



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 947 659 138  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KAPPAHL AS  
Forretningsadresse: Storgata 37  
1607 FREDRIKSTAD

### Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anders Gudbrand Tandberg  
Dato for fastsettelse av årsregnskapet: 14.05.2025

### Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert  
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 20.06.2025



## Resultatregnskap

Beløp i: NOK	Note	2024	2023
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	1	1 569 123 859	1 459 364 112
<b>Sum inntekter</b>		<b>1 569 123 859</b>	<b>1 459 364 112</b>
<b>Kostnader</b>			
Varekostnad	2	719 541 117	736 441 838
Lønnskostnad	3,4	279 958 331	262 688 328
Avskrivning	5	23 378 730	25 142 551
Annen driftskostnad		412 614 389	373 338 659
<b>Sum kostnader</b>		<b>1 435 492 567</b>	<b>1 397 611 376</b>
<b>Driftsresultat</b>		<b>133 631 292</b>	<b>61 752 736</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		5 627 856	2 566 047
Annen finansinntekt		200 771	118 476
<b>Sum finansinntekter</b>		<b>5 828 627</b>	<b>2 684 523</b>
Rentekostnad til foretak i samme konsern		0	51 516
Annen finanskostnad		52 065	23 140
<b>Sum finanskostnader</b>		<b>52 065</b>	<b>74 656</b>
<b>Netto finans</b>		<b>5 776 562</b>	<b>2 609 867</b>
<b>Resultat før skattekostnad</b>		<b>139 407 854</b>	<b>64 362 603</b>
Skattekostnad	6	30 826 582	14 264 962
<b>Årsresultat</b>	7	<b>108 581 272</b>	<b>50 097 641</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte		100 000 000	18 000 000
Avsatt til annen egenkapital		8 581 272	32 097 641
<b>Sum overføringer og disponeringer</b>		<b>108 581 272</b>	<b>50 097 641</b>



## Balanse

Beløp i: NOK	Note	2024	2023
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utvikling	5		
Programvarer, lisenser, varemerker	5		
Utsatt skattefordel	6	8 283 460	8 784 272
Goodwill	5		
<b>Sum immaterielle eiendeler</b>		<b>8 283 460</b>	<b>8 784 272</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger o.a. fast eiendom			
Maskiner og anlegg			
Skip og flytende installasjoner			
Driftsløsøre, inventar, verktøy, konto	5	84 864 650	68 549 369
<b>Sum varige driftsmidler</b>	8	<b>84 864 650</b>	<b>68 549 369</b>
<b>Sum anleggsmidler</b>		<b>93 148 110</b>	<b>77 333 641</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	2	167 996 365	151 136 776
<b>Sum varer</b>	2	<b>167 996 365</b>	<b>151 136 776</b>
<b>Fordringer</b>			
Kundefordringer		22 929	873 877
Andre kortsiktige fordringer	11	22 890 102	31 395 739
Konsernfordringer	9,10,1 2	224 373 150	125 746 352
<b>Sum fordringer</b>		<b>247 286 181</b>	<b>158 015 968</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o.l.	12	12 131 413	12 061 825
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>12 131 413</b>	<b>12 061 825</b>
<b>Sum omløpsmidler</b>		<b>427 413 959</b>	<b>321 214 569</b>



### Balanse

Beløp i: NOK	Note	2024	2023
<b>SUM EIENDELER</b>		<b>520 562 069</b>	<b>398 548 210</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	13	125 247	125 247
<b>Sum innskutt egenkapital</b>		<b>125 247</b>	<b>125 247</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		107 466 823	98 962 302
<b>Sum opptjent egenkapital</b>		<b>107 466 823</b>	<b>98 962 302</b>
<b>Sum egenkapital</b>	7	<b>107 592 070</b>	<b>99 087 549</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	4	6 714 733	7 422 994
Utsatt skatt	6		
<b>Sum avsetninger for forpliktelser</b>		<b>6 714 733</b>	<b>7 422 994</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>6 714 733</b>	<b>7 422 994</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		24 055 788	28 372 272
Betalbar skatt	6	30 056 007	14 048 362
Skyldig offentlige avgifter		89 316 731	80 706 291
Utbytte		100 000 000	18 000 000
Kortsiktig konserngjeld	10	91 966 161	86 253 613
Annen kortsiktig gjeld	14	70 860 579	64 657 129
<b>Sum kortsiktig gjeld</b>		<b>406 255 266</b>	<b>292 037 667</b>
<b>Sum gjeld</b>		<b>412 969 999</b>	<b>299 460 661</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>520 562 069</b>	<b>398 548 210</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>POSTER UTENOM BALANSEN</b>			
Garantistillelser	8		
Pantstillelser	8		



## Kappahl

*Kappahl A/S*  
Org nr 947 659 138

## Årsrapport for 2024

**Årsberetning**

**Balanse**

**Oppstilling av kontantstrømmer**

**Noter**

**Revisionsberetning**

Ⓢ ID:0120bdc0-30a7-11f0-8d3b-79c5f38a3e5 Status: Signed by all



## Kappahl

Kappahl A/S  
Org nr 947 659 138

### Årsberetning 2024

#### Virksomheten

Kappahl AS er et heleid datterselskap til Kappahl AB, org nr 556661-2312. Konsernet driver salg av moteklær til dame, herre og barn. I konsernet inngår foruten Kappahl AS, salgsselskap i Sverige, Finland, Polen, UK og et innkjøpselskap i Kina. Konsernet har produksjonskontorer i Kina, India og Bangladesh.

Kappahl AB er et datterselskap til Mellby Gård Investerings AB, org nr 556408-5008, med hovedkontor i Malmö, Sverige. Kappahl AB utarbeider ikke konsernregnskap, med henvisning til at selskapet og alle datterselskaper omfattes av et konsernregnskap utarbeidet av Mellby Gård AB. Org nr. 556280-6330.

Kappahl AS har hovedkontor i Fredrikstad og driver salg av moteklær til dame, herre og barn i Norge gjennom 99 egne butikker spredt over hele landet og Shop Online. I løpet av året, fram till 31 desember 2024, har Kappahl AS etablert 1 Kappahl-butikk og 1 Newbie-butikk samt stengt 1 butikk.

#### Vesentlige hendelser i løpet av regnskapsåret

Vi oppnådde en god økning i omsetningen under året som gikk. Dette til tross for fortsatt hard konkurranse innad i bransjen og fra netthandelen. Vår e-handels andel er noe høyere enn året før.

God kostnadskontroll under året har bidratt til lønnsomheten.

Ovenstående har gitt et godt resultat i 2024 og en sterk finansiell posisjon ved utgangen av året.

#### Vesentlige risikoer og usikkerheter

Kappahl AS er utsatt for risiko både med hensyn til egen virksomhet og mer generelt relatert til bransjen. Blant de mest fremtredende forretningsmessige risikoene er konkurranse blant motekjeder og evnen til å identifisere og tilpasse seg stadig skiftende motetrender. Det er konstante endringer i bransjen med endringer i forbruksadferd, forbrukernes preferanser og teknologisk utvikling, og dette vil føre til utfordringer for Kappahl.

Kappahl utvikler kontinuerlig butikknettverket. Dette gjøres gjennom oppgraderinger, etablering av nye butikker og avvikling av butikker som ikke oppfyller selskapets mål. Den pågående digitaliseringen av handelen vil også fremover kunne påvirke butikknettverket.

Den finansielle risikoen håndteres gjennom konsernselskapet i Sverige. Selskapet er utsatt for renterisiko og valutarisiko i sin ordinære forretningsvirksomhet. Selskapet har inntekter og kostnader i ulike valutaer, og dermed er selskapet utsatt for valutasvingninger som påvirker driftsresultatet.

Konsernets finanspolicy angir rammen for styring av disse faktorene, og den finansielle risikoen styres dermed av morselskapet i Sverige. En vesentlig del av selskapets kjøp av varer skjer i USD, noe som fører til følsomhet for endringer i dollarkursen.

Vi opplever fortsatt noe usikkerhet i markedet omkring konsumenters bekymringer for høye renter og en fortsatt høy inflasjon. Samlet sett er det vanskelig å anslå hvor stor påvirkningen vil være på Kappahls salg og drift, samt hvor lenge påvirkningen vil vare.





## Kappahl

Kappahl A/S  
Org nr 947 659 138

### Arbeidsmiljø / likestilling

Sykefraværet var på 9,7 % per 31.12.2024. Det er en reduksjon fra forrige regnskap periode med 0,4%-poeng.

Styret og daglig leder mener arbeidsmiljøet i Kappahls virksomhet er tilfredsstillende, men vurderer løpende behov for iverksettelse av tiltak for forbedringer. Det er ikke forekommet alvorlige arbeidsuhell eller ulykker i løpet av året.

Bedriften har 1 088 ansatte hvor 1 078 er kvinner. Styret har 6 representanter hvorav 4 kvinner. Både styret og selskapets ledelse er bevisst på de samfunnsmessige forventningene om tiltak for å fremme likestilling i virksomheten og styret. Vi mener at det ikke gjøres forskjeller på ansatte, eller ved ansettelse, på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, seksuell orientering, religion, livssyn eller liknende.

Bedriften jobber aktivt for å forhindre diskriminering og reagerer umiddelbart dersom det forekommer. Det er utarbeidet prosedyrer for forebygging og håndtering av mobbing og konflikter på arbeidsplassen. Prosedyrene fremgår av bedriftens retningslinjer på bedriftens intranett.

