

# SUSTAINABILITY PROGRAM

The targets of Verkkokauppa.com's sustainability work have been compiled into a sustainability program based on the themes and focus areas selected in the materiality assessment. The program for 2021-2025 covers four themes:

- At the customer's service and on their side
- Smaller environmental impact
- Verkkokauppa.com as a community
- Profitable business and good governance

 <b>AT THE CUSTOMER'S SERVICE AND ON THEIR SIDE</b>	 <b>SMALLER ENVIRONMENTAL IMPACT</b>
 <b>VERKKOKAUPPA.COM AS A COMMUNITY</b>	 <b>PROFITABLE BUSINESS AND GOOD GOVERNANCE</b>





AT THE CUSTOMER'S SERVICE AND ON THEIR SIDE

Target achieved / significant progress ●  
 On the way to the goal ●  
 Progress slower than planned ●

Focus area	Target	Indicator (KPI)	KPI 2025	Status and development 2023
<b>We sell products that customers actually need: our products are safe and of high quality, and product information and communications are transparent</b>	We minimize customer returns	Product return rate	1.0%	0.7% (0.7). Overall return rate including "change of minds" as well as service returns 0.9% (1.0%)
	We support our customers in making responsible choices	New services, functionalities and products	New launches	The range of used products was expanded to new categories, covering over one hundred items. The range now includes computers, tablets, peripherals, and phones.
<b>We offer services supporting sustainable consumption</b>	We extend the life cycle of private label products	Private label products for which maintenance services or spare parts are provided	Growth	The spare parts availability offered for the company's private label products was expanded to cover new product categories and data tools were developed. The maintenance process was launched for snowblowers, piloted for televisions, and further developed for bicycles, mobile phones and electric scooters.
	We offer services that support circular economy	New services	New launches	A trade-in service "Vaihtokauppa" that promotes circular economy was launched for consumers. With the service, customers can sell their working used electronic devices back. A buyback service was also launched for business customers.
<b>We promote responsible working conditions and environmental practices throughout the supply chain</b>	We promote responsible working conditions and human rights in our private label supply chains	Percentage of tier 1 suppliers in high-risk countries with a valid social responsibility audit	100%	99.8% (98)
	We promote responsible environmental practices in our private label supply chains	Identification, piloting and expansion of an appropriate environmental liability scheme or process	Process in action	The goal was not advanced in the reporting year
	We set sustainability requirements for our suppliers	Established suppliers who have signed the Supplier Compliance Policy, %	100%	The Supplier Code of Conduct has been incorporated in the general terms and conditions.

Target achieved / significant progress ●  
 On the way to the goal ●  
 Progress slower than planned ●



## SMALLER ENVIRONMENTAL IMPACT

Focus area	Target	Indicator (KPI)	KPI 2025	Status and development 2023
<b>We minimize our impact on climate</b>	Zero greenhouse gas emissions from our own operations (scope 1 & 2)	Greenhouse gas emissions, tCO <sub>2</sub> eq Emissions intensity: tCO <sub>2</sub> eq/revenue (MEUR)	0	97 (67) tCO <sub>2</sub> eq, +45% from the previous year. In the longer term, -77% compared to the comparison year 2019. Emissions intensity 0.19 (0.12) tCO <sub>2</sub> eq/MEUR
	We reduce the indirect climate impacts of our activities (scope 3)	Greenhouse gas emissions, tCO <sub>2</sub> eq	To be established later	209 426 tCO <sub>2</sub> eq, -16% from the previous year. The decline is explained by the contraction in operations. The measures to draw up the emission reduction plan progressed more slowly than expected.
<b>We promote the use of responsibly sourced materials and material efficiency</b>	We minimize the environmental impact of our own packaging materials	Share of recycled material in postal packaging  Plastic shopping bags: unit / purchase	Increase  Decrease	Data collection needs to be developed further so that the metrics can be monitored reliably. The 100% recycled cardboard box used with the packaging machine was made thinner. Experiments were carried out on the replacement of plastic tape with a fiber-based one and the replacement of plastic wrap with partially recycled material.
	We improve the material efficiency and recyclability of private label packaging	Number of products screened, units	No numerical target	Trial purchases of recycled material packaging were carried out.
<b>We promote the circulation of materials</b>	Further developing the collection of electrical and electronic waste (WEEE) from our customers	Percentage of our customers who know how to sort WEEE waste WEEE sent for recycling, tons, and development in relation to revenue	Increasing the share Stays at least on the same level while the revenue grows	Not measured in 2023. 85% in 2022*. In-store and online communication was carried out to improve sorting awareness and accuracy. 211 (271) tons. Change in tons -22% and relative to turnover -8%.
	We improve the waste recycling rate	Recycling rate (incl. pallets), %	Improvement	75% (83) The decrease is explained by the decrease in incoming goods, which led to a decrease in the number of pallets and reduced the amount of waste diverted for reuse, as well as an increase in the share of broken pallets.
	We look for new use for end-of-sale and decommissioned products	Products donated or otherwise found a new use	No numerical target	We carried out the practice of donating end-of-sale and end-of-life products to charity.

