LINDEXGROUP

2024 Annual Report

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LINDEX GROUP PLC is an international multichannel retail group with two divisions: Lindex and Stockmann. Lindex is a global fashion company with a purpose to empower and inspire women everywhere. Its three strong categories include women's and kids' wear as well as lingerie. Lindex is a market leader in lingerie in the Nordics. Stockmann is a premium multi-brand retailer with department stores in Finland and the Baltics. Its purpose is to be a marketplace for a good life. In 2024, the Lindex Group's revenue was EUR 940 million and it had some 5 750 employees. The Group's roots lie in the Stockmann company founded in 1862 and its shares are listed on the Nasdaq Helsinki Ltd. in Finland.

www.lindex-group.com

The company adopted a name change in 2024, the former Stockmann plc changed its name to Lindex Group plc.

Our Year 2024

During the year, we made good progress in strategic development projects to future proof our business

In 2024, we continued our target-oriented work to build a solid, yet scalable foundation for the future of Lindex Group. We want to be fit for capturing new business opportunities, accelerating growth and enhancing value creation for our customers and shareholders. While focusing on serving and inspiring our customers with new collections and services, we made a good and concrete progress in the strategic focus areas and completed several strategic development projects enabling our future success.

We had a strong finish to the year despite the challenging market. In the fourth quarter, the Group's adjusted operating result was EUR 36.1 (30.2) million. The Group's revenue was on par with the comparison period, reflecting the continued volatility in the fashion market throughout the year. Regarding our full year performance, weaker purchasing power and low consumer confidence continued to affect the demand and impacted the revenue and result. The logistical challenges had an impact on the performance as well. Lindex Group's adjusted operating result was EUR 74.9 (80.0) million impacted by lower gross profit and continued investments in the Lindex division's future growth. Both divisions reported slightly lower revenue compared to the previous year.

A successful launch of the Lindex's highly automated omnichannel distribution centre took place in November and is being followed by a ramp-up and transition phase. The new facility will be fully operational in 2025 and it will replace the current warehouses. Going forward, the new centre will quadruple Lindex´s e-commerce capacity and supply all Lindex fashion stores and partners. We also implemented new digital solutions in both divisions' stores and supply chains, improving customer experience and operational efficiency.

Our journey to reduce climate impact and drive circularity in our assortments continued. In June, the Science Based Targets initiative (SBTi) approved Lindex Group's emission reduction target, which is to reduce absolute greenhouse gas emissions from our own operations and value chain by 42% by 2030 compared to 2022.

I am delighted to see how the Lindex and the Stockmann brands, collections and services continue to resonate among our customers. The amount of new and active loyal customers increased in both divisions. The year also marked the 70th anniversary of Lindex. I see that what once started as a small lingerie company in Alingsås in Sweden is today a growing brand-led international fashion company with a bright future.

In 2023, Lindex Group's Board of Directors initiated a strategic assessment to crystallise shareholder value by refocusing the Group's business on Lindex. In March 2024, the Group name was changed from Stockmann plc to Lindex Group plc. In December, we announced that the assessment to investigate strategic alternatives for the Stockmann department store business will continue and it is expected to be finalised during the first half of 2025. The restructuring programme of Lindex Group continued to progress during the year. All confirmed undisputed debts have been paid and there is one disputed claim remaining.

I want to sincerely thank our personnel for the hard work and dedication towards our ambitious goals. I also thank our customers, shareholders and partners for the trust and excellent cooperation during the year. I am excited to continue our journey together with you all striving to strengthen our company, drive growth, and increase shareholder value.

SUSANNE EHNBÅGE
CEO, Lindex Group

ADJUSTED OPERATING RESULT | EUR MILL.

74.9

2023: 80.0

REVENUE | EUR MILL.

940.1

2023: 951.7

SHARE OF DIGITAL SALES | %

18%

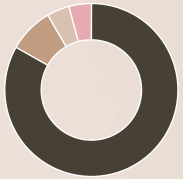
2023: 17%

REVENUE | %

DIVISION

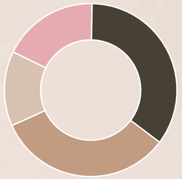
LINDEX	67%
STOCKMANN	33%

CATEGORIES



FASHION	79%
HOME	8%
FOOD	4%
OTHER	4%

MARKETS



SWEDEN	35%
FINLAND	33%
NORWAY	14%
OTHER COUNTRIES	18%

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LINDEX GROUP'S FINANCIAL PERFORMANCE

LINDEX GROUP *had a strong finish to the year despite the challenging market environment. The fashion market volatility impacted the Group's full year revenue and result. Continued investments in the Lindex division's future growth impacted the adjusted operating result as well.*

KEY FIGURES

	2024	2023
REVENUE, EUR mill.	940.1	951.7
GROSS PROFIT, EUR mill.	547.9	554.2
GROSS MARGIN, %	58.3	58.2
OPERATING RESULT (EBIT), EUR mill.	60.9	76.5
ADJUSTED OPERATING RESULT (EBIT), EUR mill.	74.9	80.0
NET RESULT FOR THE PERIOD, EUR mill.	13.2	51.7
ADJUSTED EARNINGS PER SHARE, EUR*	0.15	0.16
EARNINGS PER SHARE, EUR**	0.08	0.33
OPERATING FREE CASH FLOW, EUR mill.	20.3	70.8
CAPITAL EXPENDITURE, EUR mill.	45.7	65.1
EQUITY PER SHARE, EUR	2.44	2.47
EQUITY RATIO, %	30.0	29.9
EQUITY RATIO EXCL. IFRS 16, %	61.9	60.6

*) The net result for the fourth quarter improved due to higher operating result and decreased tax expenses. The net result for the full year decreased due to lower operating result and increased tax expenses.
**) Earnings per share decreased to EUR 0.08 (0.33) due to the lower net result as explained above and an increased number of shares compared to the previous period (1–12 2023).

FINANCIAL TARGETS

	2024	2023	2022
FOR THE LINDEX DIVISION			
3–5% annual local currency revenue growth in the mid-term and reaching an annual revenue of SEK 10 billion by 2030, %	-0.9	2.7	10.9
30% digital share of revenue in the mid-term, %	20.8	19.0	18.5
15% adjusted operating margin in the long-term, %	13.2	14.3	13.6
FOR THE STOCKMANN DIVISION			
Revenue growth in line with market* growth in the mid-term, %	-2.2	-0.6**	10.0
Reaching a positive free cash flow in the mid-term, EUR mill. ***	-19.4	-12.0	-20.9
5% adjusted operating margin in the mid-term, %	-1.3	-2.0	-1.7

*) Stockmann's addressable market in Finland, Latvia and Estonia, comprising of fashion, beauty and home categories. Market growth was -1,5% in 2024, 2.7% in 2023 and 7.0% in 2022.
**) The Stockmann division's revenue was negatively affected by the reduced size of the Stockmann Itis department store.
***) Operating free cash flow is calculated as EBITDA – items affecting comparability - lease payments +/- changes in net working capital - capital expenditure.

HIGHLIGHTS 2024

EXPANDING MARKET PRESENCE WITH CUSTOMERS AND PARTNERS

In 2024, the Lindex division continued to grow with its new and active customers and expanded its market presence through partnerships including B2B approach. It is important for Lindex to grow in current and new markets, explore new ways of doing business and continue to grow in the division's existing channels. Digital sales increased by 9% during the year and represented close to 21% of the revenue.

LINDEX'S NEW OMNICHANNEL DISTRIBUTION CENTRE FOR FUTURE GROWTH

At the end of the year, Lindex took its brand new omnichannel distribution centre into use. The new highly automated warehouse supplies all sales channels and ensures efficient distribution and stock management in line with Lindex's continued global, digital and sustainable growth. The multi-year investment of EUR 110 million is the largest in Lindex's history and a crucial step in accelerating the division's long-term global growth.

LINDEX LAUNCHES CLIMATE TRANSITION PLAN

To achieve its climate targets, Lindex has developed and defined a strategic climate transition plan. The plan outlines the division's targets, strategy and methodology, detailing the approach to reducing emissions. It also includes a strategic growth plan and roadmaps for each part of the value chain.

UP TO 10 000 PARCELS PER DAY

To improve operational efficiency, increase delivery speed and support Stockmann's e-commerce growth, a new automated packing automation system was introduced at Stockmann's distribution centre in Tuusula, Finland. The centre supplies eight department stores in three countries and Stockmann's online store.

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THE MAGICAL FAIRYTALE WINDOW'S 75TH ANNIVERSARY

The magical fairytale window of Stockmann's flagship store in Helsinki city centre was opened for the 75th time. Customers had the opportunity to co-create the beloved tradition, and hundreds of fairytale window friends sent in their ideas and wishes. Based on the responses, Stockmann created the Christmas story using AI, giving customers a chance to discover their own wishes in our window.

DIGITALISATION IS A KEY DRIVER FOR BOTH DIVISIONS

Lindex has continued to implement its Digital Store Programme to future-proof its stores and further strengthen the foundation for efficiency, flexibility and innovation. During the year, various digitalisation initiatives were rolled out as part of the Digital Store Programme. The programme included RFID implementation in all Lindex stores and the launch of a new Point of Sale (POS) system. The roll-out of RFID technology was also completed in all Stockmann department stores within the fashion category improving operational efficiency and customer experience.

STOCKMANN SUPPORTING FINNISH DESIGNERS

Stockmann has consistently supported and promoted Finnish design. During the year, Stockmann highlighted emerging Finnish designers, such as awarded young designer Henna Lampinen and Miro Heiskanen, the winner of the famous TV format Project Runway. The henna collection met customer wishes for a more diverse selection of plus-size fashion. Miro's collection was designed exclusively for Stockmann customers. Stockmann also hosted the In a New Light lighting exhibition, which featured six exciting Finnish artists and designers during the Helsinki Design Week.

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Empowering and inspiring women

Lindex is a global fashion company and a forerunner in sustainability. Lindex is a market leader in lingerie in the Nordics, but it also offers inspiring and affordable fashion in womenswear and kidswear. The company has a strong brand and a significant loyalty base – in its biggest markets, Sweden, Norway and Finland, over 60% of women are Lindex loyal customers. The company has a strong digital approach and over 20% of its sales are digital. The Lindex division's strategy builds on Lindex's purpose of empowering and inspiring women everywhere.
The division's three strategic focus areas are to accelerate growth, transform into a sustainable business, and decouple cost from growth.

REVENUE | EUR MILL.

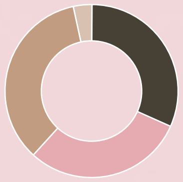
628.8

2023: 633.1

ADJUSTED OPERATING RESULT | EUR MILL.

82.9

2023: 90.3



REVENUE | By categories

WOMEN'S WEAR	32%
LINGERIE	30%
KIDS WEAR	35%
COSMETICS	3%

REVENUE | By markets

SWEDEN	53%
NORWAY	20%
FINLAND	12%
OTHER COUNTRIES	15%

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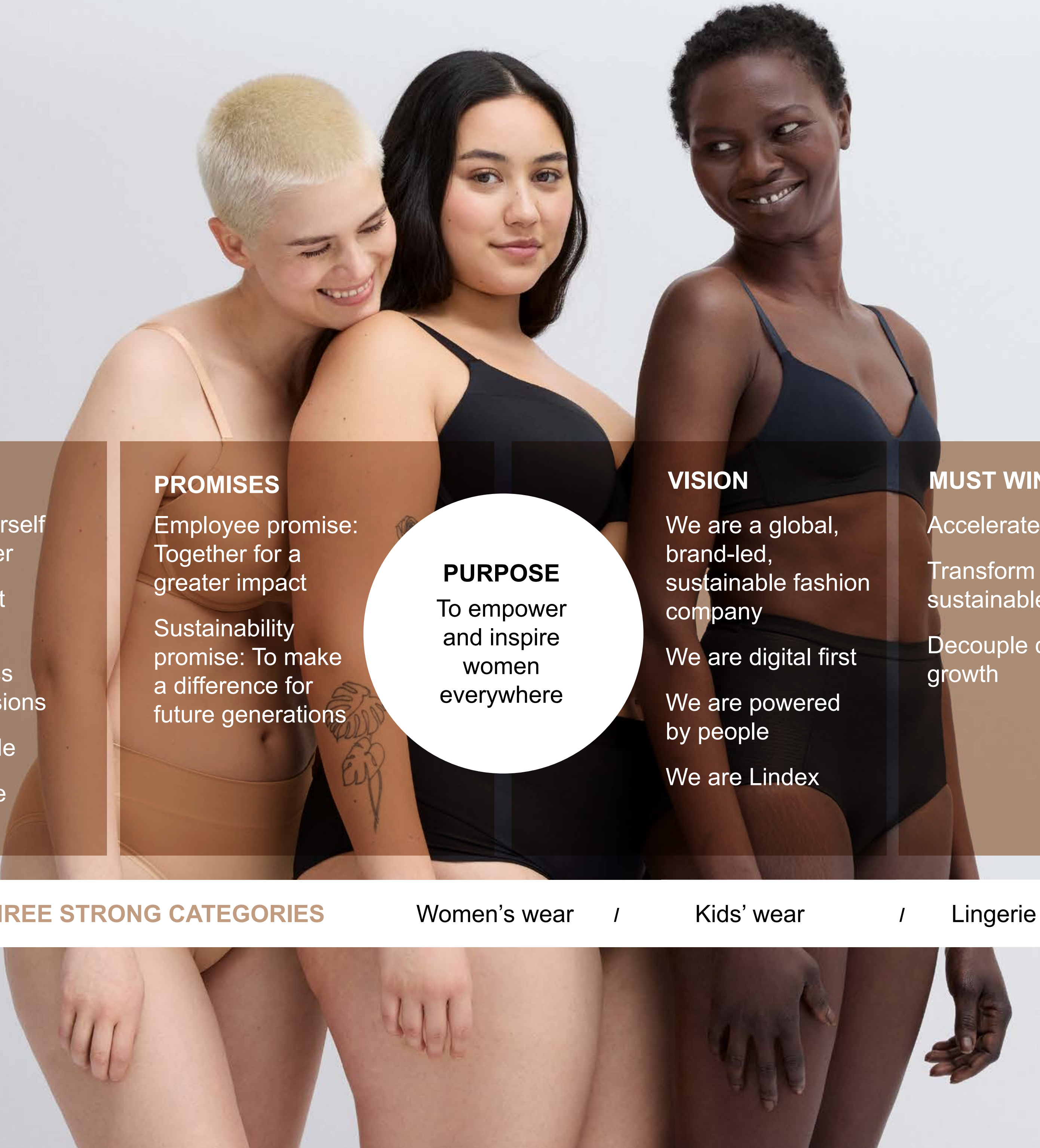
Clear strategy for value creation



VALUES
Empower yourself and each other

Seek constant improvement

Make business oriented decisions

Act sustainable

Make it simple

PROMISES
Employee promise: Together for a greater impact

Sustainability promise: To make a difference for future generations

PURPOSE
To empower and inspire women everywhere

VISION
We are a global, brand-led, sustainable fashion company

We are digital first

We are powered by people

We are Lindex

MUST WIN AREAS
Accelerate growth

Transform to a sustainable business

Decouple cost from growth

THREE STRONG CATEGORIES Women’s wear / Kids’ wear / Lingerie

Marketplace for a good life

Established in 1862, Stockmann is a premium omnichannel retail company offering a wide range of high-quality fashion, cosmetics as well as home and food products. It has eight department stores in Finland, Estonia and Latvia, and an online store. The Stockmann division's customer-centric strategy builds on Stockmann's purpose of being a marketplace for a good life. The division has four strategic focus areas, which are to elevate offering by increasing focus on premium and luxury, grow and leverage loyal customer base, optimise omnichannel performance and improve operational efficiency.

REVENUE | EUR MILL.

311.6

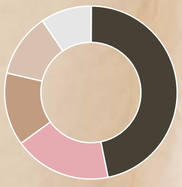
2023: 318.5

ADJUSTED OPERATING RESULT | EUR MILL.

-3.9

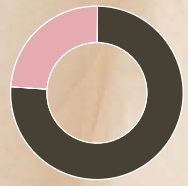
2023: -6.3

REVENUE | By categories



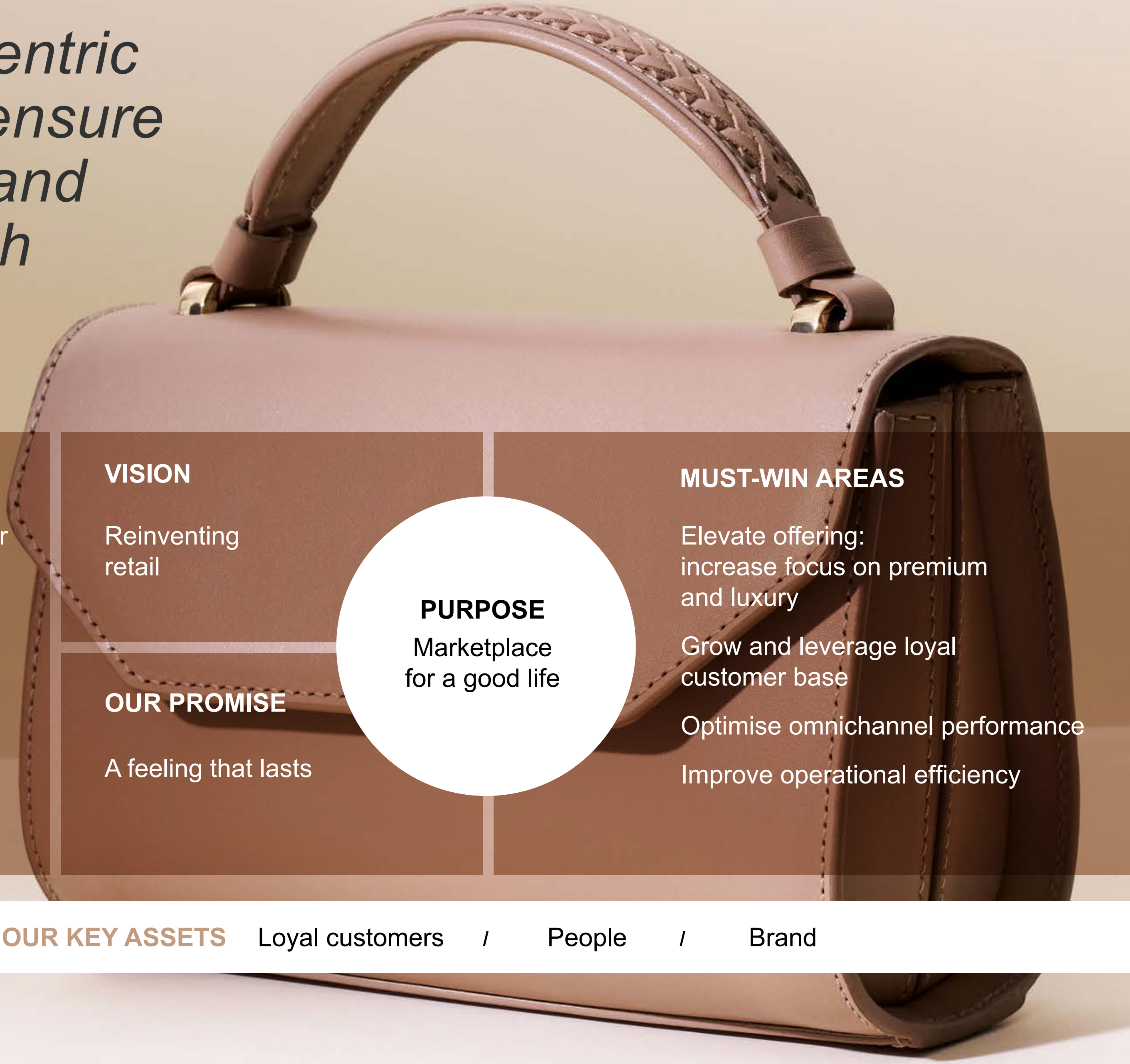
FASHION	47%
BEAUTY	18%
HOME	14%
FOOD	12%
SERVICE AND RENTAL INCOME	9%

REVENUE | By markets



FINLAND	76%
BALTICS	24%

Customer-centric strategy to ensure profitability and future growth



VALUES

- Focus on customer
- Act with courage
- We work together

VISION

Reinventing retail

OUR PROMISE

A feeling that lasts

PURPOSE

Marketplace for a good life

MUST-WIN AREAS

- Elevate offering: increase focus on premium and luxury
- Grow and leverage loyal customer base
- Optimise omnichannel performance
- Improve operational efficiency

OUR KEY ASSETS Loyal customers / People / Brand

Fostering sustainability

In 2024, Lindex Group continued its journey towards more sustainable business. The Lindex and Stockmann divisions have their own sustainability strategies, but climate, circularity and human rights are common themes of the strategies. The Lindex division's sustainability promise is to make a difference for future generations and the Stockmann division is aiming at resource-wise retail business.

In 2024, we reduced Lindex Group's total greenhouse gas emissions by 13% compared to 2022. In 2024, the Group's total emissions were 272 ktCO_2e (313 ktCO_2e in 2022). More than two thirds of the Group's climate emissions come from the goods it sells.

The Science Based Targets (SBTi) initiative approved Lindex Group's science-based emission reduction target for its own operations (Scope 1 and 2) and value chain (Scope 3) in June. We are committed to reducing climate emissions from own operations and value chain by 42% by 2030 compared to 2022.

Lindex division has continued its transformation into a more sustainable business and taken further steps in its material transformation. The division has invested in raw materials from more sustainable and recycled fibres: 88% of Lindex's garments are made from recycled or more sustainable sources, with the target of reaching 100% by 2026.

To further accelerate recycling, the Lindex division aims for 70% of all products to include a minimum of 15% recycled content by 2026. In 2024, 58% of the division's assortment contained at least 15% recycled materials.

The Stockmann division advanced its sustainability program and undertook preparations to comply with the EU Deforestation Regulation.

LINDEX GROUP'S KEY SUSTAINABILITY THEMES

Climate, Circularity and Human Rights

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LINDEX GROUP'S KEY CLIMATE ACTIONS

- Improve energy efficiency and increase use of renewable energy throughout value chain
- Increase share of low-carbon products and materials
- Circular business models and services
- Transportation solutions with less climate impacts
- Collaboration with value chain partners to mitigate climate change

CLIMATE EMISSIONS

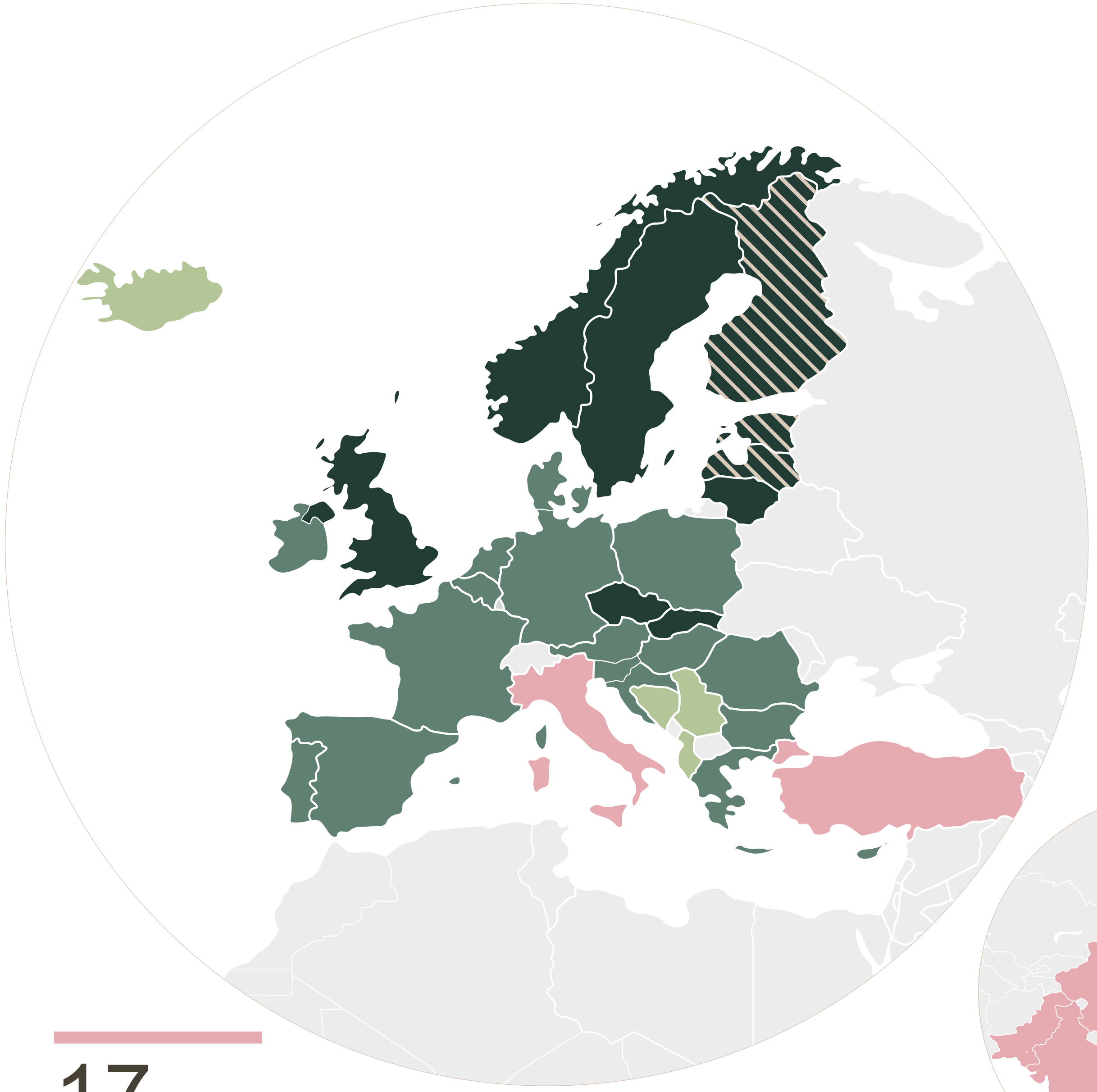
-42%

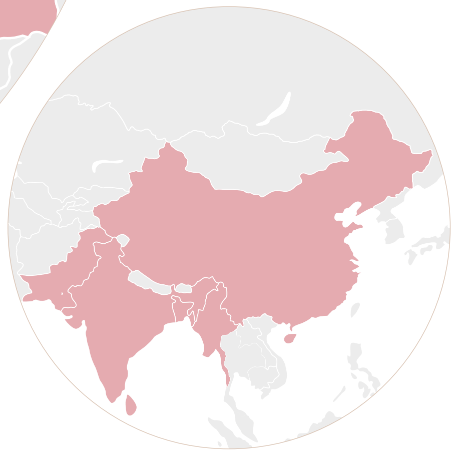
BY 2030 vs. 2022

Strong market position in the Nordics and the Baltics, global partnerships

THE LINDEX DIVISION *has 442 fashion stores, including franchising stores in over 17 countries and an online store operating in Europe. Lindex products are sold globally through its B2B (Business-to-Business) partners, such as Asos, Boozt and Zalando.*

THE STOCKMANN DIVISION *has eight department stores in Finland, Estonia and Latvia as well as an online store.*





442
LINDEX FASHION STORES

8
STOCKMANN DEPARTMENT STORES

17
MARKETS

LINDEX B2B PARTNERSHIPS

asos, ABOUT YOU, MANOR, Magasin, Boozt, zalando, John Lewis, STOCKMANN

Report of the Board of Directors

LINDEXGROUP

Report of the Board of Directors

The Lindex Group's consolidated revenue in 2024 was EUR 940.1 (951.7) million. The revenue decreased by 1.2%, and in local currencies by 1.3%. The Group's gross margin was level with the comparison period at 58.3% (58.2). The Group's adjusted operating result decreased to EUR 74.9 (80.0) million. The Lindex division's adjusted operating result decreased to EUR 82.9 (90.3) million. The Stockmann division's adjusted operating result improved to EUR -3.9 (-6.3) million. Operating result decreased to EUR 60.9 (76.5) million. Adjusted earnings per share, basic and diluted, were EUR 0.15 (0.16). The Board of Directors will propose for the Annual General Meeting, that no dividend will be paid for the financial year 2024. According to the terms of the company's restructuring programme, the company is not allowed to distribute any dividends during the implementation of the restructuring programme repayment schedule.

Guidance for 2025:
In 2025, Lindex Group expects its revenue to increase by 0−4% in local currencies compared to 2024. The Group's adjusted operating result is estimated to be EUR 70−90 million. Foreign exchange rate fluctuations may have a significant effect on the adjusted operating result.

Market outlook for 2025:
The macroeconomic situation on Lindex Group's main markets is estimated to remain challenging especially during the first half of the year. Continuing geopolitical uncertainty may have a negative impact on the economic recovery. Despite the already lowered interest rates and decreased inflation, the GDP (Gross Domestic Product) growth forecasts for the first half of 2025 are moderate due to relatively weak consumer confidence. Towards the latter part of the year, economic growth might accelerate as interest rates are expected to continue to decline and inflation to remain stable. Increasing purchasing power of households may gradually start supporting favourable development of consumer demand. However, the situation may vary between the Group's markets. Disruptions in supply chains and international logistics during the year cannot be excluded.

Strategy and financial targets

Lindex Group's two divisions, Lindex and Stockmann, have their own strategies targeting sustainable and profitable growth. The divisions share the view that customer centricity, an omnichannel approach and strong brands are key strategic factors in building future growth. Lindex Group has ambitious sustainability targets, and sustainability is a central part of the Group's operations.

The Lindex division's strategy builds on Lindex's purpose of empowering and inspiring women everywhere. The division's three strategic must-win areas are to accelerate growth, transform into a sustainable business, and decouple cost from growth. The Lindex division's financial targets and outcomes are presented in the table below.

Financial targets for the Lindex division	2024	2023	2022
3–5% annual local currency revenue growth in the mid-term and reaching an annual revenue of SEK 10 billion by 2030, %	**-0.9**	2.7	10.9
30% digital share of revenue in the mid-term, %	**20.8**	19.0	18.5
15% adjusted operating margin in the long-term, %	**13.2**	14.3	13.6

The Stockmann division's customer-centric strategy builds on Stockmann's purpose of being a marketplace for a good life. The division has four strategic must-win areas, which are to elevate offering by increasing focus on premium and luxury, grow and leverage loyal customer base, optimise omnichannel performance and improve operational efficiency. The Stockmann division's financial targets and the outcomes are presented in the table below.

Financial targets for the Stockmann division	2024	2023	2022
Revenue growth in line with market*) growth in the mid-term, %	**-2.2**	-0.6**)	10.0
Reaching a positive operating free cash flow in the mid-term, EUR mill.***)	**-19.4**	-12.0	-20.9
5% adjusted operating margin in the mid-term, %	**-1.3**	-2.0	-1.7

*) Stockmann's addressable market in Finland, Latvia and Estonia, comprising of fashion, beauty and home categories. Market growth was -1,5% in 2024, 2.7% in 2023 and 7.0% in 2022.
**) The Stockmann division's revenue was negatively affected by the reduced size of the Stockmann Itis department store.
***) Operating free cash flow is calculated as EBITDA – items affecting comparability - lease payments +/- changes in net working capital - capital expenditure.

Both divisions are committed to Lindex Group's science-based climate target to reduce greenhouse gas emissions from its own operations and value chain by 42% by 2030 compared to the year 2022. The Science Based Targets initiative (SBTi) has validated and approved the Group's climate target.

Strategic assessment

In September 2023, Lindex Group's Board of Directors initiated a strategic assessment aiming to crystallise shareholder value by refocusing the Group's business on Lindex. As part of the investigation of strategic alternatives for Stockmann's department stores business, the Board evaluates the best environment for developing the business in the future. These options include increasing the business' independence within the Group, considering possible ownership changes or strategic partnerships, or continuing under the current structure. As part of the assessment, the Group changed the name of its parent company from Stockmann plc to Lindex Group plc, as decided by the Annual General Meeting on 21 March 2024.

In December 2024, Lindex Group announced that its Board of Directors will continue to investigate strategic alternatives for the Stockmann department store business. The assessment is expected to be finalised during the first half of 2025. The Group will provide an update on the assessment if, and when, appropriate. Initially, the Board expected the evaluation to be finalised during 2024.

Operating environment

The operating environment of Lindex Group continued to be challenging throughout the year 2024. Geopolitical and political tensions continued impacting the economies in Europe and globally. The economies of the Group's main markets stagnated and reported weak GDP development despite the fact that inflation eased up and declined in most markets. The lowered inflation and interest rates started to support the gradual economic recovery and strengthen consumers' purchasing power on some markets while on some other markets, unemployment increased and impacted consumer confidence.

The Economic Sentiment Indicator (ESI) and Employment Expectations Indicator (EEI) declined in many EU countries, but the retail trade confidence remained broadly stable. Consumer confidence declined due to the notably more pessimistic general economic situation in many EU countries, negatively affecting consumers' intentions to make major purchases. By contrast, consumers' views about their households' expected financial situation and past financial situation remained largely unchanged. However, economic situations and consumer sentiment vary among the EU countries. (Source: The EU Commission's Business and Consumer Survey.) Towards the end of the year, there were signs of gradual economic recovery as several markets benefit from increasing spending power among households, lower interest rates and gradual demand growth.

In terms of the development of the fashion market, sales in the Swedish fashion market showed a 8.2% decline from January to December. (Source: Swedbank Pay & Swedbank Makroanalys.) In Finland, the fashion market sales declined by 3.4% in January–December. However, the last two months of the year showed initial signs of a potential recovery. (Source: Fashion and Sports Commerce association.)

Revenue and earnings, Lindex Group

In January–December, Lindex Group's revenue decreased by 1.2% to EUR 940.1 (951.7) million. In local currencies, the revenue decreased by 1.3%. The Lindex division's revenue decreased by 0.7% and by 0.9% in local currencies, impacted by the continued volatility of the fashion market as well as logistical challenges mainly in the third quarter. The Stockmann division's revenue decreased by 2.2% due to an overall decline in the fashion market in the division's key markets.

Lindex Group's gross profit decreased to EUR 547.9 (554.2) million. The Group's gross margin remained at the comparison period level, at 58.3% (58.2).

The comparable operating costs increased to EUR 392.5 (380.1) million mainly due to cost inflation and digital development enabling future growth in the Lindex division.

The Group's adjusted operating result decreased to EUR 74.9 (80.0) million. The decrease is explained by lower gross profit and increased costs in the Lindex division. The operating result decreased to EUR 60.9 (76.5) million and included items affecting comparability of EUR 10.9 (2.6) million related to the restructuring programme and other disputes.

The Group's net result for the full year decreased to 13.2 (51.7) million due to lower operating result and increased tax expenses. The tax expenses in the comparison period were impacted by a positive tax decision for Lindex Holding AB (former Stockmann Sverige AB).

Items affecting comparability (IAC)

EUR million	2024	2023
Operating result	**60.9**	76.5
Adjustments to operating result		
Costs related to restructuring programme and other disputes	**10.9**	2.6
Costs related to strategic and organisational development	**7.5**	2.3
Insurance claim settlement for losses related to COVID-19	**-4.4**	
Loss on disposal of subsidiary shares		0.6
Other operating income from lease modifications of sale-and-leaseback items		-2.1
Adjusted operating result	**74.9**	80.0

EUR million	1–12 2024	1–12 2023
Net result for the period	**13.2**	51.7
Adjustments to operating result	**14.0**	3.5
Adjustments to taxes	**-2.8**	-30.1
Adjusted net result for the period	**24.4**	25.1

Financing and cash flow

Cash and cash equivalents totalled EUR 114.7 (137.5) million at the end of December. Investments affected the operating free cash flow by EUR 13.3 (18.2) million.

At the end of December, total inventories were EUR 169.6 (162.9) million. The Lindex division's inventories increased mainly due to logistical challenges during the third quarter and the beginning of the fourth quarter. The Stockmann division's inventories declined due to good inventory management, including proactive adjustments of intake levels.

At the end of December, the Group had an interest-bearing liability of a non-current senior secured bond of EUR 73.1 (71.9) million. The increase in the bond liability is explained by creditors choosing the bond as a payment for restructuring debts. The lease liabilities under the IFRS 16 reporting standard totalled EUR 603.1 (587.2) million, where the lease liabilities related to the Lindex division were EUR 272.9 (257.6) million. In the Stockmann division, the lease liabilities were on par with the previous year at EUR 330.2 (329.5) million. Excluding the IFRS 16 lease liabilities, the interest-bearing net debt was positive at EUR -31.8 (-65.6) million. In 2023 the Group signed a loan agreement for a revolving credit facility of EUR 40 million, which has not been used during 2023–2024.

The equity ratio was 30.0% (29.9) and net gearing 145.0% (133.2) at the end of December. IFRS 16 items had a significant impact on the equity ratio and net gearing. Excluding the IFRS 16 items, the equity ratio was 61.9% (60.6) and net gearing was -6.2% (-12.8).

The Group's capital employed at the end of December was EUR 1 080.0 (1 050.7) million and EUR 598.6 (587.6) million excluding the IFRS 16 items.

Capital expenditure

In the fourth quarter, capital expenditure totalled EUR 20.5 (11.5) million. It was mainly used for The Lindex omnichannel distribution centre is the division's largest-ever investment and it proceeded as planned. It will be an important enabler for continued growth, improved efficiency and addressing current capacity constraints. The investment amounts to approximately EUR 110 million between 2022 and 2025. By the end of the year 2024, EUR 96.3 million of the total investment sum has been used for the project. Launch of the centre took place in November 2024, followed by a ramp-up and transition phase that is estimated to continue during the first half year of 2025. The new facility is planned to be fully operational in 2025 and it will replace the current warehouses of the Lindex division.

The Lindex division is driving digitalisation in its store network with a digital store programme, which includes various digitalisation initiatives such as implementing a new mobile POS (Point of Sales) system, rolling out new mobile devices to all stores and integrating RFID technology to improve process efficiency and elevate the customer experience.

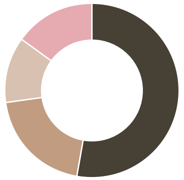
The Stockmann division launched a new packing automation system for e-commerce orders in the third quarter, which improves omnichannel performance and operational efficiency in its distribution centre. During the year, Stockmann also continued to develop its department stores into inspiring shopping destinations with renovations in the Helsinki flagship store and the Tallinn department store. In addition, implementation of RFID technology was completed in all department stores within the fashion category contributing to enhancing customer experience and operational efficiency. A new data-driven staff planning solution and HR system were also taken into use during the year to enhance efficiency.

Revenue and earnings by division

Lindex Group's reporting segments are the Lindex and Stockmann divisions. The segments are reported in accordance with IFRS 8. Unallocated items include Corporate Management, Group Finance Management, Group Treasury, Internal Audit and Investor Relations.

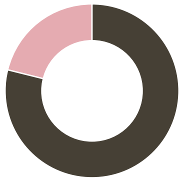
Lindex division

	1–12 2024	1–12 2023
Revenue, EUR mill.	628.8	633.1
Revenue growth, %	-0.7	-4.2
Local currency revenue growth, %	-0.9	2.7
Digital share of revenue, %	20.8	19.0
Digital revenue growth in local currencies, %	8.3	5.3
Gross profit, EUR mill.	409.1	414.4
Gross margin, %	65.1	65.4
Adjusted operating result, EUR mill.	82.9	90.3
Adjusted operating margin, %	13.2	14.3
Operating result, EUR mill.	85.1	89.1
Operating margin, %	13.5	14.1
Inventories, EUR mill.	113.8	100.2
Capital expenditure, EUR mill.	39.9	57.9
Stores	442	439



REVENUE | By market
1–12/2024

SWEDEN	53%
NORWAY	20%
FINLAND	12%
OTHER	15%



REVENUE | By channel
1–12/2024

STORES	79%
DIGITAL CHANNELS	21%

The Lindex division's revenue was on par with the comparison period at EUR 628.8 (633.1) million. In local currencies, the revenue decreased by 0.9%, with stores showing a decline of 3.0% and digital channels showing an increase of 8.3%. The revenue was impacted by the fashion market's continued volatility throughout the year as well as logistical challenges mainly in the third quarter. Digital revenue accounted for 20.8% (19.0) of Lindex's revenue.

The gross profit decreased and totalled EUR 409.1 (414.4) million, and the gross margin was stable 65.1% (65.4). The lower gross profit was explained by the decrease in revenue combined with higher freight costs and higher share of promotions.

The comparable operating costs increased to EUR 256.5 (251.8) million mainly due to cost inflation and digital development projects enabling future growth.

The Lindex division's adjusted operating result decreased to EUR 82.9 (90.3) million due to the lower gross profit and increased operating costs. The operating result for Lindex was EUR 85.1 (89.1) million.

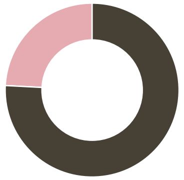
Capital expenditure was EUR 39.9 (57.9) million. The comparison period included higher investments in the Lindex omnichannel distribution centre.

In 2024, Lindex opened eleven new stores and closed eight stores.

During the year, Lindex continued to attract both new and active customers, and the number of registered customers increased significantly from the comparison year. Lindex also further expanded its markets presence with partnerships reaching new markets and customers.

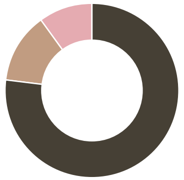
Stockmann division

	1–12 2024	1–12 2023
Revenue, EUR mill.	311.6	318.5
Revenue growth, %	-2.2	-0.6
Digital share of revenue, %	12.7	12.4
Digital revenue growth, %	0.2	-2.2
Gross profit, EUR mill.	138.8	139.8
Gross margin, %	44.5	43.9
Adjusted operating result, EUR mill.	-3.9	-6.3
Adjusted operating margin, %	-1.3	-2.0
Operating result, EUR mill.	-14.2	-5.6
Operating margin, %	-4.6	-1.7
Inventories, EUR mill.	55.8	62.6
Capital expenditure, EUR mill.	5.8	7.2



REVENUE | By market
1–12/2024

FINLAND	76%
BALTICS	24%



REVENUE | By channel
1–12/2024

DEPARTMENT STORES	77%
DIGITAL CHANNELS	13%
SERVICE AND RENTAL INCOME	10%

The Stockmann division's revenue decreased by 2.2% to EUR 311.6 (318.5) million. The division's revenue totalled EUR 235.3 (242.8) million in Finland and EUR 76.3 (75.8) million in the Baltics. The digital revenue increased by 0.2% and accounted for 12.7% (12.4) of total revenue. The best performing categories, beauty and food clearly exceeded the sales of the comparison period. The revenue decline derived mainly from the lower sales of the fashion category. Stockmann's fashion category sales developed in line with overall fashion market performance, which was below the previous year.

The number of new loyal customers increased significantly and the share of revenue from loyal customers increased from the previous year.

The gross profit was at the level of the comparison period, at EUR 138.8 (139.8) million. The gross margin increased to 44.5% (43.9) due to enhanced inventory management and more favourable sales mix with improved margins.

The comparable operating costs decreased to EUR 113.5 (118.1) million due to the systematic and successfully implemented cost efficiency measures which also mitigated the inflation impact.

The Stockmann division revised its organisational structure to support the efficient strategy implementation. The changes improving efficiency, simplifying management structures as well as clarifying roles and responsibilities affected part of the Stockmann division's personnel in all operating countries: Finland, Estonia and Latvia. The changes are estimated to generate annual savings of EUR 2.7 million, materialising mainly from 2025 onwards.

The adjusted operating result improved to EUR -3.9 (-6.3) million due to successful cost savings and improved gross margin. The operating result declined to EUR -14.2 (-5.6) million impacted by costs related to the restructuring programme and other disputes.

Capital expenditure was EUR 5.8 (7.2) million and was mainly related to investments in digital growth and department store renovations.

Personnel

Lindex Group's average number of personnel during the the reporting period was 5 746 (5 801). In terms of full-time equivalents, the average number of employees was 4 216 (4 283). At the end of December, Lindex Group's personnel numbered 5 995 (6 062), of whom 1 541 (1 547) were working in Finland, 2 093 (2 071) in Sweden and 2 361 (2 444) in other countries. The Group's wages and salaries amounted to EUR 161.0 (163.5) million in 2024.

The Lindex division introduced a new operating model in the third quarter to drive its transformation and secure future growth and profitability, with sustainability at the core. The new operating model encompasses the organisation's structure, processes, technology and people. Through the change, Lindex seeks to enhance its organisational efficiency across the value chain.

The Stockmann division's revised organisational structure was taken into use on 1 July 2024. The changes were made to support efficient strategy implementation and are estimated to generate annual savings of EUR 2.7 million, materialising mainly from 2025 onwards.

Changes in management

On 26 April 2024, Lindex Group announced that its Chief Financial Officer (CFO) and member of the Group Management Team Annelie Forsberg would be leaving the company to pursue new career opportunities outside the company. She continued working at the Group until the end of August 2024.

On 14 May 2024, Lindex Group announced that Chief Operating Officer (COO) of the Stockmann division and member of the Group Management Team Tove Westermarck would be leaving the company to join a new employer.

On 19 June 2024, Riku Lyly, M.Sc., was appointed as interim Chief Operating Officer (COO) of Stockmann division. He started in the position on 15 August 2024.

On 4 July 2024, Lindex Group appointed Henrik Henriksson, M.B.A., Finance and General Management, as the company's new Chief Financial Officer (CFO) and a member of the Group Management Team. In addition to his role as Group CFO, Henriksson also acts as the Lindex division's CFO. He took up his new position on 1 September 2024.

On 6 November 2024, Riku Lyly, M.Sc., was appointed Chief Operating Officer (COO) of the Stockmann division and member of the Lindex Group Management Team. Prior to the appointment, he held the same position as Interim COO.

Annual General Meeting 2024

The Annual General Meeting (AGM), held on 21 March 2024, adopted the financial statements for the financial year 1 January–31 December 2023, granted discharge from liability to the persons who had acted as members of the Board of Directors and as CEO during the financial year and resolved that no dividend be paid for the financial year 2023.

The AGM resolved to change the company's business name from Stockmann plc to Lindex Group plc, and to change Article 1 of the company's Articles of Association as follows: The company's business name in English is Lindex Group plc, in Finnish Lindex Group Oyj, in Swedish Lindex Group Abp and it is domiciled in Helsinki. Furthermore, the AGM decided to change the company's Articles of Association to enable the arrangement of a General Meeting as a virtual meeting without a meeting venue as an alternative for a physical meeting or a hybrid meeting.

The decisions by the AGM were published in full as a stock exchange release on 21 March 2024.

Shares and share capital

At the end of December, Lindex Group plc had a total of 161 622 896 shares.

According to the restructuring programme, the company may not distribute the company's assets to shareholders during the implementation of the repayment schedule under the restructuring programme.

At the end of December, the share capital was EUR 77.6 million and the market capitalisation stood at EUR 434.8 million (460.3). The price of a LINDEX share was EUR 2.69 (2.90) at the end of December 2024. In January–December, the highest price of a LINDEX share was EUR 3.51 (3.03) and the lowest price was EUR 2.39 (1.68). A total of 28.3 million shares were traded on Nasdaq Helsinki in January–December. This corresponds to 17.6% of the average number of shares.

The company does not hold any of its own shares, and the Board of Directors has no valid authorisations to purchase company shares. At the end of December, Lindex Group had 41 055 (42 328) shareholders. Foreign ownership was 27.3% (24.1).

Business continuity, risks and near-term uncertainties

Lindex Group operates in a dynamic and complex environment that exposes the company to a range of risks that may affect its financial performance, operations, and reputation. These risks arise from macroeconomic factors, seasonal variations, complex supply chains, information security threats, and increasing sustainability risks, among others. Below is an overview of the key risks and uncertainties affecting the Group.

Macroeconomic situation
Inflation and interest rate levels may continue to pose challenges for the Lindex Group despite the levels decreasing throughout the year 2024. Inflation-related cost increases impact the Group's operational expenses while also constraining customers' purchasing power. These pressures may continue to impact customer behaviour and shift demand between different product categories. Additionally, macroeconomic uncertainties may affect asset valuations, and interest rate fluctuations may impact the discount rates used in impairment testing.

Exchange rates
Lindex Group's revenue, earnings, and balance sheet are influenced by changes in exchange rates, particularly between the euro (the Group's reporting currency) and other key currencies, such as the Swedish krona, Norwegian krone, and the U.S. dollar. Since the Group's operations span multiple countries, currency fluctuations may affect its financial performance. Due to the ongoing corporate restructuring, the Group's ability to fully hedge against transactional currency risks is currently limited, leaving it exposed to potential currency volatility.

Seasonality
Seasonal variations are an inherent characteristic of the retail industry and significantly impact Lindex Group's revenue and profitability. Typically, revenue is lower in the first quarter, while the second and fourth quarters experience higher sales activity. Fashion, which accounts for approximately 80% of the Group's revenue, is particularly sensitive to seasonal trends and weather conditions. Additionally, the timing of the Stockmann division's "Crazy Days" campaign has a significant impact on quarterly revenue and operating results, as the campaign drives a surge in consumer activity during the period it is held.

Supply chain and logistics
The global value chain in the retail sector is inherently complex, involving multiple stages from sourcing to final delivery. Lindex Group faces risks related to labour rights, environmental standards, and ethical business practices. Unexpected disruptions in the supply chain, such as delays in shipments or production stoppages, may increase operational costs. Given the Group's reliance on a global supply network, unexpected logistics issues could lead to higher freight costs and longer lead times, potentially affecting inventory availability and customer satisfaction. The Group is receiving market signals of possibly increasing protectionism and potentially rising trade barriers, which may present additional challenges for the global supply chain and logistics operations.

Sustainability risks
Sustainability-related risks have become increasingly significant for Lindex Group, with climate change specifically identified as an economic risk for the company. These risks concern the Group's ability to manage environmental impacts and adapt to changing regulations and expectations regarding sustainability efforts and reporting.

Information and cybersecurity
As professional cybercrime becomes increasingly sophisticated, there is an elevated risk of cyberattacks targeting Lindex Group's information systems. Such attacks could disrupt business continuity, compromise customer and employee data privacy, and damage the Group's reputation. Protection against cyber threats requires continuous investment in robust information security measures and proactive risk management.

Employee turnover and retention risk
The risk of losing key personnel has been identified and included as a critical component of the employee turnover risk. Ensuring that key personnel remain within the organization is vital for maintaining operational continuity and successfully implementing strategic initiatives.

Restructuring programme
The restructuring programme of the Group is progressing. The sale of all department store properties has been completed, and interest-bearing debt has been reduced, leaving only a EUR 73.1 million bond remaining. One unresolved claim related to a terminated lease agreement remains as a risk that must be addressed before the restructuring process can be concluded. Successfully resolving this claim is crucial for completing the restructuring process. The ongoing restructuring programme may have an impact on the near-term refinancing.

Disputes related to the restructuring process

All confirmed undisputed debts have been duly paid. There was still one disputed claim left at the end of December with the total amount of EUR 15.9 million. By end of December 2023, the comparable disputed amount was EUR 43.7 million, which consisted of three disputed claims. The remaining disputed claim is related to the termination of a long-term lease of premises, where the creditor is claiming payment for all remaining years in the terminated lease contract. The supervisor of the restructuring programme has disputed the claim and considers it justified to pay 18 months' compensation for the lease.

Lindex Group plc has made a provision of EUR 15.9 million for the full amount of the disputed claim and is having ongoing discussions with the creditor and the supervisor of the restructuring programme to solve the dispute. If it is not solved with the creditor and the administrator, the dispute will be settled in the Court of Appeal. After the claim has been solved or settled, the creditor will be entitled to a cash payment and to converting 20% of its receivable to shares.

LähiTapiola Keskustakiinteistöt Ky, the landlord of Stockmann's Tapiola department store, initiated arbitration proceedings against Lindex Group plc in which the company demanded up to EUR 43.4 million in compensation from Lindex Group plc in accordance with section 27, subsection 1 of the Restructuring Act. The supervisor of the restructuring proceedings disputed the demand of LähiTapiola Keskustakiinteistöt Ky in the restructuring programme to the extent that it exceeds EUR 3.5 million. In connection with the same, LähiTapiola Keskustakiinteistöt Ky filed a claim against Lindex Group plc, Stockmann AS and the supervisor at the Helsinki District Court to leave the matter in abeyance. On 31 August 2022, the Arbitration Court in its arbitration decision partially rejected the claims of LähiTapiola Keskustakiinteistöt Ky and confirmed that the compensation to be paid to LähiTapiola Keskustakiinteistöt Ky is EUR 19.3 million, of which a previously agreed undisputed amount of EUR 3.5 million was converted to shares and paid. Lindex Group plc has filed a claim in the District Court regarding the nullity and the application for annulment regarding the decision given in the arbitration proceedings between LähiTapiola Keskustakiinteistöt Ky and Lindex Group plc. As a result, EUR 15.9 million is seen as a disputed case again. The remaining compensation to be paid has been recognised as a provision and will be re-classified as restructuring debt after the confirmation of the Court. An arbitration procedure separate from Lindex Group plc's arbitration procedure is in progress between LähiTapiola and Stockmann AS concerning the amount of compensation to be paid to LähiTapiola as part of the restructuring proceedings, as well as a separate dispute in the Helsinki District Court. In addition, concerning this same amount of compensation, a dispute is in progress between the supervisor and LähiTapiola. The supervisor deems LähiTapiola's receivable to be under dispute until the claims mentioned above have been finally resolved. The supervisor has announced to the company and the Helsinki District Court that the supervisor will not request the District Court to amend the restructuring programme based on the arbitration decision while the receivable is under dispute. It is the supervisor's view that no payment based on the arbitration decision must be made to LähiTapiola while the amount of the receivable is under dispute, because the company, the supervisor and Stockmann AS consider the arbitration decision to be erroneous. LähiTapiola has appealed to the Helsinki District Court to amend Lindex Group plc's restructuring programme so that the amount of the restructuring debt, based on the arbitration decision, would be confirmed at EUR 19.3 million. Lindex Group plc, Stockmann AS and the supervisor objected to the application because the claimed amount is still disputed. The District Court and Court of Appeal have rejected LähiTapiola's application. LähiTapiola applied for leave to appeal to the Supreme Court. The leave to appeal was not granted. In October 2024, in a dispute between LähiTapiola Keskustakiinteistöt Ky and Stockmann AS Helsinki, District Court confirmed that the compensation to be paid to LähiTapiola Keskustakiinteistöt Ky is compliant with the restructuring programme and that the amount is EUR 3.5 million. LähiTapiola appealed the District Court's decision to the Court of Appeal. In November 2024, The District Court of Western Uusimaa dismissed Lindex Group plc's claim regarding the nullity and the application for annulment regarding the decision given in the arbitration proceedings. In December 2024, Lindex Group plc appealed the District Court's decision to the Court of Appeal.

Nordika II SHQ Oy, the landlord of Lindex Group plc's former Takomotie office space, had filed a claim with the Helsinki District Court in which the company demanded compensation amounting to a maximum of EUR 14.5 million from Lindex Group plc in accordance with section 27, subsection 1 of the Restructuring Act. This claim was disputed by the supervisor of the restructuring programme to the extent that it exceeds EUR 1.3 million. The EUR 1.3 million was converted to shares and paid in March 2022, but the difference was still a claim. In the same claim, Nordika II SHQ Oy had named the supervisor and Lindex Group plc as respondents. In April 2024, Lindex Group plc and disputed creditor Nordika II SHQ Oy reached a settlement agreement, which ended the disputed claims between the parties concerning the restructuring programme. The Helsinki District Court confirmed the amendment of the restructuring programme's payment programme on 6 June 2024 and the settlement agreement was executed in August 2024.

Tampereen Seudun Osuuspankki, the second lessor of the Tampere department store, had initiated proceedings at the Pirkanmaa District Court in which the company demands up to EUR 14.5 million compensation from Lindex Group plc in accordance with section 27, subsection 1 of the Restructuring Act. In the restructuring programme, the supervisor had disputed the claim presented by Tampereen Seudun Osuuspankki during the restructuring proceedings (at which time the maximum amount of the claim was EUR 17.7 million) to the extent that it exceeded EUR 2.0 million. On 6 February 2024, Lindex Group plc and Tampereen Seudun Osuuspankki reached a settlement agreement, which ended the disputed claims between the parties concerning the restructuring programme. The Helsinki District Court confirmed the amendment of the restructuring programme's payment programme on 26 March 2024, and the settlement agreement was executed in June 2024.

On 25 January 2024, the company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 307 489 new shares of the company in deviation from the shareholders' pre-emptive subscription rights to a creditor of the company whose previously conditional or disputed restructuring debt under the restructuring programme were confirmed to its final amount by 9 November 2023. The new shares were registered with the Finnish Trade Register on 26 January 2024.

On 25 January 2024, Lindex Group plc announced that it had received and verified one subscription form from an entitled person whose previously conditional or disputed receivable subject to the payment programme of the restructuring programme had been clarified and the final amounts of such receivable had been confirmed. The Subsequent Bonds duly subscribed for by the entitled person in question amount to the aggregate principal amount of EUR 1 120 000. The receivable of the entitled person will be converted, by way of set-off, into Subsequent Bonds. The Subsequent Bonds will be settled through the clearance system of Euroclear Finland Ltd and will be recorded in the book-entry accounts maintained by Euroclear Finland Ltd as soon as practicably possible. Lindex Group plc also submitted an application for the issued Subsequent Bonds to be admitted to trading on the list of Nasdaq Helsinki Ltd together with the already trading fungible Bonds under the trading code "STCJ001026".

On 19 June 2024, the company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 2 599 852 new shares of the company in deviation from the shareholders' pre-emptive subscription rights to creditors of the company whose previously conditional or disputed restructuring debts under the restructuring programme were confirmed to their final amounts by 13 June 2024, and approved the subscriptions made in the share issue. The new shares were registered with the Finnish Trade Register on 24 June 2024.

Events after the financial year

Lindex Group plc announced on 7 February 2025 that the rental agreement for the Stockmann Itis department store in Helsinki will expire on 1 August 2025. The company plans to close the department store and will start change negotiations concerning the entire personnel of the Itis Stockmann department store. The negotiations are estimated to take approximately six weeks, and the company will announce the outcome of the negotiations once the negotiations have ended. If materialised, the planned closure would not have a material impact on the profitability or financial position of the Stockmann division or Lindex Group.

Financial releases in 2025

The Annual General Meeting is planned to be held on 2 April 2025.

Lindex Group will publish its financial reports in 2025 as follows:

- Interim Report, January−March: 29 April 2025
- Half Year Financial Report, January−June: 18 July 2025
- Interim Report, January−September: 24 October 2025

Helsinki, 6 March 2025

Lindex Group plc
Board of Directors

Sustainability Statement

GENERAL INFORMATION

ESRS 2 General disclosures

BP–1

General basis for preparation of sustainability statements

Lindex Group's Sustainability Statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as defined in the EU's Corporate Sustainability Reporting Directive (CSRD). The Sustainability Statement covers Lindex Group plc and its subsidiaries for the period of 1 January–31 December 2024. The Sustainability Statement has been prepared on the same consolidated basis as the Group's 2024 Financial Statements.

Lindex Group's divisions are Lindex and Stockmann. Both divisions have conducted their own double materiality assessments, which address the impacts, risks and opportunities throughout the value chain. Based on the divisions' double materiality assessments, materiality for the Group has been decided. The extent to which Lindex Group's policies, actions, targets and metrics extend to the value chain is described in connection with the topical standards.

The Group has identified material impacts, risks, and opportunities related to pollution, water, and biodiversity across its value chain. However, due to limited access to relevant data, the Group will not disclose entity-specific metrics related to those material impacts, risks, and opportunities across the value chain. Efforts are made in the future to enhance data accessibility.

Lindex Group has not omitted information corresponding to intellectual property, know-how or the results of innovation from the Sustainability Statement. The Group has not omitted disclosure of any impending developments or matters that are currently in the course of negotiation.

BP–2

Disclosures in relation to specific circumstances

The Group has not deviated from the medium- or long-term time horizons defined by ESRS. The Group has included value chain data into its greenhouse gas calculations, some of which are based on estimates. Metrics involving estimated data are further detailed in *E1-6 Gross Scopes 1,2,3 and Total Greenhouse Gas Emissions.*

Sources of estimation and outcome uncertainty

Metric that is subject to a high level of measurement uncertainty	Sources of measurement uncertainty	Assumptions, approximations and judgements made in measurements
E1-6 Scope 3 cat 7 Employee commuting	Employee commuting emission figures were only partly based on survey result. The majority is based on estimations of both the distances and travel modes.	Approximations have been made based on the survey result or of assessment and assumptions of average distance to the workplace per country. Generic approximations has been used for part of the result.
E1-6 Scope 3 cat 9 Downstream transportation and distribution	Customers' commuting emissions are based on estimations of number of customers traveling to the stores, the distance they travel, and their mode of transportation.	It is assumed that customers need to travel to stores located further from a city center, so called "stand-alone stores". Number of customers commuting is therefore estimated by either number of customers visiting these stores, or number of receipts from these stores (when number of customers are not available). Transportation mode and distance are in some part estimated according to Finnish National Travel Survey published in 2024.
E1-6 Scope 3 cat 11 Use of sold products	Emissions from use of sold products, number of appliances and number of textile pieces sold, and their estimated weight were used. Energy used for appliances or for washing and drying textiles have been estimated.	The emissions are estimated based on number of appliances and number of textile pieces sold.
E1-6 Scope 3 cat 12 End-of-life treatment of sold products	For emissions from use of sold products, number of appliances and number of textile pieces sold, and their estimated weight were used. Energy used for appliances or for washing and drying textiles have been estimated.	Estimations were based on units of sold products recalculated to weight. Assumptions on recycling of waste are partly based on countries average recycling rate published by European Parliament.

The most significant change in the preparation and presentation of sustainability information is that previous reports were prepared using GRI standards and were not externally assured, whereas this report follows ESRS standards and has been assured by a third party.

Compared to the previous reporting period, no material prior errors have been identified.

The Sustainability Statement includes the EU Taxonomy report, and the report is presented in the beginning of *E1 Climate Change*. Apart from the Taxonomy reporting, the Group has not included information derived from other legislation or generally accepted sustainability reporting standards and frameworks in the Sustainability Statement.

Disclosure requirement	Incorporated by reference
Disclosure requirement 43	Financial statements

The material information to be disclosed has been determined using the criteria outlined in *ESRS 1, Section 3.2: Material Matters and Materiality of Information*. No specific thresholds were applied when identifying material information for the sustainability statement. However, the Group has used thresholds to assess whether a topic is material. These thresholds have been applied to both impact materiality and financial materiality. The thresholds and the methodology used to determine materiality are further detailed in *IRO-1: Description of the Processes to Identify and Assess Material Impacts, Risks, and Opportunities*.

GOV–1

The role of the administrative, management and supervisory bodies

Lindex Group's governance consist of the Board of Directors, Audit Committee, People and Remuneration Committee, and Group Management team.

Lindex Group's Board of Directors has six members, of which 50% are women and 50% are men. All members of the Board are non-executive members and independent of the company. Five members (83%) are also independent of major shareholders. In addition, the Board has two employee representatives who are entitled to attend and speak at the meetings, however, they are not members of the Board of Directors.

The Board of Directors oversees that the members of Board committees and Group Management Team possess the appropriate skills and expertise related sustainability matters by ensuring that sustainability impacts, risks, and opportunities are integrated into business processes. Both divisions have a director responsible for sustainability matters with specific expertise in their Management Team. There are currently no individual responsibilities for impacts, risks and opportunities outlined in the terms of reference, or board mandates for the Board members.

The Board of Directors has an adequate level of competence in environmental and social topics and in the evaluation of the Group's impacts, risks and opportunities. The competence level was evaluated through an engagement with the Board of Directors, during which they conducted a self-assessment of their expertise on environmental and social topics. However, the Board has an ambition to further increase competence related to sustainability and material impacts, risks, and opportunities. The Board leverages internal experts from both divisions, as well as external specialists, to address specific sustainability topics as needed.

The Audit Committee has three members, of which 33% are women and 67% are men. All members of the Audit Committee are non-executive members, and independent of the company and of major shareholders. There are no employee representatives in the Audit Committee. All members of the Audit Committee are also members of the Board of Directors.

