughout the value chain. · Active stakeholder engagement and open dialogue with political decision-makers, influencing the organisations looking after the interests of the sector or international organisations. Proactive operations. Monitoring, assessment and response to changing regulation. · Voluntary, national and international commitments. Development of own operations and the promotion of climate and biodiversity work throughout the value chain. · Decentralisation of procurement and consideration of these risks in work related to selections. Voluntary, national and international commitments.
TECHNOLOGICAL RISKS	· Some parts of the value chain being unprepared to fully use new, more sustainable technologies, making their deployment incomplete and partly ineffective.	· Support for research and development and various projects to utilise new technologies or data models. Cooperation and dialogue with different operators. Training and supporting key supply chain partners in the use of new technologies.
MARKET RISKS	· Failure of national and international climate targets and forecasts, or targets being met too slowly, hindering business operations. · The availability and costs of low-carbon raw materials affecting prices and consumers' purchasing power. · The availability and price of financing will tighten as a result of assets being tied to locked-in emissions in connection with the distribution of fuel.	· Investments in energy and resource efficiency and renewable energy. Sustainability targets as well as raw material guidelines, taking into account biodiversity and climate impacts. · Decentralisation of procurement and consideration of these risks in work related to selections. Investments in energy and resource efficiency and renewable energy. · Investments in energy and resource efficiency and renewable energy. Sustainability goals as well as raw material guidelines, taking into account biodiversity and climate impacts.

REPUTATIONAL RISKS	TRANSITION RISKS	MANAGEMENT METHODS
	· Failure to meet growing regulatory demands.	· Good implementation of legislation and effective implementation of regulation and active monitoring.

CHRONIC RISKS	PHYSICAL RISKS	MANAGEMENT METHODS
	· Global warming takes place faster than expected, resulting in permanent changes in the availability of raw materials.	· Scenario reviews and possible changes in the range of products and services. · Sustainability targets and policies related to the use of chemicals, taking biodiversity and climate impacts into account.

OPPORTUNITIES

Key climate and biodiversity opportunities identified by S Group. It is difficult to accurately assess the direct financial effects of the opportunities on S Group's operations. Assessing the financial effects of opportunities in terms of magnitude.

	RESOURCE EFFICIENCY	MANAGEMENT METHODS
	· Energy efficiency in own operations reduces operational costs.	· Investments in energy efficiency, the continuous monitoring and optimisation of energy consumption.

	NEW MARKETS	MANAGEMENT METHODS
	· Customers' growing expectations can be met by developing innovative low-carbon products. · Making use of the transport transformation distribution obligation and flexible mechanisms in business development. · The pursuit of carbon neutrality strengthens S Group's brand and attracts responsible customers. · Circular economy solutions and material efficiency reduce procurement costs.	· Investments in product development and innovation. · Making use of flexible mechanisms and the opportunities provided by the distribution obligation in fuels retail and service stations. · Sustainability communication, concrete emission reduction measures. · Optimising supply chains and favouring recycled materials.

	NEW CAPABILITIES	MANAGEMENT METHODS
	· Advanced biodiversity and sustainability work strengthens S Group's reputation.	· Leading the way in sustainability is concretised in competition strategies.

Over the past few years, we have made considerable investments in wind and solar power, which has significantly reduced emissions from our own operations. These investments will continue in the future, and by the end of 2024, the number of solar panels in connection with our outlets had increased to more than 120,000. Investments in renewable electricity will also affect the electricity purchased and its origin.

We will continue to improve the energy efficiency of our outlets. Our goal is that by 2030, all refrigeration facilities containing traditional F gases will have been replaced with facilities using natural refrigerants. As a result, the emissions caused by refrigerant leaks will be almost completely eliminated. In addition, we will improve the utilisation of waste heat generated in refrigeration plants, reducing our dependence on district heat, for example, while the absolute total emissions from outlets will also be reduced. Together with energy companies, we will continue to develop the circular economy model where waste heat from outlets can be directed for use in municipal district heating networks. The cooperation model will reduce the heating emissions generated by outlets to almost zero, while reducing regional total emissions from heating. We use more and more emission-free and renewable energy, which further reduces emissions from our own operations.