Selskapet følger opp det jevnlig gjennom spørsmål omkring dette i den årlige medarbeiderundersøkelsen.

Lønnskartlegging: Kappahl har gjennomført kartlegging om lønnsforskjeller mellom kjønn i stillingsgrupper. I Kappahl Norge er det 1088 ansatte, der 99,1% av disse er kvinner. Grunnet færre enn 5 ansatte av et kjønn i alle stillingsgruppene er ikke dette vist i årsrapporten. Generelt er det liten lønnsforskjell mellom menn og kvinner i sammenlignbare grupper.

Selskapet har ikke etablert ansvarsforsikring for styret og daglig leder.

### Omtale av årsregnskapet, fortsatt drift og resultatdisponering

Styret mener at årsregnskapet gir et riktig bilde av Kappahl AS' eiendeler og gjeld, finansiell stilling og resultat.

Omsetningen i Kappahl AS ble kr 1 569 mill. i 2024, sammenlignet med 2023 da omsetningen var kr 1 459 mill. Bruttomarginen ble 54,1%, sammenlignet med 49,5% året før. Årsresultatet for perioden 2024 ble kr 108,6 mill. Samlet kontantstrøm fra operasjonelle aktiviteter var på kr 153 mill., mens driftsresultatet for selskapet utgjorde kr 133,6 mill.

Omsetningen var god under store deler av året. God kostnadskontroll under året har bidratt til lønnsomheten.

De samlede investeringene i 2024 var på kr 42,0 mill. Årets investeringer har i hovedsak blitt brukt til nyåpninger og ombygginger av butikker. Kappahl AS likviditetsbeholdning var kr 12,1 mill. per 31.12.2024. Styret vurderer likviditeten i selskapet som god.

Totalkapitalen var ved utgangen av året kr 521 mill., sammenlignet med kr 399 mill. året før. Egenkapitalandelen pr. 31.12.2024 var 21%, sammenlignet med 25% pr. 31.12.2023. Kappahl AS følger fra 2021 norsk regnskapslov og god norsk regnskapsskikk og utbytte for 2024 bokføres i regnskapet pr 31.12.2024.

Selskapet er solid, og styret og daglig leder bekrefter at det er riktig å legge forutsetningen om fortsatt drift til grunn ved avleggelse av årsregnskapet.





## Kappahl

**Kappahl A/S**  
**Org nr 947 659 138**

Styret foreslår følgende disponering av årsresultatet i Kappahl AS:

Utbytte:	100 000 000
Avsatt til annen egenkapital:	8 581 272
Sum disponert:	108 581 272

### Fremtidig utvikling

Kappahl AS fortsetter arbeidet med konkrete aktiviteter som direkte påvirker omsetningen og lønnsomheten. Det fokuseres fortsatt på utvikling av butikknettverket og inspirerende, personlig og gode kjøpsopplevelser uavhengig om kundemøtet er i fysiske butikker eller online. Totalt sett vurderes det å være gode forutsetninger for Kappahl å utvikle virksomheten.

### Bærekraftsrapport

Kappahl tar aktivt ansvar for mennesker og miljø og bidrar til utvikling i landene selskapet opererer i, konsernet har utarbeidet bærekraftsrapporter etter paragraf 5 i Åpenhetsloven. Bærekraftsrapporten er utarbeidet separat fra årsrapporten og er tilgjengelig på selskapets hjemmeside, <https://www.kappahl.com/nb-no/om-kappahl-group/barekraft/barekraftrapporter>

Oslo, 14.05.2025

Leif Peter Andersson  
styreleder

Elisabeth Valjerija Peregi  
styremedlem

Claes Mikael Meldgaard  
styremedlem


Anders Gudbrand Tandberg  
daglig Leder

Marit Helene Storlien  
ansattrepresentant

Gry Anett Voldseth  
ansattrepresentant

Siri Margrethe Lindstrøm  
ansattrepresentant



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Årsregnskap 2024

Kappahl AS

Org.nr.:947 659 138



## Resultatregnskap

### Kappahl AS

Driftsinntekter og driftskostnader	Note	2024	2023
Salgsinntekt	1	1 569 123 859	1 459 364 112
<b>Sum driftsinntekter</b>		<b>1 569 123 859</b>	<b>1 459 364 112</b>
Varekostnad	2	719 541 117	736 441 838
Lønnskostnad	3, 4	279 958 331	262 688 328
Avskrivning	5	23 378 730	25 142 551
Annen driftskostnad		412 614 390	373 338 659
<b>Sum driftskostnader</b>		<b>1 435 492 567</b>	<b>1 397 611 376</b>
<b>Driftsresultat</b>		<b>133 631 292</b>	<b>61 752 736</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		5 627 856	2 566 047
Annen finansinntekt		200 771	118 476
Rentekostnad til foretak i samme konsern		0	51 516
Annen finanskostnad		52 065	23 140
<b>Netto finansposter</b>		<b>5 776 562</b>	<b>2 609 867</b>
Resultat før skattekostnad		139 407 854	64 362 603
Skattekostnad	6	30 826 582	14 264 962
<b>Årsresultat</b>	<b>7</b>	<b>108 581 272</b>	<b>50 097 641</b>
<b>Overføringer</b>			
Avsatt til utbytte		100 000 000	18 000 000
Avsatt til annen egenkapital		8 581 272	32 097 641
<b>Sum overføringer</b>		<b>108 581 272</b>	<b>50 097 641</b>

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### Balanse Kappahl AS

Eiendeler	Note	2024	2023
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	6	8 283 460	8 784 272
<b>Sum immaterielle eiendeler</b>		<b>8 283 460</b>	<b>8 784 272</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner ol	5	84 864 650	68 549 369
<b>Sum varige driftsmidler</b>	8	<b>84 864 650</b>	<b>68 549 369</b>
<b>Sum anleggsmidler</b>		<b>93 148 110</b>	<b>77 333 641</b>
<b>Omløpsmidler</b>			
Varer	2	167 996 365	151 136 776
<b>Fordringer</b>			
Kundefordringer		22 929	873 877
Andre kortsiktige fordringer	11	22 890 102	31 395 739
Konsernfordringer	9, 10, 12	224 373 150	125 746 352
<b>Sum fordringer</b>		<b>247 286 181</b>	<b>158 015 968</b>
Bankinnskudd, kontanter o.l.	12	12 131 414	12 061 825
<b>Sum omløpsmidler</b>		<b>427 413 959</b>	<b>321 214 569</b>
<b>Sum eiendeler</b>		<b>520 562 069</b>	<b>398 548 210</b>

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## Balanse Kappahl AS

Egenkapital og gjeld	Note	2024	2023
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	13	125 247	125 247
<b>Sum innskutt egenkapital</b>		<b>125 247</b>	<b>125 247</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		107 466 823	98 962 302
<b>Sum opptjent egenkapital</b>		<b>107 466 823</b>	<b>98 962 302</b>
<b>Sum egenkapital</b>	<b>7</b>	<b>107 592 070</b>	<b>99 087 549</b>
<b>Gjeld</b>			
<b>Avsetning for forpliktelser</b>			
Pensjonsforpliktelser	4	6 714 733	7 422 994
<b>Sum avsetning for forpliktelser</b>		<b>6 714 733</b>	<b>7 422 994</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		24 055 788	28 372 272
Betalbar skatt	6	30 056 007	14 048 362
Skyldig offentlige avgifter		89 316 731	80 706 291
Skyldig utbytte		100 000 000	18 000 000
Konserngjeld	10	91 966 161	86 253 613
Annen kortsiktig gjeld	14	70 860 580	64 657 129
<b>Sum kortsiktig gjeld</b>		<b>406 255 266</b>	<b>292 037 667</b>
<b>Sum gjeld</b>		<b>412 969 999</b>	<b>299 460 661</b>
<b>Sum egenkapital og gjeld</b>		<b>520 562 069</b>	<b>398 548 210</b>

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## Balanse

Kappahl AS

14.05.2025

Styret i Kappahl AS

Leif Peter Andersson  
styreleder

Elisabeth Valerija Peregi  
styremedlem


Anders Gudbrand Tandberg  
daglig leder

Claes Mikael Meldgaard  
styremedlem

Gry Anett Voldseth  
styremedlem

Siri Margrethe Lindstrøm  
styremedlem

Marit Helene Storlien  
styremedlem

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## Kontantstrømoppstilling

### Kappahl AS

	2024	2023
<b>Kontantstrømmer fra operasjonelle aktiviteter</b>		
Resultat før skattekostnad	139 407 854	64 362 603
Periodens betalte skatt	14 296 477	9 926 013
Tap/gevinst ved salg av anleggsmidler	2 338 877	0
Ordinære avskrivninger	23 378 730	25 142 551
Endring i varelager	-16 859 588	15 212 735
Endring i kundefordringer	850 948	423 543
Endring i leverandørgjeld	-4 316 484	1 249 031
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordn.	-806 661	-893 747
Endring i andre tidsavgrensingsposter	23 319 527	-13 789 330
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>	<b>153 016 726</b>	<b>81 781 373</b>
<b>Kontantstrømmer fra investeringsaktiviteter</b>		
Utbetalinger ved kjøp av varige driftsmidler	-42 032 887	-16 450 662
Endring innestående på konsernkonto	-98 626 798	-43 104 583
<b>Netto kontantstrøm fra investeringsaktiviteter</b>	<b>-140 659 685</b>	<b>-59 555 245</b>
<b>Kontantstrømmer fra finansieringsaktiviteter</b>		
Utbetaling til konsern	0	-1 334 542
Innbetalinger fra konsern	5 712 548	0
Utbetalinger av utbytte	-18 000 000	-25 000 000
<b>Netto kontantstrøm fra finansieringsaktiviteter</b>	<b>-12 287 452</b>	<b>-26 334 542</b>
Netto endring i kontanter og kontantekvivalenter	69 589	-4 108 414
Beh. av kont. og kontantekvivalenter ved per. begynnelse	12 061 825	16 170 240
<b>Beh. av kont. og kontantekvivalenter ved per. slutt</b>	<b>12 131 414</b>	<b>12 061 826</b>

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## Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

### Bruk av estimater

I utarbeidelse av årsregnskapet har man brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen i henhold til god regnskapsskikk. Områder som i stor grad inneholder slike skjønsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

### Valuta

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

### Inntekter

Inntekter fra varesalg føres i resultatregnskapet når vesentlig risiko og ansvar som er forbundet med å eie varene er overført til kjøperen. Inntekter regnskapsføres etter fradrag for rabatter.