The People and Remuneration Committee has four members, of which 75% are women and 25% are men. All members are non-executive members, and independent of the company. Three out of four members are independent of major shareholders. There are no employee representatives in the People and Remuneration Committee. All members of the People and Remuneration Committee are also members of the Board of Directors.

The Group Management Team has four members, of which 25% are women and 75% are men. All of the Group Management Team members are executive members. There are no representatives of employees in the Group Management Team.

The Group's Board of Directors and Group Management Team comprise individuals with diverse backgrounds. Their expertise spans the Group's operating sector, the specific products it offers, and the geographical region of Europe in which it operates.

The Board is ultimately responsible for overseeing business conduct matters, while the day-to-day operations and decisions are handled by the division management teams. The Board of Directors is kept informed of business conduct-related issues whenever necessary. The Board of Directors, the Group Management Team, and the division leadership teams comprise individuals with diverse backgrounds such as in finance, human resources, legal, and sustainability, collectively providing comprehensive expertise on business conduct matters.

Sustainability governance at Lindex Group

Board of Directors

- Approves Sustainability Statement as part of the Report of Board of Directors
- Approves Lindex Group's policies
- Reviews the divisions' sustainability strategies as part of the business strategy process
- Monitors and oversees ESG impacts, risks and opportunities

Audit Committee of the Board of Directors

- Oversees the Enterprise Risk Management (ERM) process
- Monitors the sustainability reporting process and internal controls

People and Remuneration Committee of the Board of Directors

- Oversees the remuneration process
- Monitors the remuneration principles and personnel principles

Group Management Team

- Responsible for Group-level ESG performance
- Reviews Lindex Group's policies
- Approves Group-level ESG targets

Divisions' Leadership Teams

- Sets divisions' sustainability strategies and targets, and responsible for their performance
- Assesses and manages division-level impacts, risks and opportunities and integrates them to the strategy
- Ensure progress in sustainability development and alignment with Group policies

GOV–2

Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Sustainability matters are discussed on a regular basis in Lindex Group's Board of Directors, Audit Committee and Group Management Team to ensure that material impacts, risks and opportunities are integrated into business strategies and that appropriate due diligence processes are in place. Currently, only the Lindex division has implemented a Human Rights Due Diligence (HRDD) process, while Stockmann division is expected to develop one in the upcoming years.

The Board of Directors discusses sustainability topics several times a year. The Lindex division's Chief Sustainability Officer addresses the Board of Directors with various themes, such as group-level science-based targets and sustainability-related impacts, risks and opportunities.

The Lindex division's Chief Sustainability Officer gives an update on the Group's sustainability reporting process in quarterly Audit Committee meetings. The Audit Committee and the Board of Directors discusses the Enterprise Risk Management (ERM) process annually, which is led by the Chief Legal Officer and Chief Financial Officer.

The Board of Directors approves Group-level sustainability policies and targets, such as the Environmental Policy, human rights policies, and Science-based targets for climate action. The target progress is monitored annually in connection with the sustainability reporting process. The Lindex division's Chief Sustainability Officer is responsible for including sustainability topics to the Group Management Team's agenda.

Sustainability matters are addressed monthly at the Lindex division's Leadership Team meetings and quarterly in the Stockmann division's Leadership Team meetings. The leadership teams focus on integrating material impacts, risks and opportunities into the divisions' strategies, and defining related actions, metrics and targets.

All the material impacts, risks and opportunities defined in the double materiality assessment were addressed by the division's leadership teams as well as the Board of Directors and the Audit Committee during the reporting period. The list of material impacts, risks, and opportunities is available in subchapter *SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*. The impacts, risks, and opportunities related to climate and circular transformation have been discussed in depth with the Board, while other topics have been covered more generally, primarily through the double materiality assessment results.

GOV–3

Integration of sustainability-related performance in incentive schemes

To guarantee the independence of the members of the Board of Directors and the Audit Committee, they do not have incentive schemes or remuneration policy linked to sustainability.

Lindex Group has a science-based climate target to reduce its absolute greenhouse gas (GHG) emissions by 42% in its own operations and value chain (Scopes 1–3) by 2030 compared to 2022. The target is linked to and used as a performance benchmark in the Group management team's as well as both divisions' long-term incentive schemes. Sustainability-related metrics in general are incorporated into Group remuneration policy through both short- and long-term incentives.

According to the Lindex division's long-term incentive schemes for 2022–2024 and 2023–2025, 10% of the variable remuneration is dependent on achieving annual climate target. Both divisions' Leadership team's long-term incentive scheme for 2024-2026 includes 10% weight to achieve climate targets.

The Group Management Team, including CEO's, long-term incentive scheme has a 50% weight on the divisions' results, of which each division has the same weight. Remuneration connected to climate targets is based on the divisions' long-term incentive schemes, giving a possible remuneration connected to climate targets of 2.5% weight for 2022–2024 and 2023–2025 if Lindex division meets its target, and 5% weight for 2024–2026 if both divisions meet its targets.

The People and Remuneration Committee of the Board of Directors prepares the incentive schemes. The Board of Directors approves all the incentive schemes.

GOV–4

Statement on sustainability due diligence

Elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy, and business model	GOV-1 The role of the administrative, management and supervisory bodies SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model S1-1 Policies related to own workforce S2-1 Policies related to value chain workers S3-1 Policies related to affected communities S4-1 Policies related to consumers and end-users
Engaging with affected stakeholders in all key steps of due diligence	SBM-2 Interests and views of stakeholders IRO-1 Description of the process to identify and assess material impacts, risks and opportunities S1-2 Processes for engaging with own workers and workers' representatives about impacts S2-2 Processes for engaging with value chain workers about impacts S3-2 Processes for engaging with affected communities about impacts S4-2 Processes for engaging with consumers and end-users about impacts
Identifying and assessing adverse impacts	SBM-2 Interests and views of stakeholders IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
Taking actions to address adverse impacts	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
Tracking the effectiveness of these efforts and communicating	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

GOV–5

Risk management and internal controls over sustainability reporting

Lindex Group integrates sustainability risks into its overall risk management framework. This includes identifying, assessing, and mitigating risks related to sustainability reporting. The Board of Directors has approved the company's risk management principles, which apply to both divisions of Lindex Group. The effectiveness of internal control is monitored by the Internal Audit, which operates independently and reports to the Board's Audit Committee. The Group Finance department determines the control measures applied to the sustainability reporting process. These control measures include various guidelines, process descriptions, reconciliations, and analyses used for ensuring the validity of the information used in the reporting and the validity of the reporting itself.

A thorough risk assessment regarding sustainability reporting will be conducted during 2025 according to Lindex Group's risk management framework.

Lindex Group's sustainability reporting is exposed to the risk of material misstatement due to human error or incomplete data. To mitigate this risk, the emission figures, and other quantitative sustainability data, are monitored and any anomalies in comparison to the previous year's figures are analysed. Third party consultants are used to calculate emission figures, and validate both emission figures, and qualitative sustainability information. The qualitative data is reported by both Lindex and Stockmann division's subject matter experts and validated by the Chief Sustainability Officer/the Head of Sustainability.

The reporting process is monitored by the Audit Committee in quarterly meetings. Information on the material topical ESRS disclosures is collected via a dedicated sustainability reporting software application. This process facilitates data collection, provides transparency and traceability of the data, and it enables collection of data based on the accounting principles outlined by the ESRS, which further facilitates compliance. Lindex Group's external sustainability auditor provides limited assurance on the Sustainability Statement. More information available in the sustainability auditor's limited assurance statement.

SBM–1

Strategy, business model and value chain

Lindex Group is an international fashion and retail group with two divisions: Lindex and Stockmann. The Lindex division is a global fashion company with a purpose to empower and inspire women everywhere. The Stockmann division is a premium multi-brand retailer with department stores in Finland, Estonia and Latvia. Its purpose is to be a marketplace for a good life. Lindex Group operates an asset-light business model. Its own brand' products are designed in-house and manufacturing is outsourced to independent suppliers.

The Group's operational activities include stores, department stores, e-commerce, logistic centres and production offices. The Lindex division's main part of revenue comes from selling its own brand products in three major business areas: women's fashion, lingerie and kids' wear. The majority of the Stockmann division's revenue comes from the retail business, where it sells its own brand's products as well as procures products from other companies. The Group has product categories in textiles, cosmetics, home products and food.

The Lindex and Stockmann divisions have their own strategies targeting sustainable and profitable growth. The Lindex division's three strategic must-win areas are to accelerate growth, transform into a sustainable business, and decouple cost from growth. The Stockmann division's four strategic must-win areas are to elevate offering by increasing focus on premium and luxury, grow and leverage the loyal customer base, optimise omnichannel performance and improve operational efficiency.

In line with the business strategies, Lindex and Stockmann have their own sustainability strategies, which address climate, circularity and human rights. The Lindex division's

The Lindex division's sustainability strategy

We promise to make a difference for future generations

EMPOWER WOMEN — **RESPECT THE PLANET** — **ENSURE HUMAN RIGHTS**

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

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

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

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

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

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

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

THE GLOBAL GOALS
For Sustainable Development

The sustainability strategy promotes six UN Sustainable Development Goals:

5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

sustainability promise is to make a difference for future generations and the Stockmann division is aiming at resource-wise retail business. Sustainability targets and indicators are integrated into business operations, products, markets, and they are aligned with stakeholder expectations and upcoming legal frameworks. The sustainability development is regularly monitored. The sustainability targets are related to all Lindex Group's products, services, significant markets and customer groups.

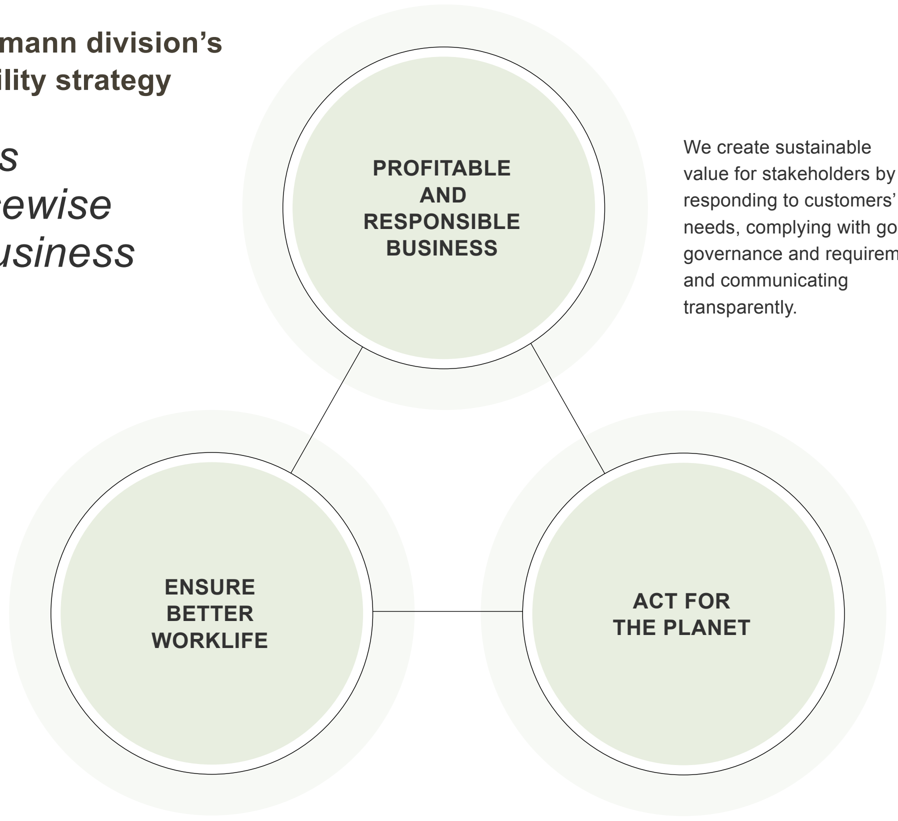
In the industry, sustainability is a critical across all aspects of the Group's operations, including products and services, markets, and customer groups. The industry is undergoing a significant transformation, driven by upcoming legal frameworks, such as Eco Design Directive and Extended Producer Responsibility regulations. These initiatives will set stricter requirements for sustainable production, durability, and recyclability, directly influencing how products are designed, produced, and managed throughout their lifecycle. The Group's long-term sustainability goals are closely tied to the transition to a circular business model in accordance with the EU Textile strategy.

Additionally, the Group is implementing due diligence processes in alignment with the Corporate Sustainability Due Diligence Directive (CSDDD). These processes will help identify, prevent, and mitigate adverse impacts on human rights and the environment throughout the value chain. Through these measures, the Group is positioning itself to meet the challenges and opportunities ahead.

The Group has physical stores in 17 countries, eight Stockmann department stores and 442 Lindex fashion stores including franchising stores. Both divisions have their own online stores and Lindex products are also sold in third-party online and physical stores. Lindex Group's key markets include Sweden (35% of the revenue), Finland (33%) and Norway (14%). The Group's customers are mainly consumers in these countries. There were no significant changes in the product groups or markets during the reporting period.

The Stockmann division's sustainability strategy

Towards resourcewise retail business



We create sustainable value for stakeholders by responding to customers' needs, complying with good governance and requirements, and communicating transparently.

Diversity, equity and inclusion
We drive diversity, equity and inclusion in our work community.

Fair and decent work
We strengthen ethical working practices in our supply chain.

Climate
We reduce climate impacts in our value chain in line with the Paris Agreement and are committed to the SBTi.

Circularity
We promote the circular economy as a growing part of the product range and services.

THE GLOBAL GOALS
For Sustainable Development

The sustainability strategy promotes five UN Sustainable Development Goals:

LINDEXGROUP

The headcount of employees by country is presented in *S1-6 Characteristics of the undertaking's employees*. Lindex Group is not involved in any form of production of fossil fuels, weapons, or tobacco. The company does not produce chemicals but uses chemicals in the production process.

Lindex Group's value chain

Lindex Group's inputs include, for instance, raw materials, human resources, energy and water resources, technology, capital and data. The approach for gathering and securing inputs such as raw materials, energy, and water resources focuses on sourcing sustainable materials, as further explained in chapters *E4 Biodiversity and ecosystems* and *E5 Resource use and circular economy*. The Group is committed to ensuring human rights, and living wages, supported by grievance mechanisms, further discussed in chapters *S2 Workers in the value chain* and *S3 Affected communities*. Additionally, the Group prioritises long-term supplier relationships and conducts regular audits in its value chain, further explained in *G1 Business conduct*. In addition to these inputs, the Group relies on the contributions of its own employees to support its operations and meet customer needs, further details can be found in chapter *S1 Own Workforce*. The approach to developing inputs such as technology, capital and data includes customising e-commerce platforms to provide seamless customer experiences, analysing customer data to understand preferences and evaluate feedback, and driving sales growth. To secure these inputs, the Group ensures platform scalability, maintains financial stability through careful budgeting and risk management, and collects diverse data to integrate into decision-making and forecasting processes.

The Group's outputs include high-quality, diverse, safe, and accessible products for customers that support diversity and empowerment. For investors, the main output is financial returns. For other stakeholders, such as workers in the value chain, the outputs include job opportunities and mitigating actions to address climate impacts and uphold human rights. Additionally, the Group provides job opportunities within its own operations.

The main actors in the Group's upstream value chain are the suppliers that are manufacturing the Group's products. The relationship with the suppliers is described in subchapter *G1-2 Management of relationships with suppliers*. The main actors in the Group's downstream value chain include the Group's own distribution channels, such as its own retail stores, e-commerce platforms, and distribution centres, all of which are essential to the Group's operations.

Lindex Group value chain

SBM–2

Interests and views of stakeholders

Engaging with a diverse range of stakeholders is crucial to Lindex Group's ability to create value and ensure long-term success. By engaging various stakeholders, Lindex Group gains valuable insights into what topics should be prioritised across its activities, products, supply chain, and value chain. The table below provides a summary of Lindex Group's key stakeholders and how the Group responds to their interests and views. The Group's business model or strategy is continuously revised due to stakeholder engagement.

Lindex Group's Board of Directors, Audit Committee and Management Team are informed about the views and interests of affected stakeholders with regard to the Group's sustainability-related impacts in connection with the annual double materiality process. The interests and views of different stakeholder groups during the materiality assessment process is disclosed in connection with *ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*.

Additional information related to own workforce

The interests, views and rights of the Group's workforce play a central role in shaping the company's strategy and business model. The Group's strategy and business model can play a role in creating positive impacts, and causing and mitigating negative material impacts on its own workforce. Both divisions gather insights about employee well-being, employee engagement and workplace experiences through an employee survey as well as performance and development discussions. Feedback from these help the divisions to identify areas for improvement

Lindex Group's key stakeholders and engagement methods

Key stakeholders	Engagement and its purpose	Stakeholders' interests and views	Responding to stakeholder expectations
Customers	Interaction in stores and digital marketplaces and at events, customer service, customer surveys, customer panels, marketing communications, loyal customer programmes, websites, social media. Understanding customers' views is crucial in order to secure relevance for customers.	Customer service and satisfaction, materials and chemicals in products, climate impacts, labour practices and wages in supply chain. Fair marketing practices and social inclusion in supply chain.	Lindex Group continued to develop its operations and offering to better meet customers' expectations.
Personnel	Performance and development discussions, Employees' Councils, change negotiations, personnel events, workshops, intranet, engagement platforms such as Teams, and union clubs. Lindex Voice and Stockmann Staff Barometer (engagement platform) unions and worker representatives. Engagement with personnel enhances employee experience and talent retention.	Employee well-being and safety, continuous learning, professional and career development, diversity, equity and inclusion, equal opportunities, work life balance	Personnel participated in the development of operations and strategy implementation in many ways as part of continuous dialogue and development projects. Development measures were made based on personnel surveys.
Shareholders and investors	Stock exchange releases, press releases, financial reviews, annual reporting, webcasts, investor meetings, Capital Markets Day, Annual General Meeting, Group website, and social media channels. With investor engagement, Lindex Group gives a transparent view of the company's strategy, sustainability and financials.	Financial performance, strategy and corporate restructuring programme, strategic assessment, progress in sustainability.	Open and transparent communication in line with regulation provides a reliable view of the company's operations and financial situation.
Suppliers and other business partners	Meetings, negotiations, cooperation projects, collaboration platforms, factory visits and audits, and supplier surveys. In addition, biannual evaluation meetings, capacity building programmes and classroom training in the Lindex division. With all this, Lindex Group promotes sustainability in the supply chain.	Implementing sustainability targets and initiatives in supply chain, sustainability topics such as climate, environment, human rights, materials, production processes, and transparency.	Lindex Group supported suppliers in sustainability topics, with focus on human rights, climate and circularity. Close dialogue related to fair purchasing practices.
Authorities and non-governmental organisations (NGOs)	Collaboration, projects, understanding the views of affected stakeholders, cooperation meetings, responding to surveys, charitable work, website, and annual reporting.	Evolving regulation, environmental and human rights risks in the supply chain, supply chain management and transparency, climate change, compliance with regulations and guidelines.	Lindex Group responded to surveys, gave interviews, and continued dialogue with authorities and organisations, and participated in membership meetings and collaborative efforts to drive sustainability on an industry level.

and adapt the strategic direction regarding workforce needs to address material impacts. At present, non-employees of the Group have not been considered.

Additional information related to workers in the value chain

For the Lindex division, the interests, views and rights of workers in its value chain are respected and integrated in the strategy and business model through the division's Human Rights Due Diligence (HRDD) process. The process continuously assesses risks and identifies areas where the Lindex division's operations or business decisions might contribute to impacts, especially on vulnerable groups such as women, children, and migrant workers. These identified impacts inform the Group's strategy and business model and provide insights to develop the Group's divisions' sustainability strategies as well as the development of action plans and targets for mitigating negative impacts. By partnering with multi-stakeholder initiatives (MSIs) such as the Ethical Trading Initiative (ETI) and organisations like Supplier Ethical Data Exchange (SEDEX), the Lindex division addresses worker rights and conducts Sedex Members Ethical Trade Audit (SMETA) audits to gather direct feedback on working conditions. The Stockmann division regularly audits its commercial goods suppliers through SMETA and amfori Business Social Compliance Initiative (BSCi) to ensure that the human rights of value chain workers are respected.

The Group's strategy and business model can play a role in contributing to and mitigating significant material impacts on value chain workers. The Group's business model, which is based on outsourcing global supply chain operations, increases the likelihood of human rights and labor rights violations. The Group also acknowledges that the business practices, such as production demands and supplier relationships, have an impact on worker welfare. The Group is adapting to address the material impacts through various targets and actions, which are further explained in subchapters *S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions* and *S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.*

Additional information related to affected communities

The Lindex division integrates the views, interests, and rights of affected communities into its strategy by partnering with NGOs and participating in multi-stakeholder initiatives. Due to the remoteness of its operations, Lindex division works with local organisations to enable community voices and the views, interests and rights are considered in the division's strategy and business model, including respect for their human rights. This is conducted particularly through social dialogue and grievance mechanisms.

The Group acknowledges that its division's business models and strategies depends on textile manufacturing and cotton agriculture, which can lead to significant impacts on affected communities. The impacts are directly linked to the Group's strategy and business model, as the Group's business model relies on textile production and cotton farming in high-risk regions. The Group is adapting to address the material impacts through various targets and actions, which are further explained in subchapters *S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions* and *S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*.

Additional information related to consumers and end-users

The interests, views, and rights of consumers and end-users are considered in the Group's strategy and business model, with a commitment to respecting their human rights. Both divisions actively engage with customers through different channels to continuously improve their products and services based on consumer input. The direct engagement helps both divisions to manage actual and potential impacts on consumers. The Group acknowledges that its strategy and business model can play a role in causing, contributing or mitigating significant material impacts on consumers and end-users. As the primary target audience for the Group's products, consumers and end-users are affected by factors such as marketing practices, product safety, and inclusivity. The Group is adapting to address the material impacts through various targets and actions, which are further explained in subchapters *S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions* and *S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*.

SBM–3

Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks, and opportunities for Lindex Group

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)			Physical/ Transition Risk P/T
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term	
Climate Change E1	Climate change adaptation	No material impacts have been identified.			Decreased revenue due to supply chain disruptions caused by extreme weather events in areas particularly vulnerable to such events, such as South and East Asia.	R	X			X	X	X	P
					Increased costs of raw materials due to global changes in weather conditions.	R	X			X	X	X	T & P
					Increased costs and loss of sales caused by product and production related legislation. Failure to live up to minimum standards may cause product removals and loss of sales.	R	X	X	X	X			T
					Failure to achieve climate goals could result in reputational damage, leading to potential losses in sales and investments due to heightened stakeholder concerns.	R			X	X			T
					Increased stakeholder awareness of the climate crisis could lead to higher sales and investment, as customers may prefer products and services with a low climate impact. This shift presents an opportunity for the Group.	O			X	X			
					Transitioning to circular business models – optimizing product volumes, designing for longevity and circularity, and using recycled and recyclable materials – represents a key business opportunity for the Group.	O	X	X			X	X	
	Climate change mitigation	No material impacts have been identified.			Reducing reliance on virgin materials and enhancing the climate resilience of natural fiber production can help mitigate costs and build resilience in raw material sourcing.	O	X				X	X	
					Transitioning to lower-emission technology may result in increased costs and investment risks for fashion retailers as they work to decarbonize their value chains.	R	X			X			T

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)			Physical/ Transition Risk P/T
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term	
Climate Change E1	Energy	**Emissions in production:** High energy consumption in production, particularly in Tier 2 dyeing and wet processing, which often rely on fossil fuels, leading to elevated greenhouse gas emissions and contributing to global warming.	A	-			X				X		
		Emissions in fibre production: Fiber-related emissions arise from both the extraction and energy-intensive production of petroleum-based synthetic fibers, as well as from agricultural practices that contribute to increased greenhouse gas emissions.	A	-			X				X		
		Emissions in own operations: Energy consumption across the Group's operations (stores, warehouses, offices) contributes to increased greenhouse gas emissions.	A	-				X			X		
		Emissions in transportation: Transportation of products contributes to greenhouse gas emissions, as it often relies on fossil fuels.	A	-					X		X		
		Emissions in the user-phase: Factors such as washing, drying, and the disposal of garments and textiles contribute to greenhouse gas emissions.	A	-					X		X		
					Reduced costs and return of investment through energy efficiency measures: Investing in energy efficiency across stores, offices, and the supplier base would lower operational and production costs, while also reducing emission intensity.	O	X	X		X	X	X	

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Polluton E2	Microplastics	**Microplastic pollution from synthetic fibers:** In the supply chain, wet processing and synthetic fibers such as polyester and polyamide contribute to microplastic pollution.	P	-			X				X	X
	Pollution of soil	**Soil pollution in agriculture:** Soil degradation is primarily associated with cotton cultivation, where agricultural practices, including the use of pesticides, fertilizers, and GMOs, deplete the soil of its natural nutrients and organisms.	P	-	No material risks or opportunities have been identified.		X			X	X	X
	Pollution of water	**Water pollution in the supply chain:** Wet processing during production can release polluted water containing chemicals and dyes into nearby water bodies, severely impacting water quality.	P	-			X			X	X	X
Water E3	Water consuption	**Water consumption in raw materials:** Cotton is a highly water-intensive crop, requiring significant irrigation, particularly in regions with low rainfall. The heavy water use in raw material production can contribute to degradation in arid regions.	A	-			X				X	X
	Water consuption	**Water consumption in wet processing:** Wet processing requires large volumes of water for dyeing fabrics, applying finishes, and removing excess chemicals and dyes. This consumes significant amounts of water contributing to a negative overall water footprint.	A	-			X				X	X
	Water withdrawals	**Water withdrawals in the supply chain:** Cotton cultivation and garment wet processing are highly water-intensive, requiring significant withdrawals from nearby lakes, rivers, and groundwater. This cancontribute to the depletion of freshwater resources in several regions.	P	-			X				X	X
	Water discharges	**Water discharges in manufacturing:** Water discharges from wet processing strains local water resources and contributes to water pollution.	P	-			X			X	X	
	Water withdrawals				**Operational risks from water scarcity:** Risks stem from the limited availability of water needed for agriculture (e.g., cotton crops) and production processes (such as wet processing). These shortages can impact the availability and cost of raw materials and cause disruptions in production.	R	X			X	X	X
	Water withdrawals				**Reduced costs due to efficient water management:** Opportunities lie in implementing sustainable water management practices, such as advanced technologies, water recycling, rainwater harvesting, and a shift to regenerative agriculture. These measures can potentially reduce costs associated with water usage and create resilience against water shortages.	O	X			X	X	X
	Water withdrawals				**Cost resilience through the adoption of recycled fibers:** Shifting to recycled fibers can help mitigate the risk of price increases.	O	X				X	

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Bio-diversity and eco-systems E4	Direct impact drivers of biodiversity loss, direct exploitation	**Biodiversity loss and deforestation through raw material production:** The cultivation of fibers requires significant land and water use, often leading to deforestation, habitat destruction, and depletion of freshwater resources in nearby areas. Monocultures of wood-based or natural fibers, such as viscose, contribute to biodiversity loss and deforestation.	P	-			X				X	X
	Direct impact drivers of biodiversity loss, land-use change	**Impact of using chemicals, fertilizers, and pesticides in agricultural processes:** The use of these substances can lead to soil degradation, negatively affecting biodiversity and the pollination of crops.	P	-			X			X	X	X
	Direct impact drivers of biodiversity loss, land-use change	**Landscape alteration:** Cotton agriculture and textile production can displace local communities, disrupting their access to essential ecosystem services such as food, water, and livelihoods. Large-scale agricultural practices and deforestation can significantly alter landscapes.	P	-			X				X	
	Direct impact drivers of biodiversity loss, climate change				**Cost and availability of raw materials:** Heavy reliance on land and water for raw materials may lead to higher costs and reduced availability in the future.	R	X				X	X
	Impacts on the extent and condition of ecosystems, land degradation	**Land degradation:** Cotton agriculture contributes to land degradation through intensive water use. Agricultural practices can lead to soil erosion, loss of biodiversity, and reduced land fertility over time.	P	-			X				X	X
Circular economy and resource use E5	Resource inflows	**Negative impact on natural resources:** The use of natural resources, such as cotton and wood-based fibers, along with water consumption in production, creates negative impacts in the upstream value chain. This can lead to environmental stress, reduced land availability, and limited access to freshwater.	A	-							X	X
					Cost and availability of raw materials: Heavy reliance on land and water for raw materials may lead to higher costs and reduced availability in the future.	R	X				X	X
					Circular business transformation: Transitioning to circular business models – optimizing product volumes, designing for longevity and circularity, and using recycled and recyclable materials – represents a key business opportunity for the group.	O	X	X			X	X
	Resource outflows	**Post-consumer resource loss:** When products are not used until worn out and textiles are not recycled into new materials, valuable resources are lost.	A	-					X		X	X
					Capturing valuable resource flows: Scaling up reuse and recycling efforts, while collaborating with innovators and solution providers to improve recyclability, creates growth opportunities for creating circuar business models and scaling up recommerce.	O			X		X	X

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Circular economy and resource use E5	Waste	**Waste creation at the end-use phase:** Products often result in waste post-purchase, wich many may end up in landfills, especially in countries lacking proper waste management systems.	P	-					X	X		
		Packaging waste creation: Packaging used in products may end up as waste and not be properly recycled, causing harm to both the environment and communities.	P	-			X		X			
					Regulatory risks: The EU Textile Strategy includes regulatory requirements on ERP systems and end-of-life treatment, which could pose operational risks and added costs per product to the Group.	R		X	X	X	X	
Own workforce S1	Working conditions, freedom of association	**Restricted freedom of association:** The group operates in countries where the right to freedom of association and collective bargaining may be restricted. Independent unions are illegal in China, and reports suggest that unions in India and Bangladesh might be compromised or ineffective.	P	-	No material risks or opportunities have been identified.			X		X	X	X
	Working conditions, work-life balance	**Work-life balance:** The division's business models, including distribution centers and retail stores, inherently carries risks related to temporary and part-time workers with irregular scheduling. These practices can negatively impact workers' mental health, hinder their ability to enjoy family life, and affect their financial stability.	A	-				X		X	X	X
	Working conditions, health and safety	**Health and safety:** Potential issues across various countries include fire safety concerns, accident and near-accident risks, and ergonomic challenges. If the group fails to provide safe and healthy working conditions, it could lead to decreased performance and increased absenteeism due to illness or injury.	P	-				X		X	X	X
	Equal treatment and opportunities for all, measures against violence and harrasment in the workplace	**Discrimination in the workplace:** Discrimination on various grounds negatively impacts employees' well-being and the group's reputation as an employer. This applies not only to hiring and occupational opportunities but also throughout the employment relationship, including termination, promotions, and pensions.	P	-	No material risks or opportunities have been identified.			X		X	X	X
	Equal treatment and opportunities for all, diversity	**Promoting diversity, equity, and inclusion (DEI):** Fostering DEI in the workplace creates a more inclusive and accepting environment. By offering training on these topics, the group can significantly enhance employees' competence and knowledge, while also improving their overall well-being.	P	+				X			X	

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Workers in the value chain S2	Working conditions, adequate wages	**Inadequate wages in the textile industry:** The lack of living wages has severe consequences for the entire workforce in the textile supply chain. Additionally, since the majority of workers are female, this wage disparity contributes to gender pay inequality, limits access to education for children, and leads to poorer health outcomes for workers and their families.	A	-	No material risks or opportunities have been identified.		X			X	X	X
	Working conditions, freedom of association	**Restricted freedom of association for supply chain workers:** In many countries, freedom of association, the right to unionise, worker representation, and collective bargaining are under significant pressure. Industry trends indicate that unionisation efforts among garment workers face severe backlash in most production countries, compounded by a lack of government support and insufficient collaboration between trade unions, NGOs, factories, and fashion brands.	P	-			X			X	X	X
	Working conditions, health and safety	**Health and Safety:** Workers in regions such as Bangladesh, China, India, Pakistan, and Turkey face common risks, including fires, electrical hazards, building safety issues, and workplace violence – each of which can lead to injuries and health problems.	P	-			X			X	X	X
	Equal treatment and opportunities for all, measures against violence and harassment in the workplace	**Diversity and discrimination:** Women, who make up the majority of garment workers, often face gender-based discrimination, sexual harassment, unequal pay, and limited career progression. These issues negatively impact their emotional well-being, career opportunities, and safety.	P	-			X			X	X	X
	Equal treatment and opportunities for all, measures against violence and harassment in the workplace				**Reputational risk related to harassment and discrimination in the supply chain:** The group faces reputational and credibility risks in cases of harassment and discrimination within the supply chain. These issues can negatively impact the group's financial situation and lead to the potential loss of business partners.	R	X			X	X	X
	Equal treatment and opportunities for all, diversity				**Brand recognition for driving We-Women:** Promoting gender equality and diversity presents valuable opportunities to enhance brand reputation and attract positive recognition. The We-Women management system aims to foster inclusive workplaces, ensuring equal opportunities and career advancement for women.	O	X			X	X	X
	Other work-related rights, child labour	**Child labour in the supply chain:** There is a risk of child labour in the supply chain, particularly in regions with weaker regulatory enforcement. This can have harmful impacts on children's health, education, and overall development.	P	-	No material risks or opportunities have been identified.		X			X	X	X
	Other work-related rights, forced labour	**Forced labour in the supply chain:** There is a risk of forced labour in the supply chain, particularly in regions with weaker regulatory enforcement. This can have harmful impacts on worker's health, education, and overall development.	P	-			X			X	X	X

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Affected communi-ties S3	Communities' economic, social, and cultural rights, water and sanitation	**Access to clean water:** Many waterways in high-risk countries are being contaminated by industries, affecting access to clean water, as well as impacting fishing and soil quality for nearby farms. Lack of access to clean water is a silent disaster for women and girls, stealing their time and limiting their future opportunities.	P	-	No material risks or opportunities have been identified.		X			X	X	X
	Communities' economic, social, and cultural rights, water and sanitation	**Improving access to clean water:** Lindex division's partnership with WaterAid has a positive impact by improving access to clean water and empowering women in RMG worker communities.	P	+			X			X	X	X
	Communities' economic, social, and cultural rights, land-related impacts	**Supply chain impacts on communities' rights:** Industrial expansion for cotton agriculture and textile production can displace local communities, disrupt access to essential resources such as food and water, and degrade the natural environment, ultimately undermining livelihoods and human rights.	P	-			X			X	X	X
	Communities' economic, social, and cultural rights, land-related impacts	**Impacts on communities where products are discarded:** The group's products may be discarded near communities, impacting the local economy and businesses due to the sheer volume of clothes entering the ecosystem. These discarded garments can pollute waterways and soil, negatively affecting the health of the community.	P	-					X	X	X	X
Consum-ers and end-users S4	Personal safety of consumers and/or end-users, health and safety	**Product safety and compliance:** The group may fail to ensure the safety of children's apparel and comply with legal standards. This can lead to choking hazards, strangulation, and exposure to harmful chemicals, posing health and safety risks for customers.	P	-					X	X	X	X
	Social inclusion of consumers and/or end-users, non-discrimination	**Inclusive assortment:** Failing to offer an inclusive assortment that represents diverse body types, sizes, genders, and cultural preferences can perpetuate stereotypes, limit self-expression, and reinforce social inequities.	P	-					X	X	X	X
	Social inclusion of consumers and/or end-users, responsible marketing practices	**Responsible marketing practices:** The group impacts millions of women globally through its communication channels and portrayals of women and children. If the group is not cautious and fails to practice responsible marketing, promoting unrealistic beauty standards or neglecting to represent diverse body types and demographics can perpetuate negative stereotypes, potentially harming consumers' self-esteem and mental health.	P	-					X	X	X	X
	Social inclusion of consumers and/or end-users, non-discrimination				**Inclusive design and marketing:** Designing clothes for a variety of body types and showcasing diverse women and children in marketing presents a valuable opportunity. This approach could attract more customers and build long-term brand value by visibly demonstrating commitment to diversity and inclusion.	O		X		X	X	X
	Social inclusion of consumers and/or end-users, non-discrimination				**Consumer backlash from lack of inclusivity in marketing and assortment:** If the group fails to practice responsible marketing and offer an inclusive assortment, there is a risk of consumer backlash and reputational damage.	R			X	X	X	X

Standard	Material topics	Impacts	Actual / Potential A / P	Positive / Negative - / +	Risks and opportunities	Risk / Opportunity R / O	Location in value chain (x)			Time Horizon (x)		
							Up-stream	Own opera-tions	Down-stream	Short-term	Medium-term	Long-term
Business conduct G1	Corporate culture	**Impact on consumers' purchasing decisions:** By offering sustainable options in stores, the group passively influences consumer purchasing behavios, as consumers are unlikely to change their purchasing habits in the future without further education.	A	+					X			X
	Management of relationships with suppliers incl. payment practises	**Inability to provide timely payments to suppliers:** Timely payment to suppliers is crucial for the supply chain. Late payments can strain workers and create unequal power imbalances between suppliers and the Group.	P	-				X		X		
	Protection of whistleblowers	**Not detecting ethical breaches:** Poorly managed whistleblowing programs fail to meet risk management standards, making it harder to identify and mitigate risks like harassment, discrimination, corruption, or bribery. The EU Whistleblower Directive (EU) 2019/1937 requires secure, accessible reporting channels and protects whistleblowers from retaliation.	P	-			X	X	X	X	X	X
	Corruption and bribery, prevention and detection including training				**Corruption within supply chain and own operations:** According to research, women are disproportionately affected by corruption in the textile supply chain. This undermines the Lindex division's higher purpose of 'Inspiring and Empowering women everywhere'. Corruption and bribary also conflicts with the Lindex Group's ethical standards. To mitigate corruption and bribery, all Lindex division's suppliers are required to sign a Supplier Code of Conduct, and for Stockmann division, sustainability themes are integrated into procurement contracts.	R	X	X		X	X	X

The identified material impacts, risks, and opportunities have current and anticipated effects on the Group's business model, value chain, strategy and decision-making. However, there is no process in place for integrating the material impacts, risks, and opportunities into the business model, value chain, strategy and decision-making. The impacts originate through the group's own activities as well as business relationships, such as suppliers. The impacts originate from and are connected to the Group's strategy and business model. The Group operates a business model centered on e-commerce, physical stores, and department stores, with a primary focus on the sale of physical products. Consequently, the Group's activities generate diverse social and environmental impacts, as described in *SBM-3 Material impacts, risks and opportunities for Lindex Group*.

Material risks and opportunities may have financial implications for the Group's financial position, performance, and cash flows. However, due to a current lack of financial data and standardised methods for data collection linked to material risks and opportunities, this information will not be reported. Currently, there are no material risks that will realise in the next annual reporting period. The Group has conducted a resilience analysis of its strategy and business model and its capacity to address material climate related impacts, risks, and opportunities. No other resilience analysis has been conducted.

The current material impacts, risks, and opportunities align with the previous results of the materiality assessment. However, there have been changes in the method used to assess materiality. Details about the updated process can be found in the subchapter *IRO-1 Description of the process for identifying and assessing material impacts, risks, and opportunities*.

E1 CLIMATE CHANGE

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

In 2024, Lindex Group conducted a climate related scenario analysis using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The methodology and scope of the assessment, as well as the time horizons considered for determining material physical and transition risks, are described in *IRO-1 Description of the process for identifying and assessing material impacts, risks, and opportunities*. The financial risks and opportunities connected to the different climate scenarios; such as impact on growth, costs, investments, assets and sales; with consideration taken to different time horizons, were assessed on a low, medium or high impact and assessed by likelihood and magnitude. The most material risks were mapped to business strategies and roadmaps to identify any possible gaps in the Group's business resilience.

This initial analysis provides a high-level resilience analysis of the strategy to climate change. The analysis is qualitative, and no sensitivity analysis with numerical data was included. Lindex Group plans to conduct a more detailed and comprehensive assessment in the future to ensure ongoing alignment with evolving climate scenarios and regulatory requirements.

E4 BIODIVERSITY & ECOSYSTEMS

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The Lindex division has assessed the impact of biodiversity using the WWF biodiversity risk filter and applied it across the division's value chain. The biggest impact in magnitude and significance was identified in raw material sourcing and wet processing, mainly related to cotton and viscose sourcing with sites identified in India, in regions such as Gujarat, Nagpur, and Odisha. The Stockmann division has not assessed activities negatively affecting biodiversity-sensitive areas. No operations that affect threatened species have been assessed.

Material negative impacts related to land degradation have been reported under *ESRS 2 – SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*. However, the Group has not identified any material negative impacts on desertification or soil sealing.

Resilience analysis result

Type of risk	Area	Risk description	Time horizon	Strategy and business model to mitigate risks and increase rescillience Climate related actions and resources are further described in *E1-3 Actions and resources in relation to climate change policies.*
Transition Risks	**Regulatory Risks** MEDIUM	**Failure to achieve climate goals could result in reputational damage, leading to potential losses in sales and investments due to heightened stakeholder concerns.** Failure to deliver on our target may result in decreased stakeholder attraction from both customers and the financial sector. Companies obligation to report on the stringent requirements of the EU Taxonomy will further enhance the transparency on company performance. Setting a climate goal in line with science, to deliver a climate action roadmap, and to report on progress will be mandatory for Lindex Group latest in 2028.	Short (<5 years)	Lindex Group has committed to Science Based Target. Lindex division has developed a 2030 climate transition plan to fullfill the target and implemented regular follow-ups and progress reporting.
	Regulatory Risks HIGH	**Increased costs and loss of sales caused by product and production related legislation. Failure to live up to minimum standards may cause product removals and loss of sales.** Product and production related legislation (i.e. ESPR, EUDR, DPP, EPR, Right to repair) will increase costs and fees which may affect product margins if they can not be transferred to consumers. Failure to live up to minimum product requirements may cause product market removals, loss of sales, fines and consumer compensation costs. Regional regulations may hinder expansion and impact cost.	Short (<5 years)	Lindex Group has set a circular business transformation strategy which includes circular products, cicular supply chain and circular businessmodels. Lindex Group has also set a strategy on tracebility and transparency, and started the development of a digital product passport.
	Technology Risks MEDIUM	**Transitioning to lower-emission technology may result in increased costs and investment risks for fashion retailers as they work to decarbonize their value chains.** Insufficient investments in renewable energy infrastructure and technology for electrification may fail the transition from fossil fuels in our production countries.	Short (<5 years)	Lindex division engages in policy dialogue and technology matchmaking in our production countries
	Technology Risks MEDIUM	**Transitioning to lower-emission technology may result in increased costs and investment risks for fashion retailers as they work to decarbonize their value chains.** Fashion retailers may face increased costs and investments risk to decarbonize their value chains. Fossil fuels remains a significant source of energy in Most production countries. The transition to renewable energy means large investments for suppliers in advance technology and will require countries to allocate resources for renewable energy infrastructure.	Short (<5 years)	Lindex division's production offices support suppliers with identifying actions, developing transition plans and overall business cases. The division has further engagement in technology matchmaking.
	Market Risks HIGH	**Increased costs of raw materials due to global changes in weather conditions.** Lindex Group is heavily dependent on natural resources such as water, cotton and wood. Higher temperatures and water shortage will affect production and agriculture in many regions. India, where the majority of cotton in Lindex division's supply chain is grown, is already at severe water shortage risk which will affect the availability and price of cotton. Extraction of forest rawmaterial has reached its limit, affecting both availability and price.	Medium (5–10 years)	Lindex Group has a water strategy that supports supply chain business partners to adopt water efficient technologies in the areas most affected by water shortages. Lindex Group has also set a material transformation strategy with clear targets and goals to shift to recycled and regenerative materials to create rescilience. Lindex division is collaborating with chemical recyclers such as Södra skogsägarna and Infinited fiber in order to scale recycling.
	Reputational Risks MEDIUM	**Failure to achieve climate goals could result in reputational damage, leading to potential losses in sales and investments due to heightened stakeholder concerns.** Awareness of company and industry negative impact on climate change is likely to cause changes in consumer behaviour; such as less garments bought per consumer, increased interest in recommerce, a shift from synthetic fibers, and less purchases from Fast Fashion brands.	Short (<5 years)	Lindex Group has committed to a Science Based Target and Lindex division has developed a 2030 climate transition plan to fullfill the target. Lindex division has also set a circular business transformation strategy, which includes circular products, circular supplychain and circular business models.
	Reputational Risks MEDIUM	**Failure to achieve climate goals could result in reputational damage, leading to potential losses in sales and investments due to heightened stakeholder concerns.** Awareness of the company's and industry's negative impact on climate can cause reputational risks related to brand perception. Negative publicity may cause not only changes in consumer behaviour but may also shy away investments from the Group.	Short (<5 years)	The Group's strategies within the sustainability area will allow it to build trust in its brands and offerings. Transparency and clear customer communication connected to sustainability will help to build trust and increase customer loyalty.
Physical Risks	**Acute Physical Risks** MEDIUM	**Decreased revenue due to supply chain disruptions caused by extreme weather events in areas particularly vulnerable to such events, such as South and East Asia.** Increased frequency and intensity of extreme weather events such as extreme heat, floods, hurricanes or tropical cyclones due to climate change may cause disruptions throughout the value chain such as raw materials agriculture, production, transportation, and point of sales. This could lead to increased operating cost, volatility in supply, and loss of sales.	Short (<5 years)	Lindex Group has set a supply chain strategy, which includes nearshoring, contingency plans and alternative transportation route planning. Lindex Group has also set a material transformation strategy with clear targets to shift to recycled and regenerative materials. Lindex division is collaborating with chemical recyclers such as Södra skogsägarna and Infinited fiber.
	Cronic Physical Risks HIGH	**Increased costs of raw materials due to global changes in weather conditions.** Changing temperature, heat stress, water scarcity and sea level rise will affect operational changes to the supply chain with consequences for where and how garments and materials can be produced. This will have impact both on availability and cost.	Medium (5–10 years)	Lindex Group has set a supply chain strategy, which includes nearshoring, contingency plans and alternative transportation route planning. Lindex Group has also set a material transformation strategy with clear targets to shift to recycled and regenerative materials. Lindex division is collaborating with chemical recyclers such as Södra skogsägarna and Infinited fiber.

Area	Opportunity description	Time horizon	Strategy and business model to capture opportunity
Resource Efficiency MEDIUM	**Reduced costs and return of investment through energy efficiency measures.** Investing in energy efficiency across stores, offices, and the supplier base would lower operational and production costs, while also reducing emission intensity.	Short (<5 years)	Lindex Group has set goals and action plans to reduce energy throughout the value chain and are supporting its suppliers in setting targets and developing action plans for energy efficiency aswell as the transition to renewable sources. See E1 reporting for further details.
Products & Services HIGH	**Increased stakeholder awareness of the climate crisis could lead to higher sales and investment, as customers may prefer products and services with a low climate impact from companies that customers trust and that share their values.** Based on Lindex Group's sustainability strategies there is an opportunity to attract more customers and expand the current business-to-business sales by providing a more sustainable and transparent offering. Positive reputation impact both investments and customers and sales.	Short (<5 years)	Delivering on Lindex Group's strategy and meeting climate related customer expectations can lead to a bigger market share. Transparency and clear communication about sustainability can increase customer loyalty.
Products & Services HIGH	**Transitioning to circular business models – optimizing product volumes, designing for longevity and circularity, and using recycled and recyclable materials – represents a key business opportunity for the Group.** Increasing awareness of the climate crisis may change customer behaviour as people are incentivised to switch to new ways of enjoying fashion without the climate impact associated with garment production. This shift will reduce Lindex Group's climate impact and offer the company new revenue streams that complement the traditional business model.	Short (<5 years)	Lindex Group is preparing to scale up recommerce and are continually testing and scaling new business models and new revenue streams, such as wardrobe services, rental and repairs. See E5 reporting for further details.
Products & Services HIGH	**Transitioning to circular business models – optimizing product volumes, designing for longevity and circularity, and using recycled and recyclable materials – represents a key business opportunity for the Group.** Product volume optimisation, reducing the mark down clearance, and increasing full price sales not only reduces absolute emissions but is also an important enabler to reduce costs. There is an opportunity to optimize the value of every product produced, better respond to consumer needs and secure the right product in the right place and in the right amount.	Short (<5 years)	Lindex Group is adopting a Supply chain Strategy approach that includes nearshoring. The utilization of analytics to make data-driven decisions further improves forecasting and minimizes overproduction. The investments and development of the Lindex division's omnichannel distribution centre will streamline inventory across channels and fulfill customer demands more efficiently.
Rescilience HIGH	**Reducing reliance on virgin materials and enhancing the climate resilience of natural fiber production can help mitigate costs and build resilience in raw material sourcing.** Scaling recycled materials and transitioning to regenerative agriculture for key virgin materials like cotton can reduce the company's material vulnerability and improve the climate resilience of both farmers and its business.	Short (<5 years)	Lindex Group is increasing the share of recycled materials and working to bridge technology, infrastructure, feedstock, and finance gaps to make commercial scaling of recycled fibres more feasible through its industry collaborations and commitments. Lindex Group is investing in collaborative projects in India, where most of its cotton is grown – to help farmers transition to regenerative practices.

S1 OWN WORKFORCE

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The actual and potential impacts identified in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities* – restricted freedom of association, work-life balance challenges, health and safety working conditions, workplace discrimination, and the promotion of diversity, equity, and inclusion – are inherently linked to the Group's strategy and business model.

When identifying the actual and potential impacts on the Group's workforce, the Group has considered all employees who could be materially affected, including those working in the retail stores, offices, and warehouses, as well as employees on permanent and fixed-term contracts. Some impacts can be specific and limited to certain employees due to the type of employment and location, such as store employees, warehouse employees and production office employees. In addition, the Group has considered non-employees who work at the group's premises. Based on the double materiality assessment, the Group has not identified any negative impacts related to child labor or forced labor within its own operations. It does not consider any operations at significant risk of such incidents.

Regarding material positive impacts, the Group's efforts to promote diversity, equity, and inclusion (DEI) can positively affect all employees and non-employees by enhancing their awareness and understanding, improving workplace relationships, and fostering an increased sense of belonging. Additionally, the Group has not identified any material risks or opportunities related to its own workforce, nor any material impacts arising from transition plans.

Impact and its connection to strategy and business model, and how the strategy and business model is informed and adapted to the impact

Impact	Actual or potential (A/P)	Connection to strategy and business model	Informing and adapting the strategy and business model
Restricted freedom of association	P	Operating in countries where freedom of association and collective bargaining are restricted can be a consequence of local legal frameworks and political environments. These restrictions limit employees' ability to organise and negotiate effectively, resulting in a potential negative human rights impact on the employees. The impact is related to individual incidents, as it is experienced by a limited number of workers compared to the total number of workers.	Enhancing due diligence processes and embedding human rights policies as well as having grievance mechanisms in place.
Work-life balance	A	The Group's operational model, which includes retail stores and distribution centres, depends on the flexibility of labour agreements to meet fluctuating demand. This creates irregular scheduling and unstable working conditions for part-time and temporary employees, which might impact the employee's mental health, hindering their ability to enjoy life outside work, and affecting their financial stability. The impact can be considered widespread, due to the large number of store staff employed by the Group.	Implementing predictable shift patterns and offering flexible arrangements.
Health and Safety	P	The physical demands of the warehouse and retail environment and ergonomic challenges in the office environment can pose a risk to employee safety. Additionally, the risks are enhanced during high-demand seasons in warehouses. Failure to ensure health and safety in working conditions can lead to decreased performance and increased absenteeism due to illness or injury. The potential impacts can be either widespread or related to individual incidents.	Investments in safety training, better equipment, and compliance monitoring.
Discrimination in the workplace	P	The Group's business model, which operates across diverse regions, increases the potential for discrimination based on, for example, gender, origin, age, or disability. The potential discrimination can negatively impact employee well-being and the Group's reputation as an employer. The potential impacts are usually related to individual incidents.	Clear policies, such as Human Rights Policy, Discrimination Policy, and Offence and Harassment Policy, alongside our Diversity Plan and Equal Opportunities Plan.
Promoting diversity, equity, and inclusion (DEI)	P	The Group can have a positive impact by promoting diversity, equity, and inclusion in the workplace and creating a more inclusive and accepting working environment, which can significantly enhance employee's competence and knowledge while improving their overall well-being. The potential impacts are usually related to individual incidents.	Conducting diversity and inclusion training sessions, participating in different networks, such as the Diversity Charter, and committing to transparent, fair recruitment processes. Actively monitoring and reviewing practices to ensure compliance with human rights standards and continuously improve workplace culture.

S2 WORKERS IN THE VALUE CHAIN

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The actual and potential impacts identified in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities* – inadequate wages in the textile industry, restricted freedom of association for supply chain workers, health and safety of working conditions, diversity and discrimination, child labour in the supply chain and forced labour in the supply chain – are inherently linked to the Group's strategy and business model.

The identified actual and potential impacts related to diversity and discrimination are linked to the material risks and opportunities highlighted in the double materiality assessment. If the potential impact of discrimination in the value chain materialises, or the Group fails to adequately mitigate the impact, there is a risk to reputation and credibility. This could negatively affect the Group's financial position and lead to potential loss of business partners. Conversely, there is an opportunity to enhance brand recognition by promoting gender equality and diversity throughout the value chain.

When identifying the actual and potential impacts on the workers in the value chain, the Group has considered workers in the upstream garment supply chain. The scope does not include distribution in upstream value chain or workers in the downstream value chain, such as those involved in distribution, sales, and disposal.

The negative impacts are primarily in the upstream portion of the value chain, where garment manufacturing, textile production, and raw material sourcing occur, notably in countries with weaker regulatory enforcement. The Lindex division has identified the following workers to be particularly vulnerable: women, migrant workers, young workers, and trade union members. Women face a heightened risk of negative impacts, such as gender-based discrimination, harassment, unequal pay, and limited career progression. Migrant workers face a heightened risk of negative impacts due to language barriers, limited legal protections, and exploitative recruitment practices. Young workers face specific risks to their physical development and safety, when tasked with repetitive activities or when operating heavy machinery without adequate training. Trade union members face a heightened risk of negative impacts, such as retaliation, including intimidation and dismissal. These particularly vulnerable groups have been identified through the Lindex division's Human Rights Due Diligence (HRDD) process. The Stockmann division did not specifically identify vulnerable groups but instead addressed value chain workers at a general level.

The risk of child and forced labour is particularly high in regions with weaker regulatory enforcement, and the risk is most prevalent in agriculture, raw material production, cotton farming, and textile production. The material negative impacts on workers in the value chain are widespread and systemic, particularly in regions with weak regulatory enforcement such as Bangladesh, China, India, Pakistan, and Turkey. Currently, the Group has not identified any material positive impacts related to workers in the value chain.

Impact and its connection to strategy and business model, and how the strategy and business model is informed and adapted to the impact

Impact	Actual or potential (A/P)	Connection to strategy and business model	Informing and adapting the strategy and business model
Inadequate wages in the textile industry	A	Wages in the textile industry, particularly in low-cost manufacturing countries, are often not sufficient to meet basic living expenses. The impact on value chain workers is tied to the Group's business model, as it has workers in its value chain in these countries.	The Group commits to decent working conditions in its value chains and to cooperating with others where infringements on workers' rights are identified. The Group believes that improving working conditions is a collaborative effort involving employers, employees, governments, unions, and workers' organisations. The Group works closely with its commercial goods suppliers to create supportive environments where women have the same opportunities as men. The Lindex division addresses these impacts through a due diligence process, transparency requirements, and comprehensive sustainability frameworks that includes purchasing practices, self-assessments, social auditing, living wage strategy, improving supplier transparency and supply chain traceability, and implementing policies to safeguard workers' rights and prevent child labour and modern slavery as well as the We Women management programme. Currently, Stockmann division does not have a due diligence process in place.
Restricted freedom of association for supply chain workers	P	In countries where the Group sources materials or manufactures products, restrictions on unionisation and collective bargaining can significantly limit workers' ability to negotiate for better conditions. This challenge can arise from the group's sourcing strategy in regions, which can lack labour protections.	
Health and Safety	P	The Group sources from regions such as Bangladesh, China, India, Pakistan, and Turkey where there can be a risk of inadequate health and safety standards, including fire hazards, structural issues, and workplace violence.	
Diversity and discrimination	P	The potential issue of gender-based discrimination, sexual harassment, and unequal pay especially for women garment workers, can be a consequence of the Group's global supply chain.	
Child labour in the supply chain	P	The risk of child labour in the supply chain, especially in regions with weak regulatory enforcement, poses a significant risk to the Group. Child labour is often linked to low-cost production regions.	
Forced labour in the supply chain	P	Forced labour, particularly in regions where workers are vulnerable due to poor legal enforcement, can be a risk linked to the Group's supply chain management, which includes outsourcing global supply chain operations.	

S3 AFFECTED COMMUNITIES

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The potential impacts identified in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities* – access to clean water, improving access to clean water, supply chain impacts on communities' rights, and impacts on communities where products are discarded – are inherently linked to the Group's strategy and business model.

When identifying the potential impacts on affected communities, the Group has considered all communities across its value chain that could be materially affected. These include communities associated with the Group's upstream garment value chain, such as those involved in raw material sourcing and production processes, as well as those linked to the downstream value chain, particularly around the waste disposal of used products.

The affected communities are the communities along the Group's upstream garment value chain and the communities in downstream value chain linked to waste disposal of used products. While indigenous people were evaluated as part of the assessment, they were not deemed material to the Group's operations. The primary potential negative impacts are considered widespread and systemic within the upstream value chain. The Group has not identified any material risks or opportunities related to affected communities. The affected communities that are, or could be, negatively affected or face a higher risk of harm have been identified through the Lindex division's Human Rights Due Diligence (HRDD) process.

Impact and its connection to strategy and business model, and how the strategy and business model is informed and adapted to the impact

Impact	Actual or potential (A/P)	Connection to strategy and business model	Informing and adapting the strategy and business model
Access to clean water	P	Textile manufacturing and cotton agriculture can lead to significant contamination of local waterways, affecting communities' access to clean water. This impact is linked to the Group's business model, as the Group's business model relies on textile production and cotton farming in high-risk regions.	The Lindex division's partnership with WaterAid to improve access to clean water as well as empower women in RMG worker communities in Bangladesh. The programme benefits women by freeing up time for education, work, and community engagement, enhancing their confidence and health. The program strengthens the Group's brand as a water-responsible company and leader in women's empowerment.
Improving access to clean water	P	The Lindex division's partnership with WaterAid to improve access to clean water in worker communities positively impacts the company's reputation and the health of local communities. The Group is committed to supporting community welfare and empowering women in readymade garment (RMG) worker communities.	
Supply chain impacts on communities' rights	P	The activities in the Group's supply chain, particularly in areas of cotton agriculture and textile production, can displace local communities, disrupt access to resources like food and water, and contribute to environmental degradation.	The Lindex division mitigates these risks through the implementation of sustainable water management practices, eliminating the release of hazardous and toxic substances from its supply chain, waste management improvements, and collaboration with partners to protect ecosystems and communities.
Impacts on communities where products are discarded	P	The Group's products may eventually end up as waste in landfills or are discarded in nearby communities, leading to environmental pollution. This can be a direct consequence of the Group's business model.	

S4 CONSUMERS AND END-USERS

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The potential impacts identified in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities* – product and safety compliance, inclusive assortment and responsible marketing practices – are inherently linked to the Group's strategy and business model.

The identified potential impacts are linked to the material risks and opportunities highlighted in the double materiality assessment process. If any of the potential impacts materialise, or if the Group fails to adequately mitigate existing impacts, there is a risk of consumer backlash from lack of inclusivity in marketing and assortment. Conversely, there is an opportunity to enhance brand recognition by designing clothes for a variety of body types and showcasing diverse women and children in marketing. This approach can attract more customers and build long-term value by visibly demonstrating a commitment to diversity and inclusion.

When identifying the potential impacts on consumers and end-users, the Group has considered all groups likely to be materially affected. This includes groups, such as women and children, who may be particularly vulnerable to impacts from marketing and sales strategies. The primary potential negative impacts are related to specific incidents. The Group has not identified material positive impacts related to consumers and end-users. The Group has identified its main types of consumers and end-users by analysing the business model of its divisions, along with sales data, purchase patterns, and customer engagement insights. This includes consumers and end-users who may be negatively impacted or face a higher risk of harm. The material risks and opportunities arising from impacts on consumers and end-users are particularly relevant to groups such as women and children.

Impact and its connection to strategy and business model, and how the strategy and business model is informed and adapted to the impact

Impact	Actual or potential (A/P)	Connection to strategy and business model	Informing and adapting the strategy and business model
Product and safety compliance	P	The Group's responsibility to ensure the safety of products, particularly children's apparel, is directly tied to its business model. Failing to meet safety standards can lead to significant health and safety risks.	To mitigate the impact connected to product safety, the Lindex division has a restricted substances list in place, as well as product testing and children's safety design guides and training for designers and quality controllers.
Inclusive assortment	P	The Group's ability to offer an inclusive assortment of products that represent diverse body types, sizes, genders, and cultural preferences is directly connected to its strategy of offering the best customer experience. Failing to provide an inclusive product range can harm the Group's brand image and perpetuate negative stereotypes.	The Group has responsible marketing policies and guidelines in place. The Group has diverse representation in its advertising. The Lindex division's higher purpose is to empower in women empowerment and inclusivity. The Lindex division offers its employees relevant training to mitigate negative impacts.
Responsible marketing practices	P	The Group's marketing practices, especially in its portrayals of women and children, can significantly influence consumer perception and behaviour. If the Group fails to practice responsible marketing, it can promote unrealistic beauty standards potentially harming consumers' self-esteem and mental health.	

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IRO – 1

Description of the process to identify and assess material impacts, risks and opportunities

In 2024, Lindex Group conducted a double materiality assessment to identify and evaluate the Group's impacts, risks, and opportunities related to various sustainability matters. The assessment was conducted in both divisions and incorporated into a Group level assessment. The Group has previously assessed its key business risks. Some risks have been deemed less material in the double materiality assessment, but the two assessments will be further aligned in the coming years. The process described below has been applied to identify impacts, risks, and opportunities across various sustainability topics, including climate change, pollution, water, biodiversity, resource use and circular economy, own workforce, workers in the value chain, affected communities, consumers and end-users, and business conduct. This assessment has considered sub-topics and sub-sub-topics within each sustainability topic. The assessment was guided by third-party experts and was carried out in four phases:

Research: Lindex Group's operational landscape was analysed to identify initial impacts, potential risks, and opportunities. A third-party expert conducted a comprehensive analysis that pinpointed these impacts in relation to a predefined list of sustainability matters to be included in the assessment (AR 16). This phase also involved researching the Group's activities, services, and business models.

Stakeholder engagement: A comprehensive survey was conducted with key stakeholder groups from both the Lindex and Stockmann divisions. The stakeholders included Board members, employees, customers, suppliers, and in addition to the these, for the Lindex division, management, NGOs, representatives of local communities, and store managers. Through the survey, stakeholders were given an opportunity to assess each sustainability matter's impact and financial implications over short-, medium-, and long-term time horizons. Additionally, selected stakeholders were interviewed to gather more in-depth input.

Analysis: The survey data was processed, prioritised, and evaluated across various sustainability topics by third-party experts. The evaluation was based on weighted scores that considered stakeholder importance and time horizons. The analysis combined fractional scores, time horizon weights, and stakeholder weights to determine the overall impact. The results were then presented to the Leadership Teams of both the Lindex and Stockmann divisions for validation.

For both divisions, the results from the stakeholder survey and data analysis were subsequently entered into a sustainability software's double materiality assessment tool for further evaluation, following its specific methodological approach. The impacts, risks and opportunities were assessed in collaboration with key personnel from the Stockmann and Lindex division and third-party consultants.

Lastly, the division-level assessments were reviewed at the Group level. The material topics for the Group were selected considering the materiality scores and the significance for the whole Group. Some topics that were material for the Stockmann division only, were not considered material for the Group.

Reporting: The findings from both the stakeholder engagement processes and LeadershipTeams' workshops were reported and presented to both divisions. The final Group level results were presented to the Audit Committee and the Board of Directors during 2024.