We invest in reducing value chain emissions by requiring suppliers who deliver products worth more than EUR 10 million to set science-based climate targets. We support our partners' climate-related efforts through the Big Deal programme, which aims to reduce emissions by one million tonnes by 2030. Our calculation of adverse biodiversity impacts shows that more than 95% of our impacts on biodiversity occur in the value chain. In addition, 99% of our climate emissions are generated in the value chain. That is why we see cooperation with the value chain in climate and biodiversity work as paramount, so that together we can find ways to reduce adverse impacts and ensure the availability of products in the future. We have included regenerative farming in our sustainability programme measures. We have supported the establishment of e-learning in regenerative farming and organised future-oriented coaching sessions for agricultural entrepreneurs, in which carbon farming, climate entrepreneurship and taking biodiversity into account have been at the core. In biodiversity, together with the value chain, we have carried out biodiversity projects aimed at improving the biodiversity of the areas concerned and mitigating adverse biodiversity impacts caused by the production of products in the area.

Good management of climate and biodiversity risks and ambitious and goal-oriented climate and biodiversity work enable S Group to access funding and have a positive impact on capital costs.

Consumers are increasingly aware of the impacts of climate change and also want to influence the emissions from their own consumption. Our goal is to increase the proportion of plant-based foods to 65% of all the food products we sell by 2030. This will enable us to significantly reduce our value chain emissions. We also help customers by offering recipes in our communication channels for preparing more climate-smart dishes. We will continue to provide our customers with various solutions to support climate-smart consumption patterns. Using the carbon footprint and nutrition calculators of S-mobiili, consumers can already monitor the climate and health impacts of their own food baskets. Through climate and biodiversity work, we promote our brand image and increase customer loyalty and trust capital.

We are moving towards halving our food waste by 2030. The most important ways to achieve this target are to improve sales forecasting, to sell red-labelled products and to cooperate with waste food services. We recycle products as raw materials for new food products and for the production of bioethanol and animal feed. We also donate food to food aid organisations. Reducing waste and other resource efficiency brings cost savings. For this reason, we invest in, for example, reducing the amount of waste and improving the recycling rate. We have also improved our packaging efficiency and further developed the use of packaging materials.

Investments in the electric car charging network support the electrification of transport. We have developed our range of renewable liquid fuels. We reduce transport logistics emissions by optimising routes, increasing the amount of renewable fuels and introducing electric transport equipment.

S GROUP GHG INVENTORY REPORT 2024 19/3/2025

PART 1: DESCRIPTIVE INFORMATION

DESCRIPTIVE INFORMATION	COMPANY RESPONSE
Company name	SOK Corporation (reporting S Group data)
Description of the company	S Group is a Finnish cooperative group of companies operating in the retail and service sector. S Group comprises the cooperatives and SOK Corporation along with its subsidiaries employing over 42,000 people with retail sales total of €14.3 billion. The co-op members own the cooperatives, which in turn own SOK Corporation. SOK produces procurement, expert and support services to cooperatives. SOK is also responsible for the strategic guidance of S Group and the development of the business chains. SOK Corporation comprises SOK and its subsidiaries. The purpose of S Group's business is to provide co-op members with competitive services and benefits. The group wants to offer diverse services and an extensive network of around 2,000 outlets for co-op members in Finland and Estonia. S Group's key business areas are · supermarket trade, · department stores and speciality stores, · service station store and fuel sales, as well as · travel industry and hospitality business. In addition, S-Bank offers banking services to co-op members.
Chosen consolidation approach (equity share, operational control or financial control)	Operational control
Description of the businesses and operations included in the company's organizational boundary	The GHG emissions reported by S Group under Scope 1 and Scope 2 include all business units in Finland and Estonia. Scope 1 and 2 emissions include the fuel consumed at properties managed by S Group companies and co-ops and the purchased energy used by properties managed by S Group companies and co-ops. Outlets in which the heat consumption is included in the rental agreement and separate consumption meters are not in place, are excluded (30 per cent of outlets). GHG emissions from refrigerant leaks in outlets are included. S Group's Scope 3 emissions occur from sources owned or controlled by other entities in the value chain. Most significant indirect emissions (not included in Scopes 1 and 2) that occur along S Group's value chain, including both upstream and downstream emissions, are presented in the Scope 3 emissions inventory. In scope 3, the categories 'purchased goods and services', 'capital goods', 'indirect emissions from acquired energy', 'waste' and 'wastewater', as well as 'business travel', the figures include Finland and partly Estonia. In other categories, only the figures for Finland are included. The Scope 3 GHG emissions inventory of S Group includes emissions from all business units. The calculation includes emission data to the extent that it was available. These deviations as well as other limitations in the boundary are reported in connection with the categories and indicators in question. S-Bank and Hesburger have prepared their own GHG calculations in accordance with the Corporate Sustainability Reporting Directive (CSRD) and applying the structures and principles of the European Sustainability Reporting Standards (ESRS). The S-Group's GHG emission calculation includes S-Banks and Hesburger scope 1 and scope 2 emissions to the extent that their premises are in conjunction with other S-Group locations and do not have their own energy metering.
The reporting period covered	01/01/2024–31/12/2024