Alt salg fra selskapet har 30 dagers åpent kjøp. Inntektsføring foretas på salgstidspunktet og det beregnes estimat for retur for åpent kjøp. Estimater baseres på salgsstatistikk og en bedømmelse av fremtidige reklamasjoner og returer, og skjer i samme periode som salget.

Kundebonus beregnes basert på medlemmenes opptjening av bonuspoeng og fremtidig mulighet for utnyttelse av opptjente bonuspoeng i form av bonussjekker som betalingsmiddel. Kundebonuser bokføres som en reduksjon av omsetning på opptjeningstidspunktet med motpost i balansen. Estimater for beregning av bonusforpliktelse er basert på historiske data om andel innløste bonussjekker mm.

### Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

### Klassifisering

Anleggsmidler og langsiktig gjeld består i det alt vesentlige av beløp som forventes gjenvunnet eller betalt mer enn tolv måneder regnet fra balansedagen. Omløpsmidler og kortsiktig gjeld består i det vesentlige av beløp som forventes gjenvunnet eller betalt innen tolv måneder regnet fra balansedagen.

### Varige driftsmidler

#### Egne driftsmidler

Varige driftsmidler regnskapsføres som eiendeler i balansen hvis det er sannsynlig at framtidig økonomiske fordeler tilflyter selskapet og anskaffelseskost for eiendelen kan måles pålitelig. Varige driftsmidler regnskapsføres til anskaffelseskost etter fradrag for akkumulerte avskrivninger og eventuelle nedskrivninger. I anskaffelseskost inngår innkjøpspris samt kostnader direkte henførbare til driftsmidlet for å bringe det på plass og i stand for å utnytte det i samsvar med hensikten med anskaffelsen.



## Leasede driftsmidler

Leasing klassifiseres i årsregnskapet enten som finansiell eller operasjonell leasing. Finansiell leasing foreligger når selskapet overtar den vesentlige del av risiko og avkastning som er forbundet med eierskap av eiendelen. Ved leieperiodens begynnelse innregnes finansielle leieavtaler til et beløp tilsvarende det laveste av virkelig verdi og minsteleiens nåverdi, fratrukket akkumulerte av- og nedskrivninger. Driftsmidler som inngår som finansiell leasing er bokført som eiendeler i balansen. Samme avskrivningstid benyttes som for selskapets øvrige avskrivbare eiendeler. Forpliktelser knyttet til fremtidige leasingavgifter er bokført som kortsiktig og langsiktig gjeld. Direkte utgifter til knyttet til etablering av leiekontrakten er inkludert i eiendelens kostpris. Leieavtaler hvor det vesentligste av risiko og avkastning som er forbundet med eierskap av eiendelen ikke er overført klassifiseres som operasjonelle leieavtaler. Leiebetalinger klassifiseres som driftskostnad og resultatføres lineært over kontraktsperioden.

## Avskrivningsprinsipper

Avskrivning skjer lineært over driftsmidlets beregnede utnyttbare levetid. Vurdering av driftsmiddelets restverdi og utnyttbar levetid gjøres årlig.

## Goodwill

Goodwill representerer forskjellen mellom anskaffelsesverdien for kjøp av virksomhet og virkelig verdi av kjøpte eiendeler, overtatt gjeld samt eventuelle forpliktelser.

Goodwill vurderes til anskaffelseskost redusert med akkumulerte nedskrivninger.

## Varer

Varer er vurdert til det laveste av anskaffelseskost og netto salgsverdi. Netto salgsverdi er estimert salgspris ved ordinær drift etter fradrag for beregnede nødvendige utgifter for gjennomføring av salget. Anskaffelseskost inkluderer utgifter påløpt ved anskaffelse av varene og kostnader for å bringe varene til nåværende plassering og tilordnes ved bruk av FIFO - prinsippet.

## Fordringer

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

## Pensjoner

Selskapet har ulike pensjonsordninger. Pensjonsordningene er generelt finansiert gjennom innbetalinger til forsikringsselskaper eller pensjonskasser. Selskapet har både innskuddsplaner og ytelsesplaner. En innskuddsplan er en pensjonsordning hvor selskapet betaler faste bidrag til en separat juridisk enhet. Selskapet har ingen juridisk eller annen forpliktelse til å betale ytterligere bidrag hvis enheten ikke har nok midler til å betale alle ansatte ytelser knyttet til opptjening i innværende og tidligere perioder.

## Ytelsesordninger

En ytelsesplan er en pensjonsordning som ikke er en innskuddsplan. Typisk er en ytelsesplan en pensjonsordning som definerer en pensjonsutbetaling som en ansatt vil motta ved pensjonering. Pensjonsutbetalingen er normalt avhengig av en eller flere faktorer slik som alder, antall år i selskapet og lønn.

Den balanseførte forpliktelsen knyttet til ytelsesplaner er nåverdien av de definerte ytelsene på balansedagen minus virkelig verdi av pensjonsmidlene. Pensjonsforpliktelsen beregnes årlig av en uavhengig aktuar ved bruk av en lineær opptjeningsmetode. Nåverdien av de definerte ytelsene bestemmes ved å diskontere estimerte fremtidige utbetalinger med renten på norske statsobligasjoner med en løpetid som er tilnærmet den samme som løpetiden for den relaterte pensjonsforpliktelsen.

Estimatavvik som skyldes ny informasjon eller endringer i de aktuarmessige forutsetningene blir regnskapsført mot egenkapitalen.

Endringer i pensjonsplanens ytelser kostnadsføres eller inntektsføres løpende i resultatregnskapet, med mindre rettighetene etter den nye pensjonsplanen er betinget av at arbeidstakeren blir værende i tjeneste



i en spesifisert tidsperiode (opptjeningsperioden). I dette tilfellet amortiseres kostnaden knyttet til endret ytelse lineært over opptjeningsperioden.

### **Kontantstrømoppstilling**

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige likvide plasseringer med maks løpetid på 3 måneder..



## Note 1 Driftsinntekter

	2024	2023
Salgsinntekter	1 569 123 859	1 459 364 112
<b>Sum</b>	<b>1 569 123 859</b>	<b>1 459 364 112</b>

### Geografisk fordeling

Norge	1 569 123 859	1 459 364 112
<b>Sum</b>	<b>1 569 123 859</b>	<b>1 459 364 112</b>

Ytterligere segmentinformasjon gis ikke fordi selskapet som helhet utgjør et segment.

## Note 2 Varer

Varelageret vurderes til kostpris med fradrag for ukurans. Ved beregning av virkelig verdi er salgskostnader definert som variable salgskostnader.

	2024	2023
Innkjøpte ferdigvarer	169 684 065	152 699 931
Ukuransavsetning	-1 687 700	-1 563 155
<b>Sum</b>	<b>167 996 365</b>	<b>151 136 776</b>

## Note 3 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Lønnskostnader	2024	2023
Lønninger	235 892 222	220 582 347
Arbeidsgiveravgift	32 315 768	30 462 869
Pensjonskostnader	9 633 964	8 888 817
Andre ytelser	2 116 377	2 754 295
<b>Sum</b>	<b>279 958 331</b>	<b>262 688 328</b>

Sysselsatte årsverk	576	585
---------------------	-----	-----

Ytelser til ledende personer	Daglig leder	Styret
Lønn/styrehonorar	1 530 694	0
Pensjonsutgifter	74 150	0
Annen godtgjørelse	71 200	0
<b>Sum</b>	<b>1 676 044</b>	<b>0</b>

Selskapets pensjonsordninger tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Det er ikke gitt lån/sikkerhetsstillelse til daglig leder, styrets leder eller andre nærstående parter.

Kostnadsført godtgjørelse til revisor	2024	2023
Lovpålagt revisjon (inkl. teknisk bistand med årsregnskap)	126 480	120 000
Andre attestasjonstjenester	41 500	46 300
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	62 000	66 000
<b>Sum</b>	<b>229 980</b>	<b>232 300</b>



## Note 4 Pensjoner

Selskapet har 5 pensjonsordninger:

- Pensjonsavtale for ledende ansatte i selskapet. Pensjonsordningen gir rett til definerte fremtidige ytelser. Disse er både avhengig av antall opptjeningsår, lønnsnivå når den enkelte når pensjonsalder og størrelsen på de fremtidige ytelsene fra folketrygden. Forpliktelsen er forsikret gjennom et forsikringselskap.
- To usikrede pensjonsordninger som begge er lukket.
- Obligatorisk tjenstepensjon som er organisert som en innskuddsordning.
- Tariffestet førtidspensjonsordning (AFP).