Impact identification process

For each identified impact, the following criteria were analysed: whether the impact is actual or potential, negative or positive, and direct (own operations) or indirect (as a result of its business relationships). Impacts were identified throughout the Group's value chain, considering both the effects of its own operations and those resulting from its business relationships. When identifying impacts, the Group considered specific activities, business relationships and geographies that face a heightened risk of adverse impacts. These included activities and business partners in the upstream value chain, in geographical locations such as India, Bangladesh, China, Pakistan, Turkey and Vietnam. An impact score was determined based on the severity and likelihood of negative impacts, and for positive impacts, their scale, scope, and likelihood.

Negative impacts were scored based on severity – a combination of scale, scope, and remediability – and likelihood. Severity was prioritised over likelihood for negative impacts on human rights. Positive impacts were evaluated based on their scale, scope, and likelihood.

Scoring criteria: The impacts were scored based on the following criteria:

Scale – the severity of the impact:
1. Minimal consequence on people and the environment
2. Low consequences that are easy to manage or mitigate
3. Medium consequences that are manageable within reasonable means
4. High consequences that can cause substantial disruption and require immediate action
5. Absolute consequences causing major disruption with long-term effects

Scope – the extent of the impact and the number of individuals affected:

1. Very isolated location with few individuals
2. Low impact across multiple locations or groups, affecting a minor share of customers
3. Medium impact across several large areas, affecting roughly half of the customers
4. High impact affecting an entire region
5. Global impact

Remediability – the ability to reverse the impact:

1. Easily reversible
2. Low effort required
3. Reversible with significant effort and/or cost
4. High effort required
5. Permanent

Likelihood – the probability of the impact occurring:

1. Rare (<10%)
2. Low (10−25%)
3. Possible (25−50%)
4. Likely (50−75%)
5. Almost certain (>75%)
6. Actual (100%)

Thresholds used in determining impact and financial materiality

The threshold for determining impact materiality both at the Lindex and Stockmann division was set as follows: an impact is considered material if its severity score is greater than three, or if its likelihood score reaches four. However, greater emphasis was placed on the severity of the impact rather than its likelihood.

The threshold for determining financial materiality at both the Lindex and Stockmann division was set as follows: an impact is considered material if its magnitude of financial effect score is greater than three, or if its likelihood score reaches four. However, greater emphasis was placed on the magnitude of the impact rather than its likelihood.

The risk and opportunity identification process

For each risk and opportunity identified, the following criteria has been considered: the direct or indirect ownership of the risk and/or opportunity and the negative or positive financial effect of the risk or opportunity. When identifying sustainability related risks and opportunities, the Lindex Group's value chain as a whole was considered. During the risk and opportunity identification process, the Group considered the connection of the impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies, such as for different textile raw materials that may cause financial risks and opportunities.

Scoring criteria

The risks and opportunities were scored based on the magnitude of financial effect and the likelihood of it occurring.

Stockmann division

The magnitude of financial effect (in EBIT, following the division's internal risk assessment thresholds):

1. Minor financial impact (EUR 500,000−1,250,000)
2. Moderate financial impact (EUR 1,250,000−2,500,000)
3. High financial impact (EUR 2,500,000−5,000,000)
4. Very high financial impact (EUR 5,000,000 − 10,000,000)
5. Major financial impact (EUR 10,000,000 − 50,000,000)

Likelihood of financial effect:

1. Rare (<10%)
2. Low (10−25%)
3. Possible (25−50%)
4. Likely (50−75%)
5. Almost certain (>75%)
6. Actual (100%)

Lindex division

The magnitude of financial effect (in EBIT, following the division's internal risk assessment thresholds):

1. Minor financial impact (EUR 675,000–1,689,000)
2. Moderate financial impact (EUR 1,689,000–3,377,000)
3. High financial impact (EUR 3,377,000–6,755,000)
4. Very high financial impact (EUR 6,755,000–13,509,000)
5. Major financial impact (EUR 13,509,000–67,546,000)

Likelihood:

1. Rare (<10%)
2. Low (10−25%)
3. Possible (25−50%)
4. Likely (50−75%)
5. Almost certain (>75%)
6. Actual (100%)

Internal controls, risk management and management process

Key personnel from both divisions have been actively involved in the decision-making process to identify impacts, risks, and opportunities. As part of this process, each division conducted two workshops to validate the results in collaboration with their key teams, which included members from the respective Leadership Team.

The double materiality assessment process for both divisions involved individuals from several departments, including Sustainability, Strategy, Finance, Communications, and People and Culture.

Sustainability risks are identified and managed as part of the Group's overall risk management process, which includes oversight by the Board of Directors and its Audit Committee. The Group's Chief Legal Officer is responsible for overseeing risk management across the organisation. Sustainability opportunities are identified and managed as part of the divisions' annual strategy process.

When identifying and assessing impacts, risks, and opportunities, the division's Leadership Teams participate in the assessment process. The results of the double materiality assessment have been presented to the Board of Directors, and the topic will be a key part of the Board of Directors' discussions in the future. Both divisions' sustainability strategies, key focus areas, and risk assessments are integral to the Board of Directors' strategic planning processes. Various sustainability-related risks are also considered when evaluating the company's overall risk profile, as needed.

General information about assessment process on impacts and risks

Input parameters used in the materiality assessment:

External sources, such as:

- Governance & Accountability Institute's database
- Global Reporting Initiative's database
- SASB's database
- MSCI's database
- S&P's Global database

Internal sources, such as:

- Sustainability reports from previous years
- Results from previous materiality assessments
- Various environmental sustainability -related documents (Carbon Disclosure Project documents, roadmaps, assessments)
- Various policies (Procurement and Purchase Policy, Human Rights Policy, action plans related to child and forced labour, Ethical Policy, Code of Conduct)
- Strategy documents. In recent years, both divisions of the Lindex Group have regularly updated their materiality assessments, typically aligning with their two- to three-year strategy periods.
- Results of the stakeholder survey conducted during the materiality assessment process

The key difference between the processes in 2021 and the current approach is that, for the first time, the Group is now considering its impacts on society and the environment, alongside business risks and opportunities related to various sustainability topics. Previously, there was no framework to comprehensively assess materiality. Now, the process follows the principle of double materiality, in line with the guidelines set by the Corporate Sustainability Reporting Directive (CSRD).

Given the emphasis on assessing double materiality both quantitatively and qualitatively, both divisions will now update their materiality assessments on an annual basis. These updates will collectively inform the annual revision of the Group's overall materiality assessment.

The methodology follows the criteria set by the Corporate Sustainability Reporting Directive (CSRD) for determining materiality. The double materiality assessment encompasses all sustainability matters outlined in the European Sustainability Reporting Standards (ESRS). Lindex Group analysed the impacts, risks, and opportunities within the subtopics and sub-subtopics listed in ESRS 1 General Requirements, Appendix A (AR 16).

For each potential impact, risk, and opportunity, the Group identified different time horizons for when these may occur. The time horizons used in the double materiality assessment are defined as follows:

- Short-term: within the reporting period
- Medium-term: from the end of the reporting period up to 5 years
- Long-term: beyond 5 years

The assessment also considered some of the affected stakeholders when determining impacts, risks, and opportunities. These affected stakeholders, such as the division's own employees and customers were engaged through a stakeholder survey as part of the double materiality assessment process. Additionally, users of sustainability information were consulted through surveys and interviews.

The Group's value chain was considered for each identified impact, risk, and opportunity. During the assessment, each impact, risk, and opportunity was mapped across the value chain stages (upstream, own operations, downstream) and placed in their specific positions within the value chain.

Description of the process to identify and assess topical material impacts, risks, and opportunities

Climate change
The climate-related impacts have been identified and assessed using the same approach described in the subchapter IRO-1Description of the process to identify and assess material impacts, risks and opportunities. The impacts on the Group's greenhouse gas emissions have been determined based on greenhouse gas calculation results from previous years. The Group has identified and assessed its climate-related risks and opportunities in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD). Both transition and physical risks have been examined, and opportunities have been identified across areas such as resource efficiency, energy sources, products and services, markets, and resilience, following TCFD guidance.

The Group assessed chronic and acute climate-related hazards across the value chain, from raw materials to production, logistics, sales, and end-users. Both physical and transition risks were evaluated over the short-term (less than 5 years), medium-term (5–10 years), and long-term (more than 10 years). The process included creating a list of risks, defining scenarios, and establishing timelines. These were reviewed and prioritised to form a summary through internal, cross-departmental discussions. This is the Group's first climate assessment, and going forward, it will be reviewed annually to support continuous improvement and re-evaluation.

The Group has analysed risks using scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), focusing on RCP 2.6 and RCP 8.5, with the primary focus to outline both the best-case and worst-case scenarios to cover plausible transitional and physical risks and uncertainties supported by research:

- **RCP 2.6** represents a low-emission scenario aimed at limiting global warming to below 1.5–2°C above pre-industrial levels. It assumes immediate and significant reductions in greenhouse gas emissions, with a peak around 2020 and a continued decline, thereafter, eventually resulting in net negative emissions by the end of the century. This scenario depends on a strong regulatory landscape, advancements in supply chain technology, and rapid shifts in consumer behaviour.
- **RCP 8.5** is a high-emission scenario that assumes minimal efforts to reduce emissions, leading to continuous increases in greenhouse gas concentrations over the century. This pathway suggests severe warming, with potential temperature increases of 4°C or more above pre-industrial levels by 2100, posing substantial climate impacts and risks to ecosystems and societies. Under this scenario, the Group expects significant physical risks across the value chain.

Transition risks: The Group has evaluated risks associated with transition scenarios, particularly under RCP 2.6. This scenario poses significant near-term risks from factors such as a stringent regulatory environment, required shifts in supply chain technology, and changes in consumer behaviour.

Physical risks: The Group has assessed physical risks under various scenarios, considering both acute and chronic risks. Acute risks, such as extreme weather events, already affect some areas of the value chain and are expected to intensify in the short and medium term. Chronic risks, including temperature changes and water availability, are projected to impact the medium to long term. Tools such as the Climate Impact Explorer, along with other national and regional assessements like the Lindex division's water risk assessment (using the Aqueduct tool) and WWF's biodiversity risk assessment, support this analysis.

Pollution
The Lindex division has screened its site locations using the Aqueduct Water Risk Atlas developed by the World Resources Institute to understand pollution-related impacts, risks, and opportunities in the value chain. The division has also consulted various stakeholders related to impacts, risks, and opportunities, including NGOs. However, the division has not yet been able to consult directly with the affected communities. The Lindex division did not include the asset or business activities screening in the double materiality assessment process. The identification of material impacts, risks, and opportunities related to pollution has followed a similar approach to that used in the general process for impact, risk, and opportunity assessment.

The Aqueduct Water Risk Atlas is developed by the World Resources Institute (WRI), following a methodology comprising four steps: the first step involves combining data from multiple sources, including hydrological models, satellite observations and government statistics. The second step includes an assessment of various indicators that are used to evaluate water-related risks. The third step includes hydrological modelling, where water availability and demand are simulated under different scenarios. The last step includes a risk assessment where water risks are analysed by combining the indicators into a composite risk score. Key assumptions include climate scenarios from the Intergovernmental Panel on Climate Change (IPCC), socio-economic scenarios addressing population growth, economic development, and land-use changes, and baseline conditions derived from historical data. Additionally, pollution loads, including agricultural runoff, industrial discharges, and urban wastewater, are assessed based on existing data.

In addition to the double materiality assessment process, the Stockmann division has not screened its assets and activities to identify its actual and potential pollution -related impacts, risks and opportunities in its own operations and its value chain. In addition to the stakeholder engagement process in the double materiality assessment, the Stockmann division has not conducted consultations with affected communities.

Water
The Lindex division has screened its site locations using the Aqueduct Water Risk Atlas developed by the World Resources Institute to understand water-related impacts, risks and opportunities in its value chain. The methodology and assumptions used in the Aqueduct Water Risk Atlas are outlined above in the Pollution section. The division has also consulted various stakeholders related to impacts, risks and opportunities, including NGOs such as Water Aid. However, the division has not yet been able to consult directly with the affected communities. The Lindex division did not include the asset or activities screening in the double materiality assessment process, and the identification of material impacts, risks and opportunities related to water has followed a similar approach to that used in the general process for impact, risk and opportunity assessment. The *E3 Water* chapter outlines the geographical areas where water is a material issue within the division's value chain.

In addition to the double materiality assessment process, the Stockmann division has not screened its assets and activities to identify its actual and potential water -related impacts, risks and opportunities in its own operations and its value chain. In addition to the stakeholder engagement process in the double materiality assessment, the Stockmann division has not conducted consultations with affected communities.

Biodiversity and ecosystems
The identification of material impacts, risks, and opportunities related to biodiversity and ecosystem matters has followed a similar approach to that used in the general process for assessing impacts, risks, and opportunities. Lindex Group does not have sites located in or near biodiversity-sensitive areas, however, the Group sources raw materials from countries such as India and the wet processing of garments is conducted in countries such as Bangladesh, India, and China. The sourcing of raw materials and wet processing negatively affect the biodiversity of these areas. The sourcing of raw materials and wet processing are considered systemic risks due to their impact on water scarcity and the depletion of resources critical to the Group. The Group has concluded that mitigation measures related to land and water connected to these sites need to be investigated further.

Currently, the Group has not conducted an assessment of transition and physical risks directly related to biodiversity and ecosystems, however, transition and physical risks and opportunities connected to land and water was assessed in the Group's TCFD analysis. In the general double materiality assessment process, consultations directly with affected communities were not conducted.

Resource use and circular economy
The identification of material impacts, risks, and opportunities related to resource use and circular economy matters has followed a similar approach to that used in the general process for assessing impacts, risks and opportunities. The Group has not screened its assets and activities during the double materiality assessment process.

Dialogue related to resource use and circular economy continues through memberships, partnerships, and ongoing impact, risk and opportunity assessments, including collaborations with organisations like Textile Exchange, academia, multi-stakeholder dialogues, and research projects. The stakeholder dialogue does not include direct consultations with affected communities.

Business conduct
The identification of material impacts, risks and opportunities related to business conduct matters has followed a similar approach to that used in the general process for assessing impacts, risks and opportunities. Business conduct matters considered were the locations and activities of both divisions, along with their respective sectors and organisational structures.

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Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

Standard	Disclosure requirement	Name	Location in the report
ESRS 2	BP-1	General basis for preparation of the sustainability statement:	General information (ESRS 2)
ESRS 2	BP-2	Disclosures in relation to specific circumstances	General information (ESRS 2)
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	General information (ESRS 2)
ESRS 2	GOV-2	Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General information (ESRS 2)
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	General information (ESRS 2)
ESRS 2	GOV-4	Statement on sustainability due diligence	General information (ESRS 2)
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	General information (ESRS 2)
ESRS 2	SBM-1	Strategy, business model and value chain	General information (ESRS 2)
ESRS 2	SBM-2	Interests and views of stakeholders	General information (ESRS 2)
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information (ESRS 2)
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	General information (ESRS 2)
ESRS 2	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability	General information (ESRS 2)
ESRS 2	MDR-P	Policies adopted to manage material sustainability matters	E1 Climate Change E2 Pollution E3 Water E4 Biodiversity and ecosystems S1 Own workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users

Standard	Disclosure requirement	Name	Location in the report
ESRS 2	MDR-A	Actions and resources in relation to material sustainability matters	E1 Climate Change E2 Pollution E3 Water E4 Biodiversity and ecosystems S1 Own workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users
ESRS 2	MDR-M	Metrics in relation to material sustainability matters	E1 Climate Change E2 Pollution E3 Water E4 Biodiversity and ecosystems S1 Own workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users
ESRS 2	MDR-T	Tracking effectiveness of policies and actions through targets	E1 Climate Change E2 Pollution E3 Water E4 Biodiversity and ecosystems S1 Own workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users
E1		Disclosures pursuant to Article 8 of Taxonomy Regulation	Environmental information
E1	E1-1	Transition plan for climate change mitigation	E1 Climate Change
E1	E1-2	Policies related to climate change mitigation and adaptation	E1 Climate Change
E1	E1-3	Actions and resources in relation to climate change policies	E1 Climate Change
E1	E1-4	Targets related to climate change mitigation and adaptation	E1 Climate Change
E1	E1-5	Energy consumption and mix	E1 Climate Change
E1	E1-6	Gross Scopes 1,2,3 and Total Greenhouse Gas emissions	E1 Climate Change
E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	E1 Climate Change

Standard	Disclosure requirement	Name	Location in the report
E1	**E1-8**	Internal carbon pricing	E1 Climate Change
E2	**E2-1**	Policies related to pollution	E2 Pollution
E2	**E2-2**	Actions and resources related to pollution	E2 Pollution
E2	**E2-3**	Targets related to pollution	E2 Pollution
E2	**E2-4**	Metrics related to pollution	E2 Pollution
E3	**E3-1**	Policies related to water	E3 Water
E3	**E3-2**	Actions and resources related to water and marine resources	E3 Water
E3	**E3-3**	Targets related to water	E3 Water
E3	**E3-4**	Metrics and water consumption	E3 Water
E4	**E4-1**	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	E4 Biodiversity and ecosystems
E4	**E4-2**	Policies related to biodiversity and ecosystems	E4 Biodiversity and ecosystems
E4	**E4-3**	Actions and resources related to biodiversity and ecosystems	E4 Biodiversity and ecosystems
E4	**E4-4**	Targets related to biodiversity and ecosystems	E4 Biodiversity and ecosystems
E4	**E4-5**	Impact metrics related to biodiversity and ecosystems	E4 Biodiversity and ecosystems
E5	**E5-1**	Policies related to resource use and circular economy	E5 Resource use and circular economy
E5	**E5-2**	Actions and resources related to resource use and circular economy	E5 Resource use and circular economy
E5	**E5-3**	Targets related to resource use and circular economy	E5 Resource use and circular economy
E5	**E5-4**	Resource inflows	E5 Resource use and circular economy
E5	**E5-5**	Resource outflows	E5 Resource use and circular economy

Standard	Disclosure requirement	Name	Location in the report
S1	**S1-1**	Policies related to own workforce	S1 Own workforce
S1	**S1-2**	Process for engaging with own workers and workers' representatives about impacts	S1 Own workforce
S1	**S1-3**	Process to remediate negative impacts and channels for own workers to raise concerns	S1 Own workforce
S1	**S1-4**	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1 Own workforce
S1	**S1-5**	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1 Own workforce
S1	**S1-6**	Characteristics of the undertaking's own employees	S1 Own workforce
S1	**S1-7**	Characteristics of the undertaking's non-employee workers in own workforce	S1 Own workforce
S1	**S1-8**	Collective bargaining coverage and social dialogue	S1 Own workforce
S1	**S1-9**	Diversity metrics	S1 Own workforce
S1	**S1-10**	Adequate wages	S1 Own workforce
S1	**S1-14**	Health and safety metrics	S1 Own workforce
S1	**S1-16**	Remuneration metrics (pay gap and total remuneration)	S1 Own workforce
S1	**S1-17**	Incidents, complaints and severe human rights impacts	S1 Own workforce
S2	**S2-1**	Policies related to value chain workers	S2 Workers in the value chain
S2	**S2-2**	Processes for engaging with value chain workers about impacts	S2 Workers in the value chain
S2	**S2-3**	Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2 Workers in the value chain
S2	**S2-4**	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2 Workers in the value chain

Standard	Disclosure requirement	Name	Location in the report
S2	**S2-5**	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2 Workers in the value chain
S3	**S3-1**	Policies related to affected communities	S3 Affected communities
S3	**S3-2**	Processes for engaging with affected communities about impacts	S3 Affected communities
S3	**S3-3**	Processes to remediate negative impacts and channels for affected communities to raise concerns	S3 Affected communities
S3	**S3-4**	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	S3 Affected communities
S3	**S3-5**	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S3 Affected communities
S4	**S4-1**	Policies related to consumers and end-users	S4 Consumers and end-users
S4	**S4-2**	Processes for engaging with consumers and end-users about impacts	S4 Consumers and end-users
S4	**S4-3**	Processes to remediate negative impacts and channels for consumers to raise concerns	S4 Consumers and end-users
S4	**S4-4**	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4 Consumers and end-users
S4	**S4-5**	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4 Consumers and end-users

Standard	Disclosure requirement	Name	Location in the report
G1	**G1-1**	Business conduct policies and corporate culture	G1 Business conduct
G1	**G1-2**	Management of relationships with suppliers	G1 Business conduct
G1	**G1-3**	Prevention and detection of corruption and bribery:	G1 Business conduct
G1	**G1-4**	Incidents of corruption or bribery	G1 Business conduct
G1	**G1-6**	Payment practices	G1 Business conduct

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation(3) reference	EU Climate Law (4) reference	Page number
ESRS 2ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816(5), Annex II		28
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		28
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				30
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		34
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		34
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		34
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		34
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	73
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		73
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		77
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				78
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				78
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				78

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation(3) reference	EU Climate Law (4) reference	Page number
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		79
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		80
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	82
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				86
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				86
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation(3) reference	EU Climate Law (4) reference	Page number
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				45
ESRS 2-SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				45
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				45
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				89
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				89
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				89
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				48
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				48
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				102
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		102
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				102
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				102
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				103-104
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Phased-in
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Phased-in

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation(3) reference	EU Climate Law (4) reference	Page number
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		110
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				110
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				110
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		110
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				49-50
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				110-111
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				110-111
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		110
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		110
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				113
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				116
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		116
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				118
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				124
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		124

Disclosure requirement and related data point	SFDR(1) reference	Pillar 3(2) reference	Benchmark Regulation(3) reference	EU Climate Law (4) reference	Page number
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				126
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				127
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				127-128
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		129
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				129

ENVIRONMENTAL INFORMATION

Disclosures pursuant to Article 8 of Taxonomy Regulation

EU Taxonomy-eligible and -aligned activities

Background
The EU Taxonomy is the EU's sustainable finance classification system, which defines environmentally sustainable economic activities. It aims to provide definitions and transparent reporting to support increased finance for activities that substantially contribute to solving the climate and environmental crisis in line with the European Green Deal objective. The EU Taxonomy is comprised of the EU Taxonomy Regulation (2020/852/EU) and the Commission Delegated Acts. The Regulation addresses six key environmental objectives, which are (1) climate change mitigation, (2) climate change adaptation, (3) the sustainable use and protection of water, (4) the transition to a circular economy, (5) pollution prevention and control and (6) the protection and restoration of biodiversity and ecosystems, to guide businesses in reporting their contributions to a sustainable economy.

Lindex Group has carried out assessments to identify activities within the scope of the Taxonomy Regulation for both divisions: Stockmann and Lindex. The Group has reported in line with the EU Taxonomy Regulation since 2021. Lindex Group monitors the development of the EU Taxonomy and reports the data in accordance with the EU Commission's guidance.

Business in the retail sector
At the time of preparing this report, retail business as Lindex Group's primary field of operations is not included in the sectors that are within the scope of the EU Taxonomy.
The retail sector may have a significant impact on the environmental objectives of the Taxonomy, such as the circular economy, but applicable criteria have not yet been published.

Assessment of Taxonomy-eligible economic activities
Taxonomy-eligible activities are those activities that are described in the Taxonomy Delegated Acts and for which technical screening criteria are available. The primary activity relevant for Lindex Group which has been identified as eligible in the Climate Delegated Act 2021/2139 is activity 7.7. *'Acquisition and ownership of buildings (Renting and operating of own or leased real estate)'*. Lindex Group has also assessed other potentially applicable activities but has determined them to be either not material or not relevant, as explained further.

Financial figures associated with the Taxonomy activity '*6.5. Transport by motorbikes, passenger cars and light commercial vehicles'* are currently below certain materiality thresholds that Lindex Group has defined and therefore the activity has been categorised as non-eligible. Lindex Group has also evaluated the economic activities in the Environmental Delegated Act 2023/2486. While '*activity 3.2. Renovation of existing buildings'* applies to Lindex Group, the amounts associated with it have not reached the predefined materiality. '*Activity 5.4. Sale of second-hand goods'* is not relevant to the Group as the second-hand goods' sales are conducted by partners in the case of the Stockmann division and not being material in the case of the Lindex division.

Real-estate holdings
The EU Taxonomy defines criteria for sustainable financial activity in the real estate business buildings *('Activity 7.7 Acquisition and ownership of buildings')*.

There are nine real estate properties in the Stockmann division – eight department stores and a distribution centre.

The leases of the Stockmann division's department stores and the distribution centre are treated as right-of-use assets in the Group's accounts in accordance with IFRS 16.

Most of the premises of the Lindex division's 411 stores (excluding franchising) are right-of-use assets and reported in accordance with IFRS 16. However, there are also some operating leases based on the stores' turnover that are not reported as right-of-use assets and hence do not come under the scope of Activity 7.7 Acquisition and ownership of buildings. The Lindex division's new omnichannel distribution centre also comes under the scope of Activity 7.7 and is included as being eligible for the EU Taxonomy assessment. The agreements of right-of-use assets for Lindex division's two older distribution centres were terminated in the beginning of 2024, however they are still in scope for eligibility as of short-term rental operational expense.

Assessment of Taxonomy-aligned economic activities
In order for an eligible activity to be classified as aligned, it should comply with technical screening criteria (TSC) defined by the EU. According to the TSC, an activity should 'substantially contribute' to at least one environmental objective and avoid causing 'significant harm' to any of the other five objectives. Furthermore, the Group should comply with the minimum safeguards.

Lindex Group has assessed how and to what extent its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation (EU) 2020/852. The Group has focused on TSC for the climate change mitigation (CCM) environmental objective.

Substantial contribution

The EU Taxonomy TSC for the Climate Delegated Act establishes criteria to meet the climate change mitigation objective for Activity *'7.7 Acquisition and ownership of buildings'*. The substantial contribution criteria require that the building has at least an Energy Performance Certificate (EPC) of class A. The criteria also require that large non-residential buildings are efficiently operated through energy performance monitoring and assessment.

Out of all properties operated by the Stockmann division, the Jussla distribution centre has obtained an EPC of class A. It has also fulfilled the requirements of the LEED green building rating system certification and received the 'Gold' rating.

The Lindex division stores are mainly located in shopping centers or large buildings and hence occupy only a small proportion of the whole property. All new or renegotiated leasing agreements during 2024 that are right-of-use assets come under the scope of Activity *'7.7 Acquisition and ownership of buildings'*. As the amount of work involved in collecting the evidence and information on properties where the Lindex division stores are located and the number of parties involved is very large, while the property area covered by Lindex store is small, Lindex Group has not conducted an in-depth assessment of compliance with the substantial contribution for Lindex division stores.

The Lindex division's omnichannel distribution centre also comes under the scope of Activity '*7.7 Acquisition and ownership of buildings'*. According to the TSC regarding Activity 7.7., for buildings built after 31 December 2020, the building needs to meet the TSC specified in Activity 7.1 Construction of new buildings. This is relevant for the Lindex division's new distribution centre. However, as it has only recently been transferred to the division's consolidation, it has not been possible to collect all the required information and documents to check against substantial contribution criteria. This will be assessed during 2025.

Do no significant harm

According to the DNSH criteria for the *'Acquisition and ownership of buildings'* activity, a robust climate risk and vulnerability assessment has to be performed and the physical climate risks that are material to the activity have to be identified and evaluated. So far, Lindex Group has not conducted the identification of climate risks, including physical climate risks in accordance with the DNHS criteria, and will update its compliance with the DNSH criteria when such climate risk and vulnerability assessment is performed.

Minimum safeguards

Lindex Group has reviewed the minimum safeguards with respect to human rights, bribery and corruption, taxation and fair competition, which are included in the EU Taxonomy Regulation. Currently, Lindex division's activities are aligned with these minimum safeguards. Stockmann division is aligned with the requirements on bribery and corruption, taxation, and fair competition. However, the Stockmann division has not yet implemented a Human Rights Due Diligence (HRDD) process.

Lindex Group's Code of Conduct, Human Rights Policy, Anti-Corruption Policy and other related policies establish the principles and standards expected of employees, suppliers, distributors, and other business partners. The Group is dedicated to upholding and promoting internationally recognised labour and human rights standards.

During the reporting period, Lindex Group has not had any breaches of labour law or human rights, and neither the company nor senior management have been convicted of corruption in court. The Group follows the taxation law, which means that it has a tax governance in place, and there has been no violation of tax laws. The Group follows the law regarding fair competition, and senior management has not been convicted of violating competition laws.

Lindex Group is working on strengthen its human rights' due diligence process to secure alignment with the UN Guiding Principles on Business and Human Rights. Read more about human rights, bribery and anti-corruption in chapter *G1 Business conduct of this report*.

Methodology to determine and calculate the EU Taxonomy Key Performance Indicators (KPIs)

Accounting policy

The definitions of Taxonomy KPIs are based on the Disclosures Delegated Act, which supplements the Taxonomy Regulation and follow requirements of the disclosures under Article 8(2) of Regulation (EU) 2020/852. The Taxonomy reporting scope covers both divisions of Lindex Group: Stockmann and Lindex. The KPIs' calculations follow general materiality principles and are determined based on the Group's financial reporting information presented in the Notes to the Consolidated Financial Statements in Lindex Group's Financial Review 2024 in accordance with IFRS.

There is no risk of double counting as the identification of eligible KPIs was made based on the Group-level. Only transactions with third parties have been considered. Turnover, capital expenditure, and operating expenditure relate in full only to the climate change mitigation environmental objective. To determine the percentages, the taxonomy-eligible and taxonomy-aligned turnover, capital expenditure, and operating expenditure are each set in relation to total turnover, total capital expenditure, and total operating expenditure according to the definitions of the EU Taxonomy.

The tables indicating the extent of eligibility and alignment as required by the EU Taxonomy Regulation are shown at the end of the chapter.

Turnover

Total turnover is determined as the revenue reported in the Consolidated Income Statement as of 31 December 2024, which amounted to EUR 940.1 million, see Note 2.2.1.1.

Lindex Group's Taxonomy-eligible turnover is calculated as turnover from sublease and concession agreements, which for 2024 amounted to EUR 18.4 million. Only the Stockmann division's eight department stores have turnover from sublease and concession agreements. The share of the Lindex Group's Taxonomy-eligible turnover is calculated as turnover from sublease and concession agreements as a proportion of Lindex Group's total turnover.

Following the assessments for the technical screening criteria for economic activities relevant for Lindex Group as described above, the Group does not deem any of its turnover as aligned.

Capital expenditures (CapEx)

Total CapEx as defined by the Taxonomy Regulation is determined as additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments for 2024 and excluding fair value changes. Total CapEx for 2024 amounted to EUR 139.9 million, see Notes 3.2, 3.3 and 3.5.

Lindex Group's Taxonomy-eligible CapEx is calculated as CapEx investments for right-of-use buildings and structures, owned buildings, as well as advance payments and work in progress, which as of 31 December 2024 was EUR 103.6 million. All of the eligible CapEx is considered for category (a) CapEx related to assets or processes that are associated with Taxonomy-eligible or Taxonomy-aligned economic activities. The share of the Lindex Group's Taxonomy-eligible CapEx is calculated as CapEx as well as advance payments and work in progress related to right-of-use and owned buildings as a proportion of Lindex Group's total CapEx as defined by the EU Taxonomy.

Based on the technical screening criteria as described above, the Group did not identify any aligned CapEx.

Operating expenses (OpEx)

According to the EU Taxonomy definition of the OpEx KPI, the total OpEx includes research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. For Lindex Group OpEx does not include ICT expenses as it is not possible to separate ICT expenses related to maintenance from other ICT expenses. For 2024, total OpEx according to the Taxonomy definition amounted to EUR 41.4 million, see Note 2.6.

Lindex Group's Taxonomy-eligible OpEx is determined as OpEx related to real estate maintenance, which as of 31 December 2024 was EUR 4.2 million. The share of Lindex Group's Taxonomy-eligible OpEx is calculated as OpEx related to real estate maintenance as a proportion of Lindex Group's total OpEx, according to the Taxonomy definition.

Based on the technical screening criteria as described above, the Group did not identify any aligned OpEx.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR million	%[1]	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	0.0	0.0%														0.0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		**0.0**	**0.0%**														**0.0%**	E	
Of which transitional		**0.0**	**0.0%**														**0.0%**		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	18.4	2.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.9%		
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**18.4**	**2.0%**	**100%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**1.9%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**18.4**	**2.0%**	**100%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**1.9%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Turnover of Taxonomy-non-eligible activities (B)	**921.8**	**98.0%**
TOTAL (A+B)	**940.1**	**100.0%**

EL – Taxonomy eligible activity for the relevant objective
N/EL – Taxonomy non-eligible activity for the relevant objective
Y - Yes – Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No – Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

[1] All percentages relate to the Group's sales revenue of Taxonomy-eligible and -non-eligible activities.

Of Lindex Group's sales revenue of Taxonomy-eligible and -non-eligible activities in 2024, EUR 18.4 (18.3) million, or 2.0% (1.9%), was Taxonomy-eligible sales revenue.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR million	%[1]	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	0.0	0.0%														0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		**0.0**	**0.0%**														**0.0%**	E	
Of which transitional		**0.0**	**0.0%**														**0.0%**		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	103.6	74.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								87.6%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**103.6**	**74.1%**	**100%**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**87.6%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**103.6**	**74.1%**	**100%**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**87.6%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities (B)	**36.3**	**25.9%**
TOTAL (A+B)	**139.9**	**100.0%**

EL – Taxonomy eligible activity for the relevant objective
N/EL – Taxonomy non-eligible activity for the relevant objective
Y - Yes – Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No – Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

[1] All percentages relate to the Group’s capital expenditure of Taxonomy -eligible and -non-eligible activities.

Of Lindex Group’s capital expenditure of Taxonomy -eligible and -non-eligible activities in 2024, EUR 103.6 (152.7) million, or 74.1% (87.6%), was Taxonomy-eligible capital expenditure.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR million	%[1]	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	0.0	0.0%														0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		**0.0**	**0.0%**														**0.0%**	E	
Of which transitional		**0.0**	**0.0%**														**0.0%**		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings (Renting and operating of own or leased real estate)	CCM 7.7	4.2	10.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								8.7%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**4.2**	**10.1%**	**100%**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**8.7%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**4.2**	**10.1%**	**100%**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**8.7%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
OpEx of Taxonomy-non-eligible activities (B)	**37.2**	**89.9%**
TOTAL (A+B)	**41.4**	**100.0%**

EL – Taxonomy eligible activity for the relevant objective
N/EL – Taxonomy non-eligible activity for the relevant objective
Y - Yes – Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No – Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

[1] All percentages relate to the Group's operating expenditure of Taxonomy-eligible and -non-eligible activities.
Of Lindex Group's operating expenditure of Taxonomy-eligible and -non-eligible activities in 2024, EUR 4.2 (3.7) million, or 10.1% (8.7%), was Taxonomy-eligible operating expenditure.

Nuclear energy and fossil gas related activities

With regard to nuclear energy and fossil gas related activities, Lindex Group did not carry out such activities in 2024, as shown in the table below and required to disclose by Complementary Climate Delegated Act 2022/1214:

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

E1 Climate Change

E1–1

Transition plan for climate change mitigation

Lindex Group is committed to achieving a 42% absolute reduction in CO_2eq emissions across Scopes 1, 2 and 3 by 2030, using 2022 as the baseline year. This target aligns with the Paris Agreement's goal of limiting global warming to 1.5°C and has been validated by the Science Based Targets initiative (SBTi). The target is currently a near-term reduction of 42% by 2030, although a climate neutrality objective has not yet been established. The target level was determined by assessing three climate scenarios; baseline, middle and ambitious. Ultimately, the ambitious level was selected. The reduction target applies throughout the entire group; however, as of now, only the Lindex division has developed a transition plan to meet this target. The division's transition plan is not fully aligned with ESRS requirements. The major gaps are lack of governance description, EU Taxonomy alignment, and integration of biodiversity risks as well as a just transition. A transition plan for Stockmann division will be drafted later in 2025. The Group is not excluded from the EU Paris-aligned Benchmarks.

The targets in line with the Lindex division's transition plan are outlined in the subchapter, *E1-4 Targets Related to Climate Change Mitigation and Adaptation*, while the actions to achieve these targets are outlined in the subchapter, *E1-3 Actions Related to Climate Change Mitigation and Adaptation*. The Lindex division recognises that achieving its climate goals requires significant investment and collaboration throughout its value chain. The division has already invested in energy efficiency measures and renewable electricity contracts throughout its operations. Looking ahead, the Lindex division plans to continue investing in low-carbon materials, renewable heating sources and biofuels for transportation. To further accelerate energy efficiency and secure access to renewable energy in the production countries, the division needs to engage in the development of new technologies. New technologies are also key in shifting to low carbon materials and increase postconsumer textile recycling.

The Lindex division is also working closely with commercial goods suppliers, providing technical support and consultancy to help them transition to energy-efficient, renewable-based production processes. Additionally, Lindex is engaging with policymakers, industry peers and NGOs in key production countries to increase the availability of renewable energy.

The Group recognises that its operations contribute to locked-in greenhouse gas (GHG) emissions within its operations and supply chain. These locked-in GHG emissions could stem from material sourcing, manufacturing processes, transportation and waste management practices, among other factors. However, due to current limitations in data availability and standardisation, the Group is not yet calculating the related data.

The Lindex division's climate targets are embedded in the division's overall business strategy and financial planning. The division is focused on optimising product volumes to reduce overproduction and emissions, while balancing growth.

The division's transition plan has been approved by the Lindex division's leadership team and the Board of Directors ensuring alignment with long-term strategic goals.

Lindex division's progress

- **Scope 1 & 2:** Since 2022, the Lindex division has reduced Scope 1 emissions by 27%, primarily through the adoption of electric and hybrid vehicles. In 2024, Scope 1 & 2 increased 31% compared to 2022, mainly due to increased total square meters across all its facilities. Moving forward, the focus will be on renewable sources to cover heating.

- **Scope 3:** In 2024, the emissions from production of garments (Scope 3, cat 1) increased due to higher intake volumes and changes in the assortment mix. Going forward, Lindex division will carefully balance its strategic growth plan with a clear focus on optimising the value of each product. To minimise overproduction, the company will focus on delivering the right product, in the right place, and in the right quantity.

E1–2

Policies related to climate change mitigation and adaptation

Lindex Group has put in place an Environmental Policy that addresses its material impacts, risks and opportunities related to climate change mitigation and adaptation. This policy outlines Lindex Group’s commitment to respecting the environment and safeguarding a healthy and safe planet through its own operations, its upstream and downstream value chain, and its sourcing, production, logistics and sales processes. The policy applies to all business partners, ensuring that they also follow the same environmental principles.

The policy focuses on the following material environmental areas:
- Climate change
- Pollution
- Water
- Biodiversity and ecosystems
- Circular economy & resource use

The policy is designed to actively identify, assess and mitigate environmental impacts, while contributing positively to communities across Lindex Group’s value chain. It is aligned with international frameworks and addresses climate-related risks and opportunities, particularly through decarbonising the supply chain, shifting to low-carbon materials, adopting renewable energy and energy efficiency measures, and advancing the transition to a circular business model.

Lindex Group’s Environmental Policy covers all aspects of its operations and value chain, including:
- Upstream and downstream activities such as sourcing, procurement and logistics.
- Geographic scope: It applies across all regions where the Group operates, with a particular focus on major sourcing countries.
- Stakeholders: The policy affects all stakeholders, including employees, business partners, suppliers and customers.

Lindex Group is committed to reducing GHG emissions across Scopes 1, 2 and 3, aiming for a 42% reduction by 2030, in line with science-based targets and the Paris Agreement’s 1.5°C goal. The policy includes:
- Climate change mitigation: Focuses on reducing GHG emissions, particularly in the supply chain using renewable energy and low-carbon materials.
- Climate change adaptation: Emphasises the need for resilience and adaptation within Lindex Group’s business strategy and through broader industry collaborations, advocating for transformational change towards a circular economy.

The policy commits to transitioning Lindex Group’s operations, including stores, transportation and the supply chain, to renewable energy sources and improving energy efficiency. Special emphasis is placed on decarbonising textile processing and production and increasing the use of low-carbon materials.

The Lindex Group Board of Directors holds the highest level of responsibility for managing environmental risks, impacts and opportunities. The Corporate Sustainability Team formulates and reviews the policy, while the Group Management Team, alongside business functions, is responsible for its implementation across all departments.

Lindex Group’s Environmental Policy is aligned with key international frameworks, including:
- The Ten Principles of the UN Global Compact
- The UN Framework Convention on Climate Change (UNFCCC)
- The OECD Guidelines for Multinational Enterprises
- The United Nations Paris Agreement
- The Science Based Targets Initiative
- The Ellen MacArthur Foundation’s Principles on Circular Economy
- The Kunming-Montreal Global Biodiversity Framework (GBF)
- REACH legislation and the EU regulation on persistent organic pollutants (POPs)

Stakeholder engagement is integral to the development and execution of the policy. Lindex Group actively consults various stakeholders, including suppliers, NGOs, customers and industry partners, to incorporate their input and maintain a dialogue on environmental issues. This includes regular visits to commercial goods suppliers, capacity-building projects, extensive industry collaboration through memberships and platforms, as well as open communication channels with customers via social media and surveys.

Lindex Group prioritises transparent reporting, adhering to the EU Corporate Sustainability Reporting Directive and other legal obligations. The company also shares its progress with industry peers and stakeholders, promoting best practices in sustainability. The Environmental Policy can be found on Lindex Group’s website.

E1–3

Actions and resources in relation to climate change policies

Lindex Group has developed and implemented key actions in both divisions focused on addressing climate-related risks and opportunities and to support global efforts in mitigating and adapting to climate change. The actions aim to decarbonise the Group's operations and value chain across Scopes 1, 2 and 3. These actions include measures focused on transitioning to fossil-free and renewable energy sources, enhancing energy efficiency, reducing emissions from transportation, and making shifts in fibre sourcing and supply chain processes.

Actions for Lindex division:

Scope 1 & 2 – company operations:

- **Current actions:** Lindex division is sourcing renewable energy with guarantees of origin for all electricity across its stores, offices and warehouses. Energy efficiency improvements have been made by transitioning to LED lighting in most stores worldwide. As a result, electricity consumption in own facilities decreased in 2024 by 11% compared to 2023, and 17% compared to 2022.
- **Future plans:** Lindex division aims to transition 80% of its heating to renewable sources and reduce overall energy consumption by 10% across its operations by 2030, with base year 2022. The goal of reducing energy consumption of 10% was met 2024. Mapping of actual heating in stores is underway to ensure accurate climate impact assessments.

Scope 3 – transportation:

- **Current actions**: Lindex division has reduced emissions from transportation by shifting from air to sea shipments and adopting DHL Global Forwarding's GoGreen Plus biofuels for its sea shipments. Emissions from truck shipments have been reduced through the use of hydrotreated vegetable oil (HVO) biofuel and electricity.
- **Future plans:** By 2030, Lindex division aims to cut air shipments by 50% compared to the 2022 baseline. The division also plans to relocate production to markets closer to its sales regions, reducing the reliance on air transport. The focus will shift to replacing road transport fuels with renewable sources.

Scope 3 – fibres:

- **Current actions:** Lindex division has made progress in shifting key fibres such as cotton and man-made cellulosic fibres (MMCF) to more sustainable options, including organic cotton and EcoVero viscose. In the synthetic fibre category, efforts have been made to transition from fossil-based raw materials to recycled options.
- **Future plans:** The largest reduction potential lies in increasing the use of recycled materials, with a focus on pre-consumer recycled fibres for polyamide and polyester. Lindex division has also committed to scaling up post-consumer recycled fibres for cotton and MMCF. In total the group is aiming for a 10% reduction in material waste across the supply chain by 2030.

Scope 3 – suppliers:

- **Current actions:** Lindex division's Tier 1 suppliers, responsible for 80% of the division's volumes, have been engaged in energy efficiency projects and have begun transitioning to renewable energy sources. However, most emissions reductions need to occur further down the supply chain in Tier 2 and 3, particularly in energy-intensive production and wet processing.
- **Future plans:** By 2030, Lindex division plans to reduce emissions from Tier 1 suppliers by securing that 90% of electricity used and 30% of the fuels used comes from renewable sources. In 2024, the total share of renewable electricity used by Tier 1 suppliers was 26%, however share of renewable fuels used was insignificant. For Tier 2 and 3 suppliers, the division aims to replace 50% of electricity with renewable sources and reduce energy from fossil fuels by 30%. Lindex division recognises the challenges posed by limited direct relationships with Tier 2 and 3 suppliers and is working on improving transparency and data collection.

With the Group's commitment to the Science Based Targets initiative (SBTi), Lindex division is adding new categories to its climate balance, including indirect purchases, capital expenditures (CapEx), employee commuting, franchise operations and cosmetics. These categories are new to the division, and their emission reduction potential will be explored further with roadmaps set to be developed and updated by 2030.

Expected outcomes of Lindex division's actions:

- Scope 1 & 2: A 75% reduction in emissions from Lindex division's own operations by 2030.
- Scope 3 – Transportation: A 48% reduction in transportation emissions by 2030.
- Scope 3 – Fibres: A 46% reduction in fibre-related emissions by 2030.
- Scope 3 – Suppliers: A 60% reduction in emissions from electricity use and a 28% reduction from fuels used for thermal energy by 2030.

Lindex division aims to achieve these goals by 2030 as part of its broader Climate Action Plan.

Dependency on resources and collaboration:

- Scope 1 & 2: Lindex division is currently mapping renewable heating sources and working with landlords to enable this transition.
- Scope 3 – Transportation: Ongoing dialogues with business partners are key to understanding the transition to renewable fuels and the associated costs.
- Scope 3 – Fibres: Collaboration with industry partners is critical for scaling up recycled and regenerative raw materials.
- Scope 3 – Suppliers: Lindex division is actively supporting its commercial goods suppliers in their energy transition through knowledge sharing, education and policy dialogues to increase access to renewable energy.

During 2024, Lindex division allocated EUR 0.43 million in capital expenditures (CapEx) to transitioning to LED lighting in stores. See note 3.3 to the consolidated financial statements and Capital expenditures (CapEx) paragraph/ chapter in the Disclosures pursuant to Article 8 of Taxonomy Regulation. EUR 0.77 million in operational expenditures (OpEx) were allocated to personnel costs for initiatives focused on sustainable materials, transparency, the development of circular business models, and enhancing strategic sustainability efforts. See note 2.5 to the consolidated financial statements 2024.

The Stockmann division's operations meet the requirements of legislation and the authorities, and the department store division in Finland has been operating under the ISO 14001 certified environmental management system since 2003. The division's department stores in Estonia and Latvia have also adopted the operating methods and guidelines of the management system. The system with its goals has been updated in March 2024. The scope of the listed key actions are the division's own operations. The actions are ongoing, following the strategic period set for 2022–2025. The ISO 14001 management system's actions are updated every spring.

Stockmann division's material impacts, risks and opportunities are related to both energy consumption within its own operations (Scope 1 and 2) and to its value chain, including emissions (Scope 3) and potential production and supply chain disruptions as well as growing stakeholder concern if the division is not able to deliver its climate targets. The current actions align with the division's strategic sustainability priorities for 2022–2025. In 2025, the division will further align its actions with the Group's reduction targets and address the material impacts, risks and opportunities accordingly.

Actions for Stockmann division

- Ensure transparent and responsible procurement practices: develop and monitor procurement process (short- and long-term target)
- Develop the CO_2 calculation to meet SBT's requirements: covering Scope 1, 2, 3 and the essential categories, and to achieve more effective emission reduction solutions
- Increase energy efficiency and reduce emissions: develop and monitor emissions accounting to improve the efficiency of sustainable solutions.
- Monitor the environmental impacts of transportation and reduce the related emissions within the division's operations.
- Increase the share of renewable certified electricity in the electricity purchased.

Expected outcomes of Stockmann division's actions

- Transparent and responsible procurement practices: sourcing responsible goods, minimising the environmental impact across the value chain. Long-term, this would result in reduced resource consumption, lower carbon emissions and improved commercial goods supplier sustainability performance.
- CO_2 calculation aligned with Science Based Targets (SBT): improving accuracy and comprehensiveness in tracking CO_2 emissions for Scope 1-3, leading to emission reduction targets in line with the Group's SBT target.
- Higher reliance on renewable energy sources: reducing the division's carbon emissions from electricity usage and advancing progress toward renewable energy procurement. In 2024, the Stockmann division was able to source a larger share of its electricity from certified renewable energy sources.
- Decreased carbon emissions related to transportation within the division.

For Stockmann division, the current actions are ongoing, and do not include achieved and expected GHG emission reductions. These will be later explored and aligned with the Group's reduction target, when the division drafts its climate transition plan in 2025.

While some operational (OpEx) and capital expenditures (CapEx) are associated with implementing the division's actions, there is currently limited insight into the exact costs due to a lack of standardisation in the financial data.

E1–4

Targets related to climate change mitigation and adaptation

Lindex Group has set climate-related targets in line with its policies on climate change mitigation and adaptation.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex Group	Environmental policy: The climate-related target is directly linked to Lindex Group's environmental policy on climate change mitigation and adaptation.	By 2030, the Group will have reduced absolute CO_2e market-based emissions by 42% across Scope 1, 2 and 3 against 2022 baseline.	The target is science-based, aligned to limit global warming to 1.5°C and validated by the Science Based Targets initiative (SBTi) in 2024.	Target includes the entire value chain (upstream, own operations and downstream). Scope 3 includes all categories except category 9 and 11.	2022	12,429 tonne CO_2eq for Scope 1 and 2 and 195,414 tonne CO_2eq for Scope 3	13,753 tonne CO_2eq for Scope 1 and 2 (11% increase) and 158,573 tonne CO_2eq for Scope 3 (19% decrease)	Internal stakeholders from both divisions participated in the working group, while external stakeholders, including consultants, were involved in setting the target. Science Based Targets Initiative validated and approved the target during 2024. Currently, the baseline year accurately reflects the scope of activities and external influences; while it may be adjusted if calculation methodologies change, it is not revised based on the activities or external factors.
Lindex Group	Environmental policy: The climate-related target is directly linked to Lindex Group's environmental policy on climate change mitigation and adaptation.	By 2030 we have reduced landrelated FLAG (Forest, Land and Agriculture) emissions by 30.3%.	The target is the science-based, aligned to limit global warming to 1.5°C and validated by the Science Based Targets initiative (SBTi) in 2024.	Target includes upstream emissions in supply chain Tier 4.	2022	45,803 tonne CO_2e	41,010 ton CO_2e, (10% decrease)	Internal stakeholders from both divisions participated in the working group for setting the target, while external stakeholders, including consultants, were involved in setting the target. Science Based Targets Initiative validated and approved the target during 2024. This target is absolute and includes practices that preserve biodiversity, minimise land degradation and promote regenerative practices.

E1–5

Energy consumption and mix

Fuel consumption from	2024
Coal and coal products (MWh)	0
Crude oil and petroleum products (MWh)	18.11
Natural gas (MWh)	1,933.52
Other fossil sources (MWh)	0
Purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	43,984.26
Total fossil energy consumption (MWh)	45,935.89
Share of fossil sources in total (%)	47.5%
Total nuclear sources energy consumption (MWh)	2 438.96
Share of nuclear sources in total (%)	2.5%
Renewable sources, including biomass (MWh)	0
Renewable purchased or acquired electricity, heat, steam and cooling (MWh)	48,427.87
Self-generated non-fuel renewable energy (MWh)	0
Total renewable energyconsumption (MWh)	48,427.87
Share of renewable sources in total (%)	50.0%

	2024
Total energy consumption (MWh)	96,802.72
Total energy consumption from activities in high climate impact sectors per net revenue (MWh/EUR)	0.000103
Net revenue from activities in high climate impact sectors used to calculate energy intensity rate (MEUR)	940.1
Total net revenue (Financial statement) (MEUR)	940.1

Energy consumption data is derived from a mix of primary data and estimates, covering both consumption and sources. To ensure a conservative approach, fossil sources are assumed when the source is not clearly defined. Most of the Group’s energy consumption is purchased. Guarantees of origin of renewable sources cover all of Lindex division’s and part of Stockmann division’s electricity consumption.

Lindex Group operates in a high climate impact sectors as both divisions’ main business operations are within section G, Wholesale and Retail Trade, of the statistical classification of economic activities in the European Community, abbreviated as NACE. Stockmann division also subleases its premises to tenants and receives sublease and concession revenues which corresponds to section L, Real estate activities. Since both sectors fall under the definition of high impact climate sector, total net revenue and revenue from activities in high climate impact sector coincide. See Notes 2.2.1.1 and 2.2.1.2 in the Lindex Group’s consolidated financial statements 2024.

E1–6

Gross Scopes 1,2,3 and Total Greenhouse Gas emissions

	Retrospective				Target years	
	Base year (2022)	2023	2024	Change (2023–2024) %	2030	Annual % target/ base year
SCOPE 1 GHG EMISSIONS						
Gross Scope 1 GHG emissions (tCO_2eq)	223	573	533	-7%	129	5.25%
% of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	-	-	-
SCOPE 2 GHG EMISSIONS						
Location-based (tCO_2eq)	10,234	15,124	9,080	-40%	-	-
Market-based (tCO_2eq)	12,206	20,648	13,220	-36%	7,079	5.25%
SCOPE 3 GHG EMISSIONS						
Total gross Scope 3 GHG emissions (tCO_2eq)	300,593	253,897	258,080	2%	145,265*	4.97%
1 Purchased goods and services	219,132	171,082	179,221	5%	-	-
2 Capital goods	7,179	10,811	6,682	-38%	-	-
3 Fuel and energy-related activities (not included in Scope 1 or 2)	5,594	1,342	2,473	84%	-	-
4 Upstream transportation and distribution	4,175	3,383	2,987	-12%	-	-
5 Waste generated in operations	177	468	153	-67%	-	-
6 Business travel	661	845	852	1%	-	-
7 Employee commuting	3,752	3,713	3,558	-4%	-	-
9 Downstream transportation	33,652	32,659	33,513	3%	-	-
11 Use of sold products	24,438	27,446	26,436	-4%	-	-
12 End-of-life treatment of sold products	128	284	265	-7%	-	-
14 Franchises	1,705	1,864	1,940	4%	-	-
TOTAL GHG EMISSIONS						
Total GHG emissions (location-based) (tCO_2eq)	311,050	269,594	267,693	-1%		
Total GHG emissions (market-based) (tCO_2eq)	313,022	275,118	271,833	-1%	152,473*	4.99%

**Only outbound logistics and storage not owned or paid by Lindex Group are included from 3.9, and only energy used in the life cycle of household appliances are included from 3.11.*

GHG intensity based on net revenue	2023	2024	Change (2023–2024) %
Total GHG emissions (location-based) per net revenue (tCO_2eq/Monetary unit)	0,000283	0,000285	1%
Total GHG emissions (market-based) per net revenue (tCO_2eq/Monetary unit)	0,000289	0,000289	0%
Net revenue used to calculate GHG intensity (MEUR)	951.7	940.1	

See notes 2.2.1.1 and 2.2.1.2 in the Lindex Group's consolidated financial statements 2024 of the net revenue amounts.

Biogenic CO_2 emissions	2024
Scope 1 (direct emissions)	-
Scope 2 (indirect emissions, market-based)	27
Scope 3 (indirect emissions)	11 883
Total	**11 910**

Biogenic emissions from transports in scope 3, category 4 *Upstream transportation and distribution* were unavailable as the logistics partners provided calculated emissions. Additionally, biogenic emission information for some electricity and heating (Scope 2) and for Lindex division's own operated cars (Scope 1).

Methodology for GHG emission calculations

Emission factors used are sourced from the sustainability reporting software Position Green (https://www.positiongreen.com/) or provided by experienced third-party sustainability consultants. 2022 and 2023 years' results have been updated based on new emission factors available.

Scope 1
Own heat production is based on real data on gas and light fuel oil consumption. Both emission factors used comes from "Överenskommelse i värmemarknadskommitén 2021", published by Energiföretagen. Emissions from company cars are also based on actual fuel consumption data, and emission factors used are from Department for Environment, Food and Rural Affairs (DEFRA). Refrigerant leakage is partially based on real data, while for premises without the ability to report refrigerant leakages, estimates are based on square meters. Intergovernmental Panel on Climate Change (IPCC) is the source of emission factors on refrigerant leakages.

Scope 2
Actual electricity consumption data has been collected for premises where available. For locations without real data, consumption has been estimated based on the average from available data, using the residual mix as the source. In the Lindex division, guarantees of origin are purchased to cover all electricity consumption across all facilities. In the Stockmann division, guarantees of origin were purchased and certificates from suppliers are obtained for renewable energy for some of the facilities in Finland.

For Lindex division, heating is estimated based on square meters. District heating is assumed as the primary source in the Nordics, while an average energy mix is assumed for all other countries. A small portion of the premises do not use heating. The Stockmann division collects actual heating consumption data for some of its facilities and estimates the rest. For most properties, purchased energy consumption was estimated based on square meters to obtain Stockmann's share of the total property energy consumption.

For Stockmann division, primary data for cooling is collected. Where real data is not available, it is estimated based on square meters. For Lindex division, cooling is estimated to be powered by electrical energy and is therefore considered in the electricity consumption in Scope 2.

Of the 94,907 MWh energy consumed by the Group, 50% comes from guarantees of origin or certificates of renewable energy of which everything is unbundled.

The emission factors used have been sourced from Vattenfall, Swedenergy and Association of Issuing Bodies (AIB). Residual mix electricity factors have been used for district heating.

Scope 3

Cat. 1 Purchased goods and services: Non-production related procurement (OpEx) was calculated based on cost-based financial data. Emission factors are derived from Exiobase 3.8.2, provided by the European Environment Agency.

In the Lindex division, emissions from production of commercial goods were calculated using fabric weight and composition, along with primary supplier data on energy and water consumption, from the vast majority of production suppliers. Data on packaging materials was collected through the ERP.

The Stockmann division used the number of units purchased by product type, with estimated weight and material composition. Packaging materials were calculated with a combination of invoice data and estimation. Purchases between Lindex and Stockmann divisions were excluded to avoid double counting. A number of sources of emission factors has been used to calculate the emissions from commercial goods; Food and Agriculture Organization Statistics (FAOSTAT), DEFRA, Moberg et al and SBTI FLAG Tool.

Cat. 2 Capital goods: Emissions from CapEx were calculated using financial cost-based data. Emission factors are derived from Exiobase 3.8.2, provided by the European Environment Agency.

Cat. 3 Fuel and energy related activities: Emission figures were calculated based on Scope 1 and Scope 2 data and emission factor sources.

Cat. 4 Upstream transportation and distribution: Transportation emissions data was received directly from logistics partners in tCO_2e. For partners where only partial year data was available, figures were recalculated to represent a full year.

Cat. 5 Waste: Primary data was used where available. Missing waste amounts were estimated using square meters or the number of employees, combined with estimations based on actual data or purchased volumes. The level of recycling was, in some cases, estimated based on the available recycling options in stores. The emission factors used are sourced from DEFRA and Moberg et al.

Cat. 6: Business travel: Emissions were calculated using data collected from travel agencies, other passenger transport companies, and kilometer allowances. Hotel stays were measured in nights. Some emissions were calculated using spend based data. DEFRA and Network for Transport Measures (NMT) are the sources of emission factors used.

Cat. 7 Employee commuting: Employee commuting emissions were calculated based on the number of employees, HR assessments, and assumptions about employees' modes of transport and average commuting distance in each country. Part of the Lindex division's figures is based on insights from a survey sent out to all employees. The emission factors used are sourced from NMT.

Cat. 9 Downstream transportation and distribution: This category includes customer transportation to stores and outbound warehousing not paid for by the company. It was assumed that customers visiting stores outside city centers needed to travel to the stores. The number of customers was estimated based on visitor counts or, where visitor data was unavailable, the number of receipts from these stores. Customer travel distances and modes of transportation were partly estimated using national statistics, specifically the Finnish National Travel Survey published in 2024. Emissions connected to outbound warehousing were estimated based on third-part sales quantity, recalculated to cubic meters. The emission factors used are sourced from NMT.

Cat. 11 Use of sold products: Emissions from the use of sold products were estimated based on the number of appliances and textile pieces sold, and their estimated weight. Energy consumption for appliances and for washing and drying textiles was also estimated. Purchases between Lindex and Stockmann divisions were excluded to avoid double counting. Emission factors used to calculate emissions were sourced from AIB.

Cat. 12 End-of-life treatment of sold products: Emission calculations were based on the number of sold products, recalculated to estimated weight, and packaging materials. Emission factors were sourced from DEFRA. Purchases between Lindex and Stockmann divisions were excluded to avoid double counting.

Cat. 14 Franchise: Only Lindex division has franchises. Emissions were calculated based on collected data from franchisees' Scope 1 and Scope 2 emissions, and the emission factors used are derived from International Energy Agency (IEA) and AIB. When data was unavailable, estimates were based figures from the previous year or this year's purchased goods data.

E1–7

GHG removals and GHG mitigation projects financed through carbon credits

The Group does not report its GHG removals and mitigation projects financed through carbon credits, as no such projects are currently in place. While the Group does not currently engage in these initiatives, the potential for incorporating them into the Group's sustainability efforts will be evaluated in the future.

E1–8

Internal carbon pricing

Currently, the Group does not apply internal carbon pricing schemes.

E2 Pollution

E2–1

Policies related to pollution

Lindex Group has implemented an Environmental Policy that addresses the management of material impacts, associated with pollution. The details of this policy are further explained in chapter *E1 Climate Change*. This chapter specifically focuses on the policy content related to pollution.

The pollution content of the Environmental Policy focuses on pollution of water and soil arising from textile manufacturing processes and agricultural practices. The general objectives of the policy are to reduce pollution, eliminate hazardous substances, ensure supply chain transparency, and prevent the release of microplastics.

The policy addresses the prevention, control and mitigation of pollution by focusing on the elimination of toxic substances throughout the value chain, sourcing raw materials from certified sustainably managed sources, and requiring effective waste and wastewater management practices from all supply chain actors. Within Lindex Group's own brands, compliance with a Restricted Substances List (RSL) for finished products and a Manufacturing Restricted Substances List (MRSL) during production ensures that hazardous chemicals are minimised or eliminated, thereby protecting water and soil. The restricted chemicals included in the lists are harmful to the environment, allergenic, endocrine disruptors or pose a significant health risks to workers and consumers. Specifically, substances that meet the criteria for classification as carcinogenic, mutagenic or toxic to reproduction (CMRs), persistent, bio accumulative and toxic or very persistent and very bio accumulative (PBTs/vPvBs), and chemicals that pose an equivalent level of concern like endocrine disruptors (EDs) and sensitisers according to REACH Annex XIII, are banned for use. Through written agreements with suppliers and regular testing of materials and products, the policy ensures that hazardous substances are avoided.

The policy also includes efforts to address microplastic pollution, prioritising the reduction of fibre fragmentation and collaborating with industry partners on innovative solutions. The policy includes measures to secure access to safe water and sanitation in connected communities, with special attention to vulnerable groups. By reducing pollution throughout the value chain, particularly in textile manufacturing and agricultural practices, the policy aims to protect the health and environment of local communities.

The Environmental Policy does not currently address the prevention of incidents and emergency situations related directly to pollution. However, the Group has an emergency response strategy in place, where in case of an accident, the strategy provides measures to limit impacts on people and the environment, such as collaboration with third parties on remediation efforts and prioritising sustainable water and pollution management practices. Support for communities, particularly vulnerable groups, is a key element of the emergency response strategy. In addition, the Group has a process in place that includes systematic impact assessments and supplier engagement to identify and address potential risks, as well as regular reviews of the Environmental Policy.

E2–2

Actions and resources related to pollution

Lindex Group has taken actions to manage pollution, focusing on chemical pollution throughout its value chain.

Actions for Lindex division

- Banning harmful substances through agreements with suppliers
- Conducting regular audits and environmental assessments
- Integrating chemical and wastewater management requirements into suppliers' environmental management systems
- Fostering collaborative relationships with suppliers by providing training, workshops, and seminars on best practices for chemical and wastewater management
- Incentivising suppliers who excel in chemical management and phases out non-compliant suppliers, guided by the Supplier Code of Conduct, sustainability commitments and supplier environmental scorecard
- The division collaborates with industry organisations and NGOs to advance sustainable chemical practices in addressing microplastics. As a committed member of the Microfibre Consortium, it actively engages in fibre fragmentation testing. These initiatives are designed to mitigate the environmental impact of fibre fragmentation, with the ultimate goal of achieving zero impact from these pollutants.