DESCRIPTIVE INFORMATION	COMPANY RESPONSE
A list of scope 3 activities included in the report	The following categories, adapting the GHG Protocol, are included in S Group's Scope 3 GHG emissions inventory: Category 1: Purchased goods and services · Purchased goods for resale including daily food, non-food, consumer goods for grocery stores and wholesale for restaurants and hotels (for year 2024 only for S Group's hotel and restaurants), and fuel and electric vehicle chargins sold at petrol stations and indirect purchases (machines and equipment), purchased water and sold cars · Purchased services Category 2: Capital goods · New constructed buildings and building extension Category 3: Fuel- and energy-related activities (not included in Scope 1 and 2) · Upstream emissions from purchased fuels, electricity and heat. In Finland upstream emissions from renewable electricity and nuclear are excluded. · Transmission and distribution losses from purchased electricity and heat Category 4: Upstream transportation and distribution · Outsourced contract operators for retail, food service and fuel logistics Category 5: Waste generated in operations Category 6: Business travel · Business flights, trains, ships, car rental, taxis, charters and other travel agency services · Emissions from leased cars Category 7: Employee commuting · Office workers are not included due to lack of data Category 9: Downstream transportation and distribution · Customer transportation to and from outlets Category 11: Use of sold products · GHG emissions from the use/combustion of fuel and electric vehicle chargins sold Category 15: Investments · GHG emissions from direct investment assets by S Group cooperatives
A list of scope 1, scope 2, and scope 3 activities excluded from the report with justification for their exclusion	The following activities were excluded from the report: Category 1: Purchased goods and services – Category partly excluded · This category is relevant for S Group, however the local purchase of hotels and restaurants in Finland and Estonia are not included due to the lack of data. It is estimated that this represents less than 10% of purchased goods which presents 0,1% of total emissions. Category 8: Upstream leased assets – Category excluded · This category is relevant for S Group regarding leased IT and other equipment and cars leased for employees, however the GHG emissions from the use of the IT equipment is included in scope 2 and the GHG emissions from other stages of the lifecycle are included in category 1 Category 10: Processing of sold products – Category excluded · This category is relevant for S Group, but GHG emissions from purchased raw materials for the restaurants and shops are included in the category 1 and GHG emissions from the food preparation stage are included in scopes 1–2. Category 11: Use of sold products – Category partly excluded · This category is included but it only consists of the fuel's TTW (Tank-to-Wheel) emissions. For other S Group's sold products this is excluded to avoid double accounting as the use-of-sold-products emissions are included in the emissions in Category 1: Purchased goods and services. Also, it is difficult to calculate due to lack of reliable data for different product and service categories. Category 12: End-of-life treatment of sold products – Category excluded · This category is relevant for S Group but is excluded to avoid double accounting as the end-of-life treatment emissions are included in the emissions in Category 1: Purchased goods and services. Also, it is difficult to calculate due to lack of reliable data for different product and service categories. Category 13: Downstream leased assets – Category excluded · This category is not relevant for S Group as it does not lease assets to other companies which would not be included in Scope 1 or Scope 2 inventories. Category 14: Franchising – Category excluded · This category is relevant for S Group regarding the 106 Hesburger fast-food restaurants in Finland. However, the emissions from these franchises are included only in S Group's scope 1 and 2 inventories.