Selskapets pensjonsordninger tilfredsstillter kravene i lov om obligatorisk tjenstepensjon.

Personer i ordningene	Aktive Pensjonister	
Innskuddsordning	1 068	0
Tariffestet førtidspensjonsordning AFP	1 458	0
Usikrede pensjonsordninger	0	14
Pensjonsavtale for ledende ansatte	0	1

Resultatregnskap	2024	2023
Utbetalt til innskuddsplan	9 280 706	8 587 156
Nåverdi av årets pensjonsopptjening	0	98 995
Rentekostnad av pensjonsforpliktelsen	498 744	433 770
Avkastning på pensjonsmidler	-280 454	-291 482
Administrasjonskostnad	28 384	28 384
Arbeidsgiveravgift	106 584	31 994
<b>Netto pensjonskostnad</b>	<b>9 633 964</b>	<b>8 888 817</b>

Balansen	2024	2023
Netto pensjonsforpliktelse periodens begynnelse	7 422 994	5 953 078
Estimatavvik tap/gevinst (+/-) i perioden føres mot egenkapital	98 401	2 363 665
Periodens netto pensjonskostnad	246 674	301 660
Pensjonsutbetalinger over egen drift	-994 996	-933 532
Innbetalinger premiefond	-58 339	-261 877
<b>Netto pensjonsforpliktelse /-midler</b>	<b>6 714 734</b>	<b>7 422 994</b>

Økonomiske forutsetninger	2024	2023
Diskonteringsrente	3,90%	3,10%
Forventet lønnsregulering	0,00-3,50 %	0,00-3,50%
Forventet pensjonsregulering	2,25-3,75%	3,25%
Forventet G-regulering	3,75%	3,25%
Forventet avkastning på pensjonsmidler	3,90%	3,10%
Levealder-tariff	K2013	K2013
Arbeidsgiveravgift	14,1%	14,1 %

De aktuariemessige forutsetningene er basert på vanlig benyttede forutsetninger innen forsikring når det gjelder demografiske faktorer.



## Note 5 Varige driftsmidler og immaterielle eiendeler

	Goodwill	Programvare	Driftsløsøre	Totalt
Anskaffelseskost 01.01.2024	339 750 000	12 219 518	279 887 587	631 857 105
Tilgang	0	0	42 032 888	42 032 888
Avgang	0	-10 722 105	-44 163 579	-54 885 684
Anskaffelseskost 31.12.2024	339 750 000	1 497 413	277 756 896	619 004 309
Akkumulerte avskrivninger	339 750 000	1 497 413	192 892 245	534 139 658
<b>Bokført verdi 31.12.2024</b>	<b>0</b>	<b>0</b>	<b>84 864 651</b>	<b>84 864 651</b>
Årets avskrivninger	0	0	23 378 730	23 378 730
Forventet økonomisk levetid	år	5år	3-10 år	
Avskrivningsplan	Lineær	Lineær	Lineær	

Kostnadsført leie av ikke balanseførte eiendeler utgjør 149 428 553 kr. Varighet av leiekontraktene er 0-10 år.

## Note 6 Skatt

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2024	2023	Endring
Varige driftsmidler	-28 016 657	-30 942 361	-2 925 703
Varebeholdning	-1 687 700	-1 563 155	124 546
Pensjonspremie/- forpliktelse	-6 714 733	-7 422 994	-708 261
Andre forskjeller	-1 233 000	-1 127 797	105 203
<b>Sum</b>	<b>-37 652 091</b>	<b>-41 056 306</b>	<b>-3 404 215</b>
Inngår ikke i beregningen av utsatt skatt	0	1 127 797	1 127 797
<b>Grunnlag for beregning av utsatt skatt</b>	<b>-37 652 091</b>	<b>-39 928 509</b>	<b>-2 276 418</b>

**Utsatt skattefordel (22 %)** -8 283 460 -8 784 272 -500 812

Årets skattekostnad	2024	2023
Skattepliktig inntekt:		
Ordinært resultat før skatt	139 407 854	64 362 603
Permanente forskjeller	614 575	-1 897 339
Endring i midlertidige forskjeller	-3 404 215	1 390 926
<b>Skattepliktig inntekt</b>	<b>136 618 215</b>	<b>63 856 191</b>

Resultatført skatt på ordinært resultat:

Betalbar skatt	30 056 007	14 048 362
Endring i utsatt skattefordel	770 575	216 600
<b>Skattekostnad ordinært resultat</b>	<b>30 826 582</b>	<b>14 264 962</b>

Beregning av effektiv skattesats

Resultat før skatt	139 407 854	64 362 603
Beregnet skatt av resultat før skatt	30 669 728	14 159 773



Skatteeffekt av permanente forskjeller	135 207	-417 415
<b>Sum</b>	<b>30 804 935</b>	<b>13 742 358</b>
Effektiv skattesats	22,1 %	21,4 %
Betalt skatt i balansen:		
Betalbar skatt på årets resultat	30 056 007	14 048 362
<b>Sum betalbar skatt i balansen</b>	<b>30 056 007</b>	<b>14 048 362</b>

## Note 7 Egenkapital

	Aksjekapital	Annen egenkapital	Sum egenkapital
Egenkapital 01.01.2024	125 247	98 962 302	99 087 549
Årets resultat	0	108 581 272	108 581 272
Avsatt utbytte	0	-100 000 000	-100 000 000
Aktuariell gevinst e/skatt	0	-76 752	-76 752
<b>Egenkapital 31.12.2024</b>	<b>125 247</b>	<b>107 466 823</b>	<b>107 592 070</b>

## Note 8 Pantstillelser og garantier m.v.

Gjeld som er sikret ved pant o.l	2024	2023
Gjeld til kredittinstitusjoner	0	0
Øvrig langsiktig gjeld	0	0
<b>Sum</b>	<b>0</b>	<b>0</b>
<b>Balanseført verdi av eiendeler pantsatt for egen gjeld</b>		
Driftsmidler	84 864 650	68 549 369
Fordringer	247 286 181	158 015 968
Varer	167 996 365	151 136 776
<b>Sum</b>	<b>500 147 196</b>	<b>377 702 114</b>

Eiendelene er stilt som sikkerhet for konsernkontoordning. Se note 12.

## Note 9 Transaksjoner med nærstående

Ytelser til ledende ansatte er omtalt i note 3, og mellomværende med konsernselskaper er omtalt i note 10.

Selskapets transaksjoner med nærstående parter:	2024
<b>a) Salg av varer og tjenester</b>	
Salg av varer	
- Tilknyttede selskaper	0
Salg av tjenester	
- Morselskap	0
<b>b) Kjøp av varer og tjenester</b>	



Kjøp av varer	
- Morselskap og søsterselskap	719 541 117
Kjøp av tjenester	
- Morselskap og søsterselskap	83 054 961

## Note 10 Mellomværende med selskap i samme konsern m.v.

	Kundefordringer		Andre fordringer	
	2024	2023	2024	2023
Foretak i samme konsern	0	0	224 373 150	125 746 352
<b>Sum</b>	<b>0</b>	<b>0</b>	<b>224 373 150</b>	<b>125 746 352</b>

	Leverandørgjeld		Øvrig gjeld	
	2024	2023	2024	2023
Foretak i samme konsern	72 304 906	40 171 515	19 661 255	46 082 098
<b>Sum</b>	<b>72 304 906</b>	<b>40 171 515</b>	<b>19 661 255</b>	<b>46 082 098</b>

## Note 11 Forskuddsbetalte kostnader og påløpte inntekter

	2024	2023
Forskuddsbetalt leie	12 110 329	12 516 813
Andre forskuddsbetalte kostnader og opptjente inntekter	1 076 072	959 379
Andre fordringer	9 703 701	17 919 547
<b>Sum</b>	<b>22 890 102</b>	<b>31 395 739</b>

## Note 12 Bankinnskudd og konsernkontoordning

	2024	2023
Bundne skattetrekksmidler	7 540 636	6 975 905
Andre innskudd og kontantanter	4 590 778	5 085 920
<b>Sum bankinnskudd og kontanter</b>	<b>12 131 414</b>	<b>12 061 825</b>

Selskapet inngår i en konsernkontoordning sammen med morselskapet Kappahl AB. Av kortsiktige fordringer til konsernselskap er netto NOK 187 515 029 knyttet til konsernkontoordningen

## Note 13 Aksjekapital og aksjonærinformasjon

Morselskapet, Kappahl AB, har forretningskontor i Idrottsvägen 14, 431 24 Mölndal, Sverige.

Kappahl AB utarbeider ikke konsernregnskap, med henvisning til at selskapet og alle datterselskaper omfattes av konsernregnskap utarbeidet av Mellby Gård AB, Anna Lindhs Plats 4, 211 19 Malmø Sverige. Org nr. 556280-6330.

Aksjekapitalen på kr. 125 247 består av 41 749 aksjer á kr. 3.