Expected outcomes of Lindex division's actions

- A significant reduction in harmful chemical releases
- Improved chemical and wastewater management throughout the supply chain
- Increased compliance with environmental standards.

The actions are ongoing and accountability is enforced by requiring commercial goods suppliers to adhere to the Manufacturing Restricted Substances List (MRSL) and maintain the Chemical Inventory List (CIL) to identify and substitute non-compliant substances. If suppliers fail to meet these requirements or if excessive levels of restricted substances are found, they must take immediate corrective actions, such as adjusting chemical inputs or modifying processes to achieve compliance. Additionally, enhanced transparency and accountability are further ensured through regular reporting, audits, on-site inspections, finished product testing, and feedback mechanisms. The use of a digital chemical management tool has been expanded, allowing more factories to upload their chemical inventories. By engaging in research and development, Lindex division aims to advance innovative solutions for reducing fibre fragmentation.

The scope of these actions spans the entire value chain, including Tier 1 suppliers (direct), Tier 2 (sub-suppliers), and Tier 4 (raw material sources). The actions apply in all markets where the division operates, covering key markets such as Bangladesh, China, India, Pakistan, and Turkey. The focus extends to sourcing certified sustainable materials, such as those under the Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), and Global Recycled Standard (GRS), while encouraging next-generation practices like regenerative agriculture. Suppliers are the primary affected stakeholders, with internal stakeholders, customers, regulatory bodies, and NGOs also playing roles in ensuring compliance and reducing environmental impact.

Continuous training and assessments will take place annually, with fibre fragmentation testing goals set for 2024. Concrete pollution-related goals for 2026–2030 will be established during 2025.

For Stockmann division, commercial goods supplier contracts incorporate sustainability-related requirements, such as compliance with EU and Finnish chemical regulations. However, since pollution is a new sustainability focus area for the division, other aspects of pollution have not yet included in the agreements. Concrete actions to address pollution will be defined at a later stage, along with specific timeframes for implementation. Additionally, a significant portion of the division's own brand products are sourced through Lindex division's suppliers, ensuring adherence to many of the same production standards.

The implementation of Lindex Group's action plans does not require significant operational or capital expenditures (OpEx or CapEx).

E2–3

Targets related to pollution

The Lindex Group has set general targets related to pollution of water and soil, but specific, measurable, and time-bound targets have not yet been established.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Environmental policy: The target is directly linked to the policy objective to actively work towards better land use management by using raw materials from certified sustainably managed sources with a responsible approach to chemical use and pollution prevention.	By 2025, all commercial goods suppliers to eliminate the use of hazardous chemicals contributing to water and soil pollution by 2025, achieving a score of four in the Environmental Assessment tool. Looking towards 2030, Lindex division's long-term goal is for suppliers to establish industry leadership in chemical management, setting an example with innovative approaches in the textile industry, such as natural dyes and eco-friendly colourants.	The current targets related to chemical management for Lindex division are voluntary and fully aligned with EU regulations, including REACH/ ECHA (Registration, Evaluation, Authorisation, and Restriction of Chemicals/European Chemicals Agency) standards as well as the Group's environmental policy. The targets are based on conclusive scientific evidence since REACH/ ECHA, AFIRM (Apparel and Footwear International RSL Management), ZDHC (Zero Discharge of Hazardous Chemicals), and ASTM (American Society for Testing and Materials) are grounded on scientifically proven data.	Target includes upstream supply chain Tier 1-2.	2019	2019, the focus was to map chemicals First measured value was 79% in 2022	79%	The short term goal means that Lindex division's suppliers have implemented a strong environmental management system, including chemical management, with at least 80% of their chemicals compliant with Lindex division's MRSL (Manufacturing Restricted substances list), with a detailed, verifiable plan to reach 100% compliance. The assessment scale is from one to five, with a score of one indicating significant shortcomings in chemical management, and a score of five indicating industry leadership in chemical management, with innovative practices that extend beyond the factory. A score of four indicates that suppliers have a robust chemical management system in place to systematically evaluate all chemical hazards and risks before purchasing. The target is relative. The key stakeholders were engaged in setting the targets; as the division consulted textile experts, NGOs, other fashion brands, and several of the leading suppliers, such as MAS Group.
Lindex division	Environmental policy: The target is directly linked to the policy objective to actively work towards better land use management by using raw materials from certified sustainably managed sources with a responsible approach to chemical use and pollution prevention.	By 2026, 100% of Lindex's materials are recycled and/or sustainably sourced (through recognized certification schemes).		Target includes upstream supply chain Tier 4.	2018	0%	88%	The key stakeholders were engaged in setting the targets; as the division consulted textile experts, NGOs and Textile Exchange. The target is relative.

To track the effectiveness of its pollution-related policies, the Group regularly evaluates commercial goods suppliers through audits, such as Environmental Impact Assessments, scoring them on sustainability and business performance. The tool evaluates suppliers on a scale from one to five, with one being the lowest and five being the highest score. The Group conducts audits and environmental assessments to ensure compliance with its environmental and chemical requirements. A digital chemical management tool supports continuous monitoring and reporting, allowing Lindex division to track suppliers' progress. Additionally, regular product testing ensures compliance with pollution control standards and helps reduce environmental risks.

For Stockmann division, the goal is to gain a broader understanding of the impacts related to pollution and set targets based on the findings. When targets are further defined for both divisions, the relevant stakeholders will be considered and engaged in the process.

E2–4

Metrics related to pollution

Lindex Group's significant environmental impacts from pollution primarily originate from its value chain rather than its own operations. As a result, the Group does not disclose the pollutants that it emits directly through its own operations or the microplastics it generates or uses.

E3 Water

E3–1

Policies related to water

Lindex Group's Environmental Policy addresses the material impacts, risks and opportunities related to water, such as reducing water consumption and pollution throughout the Group's value chain. The policy also addresses promoting and adopting recycled, regenerative, and organic practices to minimise water consumption in collaboration with partners, as well as ensuring sustainable water management practices and safe and affordable water sanitation in the value chain. Further details of the Environmental Policy are outlined in chapter *E1 Climate Change*.

The policy's primary objective is to ensure that Lindex Group's own operations, value chain and other partners adhere to its environmental standards, including water resource management. The policy specifically addresses the risks related to water pollution, including the release of hazardous chemicals and waste, and sets forth actions for reducing the company's impact on both water bodies and surrounding ecosystems. The policy also addresses fibre fragmentation, which is a key concern regarding the pollution of water bodies, by setting goals to minimise microplastic pollution and collaborating with industry partners to develop innovative solutions.

The policy acknowledges the importance of reducing water consumption in areas of high water-stress and applies to operations located in water-scarce areas. It also extends to business partners and suppliers, who are required to follow the same principles. The policy directly impacts various stakeholders, including local communities near production sites, who may benefit from improved water management practices, as well as employees and suppliers who are responsible for implementing these initiatives.

E3–2

Actions and resources related to water

Lindex Group has implemented actions to manage water consumption and pollution, during the reporting year, especially, in areas at high water risk. These high-risk areas include Bangladesh, India, Pakistan and Vietnam.

Actions for Lindex division

- Environmental assessments of Tier 1 and Tier 2 suppliers improving water use, re-use, and efficiency and audits of suppliers, setting criteria for water and wastewater management, and providing training on best practices
- Supporting suppliers with technical assistance, workshops, and incentives to reduce water use, improve wastewater treatment, and adopt sustainable practices
- The division took part in a multi-stakeholder programme in Bangladesh to promote cleaner production, and scaled water- and chemical-efficient manufacturing processes with global suppliers.

Expected outcomes of Lindex division's actions

- Enhance water quality and reduce reliance on primary water sources in key production regions.

The scope of the actions covers upstream suppliers, with a focus on those in areas of high water-stress. To address impacts, suppliers have reduced harmful chemicals and improved water efficiency, ensuring compliance with local discharge regulations. Regular wastewater testing, alongside ongoing training in advanced chemical technologies, supports continuous improvement.

Lindex division has implemented continuous monitoring, transparent reporting and feedback mechanisms to ensure progress. Over the next few years, the division will support pilot projects, phase out non-compliant suppliers, and expand its efforts to protect water resources while advancing sustainability goals across its supply chain.

Actions for Stockmann division

Stockmann division has recently assessed its impacts, risks and opportunities related to water. Its efforts are currently focused on water consumption at department stores, restaurants, kitchens and sanitary facilities. Stockmann division has implemented measures to minimise water consumption by instructing personnel and tenants on efficient water use, preventing and repairing even minor leaks, and procuring more efficient water fixtures to replace older ones. However, these actions are primarily focused on the division's own operations. Given that the most significant impacts, risks and opportunities are within the value chain – particularly in water consumption during raw material and product production – the division has not yet adopted specific action plans for these areas but plans to do so in the coming years.

The implementation of the planned actions for both divisions does not require significant operational (OpEx) or capital expenditures (CapEx).

E3–3

Targets related to water

Lindex Group has set measurable, time-bound targets related to water management, with a particular focus on areas at water risk.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target base-line year	Target baseline value	Results 2024	Additional information
Lindex division	Environmental policy: The target is directly linked to the policy objective to reduce water usage across the value chain, with a particularly focus on water-intensive materials and production processes.	By 2025, 80% of commercial goods suppliers are expected to achieve optimal water efficiency, which includes reducing water intake, re-using and recycling water within processes, and treating wastewater to meet environmental standards before discharge.	Key EU directives considered include Directive 2018/851/EU (amending the Waste Framework Directive), Regulation 2019/1021/EU (POP Regulation), Directive 2008/98/EC (Waste Framework Directive), Directive 2010/75/EU (Industrial Emissions Directive - IED) and Directive 2000/60/EC (Water Framework Directive). Additionally, international standards such as ZDHC (Zero Discharge of Hazardous Chemicals), HiGG FEM (Facility Environmental Module) and BSR (Business for Social Responsibility) Wastewater Discharge Standards were also incorporated into the development of the tool. Not based on conclusive scientific evidence.	Target includes upstream supplychain Tier 1 vertical suppliers	2019	2019, the focus was to map the current situation First measured value was 79% in 2022	79%	This short-term relative goal has a direct and immediate impact on the water use of factories. Lindex division tracks the effectiveness of these actions by using its Environmental Assessment tool, which evaluates suppliers on a scale of one to five, with one being the lowest and five being the highest score. A score of five means suppliers have action plans for 100% water efficiency and show significant progress, a score of three reflects compliance with national water regulations and some progress on water efficiency, and scores one and two highlight major water management issues. Lindex division aims to phase out those scoring below three. Progress is measured both quantitatively, through reductions in water use and increased recycling, and qualitatively, through third-party wastewater testing. The target has not been validated by an external party and the targets are voluntary. The Group collaborates with stakeholders, including NGOs in production countries, to identify and address specific water risks. Through these partnerships, they work to understand the challenges and set targeted goals based on the identified risks.
Lindex division	Environmental policy: The target is directly linked to the policy objective to reduce water usage across the value chain, with a particularly focus on water-intensive materials and production processes.	By 2030, 80% of commercial goods suppliers should have comprehensive water stewardship principles in place. This long-term goal includes ecosystem restoration and improved basin-level water management, benefiting both suppliers and local communities.	Key EU directives considered include Directive 2018/851/EU (amending the Waste Framework Directive), Regulation 2019/1021/EU (POP Regulation), Directive 2008/98/EC (Waste Framework Directive), Directive 2010/75/EU (Industrial Emissions Directive - IED) and Directive 2000/60/EC (Water Framework Directive). Additionally, international standards such as ZDHC (Zero Discharge of Hazardous Chemicals), HiGG FEM (Facility Environmental Module) and BSR (Business for Social Responsibility) Wastewater Discharge Standards were also incorporated into the development of the tool. Not based on conclusive scientific evidence.	Target includes upstream supplychain Tier 1 Vertical suppliers	2019	2019, the focus was to map the current situation First measured value was 79% in 2022	79%	Suppliers achieving this score must demonstrate verified actions in reducing water use and recycling wastewater, adhering to both EU regulations and international standards as well as the Group's Environmental Policy. This long-term goal aims for a more significant, widespread impact on water quality and availability at regional and global levels. Lindex division tracks the effectiveness of these actions by using its Environmental Assessment tool, which evaluates suppliers on a scale of one to five, with one being the lowest and five being the highest score. A score of five means suppliers have action plans for 100% water efficiency and show significant progress, a score of three reflects compliance with national water regulations and some progress on water efficiency, and scores one and two highlight major water management issues. Progress is measured both quantitatively, through reductions in water use and increased recycling, and qualitatively, through third-party wastewater testing. The target has not been validated by an external party and the targets are voluntary. The Group collaborates with stakeholders, including NGOs in production countries, to identify and address specific water risks. Through these partnerships, they work to understand the challenges and set targeted goals based on the identified risks.

At present, Stockmann division monitors the water consumption of its department stores; however, targets related to material impacts, risks and opportunities or processes to measure the effectiveness of policies and actions have not yet been established.

E3–4

Metrics and water consumption

Lindex Group's significant environmental impacts on water primarily originate from its value chain rather than its own operations. As a result, the Group does not disclose information on its water consumption performance in its own operations.

E4 Biodiversity and ecosystems

E4–1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Lindex Group does not currently have a transition plan specifically for biodiversity and ecosystems. However, the Group intends to develop and adopt such a plan in 2026, integrating biodiversity considerations more closely into its strategy and business model.

E4–2

Policies related to biodiversity and ecosystems

The Group's Environmental Policy addresses the material impacts and risks related to biodiversity and ecosystems and commits to preventing and reducing the impact of the Group's value chain on biodiversity and natural ecosystems. The Group's policy addresses factors contributing to biodiversity loss, such as climate change, land-use change, invasive alien species and pollution. Further details on the Environmental Policy are outlined in chapter *E1 Climate change*.

To align with the global goals and targets for land and biodiversity, the Group's first focus is to reduce dependency on natural resources and land areas needed to produce the Group's products. In its own brand products, this is achieved through increased use of recycled materials as well as through the Group's circular approach to decouple growth from resource use. The Group commits to zero deforestation and other transformation of natural ecosystems and will increase the traceability of materials.

The Group's focus is to improve ecosystem integrity through better land-use management by using raw materials from sustainably managed sources that minimise impact and respect human rights.

Biodiversity is intricately linked to other environmental impacts such as water, pollution and climate. To further limit biodiversity loss, it is imperative to address all of these areas. These are described in *E1 Climate Change, E2 Pollution,* and *E3 Water*. The policy does not address social consequences of biodiversity and ecosystems-related impacts. However, the Group recognises the impact on the communities in which it operates and the policy commits to positively contributing to the communities along the value chain and upholding their human rights.

E4–3

Actions and resources related to biodiversity and ecosystems

Lindex division has currently implemented actions to address its significant impacts, risks and opportunities related to biodiversity and ecosystems. In its double materiality assessment, Stockmann division identified significant impacts, risks and opportunities within the division's value chain, specifically biodiversity loss, deforestation from raw material production and GHG emissions. Additionally, Stockmann division is currently introducing products to the market that involve raw materials subject to the EU Regulation on deforestation-free products (EUDR). In order to align with the EUDR, Stockmann division has assessed its readiness to meet the forthcoming regulatory requirements. Over the following years, Stockmann division will establish actions and set targets to address key biodiversity issues.

Actions for Lindex division

- Reducing dependencies on natural resources and land use: Lindex division is reducing its environmental impact by optimising product volumes, transitioning to circular business models and increasing the use of recycled fibres. This aligns with the SBTN framework for minimising reliance on land and natural resources. For more details, see the comprehensive strategy in section *E5 Resource use and circular economy*.
- Strengthening ecosystem integrity through improved land use management: Lindex division is to source all materials from renewable or recycled sources by 2026, guided by standards such as those of the Textile Exchange that ensure responsible practices. Additionally, Lindex is enhancing traceability by forming direct partnerships with cotton farmers and recycled fibre producers, ensuring accountability from fibre production to finished garments.
- Landscape engagement and regenerative agriculture: Lindex division has begun sourcing cotton from farms practising regenerative agriculture to enhance soil health, capture carbon and promote biodiversity. The division aims to source only regenerative and recycled cotton by 2030, ensuring that cotton production contributes positively to ecosystems and local communities.
- Water resource management initiatives: Lindex division is reducing water use and maintaining water quality throughout its operations and supply chain. Details on these initiatives are outlined in sections *E2 Pollution* and *E3 Water*.

Expected outcomes of Lindex division's actions:

- Reduced dependency on natural resources and land use
- Strengthened ecosystem integrity
- Constant improvement in soil health and regenerative farming practices

Through a strong presence in production countries, Lindex division collaborates directly with local suppliers on water management practices and partners with farm groups. Additional feedback is gathered through its partnership with Textile Exchange. This local engagement allows Lindex division to integrate regional insights and nature-based solutions in its biodiversity initiatives, ensuring that practices are responsive to the specific needs of each area. This engagement will be further strengthened going forward.

Lindex division does not currently use biodiversity offsets in its action plans, as it focuses on direct impact reduction and sustainable practices.

Each action plan is aligned with specific targets and timelines, such as achieving 15% recycled fibre content in 70% of all products by 2026, ensuring circular business models make up 5% of revenue by 2030, and transitioning to regenerative and recycled cotton by the same year.

The current action plans are expected to be implemented without significant operational (OpEx) or capital expenditures (CapEx).

E4–4

Targets related to biodiversity and ecosystems

Currently, Lindex division has set measurable, outcome-oriented and time-bound targets related to biodiversity and ecosystems. Stockmann division's current target is to comply with the EU Deforestation Regulation (EUDR). More specific targets addressing the material impacts, risks and opportunities will be established over the coming years.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex Group	Environmental policy: The target is directly linked to the policy objective to commit to zero deforestation or other transformation of natural ecosystems and secure traceability of all materials.	By 2030 we have reduced landrelated FLAG (Forest, Land and Agriculture) emissions by 30.3%. This target includes practices that preserve biodiversity, minimise land degradation and promote regenerative practices.	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • No conversion of natural ecosystems • Land Footprint reduction • ARRRT Framework: Reduce, Restore	Target includes upstream emissions in supply chain Tier 4	2022	45.803 tonne CO_2e	41,010 ton CO_2e, 10% decrease since 2022	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this absolute targets. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course “Kickstarting Biodiversity Program”.
Lindex division	Environmental policy: The target is directly linked to the policy objective to commit to zero deforestation or other transformation of natural ecosystems and secure traceability of all materials.	By 2026, 100% of all cotton will be traceable through recognized certification schemes.	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • No conversion of natural ecosystems • Land footprint reduction • ARRRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2023	87%	93%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this relative targets. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course “Kickstarting Biodiversity Program”.
Lindex division	Environmental policy: The target is directly linked to the policy objective to commit to zero deforestation or other transformation of natural ecosystems and secure traceability of all materials.	By 2026, 100% of all Manmade cellulosic fibers will be traceable through recognized certification schemes.	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • Target: No conversion of natural ecosystems • Land footprint reduction • ARRRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2023	97%	99%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this target. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course “Kickstarting Biodiversity Program”.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Environmental policy: The target is directly linked to the policy objective to reduce dependency on natural resources and land area needed to produce our items.	By 2026, 70% of all products include a minimum of 15% recycled content	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • No conversion of natural ecosystems • Land footprint reduction • ARRRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2021	16%	58%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this target. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course “Kickstarting Biodiversity Program”.
Lindex division	Environmental policy: The target is directly linked to the policy objtive to improve ecosystem integrity through better land use management by using raw materials from sustainably managed sources that minimize impact and respect human rights.	By 2026, 100% of Lindex’s materials are recycled and/or sustainably sourced (through recognized certification schemes)	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • No conversion of natural ecosystems • Land footprint reduction • ARRRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2018	0%	88%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this targets. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course “Kickstarting Biodiversity Program”.
Lindex division	Sustainability policy: The target is directly linked to the policy objectives to secure constant improvement and best practice, and actively engage in landscape improvements and next generation practices such as regenerative agriculture.	By 2030, 100% of Lindex virgin cotton will come from farmers with whom we are collaborating directly in order to secure the transition to organic and regenerative agriculture	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • Landscape engagement • ARRRT Framework: Reduce, Transform	Target includes upstream supplychain Tier 4	2024	5%	5%	Landrelated engagement target: Lindex will actively drive change in identifed riskareas for cotton agriculture by collaborating directly with farmers and secure the transition to organic and regenerative agriculture. No ecological thresholds or biodiversity offsets were used in setting this targets. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course“Kickstarting Biodiversity Program”.

E4–5

Impact metrics related to biodiversity and ecosystems

Lindex Group does not have own sites located in or near biodiversity-sensitive areas. However, the company has identified material impacts across several areas: land-use change, impacts on extent and condition of ecosystems and freshwater-use change. Key risks are associated with the use of raw materials, especially cotton and wood-based fibres, and production processes, particularly wet-processing units in the value chain. The Group does not disclose impact metrics related to biodiversity, as the material impacts, risks and opportunities are primarily driven by its value chain rather than its own operations.

E5 Resource use and circular economy

E5–1

Policies related to resource use and circular economy

Lindex Group has implemented an Environmental Policy that addresses key material impacts, risks and opportunities related to resource use and the circular economy. Further details of the policy are outlined in chapter *E1 Climate Change*.

In the area of resource use and circular economy, Lindex Group is committed to:

- Transitioning to a circular economy to reduce environmental impact and generate new business opportunities.
- Following the EU waste hierarchy and the Ellen MacArthur Foundation's principles to ensure that products and materials circulate at their highest value.
- Extending product lifecycles, optimising resource use, and eliminating waste and pollution.
- Decoupling growth from negative environmental impact by maximising product value, reducing overproduction, and scaling circular business models and services.
- Designing products for durability, recyclability, and using recycled or renewable materials.
- Actively engaging with industry partners to scale the uptake of recycled materials and available solutions.
- Developing a supply chain and infrastructure that keeps products and materials in circulation, is resource-efficient and powered by renewable energy.
- Developing a supply chain that supports sustainable sourcing and resource-efficient processes powered by renewable energy.

The Group also enhances product longevity through care, repair and recommerce services, while promoting sustainable consumption through transparent communication. The company requires all business partners to follow circular economy principles and ensure transparency in waste prevention.

E5–2

Actions and resources related to resource use and circular economy

Lindex Group has developed and implemented key actions in both divisions, which are focused on optimising resource use and advancing circular economy practices. The actions are in line with the Group's sustainability objectives and its Environmental Policy and they are designed to meet the requirements of resource use, circularity and the allocation of resources. The implementation of the actions for both divisions does not require significant operational expenditures (OpEx) or capital expenditures (CapEx).

Actions for Lindex division

- Resource optimisation: Lindex division has reduced overproduction since 2017, contributing significantly to the reduction of Scope 3 emissions and resource use. A clear plan has been developed through the 2030 Climate Roadmap to balance growth with sustainable practices and to secure maximum value for every product produced in terms of full-price sales, reduced markdown clearance, and developing circular business models.
- Circular product design: Lindex division applies ten circular design principles aimed at extending product life and enhancing recyclability. These principles focus on designing for durability, using recycled materials, and aligning with recyclability standards. In 2024, the focus has been on aligning these design principles with forthcoming EU regulations.
- Circular supply chain development: to keep products and materials in circulation, Lindex division has made progress in optimising supply chains, developing partnerships, and implementing systems such as RFID tagging and data-driven forecasting, and planning for waste reduction and overproduction. Initiatives like the new omnichannel distribution centre and collaborations with partners such as Södra Skogsägarna and Infinited Fiber aim to close the loop on textile waste recycling and secure access to recycled fibre to further create resilience and reduce dependence on natural resources.
- Circular customer journeys: the division is testing and developing customer-oriented, profitable and scalable circular business models and services in combination with educating customers on sustainable habits.
- Packaging and in-store collection: Lindex division applies circular principles to packaging, eliminating all unnecessary packaging and using 98% recycled plastic content. Plastic packaging recyclability is estimated based on packaging guidelines, plastic produced by nominated packaging suppliers and spot checking. In-store garment collection programmes in Sweden, Norway, Finland, and Lithuania aim to extend product life through reuse and recycling initiatives with partners like Fretex and Myrorna.
- Stakeholder collaboration: Lindex division recognises that achieving circularity requires collaboration across the value chain. Partnerships with textile recyclers like Södra Skogsägarna and Infinited Fiber are key to scaling textile recycling efforts. Additionally, participation in industry projects such as RISE's 'Framework for Circular Textiles' contributes to the development of standards for recycling and circular materials.

Expected outcomes of Lindex division's actions

- Resource optimisation: Maximising the value of each product by volume optimisation, reducing markdown clearance and increasing full price sales and circular business models.
- Circular design: Products designed for durability and recyclability that contribute to the division's circular business transformation and a circular economy.
- Circular supply chain: Resource-efficient, renewable-energy-powered production processes with a focus on reuse and recycling fit for circular business models.
- Circular customer journeys: Enhancing product longevity through care, repair, and recommerce services.

Lindex division's actions cover both upstream and downstream value chains. Key milestones include achieving circular design goals by 2025 and fulfilling climate action and circular supply chain objectives by 2030.

Actions for Stockmann division

Stockmann division's operations meet the requirements of legislation and the authorities, and the division's department stores in Finland have been operating under the ISO 14001 certified environmental management system since 2003. The division's department stores in Estonia and Latvia have also adopted the operating methods and guidelines of the management system. The system with its goals has been updated in March 2024.

- Creating and implementing a circular design process for own brands.To achieve this action, Stockmann division participated in the national Circular Design programme and has implemented a Circular Design Guide to help designers to understand how different materials affect the carbon footprint of a product.
- Increasing the number of products with sustainably sourced materials in Stockmann division's high-quality offering. Currently, there is no quantifiable data available, as Stockmann division does not track the increase. However, the division prioritises suppliers offering products made from recycled materials and evaluates their brands' sustainability scores on a scale from one to four, where one indicates no consideration for sustainability and four represents a fully sustainable brand.

In addition to these, Stockmann division has invested in partnerships that operate with circular business models, such as Relove, which is a long-standing partner for Stockmann division with operations in Helsinki and Tampere department stores, and Nineyes and Luxury Helsinki, which held a pop up at the Helsinki department store between October 2023 to April 2024, as well as Barlume Vintage, which held a pop up at the Helsinki department store in the autumn of 2024. During 2024, the Helsinki department store has also participated in VG-Port Recycling's service in which used coffee grounds are collected to be processed for further use.

Stockmann division has ongoing activities related to recycling in its own operations, linked to the ISO 14001 environmental system's targets related to the circular economy. These activities include donating products and materials for reuse, recycling and charity, improving waste sorting in own operations by providing clear property-specific sorting guidelines, reducing the amount of plastic in packaging materials, updating supplier guidelines for own brand product packaging, providing guidance to staff on the use of packaging materials, and providing recycling information on packaging materials, for example.

The expected outcomes of Stockmann division's actions

- Improving product life cycle: Creating and implementing circular design processes will extend the life cycles of Stockmann division's own brand products.
- Reducing environmental footprint: Designing products with circularity in mind will reduce waste generation and resource depletion. To achieve this, Stockmann division chooses materials in its own brand products that are partly made from recycled fibres.
- Broader range of products containing recycled materials: Expanding the selection of products containing recycled materials
- Enhancing customer engagement: Communication and marketing will educate customers about responsible consumption practices, encouraging them to make more informed purchasing decisions. During 2024, the division created and uploaded textile care guidelines to their website to educate consumers about washing and taking care of their products to expand their life cycle.

The current actions are ongoing, following the strategic period set for 2022–2025. The Stockmann-division will update the action plan after the strategic period, and include the material impacts, risks, and opportunities in the action plans. The ISO 14001 management system's actions related to circular economy are updated annually. The actions cover Stockmann division's own operations in all operating countries.

E5–3

Targets related to resource use and circular economy

Lindex Group has set targets to transition to a circular business model and to achieve the objectives of the Group's Environmental Policy. These voluntary targets aim to reduce environmental impact, improve resource efficiency, and promote the use of recycled and responsibly sourced materials.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Environmental policy: The target is directly linked to the policy objective to keep products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution.	By 2030, circular business models and services such as recommerce, rental, or repair services will comprise 5% of Lindex division's total revenue.	Lindex division's sustainability targets and they are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes the entire value chain (upstream, own operations and downstream)	2024	0,02%	0,02%	Through collaboration with industry partners and stakeholders, Lindex division is committed to driving innovation and achieving these targets as part of its circular economy initiatives. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Result from circular business so far is based on Second hand, where sales can be followed besides sales of other categories. This is a part of the "budget hierarchy" in RMS.
Lindex division	Environmental policy: The target is directly linked to the policy objective to keep products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution.	By 2026, 100% of Lindex's materials are recycled and/or sustainably sourced (through recognized certification schemes).	Lindex division's sustainability targets are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes upstream value chain Tier 4	2018	0%	88%	'More sustainable materials' refers to materials made from renewable or recycled sources and produced with methods that have a lower negative impact compared to conventional alternatives. Through collaboration with industry partners and stakeholders, Lindex division is committed to driving innovation and achieving these targets as part of its circular economy initiatives. Target is relative. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals.
Lindex division	Environmental policy: The target is directly linked to the policy objective to keep products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution.	By 2026, 70% of all products include a minimum of 15% recycled content.	Lindex division's sustainability targets are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes upstream value chain Tier 4	2021	16%	58%	This target focuses on increasing the use of recycled fibres, reducing the division's reliance on virgin materials. Lindex division works with industry partners, including Södra Skogsägarna and Infinited Fiber Oy, to scale textile-to-textile recycling solutions and ensure access to post-consumer recycled materials. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Target is relative.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Environmental policy: The target is directly linked to the policy objective to keep products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution	By 2025, all paper and plastic packaging follow our circular materials strategy	Lindex division's sustainability targets are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes own operations	2020	0%	In 2024, 98% of the Lindex division's plastic packaging was made with 100% recycled and recyclable content.	Through collaboration with industry partners and stakeholders, Lindex division is committed to driving innovation and achieving these targets as part of its circular economy initiatives. Tracked result is estimated based on Lindex division's packaging guidelines, nominated packaging suppliers and spot checking. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Target is absolute.
Lindex division	Environmental policy: The target is directly linked to the policy objective to keep products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution	By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams.	Lindex division's sustainability targets are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes own operations	2020	89%	In 2024, 92% of all Lindex division's stores could provide a functioning collection and recycling system with possibility to recycle both paper and plastic waste. 95% of the stores had the possibility to recycle plastic and 97% had the possability to recycle paper waste.	Through collaboration with industry partners and stakeholders, Lindex division is committed to driving innovation and achieving these targets as part of its circular economy initiatives. Tracked result is estimated based on Lindex division's packaging guidelines, nominated packaging suppliers and spot checking. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Target is absolute.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Stockmann division	Environmental policy	The short-term targets for the circular economy are exploring possibilities for developing Stockmann division's design processes towards circular business models, optimising the use of product packaging materials and increasing the use of recycled and certified material in own brand product packaging, developing the product selection based on circular business models, and increasing customer awareness of sustainable consumption and recycling opportunities.		Target includes own operation	2022			These targets have been set in accordance with the division's sustainability strategy and environmental programme, which is valid from 2022–2025. The ISO 14001 mentions continuous improvement, assessment of risks and opportunities, as well as planning and management of activities. The system is reviewed and updated every spring. The target has not been validated by an external party.
Stockmann division	Environmental policy	The long-term targets for the circular economy are to continuously develop design processes to find new business opportunities in the circular economy, to monitor and develop the product and service selection, to monitor and promote sustainability topics and to maintain active communication with customers and employees.		Target includes own operation	2022			These targets have been set in accordance with the division's sustainability strategy and environmental programme, which is valid from 2022–2025. The ISO 14001 mentions continuous improvement, assessment of risks and opportunities, as well as planning and management of activities. The system is reviewed and updated every spring. The target has not been validated by an external party.
Stockmann division	Environmental policy	In accordance with the Stockmann division's ISO 14001 environmental management system, the division has set a recycling rate target in the department stores as follows: 75% in Finland and 50% in the Baltics.		Target includes own operation	2022		In 2024, recycling rate in Finland was 79% and in Baltics 52%	These target have been set in accordance with the division's sustainability strategy and environmental programme, which is valid from 2022–2025. The ISO 14001 mentions continuous improvement, assessment of risks and opportunities, as well as planning and management of activities. The system is reviewed and updated every spring. The target has not been validated by an external party.

E5–4

Resource inflows

Main material inflows for Lindex division are connected to the raw materials used for products and packaging. For Stockmann division, material inflows include fashion and home category textiles and home hardgoods. For Stockmann division, the data is applicable for the division's own brand products.

In 2024, the Group's products contain the following key materials, share of total weight:

- Cotton, biological: 47%
- Polyester, technical: 19%
- Polyamide, technical: 11%
- Manmade cellulosic fibres, biological: 10%
- Viscose, biological 6%
- Other materials, technical and biological: 5%

Other materials include materials such as leather, down, glass, metal and in Stockmann division's case, polyamide. In addition to these materials, the Group also used paper, plastic, and cardboard as packaging materials.

Materials used to manufacture the Group's products

The total weight of products and technical and biological materials	9,598.30 tonnes
The percentage of sustainably sourced biological materials	41.7%
The absolute weight of secondary reused or recycled components	4,626.51 tonnes
Percentage of secondary reused or recycled components	48.2%

The Group adheres to Textile Exhange standards and certification schemes, as well as to the Organic Content Standard (OCS), Global Recycling Standard (GRS), In-Conversion Cotton (ICC) and Lenzing standards. These standards apply to materials such as cotton and manmade cellulosic fibres. For some packaging materials, such as cardboard and paper, there is limited information available regarding their sustainable sourcing. As a cascading principle, the Group has set targets related to design principles and the use of sustainably sourced materials. However, no cascading principles have been established for specific materials.These targets are detailed in *E5-3 Targets related to resource use and circular economy*.

Calculation methodology for resource inflows

The data for textiles was collected from the weight of ordered garments, excluding hard accessories and some home hardgood items, such as clocks and Christmas decorations, due to their complex structure. The data for packaging was collected from the weight of materials of sales packaging on commercial products, e-commerce plastic bags, shopping bags, marketing materials, gift boxes handed out in stores and transportation packaging. There is no overlap between the data reported on reused and recycled material. The Group is unable to report data on resource inflows in part of the company: for Lindex division, the focus is main composition in textile products, not including all categories with cosmetics. Approach to this will be evaluated later on, timeframe has not yet been set. For Stockmann division, the data includes only Stockmann division's own brand products and excludes other brands. Access to other brands' data relies heavily on other brand's own reporting processes, and to prevent duplicate reporting, the Stockmann division will not seek to access this data. The data on resource inflows has not been validated by an external body other than the assurance provider.

E5–5

Resource outflows

The key products coming out of Lindex division's production process are women's fashion, lingerie and underwear, children's clothing, cosmetics, and accessories. The division has ten design principles in place, and the division has focused on embedding these principles into systems and ways of working. The design principles have been introduced in *E5-2 Actions and resources related to resource use and circular economy*. All of the division's products are in the scope of these design principles.

The key products coming out of Stockmann's production process are its own brand products, including textiles related to fashion and home goods, as well as hard goods such as tableware, wooden kitchen utensils, glass and ceramics, baskets, photo and poster frames, as well as other small decorative items. In addition to these, Stockmann divison also sells products from other brands, including cosmetics and food. However, these categories are not part of Stockmann's own production processes. Stockmann has implemented a Circular Design Guide; however, it has not been monitored to which extent the designers of the own-brand products are using the guide when designing products. As a result, Stockmann cannot provide a list of key products that are designed according to circular economy principles.

In terms of packaging, the Group is committed to eliminating unnecessary materials and transitioning towards using recycled content in packaging. The Lindex division has worked to eliminate single-use plastics in transport packaging, which constitutes the majority of the division's plastic volume. Single-use plastic is now reserved for delicate and sensitive items. The Stockmann division is actively working to reduce plastic usage in packaging and prioritises the use of cardboard in packaging. The division also emphasises the use of durable materials and strives to minimise packaging materials whenever possible from a product perspective. The majority of packaging materials used by both divisions are deployed in countries with advanced recycling awareness and infrastructure, ensuring better management of these resources.

The expected durability of the products introduced to the market by the Group aligns with the industry average across product categories such as women's wear, kids' wear, lingerie, and home goods. While no formal assessment on the durability compared to the industry average has been conducted, this expectation is based on the Group's resource optimisation and circular design principles, which are comparable to industry standards.

Currently, the Group does not have data on the repairability of its own brand products. However, both divisions promote proper care practices and offer opportunities for product repair, such as providing care and repair guidelines readily available on the division's websites. Additionally, both divisions actively support repairability by providing a wide range of care and repair products to customers, including mist sprays, slide-on zippers, knee patches, sewing kits, replaceable elastic straps, and reflective bands.

To further extend the lifespan of cotton jersey garments, Lindex division collaborates with the innovator 'Biorestore', which restores colour and removes pilling in cotton jersey fabrics. Biorestore is applied to the division's second-hand products and is also directly available to the customers. The Stockmann division provides a repair service for damaged products and allows customers to give feedback on product repairability, directly influencing the design process. The Group does not have an established rating system in place for repairability.

Rate of recyclable content in products

Total weight of recyclable content in products (kg)	2,828,963
Total weight of products (kg)	7,421,642
Rate of recyclable content in products (%)	38.1

Rate of recyclable content in packaging

Total weight of recyclable content in packaging (kg)	417,194
Total weight of packaging (kg)	427,082
Rate of recyclable content in packaging (%)	97.7

Calculation methodology for product durability and recyclability

For product durability, food and cosmetics are excluded, as these products are not designed to be durable. The calculation for textile products' recyclability excludes accessories and hard goods.

For textile products, the calculation is based on the weight of ordered garments with below criteria:

- Cotton: compositions where micro composition 95-100% = cotton
- Polyester: compositions where micro composition 100% = polyester
- Polyamide: compositions where micro composition 100% = polyamide
- Viscose: compositions where micro composition 100% = viscose
- Plastic packaging: 98% of total weight summarised

Plastic packaging recyclability is estimated based on packaging guidelines, plastic produced by nominated packaging suppliers and spot checking. No other significant assumptions have been used. For Stockmann division, the data includes only Stockmann division's own brand products and excludes other brands. Access to other brands' data relies heavily on other brand's own reporting processes, and to prevent duplicate reporting, the Stockmann division will not seek to access this data. The data on product durability and recyclability has not been validated by an external body other than the assurance provider.

Waste

Hazardous waste (tonnes)	14.19
For reuse	1.42
For recycling	4.37
For other recovery	0
To incineration	4.89
To landfill	3.52
To other disposal	0
Radioactive waste	0
Non-hazardous waste (tonnes)	4,490.31
For reuse	35.85
For recycling	3,269.18
For other recovery	0.32
To incineration	1,089.07
To landfill	95.89
To other disposal	0
Total amount of waste generated	4,504.50
Total amount of non-recycled waste	1,193.36
Percentage of non-recycled waste	26.5%

The materials that are presented in the Group's waste:

- Cardboard for recycling
- Paper for recycling
- Office paper for recycling
- Paper to be destroyed
- Films and recordings to be destroyed
- Plastic
- Metal
- Glass for recycling
- Energy waste
- Mixed wood
- Mixed waste
- Biowaste
- Edible fat
- Packed retail animal-based food by-product (Category 3)
- Construction waste
- WEEE (Waste Electrical and Electronic Equipment)
- Hazardous waste

Waste streams relevant to the Group's sector and activities:

- Textile waste
- Packaging waste
- Food waste
- Cosmetic waste
- Electronic and electrical waste (e-waste)
- Office waste
- Cleaning waste
- Hazardous waste

Calculation methodology for waste

The Lindex Group adheres to national waste legislations, which mandates disposal operations. Primary waste data was used when available from contracted waste collectors.

For Lindex division, waste streams for plastic, cardboard, and paper were derived from ERP systems and supplier reports. Since complete figures for plastic, paper, and cardboard waste are not always available – due to some portions ending up in store or customer waste – estimates were made based on purchased volumes. Data on IT waste was sourced from supplier reports.

For Stockmann division, the missing waste amounts were estimated using square meters and employee count together with some actual waste amount data and some data from previous years. Waste data was collected for 11 months (01–11/2024) The data for 12/2024 was estimated using 12/2023 data. The sources for waste data were from contracted waste collectors' reports (in Finland and in Latvia), whereas from invoices in Estonia. Key assumptions in data were related to different waste categories and their availability in the waste collectors' reports. For instance, in some department stores, cardboard, plastic, metal, energy waste, mixed waste and packaged retail animal-based food by-product were waste categories subject to estimations.

The data on waste has not been validated by an external body other than the assurance provider. The Group is able to report data on waste in all parts of the company.

SOCIAL INFORMATION

S1 Own workforce

S1–1

Policies related to own workforce

Lindex Group has adopted policies to address material impacts, concerning its workforce. These include the Human RightsPolicy, Anti-Discrimination Policy, Offence and Harassment Policy, Salary Policy, Speak-Up Policy, and Equal Opportunities Plan. Collectively, these policies promote respect for human rights, diversity, inclusion, and fair treatment of all employees. These policies cover all Lindex Group's employees.

The Group's Human Rights Policy outlines its commitment to respecting all internationally recognised human rights, including labour rights, civil and political rights, and economic, social and cultural rights. Core commitments include:

- Conducting dynamic human rights due diligence (HRDD) to identify, prevent, mitigate, and remediate human rights impacts.
- Focusing on protecting vulnerable groups, including women, minorities, migrant workers, and children.
- Embedding human rights considerations into business management and operations.

Lindex Group aligns its Human Rights Policy with globally recognised frameworks, including:

- The International Bill of Human Rights.
- ILO Declaration on Fundamental Principles and Rights at Work and core conventions.
- UN Conventions, such as those on the Elimination of All Forms of Discrimination Against Women, on the Rights of the Child, and on the Elimination of All Forms of Racial Discrimination.
- OECD Guidelines for Multinational Enterprises and UN Global Compact.
- UN Guiding Principles on Business and Human Rights
- The Women's Empowerment Principles, and the Children's Rights and Business Principles also guide the policy.

The Group's policies address discrimination and harassment based on factors such as gender identity, sexual orientation, race, nationality, ethnic or social origin, disability, language, political opinion, religion and age.

To commit to equal pay and eliminate gender pay gaps, the Lindex division has a salary policy in place. In addition, the Lindex division has an Equal Opportunities Plan as part of its diversity strategy, which aims to ensure that all employees are treated with respect, have equal access to opportunities, and work in a positive environment. This approach aligns with the division's sustainability promise for future generations. The Lindex division also has a Working Environment Policy in place, with the primary goal of preventing unhealthy working environments and accidents.

The Stockmann division has implemented an equality and non-discrimination plan aimed at identifying structural issues in the workplace and establishing improvement targets for creating a more equal environment. The main target of the plan is to create a non-discriminatory, tolerant, and equal workplace. The Stockmann division has an extensive workplace accident prevention policy in place.

Lindex Group rejects all forms of discrimination and harassment. Its Anti-Discrimination and Offence and Harassment Policies provide guidelines for maintaining an inclusive and respectful workplace. The company's efforts include:

- Fostering diversity by embracing different perspectives, backgrounds, and experiences.
- Ensuring equal access to opportunities and career progression for all employees.
- Promoting diversity throughout its operations and value chain.

The Group's Speak-Up Policy outlines the Group's commitment to ensuring that employees, suppliers, and other stakeholders have access to a safe and effective grievance mechanism. Protections against retaliation are in place for all who report concerns. Reported incidents are addressed through prompt investigations and corrective actions. The Group also prohibits any form of harassment or offensive behaviour, ensuring a workplace where employees are treated with dignity and respect.

In 2024, Lindex Group updated its Human Rights Policy to reflect feedback from stakeholders and ensure alignment with the company's salient human rights issues. The Speak-Up Policy was also introduced to enhance the speak-up portal's functionality.

The Board of Directors holds ultimate responsibility for managing these human rights policies, with the Corporate Sustainability Team overseeing their formulation and review. In addition to this, the Board of Directors of Lindex Group holds accountability for managing impacts, risks and opportunities related own workforce, workers in the value chain, affected communities, and consumers and end-users. The Group Management Team and the respective business functions covering all departments, managers, and employees are responsible for the implementation of these policies.

To ensure accessibility and understanding of its policies, Lindex Group publishes the policies on its website in three languages and provides employee with access to these policies through its intranet. New employees receive information on the policies as part of their onboarding, while training is offered to stakeholders with specific responsibilities.

S1–2

Processes for engaging with own workers and workers' representatives about impacts

The Lindex division engages with its workforce and employee representatives through the Lindex Voice personnel survey, supported by the Peakon Workday survey tool. Regular surveys, carried out twice a year at minimum, including focused engagement questions and broader questions with DEI components, gather insights on well-being, motivation, and alignment with the division's strategies. Results are benchmarked against industry standards, and achieved an engagement score of 8.5 (out of 10) and participation rates of 72–75% in recent rounds in 2024.

The Lindex division has trade union employee representatives in Sweden, Norway, Finland, and duly elected workers' representatives in Lithuania and Estonia. Employee representatives participate in 1–6 joint annual meetings, depending on the country, to discuss collective agreements including wages, working hours and other employment conditions, workplace safety issues to protect employees from the potential health and safety risks and negative impacts, workplace procedures including conflict resolution mechanisms, and training and development opportunities for career growth. In the countries where the Lindex division lacks employee representatives, the division plans to strengthen alternative engagement methods. The Lindex division conducts yearly performance dialogues with all employees with regular follow-ups. The people leaders at the Lindex division have an operative responsibility to conduct performance dialogues with their teams. The division's Chief People & Communications Officer is responsible for implementation.

The Chief People & Communications Officer oversees the Lindex Voice survey and shares the survey findings with management and the Board to guide priorities. Surveys are translated into local languages to make sure they include diverse perspectives, which ensures inclusivity and responsiveness to employee needs.

The Stockmann division has personnel committees that operate in every site in Finland and meet four times a year. The key role of the personnel committees is to contribute to the development of the work community and enhance local well-being. In addition to the personnel committees, employee representatives have monthly meetings with the Chief Operating Officer, Chief People & Culture Officer, and Chief Sales Officer to maintain an ongoing dialogue between the top management and employees. The division has success dialogues with its employees in every country, and these dialogues are held two to four times per calendar year.

The Stockmann division engages with its workforce and employee representatives through the Stockmann's Staff Barometer personnel survey. The personnel survey is the main tool for generating an understanding of how employees are feeling and helping to pinpoint topics that require attention. The division has taken various improvement actions based on previous survey results, such as enhancing well-being, with an emphasis on learning and development opportunities, as well as renewing employer brand and recruitment practices. The survey is usually carried out two times a year, but in 2024, the survey was carried out once due to the implementation phase of organisational changes. In addition, the Stockmann division carries out an annual DEI survey to assess the current status of DEI.

The people leaders at the Stockmann division have an operative responsibility to conduct success dialogues with their teams. These dialogues are held with each employee at least twice a year. Satisfaction with the processes is measured in the personnel survey and reports are available to the people leaders. The Head of Talent Attraction and Development is responsible for the process and its development. The division's Chief People & Culture Officer is responsible for the implementation and results of the personnel survey, and Head of Legal, Employment & Data Protection is responsible for implementing the DEI survey.

S1–3

Processes to remediate negative impacts and channels for own workers to raise concerns

The Group has established processes to remediate negative impacts on its employees, and has channels for raising concerns or complaints, in alignment with the Whistleblowing Directive (EU) 2019/1937. The Group's speak-up portal enables anonymous reporting of concerns. The portal is provided by an external partner WhistleB, Whistleblowing Centre.

The concerns are handled in accordance with the Group's Speak-Up Policy, which includes a due diligence process to verify facts and identify remedies for adverse impacts. Retaliation against individuals who report in good faith or participate in investigations is prohibited and may result in disciplinary actions, including termination of employment.

In addition to the speak-up portal, the employees of both divisions can report issues directly to a team leader or a manager, or a colleague from Human Resources, Security, Sustainability, Legal or Internal Audit. All reports are treated with the utmost sensitivity, and confidentiality is protected to the greatest extent possible.

Both divisions regularly review and monitor the effectiveness of the grievance mechanisms, by tracking employee trust through surveys. In the Lindex division's personnel survey, the question "If I experienced serious misconduct at work, I'm confident Lindex would take action to rectify the situation" helps assess awareness and trust in these processes. The Stockmann division's survey includes questions about whether the employees feel they can voice their complaints and resolve work-related disagreements. The feedback is used to ensure continuous improvement and to maintain an accessible and reliable system for addressing employee concerns at both divisions.

S1–4

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group is dedicated to complying with local and international laws to mitigate and remediate potential or actual negative impacts arising from its business activities. As the Group continues to develop its human rights due diligence, the Group is also actively setting and reviewing specific action plans and targets to address material impacts such as work-life balance, health and safety, and freedom of association.

To enhance work-life balance, the Group aims to establish predictable shift schedules and offer flexible working arrangements to promote the overall well-being of its employees. Regarding health and safety, the Group ensures compliance with local legislation, organises safety training programmes, provides essential equipment, and implements monitoring processes.

In terms of freedom of association, the Group is committed to upholding employees' rights to freely associate and engage in collective bargaining.

The Lindex division identifies necessary actions to address negative impacts on its workforce through a due diligence process, including a human rights impact assessment conducted in 2022 and an internal double materiality assessment. These processes help identify potential risks and impacts within the business and value chain, including operations in countries with higher human rights risks and specific operations (e.g., stores, warehouses). A continuous dialogue with union and employee representatives and employee engagement through the Lindex Voice survey also supports the identification of potential issues.

Actions for Lindex division

- Expand human rights expertise by employing a human rights expert to enhance strategy development and due diligence linked to own operations.
- Hold annual culture bearing events for all employees on International Women's Day, Menstrual Hygiene Day and a pink event linked to the Breast Cancer Awareness Month.
- Introduce an updated onboarding process for new employees including DEI training.
- Develop a new Code of Conduct for employees, incorporating human rights and ethical standards, expected to launch in 2025.
- Plan efforts to develop a digital learning and development platform for human rights training.
- Integrate DEI training and participate in networks such as the Diversity Charter Sweden and Jobbsprånget to enhance Lindex's positive impact on the workforce.

Actions for Stockmann division

- Implement a new shift planning system. A method for offering additional work shifts was implemented in 2023-2024 in Finland. These changes help the Stockmann division offer additional work more efficiently and fairly.
- Implement a new system and process to report accidents and near-miss situations.
- Training for department stores' People Leaders relating to well-being and ability to work. The training took place in Helsinki and Tampere during 2024.
- Establish a DEI working group to create, implement, monitor, and continuously develop the DEI strategy for the division. The working group created and implemented instructions to prevent inappropriate behaviour, including discrimination, and harassment.
- Participating in Helsinki Pride in 2024
- Introduce a common HRM system to increase the quality and quantity of HR information.

The expected outcome of these actions is to enhance the well-being, inclusivity and sense of belonging of the division's employees. The actions cover all employees in both divisions. Although more specific actions with timeframes are yet to be set, the divisions track the effectiveness of their actions through employee feedback mechanisms, surveys, and performance reviews. The actions at both divisions do not require significant operational (OpEx) or capital (CapEx) expenditures.

The Group proactively addresses negative impacts such as discrimination through policies such as the Discrimination Policy and the Diversity Plan, and provides training on diversity, equity and inclusion (DEI) for employees. These initiatives aim to foster an inclusive environment and promote equality.

To ensure remediation of material negative impacts, the Group operates a Speak-Up Policy and whistleblowing system that allows employees to report concerns confidentially. The process is further elaborated in *S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns.*

S1–5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Lindex Group has set several targets to manage material negative impacts, advance positive impacts, and address risks related to its workforce, with a focus on employee engagement, diversity, equity and inclusion (DEI), and maintaining a zero-tolerance policy on discrimination and harassment.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target base-line year	Target baseline value	Results 2024	Additional information
Lindex division	The target is directly linked to the Group's Human Rights Policy objective of fostering employee engagement and participation.	Employee Engagement & Participation: achieve an engagement score of 8.6 (out of 10) and a 69% participation rate in the Lindex Voice employee survey.		All own employees	2021		Both targets were met in 2024, with an engagement score of 8.6 and participation rates of 75% in March and 8.5 and 72% in November.	Lindex division engaged with employees in setting these targets. Although the target concerning the employee engagement survey did not involve various departments, it significantly engaged stakeholders within the People and Communications Department. Target is relative and has been consistent since 2021.
Lindex division	The target is directly linked to the Group's Human Rights Policy objective of creating a culture of diversity, equity, and inclusion.	DEI Awareness Training: 100% of employees to participate in DEI awareness training.		All own employees	2022	0%	All employees are assumed to have received the training, which is incorporated into onboarding and was provided to all when it was implemented.	Lindex division engaged with employees in setting these targets, especially for DEI, through interviews and analysis of survey data, ensuring that the targets align with workforce needs and the division's goals. Tracking attendance is a challenge due to the lack of a formal system. Future progress will depend on acquiring a digital learning and development platform to track completion. Target is absolute and has been consistent since 2022. While there have been no changes in targets or measurement methodologies, future efforts will focus on implementing a learning management system to track DEI training completion and enhance the division's ability to monitor performance.
Lindex division	The target is directly linked to the Group's Human Rights Policy and discrimination policy objective of zero tolerance for discrimination and harassment.	Zero Discrimination and Harassment: Ensure that no discrimination and harassment occurs in Lindex' division's own operations, year by year.		All own employees and non-employees	2021	1	We identified one incident of harassment this year and took necessary actions to remediate it. Our commitment to a zero-tolerance harassment policy remains unwavering as we continue to ensure a safe and respectful workplace for all employees.	Lindex division engaged with employees in setting these targets, especially for DEI, through interviews and analysis of survey data, ensuring that the targets align with workforce needs and the division's goals. Target is absolute and has been consistent since 2021.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Stockmann division	The target is directly linked to the Group's Human Rights Policy objective of fostering employee engagement and participation.	Long-term target: empowered, motivated, and healthy, self-steering teams that place well-being at the core every day. Modern and safe workplaces in all countries and locations.		All own employees	2022		The KPIs to measure the targets are: • Personnel survey question "Stockmann cared cares about my physical and mental health." The result for 2024 was 37% favourability, -7% drop compared to 2023. • Personnel survey question "My work setup helps me take care of my personal life." The result for 2024 was 56% favourability, +11 increase compared to 2023. • Sick leave (days per employee) • Work-related accidents	The Stockmann division has defined qualitative goals for the period 2022–-2025 in line with the division's strategic priorities. The targets cover all own employees at the Stockmann division. The progress of the targets is measured with specified KPIs, but there are no specific target levels or baseline year for the KPIs. The division's performance is evaluated annually using these KPIs. If the results highlight areas requiring attention, the division implements changes and improvements on a case-by-case basis. The current targets are qualitative. Specific targets related to own workforce will be established in 2025. Employee representatives have not directly been involved in the target-setting process.
Stockmann division	The target is directly linked the Group's Human Rights Policy objective of fostering employee engagement and participation.	Short-term target: safe and responsible work environment for the Stockmann division's team members and supporting team members in taking care of their own health and well-being.		All own employees	2022		The KPIs to measure the targets are: • Personnel survey question "Stockmann cared cares about my physical and mental health." The result for 2024 was 37% favourability, -7% drop compared to 2023. • Personnel survey question "My work setup helps me take care of my personal life." The result for 2024 was 56% favourability, +11 increase compared to 2023. • Sick leave (days per employee) • Work-related accidents	The Stockmann division has defined qualitative goals for the period 2022–-2025 in line with the division's strategic priorities. The targets cover all own employees at the Stockmann division. The progress of the targets is measured with specified KPIs, but there are no specific target levels or baseline year for the KPIs. The division's performance is evaluated annually using these KPIs. If the results highlight areas requiring attention, the division implements changes and improvements on a case-by-case basis. The current targets are qualitative. Specific targets related to own workforce will be established in 2025. Employee representatives have not directly been involved in the target-setting process.

S1–6 — S1–17

Metrics related to own workforce

Characteristics of the Group's own employees

Gender	Number of employees (head count)
Male	531
Female	5 435
Other	0
Not reported	0
Total employees	**5 966***

* The figures differ from the Report of the Board of Directors due to corrections made at a later stage in the reporting process. 5 966 is the updated personnel figure.

Employees in countries where the Group has at least 50 employees, representing at least 10% of its total employees

Country	Number of employees (head count)
Sweden	2 093
Finland	1 541
Norway	943

Characteristics of the Group's own employees by contract type and gender

	Female	Male	Other	Not disclosed	Total
Number of employees (head count)	5 435	531	0	0	**5 966**
Number of permanent employees (head count)	4 434	504	0	0	**4 938**
Number of temporary employees (head count)	618	26	0	0	**644**
Number of non-guaranteed hours employees (head count)	383	1	0	0	**384**
Number of full-time employees (head count)	1 691	416	0	0	**2 107**
Number of part-time employees (head count)	3 745	114	0	0	**3 859**

During the reporting year, 1 059 employees left the company, giving an employee turnover of 17.8%.

Collective bargaining coverage and social dialogue

	Collective bargaining coverage	Social dialogue
Coverage rate	**Employees – EEA (for countries with > 50 empl. representing >10% of total empl.)**	**Workplace representation (EEA only, for countries with >50 empl. representing 10% total empl.)**
0–19%		
20–39%		
40–59%		
60–79%		
80–100%	Sweden, Norway, Finland	Sweden, Norway, Finland

78.3% of Lindex Group's employees are covered by collective bargaining agreements.

Diversity metrics top management

	Female	Female %	Male	Male %	Other	Other %	Gender not disclosed	Gender not disclosed %
Top management	9	50%	9	50%	0	0%	0	0%

Diversity metrics employees

	Under 30 years old	30 to 50 years old	Over 50 years old	Total
Number of employees	2 149	2 294	1 523	5 966

Adequate wages

All employees in the EU are paid an adequate wage in line with EU Directive on Adequate Minimum Wages (2022/2041). Wages in Sweden, Norway, and Finland are set according to the collective bargaining agreements specific to each country. These agreements are negotiated between employers and trade unions, ensuring fair wages and working conditions. Wages for employees in other countries within EEA are aligned with the national minimum wages as stipulated by the EU Directive on Adequate Minimum Wages. This directive aims to ensure that workers receive fair compensation across the European Economic Area.

All employees outside the EEA are paid above the local laws concerning the minimum wages. Wages are set in accordance with the national minimum wage laws of each country. Additionally, Lindex Group conducted a study to confirm the living wage status across the operations in and outside the EEA in 2024. HR representatives from the production countries Turkey, Bangladesh, China, India, and Hong Kong were provided with a detailed table outlining the monthly and hourly minimum and living wages. They were asked to confirm whether all their workers are paid at least these amounts. The survey included 20 questions covering various aspects such as the living wage, minimum wage, collective bargaining, the number of employees, and how salaries are set. The responses were then compiled and analysed to determine compliance with both minimum wage and living wage standards. Relevant benchmarks from international organizations that conduct living wage studies were used to ensure that wages meet or exceed the cost-of-living standards. Lindex Group aims for wages to be not only adequate, but fair, as well as to support better living standards for all employees and workers across own operations.

Significant Assumptions:

- Fair Wage Standards: For EEA countries, the assumption is that the EU Directive on Adequate Minimum Wages provides a fair and adequate wage standard.
- Living Wage Benchmarks: For countries outside the EEA, it is assumed that the living wage benchmarks provided by international organizations accurately reflect the cost of living and necessary wage levels.

Health and safety management system coverage

	Lindex division	Stockmann division
Workers covered by a health and safety management system (%)	100	100

The figures are estimated based on the fact that Lindex Group adheres to local occupational safety and health legislation.

Work-related injuries and work-related accidents

	2024
Number of fatalities as a result of work-related injuries	0
Number of work-related accidents	191
Rate of work-related accidents	25.3
Fatalities as a result of work-related injuries, other workers working on the company's sites	0

Lindex Group does not separate between recordable and non-recordable incidents.

Remuneration metrics (pay gap and total remuneration)

The gender pay gap percentage, defined as the difference of average pay levels between female and male employees, is 18.06%. In 2024, most of the males were working in the offices, whereas the majority of the store personnel were females. The average hourly salaries used to calculate gender pay gap only include basic salary. No variable components were included. Lindex division used salaries of employees having an employment the last day of November 2024, Stockmann division used salaries of employees employed last day of December 2024.

The annual total remuneration ratio, based on the company's highest paid individual divided by the median of all other employees, amounts to 43.22.This calculation is based on the total annual remuneration of all employees having an employment the last day of the year. The salaries of employees who started during the year have been recalculated to represent a full year annual salary. No part-time salaries were recalculated to full-time employment as the vast majority of the employees working in the company work part-time. The median salary used to calculate the annual total remuneration ratio is a salary from a part-time employment. When recalculating the annual total remuneration ratio based on the recalculation of the median to full-time salary, the new ratio is 32.77.

Incidents, complaints and severe human rights impacts

	Total
Incidents of discrimination, including harassment	0
Complaints filed through grievance mechanisms	6
The amount of fines, penalties, and compensation for damages as a result of incidents and complaints	0
Cases of severe human rights incidents	0

In 2024, six concerns were raised through channels for own workers to raise concerns. Of these, three were either fully or partially substantiated, leading to remediation and closure. Three cases are open in review or on-going remediation.

Data has been gathered from the designated speak-up portal (WhistleB) and the central and local functions of Human Resource, Security and Sustainability.

S2 Workers in the value chain

S2–1

Policies related to value chain workers

Lindex Group has adopted policies to manage its material impacts concerning workers in its value chain. These policies, Human Rights Policy and Speak-Up Policy, outline Lindex Group's commitments to responsible and ethical sourcing, considering impacts on human rights. The general descriptions of these policies can be found in chapter *S1-1 Policies related to own workforce*.

The Group's Human Rights Policy outlines Lindex Group's commitment to respecting internationally recognised human rights, including labour rights, and includes provisions for safe workplaces, adequate wages, and the prohibition of child labour, forced labour, and human trafficking. The Group's commitment encompasses the entire workforce within its value chain. Special consideration is provided to safeguarding the health and well-being of female workers in the supply chain. In 2024, there was one identified case of non-respect of UN Guiding Principles on Business and Human Rights, ILO principles, or OECD Guidelines related to value chain workers. Lindex division identified a human rights breach involving one of its suppliers in Bangladesh. A complaint was filed through the RSC grievance mechanism in Bangladesh concerning verbal abuse by a supervisor. The issue was addressed, and the complaint was resolved and closed after the factory took corrective actions.

Lindex Group actively communicates the commitments to its suppliers. Lindex division has outlined the commitments in its Supplier Code of Conduct and Sustainability Commitment, integrated into the supplier purchasing agreements. Compliance is regularly evaluated through pre-assessments, regular audits and continuous evaluations, using a business scorecard to recognise high-performing commercial goods suppliers. Stockmann division has integrated the commitments into supplier agreements. As part of the agreements, the Stockmann division requires its commercial suppliers to commit to the amfori BSCI Code of Conduct, which includes eleven core labour rights derived from international treaties, or to provide a document outlining similar commitments. The compliance of non-EU own brand suppliers is monitored with regular audits.

To clarify expectations and foster compliance with the commitments, the Lindex division engages with suppliers, especially in high-risk regions such as Bangladesh, China, India, Pakistan and Turkey, through workshops and consultations. Additionally, the division provides ongoing role-specific training, including health and safety and gender equality programmes, to support policy implementation internally across the Lindex division and externally through its partnerships. The Stockmann division does not directly engage with supply chain workers but receives insights through audits, described in chapter S2-2 *Processes for engaging with value chain workers about impacts*.

The Group provides an anonymous grievance mechanism, outlined in the Speak-Up Policy, allowing all stakeholders, including value chain workers, to report concerns confidentially through an online speak-up portal. When human rights violations are caused by third parties, the Group strives to use its leverage to ensure remediation and implement preventative measures.