PART 2: GREENHOUSE GAS EMISSIONS DATA

SCOPES AND CATEGORIES	METRIC TONS CO_2E
Scope 1: Direct emissions from owned/controlled operations	31,860
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Location based: 82,470 Market based: 11,550
Upstream scope 3 emissions	
Category 1: Purchased goods and services	5,748,320
Category 2: Capital goods	60
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	48,120
Category 4: Upstream transportation and distribution	122,510
Category 5: Waste generated in operations	23,000
Category 6: Business travel	5,510
Category 7: Employee commuting	12,500
Category 8: Upstream leased assets	N/A
Other	N/A
Downstream scope 3 emissions	
Category 9: Downstream transportation and distribution: Customer transportation to and from outlets	276,870
Category 10: Processing of sold products	N/A
Category 11: Use of sold products	2,448,970
Category 12: End-of-life treatment of sold products	N/A
Category 13: Downstream leased assets	N/A
Category 14: Franchises	N/A
Category 15: Investments	18,000
Other	N/A

PART 3: DESCRIPTION OF METHODOLOGIES AND DATA USED

SCOPE	METHODOLOGIES USED TO CALCULATE OR MEASURE EMISSIONS, PROVIDING A REFERENCE OR LINK TO ANY CALCULATION TOOLS USED
Scope 1	Activity data: · Oil: kWh of heat produced with oil as measured and registered in the S Group real estate system. · Gas: kWh of heat produced with gas as measured and registered in the S Group real estate system. · Refrigerant leaks: kg of substance as reported fill-ups of the equipment by the service provider for each co-op and company · Self-produced wind power (S-Voima/GigaWatti): cancelled Certificates of Origin for S-Voima based on the share of ownership of S Group co-ops and companies. Emission factors: · Oil: Statistics Finland Fuel Classification 2024 · Gas: Statistics Finland Fuel Classification 2024 · Refrigerant leaks: The Finnish Environment Institutes publication: Valvontaohje otsonikerrosta heikentäviä aineita tai fluorattuja kasvihuonekaasuja sisältävien laitteiden huoltoa valvoville viranomaisille (2. päivitetty painos)
Scope 2	Activity data: · Electricity: consumption data in kWh based on the S Group real estate system and S-Voima electricity purchases · Heat: consumption data in kWh based on the S Group real estate system, electricity consumption used for heat pumps included in electricity metering · Cooling: consumption data in kWh based on the S Group real estate system Emission factors: Finland · Electricity (S-Voima/GigaWatti wind power is categorized in scope 1): 0 · Electricity (other, market-based): Renewable electricity guarantees of origin were used. · Electricity (location-based): Finland average electricity energy mix, 5-year average: 85 kg CO_2/MWh; based on Statistics Finland Production of electricity and heat · District heat (marked-based): location specifid emission factors based on Finnish District Heat Emissions Calculator · District heat (marked-based): Cancelled Certificates of Origin · District heat (location-based): Finland average district heat mix, 5-year average: 116 kg CO_2/MWh; based on Statistics Finland Production of electricity and heat · Cooling: real estates located in Helsinki region, thus emissions factor in 2024 from local service provider used, 0 kg CO_2/MWh; based on Helen Oy · Cooling: real estates located in Tampere region, thus emissions factor in 2024 from local service provider used, 0 kg CO_2/MWh; based on Tampereen Energia Oy · Cooling: real estates located in Turku region, thus emissions factor in 2024 from local service provider used, 0 kg CO_2/MWh; based on Turku Energia Oy · Cooling: real estates located in Espoo region, thus emissions factor in 2024 from local service provider used, 0 kg CO_2/MWh; based on Fortum Estonia: · Electricity: Estonia production mix 2023; 465 g CO_2/kWh; based on AIB · District heat: Estonia proportional allocation, 86 kg/MWh; based on Smart Energy Systems publications