Oversikt over de største aksjonærene	Antall	Eierandel
Kappahl AB	41 749	100%
<b>Sum</b>	<b>41 749</b>	<b>100%</b>

## Note 14 Annen kortsiktig gjeld

	2024	2023
Avsetning for kundebonus	5 744 187	3 080 827
Avsetning for gavekort	6 636 548	6 516 515
Skyldige feriepenger	24 468 328	22 923 750
Andre tidsavgrensninger	34 011 516	32 136 037
<b>Sum</b>	<b>70 860 580</b>	<b>64 657 129</b>



## Verification

Title: Årsregnskap Kappahl AS

ID: 0120bdc0-30a7-11f0-8d3b-79c5ff38a3e5

Status: Signed by all

Created: 2025-05-14

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### Files

File name	Size	Checksum
Kappahl Årsrapport 2024.pdf	352.6 kB	49aa 10b6 b1fd 6d53 cd6d 45b2 181d b8fd 23dc 6534 0b36 069e 0af7 6a53 6c61 90ee

### Events

Date	Time	Event
2025-05-14	11:44	Created   Anders Tandberg, Kappahl AS 947659138. IP: 213.145.165.14
2025-05-14	11:45	Signed   Peter Andersson Completed with: Click Signature. IP: 195.200.220.3
2025-05-14	11:46	Signed   Marit Storlien Completed with: Norwegian BankID by Marit Helene Storlien, 1980-12-11. IP: 213.145.165.38
2025-05-14	14:31	Signed   Siri Lindstrøm Completed with: Norwegian BankID by Siri Margrethe Lindstrøm, 1965-06-04. IP: 213.145.165.158



## Events

2025-05-14	15:12	Signed   Elisabeth Peregí Completed with: Click Signature. IP: 94.234.81.105
2025-05-15	08:42	Signed   Gry Voldseth Completed with: Norwegian BankID by Gry Anett Voldseth, 1972-06-15. IP: 213.145.169.82
2025-05-15	09:48	Signed   Claes Meldgaard Completed with: Click Signature. IP: 94.234.67.192



Verification Issued by Egreement AB

This verification confirms the contracting parties of the above agreement and contains relevant information to verify the identity of the contracting parties as well as relevant events in relation to the signing procedure. To this agreement are separate data files attached, containing additional information of technical character to attest the authenticity and validity of the documents and of the signatures (to access the files, please use a PDF reader able to show attachments). Hash is a fingerprint given to each individual document to verify its identity. For more information, please refer to the documentation attached.

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# Annual Sustainability Report 2024

**Kappahl Group**



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## About the Sustainability Report

Publication date: 2025-04-23

The Board of Directors and the President of Kappahl AB, corporate identity number 556661-2312, with its headquarters in Mölndal, Sweden, hereby submit the sustainability report for the period 1 January 2024 to 31 December 2024. The previous sustainability report was published on 5th of May 2024.

The Board of Directors and the President of Kappahl AB is the highest governance body and responsible for the sustainability report. Kappahl AB has reported in accordance with the GRI Standards for the period January to December 2024. The information presented in the sustainability report was reviewed by an independent sustainability consultant, from the GRI Standards 2021, but background data has not been audited by an external assurance provider. The sustainability report fulfils the requirements for a statutory sustainability report in accordance with the Swedish Annual Accounts Act as well as the reporting requirements under the Norwegian Transparency Act. For the auditor's statement on the statutory sustainability report according to the Swedish Annual Accounts Act, please see page 55.

The sustainability report covers Kappahl AB and all its subsidiaries, see page 56 for ownership structure. The annual sustainability reporting covers the same reporting period and the same group of entities as covered in its financial reporting. The contents are based on Kappahl Group's sustainability strategy, risk assessment and materiality analysis.

This report was developed by Kappahl Group ©. Layout and edit by Malin Viola Wennberg. This report can also be found at our website.

# Group

11 24 Mölndal  
www.kappahl.com  
kappahl.com for questions  
and information.



# This is Kappahl Group

Founded in 1953 in Gothenburg, Sweden, the Kappahl Group is a leading fashion chain in the Nordics, with around 340 Kappahl and Newbie stores in Sweden, Norway, Finland, Poland and the UK, and online in more than 20 markets throughout Europe and Asia.

The Kappahl Group team consists of some 4,000 colleagues in eight countries, with different backgrounds, ages, skills and styles. Our common motivation is to create a responsible world of fashion and offer fashion to a wide variety of people and lifestyles.

In 2024 our sales were 5.1 (5.0) billion SEK and profit before tax was 421 (487) million SEK. Kappahl Group is a consolidation of companies, directly or indirectly, 100% owned by Kappahl AB. Kappahl AB is ultimately owned by Mellby Gård AB, a family owned, long-term investor based in Malmö, Sweden.

The total capitalization was 4,074 million SEK, whereof total liabilities 1,706 million SEK and total equity 2,368 million SEK.

We exist to create a responsible world of fashion

Our Brands

newbie  
Kappahl

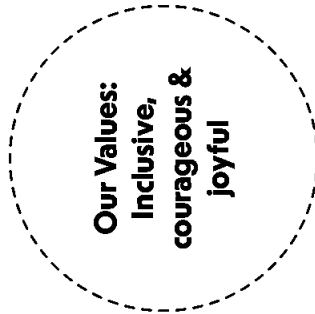


Our Presence

Physical Store +  
Shop Online

Shop Online

Production



Our Values:  
Inclusive,  
courageous &  
joyful

## Our presence

The most significant changes to Kappahl Group's activities, value chain and other business relationships during 2024 has been the addition of two legal units to the company structure: Kappahl Group Logistics Center AB, and Shanghai Trading Ltd. Kappahl Group Logistics Center AB is the owner of the property that will be used for the new distribution center.

Last year's values are presented in parenthesis.

### Sales Countries

#### Sweden

Net sales, million SEK: 2,684 (2,621)  
Kappahl's presence: 151 (150) physical stores plus Shop Online  
Newbie's presence: 6 (6) physical stores  
Average number of full-time positions<sup>1,2</sup>: 1,506 (1,496)

#### Norway

Net sales, million SEK: 1,537 (1,484)  
Kappahl's presence: 92 (91) physical stores plus Shop Online  
Newbie's presence: 7 (6) physical stores  
Average number of full-time positions<sup>1</sup>: 576 (585)

#### Finland

Net sales, million SEK: 488 (453)  
Kappahl's presence: 43 (45) physical stores plus Shop Online  
Newbie's presence: 1 (1) physical stores  
Average number of full-time positions<sup>1</sup>: 203 (220)

#### Poland

Net sales, million SEK: 369 (307)  
Kappahl's presence: 24 (26) physical stores plus Shop Online  
Newbie's presence: 9 (7) physical stores  
Average number of full-time positions<sup>1</sup>: 172 (202)

#### United Kingdom

Net sales, million SEK: 58 (51)  
Newbie's presence: 7 (4) physical stores plus newbiestore.com  
Average number of full-time positions<sup>1</sup>: 11 (10)

### Online Sales Countries

Austria, Belgium, China, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Japan, Latvia, Lithuania, Luxembourg, Netherlands, Portugal, Slovakia, Slovenia, Switzerland

Net sales, SEK million: 12.1 (8.4)

### Production Countries

#### Bangladesh

Share of production<sup>3</sup>: 42 (44) %  
Number of employees<sup>4</sup>: 52 (52)

#### China

Share of production<sup>3</sup>: 30 (31) %  
Number of employees<sup>4</sup>: 42 (60)

#### India

Share of production<sup>3</sup>: 8 (8) %  
Number of employees<sup>4</sup>: 16 (16)

#### Turkey

Share of production<sup>3</sup>: 9 (7) %

#### Cambodia

Share of production<sup>3</sup>: 6 (6) %

#### Sri Lanka

Share of production<sup>3</sup>: 2 (2) %

#### Philippines

Share of production<sup>3</sup>: 2 (2) %

#### Bulgaria

Share of production<sup>3</sup>: 2 (1) %

#### Romania

Share of production<sup>3</sup>: <1 (<1) %

#### Poland

Share of production<sup>3</sup>: <1 (0) %



1) Total number of services restated as full-time positions. 2) Apart from store staff also includes all employees in the head office and distribution centers. 3) Refers to production countries. 4) Refers to employees in production countries. 5) Refers to Kappahl Group working at our production countries.



# Year in Summary

**34.4**  
million products sold

**370**  
Kappahl stores in 4 markets  
Shop Online in 5 markets

and important

ever  
hand

Woman 47%,  
Kids 47%, Men 6%

**30**  
Newbie stores in 5 markets  
Shop Online in 27 markets

57%

421 million

30

# Our CEO in conversation

Digital transformation and sustainability are intertwined. The past year has been marked by significant advancements in technology, regulatory changes, and geopolitical shifts. All of this have influenced the way we at Kappahl Group approach our commitment to creating a responsible world of fashion. From leveraging digital tools to enhance our customer offerings to strengthening our supply chain resilience, we continue to evolve, adapt, and lead in the industry. "Visualization, data-driven decision-making, and transparency are becoming key factors in how we create fashion that is both desirable and responsible," says Elisabeth Peregí, Kappahl Group President and CEO.

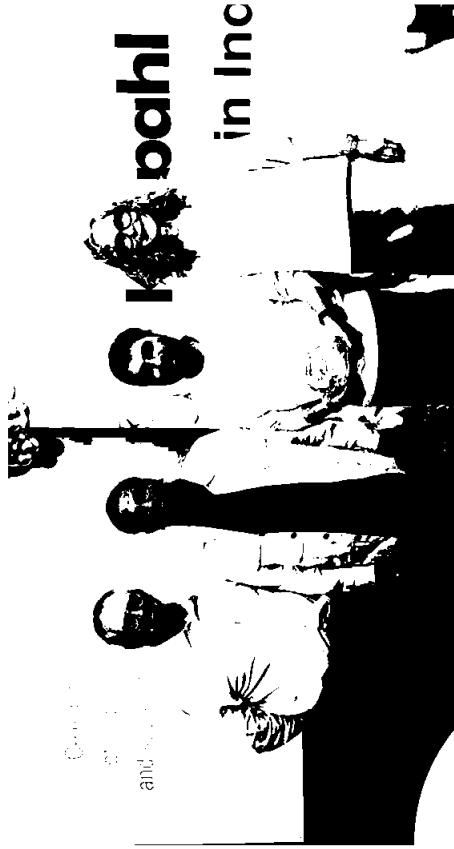
## Geopolitical Changes & Resilience

In 2024, geopolitical shifts significantly impacted global supply chains. Political changes, conflicts, and climate-related disruptions have made it clear that resilience is key. "We see increasing risks in several of our supplier countries, and we need to spread out our sourcing even more to mitigate these risks," says Elisabeth.