S2–2

Processes for engaging with value chain workers about impacts

Lindex Group engages actively with value chain workers and their representatives to manage the impacts on workers across its supply chain. By collaborating with legitimate worker representatives and credible proxies, the Group gathers valuable perspectives, especially those of the most vulnerable groups, especially female workers, to guide its decision-making.

Engagement with value chain workers typically occurs during regular audits, described in subchapter S2-4 *Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions*, which include confidential worker interviews to assess working conditions, grievance mechanisms and awareness of rights among workers. The audit data informs the Group's decisions to improve workplace standards.

As an active member of the Ethical Trading Initiative (ETI), the Lindex division leverages this platform to engage multiple stakeholders, including NGOs, academia, trade unions, and governmental authorities, ensuring a broad-based dialogue on workers' rights and ethical practices.

In addition, the Lindex division engages with the value chain workers through credible proxies with regular consultations for feedback when developing or updating policies, creating action plans, or implementing capacity-building programmes. The Lindex division engages with suppliers, especially in high-risk regions such as Bangladesh, China, India, and Turkey through workshops and consultations. The Lindex division has established a strong local presence in high-risk countries through its own production offices, where the Lindex division's employees maintain a close dialogue with suppliers to support workers' well-being.

Additionally, the Lindex division is a signatory to the International Accord for Health and Safety in the Textile and Garment Industry, committing to safety inspections, factory improvements, and worker empowerment, with the involvement of global trade unions.

The Chief Sustainability Officer oversees this engagement at the Lindex division, ensuring that worker insights inform the division's approach. At the Stockmann division, the Chief Brand, Customer & Sustainability Officer and the Chief Offering and Experience Officer share the responsibility.

To assess the effectiveness of engagement, Lindex Group monitors outcomes through audits, worker interviews, and grievance mechanisms, adjusting its strategies as needed to prioritise the concerns of vulnerable worker.

S2–3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Lindex Group has a structured approach to remedy which it follows in situations where it identifies that it has caused or contributed to a material negative impact on value chain workers. When a negative impact is identified, Lindex Group follows a process outlined in the Speak-Up Policy, which includes a comprehensive investigation by the sustainability team to assess the situation and engage with the value chain workers or their representatives, to determine appropriate actions.

Lindex Group has in place a public, anonymous speak-up portal, which ensures confidentiality and safety for anyone reporting concerns. The channel is accessible for all stakeholders, including value chain workers, via Lindex Group's website. The issues reported through the portal are monitored through reports via internal systems managed by the HR, Security, Sustainability, and Legal teams. To ensure the effectiveness of the portal, the Speak-Up Policy enforces strict anti-retaliation measures to create a secure environment for individuals to report concerns.

Through its Supplier Code of Conduct, the Lindex division mandates that suppliers establish safe, confidential grievance channels, which are regularly monitored through audits and worker interviews. The Stockmann division's suppliers commit to providing effective grievance mechanisms and maintain accurate records in line with UNGP Article 31, when committing to the amfori BCSI Code of Conduct.

The suppliers' grievance mechanisms are regularly monitored through audits. The Sedex SMETA audits, for example, include assessments of worker awareness and the trustworthiness of grievance mechanisms through interviews. This process includes strengthening grievance management systems at factories and maintaining detailed documentation on grievances and remedies.

Through audits, the Lindex division has identified challenges linked to workers' trust in suppliers' internal grievance channels and is continuously striving to ensure that suppliers strengthen their internal channels. To further support workers' opportunities to raise their concerns the Lindex division also partners with a third-party grievance mechanism in its sourcing regions. In Bangladesh, the RSC provides a transparent platform for reporting health and safety issues, and complaints are made public to ensure accountability. The Lindex division also supports a Women's Café in Bangladesh that provides a safe space for female workers to address workplace issues. In Turkey, the Lindex division partners with MUDEM to offer legal support and grievance channels for garment workers.

S2–4

Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group's Human Rights Policy outlines the Group's commitment to responsible and ethical sourcing, which means acquiring products and services from suppliers while considering their potential impact on human rights and the environment.

Lindex Group implements ongoing key actions to address and mitigate the material negative impacts on workers in its supply chain. The current focus of Lindex Group's actions is on workers of the Tier 1 suppliers, while the company is in the process of strengthening its Human Rights Due Diligence (HRDD) process to expand these actions further in the supply chain. Transparency and traceability efforts cover the full supply chain.

Actions for Lindex Group

- Supply chain management: The Lindex division uses a Business Scorecard to evaluate supplier performance, focusing on onboarding, evaluation, motivation, and disengagement. The aim is to transform and consolidate value chains, encouraging self-reliance in business partners and promoting long-term human rights standards. The Stockmann division uses supplier selection criteria when selecting new suppliers. In supplier collaboration, long-term supplier relationships are preferred to build strong, efficient and compliant supplier partnerships.
- Supplier audits: Regular audits support adherence to Lindex Group's standards. The Lindex division's supplier evaluations include internal Code of Conduct audits and third-party Sedex SMETA audits. The Stockmann division requires third-party audits, such as amfori BSCI, Sedex SMETA and ICS, for all its non-EU own brand suppliers. Suppliers are audited annually, or biennially if they have received high results in many consecutive audits. Audits focus on various topics, including adequate wages, freedom of association, health and safety, diversity, discrimination, child labour and forced labour. An audit report, along with a corrective action plan to address detected deficiencies, is prepared after each audit. Each task outlined in the corrective action plan is given a deadline, and progress is actively monitored. In addition to audits, the Lindex division promotes supplier ownership by training suppliers in conducting self-assessments alongside audits to encourage continuous improvement in factory conditions and develop sustainable practices.
- Transparency: Lindex Group prioritises transparency in its supply chain. The Lindex division participates in the Fashion Transparency Index, with a current score of 44%. By 2027, Lindex division aims for complete supply chain transparency and traceability,and already publishes supplier information on its website and Open Supply Hub. The Stockmann division publishes lists of Tier 1 suppliers and factories of its own brand fashion and home products on its website.
- Health & safety: Lindex Group mitigates health and safety risks by conducting external audits, ensuring effective remediation through follow-ups on corrective action plans. The Lindex division also implements a self-assessment programme to help suppliers enhance their management systems and staff competencies.

In addition, the Lindex division prioritises health and safety through the International Accord on Fire and Building

Safety, which it joined following the 2013 Rana Plaza collapse. Through the International Accord, the Lindex division has committed to improving safety in the garment industry, particularly in Bangladesh and Pakistan. The programme includes independent inspections, training, and a complaint mechanism to ensure safe workplaces. This legally binding agreement between brands and trade unions aims to establish a robust, industry-wide compliance and accountability system.

- Adequate wages: Lindex Group's production is outsourced to independent suppliers, and worker wages are not directly paid by the Group. The Group is committed to adopting purchasing practices that support fair wage payments in the supply chain and using leverage to influence wage progression. The commitment to fair wages is outlined in the Lindex division's Sustainability Commitment, and included in the Stockmann division's supplier agreements through the amfori BSCI Code of Conduct commitments.

In addition, the Lindex division guides its suppliers to periodically assess worker wages against locally calculated living wages using the Anker & Anker methodology and benchmark these against actual wages. To promote fair compensation, suppliers are supported in implementing wage management systems that classify jobs by skill levels, ensuring workers are paid appropriately for their competencies. Additionally, suppliers are encouraged to transition from cash payments to digital methods, such as bank transfers, to enhance wage reliability and transparency. Also, the Lindex division's purchasing practices are designed to support fair wage payments while avoiding practices that incentivise excessive overtime.

- Worker representation: Lindex Group's supplier requirements communicated in the Lindex division's Supplier Code of Conduct and the Stockmann division's supplier agreement, require suppliers to uphold workers' rights to freedom of association. Lindex Group closely monitors audit findings on worker representation and addresses issues such as the absence of elected representatives, lack of awareness about their roles, irregular meetings with management, and inadequate election system.

The Lindex division has also mapped its Tier 1 suppliers and knows where there is unionisation. As a part of Lindex Group's ongoing work to strengthen its HRDD process, the Lindex division is planning to develop a more detailed action plan to further support the strengthening of workers' rights to freedom of association.

- Diversity and inclusion: The Lindex division's WE Women Management System, developed in collaboration with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), aims to strengthen women's position and equal rights, to reduce the gender gap in management roles across its global garment supply chain. The programme aims to provide women with skills training, mentorship, and health support while raising awareness among the suppliers' management about gender issues, with a focus on women's health and closing the wage gap.

By implementing this system across its global supply chain in countries such as Bangladesh, India, Turkey, and China, the Lindex division promotes gender equality in career progression, skills development, and workplace inclusivity. The programme aims to foster equal opportunities for women and safeguards them from discrimination and harassment.

- Child Labour and Forced Labour: Lindex Group has zero tolerance of child and forced labour. Zero tolerance cases are monitored by the Lindex division during supplier onboarding, audits and ongoing monitoring of WhistleB reports and external sources, with set action plans and remediation processes to address any issues if reported. The Lindex division also has a Modern Slavery Act statement that defines the division's approach to prevent, identify and mitigate the risk of modern slavery in its business and value chains. The Stockmann division monitors the cases through audits.

By implementing these actions, Lindex Group aims to improve the supplier alignment with ethical standards, leading to improved working conditions, better wage transparency, increased worker representation, and inclusive workplaces for women. The effectiveness of the actions is assessed through audit results.

The actions taken on diversity and inclusion mitigate potential negative impacts but also address the identified risks and opportunities identified in the double materiality assessment related to reputation.

The Lindex division uses a Human Rights Due Diligence (HRDD) process to identify, prevent, and mitigate impacts, focusing on vulnerable groups. The Stockmann division is committed to developing a similar process. Currently, its actions on supply chain are developed based on risk assessments and active monitoring of the audit results.

No severe human rights issues or incidents connected to value chain workers were reported in 2024.

Lindex Group provides remedy through a structured process, including investigations, corrective measures, and engagement with workers or representatives, described in chapter *S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns.*

Lindex Group's responsible purchasing practices include fair price negotiations, realistic production forecasts, and transparent communication. Subcontracting requires adherence to ethical standards, and suppliers are given notice in cases of disengagement to reduce worker impact.

The actions are ongoing, integrated into Lindex Group's regular operations, and no specific operational (OpEx) or capital (CapEx) expenditures are allocated. However, the Lindex division has allocated EUR 0.39 million in the WE Women initiative, a Human Right strategist, and membership fees for Sedex and Ethical trading initative, during 2024. See note 2.5 and 2.6. to the consolidated financial statements 2024.

S2–5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To promote the Lindex Group's commitment to responsible and ethical sourcing that promotes supply chain workers' rights, outlined in the Group's Human Rights Policy, the Lindex division has established targets focusing on living wages, working conditions, transparency, and women's empowerment. These targets are set to be achieved by 2025 and monitored annually.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Group's Human Rights Policy. The target is directly linked to the Human rights policy objective of adequate wages.	Living Wage Program: By 2025, Lindex division's tier 1 suppliers who stand for 80% of its production volume will participate in a living wage program. Lindex division requires suppliers to calculate living wages, identify wage gaps, and use digital payments.		Upstream supply chain, tier 1, covering 80% of Lindex division's production volume.	2019	0%	In 2024, tier 1 suppliers who stand for 80% of Lindex division production volume are calculating a living wage and tier 1 suppliers who stand for 95% of Lindex division production volume have adopted digital payments.	The target is relative, based on the proportion of total production volume. The calculation method was adjusted in 2023 and now looks at the volume of tier 1 suppliers that have participated in a living wage program conditions / full Lindex division production volume. The target was developed by a cross-functional team with expertise from global production markets, incorporating insights from over 20 years of audit results, research reports, NGO surveys, multi-stakeholder collaborations such as with Amfori BSCI, ETI, GZI, and Solidaridad.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of working conditions including discrimination, health and safety, adequate wages, Freedom of association, forced labour, child labour and offense and harassment.	Working Conditions: By 2025, Lindex division's tier 1 suppliers who stand for 80% of its production volume will demonstrate commitment to improving working conditions in areas such as health, safety, and anti-discrimination.		Upstream supply chain, tier 1, covering 80% of Lindex division's production volume.	2019	0%	In 2024, tier 1 suppliers who stand for 78% of Lindex division production volume, showed commitment to improving working conditions. Self-assessment performance reached 72% by 2024.	The target is relative, measured through Lindex division's scorecard system, that evaluates suppliers annually on self-assessment capability and management improvements in working conditions. The calculation method was adjusted in 2023 and now looks at the production volume of tier 1 suppliers that have showed commitment to improve working conditions / full Lindex division production volume. The target was developed by a cross-functional team with expertise from global production markets, incorporating insights from over 20 years of audit results, research reports, NGO surveys, multi-stakeholder collaborations such as with Amfori BSCI, ETI, GZI, and Solidaridad.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Groups Human rights policy. The target is directly linked to the objective of the Human rights policy. Transparency in supply chain is essential for upholding and advancing human rights by enabling greater accountability and addressing systemic issues effectively.	Supply Chain Transparency: By 2025, Lindex division's tier 1 suppliers who stand for 80% of its production volume will be traceable within the supply chain.		Upstream supply chain, tier 1, covering 80% of Lindex division's production volume.	2019	0%	Lindex division has published supplier information on both its website and Open Supply Hub.	While big parts of the supply chain have already been mapped, currently the IT infrastructure needed to enable transparency and product traceability is still in development. Full product traceability is targeted for 2027. In accordance with Lindex commitment to the transparency pledge, Lindex publishes contact information to garment factories, processing units, and fabric suppliers on both our own websites as well as on open supply hubs. The target was developed by a cross-functional team with expertise from global production markets, incorporating insights from over 20 years of audit results, research reports, NGO surveys, multi-stakeholder collaborations such as with Amfori BSCI, ETI, GZI, and Solidaridad. The target is relative.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of women empowerment and gender equality.	Women's Empowerment: By 2025, Lindex division's tier 1 suppliers who stand for 80% of its production volume will have completed and sustained the Women Empowerment (WE Women) program.		Upstream supply chain, tier 1, covering 80% of Lindex division's production volume.	2019	0%	In 2024, tier 1 suppliers who stand for 53% of Lindex division production volume had completed the WE program.	The target is relative and measured annually. The calculation method was adjusted in 2023 and now looks at the volume of tier 1 suppliers that have onboarded WE Women / full Lindex division production volume The target was developed by a cross-functional team with expertise from global production markets, incorporating insights from over 20 years of audit results, research reports, NGO surveys, multi-stakeholder collaborations such as with Amfori BSCI, ETI, GZI, and Solidaridad. The target is relative. The Lindex division has successfully implemented the We Women project with the majority of its suppliers in Bangladesh and key suppliers in India. However, challenges like COVID-related disruption have delayed the rollout in other markets. The division's exit from Myanmar, where the project had been implemented, has also affected the result. Although the Lindex division plans to expand the project to more suppliers in China in 2025, it is expected that the original target will not be met. Instead, lessons learned will be used to shape the strategy beyond 2025.

The Stockmann division has not yet set any targets related to supply chain workers.

S3 Affected communities

S3–1
Policies related to affected communities

Lindex Group has adopted policies to manage material impacts related to affected communities living near to the Group's value chain activities. These policies, the Human Rights Policy, Environmental Policy, and Speak-Up Policy, outline Lindex Group's approach to addressing impacts on communities' rights and access to clean water and impacts from discarded products. The general descriptions of the Human Rights Policy and Speak-Up Policy can be found in subchapter *S1-1 Policies related to own workforce*, and Environmental Policy in subchapter *E1-2 Policies related to climate change mitigation and adaptation*.

The Human Rights Policy emphasises respect for affected communities' rights, especially access to clean water, sanitation, and adequate housing, and includes measures to minimise impacts on land and water resources. Lindex Group commits to upholding civil, political, economic, social, and labour rights across its value chain. Dialogue with stakeholders, including NGOs and local representatives, is integral to aligning operations with international standards, ensuring respect for the rights of affected communities and indigenous peoples. No cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises were reported regarding affected communities.

The Environmental Policy draws from the guidance on the principles for responsible business conduct and outlines these commitments by targeting reductions in water use and pollution, focusing on sustainable practices like water recycling and rainwater harvesting, particularly in water-intensive parts of the supply chain.

The Lindex division also uses its Supplier Code of Conduct to engage with suppliers in high-risk regions, requiring them to commit to similar sustainability commitments outlined in the Group's policies. Outreach efforts involve consultations, workshops, and collaborations, fostering understanding of the Lindex division's standards in Bangladesh, China, India, and Turkey.

The Stockmann division requires its suppliers to make similar commitments, for example by signing the amfori BSCI Code of Conduct, through which the suppliers commit to respecting the right to healthy living conditions of local communities, and to preventing, mitigating and remediating adverse impacts on the surrounding communities, or by demonstrating similar commitments in their own policies.

As outlined in its Speak-Up Policy, Lindex Group offers a grievance mechanism to enable all of its stakeholders, including affected communities, to report concerns anonymously through an online speak-up portal. Lindex Group's suppliers are also mandated to establish safe, confidential grievance channels, further described in subchapter *S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns*. When human rights violations are caused by third parties, the Group strives to use its leverage to ensure remediation and implement preventative measures.

S3–2
Processes for engaging with affected communities about impacts

Lindex Group incorporates the perspectives of affected communities in managing its impacts through partnerships and collaborations, especially via NGOs and industry initiatives, due to the remoteness of its operations, which limits direct engagement. The Lindex division engages with the affected communities at multiple stages, including during policy development and mitigation planning, with regular dialogues through partnerships and initiatives. The Stockmann division does not have its own separate process in place to engage with communities that are only affected through the Stockmann division's value chain.

Cooperation with local NGOs and suppliers enables the Lindex division to integrate community perspectives into decision-making. Currently, the Lindex division conducts projects only in Bangladesh. Key activities include partnership projects, such as with WaterAid, aimed at improving access to water, sanitation, and hygiene. These efforts involve not only infrastructure development but also community empowerment, particularly by training women to be hygiene behaviour change agents, to address community needs effectively. By involving local communities, especially women, in project planning and implementation, the Lindex division gains insight into the perspectives of vulnerable and marginalised communities and ensures that the projects reflect the perspectives of those most affected.

The operational responsibility for these engagements, ensuring insights inform the company's sustainability approach, lies with the Chief Sustainability Officer. The processes to assess the effectiveness of engagement have not yet been put in place.

The Group has not identified material impacts related to indigenous communities among the affected communities and therefore, has not included a specific process to protect the particular rights of indigenous peoples in its stakeholder engagement approach.

S3–3

Processes to remediate negative impacts and channels for affected communities to raise concerns

Lindex Group has a structured approach to remedy, outlined in its Speak-Up Policy, which it follows in situations in which it identifies that it has caused or contributed to a material negative impact on affected communities. Lindex Group offers a grievance mechanism for affected communities through its online speak-up portal, which ensures anonymous and secure reporting. All reports are treated confidentially and undergo a due diligence process. This process includes a comprehensive investigation by the sustainability team to assess the situation and engage with affected communities or representatives, such as suppliers, peers and NGOs, to determine appropriate actions. Verified cases prompt corrective actions to address adverse impacts.

To ensure effective tracking of issues, Lindex Group monitors reports via internal systems managed by HR, Security, Sustainability, and Legal teams. Currently, no formal assessment exists to determine whether affected communities are aware of or trust these channels. However, to ensure the effectiveness of the channel, the Speak-Up Policy enforces strict anti-retaliation measures to create a secure environment for individuals to report concerns.

Although Lindex Group does not currently support grievance channels through its business relationships for affected communities, it acknowledges their value and intends to explore options for expanding such mechanisms. An example of existing support along Lindex division's value chain includes the Women's Café in Bangladesh, a locally established channel where community members can raise concerns.

S3–4

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Lindex Group takes ongoing actions to mitigate negative impacts on affected communities, especially focusing on water and land use in the Lindex division's supply chain.

Actions for Lindex division

- Water management: By promoting water-saving practices, rainwater harvesting, and responsible wastewater treatment among suppliers, the Lindex division aims to minimise freshwater reliance and water contamination risks. The Lindex division partners with WaterAid in Bangladesh to improve access to water and sanitation for vulnerable communities, with a focus on supporting women and girls.
- Land use and ecosystem protection: The Lindex division is committed to more sustainably sourced or recycled material by sourcing certified materials (e.g., OCS, GOTS, GRS) and regenerative agriculture) to reduce land degradation and enhance biodiversity.
- Community education: In Bangladesh, the Lindex division provides water conservation and hygiene education to local communities, emphasising support for women and girls. Through partnerships with NGOs, it addresses displacement and resource challenges in areas impacted by industrial and agricultural operations. The effectiveness of this initiative has not yet been assessed.

The Group also implements actions to mitigate impacts in its downstream value chain:

- Circularity and waste reduction: Lindex Group supports waste reduction and recycling initiatives, aiming to decrease landfill waste and environmental pollution. It also promotes textile-to-textile recycling with partners. The Group is also developing customer-facing services that support circularity, for instance, a second-hand offering.

These actions, expected outcomes, and how to track effectiveness are described in more detail in subchapters *E2-2 Actions* and resources related to pollution, *E3-2 Actions and resources related to water, E4-3 Actions and resources related to biodiversity and ecosystems,* and *E5-2 Actions and resources related to resource use and circular economy.*

The Lindex division has identified the necessary actions in response to actual or potential negative impacts on affected communities through a structured Human Rights Due Diligence (HRDD) process, as outlined in the Human Rights Policy. This process pays special attention to vulnerable groups such as women, migrant workers, and local communities. The Stockmann division is committed to developing its own process.

When negative impacts arise, Lindex Group follows a process outlined in its Speak-Up Policy, as described in subchapter *S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns*. No severe human rights issues or incidents connected to affected communities were reported in 2024.

To deliver positive impacts to communities, the Lindex division collaborates with WaterAid to improve water and sanitation facilities in garment worker communities in Bangladesh, targeting over 8,700 people with initiatives such as:

- Menstrual Hygiene Management (MHM): reaching women and girls with awareness programmes on menstrual hygiene.
- Rainwater harvesting: supporting rainwater systems in factories to lessen groundwater dependency.
- Community ownership: involving local residents in the planning and financial aspects of facility construction, with women and girls trained as hygiene change agents.

Lindex division monitors the progress of these actions through annual reports from WaterAid, with a set of key performance indicators (KPIs) to assess access to clean water, sanitation and hygiene awareness. The project, budgeted at EUR 0.35 million, spans from July 2023 to June 2025.

S3–5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Lindex Group has not established specific targets for managing impacts on affected communities; however, its key initiatives focus on sustainable water management, waste reduction, and ecosystem protection. These initiatives are further described in chapters *E3 Water*, *E4 Biodiversity and ecosystems and E5 Resource use and circular economy*.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target base-line year	Target baseline value	Results 2024	Additional information
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and sanitation	By 2025 the aim is to secure 1200 people gain access to clean drinking water and improved sanitation facilities at RMG workers' dwelling communities.		The initiative focuses on targeted group in Ready made garment sector communities in Savar Upazila in Bangladesh.	2023	0 people	87 people	The target is absolute. The target was developed together with the project partner Water aid. Expected result on target is delayed due to political instability in Bangladesh during 2024, including protests and lockdowns, which have lead to limited access to the communities and factories. Expectation is still to deliver on the original set target.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and sanitation	By 2025 the aim is to secure 8700 people gain access to handwashing facilities at factories and RMG workers' dwelling communities		The initiative focuses on targeted group in Ready made garment sector communities in Savar Upazila in Bangladesh.	2023	0 people	2780 people	The target is absolute, The target was developed together with the project partner Water aid. Expected result on target is delayed due to political instability in Bangladesh during 2024, including protests and lockdowns, which have lead to limited access to the communities and factories. Expectation is still to deliver on the original set target.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and sanitation	By 2025 the aim is to reach 6200 people in awareness raising and improved hygiene behaviour of workers and their families		The initiative focuses on targeted group in Ready made garment sector communities in Savar Upazila in Bangladesh.	2023	0 people	1423 people	The target is absolute. The target was developed together with the project partner Water aid. Expected result on target is delayed due to political instability in Bangladesh during 2024, including protests and lockdowns, which have lead to limited access to the communities and factories. Expectation is still to deliver on the original set target.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2025, all commercial goods suppliers to eliminate the use of hazardous chemicals contributing to water and soil pollution by 2025, achieving a score of four in the Environmental Assessment tool. Looking towards 2030, Lindex division's long-term goal is for suppliers to establish industry leadership in chemical management, setting an example with innovativee approaches in the textile industry, such as natural dyes and eco-friendly colourants.	The current targets related to chemical management for Lindex division are voluntary and fully aligned with EU regulations, including REACH/ ECHA (Registration, Evaluation, Authorisation, and Restriction of Chemicals/European Chemicals Agency) standards as well as the Group's environmental policy. The targets are based on conclusive scientific evidence since REACH/ECHA, AFIRM (Apparel and Footwear International RSL Management), ZDHC (Zero Discharge of Hazardous Chemicals), and ASTM (American Society for Testing and Materials) are grounded on scientifically proven data.	Target includes upstream supply chain Tier 1-2	2019	2019, the focus was to map chemicals First measured value was 79% in 2022	79%	The short term goal means that Lindex division's suppliers have implemented a strong environmental management system, including chemical management, with at least 80% of their chemicals compliant with Lindex division's MRSL (Manufacturing Restricted substances list), with a detailed, verifiable plan to reach 100% compliance. The assessment scale is from one to five, with a score of one indicating significant shortcomings in chemical management, and a score of five indicating industry leadership in chemical management, with innovative practices that extend beyond the factory. A score of four indicates that suppliers have a robust chemical management system in place to systematically evaluate all chemical hazards and risks before purchasing. The target is relative. The key stakeholders were engaged in setting the targets; as the division consulted textile experts, NGOs, other fashion brands, and several of the leading suppliers, such as MAS Group.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2025, 80% of commercial goods suppliers are expected to achieve optimal water efficiency, which includes reducing water intake, re-using and recycling water within processes, and treating wastewater to meet environmental standards before discharge.	Key EU directives considered include Directive 2018/851/EU (amending the Waste Framework Directive), Regulation 2019/1021/ EU (POP Regulation), Directive 2008/98/EC (Waste Framework Directive), Directive 2010/75/EU (Industrial Emissions Directive - IED) and Directive 2000/60/ EC (Water Framework Directive). Additionally, international standards such as ZDHC (Zero Discharge of Hazardous Chemicals), HiGG FEM (Facility Environmental Module) and BSR (Business for Social Responsibility) Wastewater Discharge Standards were also incorporated into the development of the tool. Not based on conclusive scientific evidence.	Target includes upstream supplychain Tier 1 vertical suppliers	2019	2019, the focus was to map the current situation First measured value was 79% in 2022	79%	This short-term relative goal has a direct and immediate impact on the water use of factories. Lindex division tracks the effectiveness of these actions by using its Environmental Assessment tool, which evaluates suppliers on a scale of one to five, with one being the lowest and five being the highest score. A score of five means suppliers have action plans for 100% water efficiency and show significant progress, a score of three reflects compliance with national water regulations and some progress on water efficiency, and scores one and two highlight major water management issues. Lindex division aims to phase out those scoring below three. Progress is measured both quantitatively, through reductions in water use and increased recycling, and qualitatively, through third-party wastewater testing. The target has not been validated by an external party and the targets are voluntary. The Group collaborates with stakeholders, including NGOs in production countries, to identify and address specific water risks. Through these partnerships, they work to understand the challenges and set targeted goals based on the identified risks.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2030, 80% of commercial goods suppliers should have comprehensive water stewardship principles in place. This long-term goal includes ecosystem restoration and improved basin-level water management, benefiting both suppliers and local communities.	Key EU directives considered include Directive 2018/851/EU (amending the Waste Framework Directive), Regulation 2019/1021/EU (POP Regulation), Directive 2008/98/EC (Waste Framework Directive), Directive 2010/75/EU (Industrial Emissions Directive - IED) and Directive 2000/60/EC (Water Framework Directive). Additionally, international standards such as ZDHC (Zero Discharge of Hazardous Chemicals), HiGG FEM (Facility Environmental Module) and BSR (Business for Social Responsibility) Wastewater Discharge Standards were also incorporated into the development of the tool. Not based on conclusive scientific evidence.	Target includes upstream supplychain Tier 1 Vertical suppliers	2019	2019, the focus was to map the current situation First measured value was 79% in 2022	79%	Suppliers achieving this score must demonstrate verified actions in reducing water use and recycling wastewater, adhering to both EU regulations and international standards as well as the Group's Environmental Policy. This long-term goal aims for a more significant, widespread impact on water quality and availability at regional and global levels. Lindex division tracks the effectiveness of these actions by using its Environmental Assessment tool, which evaluates suppliers on a scale of one to five, with one being the lowest and five being the highest score. A score of five means suppliers have action plans for 100% water efficiency and show significant progress, a score of three reflects compliance with national water regulations and some progress on water efficiency, and scores one and two highlight major water management issues. Progress is measured both quantitatively, through reductions in water use and increased recycling, and qualitatively, through third-party wastewater testing. The target has not been validated by an external party and the targets are voluntary. The Group collaborates with stakeholders, including NGOs in production countries, to identify and address specific water risks. Through these partnerships, they work to understand the challenges and set targeted goals based on the identified risks.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2030, 100% of Lindex virgin cotton will come from farmers with whom we are collaborating directly in order to secure the transition to organic and regenerative agriculture	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • Landscape engagement • ARRT Framework: Reduce, Transform	Target includes upstream supplychain Tier 4	2024	5%	5%	Landrelated engagement target: Lindex will actively drive change in identifed riskareas for cotton agriculture by collaborating directly with farmers and secure the transition to organic and regenerative agriculture No ecological thresholds or biodiversity offsets were used in setting this targets. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course "Kickstarting Biodiversity Program"
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2026, 100% of Lindex's materials are recycled and/or sustainably sourced (through recognized certification schemes)		Target includes upstream supply chain Tier 4	2018	0%	88%	The key stakeholders were engaged in setting the targets; as the division consulted textile experts, NGOs and Textile Exchange. The target is relative.

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2026, 70% of all products include a minimum of 15% recycled content	Lindex division's sustainability targets are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes upstream supplychain Tier 4	2021	16%	58%	This target focuses on increasing the use of recycled fibres, reducing the division's reliance on virgin materials. Lindex division works with industry partners, including Södra Skogsägarna and Infinited Fiber Oy, to scale textile-to-textile recycling solutions and ensure access to post-consumer recycled materials. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Target is relative.
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2026, 100% of all cotton will be traceable through recognized certification schemes.	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • No conversion of natural ecosystems • Land footprint reduction • ARRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2023	87%	93%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this relative targets. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course "Kickstarting Biodiversity Program".
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and minimise impact on water and land.	By 2026, 100% of all Manmade cellulosic fibers will be traceable through recognized certification schemes.	The target aligns with frameworks such as the Kunningham Montreal Global Biodiveristy framework (GBF) and the Science Based Targets for Nature (SBTN). Target relates to the following SBTN targets: • Target: No conversion of natural ecosystems • Land footprint reduction • ARRT Framework: Avoid, Reduce	Target includes upstream supplychain Tier 4	2023	97%	99%	The WWF biodiversity risk filter was used to identify high-impact areas, focusing on cotton and MMCF production as well as water use and quality. No ecological thresholds or biodiversity offsets were used in setting this target. Target is relative. Feedback on target setting and possible gaps were provided by WWF in Sustainable Fashion Acadamy's course "Kickstarting Biodiversity Program"

Lindex division/ Stockmann division/ Group	Related policy and brief description of relation to the policy objective	Target	Frameworks or conclusive scientific evidences the target is based on	Scope of the target	Target baseline year	Target baseline value	Results 2024	Additional information
Lindex division	Group's Human Rights Policy. The target is directly linked to policy objective of affected communities and access to clean water and minimise impact on land.	By 2030, circular business models and services such as recommerce, rental, or repair services will comprise 5% of Lindex division's total revenue.	Lindex division's sustainability targets and they are designed in accordance with recognised international standards, such as those of the Textile Exchange, and the principles of the EU waste hierarchy, as well as scientific research conducted by the Ellen McArthur foundation regarding circular business models.	Target includes the entire Valuechain (upstream, own operations and downstream)	2024	0.02%	0.02%	Through collaboration with industry partners and stakeholders, Lindex division is committed to driving innovation and achieving these targets as part of its circular economy initiatives. Progress is reviewed and monitored regularly to ensure transparency and alignment with global sustainability goals. Result from circular business so far is based on Second hand, where sales can be followed besides sales of other categories. This is a part of the "budget hierarchy" in RMS.

The Stockmann division has not yet set targets related to affected communities, as the topic was newly identified during the 2024 double materiality assessment process, with plans to define these targets further in the future.

S4 Consumers and end-users

S4–1

Policies related to consumers and end-users

Lindex Group has adopted policies to manage material impacts, risks and opportunities related to consumers and end-users. These policies, the Consumer and End-User Policy, Human Rights Policy, and Speak-Up Policy, outline Lindex Group's approach to protecting consumer rights and aligning with their values, supporting a positive and loyal customer base. The general descriptions of the Human Rights Policy and Speak-Up Policy can be found in subchapter *S1-1 Policies related to own workforce.*

Through the policy commitments, the Group is dedicated to ensuring that the human rights of the consumers and end-users are respected in every channel and market in which it operates. While the policies cover many areas related to the rights of the consumer, this chapter focuses on the topics material to Lindex Group, which are the right to health and safety, and the right to be free from discriminatory practices:

- The Group is committed to safeguarding the right to health and safety by ensuring the products meet or exceed industry standards through safety checks and chemical tests, particularly benefiting consumers such as parents purchasing for their children.
- The right to be free from discriminatory practices is supported by offering diverse and accessible products, a commitment to inclusive marketing, and regular adaptations based on customer feedback. The Group is committed to ensuring that its marketing campaigns and promotional materials reflect the diverse communities it serves, and do not uphold stereotypes. Efforts are also made to ensure the accessibility of the Group's websites and apps.

Lindex Group's Consumer and End-User Policy aligns with internationally recognised standards, including:

- UNGCP: Addressing safety, information, and choice rights.
- ICC Advertising and Marketing Communications Code and World Federation of Advertisers' global principles: Focusing on ethical, inclusive, and accurate marketing.
- UN Convention on the Rights of the Child: Attention to children's rights, product safety, and age-appropriate marketing.
- REACH and GDPR: Ensuring chemical compliance and consumer data protection.

No cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises were reported in the downstream value chain.

To ensure responsiveness to customer needs, the Group has put in place mechanisms such as surveys and customer service channels, fostering a culture of improvement and customer-centric innovation. The insights gathered from these channels were considered when setting the Consumer and End-User Policy. With a specific focus on the needs of women and children, to enable remedy for human rights impacts, there are dedicated channels like customer service and a speak-up portal that reinforce Lindex Group's commitment to consumer rights.

S4–2

Processes for engaging with consumers and end-users about impacts

Lindex Group engages directly with consumers and end-users to consider their perspectives when making decisions and developing activities aimed at managing actual and potential impacts. As outlined in its Consumer and End-User Policy, Lindex Group continually develops its offering to meet the needs of its diverse customer base by considering feedback from all customer demographics. The feedback is used to improve existing products and develop new ones that address specific needs or gaps in the market that are relevant to the Group's overall offering. The policy highlights:

- Active customer dialogue: Lindex Group engages with customers through customer service, social media, and regular surveys, gathering and acting on feedback to address their needs and concerns.
- Privacy and data practices: Compliance with privacy regulations, transparent data practices, and respect for consumer data-sharing preferences are prioritised.
- Product transparency: The company communicates clearly about products and sustainable practices, and provides consumers with accurate information.
- Complaint resolution: A systematic complaint process enables resolution through repairs, replacements or compensation as necessary.
- Speak-up portal: Lindex Group encourages consumers to report misconduct or raise concerns via the Group's speak-up portal

Engagement is ongoing and occurs across several stages, including during complaints of faulty goods, suspected product-related damage, or other instances when customers wish to share feedback. Engagement can happen in-store, via customer service, or through other channels at the time of purchase, pre-purchase, or post-purchase. The effectiveness of engagement is ensured with frequent customer surveys to gather feedback and measure customer experience, and mechanisms to process and analyse complaints, described in subchapter *S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns.*

At Stockmann division, the Chief Commercial Officer holds operational responsibility for ensuring engagement with consumers and that feedback informs company decisions and improvements. At Lindex division, the Chief Brand and Product Officer shares this responsibility with the Chief Commercial Officer.

Risk assessment routines consider the needs of vulnerable groups, such as children, focusing on factors like weight, height, age-related abilities, physical and mental maturation, and potential product misuse. This approach ensures that product safety aligns with the specific needs and characteristics of these consumers.

S4–3

Processes to remediate negative impacts and channels for consumers to raise concerns

Lindex Group has established a process to address and remediate negative impacts on consumers and end-users resulting from its products, and this is outlined in the Speak-Up Policy. This process includes multiple channels through which customers can report complaints and personal injuries directly to store staff, through an online speak-up portal, or by contacting customer service via letter, email, or telephone. Lindex Group's speak-up portal is available for all stakeholders to anonymously report concerns.

Complaints are carefully assessed to determine their nature and documented to ensure traceability. A range of solutions is offered to resolve issues, including repair, product exchange, price reduction, purchase cancellation, or compensation for costs associated with medical visits, medication, or any incurred personal or property damage.

The Group does not assess the effectiveness of remedy, but its process enables dialogue with the individual raising the concern, from the receipt of the report until the closure of the case. To improve quality and safety, all complaints and claims are logged to identify trends and patterns, and regular analyses are conducted to enhance product safety and quality standards. While Lindex Group's policy does not specifically extend these processes to business partners, it emphasises direct consumer interaction as a primary focus.

To assess whether customers are aware of and trust these processes, the Group comprehensively documents the complaints and implements frequent surveys to gather feedback on consumer experience and trust in the company's processes for addressing concerns. Marketing and communication materials aim to provide accurate and transparent information about the processes available to consumers, while transparent communication and engagement on social media platforms further build trust and awareness of these channels. Lindex Group prohibits retaliation against individuals raising concerns, as described in subchapter *G1-1 Corporate culture and business conduct policies and corporate culture.*

Employee training programmes for staff in product, marketing, and sales roles ensure that they are well-equipped to handle and respond to consumer needs, further reinforcing customer confidence in Lindex Group's processes and channels for addressing issues.

S4–4

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Lindex Group actively addresses material impacts risks and opportunities related to consumers by focusing on key actions for enhancing product safety and promoting diversity and inclusivity within the brands and products. The actions have been established to safeguard consumers and mitigate the related risks to Group's reputation. The actions promoting inclusivity in product development and communication are one of the Group's ways to positively contribute to consumers' self-esteem, while increasing customer loyalty, maintaining diverse representation, and brand appeal across various consumer segments.

Lindex Group's actions:

- Product safety and quality: The Lindex division's own brand products undergo thorough testing to ensure they meet or exceed industry safety standards, particularly regarding chemical content and child safety, supported by third-party and internal assessments. For other products at the Lindex division, and for all products at the Stockmann division, suppliers are responsible for ensuring the quality and safety. Special attention is paid to ensuring that children's garments are safe to wear. Safety is considered throughout the entire process from design to the finished product, and the requirements are laid out in specific product safety instructions. Lindex Group's children's clothes follow the requirements in the European standard regarding children's safety, and to ensure this, it has in place a regularly updated

checklist throughout the entire production chain. The Group's internal quality and testing teams are responsible for ensuring that the processes are being followed.
- Diversity and inclusion: To avoid reinforcing societal inequities, Lindex Group's campaigns avoid stereotypes and reflect a wide range of consumer experiences, supporting diversity and empowerment. To ensure digital accessibility, Lindex Group's websites and apps are designed to be accessible for users with disabilities, allowing all consumers to make informed choices.
- Inclusive products and marketing: Lindex Group's campaigns reflect a wide range of consumer experiences, supporting diversity and empowerment. The Lindex division's products are designed to support women through various life stages, such as menstruation and menopause, and campaigns portray a broad representation of beauty and diversity. Also, the Stockmann division's wide offering is curated to meet diverse consumer needs.
- Inclusive assortment: Lindex Group works actively to respond to customer wishes about a more inclusive selection. To include more body shapes, the Lindex division has designed adjustable waists for both children's and women's clothes and has taken actions to expand the size ranges in its lingerie offering. In 2024, the Stockmann division developed its plus-size clothing selection by launching a new collection based on customer needs.

These actions are ongoing and regularly refined based on consumer feedback and regulatory changes. The work around inclusivity and customer engagement is continually evolving in line with consumer needs and social expectations. The Lindex division regularly carries out surveys on consumers to find out their views of body positivity and inclusivity, integrating their insights to refine its approach. The Stockmann division has carried out research in Finland to understand the dressing and shopping behaviour of customers using the plus-size clothing selection.

The presented actions do not require significant operational (OpEx) or capital (CapEx) expenditures beyond the company's regular budget. Social inclusion campaigns are part of the Lindex division's standard marketing activities, without the need for extra operational or capital expenses. The Stockmann division's work on inclusion is still under development and does not yet require any additional resources.

To address consumer feedback or potential concerns, and track the effectiveness of related actions, Lindex Group documents and analyses all complaints, noting patterns and areas for improvement. Issues are evaluated in-depth, with corrective actions aligned to the nature of each case, ranging from repairs and exchanges to refunds or compensations.

For cases where consumers experience harm, Lindex Group responds through:
- Direct communication: immediate outreach to consumers, offering apologies and explanations.
- Detailed investigation: independent testing when appropriate, ensuring transparency and objectivity.
- Compensation: financial or practical compensation to affected consumers as a gesture of goodwill.

Lindex Group maintains multiple channels for consumer feedback, ensuring traceability and prompt response. If a product poses any risk, a thorough root cause analysis identifies required actions, which could include a recall, product improvement, or corrective measures for consumers. To prevent any consumer impact from the company's practices, rigorous quality checks and safety controls are part of each production phase. Strict adherence to regulatory standards and detailed risk assessments, especially for children's products, further reduce potential risks. No severe human rights issues or incidents connected to consumers have been reported in the year 2024.

The effectiveness of actions at the Lindex division is monitored with customer feedback. The Lindex division's customer surveys show that among its competitors, it is rated to be one of the most inclusive companies for all women that also contributes to their higher self-esteem and body positivity. At the Stockmann division, the effectiveness of actions is not yet being tracked.

S4–5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group has not yet set any measurable, outcome-oriented targets to manage material impacts, risks and opportunities related to consumers and end-users.

In the area of social inclusion, the development of targets and KPIs is in progress, with an anticipated completion by the end of 2025. The monitoring of the action's effectiveness is described in subchapter *S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.*

GOVERNANCE INFORMATION

G1 Business conduct

G1–1

Business conduct policies and corporate culture

Lindex Group's business conduct is outlined in its Code of Conduct. It defines the principles for compliance with legislation, international treaties and recommendations, free competition and consumer rights, employees and working conditions, environment, and the prevention of corruption and conflicts of interest. The higher purpose of the Lindex division is to empower and inspire women everywhere, which guides the division in its everyday work, from design and decision-making to its sustainability strategy.

Lindex Group's business conduct is further defined in separate policies, such as Speak-Up, Environmental, Human Rights, Consumer and End-user, Disclosure and Anti-Corruption Policies. These policies support the Group's employees in making decisions aligned with ethical standards. The general description of the Environmental Policy can be found in sub-chapter *E1-2 Policies related to climate change mitigation and adaptation,* the Human Rights Policy and Speak-Up Policy in subchapter *S1-1 Policies related to own workforce,* and the Consumer and End-User Policy in subchapter *S4-1 Policies related to consumers and end-users.*

At Lindex Group, Stockmann division offers training in its business conduct by providing an e-learning module on the Code of Conduct for new personnel when they enter the division. The training module was launched at the end of 2023. In 2024, 70% of the employees who entered the division during the year in Finland and 100% in Latvia, completed the learning module. The module is not in use in Estonia. The division's target is for 100% of its employees in all countries to complete the module. The e-learning module is mandatory for all new employees. Lindex division does not currently provide training in the Group Code of Conduct, however the process to update the Division Code of Conduct is in place and includes an implementation and training plan for the Lindex Division.

The Group develops and promotes its corporate culture by actively leading and working in line with its values, as the divisions' purpose and values are the foundation of the Group's corporate culture. The Group's corporate culture is evaluated in frequent employee surveys and by monitoring the reports submitted to the speak-up portal.

Lindex Group encourages all its employees, suppliers, partners, public authorities, customers, and other stakeholders to report any misconduct or raise concerns through its speak-up portal, in line with its Speak-Up Policy and in accordance with the EU whistleblowing directive. The Speak-Up Policy outlines key principles that guide whistleblowing reporting and investigation and the protection of whistleblowers: confidentiality, non-retaliation fair treatment and no malicious or false reports. The Speak-Up Policy and speak-up portal are accessible for all stakeholders on the Group's website and intranet. The online portal is provided by an external partner WhistleB, Whistleblowing Centre, but the cases are handled by the Group's case handlers. To ensure anonymity, the communication channel is encrypted, and password protected. The Group does not currently provide training about whistleblowing to its employees.

Lindex Group strictly prohibits retaliation against any individual who makes a good-faith report of suspected misconduct or participates in an investigation. Retaliation against individuals raising concerns under the Speak-Up Policy will not be tolerated and may result in disciplinary action, up to and including termination of the employment or contractual relationship. Measures to protect against retaliation include clearly defined process for investigation of concerns and anonymisation of documentation.

Reported concerns are handled by case handlers at Lindex Group Security, HR, Sustainability, Legal and/or Internal Audit. The case handlers also have a mandate to initiate investigations independently, without the involvement of management, and formulate conclusions from the investigation. Upon receiving a reported concern, investigations are conducted promptly, objectively, and with respect for the rights of all parties involved. Access to the reports and information relating to an investigation is restricted to the individuals carrying out the investigation and information may be communicated further only on a strict need-to-know basis and only for the purpose of carrying out the investigation and enforcement purposes.

Lindex Group's Anti-Corruption Policy is consistent with the United Nations Convention against Corruption. The Group takes a zero-tolerance approach to all forms of bribery and corruption.

During 2025, Lindex Group plans to implement the updated Lindex Group Anti-Corruption Policy and to systemise anti-corruption measures across the organisation, including implementation of anti-bribery and corruption training programmes for functions deemed to be at higher risk of corruption and bribery, e.g. finance, purchasing, procurement and contracting.

G1–2

Management of relationships with suppliers

Lindex Group is committed to responsible and ethical sourcing, which means acquiring products and services from suppliers while considering their potential impacts on human rights and the environment. The Group seeks long-term partnerships with suppliers who share its vision of sustainability and continuous improvement in terms of sustainability. To promote fair practices, the company has established clear internal guidelines on responsible purchasing practices and pre-assessment processes for supplier selection. Lindex division has a strong local presence, with its own production offices and staff who maintain close dialogue with suppliers and conduct frequent factory visits, a practice that has been in place for many years.

Lindex division has established internal guidelines on responsible purchasing practices with the aim to ensure that its business decisions do not negatively impact the rights and well-being of workers in its supply chain. As a member of the Ethical Trading Initiative (ETI), the division is committed to the 'Common Framework for Responsible Purchasing Practices', reinforcing its dedication to fair and ethical sourcing. Another key area of responsible procurement, that the division is working by, is the prevention of late payments, including payments to SMEs. The division's responsible sourcing policy is still in development. Stockmann division follows a policy for making payments on time, regardless of the size of the supplier. The division adheres to the following policies to ensure that all suppliers, including SMEs, receive their payments on time and without delays:

- Clear payment terms: all contracts define clear payment terms that are mutually accepted by both parties.
- Automated invoice processing: the division uses automated systems to process and pay invoices, reducing the risk of human error and speeding up payment processes.
- Regular monitoring: the division regularly monitors the status of payments and ensures that all invoices are processed and paid on time.
- Communication: the division is in contact with suppliers when necessary and informs them of any delays or problems with payments.

To ensure alignment with the Group's ethical and environmental standards, including human rights commitments, all Lindex division's commercial goods suppliers are required to sign the divisions' sustainability commitment and Supplier Code of Conduct, with zero-tolerance issues including child labour, forced labour, and environmental violations. Stockmann division's new commercial goods suppliers are required to sign the BSCI Code of Conduct or provide a similar document outlining their commitments. In accordance with its commitment to the transparency pledge, Lindex division publishes contact information of garment factories, processing units, and fabric suppliers on both its own websites as well as on open supply hubs.

Lindex division evaluates the performance of commercial goods suppliers using a Business Scorecard, which assesses quality, lead time, business performance, and sustainability, in terms of human rights and environmental performance. High-performing suppliers are rewarded, and regular reviews ensure that suppliers remain aligned with Lindex Group's sustainability objectives. This focus on responsible purchasing helps to support improved working conditions at supplier facilities, with particular attention given to key suppliers responsible for 80% of the division's production volume.

In addition, Lindex division conducts an ongoing and dynamic Human Rights Due Diligence (HRDD) process that extends across its supply chain. Stockmann division is committed to developing its own process.

The Group conducts regular audits by using the SMETA approach for Lindex's suppliers and third-party audits, such as amfori BSCI audits, for Stockmann's suppliers. Corrective action plans are prepared when necessary and progress is actively monitored.

Lindex division has developed internal guidelines and tools to support supplier planning and prevent excessive overtime. These practices are incorporated into training and induction programmes to ensure consistent behaviour across the organisation.

G1–3 — G1–4

Prevention and detection of corruption and bribery

Lindex Group has processes in place to prevent, detect and address allegations or incidents of corruption and bribery. The Group has a zero-tolerance approach to bribery and corruption, supported by its Anti-Corruption Policy, Code of Conduct, ethical policies, Supplier Code of Conduct, and sustainability commitments. The Anti-Corruption Policy as well as the risk assessment was updated in 2024. Anti-corruption policies are accessible on the Lindex Group website and intranet. Stockmann division currently provides training on anti-corruption and bribery as a part of its employee onboarding process, but Lindex division does not yet offer training on these topics. The Group's Board of Directors and Audit Committee have competence within corruption and bribery, albeit no official training. The Group is not currently able to report the percentage of functions-at-risk covered by training programmes.

The Group's employees, contractors and suppliers are encouraged to report concerns through various channels, including leaders, HR, Security, and an anonymous speak-up portal. Lindex Group's employees can also report any suspicions to their supervisor, their unit's security manager, the Group management, the Legal department or the Group's Internal Audit. Reports are handled with confidentiality, investigated independently by designated case handlers, and corrective actions are taken if necessary.

Investigations are conducted independently by case handlers from Security, HR, Sustainability, Legal, or Internal Audit, without involvement from management. If the investigation involves anyone from the investigation team, these individuals are excluded from the process.

Findings are reported to relevant management levels based on the concern, up to the Board of Directors when needed. Additionally, the Audit Committee receives annual reports on concerns raised through the speak-up and whistleblowing system.

Lindex Group did not have any convictions or fines for violation of anti-corruption and anti-bribery laws in 2024. The Group was not made aware of any breaches in procedures or standards of anti-corruption and anti-bribery.

G1–6

Payment practices

The average time Lindex division takes to pay an invoice, from the date when the calculation of the contractual or statutory term of payment starts, is 35.7 days. The average time for Stockmann division is 32.9 days.

The percentage of payments of goods for sale suppliers aligned with Lindex division's standard payment terms of 60 days net is 97.4%. The percentage of payments aligned to suppliers for overhead costs is 95.4%. Stockmann division lacks standard payment terms but has based the percentage of payments aligned with standard payment terms on the average payment days deviation from the payment term of each invoice. 93.5% of payments to goods for sale suppliers is paid within the division's standard payment terms based on this logic, and 93.1% of payments to suppliers for overhead costs.

Information has been compiled from financial ERP. Deviations from standard terms occur regarding suppliers for overhead costs due to variations in local standards, the absence of agreements with suppliers, or the specific terms of concluded agreements.

The Group has no outstanding legal proceedings for late payments.

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LINDEXGROUP

Key figures

		2024	2023	2022	2021	2020
Revenue	EUR mill.	**940.1**	951.7	981.7	899.0	790.7
Gross profit	EUR mill.	**547.9**	554.2	568.3	527.0	443.7
Gross margin	%	**58.3**	58.2	57.9	58.6	56.1
EBITDA	EUR mill.	**159.8**	176.7	258.0	184.9	109.6
Adjustments to EBITDA	EUR mill.	**-14.0**	-3.5	75.1	13.8	-7.3
Adjusted EBITDA	EUR mill.	**173.8**	180.2	183.0	171.1	116.9
Operating result	EUR mill.	**60.9**	76.5	154.9	82.1	-269.6
Operating margin	%	**6.5**	8.0	15.8	9.1	-34.1
Adjustments to operating result	EUR mill.	**-14.0**	-3.5	75.1	13.8	-257.3
Adjusted operating result	EUR mill.	**74.9**	80.0	79.8	68.3	-12.3
Net result for the period	EUR mill.	**13.2**	51.7	101.6	47.9	-291.8
Adjustments to net result for the period	EUR mill.	**-11.2**	26.6	64.0	7.9	-255.8
Adjusted net result for the period	EUR mill.	**24.4**	25.1	37.6	40.0	-36.0
Share capital	EUR mill.	**77.6**	77.6	77.6	77.6	144.1
A share	EUR mill.					61.1
B share	EUR mill.	**77.6**	77.6	77.6	77.6	83.0
Return on equity	%	**3.4**	14.2	33.7	20.2	-86.7
Return on capital employed	%	**6.2**	8.1	15.7	8.0	-20.1
Capital employed, average	EUR mill.	**1,065.3**	1,004.3	1,005.4	1,059.2	1,237.4
Capital turnover rate		**0.9**	0.9	1.0	0.8	0.6
Inventories turnover rate		**2.3**	2.4	2.4	2.4	2.6
Equity ratio	%	**30.0**	29.9	26.2	18.9	14.5
Equity ratio excluding IFRS 16 items	%	**61.9**	60.6	53.4	27.3	20.6
Net gearing	%	**145.0**	133.2	135.4	212.8	340.7
Net gearing excluding IFRS 16 items	%	**-6.2**	-12.8	-22.3	76.8	153.2
Capital expenditure *)	EUR mill.	**45.7**	65.1	62.5	16.9	18.5
Share of revenue	%	**4.9**	6.8	6.4	1.9	2.3
Interest-bearing net debt	EUR mill.	**571.4**	521.6	454.4	570.8	702.5
Interest-bearing net debt / EBITDA	EUR mill.	**3.6**	3.0	1.8	3.1	6.4
Interest-bearing net debt excluding IFRS 16 items	EUR mill.	**-31.8**	-65.6	-100.4	233.6	330.2
Total assets	EUR mill.	**1,315.7**	1,310.2	1,282.9	1,416.5	1,425.3
Personnel expenses	EUR mill.	**208.4**	212.5	212.1	194.6	181.9
Personnel, average	persons	**5,746**	5,801	5,802	5,649	5,991
Average number of employees, converted to full-time equivalents	persons	**4,216**	4,283	4,332	3,886	3,973
Revenue per person	EUR thousands	**163.6**	164.1	169.2	159.1	132.0

*) excluding right-of-use assets

Lindex Group changed its accounting policy according to IFRIC agenda decisions on configuration or customisation costs in a cloud computing arrangement (IAS 38) in the financial year 2021.

Key figures per share

		2024	2023	2022	2021	2020
Earnings per share, undiluted and diluted	EUR	**0.08**	0.33	0.65	0.42	-3.89
Adjusted Earnings per share, undiluted and diluted	EUR	**0.15**	0.16	0.24	0.35	-0.48
Cash flow from operating activities per share	EUR	**0.56**	0.65	0.35	1.32	2.03
Equity per share	EUR	**2.44**	2.47	2.15	1.74	2.86
P/E ratio of shares						
A share						-0.3
B share		**32.6**	8.8	3.0	5.1	-0.3
Share quotation at 31.12.	EUR					
A share						1.27
B share		**2.69**	2.90	1.97	2.16	1.16
Highest price during the period	EUR					
A share						3.59
B share		**3.51**	3.03	3.26	2.44	3.22
Lowest price during the period	EUR					
A share						0.88
B share		**2.39**	1.68	1.46	1.07	0.65
Average price during the period	EUR					
A share						1.87
B share		**2.93**	2.13	2.19	1.61	1.45
Share turnover	thousands					
A share					576	2,102
B share		**28,294**	47,442	94,830	90,210	30,258
Share turnover	%					
A share					0.5	6.9
B share		**17.5**	29.9	60.8	79.1	72.9
Market capitalisation at 31.12.	EUR mill.	**434.8**	460.3	307.1	333.6	86.9
Number of shares at 31.12.	thousands	**161,623**	158,716	155,880	154,437	72,049
A share						30,531
B share		**161,623**	158,716	155,880	154,437	41,518
Weighted average number of shares, basic	thousands	**160,359**	157,379	155,189	114,009	75,102
Weighted diluted number of shares	thousands	**161,106**	157,379	155,189	114,009	75,102
Total number of shareholders at 31.12.		**41,055**	42,328	44,289	45,054	43,656

Definition of key figures

Performance measures according to IFRS

Earnings per share, basic and diluted	$\frac{\text{Net result for the period attributable to the parent company's shareholders} - \text{tax} - \text{adjusted interest on hybrid bond}}{\text{Average number of shares (basic or diluted)}}$

Alternative performance measures

Gross profit	Revenue – materials and services
Gross margin	$\frac{\text{Gross profit} * 100}{\text{Revenue}}$
EBITDA	Operating result + depreciation, amortisation, and impairment losses
Adjusted EBITDA	EBITDA – adjustments, see items affecting comparability
Adjusted operating result	Operating result – adjustments, see items affecting comparability
Adjusted net result for the period	Net result for the period – adjustmets after taxes, see items affecting comparability
Adjusted earnings per share	$\frac{\text{Adjusted net result for the period attributable to the parent company's shareholders} - \text{tax} - \text{adjusted interest on hybrid bond}}{\text{Average number of shares}}$
Return on equity, %	$\frac{\text{Net result for the period} * 100}{\text{Equity total (average for the year)}}$
Capital employed	Total assets – deferred tax liability and other non-interest-bearing liabilities
Return on capital employed, %	$\frac{\text{(Result before taxes + interest and other financial expenses)} * 100}{\text{Capital employed (average for the year)}}$

Capital turnover rate	$\frac{\text{Revenue}}{\text{Capital employed (average for the year)}}$
Inventories turnover rate	$\frac{365}{\text{Inventories turnover time}}$
Equity ratio, %	$\frac{\text{Equity total} * 100}{\text{Total assets} - \text{advance payments received}}$
Equity ratio excluding IFRS 16 items, %	$\frac{\text{Equity excluding IFRS 16 items} * 100}{\text{Total assets} - \text{right} - \text{of} - \text{use assets} - \text{lease receivables} - \text{advance payments received}}$
Interest-bearing net debt	Interest-bearing liabilities – cash and cash equivalents – interest-bearing receivables
Interest-bearing net debt excluding IFRS 16 items	Interest-bearing liabilities - lease liabilities
Net gearing, %	$\frac{\text{Interest} - \text{bearing net debt} * 100}{\text{Equity total}}$
Net gearing excluding IFRS 16 items, %	$\frac{\text{Interest} - \text{bearing net debt excluding IFRS 16 items} * 100}{\text{Equity excluding IFRS 16 items}}$
Operating free cash flow	Adjusted EBITDA – lease payments +/- changes in net working capital – capital expenditure

Key figures per share

Equity per share	$\frac{\text{Equity attributable to the parent company's shareholders}}{\text{Number of shares on the balance sheet date}}$
Cash flow from operating activities per share	$\frac{\text{Cash flow from operating activities}}{\text{Average number of shares excluding own shares owned by the company}}$
P/E ratio of share	$\frac{\text{Share quotation on balance sheet date}}{\text{Earnings per share}}$

Share turnover	Number of shares traded during the period
Market capitalisation	Number of shares multiplied by quotation for the respective share series on balance sheet date

Items affecting comparability

Lindex Group uses Alternative Performance Measures according to the guidelines of the European Securities and Market Authority (ESMA) to better reflect the operational business performance and to facilitate comparisons between financial periods.

The adjusted operating result (adjusted EBIT) is calculated from the operating result, excluding adjustments for items affecting comparability. These items include acquisitions and disposals, corporate restructuring, restructuring, impairment losses, litigation fees and settlements, value adjustments to assets, pension fund rebates, losses related to the war in Ukraine as well as disputed, conditional or maximum restructuring debt.

The adjusted net result is calculated from the net profit/loss for the period, excluding adjustments for items affecting comparability after tax impact. These items include acquisitions and disposals, corporate restructuring, restructuring, impairment losses, litigation fees and settlements, value adjustments to assets, pension fund rebates, losses related to the war in Ukraine, and disputed, conditional, or maximum restructuring debt. The tax impact is calculated on the transaction level and includes changes in deferred taxes. Additionally, the adjustments to the net result include tax income and expenses resulting from settlements of tax disputes.

EUR mill.	2024	2023	2022	2021	2020
EBITDA	**159.8**	176.7	258.0	184.9	109.6
Adjustments to EBITDA					
Costs related to restructuring programme and other disputes	**10.9**	2.6	19.7	2.0	5.3
Costs related to strategic and organisational development	**7.5**	2.3	0.4	0.2	2.0
Insurance claim settlement for losses related to COVID-19	**-4.4**				
Loss on disposal of subsidiary shares		0.6			
Other operating income from lease modifications of sale-and-leaseback items		-2.1			
Gain on sale of real estate			-95.4	-21.7	
Costs related to the war in Ukraine			0.5		
Employee insurance refund			-0.3	-3.0	
Income and costs related to termination of lease agreements				8.7	
Adjustments total	**14.0**	3.5	-75.1	-13.8	7.3
Adjusted EBITDA	**173.8**	180.2	183.0	171.1	116.9
Operating result (EBIT)	**60.9**	76.5	154.9	82.1	-269.6
Adjustments to operating result (EBIT)					
Costs related to restructuring programme and other disputes	**10.9**	2.6	19.7	2.0	5.3
Costs related to strategic and organisational development	**7.5**	2.3	0.4	0.2	2.0
Insurance claim settlement for losses related to COVID-19	**-4.4**				
Loss on disposal of subsidiary shares		0.6			
Other operating income from lease modifications of sale-and-leaseback items		-2.1			
Gain on sale of real estate			-95.4	-21.7	
Costs related to the war in Ukraine			0.5		
Employee insurance refund			-0.3	-3.0	
Income and costs related to termination of lease agreements				8.7	
Goodwill impairment					250.0
Adjustments total	**14.0**	3.5	-75.1	-13.8	257.3
Adjusted operating result (EBIT)	**74.9**	80.0	79.8	68.3	-12.3
Net result for the period	**13.2**	51.7	101.6	47.9	-291.8
Adjustments to net profit/loss for the period					
Costs related to restructuring programme and other disputes	**10.9**	2.6	19.7	2.0	5.3
Costs related to strategic and organisational development	**7.5**	2.3	0.4	0.2	2.0
Insurance claim settlement for losses related to COVID-19	**-4.4**				
Loss on disposal of subsidiary shares		0.6			
Other operating income from lease modifications of sale-and-leaseback items		-2.1			
Gain on sale of real estate			-95.4	-21.7	
Costs related to the war in Ukraine			0.5		
Employee insurance refund			-0.3	-3.0	
Income and costs related to termination of lease agreements				8.7	
Goodwill impairment					250.0
Income taxes	**-2.8**	-30.1	23.6	5.9	-1.5
Adjustments total	**11.2**	-26.6	-51.5	-7.9	255.8
Adjusted net result for the period	**24.4**	25.1	50.2	40.0	-36.0

Shares and share capital

Lindex Group plc has a single class of shares, all shares of which shall carry one (1) vote per share and have equal rights also in other respects. The company's share is listed on the Helsinki Stock Exchange and its trading code is LINDEX and ISIN number is FI0009000251.

The company's share capital on 31 December 2024 was EUR 77 556 538 and number of shares was 161 622 896.

The number of registered shareholders was 41 055 (42 328 shareholders on 31 December 2023).