SCOPE AND CATEGORY	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS	% OF EMISSIONS CALCULATED USING DATA OBTAINED FROM SUPPLIERS OR VALUE CHAIN PARTNERS
Upstream scope 3 emissions			
Category 1: Purchased goods and service	Activity data (primary data): Calculations based on volumes (kg/l) sold by category (majority of daily food and non-food items) and spend (euros) by category (consumer goods and services). Sold cars are included as the number of sold cars. Consumption of fresh water based on consumption in m^3 as measured and registered in the S Group real estate system. Emission factors (secondary data): Lifecycle emissions factors were taken from different sources including: SYKE 2019: **https://helda.helsinki.fi/server/api/core/bitstreams/2a58d55b-0006-4413-b2c7-22310fc4c575/content** LUKE 2016: Summary of the chosen methodologies and practices to produce GHGE-estimates for an average European diet Luke 2019: Product group specific carbon footprint calculations based on SOK's data and the scientific articles. Exiobase 2019 For fuel: well-to-tank emissions factor was calculated based on the lifecycle emissions factors provided by S Group fuel trade partner NEOT and by deducting the combustion emissions factors based on European commission Jec Well-to -Tank report v5 fuel mix emissions factors **JRC Publications Repository - JEC Well-to-Tank report v5** Sold car: The Finnish Information Centre of Automobile Sector, 2024 Fresh water: HSY Energy and material balances and greenhouse gas emissions, 2024	Coverage: All divisions in Finland, from Estonia grocery stores Method: Average lifetime GHG emissions factors were acquired for product categories from different sources. Activity data used in the calculation was 1) the physical mass (kg) or volume (liters) of the products sold during the fiscal year, or where physical volume was not available, the emission factors were used for each 2) euro of the "basic price"/purchase price of the product as indicated in an input-output model including the environmental impacts 3) amount of sold cars 4) water (m^3) multiplied with the respective emissions factor. The lifetime emissions of products were not split between cradle to gate and gate-to-end-of-life due to limited split LCA data availability for the sources used. Scope 1–2 emissions were not deducted from the category due to limited data availability on the retail/storage share of the category specific LCA factors so the category contains approx. 5% double counting risk for this reason. Exception was made for the most significant individual product – fuel, for which the use-phase/tank-to-wheel emissions we're excluded from category 1 and are presented in category 11. Thus category 1 only includes the estimated well-to-tank share of the fuel life-cycle CO_2 emissions. For electric charging emissions has been included to this category. The electric charging sold in S Group is emission free but there are some emissions in the value chain of the electricity. The fuel emissions contain ABC gas stations and direct sale to companies (b-to-b) and direct sale from cooperatives to consumers and companies. The calculation methodology and sources used contain significant amount of uncertainties and can thus only be used as a very high level estimate of the climate impact of products and services purchased by S Group in 2024. Due to the inflation, correction was done for emission calculations that are based on spend (€). The consumer price index was compared to year 2019 as the € based Envimat factors are from year 2019. The change between consumer price index during years 2019 and 2024 is 18.48% so the correction factor used for € based factors was 0.844028448.	13% (well-to-tank emissions factor for fuel)
Category 2: Capital goods	Activity data: constructed square meters of new buildings. Emission factors (secondary data): life cycle calculations by building type.	Coverage: Finland Method: Calculations are based on carbon footprint analyses done for a set of constructed S Group's buildings in Finland in 2022–2024. Average emission factors (carbon footprint) per square meter were derived for each building type constructed or expanded in 2024. The carbon footprint analysis covers a building's entire life cycle. It includes the manufacture and transportation of the products used in a construction project, the worksite, the use and maintenance of the building, its demolition, and recycling.	0%