One of the most challenging events of the year was the political upheaval in Bangladesh, which affected many of our suppliers. Despite the uncertainty, we stood by our partners, ensuring they received the support they needed. "Leaving our suppliers in difficult times is not an option for us. We understand that economic stability and job security are critical for the

communities we work with," says Sandra Roos, Vice President Sustainability.

"Even when a factory had to close during the most violent days in July, we stood by our orders, demonstrating our commitment to long-term relationships." Building a resilient supply chain in any country is more than just managing risks—it's about fostering trust and developing a fair partnership. "We don't simply shift production when challenges arise. Instead, we work with our suppliers to navigate changes together," says Elisabeth. This approach not only strengthens our partnerships but also ensures the sustainability of our supply chain in the long run.



Representatives from CTA Apparels and Kappahl Group

**We're taking proactive steps to ensure we're at the forefront of change.**



Representatives from Graphix Textiles Limited and Kappahl Group



**Elisabeth Peregi, President and CEO**

### Policy Alignment & Circularity

Regulations are shaping the future of sustainable fashion, and at Kappahl Group, we're committed to leading the way. We're taking proactive steps to ensure we're at the forefront of change. One example is the transition towards a circular business model. We are growing our second hand offer for both Kappahl and Newbie, and learning how to circulate garments in a profitable and sustainable way. "We're actively engaged in research projects and pilot studies aiming to develop the technology level for restoration and resale of garments," says Sandra. "We do this not only for ourselves but because we believe in the power of knowledge-sharing and collaboration across the industry."

The legislative development requires continuous innovation and adaptability, and the need for digitalization that Digital Product Passports and growing reporting requirement brings. "We're preparing for



**Sandra Roos, VP Sustainability**

## We believe in the power of knowledge-sharing and collaboration across the industry.

the regulations of tomorrow by taking action today," says Elisabeth. "Our goal is to stay ahead of the curve, ensuring our sustainability efforts align with evolving policy requirements while continuing to offer high-quality fashion that lasts."

### Digital Transformation & Customer Focus

At Kappahl, everything starts with our customers—including how we integrate new digital tools. One easy but great example is our new online sales platform which is focused on guiding the customer to select the right size and style. Moving media material, length of the model showing the garment is added. If the customer views a garment that has been displayed in one of our live-shopping

events, a pop-up window with the recording appears. At the check-out, if the same garment is added to the shopping cart in two sizes, the customer sees a popup window highlighting this and offering size guidance to reduce unnecessary returns and the environmental footprint associated with additional transport. "We want to ensure you only take home what you know you'll wear and love for a long time", says Elisabeth.

In addition to enhancing the shopping experience, we're also using digital tools to improve the production process.

One such innovation is the use of 3D technical sketches of our garments. These digital sketches allow the design team to visualize and change products before they are physically produced, enabling precise adjustments in a digital environment and reducing the need for multiple physical samples. This not only saves time and resources but also helps us make more informed production decisions.

However, the digital landscape also presents challenges. The speed at which trends circulate in the digital world often promotes a fast-fashion mindset. "The digital tools of today prioritize speed. They are built around a fast, linear consumption model, which in many ways is the opposite of sustainability," says Sandra.

Despite these challenges, digitalization remains a powerful enabler of sustainability. By integrating digital product passports and advanced traceability systems, we can track a garment's lifecycle from production to end-of-life. "Transparency in our supply chain is one of the most remarkable outcomes of digitalization," says Sandra. In 2024, we mapped 96% of our Tier 1 suppliers and achieved 61% traceability down to Tier 4. This level of insight allows us to make informed decisions and

ensures that every step of our production process aligns with our sustainability goals. Collaborations with technology partners are also key to accelerating digital-driven circularity. We work with platforms like TrusTrace and the Higg Index to gather third-party data, ensuring that our traceability efforts are as robust as possible. "No other company of our size, covering all our product categories, has achieved this level of transparency," says Elisabeth.

Looking ahead, we will continue to leverage digital tools, policy alignment, and strong supplier relationships to drive forward our vision of a responsible fashion industry. "Sustainability is a journey, and we are fully committed to walking this path with our customers, partners, and stakeholders," says Elisabeth. "By combining innovation, collaboration, and a steadfast commitment to our design philosophy, we can create fashion that is truly made for more while using less."



# Kappahl Group Key Sustainability

## Achievements

**95%**

of our products main material is made with less environmental impact\*

**260 %** increase of net sales from circular business offers

**4.4**

The average climate emission per sold product in 2024 was 4.4 kg CO<sub>2</sub>e

**21%**

reduction in climate emissions since base year 2022

**97%**

Factories representing 97% of our business volume report climate data to us, either via the Index or via the STICA module

**93%**

Factories representing 93% of our business volume report environmental sustainability data via the Higg Facility Environmental Module (FEM)

**GOTS Scope certification of Kappahl Group**

**99%**

of our suppliers are mapping their supply chain in the Traceability module

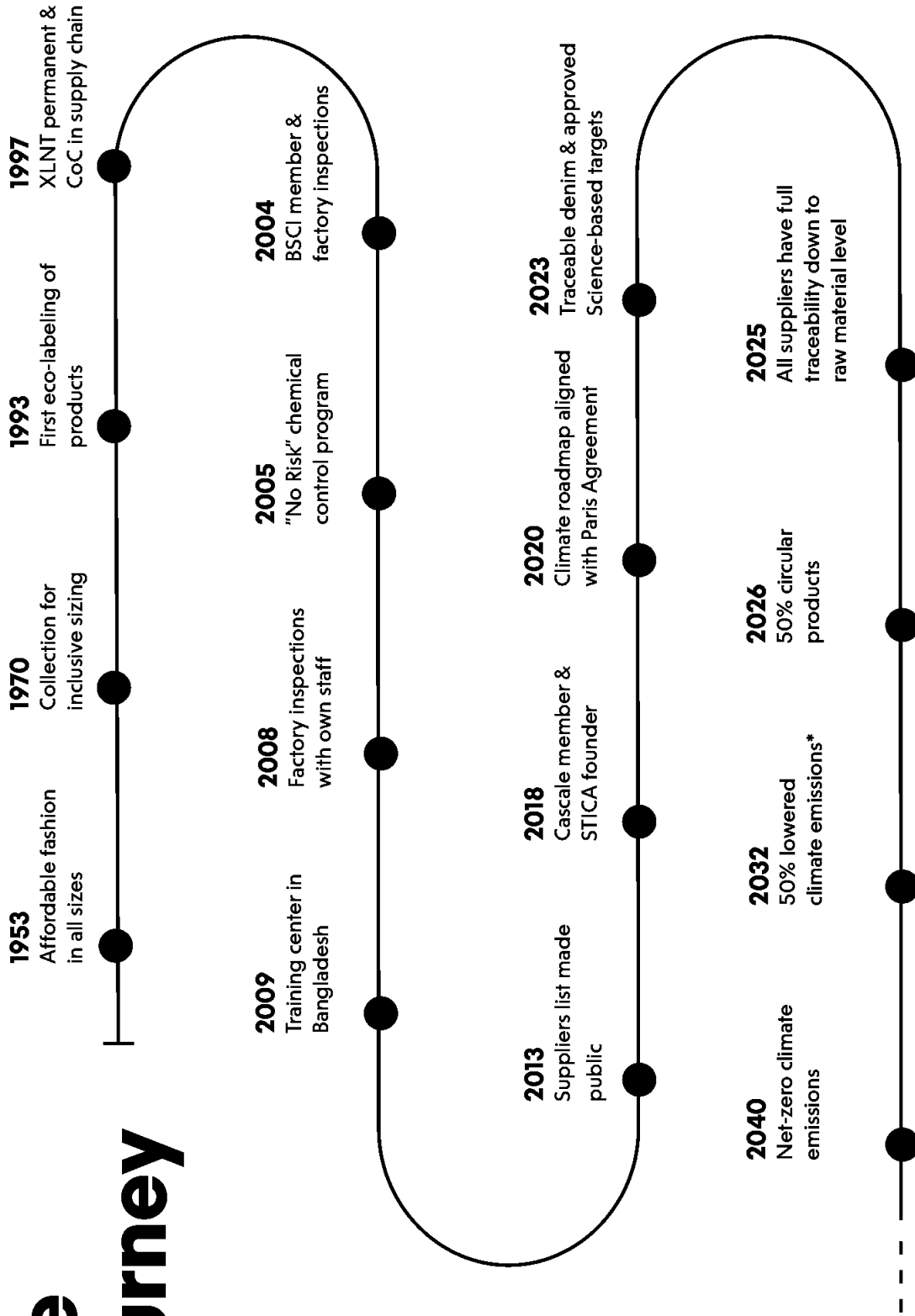
**64%**

Factories representing 64% of our business volume report social and labor data via the Higg Facility Environmental and Labor Module (FSLM)

\* At [www.kappahl.com/labels](https://www.kappahl.com/labels) you can find more information about the materials that meets this criteria: [kappahl.com/labels](https://www.kappahl.com/labels)



# The Journey



\*Base year 2022

# Exploring New Ways

## Digitalization & Sustainability

At Kappahl, the digital transformation is not just about compliance, it's a strategic opportunity to improve our operations and sustainability work. Our commitment to business development and the principle of creating more with less call for digital tools. In this case, digitalization has the possibility of enhancing transparency, supporting circular business models, and allows more effective data gathering and analysis. This empowers us to design products that resonate with customer preferences, making fashion fit for life.