\*15% of respondents to the Electronics Sustainability Barometer customer survey carried out in 2022 said that they were not sure what WEEE waste is or where it could be taken for recycling

Target achieved / significant progress ●  
 On the way to the goal ●  
 Progress slower than planned ●

 VERKKOKAUPPA.COM AS A COMMUNITY

Focus area	Target	Indicator (KPI)	KPI 2025	Status and development 2023
<b>We invest in leadership and culture</b>	We foster a sense of community	Engagement	8.2 (on scale 0-10)	7.1 (7.7) The change negotiations carried out in the beginning of the year had a negative effect on commitment. The target discussion model Kipinä was renewed and piloted. Workshops related to the Syke employee engagement survey were organized. ●
	We develop the work of supervisors	Leadership Index Trainings organized	7.8 (on scale 0-10) No numerical target	7.5 (7.5) The management program Soihtu was reopened and other trainings and peer meetings for supervisors were organized. The orientation of new supervisors was developed. ●
<b>We promote well-being and support professional development</b>	We invest in employee well-being, safety and coping with work	Ability to work	8.5 (on scale 0-10)	8.3 (8.4) The intervention model on harassment and inappropriate behavior was actively communicated. Work safety was emphasized and work safety instructions were updated. ●
	We strengthen our skills and create a growth environment for our top performers	Experience of development and growth	7.5 (on scale 0-10)	6.8* (5.8) The stores switched to a multi-skilled model, the roles of customer experience coach were introduced in sales and LEAN coach in logistics. Mentoring and the provision of apprenticeships continued. 20 new online courses were published. Trainings were offered to support change negotiations. ●
<b>With us, you can be as you are</b>	We value different backgrounds and discriminate against no-one	Experience of being valued regardless of one's background	8.5 (on scale 0-10)	8.1 (8.0) Diversity working group started its activities. ●
	We act on equal terms	Women as a percentage of supervisors Women as a percentage of managers and deputy managers	Over the proportion of women in the entire personnel: > 28% (28)	34% (2022: 30%, 2021: 32%, 2020: 37%) 19% (2022: 22%, 2021: 22%, 2020: 21%) Gender neutralization of recruitment communication continued, women's career stories were raised. The objectivity of recruitment was developed. A role classification system was introduced. ●

\* The question layout was changed, results not completely comparable



PROFITABLE BUSINESS AND GOOD GOVERNANCE

Target achieved / significant progress ●  
 On the way to the goal ●  
 Progress slower than planned ●

Focus area	Target	Indicator (KPI)	KPI 2025	Status and development 2023
<b>We run profitable business operations</b>	We run profitable business operations	Operating profit (EBIT), %	5.0%	0.9% (0.4)
	We are a responsible taxpayer	Taxes paid (income tax, VAT, transfer tax and social security contributions)	Tax footprint reporting	Taxes and tax-like payments in total 38 (35) MEUR, of which income tax 3.3 (3.0) MEUR; VAT 33.8 (31.5) MEUR; transfer tax 0.4 (0.8) MEUR and social security contributions 0.5 (0.5) MEUR
<b>We adhere to good governance principles and manage risks</b>	We train our personnel on the Verkkokauppa.com Code of Conduct	Annual Code of Conduct training completed, %	100%	93% (92)
	We comply with the Securities Market Association's Corporate Governance Code	Possible deviations from the Corporate Governance code	No deviations	No deviations
	We communicate with stakeholders on our key sustainability topics	Sustainability reporting under the evolving legislation	Yes	The company is preparing to report in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) for the financial year 2024 and has started the double materiality analysis required in the directive.
	We implement systematic risk management	Number of critical sustainability-related risks Management team members trained in risk management	0 100%	0 (0) 100% (100)
<b>We ensure strong information security</b>	We train our personnel on the company's information security and privacy policies	Annual data security and privacy training completed, %	100%	93% (92)
	We protect customer privacy	Number of significant data protection breaches, units	0	0 (0)
	We ensure the information security of our online store	Number of significant information security breaches, units	0	0 (0)