SCOPE AND CATEGORY	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS	% OF EMISSIONS CALCULATED USING DATA OBTAINED FROM SUPPLIERS OR VALUE CHAIN PARTNERS
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Activity data (primary data): energy and fuel consumption in kWh as collected from the group and co-op energy meters. Emission factors (secondary data): Defra WTT and T&D emissions factors for fuels, electricity and heat: Greenhouse gas reporting: conversion factors 2021, 2022 and 2023 **https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021** **https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022** **https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023**	Coverage: all countries. Method: country and energy specific consumption figures were multiplied by the relevant Defra emissions factor. For electricity in Finland, the share of renewable energy (own and market-based) and nuclear (in residual market mix) were excluded from the calculation and thus only the upstream emissions for the residual fossil fuel-based energy were included. Residual mix was based on 2023 as 2024 mix was not yet available at the time of reporting.	0%
Category 4: Upstream transportation and distribution	Activity data (primary data): logistics partner's reported tonne-kilometer Emission factors (secondary data): Domestic: LIPASTO fossil fuel emissions factors International: CLECAT Guide on Calculating GHG emissions for freight forwarding and logistics services in accordance with EN 16258 is used as a guideline for CO_2e calculation in the current report.	Coverage: Finland, business units: grocery, consumer goods, restaurants and hospitality and fuel trade. For e-commers transportations only consumer goods e-commerse transports are included in the calculation. Method: Meira Nova and NEOT calculations are based on contracted logistics partners' reported mileage and related GHG emissions. The share of transportation emissions from transportations is allocated to SOK according to the share of products that have been supplied to SOK during the reporting year. Inex domestic calculation is based on various reports from Inex Analytics. The reports include data from e.g. Inex's customers, transportation routes, contracting partners and transported volumes, which are combined into an emission report in accordance with LIPASTO CO_2 emission factors. International emissions are calculated according to distance calculations and shipping weight.	100%
Category 5: Waste generated in operations	Activity data (primary data): waste amounts in tonnes by type of waste obtained from waste operators and wastewater as measured and registered in the S Group real estate system Emission factors (secondary data): WWF Finland's Climate Calculator HSY Energy and material balances and greenhouse gas emissions, 2024	Coverage: all countries Method: waste per type (tonnes) and wastewater (m^3) multiplied with the respective emissions factor.	0%
Category 6: Business travel	Activity data (primary data): mileage and fuel used by business flights and leased cars, trains, ships, car rental, taxis, charters and other travel agency services based on spend (euros). Emission factors (secondary data): Provided by service providers (AMEX and LeasePlan) Exiobase 2019	Coverage: leased vehicles: SOK Corporation unlimited car benefit cars (regional co-ops excluded), flights: S Group in Finland, other: all countries. Method: Calculation made for SOK Corporation's leased cars and employees business travel by plane. Data and emission calculations provided by service partners. Otherwise, the calculation has been done in the same way as in category 1.	50%