### Enhancing Transparency

Our ongoing transparency work, strongly supported by our supply chain traceability software, has delivered benefits beyond expectations, helping us prioritize better within existing projects and uncover new opportunities. A key initiative is our pilot project for digital product passports (DPP). While the data collected ensures compliance with upcoming regulations, it also transforms how we engage with our customers. Information about material and supply chain choices will be made available for our customers. "Transparency is not just about meeting requirements—it's about empowering our customers with knowledge," says Maria-Walimu, Vice

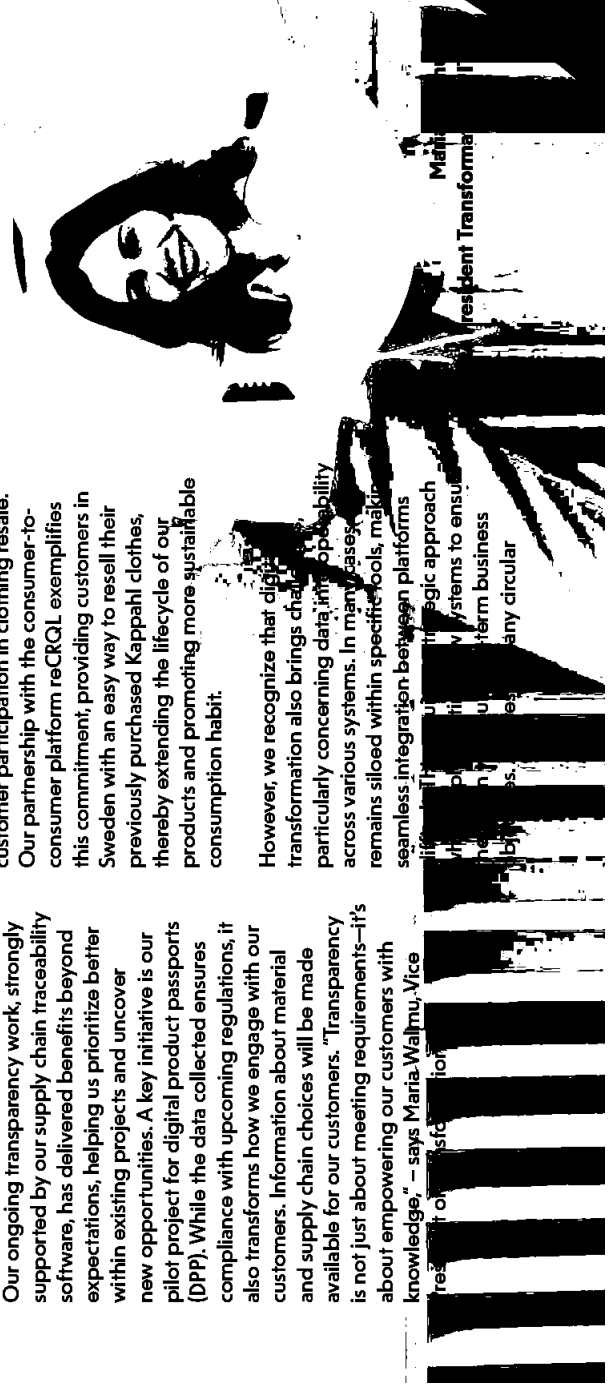
As part of our commitment to transparency, we are developing a comprehensive digital roadmap. By zooming out to see the bigger picture, we can identify missing data and assess requirements for future initiatives like DPP. Addressing these questions will help build more transparent and efficient solutions benefiting both our business and customers.

### Supporting Circular Business Models

Digital tools play a crucial role in advancing our circular business initiatives. Digitalization helps us measure the impact of different strategies and enhance customer participation in clothing resale. Our partnership with the consumer-to-consumer platform reCROQ exemplifies this commitment, providing customers in Sweden with an easy way to resell their previously purchased Kappahl clothes, thereby extending the lifecycle of our products and promoting more sustainable consumption habits.

However, we recognize that digital transformation also brings challenges, particularly concerning data interoperability across various systems. In many cases, it remains siloed within specific tools, making seamless integration between platforms difficult. "We're exploring a holistic approach where our various systems to ensure long-term business success across any circular

initiatives are currently managed manually, underscoring the need for scalable digital solutions that can support our evolving sustainability efforts. While challenges exist, our strategic collaborations and ongoing projects underscore our commitment to integrating digital solutions that promote sustainability and enhance customer engagement.





## Our Design Philosophy & Digital Tools

- "Design Aesthetics" is our approach to design and style. We do not jump on every trend, but we make sure our customer always feel confident and in-style. Rather than making drastic changes with each collection, we refine and evolve our designs based on customer feedback, making sure that our products remain relevant. We believe in creating reliable style that can stand the test of time.

At Kappahl, every new collection begins with our design philosophy, a guiding principle making sure our products meet the needs of our customers in a meaningful way. Before the start of each season, we revisit this philosophy with our entire team to align our vision and create collections that are both relevant and lasting. Our philosophy is built on three key pillars.

- "Fashion Fit for Life" is at the heart of our approach. Our clothes and accessories are designed to work in our customers' everyday lives. We understand that fashion should be functional, adaptable, and easy to wear. This pillar stems from our customers, who want styles that complement their everyday life rather than dictate them. Our garments are designed to work with you, ensuring that fashion is an enabler, not a constraint.

As part of our commitment to sustainability, we continuously integrate digital tools to enhance our design and production processes. One of the most significant advancements in the past year has been the adoption of 3D technology in our sampling process. By creating digital technical sketches, we can visualize and refine products before they are physically produced. This allows us to make precise adjustments in a digital environment, reducing the need for multiple physical samples.

Not only does this innovation save time and resources, but it also helps us make more informed production decisions, ultimately leading to better products for our customers. When we design garments that our customers truly love they will wear them for longer. Our digital advancements enable us to uphold our promise of creating fashion that fits real life while minimizing our environmental impact.

- "Design Made to Last" is our commitment to durability, both in terms of material quality and timeless appeal. Our products are meant to stand the test of time, allowing our customers to build a wardrobe that evolves rather than expires. A skirt purchased today can be effortlessly paired with a new top two years from now. We create styles that work across seasons and collections. We help our customers make more sustainable choices without compromising on style.



Annika Hedin  
Creative Lead



# Newbie 15th Anniversary

In 2024, Newbie celebrated 15 years as a brand. What began as a concept for babies has blossomed into a beloved lifestyle brand. With soft and warm colour palettes designed to be loved and worn over generations, Newbie is renowned for its attention to detail and commitment to sustainability. "Our ethos has always been 'Nostalgic style made to last,' a sentiment that remains unchanged since our start", says Thomas Kusoffsky, Vice President Newbie. Over the years, Newbie has expanded beyond baby clothing to offer collections for children, women, and even home décor items such as toys and wallpaper. At the core of our brand is a dedication to timeless designs crafted with care. We strive to ensure both quality and environmental responsibility, making every piece in certified materials.

The Newbie customer holds a special place in our hearts. Our loyal customers have been with us since the beginning, helping shape the brand we are today. During 2024 we expanded our PreLoved initiative. Launched in May 2024 in the United Kingdom, this program allows customers to trade in outgrown Newbie children's wear for store credit, extending the life of garments. "The response has been overwhelming positive, reinforcing the enduring love for Newbie and the quality of our products", says Thomas.

As part of the 15 years anniversary, we are proud to re-introduce some of the

product classics that have long been part of the Newbie range. "These Newbie Icons showcase the timeless nature of the brand's designs and serve as outstanding representatives for the brand's commitment to sustainability and quality," says Anne-Charlotte Lindquist, Assortment Manager Newbie. Our Newbie Icons are garments that have been with us since the very beginning. These are garments that have retained their appeal over the years and been lovingly handed down from one child to the next. "One such product is our much-loved Oskar soft joggers, just as popular among babies today as they were for newborns 15 years ago. That's what has earned them the right to be called a Newbie Icon, a product that will remain a proud part of the Newbie range for many years to come" says Anne-Charlotte.