The company's market capitalisation on 31 December 2024 was EUR 434.8 million (EUR 460.3 million on 31 December 2023).

Number of shares, 31 December 2024

	Number	Shareholders %	Percentages of shares and votes %
1-100	25,804	62.9	0.6
101-1000	11,597	28.3	2.6
1001-10000	3,160	7.7	5.6
10001-100000	420	1.0	7.3
100001-1000000	58	0.1	9.7
1000001-	16	0.0	74.2
Total	**41,055**	**100**	**100**

Ownership structure, 31 December 2024

	Number	Shareholders %	Percentages of shares and votes %
Households	39,982	97.4	17.8
Private and public corporations	697	1.7	30.2
Nominee registrations (incl. foreign shareholders)	189	0.5	27.3
Foundations and associations	152	0.4	21.5
Financial and insurance companies	35	0.1	3.2
Total	**41,055**	**100**	**100**

Major shareholders, 31 December 2024

		Percentages of shares and votes %
1	Nordic Retail Partners Jv Ky	14.8
2	Varma Mutual Pension Insurance Company	8.2
3	Society of Swedish Literature in Finland	7.2
4	Etola Group	4.9
5	Hc Holding Oy Ab	4.0
6	Niemistö Kari Pertti Henrik	3.1
7	Samfundet Folkhälsan i Svenska Finland	1.7
8	Ilmarinen Mutual Pension Insurance Company	1.2
9	eQ Nordic Small Cap Mutual Fund	1.1
10	Nordika Ii Shq Oy	1.0
11	Jenny and Antti Wihuri Foundation	0.9
12	Kaloniemi Markku	0.5
13	Lahitapiola Keskustakiinteistot Ky	0.5
14	Elo Mutual Pension Insurance Company	0.5
15	LähiTapiola Mutual Life Insurance Company	0.4
16	Sijoitusrahasto Eq Eurooppa Pienyhtiö	0.4
17	Mandatum Life Insurance Company Ltd.	0.4
18	Säästöpankki Small Cap Mutual Fund	0.4
19	Wilhelm och Else Stockmanns Stiftelse	0.3
20	Proprius Partners Micro Finland (non-Ucits)	0.2
	Other	48.3
	from which Nominee registered shares	27.1
Total		**100.0**

Consolidated Financial Statements

Consolidated Income Statement

EUR mill.	Note	1.1.-31.12.2024	1.1.-31.12.2023
REVENUE	2.2	**940.1**	951.7
Other operating income	2.2	**4.5**	2.6
Materials and services	2.3	**-392.3**	-397.5
Employee benefit expenses	2.5, 5.5, 5.6	**-208.4**	-212.5
Depreciation, amortisation and impairment losses	3.1	**-99.0**	-100.2
Other operating expenses	2.6	**-184.1**	-167.6
Total expenses		**-883.7**	-877.8
OPERATING PROFIT/LOSS	2.1	**60.9**	76.5
Financial income	4.1	**5.2**	5.1
Financial expenses	4.1	**-37.6**	-35.0
Total financial income and expenses		**-32.3**	-29.9
PROFIT/LOSS BEFORE TAX		**28.6**	46.6
Income taxes	2.7	**-15.3**	5.0
NET PROFIT/LOSS FOR THE PERIOD		**13.2**	51.7
Profit/loss for the period attributable to:			
Equity holders of the parent company		**13.2**	51.7
Earnings per share, EUR:	4.13		
From the period result, basic		**0.08**	0.33
From the period result, diluted		**0.08**	0.33

Consolidated Statement of Comprehensive Income

EUR mill.	Note	1.1.-31.12.2024	1.1.-31.12.2023
PROFIT/LOSS FOR THE PERIOD		**13.2**	51.7
Other comprehensive income:			
Items that may be subsequently reclassified to profit and loss			
Exchange differences on translating foreign operations, before tax		**-17.1**	1.6
Exchange differences on translating foreign operations, net of tax	2.7, 4.12	**-17.1**	1.6
Cash flow hedges, before tax		**3.4**	-0.8
Cash flow hedges, net of tax	2.7, 4.12	**3.4**	-0.8
Other comprehensive income for the period, net of tax		**-13.7**	0.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-0.5**	52.6
Total comprehensive income attributable to:			
Equity holders of the parent company		**-0.5**	52.6

Consolidated Statement of Financial Position

EUR mill.	Note	**31.12.2024**	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill		**242.6**	250.6
Trademark		**79.3**	81.9
Intangible rights		**33.3**	32.4
Other intangible assets		**0.2**	0.4
Advance payments and construction in progress		**1.0**	0.7
Intangible assets, total	3.2	**356.4**	366.0
Property, plant and equipment			
Land and water		**0.2**	0.2
Machinery and equipment		**48.6**	39.3
Modification and renovation expenses for leased premises		**3.6**	4.2
Right-of-use assets	3.5	**456.8**	440.5
Advance payments and construction in progress		**88.3**	77.9
Property, plant and equipment, total	3.3	**597.5**	562.1
Investment properties	3.4	**0.5**	0.5
Non-current receivables	4.10, 4.11	**3.3**	3.2
Other investments	4.10	**0.4**	0.4
Deferred tax assets	2.8	**30.6**	30.3
NON-CURRENT ASSETS, TOTAL		**988.8**	962.4
CURRENT ASSETS			
Inventories	2.4	**169.6**	162.9
Current receivables			
Income tax receivables		**0.4**	5.3
Non-interest-bearing receivables		**42.3**	42.0
Current receivables, total	4.3	**42.7**	47.3
Cash and cash equivalents	4.4	**114.7**	137.5
CURRENT ASSETS, TOTAL		**326.9**	347.7
ASSETS, TOTAL		**1,315.7**	1,310.2

EUR mill.	Note	**31.12.2024**	31.12.2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**77.6**	77.6
Invested unrestricted equity fund		**78.6**	75.9
Other funds		**1.8**	-1.6
Translation reserve		**-34.4**	-17.3
Retained earnings		**270.5**	256.9
Equity attributable to equity holders of the parent company	4.12	**394.0**	391.5
EQUITY, TOTAL		**394.0**	391.5
NON-CURRENT LIABILITIES			
Deferred tax liabilities	2.8	**52.3**	51.0
Non-current interest-bearing financing liabilities	4.5	**76.1**	71.9
Non-current lease liabilities	4.5	**512.9**	505.6
Non-current non-interest-bearing liabilities and provisions	4.5, 4.9, 4.10, 5.3	**0.4**	0.3
NON-CURRENT LIABILITIES, TOTAL		**641.6**	628.9
CURRENT LIABILITIES			
Current interest-bearing financing liabilities	4.6	**6.8**	0.0
Current lease liabilities	4.6	**90.3**	81.6
Trade payables and other current liabilities	4.6, 4.9	**164.1**	178.4
Income tax liabilities	4.6	**3.1**	11.7
Current provisions	5.3	**15.9**	18.0
Current non-interest-bearing liabilities, total		**183.1**	208.2
CURRENT LIABILITIES, TOTAL		**280.1**	289.8
LIABILITIES, TOTAL		**921.7**	918.6
EQUITY AND LIABILITIES, TOTAL		**1,315.7**	1,310.2

Consolidated Cash Flow Statement

EUR mill.	Note	1.1.-31.12.2024	1.1.-31.12.2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period		**13.2**	51.7
Adjustments for:			
Depreciation, amortisation and impairment losses		**99.0**	100.2
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets		**0.0**	-1.3
Interest and other financial expenses		**37.6**	34.9
Interest income		**-5.2**	-5.1
Income taxes		**15.3**	-5.0
Other adjustments		**9.7**	0.6
Working capital changes:			
Increase (-) /decrease (+) in inventories		**-10.0**	11.2
Increase (-) / decrease (+) in trade and other current receivables		**-1.1**	1.6
Increase (+) / decrease (-) in current liabilities		**-15.2**	-7.1
Interest expenses paid		**-38.1**	-33.3
Interest received from operating activities		**3.4**	3.5
Income taxes paid from operating activities		**-18.7**	-49.7
Net cash from operating activities		**90.0**	102.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intangible assets		**-38.4**	-65.4
Security deposit		**-0.2**	-0.1
Investments in subsidiary shares		**0.0**	-0.2
Other investments		**0.0**	-0.2
Net cash used in investing activities		**-38.6**	-65.9
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from non-current liabilities		**3.0**	0.0
Payment of lease liabilities		**-73.9**	-66.3
Net cash used in financing activities		**-70.8**	-66.3
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**-19.5**	-30.0
Cash and cash equivalents at the beginning of the period		**137.5**	167.9
Net increase/decrease in cash and cash equivalents		**-19.5**	-30.0
Effects of exchange rate fluctuations on cash held		**-3.4**	-0.3
Cash and cash equivalents at the end of the period	4.4	**114.7**	137.5

Consolidated Statement of Changes in Equity

EUR mill.	Share capital	Invested unrestricted equity fund	Hedging reserve	Other reserves	Translation differences	Retained earnings	Equity attributable to shareholders total	Total
EQUITY 1.1.2024	**77.6**	**75.9**	**-1.8**	**0.2**	**-17.3**	**256.9**	**391.5**	**391.5**
Profit/loss for the period						**13.2**	**13.2**	**13.2**
Exchange differences on translating foreign operations *)					**-17.1**		**-17.1**	**-17.1**
Cash flow hedges *)			**3.4**				**3.4**	**3.4**
Total comprehensive income for the period, net of tax	**0.0**	**0.0**	**3.4**	**0.0**	**-17.1**	**13.2**	**-0.5**	**-0.5**
Share issue to creditors for unsecured restructuring debt		**2.6**					**2.6**	**2.6**
Share-based payments **)						**0.3**	**0.3**	**0.3**
Other changes in equity total	**0.0**	**2.6**	**0.0**	**0.0**	**0.0**	**0.3**	**3.0**	**3.0**
EQUITY 31.12.2024	**77.6**	**78.6**	**1.5**	**0.2**	**-34.4**	**270.5**	**394.0**	**394.0**

*) Notes 2.7, 4.12

**) Note 5.6

EUR mill.	Share capital	Invested unrestricted equity fund	Hedging reserve	Other reserves	Translation differences	Retained earnings	Equity attributable to shareholders total	Total
EQUITY 1.1.2023	77.6	73.3	-1.1	0.1	-18.9	204.6	335.6	335.6
Profit/loss for the period						51.7	51.7	51.7
Exchange differences on translating foreign operations *)					1.6		1.6	1.6
Cash flow hedges *)			-0.8				-0.8	-0.8
Total comprehensive income for the period, net of tax	0.0	0.0	-0.8	0.0	1.6	51.7	52.6	52.6
Share issue to creditors for unsecured restructuring debt		2.6					2.6	2.6
Share-based payments **)						0.8	0.8	0.8
Other changes				0.1		-0.1	0.0	0.0
Other changes in equity total	0.0	2.6	0.0	0.1	0.0	0.6	3.3	3.3
EQUITY 31.12.2023	77.6	75.9	-1.8	0.2	-17.3	256.9	391.5	391.5

*) Notes 2.7, 4.12

**) Note 5.6

1 Basis of preparation

1.1 Corporate information

The consolidated financial statements of Lindex Group plc and its subsidiaries (collectively Lindex Group or the Group) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 6 March 2025.

Lindex Group plc (the company) is a public listed company and the ultimate parent of Lindex Group. The company is incorporated in Finland and domiciled in Helsinki, Finland. The registered office is located at Aleksanterinkatu 52, 00100 Helsinki. The company's primary field of business is retail and its principal place of business is Finland.

Effective 21 March 2024, the company changed its name from Stockmann plc to Lindex Group plc. The name change was registered in the Finnish Trade Register on 22 March 2024. This change reflects the strengthened role of the Lindex segment in the Group's business. Over the years, Lindex has played a fundamental role in improving the Group's performance. This is evidenced by the strategic refocusing of the Group's business towards Lindex, as announced in Stockmann plc's stock exchange release in September 2023.

The parent company's shares are listed on the Helsinki exchange (Nasdaq Helsinki Ltd). A copy of the consolidated financial statements is available at www.lindex-group.com or from the parent company.

1.2 General

Lindex Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, complying with the IAS and IFRS standards and IFRIC and SIC interpretations in force on 31 December 2024. In the Finnish accounting legislation and the regulations issued pursuant to it, IFRS Accounting Standards refer to the standards and their interpretations that have been approved for application in the EU in accordance with the procedure stipulated in EU regulation (EC) No 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and company legislation that supplements IFRS regulations.

The information in the financial statements is based on original acquisition costs, unless stated otherwise in the accounting policies. The financial statements are presented in millions of euros.

Lindex Group issues a financial review complying with the ESEF requirements on its website. In addition, Lindex Group voluntarily issues a financial review in pdf format, which does not fulfil the disclosure requirements set in the Finnish Securities Markets Act, chapter 7, section 5.

1.3 New and amended standards and interpretations

On 1 January 2024, Lindex Group adopted the following amendments to the accounting standards issued by the IASB and endorsed by the EU:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments did not have a material impact on Lindex Group's financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The Group intends to adopt the new and amended standards and interpretations, if applicable, when they become effective and endorsed by the EU. The adoption of IFRS 18 may have an impact on the Group's financial statements in future periods. The Amendment to IAS 21 and the new standard IFRS 19 are not expected to have an impact on the Group's financial statements when adopted.

1.4 Corporate restructuring programme

In a decision on 9 February 2021, the Helsinki District Court approved Lindex Group plc's restructuring programme, and the restructuring proceedings were ended. The restructuring programme is based on the continuation of Stockmann department store operations, the sale and leaseback of the department store properties located in Helsinki, Tallinn and Riga and the continuation of Lindex's business operations as a fixed part of the Lindex Group.

The restructuring programme is proceeding according to plan, which means that all Stockmann's department store properties have been sold and all interest-bearing debt has been paid except for a bond of EUR 73.1 million. At the end of December 2024, there was one remaining disputed claim regarding the termination of a lease agreement that must be settled before the restructuring process can end.

The Company's Board of Directors decided on 25 January 2024, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 307,489 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to a creditor of the Company whose previously conditional or disputed restructuring debt under the restructuring programme had been confirmed to its final amount by 9 November 2023 and approved the subscription made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme. As a result of the share issue, the total number of shares in the Company increased by 307,489 shares to a total of 159,023,044 shares.

On 25 January 2024, the Company announced that it had received and verified one subscription form from an entitled person whose previously conditional or disputed receivable subject to the payment programme of the restructuring programme had been clarified and the final amount of such receivable had been confirmed. The subsequent bonds duly subscribed for by such entitled person amounted to the aggregate principal amount of EUR 1,120,000. The receivable of the entitled person has been converted, by way of set-off, into subsequent bonds.

The Company's Board of Directors decided on 19 June 2024, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 2,599,852 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to creditors of the Company whose previously conditional or disputed restructuring debts under the restructuring programme had been confirmed to their final amounts by 13 June 2024 and approved the subscriptions made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme. As a result of the share issue, the total number of shares in the Company increased by 2,599,852 shares to a total of 161,622,896 shares.

Under the restructuring programme, Lindex Group plc has restructuring debt that is disputed, conditional or the maximum amount in respect of which the amount subject to the payment programme will be confirmed later and the creditors of such restructuring debt will be entitled to convert their receivables to shares and bonds after their respective receivables have been confirmed. The conversion to shares will take place in accordance with the terms as stated in the chapter 14.5.2. of the restructuring programme with a subscription price of 0.9106 euro per share. The conversion to bonds will take place according to the terms as stated in the chapter 14.5.4 of the restructuring programme on a euro-for-euro basis.

Note 4.6 presents an itemisation of the restructuring debts and Note 4.8 presents the maturities of all the Group's debts on 31 December 2024.

1.5 Transactions resulting from the corporate restructuring programme

Lindex Group plc has paid all confirmed undisputed external restructuring debt, but still has one disputed claim and undisputed conditional or maximum restructuring debt. During the reporting period, the confirmed undisputed restructuring debt of EUR 13.2 million has been settled with conversion to Company's shares (EUR 2.6 million), conversion to bonds (EUR 1.1 million) and cash payment of EUR 9.5 million.

As of the end of the reporting period, there was one remaining disputed claim amounting to EUR 15.9 million related to the termination of a long-term lease agreement. The administrator of the restructuring programme has disputed the claim, considering it justified to pay 18 months' rent for the lease instead of all the years left in the terminated lease contract. The claim will be settled in the Court of Appeal, and the amount and the time of realisation of the claim remain uncertain. The provision for the disputed claim corresponds to the full amount of the remaining claim, with no contingent liability exceeding this provision. Consequently, the contingent liability for the disputed amount exceeding the provision has decreased from EUR 25.8 million to zero.

The Group's financial statements reflect the implications of the restructuring programme. All confirmed undisputed restructuring debt has been settled through conversions to shares and bonds, as well as cash payments.

1.6 Accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group’s accounting policies, management has made various judgements. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management has assessed that the most significant effects on the amounts recognised in the consolidated financial statements are particularly related to business continuity, valuations of assets, exercising lease options, contingent liabilities, and provisions recognised. Management has also exercised judgement in the consolidation of structured entities, particularly in determining control and assessing the impact on the consolidated financial statements. The principal assumptions concerning the future and the main uncertainties relating to estimates at the end of the reporting period, which constitute a significant risk of causing a material change in the carrying amounts of assets and liabilities within the next financial year, include the value of right-of-use assets and lease liabilities, depreciation and leasing periods, demand for inventories and inventory turnover rate, as well as the impairment testing of Lindex segment’s goodwill and the brand. More detailed information on these is provided in Notes 2.4, 3, and 5.3.

The management considers climate-related matters, where appropriate. The assessment includes possible impacts on the Group due to physical and transition risks. The management believes its business model and products will still be viable in the future low-carbon economy, but climate-related matters increase the uncertainty in estimates and assumptions related to some items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as climate-related legislation and changes in customer behaviour.

1.7 Geopolitical uncertainty

In response to the war in Ukraine, Lindex Group removed products of Russian and Belarusian origin from sale in February 2022. The Group also discontinued selling merchandise to its Russian licensee, Debruss. The impact of the war in Ukraine on the Group has been limited.

1.8 Business continuity

Lindex Group’s Consolidated Financial Statements have been prepared based on the principle of business continuity. The Group’s ability to continue its operations is dependent on the profitability of its business and the impact of the restructuring programme prepared for Lindex Group plc. The profitability of the Group’s business is dependent on future market conditions and the Group’s ability to execute its business plan successfully.

Helsinki District Court approved Lindex Group plc´s restructuring programme in February 2021. The eight-year restructuring programme is based on the continuation of the Company’s department store operations, the sale and lease back of the department store properties in Helsinki, Tallinn and Riga and the continuation of Lindex business operations under the ownership of the Group. The restructuring process is proceeding according to plan, which means that all Stockmann department store properties have been sold and both the secured restructuring debt and undisputed unsecured restructuring debt have been paid. There is still one disputed claim regarding the termination of a lease agreement that must be settled before the restructuring process can end.

Lindex Group operates in a dynamic and complex environment that exposes the company to a range of risks that may affect its financial performance, operations and reputation. The Group’s key risks are related to macroeconomic factors, such as their possible negative effects on customer behaviour and currency exchange rates. Additionally, unexpected disruptions in the supply chain, such as delays in shipments or production stoppages, may increase operational costs. Given the Group’s reliance on a global supply network, unexpected logistics issues could lead to higher freight costs and longer lead times. To manage these challenges, the management and the Board of Directors regularly assess the operational and strategic risks associated with the current situation.

Lindex Group does not currently have any legal disputes or claims not already reported in the financial statements and there are no further indications of material threats for continuing operations or cash outflows.

Due to the nature of its business, Lindex Group’s revenues are divided to a large number of customers and no single customer poses a significant threat to the Group’s cash flows.

The Board of Directors of Lindex Group has carefully analysed the company’s overall situation in connection with the deployment of the corporate restructuring programme and with respect to the uncertainty due to changes in the general economic situation, and its analysis confirms the adequacy of liquidity and financing for the following twelve months and thus supports the preparation of this consolidated financial statements in accordance with the principle of business continuity.

1.9 Principles of consolidation

The consolidated financial statements include the parent company, Lindex Group plc, as well as all the companies in which the parent company holds, either directly or indirectly, over 50 per cent of the number of votes conferred by the shares or over which the parent company otherwise has control. The criteria for control are fulfilled when the Group is exposed, or has rights, to variable returns from its involvement with an entity and could affect those returns through its power over the entity.

Intercompany share ownership within the Group has been eliminated using the acquisition method, according to which the consideration transferred, and all the identifiable assets and liabilities of an acquired company are measured at fair value at the date of acquisition. Goodwill is recognised as the amount by which the combined total of the consideration transferred by the non-controlling interests in the acquisition and the previous ownership interest exceeds the fair value of the acquired net assets. Intra-Group transactions, receivables, liabilities, unrealised margins and internal distribution of profits are eliminated in the consolidated financial statements. The profit or the loss as well as the comprehensive income for the financial period are distributed to the parent company's owners. Acquired subsidiaries are presented in the consolidated financial statements from the moment that the Group gains control and divested subsidiaries up to the time the control ends. Changes in the parent company's ownership interest in a subsidiary, which do not lead to loss of control, are dealt with as equity transactions.

A structured entity is one that has been set up so that voting rights or similar rights are not the dominant factor in deciding who controls the entity. A structured entity, which is designed to achieve a specific business purpose, is consolidated when the substance of the relationship between Lindex Group and the structured entity indicates that the structured entity is controlled by Lindex Group. Management uses judgement when determining the accounting treatment of a structured entity. In addition to the voting rights or similar rights, management considers other factors such as the nature of the arrangement, contractual arrangements and level of influence with the structured entity.

A joint arrangement in which Lindex Group and another party, based on an agreement or the Articles of Association, have rights to the assets and obligations for the liabilities of the joint arrangement is treated as a joint operation. The consolidated financial statements include the Group's share of its joint operation in its statement of financial position as an investment property. Lindex Group does not recognise the income and expenses of the joint operation, as it is not considered essential for the Group.

1.10 Items denominated in foreign currency

The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Transactions in foreign currencies are recognised in the amounts of each company's functional currency, applying the exchange rate of the date of the transaction. Receivables and liabilities at the financial statements date are translated at the exchange rate of the financial statements date. Exchange differences arising from translation are recognised through profit and loss.

The income statements and statements of other comprehensive income of foreign group companies are translated into euro at the average rate during the financial period, and the statement of financial position at the rate on the date of the financial statements. The exchange rate difference from translating the income statement and other comprehensive income at the average rate and the statement of financial position on the date of the financial statements is recognised as a separate item in other comprehensive income. The goodwill arising from the acquisition of foreign operations and the fair value adjustments made in the carrying amounts of the assets and liabilities of such operations in connection with acquisition of foreign operations are treated as assets and liabilities of foreign operations and converted into euro using the exchange rates at the financial statements date. When a foreign subsidiary or joint arrangement is divested in whole or in part, the cumulative translation difference is recognised in the income statement as part of the gain or loss on disposal.

2 Key numbers

2.1 Segment information

Accounting policies

Lindex Group’s reportable segments are Lindex which engages in the fashion trade and Stockmann which engages in the department store trade. Segments are divisions of the Group that are managed and monitored as separate units selling different products and services.

The segment information presented by the Group is based on the management’s internal reporting, in which the management’s assessment of the profitability of the segments is based on the monitoring of the segments’ operating profits, and in which the measurement principles for assets and liabilities accord with IFRS regulations. The highest level of operational decision-making is vested in the Group’s CEO, who regularly examines the operational performance of the divisions.

2.1.1 Operating segments

Lindex

Lindex is one of Europe’s leading fashion companies, with 442 stores in 17 countries, online store in 32 countries and global presence via partnerships. Lindex offers inspiring and affordable fashion for women and children. Lindex’s range includes women’s wear, kids’ wear, lingerie and cosmetics.

Stockmann

Stockmann is a multichannel retail company that offers a diverse and high-quality range of fashion, cosmetics and home products. Stockmann has eight department stores in three countries, complemented by an own online store. In the Baltics, Stockmann’s range also includes high-quality food and beverage products.

Unallocated

Unallocated items include functions that serve the entire Lindex Group. They encompass Corporate Management, Group Finance Management, Group Treasury, Internal Audit, and Investor Relations.

EUR mill.

Revenue	**2024**	2023
Lindex	**628.8**	633.1
Stockmann	**311.6**	318.5
Unallocated and eliminations	**-0.2**	
Group total	**940.1**	951.7

Operating profit/loss	**2024**	2023
Lindex	**85.1**	89.1
Stockmann	**-14.2**	-5.6
Unallocated and eliminations	**-10.0**	-7.0
Group total	**60.9**	76.5
Financial income	**5.2**	5.1
Financial expenses	**-37.6**	-35.0
Consolidated profit/loss before taxes	**28.6**	46.6

Depreciation, amortisation and impairment losses	**2024**	2023
Lindex	**-69.7**	-72.2
Stockmann	**-29.2**	-28.0
Group total	**-99.0**	-100.2
Includes depreciation of right-of-use assets		

Capital expenditure	**2024**	2023
Lindex	**114.4**	113.4
Stockmann	**25.5**	61.6
Group, total	**139.9**	175.0
Includes investments in right-of-use assets		

Assets	**2024**	2023
Lindex	**959.4**	935.7
Stockmann	**356.0**	374.1
Unallocated	**0.3**	0.4
Group, total	**1,315.7**	1,310.2

2.1.2 Information on market areas

The Group reports revenue, operating results, and non-current assets geographically divided into Finland, Sweden, Norway, and other countries.

EUR mill.

Revenue	**2024**	2023
Finland	**313.6**	322.0
Sweden*)	**329.9**	332.1
Norway	**126.2**	126.7
Other countries	**170.4**	170.8
Group total	**940.1**	951.7
Finland, %	**33.4 %**	33.8 %
International operations, %	**66.6 %**	66.2 %
Operating profit/loss	**2024**	2023
Finland	**-22.7**	-14.0
Sweden*)	**67.4**	75.7
Norway	**6.2**	4.7
Other countries	**10.0**	10.2
Group total	**60.9**	76.5
Non-current assets	**2024**	2023
Finland	**246.2**	252.2
Sweden*)	**595.6**	587.8
Norway	**58.4**	43.7
Other countries	**58.0**	48.4
Group total	**958.2**	932.1
Finland, %	**25.7 %**	27.1 %
International operations, %	**74.3 %**	72.9 %

*) Includes the sales of goods and services to the franchising partners and third parties.

2.2 Operating income

2.2.1 Revenue recognition

Accounting policies

Revenue is recognised, when a performance obligation is satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. Most of the Group's operating income comes from the retail sales of goods or services that are paid for with cash or credit card and revenue is recognised at the time of sales. When calculating revenue, indirect taxes and discounts granted have been deducted from the sales.

Online store sales and sales to franchising partners are recognised as revenue when all goods or services related to the order are delivered to the customer or the franchising partner and the customer obtains control over the goods or services.

Customers have a right to return the products purchased from a store or the online store within a certain time frame. An accrual for the returns is calculated as an experience-based percentage of sales, and it is recognised as a deduction of revenue and accrued liability. Cost of goods for anticipated returns are recognised as adjustment in materials and services and inventory value.

Income from credit card co-operation is recognised as revenue. For the customer loyalty scheme the sales adjustment items include customer loyalty award points. The amount corresponding to the estimated stand-alone selling price of unused bonus points accumulated by customers is recognised as a deduction from revenue and short-term contract liability. The liability is recognised in the same financial period as the related revenue. When a customer uses accumulated points as payment in a store, the value of the points used is recognised as revenue and a reduction of short-term contract liability. If bonus points are not used by their expiry date, the value of unused points is recognised as revenue and as a reduction of short-term contract liability.

Lease income from lease agreements classified as operating leases are recognised as revenue in even instalments over the lease term. Turnover-based lease income is recognised based on the actual revenue of the tenants.

2.2.1.1 Revenue

EUR mill.	2024	2023
Merchandise revenue	**911.5**	922.9
Rental income and service charges	**28.6**	28.8
Total	**940.1**	951.7

2.2.1.2 Disaggregated revenue information

1.1.-31.12.2024, EUR mill.	Lindex	Stockmann	Total
Revenue streams			
Merchandise revenue	**628.8**	**282.9**	**911.7**
Rental income and service charges		**28.6**	**28.6**
Eliminations	**-0.2**		**-0.2**
Total	**628.6**	**311.6**	**940.1**
Market areas			
Finland	**78.3**	**235.3**	**313.6**
Sweden	**329.9**		**329.9**
Norway	**126.2**		**126.2**
Other countries	**94.1**	**76.3**	**170.4**
Total	**628.6**	**311.6**	**940.1**

1.1.-31.12.2023, EUR mill.	Lindex	Stockmann	Total
Revenue streams			
Merchandise revenue	633.1	289.7	922.9
Rental income and service charges		28.8	28.8
Total	633.1	318.5	951.7
Market areas			
Finland	79.3	242.8	322.0
Sweden	332.1		332.1
Norway	126.7		126.7
Other countries	95.1	75.8	170.8
Total	633.1	318.5	951.7

2.2.1.3 Contract balances

EUR mill.	2024	2023
Contract assets	**0.7**	0.7
Contract liabilities	**5.8**	6.2

No information is provided about remaining performance obligations that have an original expected duration of one year or less, as allowed by IFRS 15.

2.2.2 Other operating income

Accounting policies

Among the items included in other operating income are both sale of property, plant and equipment, and income received from the sale of a business.

Grants from governments or other similar public entities that become receivable as compensation for expenses already incurred are recognised as other operating income during the period in which the company complies with the attached conditions.

EUR mill.	2024	2023
Insurance claim settlement for losses related to COVID-19	**4.4**	
Gains on sales of non-current assets		2.1
Electricity subsidies for companies		0.5
Total	**4.5**	2.6

2.3 Gross margin

EUR mill.	2024	2023
Revenue	**940.1**	951.7
Materials and services	**392.3**	397.5
Gross profit	**547.9**	554.2
Gross margin, % of revenue	**58.3%**	58.2%

2.4 Inventories

Accounting policies

Inventories are measured at the lower of acquisition cost and net realisable value. In normal operations, the net realisable value is the estimated obtainable selling price less the estimated costs incurred in bringing the product to a finished condition and the estimated necessary selling costs.

The inventory turnover rate and the potential decline of the net realisable value below the acquisition cost are estimated regularly, and if necessary, an impairment is recognised for inventories. Lindex recognises a provision for obsolete inventories based on whether the inventories are older than one year, as well as parameters depending on inventory levels and uncertainties in the environment. Stockmann recognises a provision for obsolete inventories, which is a percentage of the acquisition price of slow-moving goods in the central warehouse and department stores.

The value of inventories is determined using the weighted average cost method and it includes all the direct costs of the purchase.

EUR mill.	**2024**	2023
Materials and consumables	**169.6**	162.9
Total	**169.6**	162.9

The value of inventories has been written down by EUR 7.2 (7.6) million for obsolete assets.

2.5 Employee benefits

Accounting policies

Pension obligations

Pension plans are classified as defined benefit and defined contribution plans. In the Lindex Group countries of operation, statutory and voluntary pension plans are all defined contribution plans.

Payments for defined contribution plans are made to pension insurance companies. Payments made for defined contribution plans are recognised as expenses in the income statement for the financial period to which they relate.

Defined benefit pension plans are based on the calculations of authorised actuaries. The pension expenditure based on the work performance during the period and the net interest of the net debt of the defined benefit plan are recognised in the income statement and presented as expenses arising from employee benefits. The net debt of the defined benefit pension plan is entered in the statement of financial position.

Other long-term employee benefits

Lindex Group operates a length-of-service reward system under other long-term employee benefits. Employees who complete the specified years of service are entitled to extra paid leave. The present value of the obligation arising from this long-term employee benefit at the close of the reporting period is recognised as a liability in the statement of financial position. Items arising from the definition of liability are recognised in the income statement.

EUR mill.	**2024**	2023
Salaries and fees	**161.0**	163.5
Share-based payments	**0.3**	0.8
Pension expenses, defined contribution plans	**14.9**	14.5
Other employee benefits expenses	**32.2**	33.8
Total	**208.4**	212.5

Information on the management's employee benefits is given in Notes 5.5 Related party transactions and 5.6 Share-based incentives.

2.6 Other operating expenses

Accounting policies

Other operating expenses comprise expenses that are not directly related to the actual sales of goods and services. These include, for example, site expenses, marketing expenses, goods handling expenses, ICT expenses, expenses for professional services and expenses for leased workforce. Additionally, expenses related to short-term leases, leases of low-value assets and variable lease payments not included in the measurement of lease liabilities are recognised in other operating expenses. Furthermore, sales losses of property, plant and equipment, as well as valuation losses of assets classified as held for sale, are recognised in other operating expenses.

EUR mill.	**2024**	2023
Site expenses	**54.2**	55.6
Marketing expenses	**32.2**	32.6
Goods handling expenses	**26.0**	24.7
ICT expenses	**22.0**	20.1
Professional services	**12.9**	8.3
Leased workforce	**7.8**	6.5
Bank and cash calculation expenses	**5.5**	5.3
Voluntary social security expenses	**4.4**	3.5
Credit losses	**0.8**	0.1
Other expenses *)	**18.5**	11.0
Total	**184.1**	167.6

*) Corporate restructuring related expenses EUR 9.9 (1.4) million.

Fees to the auditors

EUR mill.	**2024**	2023
Auditing/EY	**0.5**	0.6
Auditing/others	**0.0**	0.1
Other assurance services based on legal requirements/EY	**0.2**	
Tax advisory/EY	**0.0**	0.0
Other services/EY	**0.0**	0.1
Total	**0.7**	0.7

2.7 Income taxes

Accounting policies

Tax expenses in the income statement comprise taxes based on taxable income for the period and deferred taxes. The tax rates and tax laws used to compute the tax amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. The amount of tax is adjusted for any taxes concerning previous periods. Income taxes are presented in the income statement unless the transaction relating to the taxes is presented directly in equity or in the statement of comprehensive income, in which case the tax effect is also stated in equity or in the statement of comprehensive income.

Deferred taxes are calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred taxes are not recognised on goodwill impairment, which is non-deductible in taxation.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised in full, except for the profits of the Estonian and Latvian subsidiaries, as the Group can determine when the temporary difference will reverse, and no such reversal is expected in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will arise in the future against which the deferred tax asset can be utilised. Deferred tax assets from unused tax losses are recognised only to the extent that the Group company has sufficient taxable temporary differences or other convincing evidence that sufficient taxable income will be generated against which the unused tax losses or tax credits can be utilised.

The Group offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities based on taxable income for the period. Furthermore, such tax assets and liabilities shall be associated with income taxes collected by the same tax authority, either from the same taxable entity or a different taxable entity, which is going to set off the tax assets against liabilities based on taxable income for the period or realise the receivables and pay the debts at the same time.

The Group applies the temporary mandatory exception under IAS 12.4A, which stipulates that a company does not recognise or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. Group companies recognise income tax expenses and the top-up tax related to the Pillar Two model in the period in which the liabilities arise. However, Estonian and Latvian subsidiaries are exceptions to this rule, as they recognise income tax expenses and liabilities upon dividend distribution. For distribution tax regimes, such as those in Estonia and Latvia, the top-up tax liability in the absence of dividend distribution during the fiscal year is not recognised if a deemed distribution tax election for the fiscal year has been made.

EUR mill.	**2024**	2023
Income taxes for the financial period	**-11.6**	-12.9
Income taxes from previous financial periods	**-1.9**	29.1
Change in deferred tax liability/assets	**-1.8**	-11.1
Total	**-15.3**	5.0

Reconciliation between the income tax expense in the income statement and the Group's tax expense at the Finnish tax rate of 20%

EUR mill.	**2024**	2023
Profit before taxes	**28.6**	46.6
Income taxes at current tax rate	**-5.7**	-9.3
Income taxes from previous financial periods	**-1.9**	29.1
Tax-exempt income	**1.3**	0.2
Differing tax rates of foreign subsidiaries	**0.1**	-0.2
Non-deductible expenses	**-7.0**	-6.8
Effect of deferred taxes not recognised	**-2.1**	-1.0
Changes in tax rates		-1.0
Deferred tax on results from previous financial periods		-5.9
Income taxes in the income statement	**-15.3**	5.0

The Pillar Two model rules were adopted in Finland at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules apply. Concurrently, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions where the Group operates, effective for the financial year beginning 1 January 2024.

The Group has assessed its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for its constituent entities. The assessment indicates that the Pillar Two effective tax rates in most jurisdictions where the Group operates are above 15%. However, the Group has identified a Pillar Two income tax exposure of EUR 0.1 million in Estonia, which is not covered by the transitional safe harbour relief. This exposure arises due to the Estonian distribution tax regime. During the fiscal year, the Group made a deemed distribution tax election for its Estonian subsidiaries, resulting in an effective tax rate of 15% for Pillar Two purposes in 2024. The income tax has been recognised in the Group's financial statements as a deferred tax liability. The tax will be paid upon dividend distribution, no later than in 2028.

2.8 Deferred tax assets and deferred tax liabilities

Changes in deferred tax assets

EUR mill.	1.1.2024	Recognised in income statement	Translation difference	31.12.2024
Difference between carrying amounts and tax bases of property, plant and equipment	**1.4**		**-0.0**	**1.4**
Lease liability	**111.1**	**5.7**	**-1.7**	**115.2**
Other temporary differences	**5.1**	**-0.4**	**-0.1**	**4.5**
Deferred tax assets	**117.6**	**5.3**	**-1.8**	**121.1**
Netting of deferred taxes	**-87.3**			**-90.5**
Deferred tax assets, net	**30.3**			**30.6**

EUR mill.	1.1.2023	Recognised in income statement	Translation difference	31.12.2023
Difference between carrying amounts and tax bases of property, plant and equipment	1.4		0.0	1.4
Lease liability	105.4	5.8	0.0	111.1
Other temporary differences	7.9	-2.7	-0.2	5.1
Deferred tax assets	114.7	3.1	-0.2	117.6
Netting of deferred taxes	-83.7			-87.3
Deferred tax assets, net	31.0			30.3

Changes in deferred tax liabilities

EUR mill.	1.1.2024	Recognised in income statement	Translation difference	31.12.2024
Cumulative depreciation differences	**18.4**	**1.9**	**-0.5**	**19.8**
Difference between carrying amount and tax bases of prop., plant and equip.	**4.3**		**-0.1**	**4.1**
Measurement at fair value of intangible and tangible assets	**13.7**		**-0.4**	**13.2**
Right-of-use assets	**87.4**	**4.7**	**-1.6**	**90.5**
Other temporary differences	**14.6**	**0.5**	**0.0**	**15.1**
Deferred tax liabilities	**138.3**	**7.1**	**-2.6**	**142.8**
Netting of deferred taxes	**-87.3**			**-90.5**
Deferred tax liabilities, net	**51.0**			**52.3**

EUR mill.	1.1.2023	Recognised in income statement	Translation difference	31.12.2023
Cumulative depreciation differences	14.7	3.6	0.2	18.4
Difference between carrying amount and tax bases of prop., plant and equip.	4.3	-0.0	0.0	4.3
Measurement at fair value of intangible and tangible assets	13.6		0.0	13.7
Right-of-use assets	83.7	3.8	-0.2	87.4
Other temporary differences	7.7	6.9	-0.0	14.6
Deferred tax liabilities	124.0	14.3	0.0	138.3
Netting of deferred taxes	-83.7			-87.3
Deferred tax liabilities, net	40.3			51.0

The companies belonging to the group have tax losses of 61.6 million euros, which can be deducted if taxable income is generated in the coming years. EUR 8.4 million of the tax losses can be used until 2033, EUR 13.3 million until 2034, and EUR 40.0 million can be carried forward indefinitely.

No deferred tax assets have been recognised for the losses. The Group records a deferred tax asset to the extent it is probable that taxable profit is available to offset losses in the coming years or that it is possible to use them elsewhere in the Group.

In accordance with IAS 12 paragraph 52 A, deferred tax liabilities have not been recorded on the accumulated distributable earnings of EUR 21.1 million (20.3) of the Estonian and Latvian subsidiaries.

Lindex Group has recorded a deferred tax liability of EUR 6.4 million (5.9) for the undistributed accumulated distributable earnings of Lindex Group plc’s branch in Estonia. Currently, the taxes in Estonia for the potential future profit sharing from the branch would not be deductible from the taxes payable in Finland.

3 Intangible and tangible assets and leasing arrangements

3.1 Depreciation, amortisation and impairment losses

EUR mill.	**2024**	2023
Intangible assets	**9.1**	10.5
Machinery and equipment	**11.4**	10.5
Modification and renovation expenses for leased premises	**1.1**	1.2
Right-of-use assets	**77.4**	78.0
Depreciation and amortisation, total	**99.0**	100.2
Depreciation, amortisation and impairment losses, total	**99.0**	100.2

3.2 Goodwill and other intangible assets

Accounting policies

The Group’s goodwill is the difference between the consideration transferred, measured at fair value, and the identifiable net assets acquired, measured at fair value. Neither goodwill nor the Lindex brand are amortised. The brand is deemed to have an indefinite useful life due to high brand awareness. The goodwill and the brand are measured at original acquisition cost less impairment losses.

Other intangible assets include intangible rights and software that are measured at original acquisition cost. Other intangible assets are amortised on a straight-line basis over their estimated useful lives.

The amortisation periods of intangible assets are:

software	3–10 years
other intangible rights	5 years

Subsequent expenditure related to intangible assets is capitalised only if it increases the economic benefits of the asset. Otherwise, the costs are recorded as operating expenses when incurred.

In cloud computing (Software-as-a-Service or SaaS) arrangements, service contracts provide the Group with the right to access the cloud provider’s application software over the contract period. Implementation costs, including those for configuring or customising the cloud provider’s application software, are recognised as operating expenses when the services are received. When the SaaS arrangement supplier provides both configuration and customisation services, judgement is applied to determine whether these services are distinct from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred, while non-distinct costs are expensed over the SaaS contract term.

Intangible assets, EUR mill. 2024	Goodwill	Trademark	Intangible rights	Other intangible assets	Advance payments and construction in progress	Intangible assets, total
Acquisition cost 1.1.	**633.3**	**82.2**	**103.5**	**3.3**	**0.7**	**823.1**
Translation difference +/-	**-20.1**	**-2.6**	**-2.3**	**0.0**	**0.0**	**-25.0**
Increases during the period			**9.8**		**1.2**	**11.0**
Decreases during the period			**-20.4**			**-20.4**
Transfers between items during the period			**0.9**	**-0.0**	**-0.9**	**-0.0**
Acquisition cost 31.12.	**613.2**	**79.6**	**91.5**	**3.3**	**1.0**	**788.7**
Accumulated amortisation 1.1.	**-382.7**	**-0.3**	**-71.2**	**-3.0**		**-457.1**
Translation difference +/-	**12.0**	**0.0**	**1.6**	**-0.0**		**13.6**
Amortisation on reductions during the period			**20.4**			**20.4**
Amortisation and impairment losses during the period			**-8.9**	**-0.2**		**-9.1**
Accumulated amortisation 31.12.	**-370.7**	**-0.3**	**-58.2**	**-3.1**		**-432.3**
Carrying amount 1.1.	**250.6**	**81.9**	**32.4**	**0.4**	**0.7**	**366.0**
Carrying amount 31.12.	**242.6**	**79.3**	**33.3**	**0.2**	**1.0**	**356.4**

Intangible assets, EUR mill. 2023	Goodwill	Trademark	Intangible rights	Other intangible assets	Advance payments and construction in progress	Intangible assets, total
Acquisition cost 1.1.	632.7	82.0	94.2	4.1	4.2	817.2
Translation difference +/-	1.4	0.2	0.4	-0.1	-0.0	2.0
Increases during the period			10.3	0.1	1.8	12.2
Decreases during the period	-0.9		-6.7	-0.7	-0.0	-8.3
Transfers between items during the period			5.3		-5.3	0.0
Acquisition cost 31.12.	633.3	82.2	103.5	3.3	0.7	823.1
Accumulated amortisation 1.1.	-381.8	-0.3	-67.4	-3.4		-452.8
Translation difference +/-	-0.9	-0.0	-0.3	0.0		-1.1
Amortisation on reductions during the period			6.7	0.7		7.4
Amortisation and impairment losses during the period			-10.2	-0.3		-10.5
Accumulated amortisation 31.12.	-382.7	-0.3	-71.2	-3.0		-457.1
Carrying amount 1.1.	**250.9**	**81.8**	**26.8**	**0.7**	**4.2**	**364.4**
Carrying amount 31.12.	**250.6**	**81.9**	**32.4**	**0.4**	**0.7**	**366.0**

Impairment testing

Accounting policies
The carrying amounts of asset items are regularly assessed to identify any potential impairment indicators. When such indications arise, the recoverable amount of the asset is determined. Goodwill and the brand are allocated to cash-generating units and undergo annual testing for impairment. If the value of an asset item or cash-generating unit on the statement of financial position exceeds its recoverable amount, an impairment loss is recognised, and these losses are reflected in the income statement.

For impairment losses on a cash-generating unit, the reduction is first allocated to the goodwill of the unit. Subsequently, any remaining impairment loss is allocated proportionally to reduce the unit's other asset items.

The recoverable amount of intangible and tangible assets is defined as the higher of its fair value less costs to sell and its value in use. In determining the value in use, the estimated future cash flows are discounted to their present value using discount rates reflecting the average capital costs before taxes of the relevant cash generating unit. Climate-related risks, both physical and transitional, are constantly monitored when measuring the recoverable amount. While the Group believes its operations are not currently significantly exposed to physical risk, the value-in-use may be impacted by transition risks, such as climate-related legislation, regulations and changes in demand for the Group's products.

Impairment losses on property, plant and equipment, as well as other intangible assets (excluding goodwill), can be reversed if there is a change in the estimates used to determine the recoverable amount. However, any reversal is limited to the carrying amount of the asset if no impairment loss had been recognised in previous years.

Under IFRS 8, Lindex Group's reportable segments are fashion chain Lindex and Stockmann for the department store business, which are both considered as cash-generating units. The assets for these segments are tested for impairment either during the preparation of the financial statements or when there are indications that assets may be impaired.

Since 2019, Lindex has achieved revenue growth of approximately 3-4% CAGR (Compound Annual Growth Rate), predominantly attributed to its digital expansion efforts. The strategic plan is to maintain this growth momentum in the coming years, with financial targets set at 3-5% annual growth in the mid-term, aiming to reach EUR 875 million (SEK 10 billion) in the long term. Additionally, the digital share is projected to increase from 19% in 2023 to 30% in the mid-term, indicating a substantial focus on digital advancement.

To enhance both growth and profitability, Lindex will implement a new fully automated logistics center in 2025. This strategic move is designed to bolster digital sales and explore new sales channels.

Regarding financial performance, the adjusted operating margin is expected to reach 15% in the long-term, while approximately maintaining the existing levels in the mid-term. This dual focus on sustained growth and profitability reflects Lindex's commitment to a balanced and sustainable business strategy. The implementation of the new logistics centre is anticipated to play a pivotal role in achieving these targets, providing a robust infrastructure for digital expansion and diversification into new channels.

Despite the impact of inflation on consumer confidence in recent years, Lindex has predominantly grown internationally acquiring new customers. While lower consumer confidence is anticipated to affect the retail market in the coming years, Lindex aims to mitigate this impact, drawing from its experience in navigating similar challenges in the past.

The Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill. Lindex has incorporated its expectations for the changing consumer needs and consumption habits, expected cost increases due to stricter recycling requirements and more sustainably sourced materials as well as higher energy and freight cost due to climate change in the cash-flow forecasts when assessing value-in-use amounts.

As of 31 December 2024, there are no indications for impairment. The goodwill of EUR 242.6 (250.6) million is allocated to the Lindex segment, and the Lindex trademark, valued at EUR 79.3 (81.9) million, is entirely allocated to the Lindex segment. The Lindex brand is considered to have an indefinite useful life due to high brand awareness. With a 70-year history, the Group plans to continue utilising the brand both in existing markets and by introducing it to new markets through both online and physical store concepts.

Main assumptions and variables used in the calculation of the value-in-use of Lindex
In the impairment testing, future cash flows have been forecasted based on the organisation's strategy and financial targets, and also considering potential climate related risks. Cash flows have been forecasted with a conservative approach. These forecasts have received approval from the Group Management team. This conservative

methodology ensures that financial projections are grounded in a realistic assessment, taking into account potential challenges and uncertainties. The approval from management affirms the validity and careful consideration embedded in the forecasts as the organisation navigates the dynamic business landscape.

Main variables used in the value-in-use calculation are:

1. **Revenue growth.** The forecasted revenue growth for Lindex is based on an estimation of sales expansion in both physical stores and online platforms, covering a five-year period. Over the past five years, the revenue growth rate, measured as the Compound Annual Growth Rate (CAGR), has been approximately 3-4%. The management has considered the mid-term financial targets, coupled with a terminal growth rate of 2.0% (2.0%). These revenue forecasts take into consideration a range of factors, including shifts in the economy, insights from market research, expansion initiatives in physical stores, online channels, and collaboration with third-party platforms. A significant catalyst for growth is anticipated with the operationalisation of Lindex's fully automated logistics center, which is set to become fully operational in 2025. This facility is expected to provide robust support for growth, particularly in the realm of online channels.

2. **Gross margins and operating margins.** In recent years, Lindex has achieved an increase or stability in both gross margins and operating margins. This is attributed to various strategic actions implemented across the supply chain, assortments, strategic pricing, cost-efficiency measures, and digitalization initiatives. Despite temporary annual fluctuations, the aggregated improvements are sustained over time, providing confidence in the future outlook. Forecasts for Lindex's gross margin and operating margin percentages extend over a 5-year period. In 2024, the gross margin was 65.1% (65.4%), and the adjusted operating margin was 13.2% (14.3%).

   Management anticipates that factors such as macroeconomic turmoil, increases in raw material prices, a shift towards sustainable sourcing, and changes in the sales mix, in combination with continual investments to future-proof the business, may decrease profitability in the short term, but profitability is expected to gradually improve. The lower starting margin is planned to be effectively mitigated by continuously streamlining operations through increased automation and digitalisation. This ensures that the long-term goal of achieving a 15% adjusted operating result remains unchanged.

3. **Discount rate**, which is determined using the weighted average cost of capital, based on the optimal finance structure or the average finance structure of industry peers (reflects the total cost of equity and debt). The components of the discount rate are market-specific risk-free rate, market risk premium, business-specific beta, country risk premium, size risk premium and cost of debt and debt-to-equity ratio, which corresponds to the capital structure in the retail industry. Lease liabilities have been taken into account in the calculation of the discount rate and correspondingly the right-of-use assets are included in the value of assets.

   The management has determined the components of discount rate so that market-specific risk-free rate, market risk premium, business-specific beta, country risk premium and size risk premium are consistent with external sources of information and the cost of debt reflects the industry average.

   The discount rate determined is a pre-tax rate. The discount rate of Lindex is based on the market interest rate and country-specific risk pertaining to Sweden and Finland; the discount rate used for Lindex is 12.1% (11.9%).

Sensitivity in determining the recoverable amount
In the impairment testing the recoverable amount of Lindex is significantly higher than the carrying amount of the non-current assets and the working capital in the balance sheet. Due to the competition and general economic situation affecting consumers' purchasing behaviour and purchasing power, a major change in the variables used could lead to a situation in which the recoverable amount of Lindex would be less than the segment's carrying amount which leads to a need for impairment.

A sensitivity analysis was carried out on Lindex using downside scenarios. The scenarios involved were:

- reducing the sales growth from the level given in the management's estimates for the cash flow period also reflecting the sales value of the terminal period,
- reducing the Gross Margin per cent from the level given in the management estimates for the cash flow period also reflecting to the Gross Margin per cent value of the terminal period,
- or raising the discount rate.

A change in an assumption that would cause the recoverable amount to equal the carrying amount is presented in the table below.

Change, percentage points	2024
Discount rate increase	>4%
Decline in sales growth	>7%
Decline in Gross Margin	>4%

Based on the impairment testing carried out, there is headroom of more than EUR 300 (300) million.

3.3 Property, plant and equipment

Accounting policies

Machinery and equipment comprise the bulk of property, plant and equipment. Property, plant and equipment also includes modification and renovation costs of leased premises such as the finishing work on the interiors of commercial premises located in leased buildings.

Property, plant and equipment are measured in the statement of financial position at their original acquisition cost, less accumulated depreciation and any impairment losses. The acquisition cost of self-constructed assets includes materials and direct labour. If an item of property, plant and equipment is comprised of several components with differing useful lives, the components are treated as separate items. Subsequent costs related to the item are recognised as a part of the acquisition cost when they increase the future useful life of the asset. Other costs, such as normal maintenance and repair measures, are recognised in the income statement as operating expenses when incurred.

Straight-line depreciation is recognised on property, plant and equipment in accordance with each item's useful life.

The depreciation periods for property, plant and equipment are:

- Buildings 20-25 years
- Warehouse automation 10-15 years
- Costs of leased premises 5–20 years
- Machinery and equipment 4–10 years
- ICT equipment 3–5 years
- Lightweight store fixtures and equipment 3–5 years

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment annually and adjusts them prospectively, if appropriate. The review includes climate-related considerations, including physical and transition risks. Especially, the Group determines if the climate-related legislation and regulations might impact either the useful life or residual values of the assets. As of the balance sheet date, climate-related considerations had no impact on the useful life or valuation of the assets.

Materiella tillgångar, Milj. euro 2024	Mark- och vattenområden	Maskiner och inventarier	Ändrings- och ombyggnadsutgifter för hyrda lokaliteter	Tillgångar med nyttjanderätt	Förskott och pågående nyanläggningar	Materiella tillgångar, totalt
Anskaffningsutgift 1.1	0.2	249.3	8.8	715.7	77.9	1,051.9
Omräkningsdifferens +/-	-0.0	-6.9		-14.9	-2.5	-24.3
Ökningar under perioden	0.0	19.2		94.2	15.5	128.9
Minskningar under perioden		-4.7	-0.2	-18.0		-22.9
Överföringar mellan posterna under perioden		2.0	0.5		-2.6	
Anskaffningsutgift 31.12	0.2	259.0	9.2	777.0	88.3	1,133.7
Ackumulerade avskrivningar 1.1		-210.0	-4.6	-275.2		-489.8
Omräkningsdifferens +/-		6.4		7.4		13.8
Avskrivningar på minskningar under perioden		4.6	0.2	24.9		29.7
Räkenskapsperiodens avskrivning och nedskrivning		-11.4	-1.1	-77.4		-89.8
Ackumulerade avskrivningar 31.12		-210.4	-5.5	-320.3		-536.2
Bokföringsvärde 1.1	**0.2**	**39.3**	**4.2**	**440.5**	**77.9**	**562.1**
Bokföringsvärde 31.12	**0.2**	**48.6**	**3.6**	**456.8**	**88.3**	**597.5**

Materiella tillgångar, Milj. euro 2023	Mark- och vattenområden	Maskiner och inventarier	Ändrings- och ombyggnadsutgifter för hyrda lokaliteter	Tillgångar med nyttjanderätt	Förskott och pågående nyanläggningar	Materiella tillgångar, totalt
Anskaffningsutgift 1.1		244.0	9.4	636.7	37.1	927.1
Omräkningsdifferens +/-	0.0	-2.9		1.8	1.5	0.4
Ökningar under perioden	0.2	8.5	0.0	109.9	44.1	162.6
Minskningar under perioden		-4.0	-1.5	-32.6		-38.2
Överföringar mellan posterna under perioden		3.8	0.9		-4.8	-0.0
Anskaffningsutgift 31.12	0.2	249.3	8.8	715.7	77.9	1,051.9
Ackumulerade avskrivningar 1.1		-206.4	-5.0	-217.5		-428.9
Omräkningsdifferens +/-		2.9		-1.8		1.2
Avskrivningar på minskningar under perioden		4.0	1.5	22.1		27.5
Räkenskapsperiodens avskrivning och nedskrivning		-10.5	-1.2	-78.0		-89.7
Ackumulerade avskrivningar 31.12		-210.0	-4.6	-275.2		-489.8
Bokföringsvärde 1.1		**37.6**	**4.4**	**419.2**	**37.1**	**498.2**
Bokföringsvärde 31.12	**0.2**	**39.3**	**4.2**	**440.5**	**77.9**	**562.1**

År 2024 och 2023 relaterade förskott och pågående nyanläggningar i huvudsak till byggandet av Lindexdivisionens nya omnikanalbaserade distributionscenter. Den nya anläggningen är planerad att tas i fullt bruk under år 2025. Ingen nedskrivning har bokförts för tillgångarna. Osäkerhet kring framtida kassaflöden kan dock utlösa en nedskrivning.

3.4 Investment property

Accounting policies
When the Group holds a land area or building for lease income and appreciation in value rather than using it for its own retail or administrative purposes, the property is classified as an investment property in accordance with IAS 40.

An investment property is initially valued at acquisition cost, which includes its purchase price and any directly attributable expenditure. Investment properties are not depreciated; instead, any gains or losses due to changes in fair value are recognised in the income statement for the period during which they arise. These gains or losses are recognised separately in the income statement.

The Tapiolan Säästötammi property in Espoo, of which the Group owns 37.8%, is classified as an investment property in accordance with IAS 40.

EUR mill.	**2024**	2023
Fair value at 1.1.	**0.5**	0.5
Fair value at 31.12.	**0.5**	0.5

3.5 Leases

Group as lessee

Accounting policies
A right-of-use asset and a lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets in Lindex Group are composed of leased business premises, warehouses, cars, and other machinery and equipment.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date until the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for the amount of the remeasurement of the lease liability.

At the commencement date the lease liability is measured at the present value of the lease payments that have not been paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used instead. The incremental borrowing rate is the average rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments,
- variable lease payments that depend on an index, initially measured using the index as at the commencement date,
- amounts expected to be payable under residual value guarantees,
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised,
- payments of penalties for terminating the lease if it is reasonably certain that the option to terminate will be exercised.

The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised. Lindex division uses a scoring system based on the operating profit to determine if prolongation of the original rental period is included in the lease term. Operating profit is measured as a percentage of turnover and the higher the percentage, the more likely the option to extend will be exercised.

The lease liability is later measured at the amortised cost using the effective interest method. The lease liability is reassessed when there is a change in future lease payments arising from a change in the index or if there is a change in the estimate of the amount expected to be payable under the residual value guarantee or if there is a change in the assessment of whether purchase, extension or termination option will be exercised. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease modifications, where the original terms of a lease agreement such as change in the scope of a lease, its contractual duration, or the consideration for a lease, are accounted for either as a new lease or an adjustment to the existing lease. If the modification increases the scope of the lease by adding new assets, and the consideration increases commensurately, it is treated as a separate lease.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities in liabilities in the statement of financial position. When right-of-use assets are transferred to the lessee under a sublease agreement and are classified as a finance lease, the right-of-use assets are derecognised and presented as a lease receivable in the balance sheet.

Based on the exemption provided by IFRS 16, the Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including IT-systems and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sale and leaseback

Accounting policies

In sale and leaseback transactions, where Lindex Group sells and then leases back assets, the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group. Accordingly, Lindex Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Department store properties in Helsinki, Tallinn and Riga were sold and leased back in 2021 and 2022.

Right-of-use assets

2024, EUR mill.	Buildings	Machinery and equipment	Total
Acquisition cost 1.1.	714.3	1.4	715.7
Translation difference +/-	-14.9	-0.0	-14.9
Increases during the period	92.8	1.4	94.2
Decreases during the period	-17.6	-0.5	-18.0
Acquisition cost 31.12.	774.7	2.3	777.0
Accumulated depreciation and impairment losses 1.1.	-274.6	-0.6	-275.2
Translation difference +/-	7.4	0.0	7.4
Depreciation on reductions during the period	24.5	0.4	24.9
Depreciation, amortisation and impairment losses during the period	-76.8	-0.6	-77.4
Accumulated depreciation and impairment losses 31.12.	-319.5	-0.7	-320.3
Carrying amount 1.1.	439.7	0.9	440.5
Carrying amount 31.12.	455.2	1.6	456.8

2023, EUR mill.	Buildings	Machinery and equipment	Total
Acquisition cost 1.1.	635.4	1.3	636.7
Translation difference +/-	1.8	0.0	1.8
Increases during the period	109.0	0.8	109.9
Decreases during the period	-31.9	-0.7	-32.6
Acquisition cost 31.12.	714.3	1.4	715.7
Accumulated depreciation and impairment losses 1.1.	-216.7	-0.8	-217.5
Translation difference +/-	-1.8	0.0	-1.8
Depreciation on reductions during the period	21.4	0.7	22.1
Depreciation, amortisation and impairment losses during the period	-77.6	-0.4	-78.0
Accumulated depreciation and impairment losses 31.12.	-274.6	-0.6	-275.2
Carrying amount 1.1.	418.7	0.5	419.2
Carrying amount 31.12.	439.7	0.9	440.5

In 2024 and 2023 increases of right-of use assets are mainly due to extensions to the contracts, price increases and new Lindex store openings. Decreases mainly relate to changes in terms of lease agreements for business premises.

Carrying amount 31.12. by operating segments

EUR mill.	2024	2023
Lindex	**252.4**	236.4
Stockmann	**204.4**	204.1
Total	**456.8**	440.5

Leases recognised in profit and loss

EUR mill.	2024	2023
Interest expenses on lease liabilities	**-36.0**	-32.1
Expenses relating to leases of low-value assets	**-1.5**	-0.6
Expense relating to variable lease payments not included in lease liabilities	**-2.9**	-4.8
Total	**-40.4**	-37.6

Total cash outflow for leases in 2024 was EUR 109.8 million (98.4).

Group as lessor

Accounting policies

When the Group acts as a lessor, for each lease it is determined at the lease inception whether it is a finance lease or an operating lease. A lease is a finance lease if substantially all of the risks and rewards incidental to ownership of the underlying asset are transferred to the lessee, otherwise it is an operating lease. All leases in which Lindex Group acts as a lessor on 31 December 2024 and 31 December 2023 are operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

Minumum lease payments on non-cancellable operating leases

EUR mill.	2024	2023
Within one year	**5.8**	10.6
Between one and five years	**12.1**	17.2
Total	**17.9**	27.8

4 Capital structure

4.1 Financial income and expenses

Financial income

EUR mill.	2024	2023
Dividend income from other investments	0.1	0.0
Interest income on bank deposits and other investments	3.4	3.5
Other financial income	0.4	1.6
Foreign exchange differences	1.4	
Total	5.2	5.1

Financial expenses

EUR mill.	2024	2023
Interest expenses on financial liabilities measured at amortised cost	-1.6	-1.5
Interest expenses from lease contracts	-36.0	-32.1
Foreign exchange differences	0.0	-1.4
Total	-37.6	-35.0

EUR mill.	2024	2023
Financial income and expenses, total	-32.3	-29.9

4.2 Financial instruments

Accounting policies

Financial instruments are classified under IFRS 9 into the following groups: financial assets and liabilities at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss. The classification is made at the time of the original acquisition based on the objective of the business model and the characteristics of contractual cash flows of the investment.

Trade receivables and other receivables which are not derivatives are measured at amortised cost. They are included in either current or non-current assets in the statement of financial position, as appropriate. Receivables are deemed non-current assets if they mature after more than 12 months. Trade receivables are recognised at their fair value in the statement of financial position on initial recognition. Lindex Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables, customer contract assets and lease receivables. The amount of future credit losses is estimated on the basis of experience and recognised in profit or loss as a percentage of all outstanding trade and lease receivables.

Other investments include the Group's investments in shares, and they are measured at fair value through profit or loss. The fair value of publicly quoted shares is the market price at the financial statements date. Unlisted shares are stated at cost less any impairment loss if their fair values cannot be measured reliably.

Purchases and sales of financial assets are recognised at the trade date, which is the day when the company made a commitment to purchase or sell the asset item. An item belonging to financial assets is derecognised from the statement of financial position when the company relinquishes the contractual rights to the item, the rights expire, or the company loses control over the item.