SCOPE AND CATEGORY	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS	% OF EMISSIONS CALCULATED USING DATA OBTAINED FROM SUPPLIERS OR VALUE CHAIN PARTNERS
Category 7: Employee commuting	Activity data (primary data): S Group employees in Finland estimated average distance to their workplace (km) multiplied by annual average estimated working days. Emissions factors: Emissions factors for local transportation: WWF Climate Calculator (based on LIPASTO database): **www.ilmastolaskuri.fi** Emission factors for cars: **https://tieto.traficom.fi/fi/tilastot/liikennekaytossa-olevat-henkiloautot-kayttovoimat-paastot-ja-keski-ika** Transportation methods: Kaupunkiympäristön Helsinkiläisten liikkumistottumukset 2022: **https://www.hel.fi/static/liitteet/kaupunkiymparisto/julkaisut/julkaisut/julkaisu-06-23.pdf** Liikenne- ja viestintäviraston Henkilöliikennetutkimus 2021: **https://www.traficom.fi/sites/default/files/media/file/HLT2021_Faktakortti_Työmatkat_ja_etätyö.pdf**	Coverage: Finland Method: Calculation made based on data for S Group employees in Finland, who have the “employee” information linked to their S Group loyalty card (this excludes office employees of SOK and subsidiaries). Average work commute distance estimated based on the average distance between the employee's postal code and their respective workplace. The mode of transport was estimated based on a national Transportation study stating the share of different modes of transport in different size towns/communities. Average mileage and modes of transport was then multiplied with the average annual working days. Part-time employees annual working days were estimated based on their average weekly working hours. It is acknowledged, that there is a possible overlap with scope 3 category 11 emissions where employees purchase fuel for their commute from S Group service stations however, the share of such overlap is difficult to estimate accurately. The calculation methodology and sources used contain significant amount of uncertainties and can thus only be used as a very high level estimate of the climate impact of S Group employees work commute.	0%
Downstream scope 3 emissions			
Category 9: Downstream transportation and distribution	Emission factors (secondary data): Emissions factors for local transportation: WWF Climate Calculator (based on LIPASTO database): **www.ilmastolaskuri.fi** Emission factors for cars: **https://tieto.traficom.fi/fi/tilastot/liikennekaytossa-olevat-henkiloautot-kayttovoimat-paastot-ja-keski-ika** Transportation methods: Kaupunkiympäristön Helsinkiläisten liikkumistottumukset 2022: **https://www.hel.fi/static/liitteet/kaupunkiymparisto/julkaisut/julkaisut/julkaisu-06-23.pdf** HSL Liikkumistapatutkimus 2018: **https://www.hsl.fi/sites/default/files/hsl_julkaisu_9_2019_netti.pdf** Liikenne- ja viestintäviraston Henkilöliikennetutkimus 2021: **https://www.traficom.fi/sites/default/files/media/publication/HLT_2021_pääraportti.pdf**	Coverage: Finland. Loyal customer transportation to and from outlets in Finland, approx. 80% of customer visits by loyal customers. Method: Calculation made based on the S Group customer loyalty card holders’ annual visits to S Group outlets multiplied by the average distance between the card holders hometown/commune (based on postal codes) and the closest S Group outlet weighted by the nr of visits and taking into account the town/area specific transportation methods. Employee visits deducted based on the assumption that they visit the outlets on their way from work. Ways of transportation obtained from national and regional transportation surveys. It is acknowledged, that there is a possible overlap with scope 3 category 11 emissions if customers purchase fuel for their vehicles from S Group service stations however, the share of such overlap is difficult to estimate accurately. The calculation methodology and sources used contain significant amount of uncertainties and can thus only be used as a very high level estimate of the climate impact of S Group customers visits to S Group outlets.	0%
Category 11: Use of sold products	Activity data (primary data): volume of fuel (liters) sold to end customers in 2023. Emission factors: TTW (tank-to-wheel) emissions factors provided by S Group fuel sourcing company NEOT based on actual fossil to bio mixes in 2024. Fossil fuel combustion factors from European commission Jec Well-to -Tank report v5. **JRC Publications Repository – JEC Well-to-Tank report v5**	Coverage: Finland. Method: volume of fuel sold to end customers multiplied with the relevant combustion emissions factor by fuel type. The fuel emissions contain ABC gas stations and direct sale to companies (b-to-b) and direct sale from cooperatives to consumers and companies. Electric charging is included but it has no emissions in this category, the emissions from electric charging belong to the category of 3.1.	100%
Category 15: Investments	Data used: Investments made by regional cooperatives obtained from the entity managing the investments.	Coverage: The calculation includes emission data to the extent that it was available. We are aware of investments whose emissions have not yet been calculated. We are continuing to develop the calculation for these. Method: Emissions allocation per investment to regional cooperatives.	100%

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Independent Practitioner's Assurance Report

To the management of Suomen Osuuskauppojen Keskuskunta

We have been engaged by the management of Suomen Osuuskauppojen Keskuskunta (0116323-1) (hereafter "SOK") to provide limited assurance on selected numerical sustainability indicators (hereafter "Sustainability Information") presented in SOK's Annual Report 2024 (Appendix 1) for the reporting period 1.1.–31.12.2024.

The Sustainability Information subject to the limited assurance consists of the following indicators:

- Energy consumption of electricity, heat and cooling (GWh) [page 76] – GRI 302-1
- Energy consumption intensity (kWh/BRM2) [pages 8, 75, 76] – GRI 302-3
- Direct CO_2-emissions (Scope 1) (tn CO_2e): gross emissions, generation of heating from fossil sources (heating oil and natural gas), refrigerant leaks [pages 72, 73, 137] – GRI 305-1
- Indirect CO_2-emissions (Scope 2, location-based and market-based) (tn CO_2e): gross emissions, purchased electricity, purchased district heat, purchased cooling [pages 72, 73, 137] – GRI 305-2
- Emissions from own operations: Scope 1 and Scope 2 market-based emissions (tn CO_2e) [pages 8, 73] – GRI 305-1, GRI 305-2
- Most significant other indirect CO_2-emissions (Scope 3) (tn CO_2e): gross emissions, purchased goods and services, capital assets (buildings), indirect emissions from purchased energy, upstream transportation, waste, business travel, employee commuting, downstream transportation (customer traffic), use of sold products, and investments [pages 72, 74, 137] – GRI 305-3
- Emission intensity of own operations (tn CO_2e/Sales M€) [page 73] – GRI 305-4
- Property area and emission intensity of own operations (tn CO_2e/1,000 BRM^2) [page 73, 76] – GRI 305-4 and S-Group's own accounting principles
- Total amount of waste (tn), breakdown of waste fractions (tn), solid waste (%), waste processing and recovery (%), recycling rate (%), waste directed to recycling in comparison to year 2019 (tn), amount of waste from Finnish operations in relation to the whole country's municipal waste (%) [pages 8, 38, 47, 69, 91] GRI 306-3, 306-4, 306-5
- Relative food waste; Grocery store, Restaurants, ABC Restaurants [pages 8, 47, 69, 90] – S-Group's own accounting principles
- Audit coverage of risk-country purchases (%) [pages 8, 38, 47, 94] – S-Group's own accounting principles
- Share of Finnish food products (%) [pages 8, 38, 43, 53, 59] – S-Group's own accounting principles

Management's Responsibilities

The management of SOK is responsible for the preparation and presentation of the Sustainability Information in accordance with the reporting criteria i.e. SOK's reporting guidelines, Greenhouse Gas Protocol by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD), and GRI Sustainability Reporting Standards. This responsibility includes designing, implementing and maintaining internal control, maintaining necessary documentation, as well as making estimates relevant to the preparation of the Sustainability Information that are free from material misstatement, whether due to fraud or error.

Independent Practitioner's Responsibilities

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion based on our engagement. We performed our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "*Assurance Engagements other than Audits or Reviews of Historical Financial Information*". This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement. The nature, timing and scope of the limited assurance procedures are based on professional judgement, including an assessment of material misstatement due to fraud or error, and we maintain professional skepticism throughout the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We are independent of SOK in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1, which requires the authorized audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG Oy Ab, a Finnish limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Business ID 1805485-9
Domicile Helsinki

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Description of the Procedures That Have Been Performed

As the methods of obtaining evidence are more limited in a limited assurance than in a reasonable assurance, an assurance obtained is more limited than in a reasonable assurance. We have designed and performed procedures to obtain sufficient and appropriate evidence for limited assurance and to provide a basis for our conclusion, therefore we do not obtain all the evidence, which is required in reasonable assurance. While we consider the design of internal controls when determining the nature and scope of our assurance procedures, our limited assurance engagement is not included the testing of the operating effectiveness of internal controls. Our procedures did not include control testing or performing procedures related to combining and calculating data within IT systems. The limited assurance engagement consists of inquiries of individuals who are responsible for preparing the Sustainability Information and related information, as well as for carrying out analytical and other procedures.

In the engagement, we have performed the following procedures, among others:

- Interviewed a member of SOK's senior management and relevant personnel responsible for providing the Sustainability Information;
- Assessed the application of GRI Sustainability Reporting Standards, Greenhouse Gas Protocol by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD) in disclosing the Sustainability Information;
- Assessed the data management processes used for collecting and consolidating Sustainability Information, and conducted interviews related to information systems and working methods;
- Reviewed the disclosed Sustainability Information and assessed its quality and definitions of reporting boundaries; and
- Assessed the accuracy and completeness of the Sustainability Information through a review of the original documents and systems on a sample basis.

Inherent Limitations of the Engagement

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Information for the reporting period 1.1.–31.12.2024 subject to the limited assurance engagement is not prepared, in all material respects, in accordance with SOK's reporting guidelines, Greenhouse Gas Protocol by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD), and GRI Sustainability Reporting Standards.

Helsinki, 29.4.2025

KPMG Oy Ab

Jukka Rajala

Authorised Public Accountant

Appendix:

Appendix 1 Annual Report 2024

KPMG Oy Ab, a Finnish limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Business ID 1805485-9
Domicile Helsinki