Liabilities which are not derivatives are classified at amortised cost and are recognised at their fair value in the statement of financial position on initial recognition. Transaction costs are included in the original carrying amount of interest-bearing liabilities. Subsequently, interest-bearing liabilities are measured at amortised cost using the effective interest method. Non-current liabilities fall due in 12 or more months, and current liabilities have a maturity of less than 12 months.

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss, and changes in their fair value are recognised through profit or loss, except for derivatives to which hedge accounting for cash flow hedges or for hedges of net investments are applied and which meet the criteria for hedge accounting defined in IFRS 9.

Hedge accounting is applied to certain currency derivatives that are used in hedging forecasted foreign currency denominated sales and purchases and which meet the hedge accounting requirements of IFRS 9. The hedged cash flow must be highly probable and ultimately affect profit or loss. Changes in the fair value of derivative contracts taken out to hedge cash flows are recognised in the statement of comprehensive income and presented in the fair value reserve under equity, and any ineffective component is recognised through profit or loss. Cumulative changes in fair value in equity are recognised in items adjusting sales or purchases through profit or loss in the same period as that in which the forecast transactions covered by hedge accounting are recognised in the income statement. If a hedged cash flow is no longer expected to be realised, the related fair value change that has been recognised for the hedging instrument directly to equity is transferred to the income statement.

Hedge accounting is also applied to certain currency derivatives that hedge foreign currency denominated net investments in foreign operations. Changes in the fair value of the hedging instrument are recognised in the statement of comprehensive income and presented in the translation difference in shareholders' equity. Gains and losses from the hedging of net investments that are recognised in translation differences are transferred to the income statement when the net investment is disposed of in full or in part. The realised foreign exchange rate gain on the hedge of a net investment in a foreign operations and internal loans are included in the cash flow from investment activities in the consolidated cash flow statement.

The hedging relationship between the hedged item and the hedging instrument is documented at the inception of the hedge. The documentation includes identification of the hedging instrument and the hedged item, the nature of the risk being hedged, the objectives of risk management, and calculations of the effectiveness of the hedge. The hedging relationship must be effective, and the effectiveness is reviewed both at the inception of the hedge and subsequently. Effectiveness testing is carried out at each financial statements date.

The fair value of interest rate swaps is defined on the basis of the present value of future cash flows, applying market prices at the financial statements date. Changes in the fair value of interest rate swaps are recognised in financial income and expenses in the income statement.

The fair value of currency forwards and currency swaps is calculated by measuring them at their market prices at the financial statements date. The fair value of currency options is calculated using the Black-Scholes model. The results of the measurement of currency derivatives are recognised through profit or loss, except for currency derivatives to which hedge accounting for cash flow hedges or hedges of net investments are as defined in IFRS 9.

4.3 Current receivables

EUR mill.	**2024**	2023
Non-interest-bearing trade receivables	**16.0**	14.5
Receivables based on derivative contracts	**1.5**	0.0
Other receivables	**1.0**	1.2
Prepayments and accrued income	**23.7**	26.3
Income tax receivables	**0.4**	5.3
Current receivables, total	**42.7**	47.3

The carrying amount of trade receivables corresponds to their fair value. The maximum amount of the credit risk for trade receivables and other current receivables is their carrying amount.

Prepayments and accrued income

EUR mill.	**2024**	2023
Prepaid rents	**11.9**	13.8
Merchandise prepayments	**4.4**	4.6
Periodised ICT expenses	**3.1**	2.9
Receivable from credit card co-operation	**1.8**	1.8
Periodised indirect employee expenses	**1.1**	1.2
Others	**1.4**	1.9
Total	**23.7**	26.3

4.4 Cash and cash equivalents

Accounting policies

Cash and cash equivalents consist of cash on hand, current bank deposits as well as other current, highly liquid investments with a maturity of no more than three months at the date of acquisition. The fair values of cash and cash equivalents are assumed to approximate to their carrying amounts because of their short maturities.

EUR mill.	**2024**	2023
Cash and cash equivalents	**114.7**	137.5
Total	**114.7**	137.5

Restricted cash on 31 December 2024 EUR 0.6 million (0.6).

4.5 Non-current liabilities

EUR mill.	2024	2023
Bond issues	**73.1**	72.0
Periodised loan arrangement expenses	**-0.1**	-0.1
Lease liabilities	**512.9**	505.6
Other interest-bearing financing liabilities	**3.0**	
Other non-interest bearing liabilities	**0.4**	0.3
Total	**589.3**	577.9
of which interest-bearing	**589.0**	577.6

The carrying amount of bond issues and other liabilities has been calculated using the effective interest method, and fair value has been defined using the discounted cash flow method by discounting at the market interest rate at the reporting date.

In May 2021, Stockmann plc announced an offering of senior secured bonds to certain unsecured creditors of the issuer under the restructuring programme. Pursuant to the restructuring programme, the unsecured creditors are entitled to convert their receivables under the payment programme of the restructuring programme that have been confirmed to unsecured debt, by way of set-off, to senior secured bonds on a euro-for-euro basis. On 31 December 2023, the receivables which had been converted to subsequent bonds amounted to EUR 71.9 million.

In January 2024, the Company announced that it had received and verified one subscription form from an entitled person whose previously conditional or disputed receivable subject to the payment programme of the restructuring programme had been clarified and the final amount of such receivable had been confirmed. The subsequent bonds duly subscribed for by such entitled person amount to the aggregate principal amount of EUR 1.1 million. The receivable of the entitled person was converted, by way of set-off, into subsequent bonds. After the conversion, the subsequent bonds amount to EUR 73.1 million.

The bonds are presented as non-current interest-bearing financing liabilities in the Consolidated Statement of Financial Position.

Other interest-bearing financing liabilities comprise financing of the building of the Lindex omnichannel distribution center through the Group’s consolidated structured entity, Bälinge Logistikfastighet AB (see note 5.1).

4.6 Current liabilities

EUR mill.	2024	2023
Lease liabilities	**90.3**	81.6
Other interest bearing financing liabilities	**6.8**	0.0
Trade payables	**57.7**	63.9
Other current liabilities	**33.6**	33.2
Accruals and prepaid income	**72.8**	79.4
Derivative contract liabilities		1.9
Income tax liability	**3.1**	11.7
Current provisions	**15.9**	18.0
Total	**280.1**	289.8
of which interest-bearing	**97.1**	81.6

Restructuring debt

EUR mill.	31.12.2024	31.12.2023
Current non-interest-bearing restructuring debt, unsecured	**0.0**	1.4
Restructuring debt total	**0.0**	1.4
Restructuring debt related to current provisions	**15.9**	18.0
Provisions related to restructuring debt *)	**15.9**	18.0
Total	**15.9**	19.4

Additionally, Lindex Group plc's intra-group restructuring liabilities amount to EUR 63.9 million.

*) Consists of conditional and maximum restructuring debt and disputed landlords' claims for terminated lease agreements.

Accruals and prepaid income

EUR mill.	2024	2023
Personnel expenses	**40.9**	40.7
Periodised purchases	**13.8**	16.0
Customer loyalty programme MORE	**5.8**	6.2
Reserve for returns and periodisation of sales	**4.8**	4.3
Derivative liabilities		1.9
Other accruals and prepaid income	**7.5**	10.4
Total	**72.8**	79.4

4.7 Reconciliation of liabilities arising from financing activities

EUR mill.	1.1.2024	Cash flows from liabilities	Non-cash changes from liabilities		Non-cash changes from loans	31.12.2024
			Changes in leases	The effect of changes in foreign exchange rates		
Non-current liabilities, interest-bearing	**71.9**	**3.0**		**-0.0**	**1.2**	**76.1**
Current liabilities, interest-bearing				**-0.0**	**6.8**	**6.8**
Lease liabilities	**587.2**	**-73.9**	**98.0**	**-8.2**		**603.1**
Total liabilities from financing activities	**659.1**	**-70.8**	**98.0**	**-8.3**	**8.0**	**686.0**

EUR mill.	1.1.2023	Cash flows from liabilities	Non-cash changes from liabilities		Non-cash changes from loans	31.12.2023
			Changes in leases	The effect of changes in foreign exchange rates		
Non-current liabilities, interest-bearing	67.5				4.4	71.9
Lease liabilities	554.8	-66.3	98.4	0.3		587.2
Total liabilities from financing activities	**622.3**	**-66.3**	**98.4**	**0.3**	**4.4**	**659.1**

4.8 Financial risk management

The Group’s financing and the management of financial risks are handled on a centralised basis within Lindex Group plc’s Treasury function in accordance with the policy adopted by the Board of Directors.

The Board of Directors of Lindex Group filed for corporate restructuring of the parent company Lindex Group plc on 6 April 2020 and corporate restructuring proceedings were initiated on 8 April 2020. As a result of the filing for restructuring the District Court of Helsinki ruled a temporary prohibition of collection for Lindex Group plc and the company’s external debts were subject to restructuring. The banks closed all derivative positions on 6 April 2020 and cancelled all hedging facilities. In a decision on 9 February 2021, the Helsinki District Court approved Lindex Group plc’s restructuring programme and the restructuring proceedings have ended. However, since the restructuring proceedings were initiated, Lindex Group has had limited possibilities to manage financial risks according to its financial policy. This note mainly describes the management of financial risks in a situation where Lindex Group has standard hedging instruments available. The implications of the restructuring programme for financial risk management are described in more detail below.

The objective of financial risk management is to ensure reasonable financing for the Group in all circumstances and to reduce the effects of market risks on the Group’s profit and balance sheet. The Group Treasury, which reports to the Chief Financial Officer of Lindex Group plc, manages financial exposures and executes hedging strategies at Group level. The Treasury acts in accordance with more detailed guidelines setting out the principles of managing financial risks as well as the management of liquidity and financing. In addition, the divisions may have additional instructions for hedging their foreign exchange exposure.

The Group’s main financial risks are currency risk, interest rate risk, financing and liquidity risk, credit and counterparty risk and electricity price risk.

Currency risk
The Group’s currency risk consists of sales and purchases made in foreign currency as well as balance sheet items and foreign-currency-denominated net investments in units abroad.

Transaction risk

Lindex Group’s transaction risk derives from the currency flows connected with sales and purchases of the Group’s divisions as well as from loans and receivables denominated in foreign currency. The most important sales currencies during 2024 were the euro, the Swedish krona, and the Norwegian krone. The primary purchasing currencies were the United States dollar, the euro and the Swedish krona. In 2024, non-euro sales accounted for 53 % of the Group’s entire sales (2023: 52 %). Purchases with a transaction risk made up 52 % of the Group's purchases (2023: 48 %). In addition, the Group has purchases in foreign currency without a transaction risk, mainly local purchases in Sweden. In 2024 these purchases accounted for 4 % of the Group’s total purchases (2023: 4 %).

The divisions are responsible for forecasting future net cash flows denominated in foreign currency and for managing the currency risk connected with them. The management of currency risk related to operational cash flows is based on cash flow forecasts for the coming six months. The hedging period is generally a maximum of six months and the degree of hedging for individual currencies can vary in the range of 0–100%. Contracted cash flows can be hedged for longer periods. During the restructuring proceedings, the Group had no possibilities to hedge its foreign exchange positions. AB Lindex obtained hedging facilities in September 2021 and is now hedging its transaction exposure in accordance with the treasury policy. Lindex Group plc currently has no hedging facilities.

Currency derivatives that are used to hedge forecasted cash flows are classified as cash flow hedges. The main transaction risks arise in the Lindex division. The Stockmann division operates mainly in its local currency and its transaction exposure is limited. The outstanding cash flow hedges are hedging the Lindex division’s purchases in US-dollar and sales in Swedish Krona, Norwegian Krona, euro and Czech Koruna, and will mature during the first five months of 2025. The gain/loss of these hedge instruments will affect the Group’s operating profit in the same period during which the forecasted hedged items affect profit, which is usually 4-5 months after maturity. Information about the fair value of these hedges is provided in Note 4.9. The table below shows the distribution of currency for outstanding derivatives hedging cash flows. For each derivative, the amounts are shown for both the bought and the sold currency. No ineffectiveness arose on cash flow hedges during the year 2024.

Foreign exchange derivatives hedging cash flows

EUR Mill.	**2024**	2023
USD	**47.2**	45.2
SEK	**-21.5**	-29.3
NOK	**-11.2**	-12.1
EUR	**-10.1**	-5.5
CZK	**-2.8**	

Sensitivity Analysis, cash flow hedges, effect on equity after tax

2024, EUR Mill.	**USD**	**SEK**	**NOK**
Change + 10 %	-3.4	-0.7	0.8
Change - 10 %	4.2	0.9	-1.0

2023, EUR Mill.	USD	SEK	NOK
Change + 10 %	-3.3	-0.4	0.9
Change - 10 %	4.0	0.5	-1.1

All outstanding derivatives hedging cash flows relate to the Lindex division. The functional currency of the Lindex division is the Swedish Krona. At year-end, the outstanding cash flow hedges in US-dollars covered approximately 71 % of the Lindex Group’s estimated net USD flows for the coming six months.

Foreign subsidiaries are financed primarily in local currency, whereby the foreign subsidiary does not incur significant transaction risk other than from sales and purchases in foreign currency. The Group Treasury is managing the currency risk of the foreign-currency-denominated receivables and liabilities in Lindex Group’s balance sheet. The degree of hedging can vary in the range of 0 – 100%.

The following table shows the Group’s transaction exposure including foreign-currency-denominated assets and liabilities as well as outstanding derivatives hedging these items. Future forecasted cash flows and derivatives hedging forecasted cash flows are not included.

The Group's transaction exposure

2024, EUR Mill.	SEK	GBP	NOK	CZK	USD
Receivables	3.0	2.5	12.5	8.1	6.3
Trade payables and other current liabilities	-34.1		-7.3	0.0	-23.4
Foreign currency exposure in the balance sheet	**-31.2**	**2.5**	**5.3**	**8.1**	**-17.2**
Foreign exchange derivatives hedging balance sheet items					21.8
Net position in the balance sheet	**-31.2**	**2.5**	**5.3**	**8.1**	**4.6**

2023, EUR Mill.	SEK	GBP	NOK	CZK	USD
Receivables	5.2	1.2	30.5	14.2	4.2
Trade payables and other current liabilities	-29.2		-17.2		-18.8
Foreign currency exposure in the balance sheet	-24.0	1.2	13.3	14.2	-14.6
Foreign exchange derivatives hedging balance sheet items					14.7
Net position in the balance sheet	-24.0	1.2	13.3	14.2	0.1

A 10 % strengthening or weakening of the euro against other currencies would create the following effect in profit after tax. The sensitivity analysis is based on the exposures in the table above.

Sensitivity Analysis, effect on income statement after tax

2024, EUR Mill.	SEK	GBP	NOK	CZK	USD
Change + 10 %	2.3	-0.2	-0.4	-0.6	-0.7
Change - 10 %	-2.8	0.2	0.5	0.7	0.9

2023, EUR Mill.	SEK	GBP	NOK	CZK	USD
Change + 10 %	1.8	-0.1	-1.0	-1.0	-0.3
Change - 10 %	-2.1	0.1	1.2	1.2	0.3

Translation risk

The Lindex Group incurs translation risk when the financial statements of foreign subsidiaries are translated into euro amounts in the consolidated financial statements. For foreign-currency-denominated net investments, the effects of changes in foreign exchange rates appear as the translation difference in the Group's equity. Under normal circumstances Lindex Group hedges translation risk for net investments selectively by means of loans in foreign currency or with derivatives. When making hedging decisions any effect the hedging measure may have on the Group's earnings, balance sheet and cash flows as well as hedging costs are considered.

During 2018 Lindex Group reclassified a major part of the Swedish krona denominated intra-group loan, granted for the acquisition of the shares in AB Lindex, as part of its net investment to a foreign subsidiary. The net investment has been designated in a net investment hedge and was hedged to 50% by currency derivatives until 6 April 2020 when outstanding derivatives were closed by the banks. The degree of hedging can vary from zero to 100% according to the policy approved by the Board. The objective of the hedge is to reduce the effect of EUR/SEK currency rate changes on translation difference. At the end of 2024 the translation risk was not hedged since Lindex Group plc didn't have any hedging facilities.

The following table shows how a 10% change in the euro against the Group companies' functional currencies would affect the Group's equity. The sensitivity analysis includes effects from the translation of foreign-currency-denominated net investments into euros.

Sensitivity Analysis, effect on equity

2024, EUR Mill.	SEK
Change + 10 %	-58.4
Change - 10 %	71.4

2023, EUR Mill.	SEK
Change + 10 %	-57.6
Change - 10 %	70.4

Interest rate risk

Fluctuations in the level of interest rates affect the Group's interest expenses and interest income. The objective of the Group's management of interest rate risk is to reduce the uncertainty to which Lindex Group's earnings may be subject due to changes in the level of interest rates. The duration of the loan and investment portfolio is a maximum of five years. Interest rate derivatives can be used in managing interest rate risk but were not in use at the end of 2024.

Interest-bearing liabilities consist of a five-year bullet bond (excl. IFRS16 leases) issued to certain unsecured creditors who were entitled to convert their receivables to senior secured bonds. The bond matures in July 2026 and the interest of the bond is 0.10 % per annum.

Interest-bearing receivables consist mainly of bank receivables in different currencies, with a maturity less than 1 month.

Interest terms of the Group's interest-bearing liabilities and bank receivables on 31 December 2024:

Interest rate adjustment, period, EUR mill	< 12 months	1–3 years	3–5 years	Total
Bond Issues		73.1		73.1
Other interest-bearing liabilities	6.8	3.0		9.8
Total	**6.8**	**76.2**	**0.0**	**82.9**
Cash and bank receivables	-114.7			-114.7
Total	**-107.9**	**76.2**	**0.0**	**-31.7**

Interest terms of the Group's interest-bearing liabilities and bank receivables on 31 December 2023:

Interest rate adjustment, period, EUR mill	< 12 months	1–3 years	3–5 years	Total
Bond Issues		72.0		72.0
Total	0.0	72.0	0.0	72.0
Cash and bank receivables	-137.5			-137.5
Total	-137.5	72.0	0.0	-65.5

Electricity price risk

Lindex Group has entered into electricity price commitments to mitigate the risk associated with future electricity procurement. According to the financial policy, the commitment level for future electricity prices is set between 50% and 80% for the years 2025-2026. Since both divisions have secured energy price commitments for the majority of their electricity consumption, a 20 percentage point fluctuation in the market price of electricity would not have a material impact on the Group’s net result and equity. Additionally, the solar panels installed on top of Lindex's omnichannel distribution center somewhat reduce the Group's dependence on external electricity purchases.

Financing and liquidity risk

Financing risk is defined as the risk of not being able to meet payment obligations as a result of insufficient liquid funds, breaking the terms of the financing facilities or difficulties in finding financing. In order to minimise financing risk, the Group's financing need for the coming years should be covered by long-term committed credit facilities. The Group also has to maintain a sufficiently large liquidity reserve. The liquidity reserve must be at least an amount corresponding to an average month's operational cash disbursements. Cash and cash equivalents, as well as unused committed and uncommitted credit facilities, may be included in the liquidity reserve.

Lindex Group plc’s restructuring programme was approved by the District Court on 9 February 2021, where the Company’s confirmed debts were classified as secured restructuring debt or unsecured restructuring debt. The unsecured restructuring debts were subject to a 20% cut or 20% conversion to Lindex Group plc’s shares. The remaining 80 % was either converted to a secured 5-year bullet bond or it will be paid according to the payment programme during the years 2022-2028. According to the restructuring programme, Lindex Group sold and leased back the real estate properties of the Helsinki, Tallinn and Riga department stores in 2021-2022. Funds received from these sales were primarily used for repayment of secured restructuring debt and undisputed unsecured restructuring debt.

There is still one disputed claim regarding the termination of a lease agreement that must be settled before the restructuring process can end. The claim is further explained in Notes 1.4 and 1.5.

The Group has a committed secured revolving credit facility of EUR 40 million, which will mature in July 2028. The credit facility has not been used in 2023-2024.

The Group does not expect to have any need to acquire new equity or interest-bearing debt during the restructuring programme with the exception of a possible need to take seasonal working capital.

Lindex Group plc has covered all new payment obligations that have arisen since the restructuring proceedings started. Positive cash flows from selling the real estate properties and from Group internal financing have been used for investments and repaying debts.

At the end of the year, Lindex Group had EUR 114,7 million (EUR 137.5 million) in cash assets.

Liquid assets and unused committed credit facilities

EUR Mill.	2024	2023
Cash and cash equivalents	**114.7**	137.5
Credit facility	**40.0**	40.0
Total	**154.7**	177.5

Cash flows based on agreements in financial liabilities, including financing costs, on 31 December 2024

EUR Mill.	Carrying amount	2025	2026	2027	2028	2029-	Total
Non-current bond (5-y bullet)	**73.1**	-0.1	-73.2				-73.3
Non-current liabilities	**3.0**		-3.0				-3.0
Current trade payables and other current liabilities	**91.3**	-91.3					-91.3
Current liabilities	**6.8**	-6.8					-6.8
Non-current lease liabilities	**512.9**		-102.6	-92.1	-79.9	-407.1	-681.7
Current lease liabilities	**90.3**	-109.8					-109.8
Lease liabilities, total	**603.1**	-109.8	-102.6	-92.1	-79.9	-407.1	-791.4
Total	**777.3**	-207.9	-178.8	-92.1	-79.9	-407.1	-965.8

The cash flows presented are based on the restructuring programme approved on 9 February 2021 and they include financing costs.

In July 2021 EUR 66.1 mill. of the restructuring debt was converted into a new bond, which will be repaid in 2026 and to which annual interest of EUR 0.1 mill. will be paid. In 2022 more bonds were converted with EUR 1.5 mill., in 2023 with EUR 4.4 mill. and in 2024 with EUR 1.1 mill.. Provisions regarding disputed landlords' claims are not included in the cash flows.

Carrying amount of lease liabilities is discounted in accordance with IFRS 16. Annual cash flows are presented in nominal values.

Cash flows based on agreements in financial liabilities, including financing costs, on 31 December 2023

EUR Mill.	Carrying amount	2024	2025	2026	2027	2028-	Total
Current restructuring debts	1.4	-1.4					-1.4
Restructuring debts total	**1.4**	**-1.4**	**0.0**	**0.0**	**0.0**	**0.0**	**-1.4**
Non-current bond (5-y bullet)	71.9	-0.1	-0.1	-72.1			-72.2
Current trade payables and other current liabilities	95.7	-95.7					-95.7
Non-current lease liabilities	505.6		-96.1	-86.2	-77.5	-419.3	-679.1
Current lease liabilities	81.6	-100.1					-100.1
Lease liabilities, total	**587.2**	**-100.1**	**-96.1**	**-86.2**	**-77.5**	**-419.3**	**-779.2**
Total	**756.3**	**-197.3**	**-96.2**	**-158.3**	**-77.5**	**-419.3**	**-948.6**
Currency derivatives	1.9						
Assets		41.6					41.6
Liabilities		-43.4					-43.4
Total	**1.9**	**-1.8**	**0.0**	**0.0**	**0.0**	**0.0**	**-1.8**

The cash flows presented are based on the restructuring programme approved on 9 February 2021 and they include financing costs.

In July 2021 EUR 66.1 mill. of the restructuring debt was converted into a new bond, which will be repaid in 2026 and to which annual interest of EUR 0.1 mill. will be paid. In 2022 more bonds were converted with 1.5 mill. euros and in June 2023 with 4.4, mill.euros. Provisions regarding disputed landlords' claims are not included in the cash flows.

Credit and counterparty risk

Trade receivables as well as receivables based on investments and derivative contracts expose the Group to credit risk. The counterparty risk associated with investments is managed by means of counterparty limits approved by the Board of Directors. Derivative contracts are entered into only with counterparties that are judged to be highly creditworthy and financially solid. Cash assets are invested in financial instruments that are judged to be liquid and to have a low risk. At the balance sheet date, 31 December 2024, the Group's liquid assets consisted mainly of deposits in banks, with a very short maturity. The Group does not incur major credit risk related to commercial trade receivables because its outstanding receivables consist of a large number of small amounts, and the creditworthiness of customers is assessed when making the credit decision.

Ageing of trade and lease receivables

31 December 2024

EUR mill.	Gross carrying amount	Loss allowance
Trade receivables not due	15.1	0.0
Trade receivables fallen due in 1–30 days	0.6	0.0
Trade receivables fallen due in 31–60 days	0.1	0.0
Trade receivables fallen due in 61–90 days	0.1	0.0
Trade receivables fallen due in 91–120 days	0.1	0.0
Trade receivables fallen due in over 120 days	1.2	1.2
Total	**17.2**	**1.2**

31 December 2023

EUR mill.	Gross carrying amount	Loss allowance
Trade receivables not due	12.6	0.0
Trade receivables fallen due in 1–30 days	0.8	-0.0
Trade receivables fallen due in 31–60 days	0.2	0.0
Trade receivables fallen due in 61–90 days	0.2	0.0
Trade receivables fallen due in 91–120 days	0.2	0.0
Trade receivables fallen due in over 120 days	1.2	0.7
Total	**15.3**	**0.7**

Lindex Group recognises impairment provisions based on lifetime expected credit losses from trade and lease receivables in accordance with IFRS 9. The Group applies a simplified credit loss matrix for trade and lease receivables. Accordingly, the credit loss allowance is measured at an amount equal to the lifetime expected credit losses. The expected credit loss model is forward-looking and the expected default rates are based on historical realised credit losses. The lifetime expected credit loss allowance is calculated using the gross carrying amount of outstanding trade receivables in each ageing bucket and the expected default rate. The changes in expected credit losses are recognised in other operating expenses.

4.9 Derivative contracts

Nominal values of derivative contracts

Derivative contracts, hedge accounting applied

EUR mill.	2024	2023
Cash flow hedges, currency forwards	45.6	47.0
Total	**45.6**	47.0

Fair value of derivative contracts 2024

Derivative contracts, hedge accounting applied

EUR mill.	Positive	Negative	Net
Cash flow hedges, currency forwards	1.5		1.5
Total	1.5		1.5

Fair value of derivative contracts 2023

Derivative contracts, hedge accounting applied

EUR mill.	Positive	Negative	Net
Cash flow hedges, currency forwards	0.0	-1.9	-1.8
Total	0.0	-1.9	-1.8

Currency swaps and forwards have been measured at fair value using market prices on the balance sheet date. Changes in the fair values of currency derivatives are recognised either in equity or in the profit and loss depending on whether hedge accounting has been applied to them. Currency derivative contracts did not result in hedge accounting-related ineffectiveness that was to be recorded through profit and loss in 2024.

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4.10 Financial assets and liabilities by measurement category and hierarchical classification of fair values

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets.

Level 2: The valuation techniques use as input data quoted market prices which are regularly available from stock exchanges, brokers or pricing services. Level 2 financial instruments are: over-the-counter derivative contracts which are classified either for recognition at fair value on the income statement or as hedging instruments.

Level 3: Techniques which require management's judgment.
There were no transfers between the levels during the financial year.

Financial assets, EUR mill.	**Level**	**Carrying amount 2024**	**Fair value 2024**	Carrying amount 2023	Fair value 2023
Derivative contracts, hedge accounting applied	2	**1.5**	**1.5**	0.0	0.0
Financial assets at amortised cost					
Non-current receivables		**3.3**	**3.3**	3.2	3.2
Current receivables, non-interest-bearing		**40.8**	**40.8**	42.0	42.0
Cash and cash equivalents		**114.7**	**114.7**	137.5	137.5
Other investments	3	**0.4**	**0.4**	0.4	0.4
Financial assets, total		**160.7**	**160.7**	183.2	183.2

Financial liabilities, EUR mill.	**Level**	**Carrying amount 2024**	**Fair value 2024**	Carrying amount 2023	Fair value 2023
Derivative contracts, hedge accounting applied	2	**0.0**	**0.0**	1.9	1.9
Financial liabilities at amortised cost					
Non-current interest-bearing liabilities	2	**76.1**	**71.2**	71.9	62.5
Non-current lease liabilities		**512.9**	**512.9**	505.6	505.6
Non-current non-interest-bearing liabilities		**0.4**	**0.4**	0.3	0.3
Current liabilities, interest-bearing	2	**6.8**	**6.8**	0.0	0.0
Current lease liabilities		**90.3**	**90.3**	81.6	81.6
Current liabilities, non-interest-bearing		**164.1**	**164.1**	176.6	176.6
Financial liabilities, total		**850.5**	**845.6**	837.9	828.5

In the balance sheet, derivative contracts are included in the following categories: non-current and current receivables, non-interest-bearing and non-current and current liabilities, non-interest-bearing.

Financial assets on level 3 are investments in shares of unlisted companies. The fair value of the shares is determined by techniques based on the managements' judgment. Profits or losses from the investments are recorded to other operating income or expenses in the income statement, because acquisition and divestment decisions on the investments are made for business reasons. The following calculation illustrates changes in financial assets valuated at fair value during the reporting period.

Change in fair value of other investments, EUR mill.	**2024**	2023
Carrying amount 1.1.	**0.4**	0.2
Increases during the period		0.2
Carrying amount 31.12.	**0.4**	0.4

4.11 Financial instruments subject to netting arrangements

The Group has entered into derivative transactions under agreements that include a master netting arrangement. The agreements stipulate that in certain circumstances, e.g., when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated and only a single net amount is payable in settlement of all transactions.
The agreements do not meet the criteria for offsetting in the statement of financial position.
The following table sets out the amounts of recognised financial instruments that are subject to the above agreements.

31.12.2024

Financial assets, EUR mill.	**Carrying amount**	**Items under netting arrangements**	**Net**
Currency derivatives, hedge accounting applied	1.5	0.0	1.5
Financial assets, total	**1.5**	**0.0**	**1.5**

31.12.2023

Financial assets, EUR mill.	Carrying amount	Items under netting arrangements	Net
Currency derivatives, hedge accounting applied	0.0	0.0	0.0
Financial assets, total	**0.0**	**0.0**	**0.0**
Financial liabilities, EUR mill.			
Currency derivatives, hedge accounting applied	-1.9	0.0	-1.8
Financial liabilities, total	**-1.9**	**0.0**	**-1.8**

4.12 Shareholders' equity

EUR mill.	Entered in trade register	Number of shares, B	Share capital	Invested unrestricted equity fund	Total
31.12.2022		155,880,206	77.6	73.3	150.9
Share issue	22.6.2023	2,835,349			
31.12.2023		158,715,555	77.6	75.9	153.5
Share issue	26.1.2024	**307,489**			
Share issue	24.6.2024	**2,599,852**			
31.12.2024		**161,622,896**	**77.6**	**78.6**	**156.1**

Share capital and number of shares
In May 2021, Lindex Group plc's Board of Directors resolved, pursuant to the authorisation granted by the Annual General Meeting, on a directed share issue of at most 100,000,000 new shares of the company to the unsecured and hybrid bond creditors of the company's restructuring debt, carried out in deviation from the shareholders' pre-emptive subscription rights. As of 31 December 2023, a total of 83,613,786 conversion shares had been subscribed for in the share issue, and the total number of Stockmann shares had increased to a total of 158,715,555 shares.

In January 2024, the Company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 307,489 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to such creditor of the Company whose previously conditional or disputed restructuring debt under the restructuring programme had been confirmed to their final amounts by 9 November 2023 and approved the subscriptions made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme.

In June 2024, the Company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 2,599,852 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to such creditors of the Company whose previously conditional or disputed restructuring debts under the restructuring programme had been confirmed to their final amounts by 13 June 2024 and approved the subscriptions made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme.

As a result of the share issues in January and June 2024, the total number of shares in the Company has increased to a total of 161,622,896 shares.

On 31 December 2024 Lindex Group plc's share capital was EUR 77.6 million. All the shares issued have been fully paid in.

Redemption obligation
A shareholder whose proportion of all the company's shares or the number of votes conferred by the shares either alone or together with other shareholders reaches or exceeds 33 1/3% or 50% is liable, at the demand of the other shareholders, to redeem their shares in the manner specified in the Articles of Association.

Invested unrestricted equity fund
The invested unrestricted equity fund contains other equity-like investments and the share subscription price, less transaction costs, to the extent that this is not entered into share capital under a specific decision. The previously mentioned share issues in 2021-2024 have been recognised as additions in the invested unrestricted equity fund.

Translation differences
The translation differences reserve comprises the translation differences on equity that have arisen in consolidating the financial statements of foreign subsidiaries and translation differences arisen in consolidating net investment in foreign currencies.

Övriga fonder

Milj. euro	2024	2023
Fonden för säkringsinstrument	**1.5**	-1.8
Reservfond	**0.2**	0.2
Totalt	**1.8**	-1.6

Other funds comprise:

- reserve fund, which contains an amount transferred from unrestricted shareholders' equity based on local regulations
- hedging reserve, which contains changes in fair value of derivatives that are used to hedge cash flows, less the deferred tax liability.

Dividends
The dividend payout proposed by the Board of Directors is not recognised in the financial statements. Dividends are recognised based on a resolution passed by a General Meeting of the shareholders.

On 9 April 2021, the Trade Register registered a reduction of the Company's share capital to cover accumulated losses. According to the Finnish Companies Act, distributions to shareholders during the three years following the registration of the reduction of share capital to cover losses would have been allowed only by following the creditor protection procedure. During the restructuring programme, Lindex Group plc has not been allowed to distribute funds either.

4.13 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the parent company's shareholders by the weighted average number of shares outstanding during the financial period. The outstanding shares do not include treasury shares held by the Group.

Diluted earnings per share is calculated by adjusting the weighted average number of shares by the effect of potential diluting shares such as shares from share-based payments. Lindex Group has long-term incentive schemes, which can be settled in company shares. These contingently issuable shares are issuable when certain pre-defined conditions in the incentive programmes are met during a timeframe set in the incentive programmes' conditions. If the settlement would happen at the reporting date, it would result in issuing 747.162 shares.

EUR mill.	2024	2023
Profit/loss for the period attributable to the equity holders of the parent company	**13.2**	51.7
Weighted average number of shares	**160,358,794**	157,379,445
Weighted diluted number of shares	**161,105,956**	157,379,445
Basic earnings per share, EUR	**0.08**	0.33
Diluted earnings per share, EUR	**0.08**	0.33

5 Other notes

5.1 Group companies

31.12.2024	Shareholding %	Voting rights %
Parent company holdings		
Stockmann AS, Tallinn	100.0	100.0
SIA Stockmann, Riga	100.0	100.0
Stockmann Security Services Oy Ab, Helsinki	100.0	100.0
Lindex Holding AB, Stockholm	100.0	100.0
Subsidiaries' holdings		
TOV Stockmann, Kiev *)	100.0	100.0
AB Lindex, Gothenburg	100.0	100.0
Lindex Sverige AB, Gothenburg	100.0	100.0
Lindex AS, Oslo	100.0	100.0
Lindex Oy, Helsinki	100.0	100.0
Oü Lindex Eesti, Tallinn	100.0	100.0
SIA Lindex Latvia, Riga	100.0	100.0
UAB Lindex Lithuania, Vilnius	100.0	100.0
Lindex s.r.o., Prague	100.0	100.0
AB Espevik, Gothenburg *)	100.0	100.0
Lindex H.K. Ltd, Hong Kong	100.0	100.0
Shanghai Lindex Consulting Company Ltd, Shanghai	100.0	100.0
Lindex India Private Ltd, New Delhi	100.0	100.0
Lindex Slovakia s.r.o., Bratislava	100.0	100.0
Lindex UK Fashion Ltd, London	100.0	100.0
Lindex Commercial (Shanghai) Co.Ltd., Shanghai	100.0	100.0
Lindex Fastighets AB, Gothenburg	100.0	100.0
Closely AB, Gothenburg	100.0	100.0

*) dormant companies

Unconsolidated structured entities
There were no unconsolidated structured entities in Lindex Group.

Consolidated structured entities
In 2022, Lindex Group plc announced plans to invest in a highly automated omnichannel distribution centre located in Alingsås, part of the greater Gothenburg area in Sweden. The distribution centre was officially launched at the end of November 2024, with full operational capacity expected to be achieved during 2025.

Lindex has entered into several agreements regarding Bälinge Logistikfastighet AB, covering among other things, the financing of the land acquisition and the construction of the building. Based on the contractual terms the Group assessed that the voting rights in Bälinge Logistikfastighet AB are not the dominant factor in deciding who controls the entity. Therefore, the Group concluded that Bälinge Logistikfastighet AB is a structured entity under IFRS 10 Consolidated Financial Statements with a non-controlling interest.

Disposals
In 2024 there were no disposals in the group.

In 2023 the Group divested its ownership in Spacerpad AB, where AB Lindex previously owned 50,1%. After the sale Lindex still has a license to use the Spacerpad innovation, for which Lindex has future income expectations.

The goodwill associated with the disposal of Spacerpad AB’s shares was measured based on the relative values of the disposed operation and the portion of the unit retained.

The impact of the disposal on the result for the financial period was EUR -0.7 million.

5.2 Joint arrangements

Joint operations

Lindex Group has a 37.8% shareholding in Kiinteistö Oy Tapiolan Säästötammi Fastighets Ab. The real estate company is based in Espoo, Finland. The Group recognises its share of the joint operation in its statement of financial position as an investment property (more information in Note 3.4). Lindex Group does not recognise the income and expenses of the joint operation, as the joint operation is not essential for the Group.

Assets and liabilities of joint operations

Milj. euroa	2024	2023
Non-current assets	**1.3**	1.3
Current assets	**0.4**	0.5
Current liabilities	**0.0**	0.0

Income and expenses of joint operations

EUR mill.	2024	2023
Expenses	**0.1**	0.1

5.3 Provisions

Accounting policies

A provision is recognised when the Group has a legal or factual obligation as a result of a past event and it is probable that a payment obligation will be realised and the amount of the obligation can be estimated reliably. A provision for an onerous contract is recognised when the unavoidable costs under the contract exceed the expected economic benefits. A restructuring provision is recognised if the Group is committed to a sale, termination of a significant line of business, or closure of business in a geographical area. Provision amounts are reviewed on each balance sheet date and adjusted to reflect the current management's estimate. Changes in provisions are recorded in the income statement in the same item in which the provision was originally recognised.

Current provisions

Restructuring provision

EUR mill.	2024	2023
Carrying amount 1.1.		0.1
Used provisions		-0.1
Carrying amount 31.12.		

Other provisions

EUR mill.	2024	2023
Carrying amount 1.1.	**18.0**	31.2
Used provisions	**-2.1**	-12.8
Reversal of unused provisions	**-0.0**	-0.4
Carrying amount 31.12.	**15.9**	18.0

Current provisions total	**15.9**	18.0

Provision for landlords' claims related to terminated lease contracts amounted to EUR 15.9 million (EUR 18.0 million).

5.4 Contingent liabilities

Collaterals given for own liabilities

EUR mill.	2024	2023
Rental guarantees	**10.1**	9.3
Total	**10.1**	9.3

Contingent liabilities

EUR mill.	2024	2023
Pledged subsidiary shares *)	**303.4**	303.4
Pledged loan receivables **)	**398.5**	378.6
Guarantees	**0.1**	0.1
Electricity commitments	**0.5**	1.5
Total	**702.5**	683.5

*) Book-value of subsidiary shares

**) Book-value of subsidiary loan receivables

Electricity commitments relate to agreements to buy electricity for certain prices in the years 2025–2027.

Landlords' disputed claims

Some landlords have presented Lindex Group plc with claims for damages related to the termination of long-term lease agreements. Lindex Group plc has recognised a provision for these claims equivalent to 18 months' rents, in accordance with the restructuring programme. As of the end of December 2024, one disputed claim remained within the provisions, which fully cover the amount of this outstanding claim. At the end of 2023 claims exceeding the provision, amounting to EUR 25.8 million, were reported as a contingent liability. See Note 1.4.

Lease commitments

Lease agreements on the Group's business premises

EUR mill.	2024	2023
Within one year	**6.1**	4.8
After one year	**12.4**	15.3
Total	**18.5**	20.1

Group's lease payments

EUR mill.	2024	2023
Within one year	**0.1**	0.1
After one year	**0.2**	0.3
Total	**0.3**	0.4

5.5 Related party disclosures

The Group's related parties include its management (the Board of Directors, CEO and the Group Management Team) and the companies controlled by them, their family members and companies controlled by the family members, Lindex Group's subsidiaries and joint operations. The relationships between the parent company and subsidiaries are shown in Note 5.1.

Related party transactions

Except for compensation for the key management, there have not been any material transactions between Lindex Group and its related parties.

Compensation for the key management

Employee benefits of the Group Management Team 2024

EUR	Chief Executive Officer	Other members of the Group Management Team	Total
Short-term employee benefits	485,770	1,028,611	1,514,381
Other long-term employee benefits	278,157	123,162	401,319
Share-based payments	**216,766**	**-105,180**	111,586
Employee benefits total	980,692	1,046,594	2,027,286

Remuneration to the Board of Directors 2024

EUR	Fixed annual remuneration	Remuneration based on participation	Total
Pohjonen Sari	90,000	33,600	123,600
Neuwald Roland	65,000	19,800	84,800
Björkman Stefan	42,500	15,000	57,500
Karppinen Timo	52,500	21,000	73,500
Stone Tracy	42,500	19,800	62,300
Williams Harriet	42,500	15,000	57,500
Remuneration to the Board of Directors total	335,000	124,200	459,200
Fees and remuneration to key personnel total			2,486,486

Employee benefits of the Group Management Team 2023

EUR	Chief Executive Officer*)	Other members of the Group Management Team	Total
Short-term employee benefits	984,466	1,138,787	2,123,253
Other long-term employee benefits	68,268	214,945	283,214
Severance payments	360,000		360,000
Share-based payments	156,988	252,887	409,876
Employee benefits total	**1,569,723**	**1,606,620**	**3,176,343**

Remuneration to the Board of Directors 2023

EUR	Fixed annual remuneration	Remuneration based on participation	Total
Pohjonen Sari	90,000	24,200	114,200
Neuwald Roland	65,000	18,300	83,300
Björkman Stefan	42,500	12,800	55,300
Karppinen Timo	52,500	16,700	69,200
Kuittinen Anne **)		600	600
Stone Tracy	42,500	13,200	55,700
Williams Harriet	42,500	12,600	55,100
Remuneration to the Board of Directors total	**335,000**	**98,400**	**433,400**

Fees and remuneration to key personnel total, EUR	**3,609,743**

*) CEO Jari Latvanen until 12 May 2023 and CEO Susanne Ehnbåge as from 12 May 2023

**) until 22 March 2023

Management's share-based incentives

Information on the management's share-based incentive plan is disclosed in Note 5.6.

Management's pension commitments

CEO Susanne Ehnbåge is eligible to take retirement upon reaching the age of 65 years. The CEO's pension will accrue based on an individual pension scheme according to the local practice.

The retirement age of the Group Management Team members is 65 years or individual based on the statutory retirement age.

In 2024, CEO Susanne Ehnbåge's pension scheme was determined according to a defined contribution-based system, partly under the local ITP1 plan and partly of an extra pension provision for 30 % of income above the ITP1 income cap. The total cost for the defined occupational contribution pension insurances taken by the company for the Group Management Team was EUR 401,319 (283,213).

5.6 Share-based incentives

Accounting policies

Lindex Group offers performance shares as a long-term equity-settled share-based incentive plan for key employees.

Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments at the grant date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions attached to the performance shares are included in assumptions about the number of shares that the employee will ultimately receive.

The Group reviews the assumptions made on a regular basis and, where necessary, revises its estimates of the number of performance shares that are expected to be settled. Share-based compensation is recognised as an expense in the consolidated income statement over the vesting and commitment period of the plan on a straight-line basis, and an increase corresponding to the expensed amount is recorded in equity. Social security expenses related to the share-based compensation are recognised as an expense in the consolidated income statement over the vesting and commitment period of the plan based on the actual share price at the end of the reporting period, and an increase corresponding to the expensed amount is recorded as a liability in the consolidated statement of financial position.

Share-based incentives during the period 1 January to 31 December 2024

During the financial year 2022 Lindex Group plc's Board of Directors decided on the establishment of a share-based long-term incentive scheme for the company's management and key personnel. The Performance Share Plan (PSP) consists of three individual performance periods. The Board of Directors decides separately on the performance criteria, the number of people authorised to participate and the amount of the threshold, target and maximum reward for each performance period. The objective of the Performance Share Plan is to support the implementation of the Company's strategy, to align the interests of the key personnel with those of the Company's shareholders and to retain management and key personnel.

The Board of Director's approved the commencement of the first performance period (PSP 2022-2024) and decided on the performance criteria in 2022. The performance criteria include total shareholder return, revenue, EBIT and climate target. The potential reward will be paid during H1 2025, depending on the achievement of the performance criteria and the service condition. Any reward earned for the PSP 2022-2024 will be paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the management and key personnel from the remuneration.

The Board of Director's approved the commencement of the second performance period (PSP 2023-2025) and decided on the performance criteria in January 2023. The performance criteria include total shareholder return, revenue, EBIT and climate target. The potential reward will be paid during H1 2026, depending on the achievement of the performance criteria and the service condition. Any reward earned for the PSP 2023-2025 will be paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the management and key personnel from the remuneration.

The Board of Director's approved the commencement of the third performance period (PSP 2024-2026) and decided on the performance criteria in February 2024. The performance criteria include total shareholder return, revenue, EBIT and climate target. The potential reward will be paid during H1 2027, depending on the achievement of the performance criteria and the service condition. Any reward earned for the PSP 2024-2026 will be paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the management and key personnel from the remuneration.

Performance period	2024-2026	2023-2025	2022-2024
Initial amount, pcs *)	1,430,500	2,000,000	2,000,000
Initial allocation date	18.3.2024	6.7.2023	23.11.2022
Vesting date	30.4.2027	30.4.2026	30.4.2025
Maximum contractual life, years	3.1	2.8	2.4
Remaining contractual life, years	2.3	1.3	0.3
Number of participants in the plan	17	14	14
Payment method	Equity and cash, net settlement	Equity and cash, net settlement	Equity and cash, net settlement

*) The amounts are presented in gross terms, i.e. the share reward figures both the reward paid in share and a number of shares corresponding to the amount of the reward paid in cash.

Changes in share awards during the financial year

Performance period	2024-2026	2023-2025	2022-2024	Total
Outstanding number of shares 1.1.		1,185,000	1,178,000	2,363,000
Granted during the year	1,422,200			1,422,200
Forfeited during the year	288,500	334,000	334,000	956,500
Outstanding number of shares 31.12.	**1,133,700**	**851,000**	**844,000**	**2,828,700**

Fair value determination

The fair value of share-based incentives has been determined at the grant date and the fair value is expensed until vesting. Market condition, in this case total shareholder return has been taken into account when determining the fair value at grant and it will not be changed during the plan. The pricing of the share-based incentives granted during the period was determined by the following inputs and had the following effect:

Valuation parameters for instruments granted during period 2024	Performance period 2024-2026	Performance period 2023-2025	Performance period 2022-2024
Share price at grant, EUR	2.93	2.07	2.07
Share price at the end of the period, EUR	2.69	2.90	2.90
Expected volatility, % *)	45.00%	41.52%	46.12%
Maturity, years	2.75	2.5	1.5
Risk-free interest rate, %	2.87%	3.24%	3.39%
Valuation model	Monte Carlo	Monte Carlo	Monte Carlo
Fair value per share, EUR	1.5668	0.9357	0.8156

*) Expected volatility was determined by calculating the historical volatility of Lindex Group plc's share using monthly observations over corresponding maturity.

Effect of share-based Incentives on the result and financial position

EUR mill.	**2024**	2023
Expenses for the financial year, share-based payments	**0.4**	1.0
Expenses for the financial year, share-based payments, equity-settled	**0.3**	0.8
Liabilities arising from share-based payments 31.12.	**0.3**	0.3
Estimated future cash payment related to withholding taxes	**0.9**	2.1

5.7 Climate-related matters

Accounting policies

Lindex Group considers climate-related matters in estimates and assumptions, where appropriate. The assessment includes possible impacts on the Group due to physical and transition risks. The Group believes its business model and products will be still viable in the future low-carbon economy, but climate-related matters increase the uncertainty in estimates and assumptions related to some items in the financial statements. Even though climate-related risks might not currently have a significant impact on estimates and assumptions, the Group is closely monitoring relevant changes and developments, such as climate-related legislation and changes in customer behaviour. The items and considerations which are recognised as most directly impacted by climate-related matters are:

Impairment of goodwill.
The value-in-use may be impacted in different ways by transition risk, such as climate-related legislation and changes in demand for the Group's products. The Group has concluded that no single climate-related assumption is a key assumption for the goodwill impairment test in 2024. Nevertheless, the Group has incorporated its expectations for the changing consumer needs and consumption habits, expected cost increases due to stricter recycling requirements and more sustainably sourced materials as well as higher energy and freight cost due to climate change in the cash-flow forecasts when assessing value-in-use amounts. See Note 3.2.

Useful life of property, plant and equipment.
When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations which may restrict the use of assets. See Note 3.3.

5.8 Events after the reporting period

Lindex Group plc announced on 7 February 2025 that the rental agreement for the Stockmann Itis department store in Helsinki will expire on 1 August 2025. The company plans to close the department store. If materialised, the planned closure would not have a material impact on the profitability or financial position of the Stockmann segment or Lindex Group.

Lindex Group plc
Income Statement, FAS

EUR	Note	1.1.-31.12.2024	1.1.-31.12.2023
REVENUE		**234,761,334.39**	242,282,545.39
Other operating income	2	**6,699,421.66**	6,954,344.40
Materials and services			
Materials and consumables:			
Purchases during the financial year		**-118,671,613.96**	-132,003,315.53
Change in inventories, increase (+), decrease (-)		**-6,527,056.06**	737,389.38
Materials and services, total		**-125,198,670.02**	-131,265,926.15
Employee benefits	3	**-43,149,636.63**	-45,349,176.68
Depreciation, amortisation and impairment losses	4	**-8,494,327.78**	-9,420,195.21
Other operating expenses	5	**-104,390,638.54**	-90,580,357.65
		-281,233,272.97	-276,615,655.69
OPERATING PROFIT (LOSS)		**-39,772,516.92**	-27,378,765.90
Financial income and expenses	6	**52,019,847.15**	49,897,331.61
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		**12,247,330.23**	22,518,565.71
Appropriations	7	**5,140,632.00**	3,827,929.29
Income taxes	8	**-907,012.21**	-8,350,053.11
PROFIT (LOSS) FOR THE PERIOD		**16,480,950.02**	17,996,441.89

Lindex Group plc
Balance sheet, FAS

EUR	Note	31.12.2024	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9		
Intangible rights		**5,319,295.22**	7,344,061.20
Advance payments and construction in progress		**1,038,042.12**	700,346.73
Intangible assets, total		**6,357,337.34**	8,044,407.93
Property, plant, equipment	10		
Machinery and equipment		**16,557,956.62**	18,686,683.43
Modification and renovation expenses for leased premises		**2,594,426.25**	2,960,902.71
Other tangible assets		**5,827.15**	54,601.65
Advance payments and construction in progress		**1,185,224.20**	300,227.73
Property, plant, equipment, total		**20,343,434.22**	22,002,415.52
Investments	11		
Shares in Group companies		**308,636,627.98**	311,436,627.98
Other shares and participations		**744,633.86**	748,761.86
Investments, total		**309,381,261.84**	312,185,389.84
NON-CURRENT ASSETS, TOTAL		**336,082,033.40**	342,232,213.29
CURRENT ASSETS			
Inventories			
Materials and consumables		**46,873,382.90**	53,400,438.96
Inventories, total		**46,873,382.90**	53,400,438.96
Non-current receivables			
Loan receivables from Group companies		**235,952,762.35**	210,707,596.22
Other receivables		**3,675,367.31**	4,099,608.31
Non-current receivables, total		**239,628,129.66**	214,807,204.53
Current receivables	12		
Trade receivables		**3,074,475.09**	4,044,287.40
Receivables from Group companies		**10,120,756.67**	9,360,003.70
Other receivables		**226,394.85**	317,478.13
Prepayments and accrued income		**8,264,382.00**	12,732,884.33
Current receivables, total		**21,686,008.61**	26,454,653.56
Cash in hand and at banks	13	**21,705,786.04**	23,393,007.01
CURRENT ASSETS, TOTAL		**329,893,307.21**	318,055,304.06
ASSETS, TOTAL		**665,975,340.61**	660,287,517.35

EUR	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14-15	**77,556,538.26**	77,556,538.26
Invested unrestricted equity fund		**78,786,138.36**	76,138,713.65
Retained earnings		**237,323,382.78**	219,326,940.89
Net profit (loss) for the financial year		**16,480,950.02**	17,996,441.89
EQUITY, TOTAL		**410,147,009.42**	391,018,634.69
ACCUMULATED APPROPRIATIONS	16	**16,330,822.66**	19,131,454.66
PROVISIONS	17	**15,911,836.57**	18,033,041.57
LIABILITIES			
Non-current liabilities	18		
Bonds		**73,142,624.00**	72,022,624.00
Other payables		**7,980,724.21**	9,097,953.00
Liabilities to Group companies		**97,091,100.30**	96,316,419.01
Non-current liabilities, total		**178,214,448.51**	177,436,996.01
Current liabilities	19		
Advances received		**872,337.88**	818,584.06
Trade payables		**12,065,064.32**	16,998,516.29
Liabilities to Group companies		**1,861,837.85**	1,995,278.90
Other payables		**14,533,950.31**	14,533,430.28
Accrued expenses and prepaid income	20	**16,038,033.09**	20,321,580.89
Current liabilities, total		**45,371,223.45**	54,667,390.42
LIABILITIES, TOTAL		**223,585,671.96**	232,104,386.43
EQUITY AND LIABILITIES, TOTAL		**665,975,340.61**	660,287,517.35

Lindex Group plc
Cash flow statement

EUR	1.1.-31.12.2024	1.1.-31.12.2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) for the financial year	**16,480,950.02**	17,996,441.89
Adjustments for:		
Depreciation and amortisation according to plan	**8,494,327.78**	9,420,195.21
Gains of disposals of fixed assets		-11,653.21
Impairment losses	**3,400,000.00**	
Other non-cash income and expenses	**240,057.74**	-8,455,895.22
Financial income and expenses	**-55,419,847.15**	-49,897,332.11
Appropriations	**-5,140,632.00**	-3,827,929.29
Taxes		-166,820.86
Deferred taxes	**907,012.21**	8,516,873.97
Changes in working capital:		
Increase (-) / decrease (+) of current receivables	**1,386,753.65**	3,143,057.15
Increase (-) / decrease (+) of inventories	**6,527,056.06**	-737,389.38
Increase (+) / decrease (-) of non-interest-bearing liabilities	**-9,579,175.32**	11,454,484.89
Interest and other financial expenses paid from operating activities	**-3,385,012.12**	-2,071,754.13
Interest received from operating activities	**821,994.08**	505,977.16
Taxes	**3,946,829.73**	-39,789,191.33
CASH FLOW FROM OPERATING ACTIVITIES	**-31,319,685.32**	-53,920,935.26
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on tangible and intangible assets	**-4,969,881.15**	-6,917,323.51
Proceeds from disposal of tangible and intangible assets	**25,000.00**	11,653.21
Additions to holdings in Group companies	**-600,000.00**	-1,500,000.00
Dividends received/return of equity	**2,975.00**	3,514,999.06
NET CASH FROM INVESTING ACTIVITIES	**-5,541,906.15**	-4,890,671.24
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from non-current liabilities	**45,033,237.24**	48,120,120.95
Repayments of non-current liabilities	**-11,358,866.74**	-1,000,000.00
Received and paid group contributions	**1,500,000.00**	
NET CASH FROM FINANCING ACTIVITIES	**35,174,370.50**	47,120,120.95
Change in cash in hand and at banks, increase (+) / decrease (-)	**-1,687,220.97**	-11,691,485.55
Cash in hand and at banks in the beginning of the financial year	**23,393,007.01**	35,084,492.56
Cash in hand and at banks at the end of the financial year	**21,705,786.04**	23,393,007.01

Notes to the parent company financial statements

1. Accounting principles

The financial statements of Lindex Group plc have been prepared according to Finnish Accounting Standards (FAS). Company name change is described as notes to consolidated financial statements, note 1.1.

Corporate restructuring proceedings
District Court of Helsinki has approved Lindex Group plc’s restructuring programme on 9 February 2021. The key content of the restructuring programme and its effects on financial statements are described as notes to consolidated financial statements, note 1.4., 1.5. and 4.6.

Transactions in foreign currencies
Transactions in foreign currencies are recorded at the rates prevailing on the transaction date.
Gains and losses on foreign exchange in financial operations are entered as net amounts under other financial income or other financial expenses.

Revenue
Revenue comprises sales income excluding indirect taxes, discounts granted and foreign exchange rate differences.

Other operating income
The items stated as other operating income are capital gains on the sale of non-current assets connected with business operations, compensation obtained from the sale of businesses and charges for services rendered to subsidiaries.

Income taxes
The direct taxes entered into the profit and loss account are the taxes corresponding to net profit for the financial year as well as taxes payable for prior periods or tax refunds.
Deferred tax assets have been recognised for the expenses deductible in taxation in the future periods.
The profits of Lindex Group plc’s Branch in Estonia have been included in the taxable income of the parent office in Finland. The profits of the Branch will be income taxable in Estonia, at the time when the profits are distributed to the parent office in Finland. According to the tax treaty between Estonia and Finland, the income tax which will be paid in Estonia is deductible from the income tax in Finland under certain conditions. The untaxed retained earnings of the Branch in Estonia including the profit of the reporting period are EUR 29.0 (26.8) million. The calculated income tax in Estonia would be EUR 6.4 (5.9) million, which is recognised as deferred tax liability. This amount of tax will be most likely not deductible from the income tax in Finland.

Intangible and tangible assets
Tangible and intangible assets are valued according to the original cost less accumulated depreciation according to plan.
Depreciation according to plan is based on the original cost and the estimated useful life of intangible and tangible assets as follows:

Intangible assets	3 – 10 years
Machinery and equipment	3 – 15 years
Modification and renovation expenses of leased premises	5 – 10 years

Investments in non-current assets
Securities included in non-current assets are valued at acquisition cost or, if their fair value is lower, at this lower value.
Based on impairment testing of the subsidiary shares, an impairment loss of EUR 3.4 million has been recognised for the shares of SIA Stockmann in Latvia. Principles of impairment testing are described as notes to consolidated financial statements.

Inventories
In the valuation of inventories, the principle of lowest value has been used, i.e., the inventories have been entered in the balance sheet at the lowest of acquisition cost or a lower repurchase price or the probable market price. The value of inventories is determined using the weighted average cost method and it includes all the direct costs of the purchase.

Non-current liabilities
Loans payable are recognised at nominal value. Transaction costs are initially recognised as accruals and amortized over the life of the instrument. Transaction cost and loan interest are recognised in the income statement as financial expenses over the life of the instrument.

In accordance with the restructuring programme, the unsecured creditors have been entitled to convert their receivables under the payment programme of the restructuring programme that have been confirmed to unsecured debt, by way of set-off, to senior secured bonds on a euro-for-euro basis. The aggregate principal amount of the bonds validly subscribed for by the unsecured creditors was EUR 73.142.624.

Appropriations
The difference between total and planned depreciation is shown as accumulated appropriations in the balance sheet and the change during the financial year in the income statement. Appropriations contain also given and received group contributions.

Provisions
A provision is recognised when the company has a legal or factual obligation as a result of a past event and it is probable that a payment obligation will be realised and the amount of the obligation can be estimated reliably.
As provision has been recognised conditional debts, which are mainly based on the early termination of the agreements with landlords. Early terminated agreements have raised claims for damages which are considerable.

2. Other operating income

EUR	2024	2023
Compensation for services to Group companies	**6,619,569.87**	6,903,384.00
Other operating income	**79,851.79**	50,960.40
Total	**6,699,421.66**	6,954,344.40

3. Employee benefits

EUR	2024	2023
Salaries and remuneration paid to the CEO *)	**347,611.52**	1,403,828.00
Salaries and remuneration paid to the Board of Directors	**459,200.00**	433,400.00
Other wages and salaries	**34,676,436.22**	35,145,502.13
Wages during sick leave	**1,477,326.34**	1,539,297.69
Pension expenses	**5,242,040.51**	5,351,129.72
Other employee benefits expenses	**947,022.04**	1,476,019.14
Total	**43,149,636.63**	45,349,176.68
Personnel, average	**954**	1,001

*) CEO Jari Latvanen until 12 May 2023 and CEO Susanne Ehnbåge as from 12 May 2023.

Management pension liabilities
The retirement age of the Group Management Team members is 65 years or individual based on the statutory retirement age.
CEO Susanne Ehnbåge is eligible to take retirement upon reaching the age of 65 years. The CEO’s pension will accrue based on an individual pension scheme according to the local practice.

4. Depreciation, amortisation and impairment losses

EUR	2024	2023
Intangible rights	**3,493,204.76**	4,740,194.32
Machinery and equipment	**4,129,580.67**	3,629,410.83
Modification and renovation expenses for leased premises	**871,542.35**	1,050,590.06
Total	**8,494,327.78**	9,420,195.21

5. Other operating expenses

EUR	2024	2023
Site expenses	**47,253,458.70**	44,451,512.80
ICT expenses	**12,546,397.12**	12,957,121.36
Professional services expenses	**8,355,011.52**	4,947,784.85
Marketing expenses	**7,015,664.24**	8,267,447.70
Staff leasing expenses	**5,199,410.47**	4,758,976.25
Goods handling expenses	**3,554,448.64**	3,796,669.45
Voluntary indirect employee expenses	**1,169,549.23**	1,102,798.23
Rental expenses	**753,212.00**	624,311.49
Credit losses	**236,749.89**	137,222.70
Other expenses *)	**18,306,736.73**	9,536,512.82
Total	**104,390,638.54**	90,580,357.65

*) 2024 corporate restructuring related expenses EUR 9.9 (1.4) million.

Auditors' fees

EUR	2024	2023
Auditing	**222,490.00**	319,813.00
Tax advisory		21,987.00
Other Assurance services based on legal requirements	**169,100.00**	
Other services		27,165.76
Total	**391,590.00**	368,965.76

6. Financial income and expenses

EUR	2024	2023
Interest income from Group companies	**31,919,994.41**	31,226,758.96
Dividend from Group companies	**31,416,284.13**	21,967,400.38
Other dividend income	**58,975.00**	215.00
Interest income from parties outside the Group	**821,994.25**	215,365.05
Interest expenses to Group companies	**-2,489,627.92**	-1,023,780.14
Interest and other financial expenses to parties outside the Group	**-1,092,558.11**	-1,182,513.54
Impairment of loan receivables and investments *)	**-3,400,000.00**	
Foreign exchange gains and losses (net)	**-5,215,214.61**	-1,306,114.10
Total	**52,019,847.15**	49,897,331.61

*) Impairment of SIA Stockmann shares

7. Appropriations

EUR	2024	2023
Difference between depreciation according to plan and depreciation in taxation	**2,800,632.00**	1,887,929.29
Received Group contributions	**2,340,000.00**	1,940,000.00
Total	**5,140,632.00**	3,827,929.29

8. Income taxes

EUR	2024	2023
Taxes for previous financial years		166,820.86
Change in deferred taxes *)	**-907,012.21**	-8,516,873.97
Total	**-907,012.21**	-8,350,053.11

*) Includes def.tax liability change for Estonian Branch EUR 482,771.21 (5,897,953.00).

Non-current assets

9. Intangible assets

Intangible rights

EUR	2024	2023
Acquisition cost 1.1.	**29,900,223.01**	30,024,007.60
Increases	**602,346.18**	1,338,698.50
Transfers between items	**868,867.70**	4,918,166.15
Decreases	**-20,356,628.90**	-6,380,649.24
Acquisition cost 31.12.	**11,014,807.99**	29,900,223.01
Accumulated amortisation 1.1.	**22,556,161.81**	24,196,616.73
Accumulated amortisation on decreases	**-20,353,853.80**	-6,380,649.24
Amortisation for the financial year	**3,493,204.76**	4,740,194.32
Accumulated amortisation 31.12.	**5,695,512.77**	22,556,161.81
Carrying amount 31.12.	**5,319,295.22**	7,344,061.20

Other intangible assets

EUR	2024	2023
Acquisition cost 1.1.		705,768.85
Acquisition cost 31.12.		12,287.00
Accumulated amortisation 1.1.		634,884.71
Amortisation for the financial year		70,884.14
Accumulated amortisation 31.12.		12,287.00

Advance payments and construction in progress

EUR	2024	2023
Acquisition cost 1.1.	**700,346.73**	3,945,813.28
Increases	**1,206,563.09**	1,672,699.60
Transfers between items	**-868,867.70**	-4,918,166.15
Acquisition cost 31.12.	**1,038,042.12**	700,346.73
Carrying amount 31.12.	**1,038,042.12**	700,346.73
Intangible assets, total	**6,357,337.34**	8,044,407.93

10. Tangible assets

Machinery and equipment

EUR	2024	2023
Acquisition cost 1.1.	**37,221,173.60**	35,142,841.09
Increases	**563,342.38**	276,983.14
Transfers between items	**1,437,511.48**	3,321,715.18
Decreases	**-1,071,503.92**	-1,520,365.81
Acquisition cost 31.12.	**38,150,523.54**	37,221,173.60
Accumulated depreciation 1.1.	**18,534,490.17**	16,425,445.15
Accumulated depreciation on decreases	**-1,071,503.92**	-1,520,365.81
Depreciation for the financial year	**4,129,580.67**	3,629,410.83
Accumulated depreciation 31.12.	**21,592,566.92**	18,534,490.17
Carrying amount 31.12.	**16,557,956.62**	18,686,683.43

Modification and renovation expenses for leased premises

EUR	2024	2023
Acquisition cost 1.1.	**6,396,662.05**	7,010,580.01
Transfers between items	**505,065.89**	913,129.72
Decreases	**-157,779.40**	-1,527,047.68
Acquisition cost 31.12.	**6,743,948.54**	6,396,662.05
Accumulated depreciation 1.1.	**3,435,759.34**	3,983,101.10
Accumulated depreciation on decreases	**-157,779.40**	-1,527,047.68
Depreciation for the financial year	**871,542.35**	979,705.92
Accumulated depreciation 31.12.	**4,149,522.29**	3,435,759.34
Carrying amount 31.12.	**2,594,426.25**	2,960,902.71

Other tangible assets

EUR	2024	2023
Acquisition cost 1.1.	**54,601.65**	54,601.65
Decreases	**-48,774.50**	
Acquisition cost 31.12.	**5,827.15**	54,601.65
Carrying amount 31.12.	**5,827.15**	54,601.65

Advance payments and construction in progress

EUR	2024	2023
Acquisition cost 1.1.	**300,227.73**	1,192,370.67
Increases	**2,827,573.84**	3,342,701.96
Transfers between items	**-1,942,577.37**	-4,234,844.90
Acquisition cost 31.12.	**1,185,224.20**	300,227.73
Carrying amount 31.12.	**1,185,224.20**	300,227.73
Tangible assets, total	**20,343,434.22**	22,002,415.52

11. Investments

Investments in Group companies

EUR	2024	2023
Acquisition cost 1.1.	**311,436,627.98**	309,936,627.98
Increases *)	**600,000.00**	1,500,000.00
Impairments **)	**-3,400,000.00**	
Carrying amount 31.12.	**308,636,627.98**	311,436,627.98

*) 2024 and 2023: Increase in SIA Stockmann's equity
**) 2024: Impairment of SIA Stockmann shares

Other shares and participations

EUR	2024	2023
Acquisition cost 1.1.	**748,761.86**	748,761.86
Decreases	**-4,128.00**	
Carrying amount 31.12.	**744,633.86**	748,761.86
Investments, total	**309,381,261.84**	312,185,389.84

12. Current receivables

Trade receivables

EUR	2024	2023
Non-interest-bearing trade receivables	**3,074,475.09**	4,044,287.40
Total	**3,074,475.09**	4,044,287.40

Receivables from Group companies

EUR	2024	2023
Group contribution receivables	**4,490,000.00**	3,650,000.00
Trade receivables	**5,564,349.67**	5,708,423.71
Prepayments and accrued income	**66,407.00**	1,579.99
Total	**10,120,756.67**	9,360,003.70

Other receivables

EUR	2024	2023
Other receivables	**226,394.85**	317,478.13
Total	**226,394.85**	317,478.13

Prepayments and accrued income

EUR	2024	2023
Taxes and customs duties receivable		4,127,179.73
Periodised ICT expenses	**3,137,742.55**	2,903,066.88
Receivable from credit card co-operation	**1,785,325.78**	1,849,128.00
Periodised indirect employee expenses	**1,092,483.00**	1,227,285.00
Receivables from suppliers	**1,055,240.79**	1,096,698.49
Other prepayments and accrued income	**1,193,589.88**	1,529,526.23
Total	**8,264,382.00**	12,732,884.33

13. Cash in hand and at banks

Cash in hand and at banks comprise bank deposits and cash in hand.

14. Changes in equity

As of 31 December 2023, a total number of shares was 158,715,555.

In January 2024, the Company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 307,489 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to such creditor of the Company whose previously conditional or disputed restructuring debt under the restructuring programme had been confirmed to their final amounts by 9 November 2023 and approved the subscriptions made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme.

In June 2024, the Company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 2,599,852 new shares of the Company in deviation from the shareholders' pre-emptive subscription rights to such creditors of the Company whose previously conditional or disputed restructuring debts under the restructuring programme had been confirmed to their final amounts by 13 June 2024 and approved the subscriptions made in the share issue. The subscription price in the share issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme.

As a result of the share issues in January and June 2024, the total number of shares in the Company has increased to a total of 161,622,896 shares.

On 31 December 2024 Lindex Group plc's share capital was EUR 77.6 million. All the shares issued have been fully paid in.

Share capital

EUR	2024	2023
Shares 1.1. and 31.12.	**77,556,538.26**	77,556,538.26
Share capital, total	**77,556,538.26**	77,556,538.26
Reserve for invested unrestricted equity 1.1.	**76,138,713.65**	73,556,844.86
Share conversion from restructuring debt	**2,647,424.71**	2,581,868.79
Reserve for invested unrestricted equity 31.12.	**78,786,138.36**	76,138,713.65
Retained earnings 1.1.	**237,323,382.78**	219,326,940.89
Retained earnings 31.12.	**237,323,382.78**	219,326,940.89
Net profit (loss) for the financial year	**16,480,950.02**	17,996,441.89
Equity, total	**410,147,009.42**	391,018,634.69

Breakdown of distributable funds 31.12.

EUR	2024	2023
Funds	**78,786,138.36**	76,138,713.65
Retained earnings	**237,323,382.78**	219,326,940.89
Net profit (loss) for the financial year	**16,480,950.02**	17,996,441.89
Total	**332,590,471.16**	313,462,096.43

During the restructuring programme Lindex Group plc is not allowed to distribute funds.

15. Parent company's shares

pcs.	2024	2023
Shares (1 vote each)	161,622,896	158,715,555
Total	**161,622,896**	158,715,555

16. Accumulated appropriations

The accumulated appropriations comprise accumulated depreciation difference.

17. Provisions

Other provisions

EUR	2024	2023
Provision on the claims on rental agreements	15,911,836.57	18,033,041.57
as part of company restructuring debt	15,911,836.57	18,033,041.57
Total	**15,911,836.57**	18,033,041.57

As of the end of the reporting period, there was one remaining disputed claim amounting to EUR 15.9 million related to the termination of a long-term lease agreement. The administrator of the restructuring programme has disputed the claim, considering it justified to pay 18 months' rent for the lease instead of all the years left in the terminated lease contract. The claim will be settled in the Court of Appeal, and the amount and the time of realisation of the claim remain uncertain. The provision for disputed claim corresponds to the full amount of the remaining claim.

18. Non-current liabilities

EUR	2024	2023
Bonds	73,142,624.00	72,022,624.00
Deferred tax liabilities	6,380,724.21	5,897,953.00
Other payables	1,600,000.00	3,200,000.00
Liabilities to Group companies	97,091,100.30	96,316,419.01
part of company restructuring debt	63,900,534.46	63,900,534.46
Non-current liabilities, total	**178,214,448.51**	177,436,996.01

19. Current liabilities

EUR	2024	2023
Interest-bearing liabilities	1,725,387.09	1,694,079.67
Non-interest-bearing liabilities	43,645,836.36	52,973,310.75
part of company restructuring debt		1,415,338.30
Total	**45,371,223.45**	54,667,390.42

Restructuring debt

EUR	2024	2023
Current non-interest-bearing restructuring debt		
Unsecured		1,415,338.30
Current non-interest-bearing restructuring debt total		1,415,338.30
Restructuring debt related to provisions	15,911,836.57	18,033,041.57
Restructuring debt to group companies		
Trade payable to group companies	17,398.07	17,398.07
Liabilities to group companies	63,883,136.39	63,883,136.39
Restructuring debt to group companies total	**63,900,534.46**	63,900,534.46
Restructuring debt total	**79,812,371.03**	83,348,914.33

Liabilities to Group companies

EUR	2024	2023
Trade payables	1,786,249.02	1,736,801.00
Accrued liabilities	75,588.83	258,477.90
Total	**1,861,837.85**	1,995,278.90

20. Accruals and prepaid income, current

EUR	2024	2023
Accrued personnel expenses	9,047,877.26	10,000,613.41
Periodised purchases of stock items	2,683,272.59	7,796,107.02
Reserve for returns and accrued income	1,369,636.00	1,279,578.00
Accrued professional expenses	1,791,546.00	198,967.00
Other accrued expenses and prepaid income	1,145,701.24	1,046,315.46
Total	**16,038,033.09**	20,321,580.89

21. Contingent liabilities

Security pledged on behalf of Group companies

EUR	2024	2023
Rent guarantees *)	**10,095,080.60**	9,295,597.78
Other guarantees		69,040.91
Total	**10,095,080.60**	9,364,638.69

*) 2023 corrected guarantees on behalf of SIA and AS Stockmann

22. Liability engagements and other commitments

EUR	2024	2023
Rental commitments	**460,167,532.00**	448,696,183.00
Electricity commitments	**662,256.00**	1,129,609.80
Leasing commitments	**434,016.55**	406,198.05
Total	**461,263,804.55**	450,231,990.85

Pension liabilities

The pension liabilities of the parent company are insured with outside pension insurance companies. The pension liabilities are fully covered.

23. Shares and participations

Group companies

Parent company holdings	Shareholding %	Voting rights %
Stockmann AS, Tallinn	100	100
SIA Stockmann, Riga	100	100
Stockmann Security Services Oy Ab, Helsinki	100	100
Lindex Holding AB, Stockholm	100	100

Other companies

Parent company holdings	Shareholding %
Kiinteistö Oy Tapiolan Säästötammi Fastighets Ab, Espoo	37.8

24. Events after the reporting period

Lindex Group plc announced on 7 February 2025 that the rental agreement for the Stockmann Itis department store in Helsinki will expire on 1 August 2025. The company plans to close the department store. If materialised, the planned closure would not have a material impact on the profitability or financial position of the company.

Board proposal for disposal of net result of the financial year

During the restructuring programme, the parent company is not allowed to distribute funds.

The Board of Directors proposes to the Annual General Meeting that the net result of the financial year 2024 will be carried further in the retained earnings.

Signatures on the financial statements and the report of the Board of Directors

The financial statements, prepared in accordance with applicable accounting regulations, give true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the group of companies included in its consolidated financial statements.

The report of the Board of Directors contains a truthful description of the development and result of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability report included in the report of the Board of Directors has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Helsinki, 6 March 2025

Sari Pohjonen	Stefan Björkman	Timo Karppinen
Roland Neuwald	Tracy Stone	Harriet Williams

Susanne Ehnbåge

CEO

The Auditor's Note

A report of the audit performed has been issued today.

Helsinki, 6 March 2025

Ernst & Young Oy

Authorised Public Accountant Firm

Terhi Mäkinen

Authorised Public Accountant

AUDITOR’S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Lindex Group plc

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Lindex Group plc (business identity code 0114162-2) (former Stockmann plc) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion
We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.6 to the consolidated financial statements and note 5 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

ey Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Goodwill and trademark *We refer to the Group's accounting policies and the note 3.2* At the balance sheet date 31 December 2024, the value of goodwill amounted to EUR 242,6 million and the trademark to EUR 79,3 million representing 24 % of total assets and 82 % of total equity (2023: goodwill EUR 250,6 million and trademark EUR 81,9 million representing 25 % of total assets and 85 % of total equity). The goodwill and trademark are related to the Lindex acquisition. The valuation of goodwill and trademark was a key audit matter as: • the management's annual impairment test is complex and involves judgments; • the annual impairment test is based on market and economical assumptions; • the goodwill and the trademark balances are significant. The cash flows of the cash generating units are based on the value in use. Changes in the assumptions used can significantly impact the value in use. The value in use is dependent on several assumptions such as the revenue growth and discount rate used. Changes in these assumptions can lead to an impairment in goodwill or trademark.	Our audit procedures included, among others: • Involving internal valuation specialists to assist us in evaluating the assumptions and methodologies used by the group including those related to forecasted revenue and the weighted average cost of capital used in discounting the cash flows. • Assessing the sensitivity in the available headroom by cash generating unit and focused on whether any reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. • Comparing the historical forecasting of the group with actual outcome and comparing forecasts to the latest budgets approved by the board. • Checking the mathematical accuracy of the underlying calculations and benchmarking the value in use of Lindex with peer company information. • Comparing the groups' disclosures related to impairment tests in note 3.2 in the financial statements with presentation requirements in applicable accounting standards and we reviewed the information provided on sensitivity analysis.
Revenue Recognition *We refer to the Group's accounting policies and the note 2.2* Revenue is generated from sales of products and services in retail stores and in online platforms as well as from sales to franchise stores. Revenue is recognized upon delivery of the goods or when the service has been performed.	To address the risk of material misstatement regarding revenue recognition our audit procedures included among others: • assessing the Group's accounting policies over revenue recognition, including principles relating to right of return accounting and loyalty bonuses in relation to applicable accounting standards; • testing sales transactions by comparing them to payments received; • testing revenue, product returns and margins with data analytics; • reviewing the sales processes in retail stores;

The group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the control of goods or services has transferred to the customer. Revenue recognition was a key audit matter due to the high volume of transactions, different kind of delivery methods and the management judgement involved in accounting for right of return and loyalty bonus. Revenue recognition was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).	• analyzing the timing of revenue recognition of online sales based on delivery lead times; and • assessing the Group's disclosures in respect of revenues.
Valuation of inventories We refer to the Group's accounting policies and the note 2.4 At the balance sheet date 31 December 2024, the value of inventory amounted to EUR 169,6 million representing 13 % of total assets and 43 % of total equity (2023: EUR 162,9 million representing 12 % of total assets and 42 % of total equity). In accordance with the accounting policies the inventories are valued at the lower of cost or net realizable value. Inventories are presented net of impairment loss recognized for obsolete and slow-moving inventories. Valuation of inventories was a key audit matter because the carrying value of inventories is material to the financial statements and because valuation of inventories and the level of allowance for obsolete and slow-moving inventories requires management judgment.	Our audit procedures included, among others: • Assessing the Group's accounting policies regarding inventories with applicable accounting standards. • Comparing unit prices of selected inventory items to latest purchase invoices and to sales prices. • Assessing the analyses and assessment made by management with respect to slow moving and obsolete stock and to the expected sales and net realizable value. • Analyzing exceptional values in inventory accounting with data analytics. • Assessing the Group's disclosures in respect of inventory.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting on 7.4.2021, and our appointment represents a total period of uninterrupted engagement of 4 years.

Other information
The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 6.3.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Terhi Mäkinen
Authorized Public Accountant

(Translation of the Finnish original)

Independent Auditor’s Report on the ESEF Consolidated Financial Statements of Lindex Group Plc

To the Board of Directors of Lindex Group Plc

We have performed a reasonable assurance engagement on the financial statements 743700IFQI6W89M1IY95-2024-12-31-0-fi.zip of Lindex Group Plc (y-identifier: 0114162-2) that have been prepared in accordance with the Commission’s regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company’s report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission’s regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission’s regulatory technical standard
- tagging the primary financial statements, notes and company’s identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission’s regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission’s regulatory technical standard.

Auditor’s Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the 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.

Auditor’s Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission’s technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and

- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor’s judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission’s technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Lindex Group Plc 743700IFQI6W89M1IY95-2024-12-31-0-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Lindex Group Plc for the financial year ended 31.12.2024 has been expressed in our auditor's report 6.3.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 7.3.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Terhi Mäkinen
Authorized Public Accountant

ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

(Translation of the Finnish original)

To the Annual General Meeting of Lindex Group plc
We have performed a limited assurance engagement on the group sustainability statement of Lindex Group plc (0114162-2) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);

2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Lindex Group plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Lindex Group plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies 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.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Lindex Group plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and

- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included e.g. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group’s control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:

- We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
- We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.

- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Helsinki 6.3.2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Terhi Mäkinen
Authorized Sustainability Auditor

Corporate Governance Statement

LINDEXGROUP

Corporate Governance Statement of Lindex Group

In its decision-making and corporate governance, Lindex Group complies with the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, the Finnish Corporate Governance Code issued by the Securities Market Association, the rules of the company's Articles of Association, the rules and regulations of Nasdaq Helsinki Ltd, and other applicable legislation and rules.
The Corporate Governance Code can be accessed on the website of the Securities Market Association at cgfinland.fi. Lindex Group complies with the Corporate Governance Code 2025 in its entirety.

Lindex Group plc's (the "company") Corporate Governance Statement for the financial year 2024 has been compiled in accordance with the Finnish Corporate Governance Code. The statement and up-to-date information on the company's corporate governance are also accessible on the company's website, lindex-group.com, under 'Corporate Governance'. This Corporate Governance Statement covers the governing bodies of the parent company Lindex Group plc, which are responsible for the Group's administration and operations. These governing bodies are the General Meeting of Shareholders, the Board of Directors and the Managing Director (the "CEO"). The Statement also deals with the election and working processes of the Board of Directors, the Board Committees' duties and responsibilities, the Shareholders' Nomination Board and Lindex Group's management structure. In addition, Lindex Group publishes a Remuneration Policy for Governing Bodies and a Remuneration Report in accordance with the Corporate Governance Code's requirements.

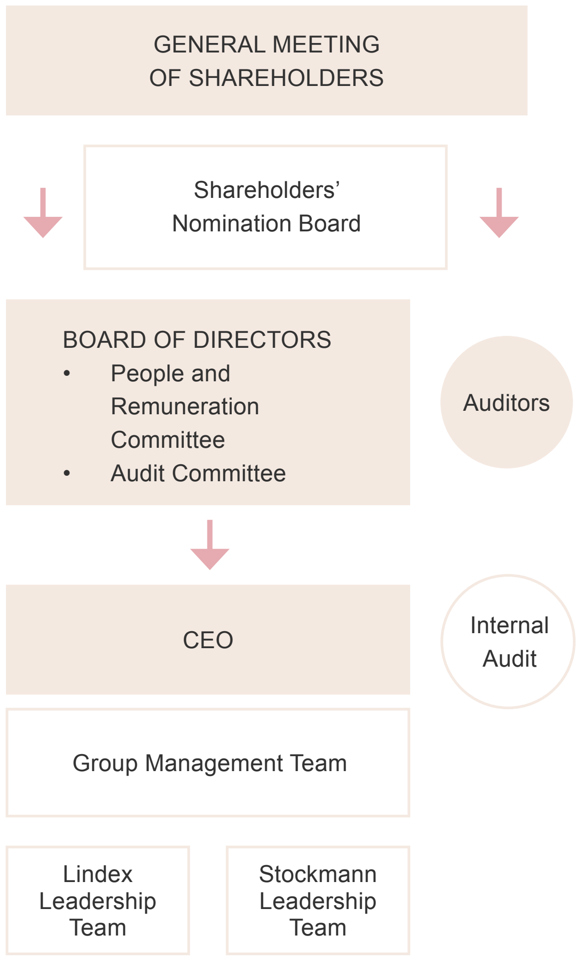
General Meeting of Shareholders

The highest decision-making body of Lindex Group plc is the General Meeting of Shareholders. Each year, the Annual General Meeting of Shareholders of the company resolves on the matters set out in the Finnish Limited Liability Companies Act and the Articles of Association of Lindex Group plc. At the General Meeting of Shareholders, the shareholders of the company are entitled to raise questions and propose resolutions regarding the issues on the meeting agenda. Lindex Group plc has a single class of shares. Each share shall carry one vote at a General Meeting of Shareholders. The company's shares belong to the book-entry system. In order to participate in a General Meeting, a shareholder who has been entered in the Shareholder Register must notify the company of his/her intention to attend the meeting at the time and place mentioned in the notice of meeting. The date of notification can be no earlier than ten (10) days before the meeting.

The Annual General Meeting is held each year before the end of June. A notice convening an Annual General Meeting of Shareholders shall be published in a newspaper which is determined by the Board of Directors and comes out in the Helsinki area or on the company's internet site, no more than three months before the record date for the Annual General Meeting of Shareholders referred in the Finnish Limited Liability Companies Act and no less than three weeks before the Annual General Meeting of Shareholders, however, at least nine days before the said record date.

2024 Annual General Meeting of Shareholders
In 2024, the Annual General Meeting was held on 21 March 2024 in Helsinki and the notice to convene the Annual General Meeting of Shareholders was published on the company's website and as a stock exchange release on 23 February 2024 and published in newspapers Helsingin Sanomat and Huvudstadsbladet on 26 February 2024.
At the beginning of the Annual General Meeting there were 112 shareholders present personally or represented by proxy at the Meeting, representing 43.6% of the company's registered shares and the votes. The Notice to the Annual General Meeting 2024 including proposals by the Board of Directors, the proposals of the Shareholders' Nomination Board for the composition and remuneration of the company's Board of Directors and other meeting documents of the General Meeting were available to shareholders at least three weeks prior to the meeting at the company's headquarters and on the company's website at lindex-group.com.

Corporate Governance Model of Lindex Group



Board of Directors

Under Lindex Group's Articles of Association, the company's Board of Directors shall have a minimum of five and a maximum of nine members. Members of the Board of Directors are elected for a term of one year, starting from the Annual General Meeting in which they are elected and ending at the conclusion of the subsequent Annual General Meeting. The Board of Directors elects a Chair and a Vice chair from amongst its members. The Board of Directors is considered to have a quorum when more than half of its members are present. Decisions are made by majority vote. In the event of a tie, the Chair has the casting vote.

The members of the Board of Directors must be qualified for their duties and have sufficient time to carry out their Board work. While proposing the members of the Board of Directors to the General Meeting of Shareholders, the diversity is considered, so that the persons represent different fields and professions, international backgrounds, and varying age and gender. The majority of Board members must also be independent of the company, and at least two of these members must also be independent of the major shareholders of the company. The Board of Directors assesses its members' independence of the company and its major shareholders annually and as needed.

The Board of Directors in 2024

At the end of 2024, the company's Board of Directors was composed of six members elected by the 2024 Annual General Meeting. Stefan Björkman, Timo Karppinen, Roland Neuwald, Sari Pohjonen, Tracy Stone and Harriet Williams were re-elected to the Board of Directors of Lindex Group plc in accordance with the proposal of the Shareholders' Nomination Board to the 2024 Annual General Meeting of Shareholders. At the Board of Directors' organisational meeting, Sari Pohjonen was elected as Chair and Roland Neuwald as Vice Chair. The members of the Board of Directors have no employment or service contract with the company.

In 2024, both genders and several nationalities were represented in the company's Board of Directors. Of the six members of the Board of Directors, three members (50%) are men, and three members (50%) are women. All members of the Board of Directors are independent of the company and five of them are independent of the company's major shareholders. Of the six members of the Board of Directors, three members (50%) are Finnish citizens, two members (33%) are British citizens, and one member (17%) is German citizen.

According to the Board of Directors' rules of procedure, Lindex Group has also two personnel representatives who are entitled to attend and speak at the meetings of the Board of Directors, however, they are not members of the Board of Directors. One of these representatives is elected by the Lindex Group plc's Council and the other by the senior salaried employees of the Lindex Group plc. At the end of 2024, the personnel representatives were Petri Leskelä and Kimmo Myllymäki.

Duties of the Board

The duties and responsibilities of the Board of Directors and its committees are determined by the Limited Liability Companies Act, the Corporate Governance Code, and other applicable legislation as well as the Articles of Association of the company and the Board of Directors' rules of procedure. The Board of Directors shall see to the administration of the company and ensures the appropriate organisation of its operations. The Board must also ensure that supervision of the company's accounting and financial management is appropriately arranged.

The Board of Directors has adopted rules of procedure, which are available on the company's website lindex-group.com. The rules of procedure define the principles governing the Board's composition and method of election, duties of the Board of Directors and the Chair, decision-making procedure and meeting practices, the principles for evaluating the Board's performance, Board committees and basics about remuneration of the Board of Directors.

It is the Board's duty to promote the interests of the company and all of its shareholders. In order to carry out its duties, the Board:

- convenes General Meetings of Shareholders
- directs and oversees the company's operative management
- appoints and discharges the company's CEO
- approves the CEO's service contract and other benefits
- approves the salaries and other benefits of the members of the Group Management Team
- approves the company's risk management principles
- assesses and approves the company's long-term strategic and financial objectives
- approves the annual budget
- decides on significant individual investments and corporate and property acquisitions.

In accordance with its rules of procedure, the Board conducts an annual self-evaluation of its operations and working practices under recommendation 13 of the Finnish Corporate Governance Code. The results of the evaluation are used to develop the Board's working processes and main results of the self-evaluation are circulated to the Shareholders' Nomination Board.

Member	Board of Directors		Audit Committee		People and Remuneration Committee	
	Attendance	Attendance, %	Attendance	Attendance, %	Attendance	Attendance, %
Sari Pohjonen	21/21	100%	6/6	100%	4/4	100%
Roland Neuwald	20/21	95%	6/6	100%		
Stefan Björkman	15/21	71%			4/4	100%
Timo Karppinen	21/21	100%	6/6	100%		
Tracy Stone	21/21	100%			3/4	75%
Harriet Williams	19/21	91%			3/4	75%

Board meetings
The Board of Directors convenes in accordance with a pre-confirmed timetable and when necessary. The meeting timetable is based on the timetable for the company's financial reporting. In addition, the Board convenes for such occasions as a strategy meeting.

The following representatives of the company's management regularly attend Board meetings: the CEO, the CFO, and the CLO, who acts as secretary for the meeting. Members of the divisions' Leadership Teams attend as appropriate. Two personnel representatives who are not members of the Board of Directors also attend Board meetings. The Board of Directors convened 21 times in 2024. Information concerning the attendance of the members of the Board of Directors in the meetings are shown in the table above.

Since April 2020, Lindex Group has functioned in accordance with the codes of the Restructuring Act, which has meant that the supervisor Jyrki Tähtinen has participated in the Board meetings and issued directives regarding the handling of restructuring debts and payments and provided reports to the Creditors Committee.

Board committees
The Board of Directors has established an Audit Committee and a People and Remuneration Committee among its members at its organizational meeting held on 21 March 2024.

The Board committees assist the Board of Directors by preparing matters falling within the competence of the Board of Directors. Thus, the Board committees are not autonomous decision-making bodies, although they have several monitoring and oversight responsibilities. The Board committees report to the Board on the matters addressed and make proposals to the Board for decision-making as appropriate.

Audit Committee
The role and duties of the Audit Committee and the People and Remuneration Committee are available on lindex-group.com/en/lindex-group/board-of-directors/committees/

The Audit Committee is composed of at least three members of the Board of Directors who are independent of the company. In addition, at least one member must be independent of any major shareholders. The members must have sufficient expertise with respect to the

Audit Committee's area of responsibility, and at least one member must have expertise in the accounting function, bookkeeping or auditing, in particular.

The main duties of the Audit Committee consists of:

- monitoring the statutory auditing and reporting process of the financial statements and consolidated financial statements as well as overseeing their accuracy and scope
- reviewing the report of the company's financial and tax position quarterly prior to approval by the company's Board of Directors
- supervising the financial reporting process
- monitoring the efficiency of Lindex Group's internal control, internal audit and risk management systems and to monitor the Group's risks as well as the quality and scope of risk management
- evaluating the independence and work of the statutory auditor and propose a resolution on the election of the auditor and auditor's fee
- approving, in accordance with the principles approved by the Board of Directors, or authorise the CFO in advance to approve all non-audit services provided by the auditor, which are not forbidden services, including the area covered by them and the estimated fees payable.

The Audit Committee performs a self-assessment of its work once a year. The Committee Chair shall report the results to the Board of Directors.

In 2024, the Board of Directors elected Timo Karppinen as Chair of the Audit Committee, and Roland Neuwald and Sari Pohjonen were elected as the other members of the committee. Two of the three members of the Audit Committee are men and one of three members is a woman. The number of meetings and information about the attendance are described in the table on the previous page.

The People and Remuneration Committee

The People and Remuneration Committee prepares to the Board of Directors matters pertaining to the remuneration and appointment of the Chief Executive Officer and the management and evaluation of their performance, the Remuneration Policy for Governing Bodies and the Remuneration Report, as well as the remuneration principles observed by the company according to the Finnish Corporate Governance Code.

In 2024, the Board of Directors elected Stefan Björkman as Chair of the People and Remuneration Committee, and Sari Pohjonen, Tracy Stone and Harriet Williams were elected as the other members of the committee. Three of four (75%) members of the People and Remuneration Committee are women and one (25%) is a man. The number of meetings and information about the attendance are described in the table on the previous page.

Shareholders' Nomination Board

The Shareholders' Nomination Board prepares proposals for the Annual General Meeting on the composition and remuneration of the Board of Directors.

The Shareholders' Nomination Board consists of representatives appointed by each of the four largest shareholders in accordance with the rules of procedure of the Shareholders' Nomination Board available on the company's website at the address lindex-group.com/en/lindex-group/board-of-directors/committees/. In addition, the Chair of the Board of Directors will serve as an expert member. The right to appoint members to represent shareholders belongs to the four shareholders who hold the largest share of voting rights in the company based on their shareholdings registered in the shareholders' register maintained by Euroclear Finland Ltd on the first working day of September preceding the Annual General Meeting. If a shareholder does not want to use its appointment right, it will be transferred to the next largest shareholder which would not otherwise have this appointment right. The Shareholders' Nomination Board will be convened by the Chair of the Board of Directors, and it will elect a Chair among its members. The members of the Shareholders' Nomination Board are appointed annually and their term ends when new members have been appointed.

The duties of the Shareholders' Nomination Board are as follows:

- preparing the proposals to the Annual General Meeting regarding members of the Board of Directors
- preparing the proposals to the Annual General Meeting regarding the remuneration matters of the members of the Board of Directors
- identifying successor candidates for the members of the Board of Directors and
- presenting the proposals to the Annual General Meeting on the members of the Board of Directors and their remuneration.

The Shareholders' Nomination Board is quorate when more than half of its members are in attendance. Its decisions must be unanimous. If unanimity is not achieved, the members may make their own proposals to the Annual General Meeting, either alone or together with other members of the Shareholders' Nomination Board.

In 2024, the four shareholders have appointed the following members to the Shareholders Nomination Board for the term 2024−2025:

- Stefan Björkman, Chair of the Board of Directors, Nordic Retail Partners JV LP
- Fabian Chrobog, Chief Investment Officer, North Wall Capital LLP
- Markus Aho, Chief Investment Officer, Varma Mutual Pension Insurance Company
- Björn Teir, CEO, The Society of Swedish Literature in Finland

In the term 2024−2025, the Shareholder's Nomination Board convened twice, and the attendance rate was 100 per cent. Lindex Group plc's Chair of the Board Sari Pohjonen has been an expert member of the Nomination Board. When including the expert member in the Shareholder's Nomination Board, one (20%) of five members was a woman.

CEO

According to the Articles of Association of Lindex Group, the CEO is responsible for running administration in accordance with the instructions and orders issued by the Board of Directors. The CEO ensures that the accounting practices of the company comply with the law and that the company's financial administration is arranged in a reliable manner.

The Board of Directors appoints and discharges the company's CEO and approves the terms and conditions of CEO's service contract and other benefits. These terms and conditions, including specification of the financial benefits of the service, are set forth in a written CEO's service contract. The CEO is appointed for the service until further notice. M.Sc. Econ. Susanne Ehnbåge is Lindex Group's CEO since 12 May 2023.

Information on the CEO's remuneration is available in the 2024 Renumeration Report.

Group Management Team

The Board of Directors appoints the members of the Group Management Team. Headed by the CEO, the Group Management Team is responsible for directing operations and for preparing strategic and financial plans. The Group Management Team's main duties are drawing up and implementing the Group strategy and the divisions' strategies, financial forecasts, earnings development and investments. The Group Management Team members report to the CEO.

At the end of 2024, the company's Group Management Team was composed of four members: Susanne Ehnbåge, CEO of Lindex Group and Lindex division; Henrik Henriksson, Chief Financial Officer (CFO); Riku Lyly, Chief Operating Officer (COO) of the Stockmann division and Jukka Naulapää, Chief Legal Officer (CLO) and the secretary of the Group Management Team. Of the four members of the Group Management Team, 75% are men and 25% are women.

In addition, both divisions, Stockmann and Lindex, have their own Leadership Teams.

Internal control and risk management

The arrangement of internal control is the responsibility of the Board of Directors and its Audit Committee. The objective of internal control is, among other things, to ensure the efficiency and profitability of operations, the reliability of information and compliance with rules and regulations. Internal control is a part of day-to-day management and the company's administration.

Risk management
The goal of risk management is to secure the Group's earnings development and to ensure that the company operates without any disturbances by controlling risks in a cost efficient and systematic manner in all divisions. The Board of Directors has approved the company's risk management principles, which concern all of Lindex Group's divisions and areas of business.

Lindex Group's Board of Directors and the Group Management Team regularly evaluate the risk factors to which business operations are exposed and the sufficiency of risk management actions as part of the strategy process. Risk management is supported by internal control systems and guidelines. Risk management guidelines have been drawn up separately for the following areas, among others: IT and information security, finance operations, responsibility issues, misconduct, security and insurance.

Lindex Group's business is exposed to various risks that may have an adverse effect on the company's operations. The divisions' management is responsible for making financial and strategic plans in their own units; identifying and analysing business risks and evaluating treatment actions is a part of strategy planning. Business risks are also analysed outside the strategic process, especially in connection with significant projects and investments, and are reported to the Board of Directors as needed.

The task of the Group's risk management is to support business operations in recognising and managing such risks that may endanger or prevent Lindex Group from achieving its strategic goals. The risk map on Group level is updated yearly in connection with the strategy work, and additional risks on operative level are recognised, followed up and managed in different units and projects.

Risk factors
Business risks comprise all the factors that may jeopardise or prevent the achievement of the strategic goals of the Group or an entity belonging to it. Lindex Group's key risks are divided into three risk areas:

Business environment risks, which refer to risk factors that are external to the company. Should they materialise, they may have a major impact on the company's ability to operate and on profitability. Such risk factors include fundamental and unexpected changes in the market development and consumer purchasing behaviour, decreasing purchasing power, risks related to the Group's subtenants and the country-specific risks.

Operative, safety and accident risks, which refer to risks related to the company's functions. Should they materialise, they may lead to an interruption of business operations, inefficiency and unprofitability. Such risks include personnel, misconduct, ICT and information security risks, supply chain, as well as risks related to the information used in decision-making.

Financial risks, which, should they materialise, would adversely affect the Group's profit, balance sheet and liquidity. Financial risks, including risks arising from exchange rate and interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors.

Risk factors and sources of uncertainty are explained in further detail in the Report by the Board of Directors.

Main features of the risk management systems and internal control pertaining to the financial reporting process

The Board of Directors and its Audit Committee are responsible for the implementation of internal control in regard to financial reporting. The Group's Chief Financial Officer and the Finance Department are responsible for the Group's financial reporting. Lindex Group's financial reporting complies with Group-level directions. The reporting is based on information from commercial and administrative processes and data produced by the financial management systems. The Group's Finance Department determines the control measures applied to the financial reporting process. These control measures include various guidelines, process descriptions, reconciliations, and analyses used for ensuring the validity of the information used in the reporting and the validity of the reporting itself.

The financial reporting results are monitored and any anomalies in relation to forecasts or in comparison with the previous year's figures are analysed on a regular basis. Such analyses are used to detect any reporting errors and to produce materially accurate information on the company's finances.

The divisions and the Group's Finance Department are responsible for the effectiveness of internal control within their own sphere of responsibility. The Group's Finance Department is responsible for assessments of the reporting processes. The risk management process includes assessment of the risks pertaining to financial reporting, and the related treatment measures are determined as a part of the risk management process.

Internal Audit

An essential part of internal control is the Internal Audit, which operates independently under the CEO and reports its observations to the Board of Directors. The Internal Audit supports the Group's management in directing operations by assessing the efficiency of business activities, risk management and internal control, and by providing management with information and recommendations for enhancing efficiency in these areas. The Internal Audit also audits the business and financial reporting processes. The Internal Audit Charter has been approved by Lindex Group's Board of Directors. Internal Audit's operations are based on risk assessment and an emphasis on the development of business operations.

Insiders

Lindex Group plc complies with Market Abuse Regulation (EU) No. 596/2014, including its amendments, and regulations issued under it, instructions issued by the authorities as well as the insider guidelines prepared by the Nasdaq Helsinki Ltd.

As a result of the EU's Market Abuse Regulation (EU) No. 596/2014 that entered into force on 3 July 2016, Lindex Group has no longer public insiders. The company maintains a list of project-based insiders who have access to insider information. The company has appointed a person in charge of insider issues, who is responsible for maintaining insider lists, handling trading restrictions and managing obligations to notify and disclose transactions, internal communications related to insider issues, training on insider issues and supervision. Lindex Group has procedures for publishing insider information, possible delayed disclosure of insider information and maintaining project-specific insider lists.

Lindex Group plc has determined managers whose transactions shall be notified including members of the Board of Directors, the CEO and the other members of the Group Management Team and auditors. The afore-mentioned persons, the persons discharging material duties, and their closely associated persons are required to notify the company and the Finnish Financial Supervisory Authority of every transaction conducted on their own account relating to the shares, debt instruments, derivatives or other financial instruments of Lindex Group plc.

Lindex Group's Board of Directors has decided that the restriction on trading in the financial instruments issued by the company by persons discharging managerial duties is 30 days before the publication of an interim report or the financial statements (closed window).

Related party transactions

The Board of Directors of Lindex Group plc has defined the principles for monitoring and evaluating related party transactions. Lindex Group plc has identified its related parties and maintains the related party list to identify transactions that involve a person considered a related party to Lindex Group plc. The related parties include the Board of Directors and the Group Management Team and their closely associated persons as well as the companies under the control of the managers. All related transactions must fall within the company's normal business operations and be in line with the purpose of the company and executed on market or market equivalent terms and practices generally observed and accepted within the industry in question.

The Board of Directors processes any significant related party transactions. The company's Board of Directors decides on significant transactions carried out with Lindex Group's management and its related parties.
The Board of Directors also decides on possible related party transactions that do not fall within the company's regular business or are not carried out on regular market terms.

In 2024, Lindex Group plc had no related party transactions that were significant to the company or deviated from its regular business or were carried out on other than normal market terms.

Auditors
According to the articles of association of Lindex Group, the company shall have a minimum of one and a maximum of three auditors and they shall have a minimum of one and a maximum of three deputies. Insofar as a firm of auditors authorized by the Finland Chamber of Commerce is elected as the auditor, a deputy auditor does not need to be elected. The term of office of the auditors shall begin from the General Meeting at which they were elected and end at the close of the next Annual General Meeting.

The Annual General Meeting of 2024 elected the audit firm Ernst & Young Oy as the company's auditor. Terhi Mäkinen, APA, acts as the responsible auditor.

In 2024, the fees relating to the auditing process amounted to EUR 0.5 million, the fees relating to other assurance services based on legal requirements amounted to EUR 0.2 million and the fees for other services to EUR 0.1 million.

This Corporate Governance Statement has been issued as a separate report in conjunction with the Report by the Board of Directors for 2024.

Approved by the Board of Directors of Lindex Group plc on 6 March 2025.

Board of Directors

Sari Pohjonen

b. 1966, Finnish citizen
M.Sc. (Econ.)

Chair of the Board
Member of the Board 2022–

Member of the People and Remuneration Committee and the Audit Committee

Independent of the company and major shareholders

Relevant work experience
Oriola, CFO 2021–2022
Fiskars Group, CFO 2017–2021
Deputy to the CEO 2018–2021
Interim CEO 2020
President SBU Functional 2019–2020
Several senior positions 2008–2013
Reima Group, CFO 2013–2016,
deputy to the CEO 2015–2016
Sanoma WSOY, several senior positions
2001–2008

Principal positions of trust
Kalmar Corporation, Member of the Board 2024–
Aktia Bank plc, Member of the Board 2022–2025
Oilon Group Oy, Member of the Board 2021–
Jane and Aatos Erkko foundation,
Member of the Board 2021–
VR-Group plc, Member of the Board 2019–

LINDEX shares
23 432

Roland Neuwald

b. 1964, German citizen

Vice Chair of the Board
Member of the Board 2021–

Member of the Audit Committee

Independent of the company and major shareholders

Relevant work experience
Management Consultant 2019–
Galeria Kaufhof, CEO 2017–2019
Advent International, Operating Partner 2013–2014
real,- Holding GmbH, CEO 2010–2012
real,- Holding GmbH, COO 2007–2010
Metro Group, Chief Integration Officer, CEO
Walmart Germany 2006–2007
Extra Verbrauchermärkte GmbH, CEO 2003–2006

Principal positions of trust
Leder & Schuh AG,
Member of the Supervisory Board 2023–
Reischmann GmbH & Co.Kg aA,
Chair of the Supervisory Board 2024–

LINDEX shares
48 490

Stefan Björkman

b. 1963, Finnish citizen
M.Sc.(Tech.)

Member of the Board 2019–

Chair of the People and Remuneration Committee

Independent of the company

Relevant work experience
Föreningen Konstsamfundet rf.,
Managing Director 2018–
Ilmarinen, Deputy Managing Director,
Acting Managing Director 2018
Etera, Managing Director 2014–2018
Aktia, Deputy Managing Director and CFO
2008–2014
Aktia, Deputy Managing Director 2006–2008

Principal positions of trust
Nordic Retail Partners JV LP,
Chair of the Board 2023–
Hufvudstadsbladet Ab, Member of the Board 2023–
Amos Rex, Chair of the Board 2023–
JM AB, Member of the Board 2023–
Alandia Fösäkringsbolag Abp,
Chair of the Board 2021–
CorGroup, Chair of the Board 2023–
Coronaria Oy, Chair of the Board 2007–

LINDEX shares
51 928

Timo Karppinen

b. 1964, Finnish citizen
M.Soc.Sc.

Member of the Board 2022–

Chair of the Audit Committee

Independent of the company and major shareholders

Relevant work experience
Posti Group Corporation, CFO 2021–
DNA plc, CFO 2012–2020
Ponsse plc, Executive Director,
corporate planning and strategy 2010–2012
Nokia North America, CFO 2008–2010
Nokia APAC, CFO 2006–2008
Nokia China, CFO 2000–2005

Principal positions of trust
IPK Hockey Oy, Member of the Board 2020–

LINDEX shares
16 706

Board of Directors

Tracy Stone

b. 1962, British citizen

Member of the Board 2018–

Member of the People and Remuneration Committee

Independent of the company and major shareholders

Relevant work experience
Away That Day, Managing Director 2024–
Polly King & Co, CEO 2017–2024
Perry Ellis International,
Interim Managing Director Europe 2017
LK Bennet, Commercial Director 2015–2017
Gant AB, Interim COO 2013–2015
Gant AB, Global Sales Director 2012–2013
Gant UK, Managing Director 2006–2012

LINDEX shares
53 950

Harriet Williams

b. 1980, British citizen
M.Sc.(Nat.)

Member of the Board 2021–

Member of the People and Remuneration Committee

Independent of the company and major shareholders

Relevant work experience
The LEGO Group,
VP Global Ecommerce & Retail Operations 2023–
VP Global Ecommerce 2019–
The Body Shop, Chief Digital Officer 2015–2018
LLX GBS (JAB Holding),
Group Multichannel Director 2013–2015
Gucci, Associate Worldwide Digital Director 2012
Debenhams Retail PLC, Head of Digital 2007–2012
Marakon Associates, Strategy Consultant
2003–2007
Caterpillar Finning, Business Analyst 2001–2003

Principal positions of trust
Gear4Music PLC, Non-Executive Director 2021–

LINDEX shares
26 038

Board of Directors
Personnel Representatives

Petri Leskelä

b. 1970, Finnish citizen

Chief shop steward, Stockmann

Personnel representative, elected by Stockmann's Group Council

Kimmo Myllymäki

b. 1978, Finnish citizen

Head of Operational Services & Store Digitalization, Stockmann

Personnel representative elected by Stockmann's senior salaried employees

Details of the Board of Directors on 31 December 2024. Up-to-date information on the Board of Directors is available on the company's website lindex-group.com.

Group Management Team

Susanne Ehnbåge

b. 1979, Swedish citizen
M.Sc.(Econ.)

CEO, Lindex Group 2023–
CEO, Lindex division 2018–

Joined Lindex Group in 2018

Relevant work experience
NetOnNet Group, CEO 2016–2018
Interim CEO 2015–2016
SIBA AB, Managing Director 2014–2017
Interim Managing Director 2011–2014
Marketing Manager 2008–2011

Principal positions of trust
Komplett Group, Member of the Board 2023–
Ahlsell, Member of the Board 2018–

LINDEX shares
18 000

Henrik Henriksson

b. 1977, Swedish citizen
M.B.A

CFO, Lindex Group and Lindex division 2024–

Joined Lindex Group in 2024

Relevant work experience
Eton Shirts,
COO 2024
CFO 2019–2024
H&M New Business, Head of Controlling
2018–2019
H&M Weekday, Brand Controller / CFO 2017–2018
H&M COS, UK, Brand Controller / CFO 2014–2017
H&M US, Country Controller / CFO 2010–2014
H&M Sweden, Country Controller / CFO 2009–2010
H&M Expansion, Project Manager 2006–2009
XLBygg Fresks, CFO 2004–2006
H&M Buying Office, Business Controller 2002–2004
H&M Stockholm, Business Area Controller
2000–2002

Principal positions of trust
Sjöstrand Coffee, Chair of the Board 2024–

Riku Lyly

b. 1984, Finnish citizen
M.Sc.

Chief Operating Officer
of the Stockmann division 2024–

Joined Lindex Group in 2021

Relevant work experience
Stockmann division,
Interim Chief Operating Officer 2024
Chief Offering and Experience Officer 2023–2024
Category Director – Men's Fashion, Children,
Sports 2021–2023
Adidas,
Director, Omnichannel Activation 2020–2021
Sports Marketing Director 2018–2020
Senior Manager, Brand Activation & Omnichannel
2016–2018
XXL Sports & Outdoor,
eCommerce Manager XXL.fi 2015–2016

Jukka Naulapää

b. 1966, Finnish citizen
LL.M.

Chief Legal Officer, Lindex Group 2006–

Joined Lindex Group in 1998

Relevant work experience
Lindex Group plc,
Secretary of the Board of Directors and
Management Team 2001–
Company Lawyer 1998–2006
Law Firm Hepo-Oja & Lunnas Oy,
Attorney 1991–1998

Principal positions of trust
Lindex division, Member of the Board 2018–

Details of the Group Management Team on 31 December 2024. Up-to-date information of the Management Team is available on the company's website lindex-group.com.

Remuneration Report

Remuneration Report

Dear reader,
I am pleased to present Lindex Group's Remuneration Report for the financial year 2024. The report has been approved by the Board of Directors and will be presented at Lindex Group's Annual General Meeting in 2025 for advisory shareholder approval. During 2024, the People and Remuneration Committee has supported the management and followed up on the execution of the people strategy and priorities. Furthermore, the committee has continued to ensure compliance with and the execution of the Group's Remuneration Policy.

As defined in Lindex Group's Remuneration Policy, the objective of the remuneration is to promote the Group's short- and long-term financial success, shareholder value, and performance culture and enhance Lindex Group's competitiveness in attracting, engaging, and retaining required talent. Our remuneration aims to support achieving strategic business goals, promote actions that are aligned with the interests of our shareholders, and support behaviour that is consistent with our values.

Our remuneration is developed based on the needs and strategic priorities of the business. Going forward, we will continue to develop our remuneration principles to support successful long-term strategy implementation. We want our remuneration to be transparent, consistent, easy to understand, non-discriminatory, sustainable, and in line with good governance.

During the year, the committed teams of Lindex Group continued to execute the strategies of both divisions and worked towards our sustainability goals with dedication, persistence, and good quality, despite the challenges in the operating environment. Lindex Group continued to investigate strategic alternatives for the Stockmann department store business. Good progress was also seen in the restructuring process. At the end of December, there was one disputed claim left, and all confirmed undisputed debts have been duly paid.

In 2024, the members of Lindex Group's People and Remuneration Committee continued supporting and following up the management's plans and actions related to people and capability reviews, succession planning, fostering diversity as well as equality and inclusiveness. In addition, annual compensation reviews, as well as the results and actions related to developing employee engagement based on employee engagement surveys were high on the Committee's agenda.

I want to thank all Lindex Group team members for the results and developments we have achieved together in 2024. We want to be the workplace where our people can grow to fulfil their potential and have an impact together, for a sustainable future. This is how we will succeed in reaching our strategic targets, serving our customers, and supporting the long-term interests of our shareholders in the best possible way.

Stefan Björkman
Chair of the People & Remuneration Committee

INTRODUCTION

About the remuneration report
This remuneration report describes the remuneration of Lindex Group plc's governing bodies in accordance with the requirements of the Finnish Securities Markets Act, the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2025 (the "Code") published by the Securities Market Association.

The report presents information on the remuneration of the members of the Board of Directors and of the CEO for the financial year 2024. The remuneration report is based on the Remuneration Policy for Lindex Group's governing bodies approved by the Annual General Meeting held on 22 March 2023. It also describes the development of average employee remuneration and the company's performance over the past five years compared to the remuneration of the members of the Board of Directors and the CEO.

During the financial year 2024, the members of the Board of Directors and the CEO have been remunerated in accordance with the approved Remuneration Policy. The remuneration has promoted the company's long-term financial success.

Lindex Group's Board of Directors has approved the remuneration report. The report will be presented at Lindex Group's Annual General Meeting 2025 for an advisory vote.

Remuneration Policy in brief

The remuneration principles defined in Lindex Group's Remuneration Policy apply in all countries to all employees of the company. The principles described in the policy guide remuneration and the development of related practices. According to the Remuneration Policy, the objective of remuneration is to promote short- and long-term financial success, shareholder value and performance culture at Lindex Group and to improve Lindex Group's competitiveness in attracting, engaging, and retaining the necessary talent.

The remuneration of the members of Lindex Group's Board of Directors is organised separately from the remuneration schemes applied to the CEO, the Group Management Team, or the personnel. To guarantee the independence of the members of the Board of Directors, they do not participate in incentive plans for Lindex Group's employees.

The remuneration of the Board of Directors is determined by the Annual General Meeting. Proposals to the Annual General Meeting concerning the remuneration of the members of the Board of Directors are prepared by the Shareholders' Nomination Board, which consists of representatives of the largest shareholders and the Chair of the Board of Directors as an expert member. The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors based on the proposal of the Nomination Board for one term at a time until the next Annual General Meeting. The representatives of the Board of Directors who are members of the Shareholders' Nomination Board do not participate in the decision-making concerning the remuneration of the Board of Directors or committees.

The Board of Directors decides on the CEO's salary and other benefits based on the proposals of the People and Remuneration Committee. The short-term incentive is limited to a maximum amount corresponding to the annual base salary, and the long-term incentive opportunity is a maximum of twice the annual salary at the time of granting for each performance period. The CEO may be part of statutory and defined contribution supplementary pension plans.

The full Remuneration Policy can be found at lindex-group.com.

Remuneration and performance of the company over five years

In 2024, Lindex Group's market environment remained challenging. The macroeconomic situation in Europe continued to be uncertain due to the geopolitical instability. High interest rates and inflation were holding back economic growth, and the retail sector was affected by lower consumer demand. In Lindex Group's key markets, the fashion industry showed fluctuations and negative development especially during the latter part of the year. Inflation declined during the year from the highest levels, but did not reach the targeted levels. In addition, disruptions in supply chains and international logistics impacted the Group's performance.

The objective of the short-term incentive plan (STI) is to encourage the implementation of the short-term business plan and reward accordingly. In recent years, the short-term incentive scheme has been based on the company's profitability and other relevant financial and performance targets.

The objective of the long-term incentive plan is to promote the achievement of strategic and financial targets and to align the interests of the participants with those of Lindex Group's shareholders. The Board of Directors approves long-term incentive plans (PSPs), based on which a share-based incentive plan with a performance period of three years is launched annually. The long-term incentive plans for 2022, 2023, and 2024 were based on total shareholder return, revenue, operating profit, and reduction of climate emissions.

The information on the average salary of employees is based on the personnel costs of the entire Lindex Group, i.e. the data of all employees. The remuneration of employees is not as variable as that of the CEO, as a smaller part of their total remuneration is based on variable pay elements. However, as all short-term incentive schemes are to varying degrees linked to the same key figures, the company's performance also affects employee remuneration. The average salary of employees in 2024 was mainly affected by salary reviews aligning the compensation with external market development as well as structural changes in the organisation.

The table on the next page illustrates the development of Lindex Group's remuneration and company's performance over the past five years.

Five-year development of remuneration and company performance

In EUR unless otherwise noted	2020	2021	2022	2023	**2024**
Board of Directors					
Chair of the Board	87 700	96 100	96 000	114 200	**123 600**
Other Board members, average annual remuneration	45 147	56 250	52 383	61 149	**67 120**
Total remuneration, Board of Directors	333 300	433 600	410 300	433 400	**459 200**
Change from previous year, %	-27	30	-5	6	**6**
CEO					
Susanne Ehnbåge (12 May 2023–), total remuneration	-	-	-	342 831	**760 807**
Change from previous year, % *)	-	-	-	-	**122**
Jari Latvanen (19 August 2019–12 May 2023), total remuneration including payments during the notice period	528 270	604 252	604 315	662 961	**408 870**
Change from the previous year, %	227	14	0	10	**-38**
Employees					
Average annual salary	32 257	33 356	35 309	35 053	**34 762**
Change from previous year, %	6	3	6	-1	**-1**
Adjusted operating result, EUR million	-12.3	68.3	79.8	80.0	**74.9**
Total shareholder return, %	-43.36	85.57	-8.70	47.06	**-7.23**

*) Impacted by time of the CEO appointment, 12 May 2023.
Comparable change from previous year in the fixed monetary salary was 10%.

The remuneration criteria for the CEO in 2024 have been reviewed by the People and Remuneration Committee. The People and Remuneration Committee reviewed the remuneration of the CEO in comparison with companies of the same size and structure. The remuneration level of the CEO has changed over the five-year period as the CEO has changed.

Exceptions and clawbacks

The company did not exercise its rights to recover or cancel paid or unpaid incentives in 2024.

Prior to her appointment as the CEO, Susanne Ehnbåge was granted a retention bonus in March 2023 that was paid out in 2024. This can be considered as a temporary deviation to the Remuneration Policy. See further details in the section related to CEO’s employment relationship.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

According to the Remuneration Policy, the annual fees of the Board of Directors can be paid as a combination of Lindex Group's shares and cash. Meeting fees are paid in cash. Board fees include annual and meeting fees for Board and committee work. In addition, the members of the Board of Directors are compensated for travel and accommodation expenses in accordance with the company's general travel policy. The shares acquired for the members of the Board of Directors cannot be transferred until two years have passed from the date of purchase or until the membership of the Board of Directors of the person in question has ended, whichever is earlier.

The members of the Board of Directors are not included in incentive schemes or performance-based remuneration, and they do not have a supplementary pension arranged by Lindex Group.

The approved remuneration of the members of the Board of Directors for 2024 remained unchanged compared to 2023 by decision of the Annual General Meeting. During the financial year 2024, the members of the Board of Directors were paid a total of EUR 459 200. The Board remuneration was paid in cash in its entirety due to a reason pertaining to the company and in accordance with the resolution of the Annual General Meeting.

All payments made to the members of the Board of Directors in 2024 were in accordance with the Remuneration Policy approved by the Annual General Meeting held on 22 March 2023.

Remuneration of the Board of Directors 2024

	TEUR
Fixed annual remuneration	
Chair	85
Vice chair	60
Members	42,5
Fixed committee fees	
Chair of the Audit Committee	10
Members of the Audit Committee	5
Meeting fees (per meeting)	
Chair of the Board/Committee	1.2
Members	0.6
If the meeting is held physically outside the country where the Chair or member resides, the meeting fee shall be doubled.	

Remuneration of the members of the Board of Directors 2024

	Annual fees, EUR	Meeting fees, EUR	Total fees, EUR
Sari Pohjonen, Chair	90 000	33 600	123 600
Roland Neuwald, Vice-Chair	65 000	19 800	84 800
Stefan Björkman	42 500	15 000	57 500
Timo Karppinen	52 500	21 000	73 500
Tracy Stone	42 500	19 800	62 300
Harriet Williams	42 500	15 000	57 500
Total	335 000	124 200	459 200

REMUNERATION OF THE CEO

The remuneration for the CEO consists of fixed and variable performance related pay. The remuneration includes a monetary salary, the right to car and telephone benefits, and a supplementary pension arrangement. Variable performance related pay includes short- and long-term performance-based incentive schemes. Performance bonuses are tied to financial and strategy implementation criteria. The earning period for the short-term performance bonus is the calendar year.

In 2024, the key performance indicators of the short-term incentive scheme (STI) focused on the Group's financial and business targets. The terms and conditions of the plan 2024 were partially fulfilled and the incentive bonus will be paid in 2025.

The measures of the share-based long-term incentive plan (PSP) are total shareholder return, operating profit, and revenue as well as reduction of climate emissions. The first long-term incentive plan was introduced in 2022 (PSP 2022–2024, the second in 2023 (PSP 2023–2025) and the third in 2024 (PSP 2024-2026). Potential incentives will be paid from these plans in 2025, 2026 and 2027 respectively.

The maximum reward for the CEO under the long-term incentive plan 2022–2024 was 168 000 shares, including a cash portion to cover taxes and tax-related costs arising from the reward. The potential reward will be paid in 2025. The maximum reward from the 2023−2025 plan is 175 000 shares. The potential reward will be paid in 2026. For the third long-term incentive plan 2024–2026, the maximum reward is 212 000 shares, and potential reward will be paid in 2027.

If the company terminates the CEO's contract, the period of notice is 6 months, in addition to which the CEO is entitled to a severance pay corresponding to 12 months' salary. On the CEO's side, the notice period is 6 months.

Remuneration of the CEO in 2024

Susanne Ehnbåge was the CEO of Lindex Group plc throughout the financial year 2024.

In 2024, the short-term performance pay to the CEO reflected the results against the set financial and other business targets for Lindex Group and respective Lindex and Stockmann divisions. During the period (1 January–31 December 2024), CEO Susanne Ehnbåge was paid a total of EUR 482 650. Fixed monetary salary accounted for EUR 475 163 and fringe benefits for EUR 7 487. In addition, a performance bonus of EUR 159 627 from the 2023 short-term incentive plan was paid in 2024, as well as a retention bonus of EUR 197 208 in 2023 that was paid out in 2024.

Short term incentive – Susanne Ehnbåge (period 1 January–31 December 2024)

	STI 2024 – accrued (paid in 2025)	
Measure	Weighting	Result
Lindex division	70%	Below target
Stockmann division	30%	Below target Threshold met
Pay-out to CEO based on STI, EUR	N/A	3 119
Pay-out from maximum incentive opportunity, %	N/A	0.8%

Summary of share-based incentive plans granted, earned, and delivered to the CEO Susanne Ehnbåge:

Long-term incentive period	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026
Maximum number of shares issued			
(gross)	168 000	175 000	212 000
Date of issue	23 November 2022 150 000 pcs and 6 July 2023 18 000 pcs	6 July 2023	18 March 2024
Issue price of shares, EUR	Closing price on 23 November 2022 EUR 1.924 and on 6 July 2023 EUR 2.07	Closing price on 6 July 2023 EUR 2.07	Closing price on 18 March 2024 EUR 2.995
Number of shares issued (gross)	168 000	175 000	212 000
Number of shares delivered (gross)	-	-	-
Date of delivery of shares	-	-	-
Price on the date of delivery of the shares, EUR	-	-	-
Share ownership requirement	CEO and Group Management Team members are required to build up their holding of shares at least up to a level where the value of the shares owned by the GMT member corresponds at each point in time to the annual gross base salary. Until the holding requirement is fulfilled, the relevant GMT member must hold at least fifty percent (50%) of the net shares awarded to him/her for each PSP cycle.		

In 2024, the CEO was not paid any shares or option rights as remuneration. The CEO's supplementary pension plan follows market practice in Sweden, and the pension contribution in 2024 was EUR 278 157. The pension age is in line with the legislation in country of residence.

For the time being, the CEO's shareholding does not meet the recommendation of the long-term incentive program terms and conditions concerning shareholding, because she started in the position in May 2023.

Lindex Group's Remuneration Policy allows temporary deviation from the policy in number of occasions relating e.g. to any exceptional circumstances serving the long-term interest and resilience of the company. After a careful consideration, the Board of Directors accepted a temporary deviation from Lindex Group's Remuneration Policy. Based on this deviation, in March 2023, prior to her appointment as the CEO, Susanne Ehnbåge was granted a retention bonus of EUR 197 208. The aim of the retention bonus was to ensure commitment to Lindex's long-term growth plans during a critical phase of the Group. The retention bonus included employment condition and personal performance targets. The retention bonus was paid in January 2024.

Jari Latvanen served as CEO until Susanne Ehnbåge's appointment as Group CEO on 12 May 2023. Jari Latvanen was entitled to 6 months' notice period and severance pay corresponding to 9 months' basic salary, which was paid as onetime payment in 2024. The total amount of severance pay was EUR 360 000. In addition, Jari Latvanen was paid short-term incentives from 2023 EUR 48 870 in 2024.

Total compensation – Susanne Ehnbåge (period 1 January–31 December 2024)

Remuneration element	Paid	Description	Compliance to remuneration policy
Salary and benefits (period 1 January–31 December 2024)	Paid: EUR 482 650	The CEO has the following short-term benefits: a phone and a car.	Complies with the policy
Short-term incentives (period 1 January–31 December 2024)	Accrued: EUR 3 119 Policy maximum: 100% of annual base salary	Accrued bonus for financial year 2024 is prorated and paid in 2025.	Complies with the policy
Retention bonus (period 28 Februari 2023–31 December 2023) Paid in January 2024	Paid: EUR 197 208	Granted in the previous position as CEO of Lindex.	Temporary deviation from the policy
Long-term incentives	Paid: Not applicable Accrued: EUR 216 766 Payout from period 2022–2024 expected, amount not confirmed Policy maximum: 200% of the annual base salary at grant	Ongoing schemes: For the vesting period 2022–2024, 168 000 shares have been granted to the CEO, with a value of EUR 325 860 at the time of grant. For the 2023–2025 award period: 175 000 shares have been granted to the CEO, worth EUR 362 250 at the time of grant. For the 2024–2026 award period: 212 000 shares have been granted to the CEO, worth EUR 634 940 at the time of grant. The vesting period for all long-term incentive plans is three years. The potential awards are fully dependent on the achievement of performance measures.	Complies with the policy
Pension (period 1 January–31 December 2024)	Accrued: EUR 278 157	The CEO is eligible to take retirement upon reaching the age of sixty-five (65). The pension scheme is determined according to a defined contribution-based system, partly under the ITP1 plan and partly under an extra pension provision to 30% of income above ITP1 income cap.	Complies with the policy
Severance benefits	Not applicable	Remuneration paid to the CEO if dismissed by the company corresponds to twelve (12) months' salary plus a six (6) months' period of notice salary.	Complies with the policy

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LINDEX

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