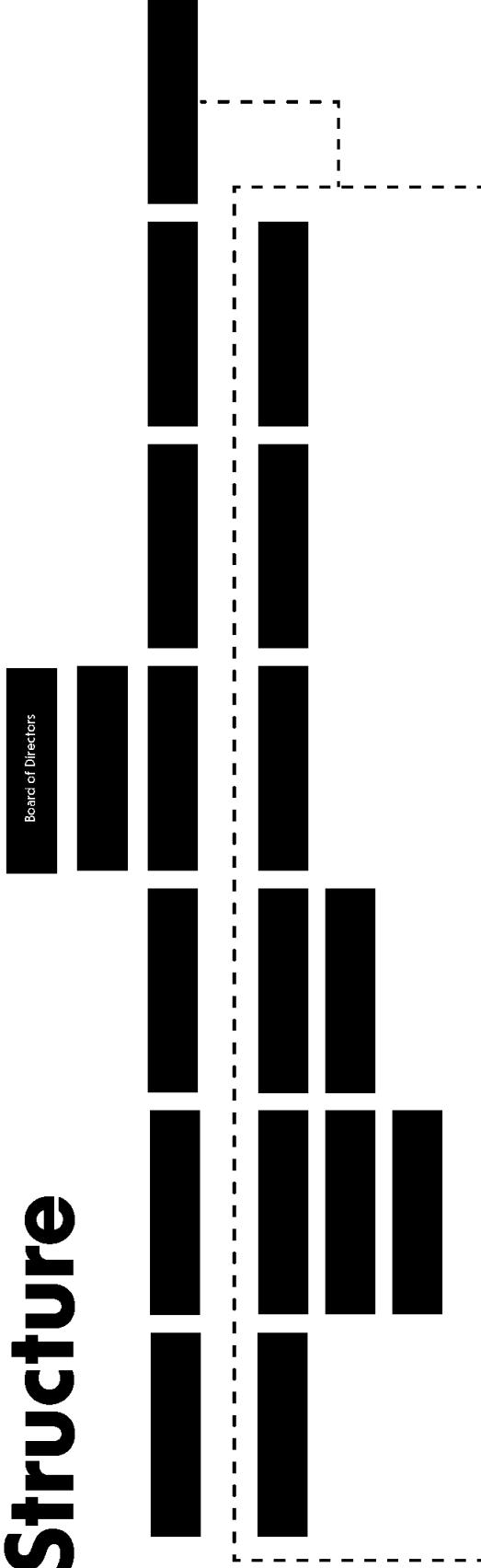
An additional initiative which we are most proud of is working with Rescued Fabrics. Traditionally, design comes first, and material selection follows. With Rescued Fabrics, we reverse this process—starting with Newbie surplus materials available at our suppliers and designing garments to utilize them. This approach significantly reduces waste, ensuring that high-quality fabrics find new life instead of being discarded. "Through timeless design, responsible materials, and conscious choices, we continue building a future where fashion is cherished, passed down, and loved for generations to come," says Anne-Charlotte.

Thomas Kusoffsky  
Vice President Newbie

Anne-Charlotte Lindquist  
Assortment Manager Newbie



# Governance Structure



## Board of Directors

The Kappahl Board of Directors is the highest governance body at Kappahl AB and responsible for appointing the President and CEO. All members of the Board, including the chair, are external to Kappahl AB, except for the employee representatives. For the composition of the Board, please see [kappahl.com/board](http://kappahl.com/board).

The Board of Directors is appointed by Kappahl's owner Mellby Gård AB, for full Ownership Structure please see page 54. Mellby Gård performs a yearly evaluation of the performance of the Board of Directors, including relevant competences and how conflicts of interest are prevented and mitigated. The evaluation is performed by a third party every second years, last occasion in 2022. Mellby Gård has chosen not to share information publicly of its processes

The Kappahl Executive Management Team is led by the President and CEO who has the ultimate responsibility for Kappahl's sustainability work and oversees the management of the organization's impacts on the economy, environment, and people. The Executive Management Team is responsible for developing, approving, and updating Kappahl's purpose, values, strategies, policies, and goals related to sustainable development.

The remuneration policy for the Kappahl's Executive Management Team is developed by the owner Mellby Gård and includes fixed pay, financial performance-based bonus plus retirement benefits. There is no remuneration policy related to impacts on the environment, and/or people for neither the Executive Management Team nor the Board of Directors.

## Executive Management Team



## Vice Presidents

The Vice Presidents are responsible for implementing the sustainability commitments in their respective departments and report back to Kappahl's Board of Directors on quarterly basis on critical concerns, the due diligence and other processes to identify and manage Kappahl's impacts on the economy, environment, and people. The Board of Directors challenges the President and the Executive Management Team to advance the sustainable development of Kappahl. To progress, Kappahl works with internal education as well as strategic recruitment.

The growing knowledge, skills, and experience shared with the Board is one contribution to developing the competence within the area of sustainability. The Board has no operative role in any of Kappahl's activities, including sustainability-related activities, but reviews the overall progress of the sustainability strategy at least once a year when reviewing and approving the reported information in the sustainability report. Any critical concerns are reported continuously and/or in the sustainability report. For the total number and the nature of critical concerns, see page 19-38.

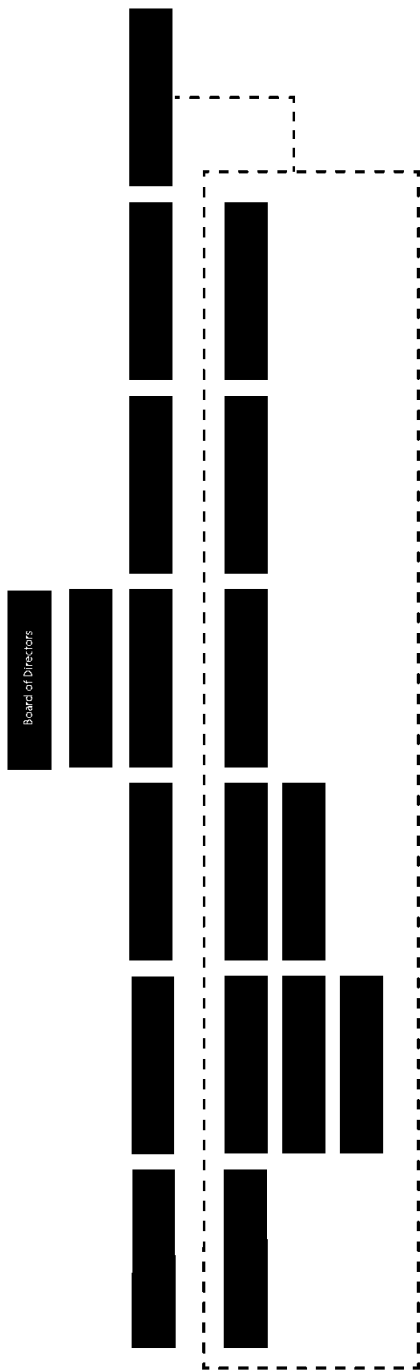
## Vice President Sustainability

The Vice President Sustainability is part of the Kappahl Executive Management Team and reports to the President and CEO. The Vice President Sustainability leads the Sustainability Management Team, which is a matrix team with representatives from the departments Supply Chain, Kappahl Sales, Human Resources and Corporate Communication and the Kappahl Assortment & Marketing and Newbie.

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The Sustainability Management Team develop together with the Executive Management Team the strategies,

The responsibility for people and planet is an integral part of all employees' daily work at Kappahl and all employees are expected to have the right knowledge and clear mandates to take sustainable and business focused decisions. Around a dozen employees work full time with a defined area of responsibility in the field of sustainability.



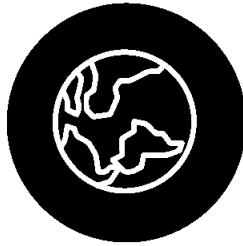
# Sustainability Strategy

Our sustainability strategy aims to facilitate Kappahl Group's sustainability transition and create a responsible world of fashion. All the functions in the Kappahl Group: Kappahl, Newbie and the Core functions, share the same sustainability strategy.

At Kappahl Group we work in three strategic areas in order to reduce our salient sustainability risks, contribute to creating a responsible world of fashion and drive the transformation to a sustainable business model. These three areas are: **Climate & Environment, Social Sustainability and Transparency & engagement.**

Kappahl Group's sustainability strategy is based on guidelines and principles from international bodies such as the United Nations, Ethical Trading Initiative, OECD, and the Science Based Targets initiative. It is updated on a yearly basis with input from the insights we get from our value chain and our stakeholder dialogue. Kappahl Group applies the Precautionary Principle, works proactively and participates in industry collaborations to achieve long-term sustainable development.

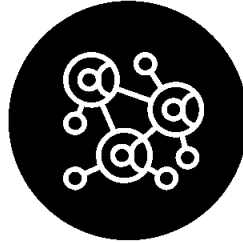
The sustainability strategy is updated on a yearly basis with input from the insights we get from our value chain and our stakeholder dialogue.



## 1. Climate & Environment

The ongoing climate change is the biggest sustainability threat that we face today. Neither financial, social or environmental sustainability can be achieved if areas that are currently densely populated become uninhabitable by humans. Our climate roadmap aims to reduce our emissions in line with the Paris Agreement and the 1.5 C warming pathway.

The environmental roadmap is preventing harm to people and planet due to water scarcity, emissions of toxic chemicals and other environmental risks.

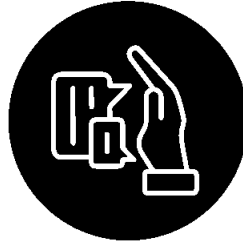


## 2. Social Sustainability

We recognize our responsibility to protect human rights and our ability to contribute to a responsible world of fashion.

The social sustainability roadmap covers our entire value chain. We are committed to being a responsible employer and provide good working conditions and fair wages to our employees. We wish to be a diverse and inclusive workplace, where all employees are treated with integrity and respect.


Throughout our supply chain, we strive for safe, healthy, and fair working conditions and that people are treated with dignity and respect. We respect the rights of the people who wear and use our products.



## 3. Transparency & Engagement

A sustainable business model for fashion can only be realized in collaboration with our customers to make each garment worn for longer. We embrace change and aim to be transparent about every part of our design and our journey to a sustainable and circular fashion experience.

We are committed to working with transparent, responsible, and sustainable partners. Better and more transparent data about the whole value chain means better and more informed decisions. We use our platform to promote human rights issues such as equality, diversity and inclusivity.

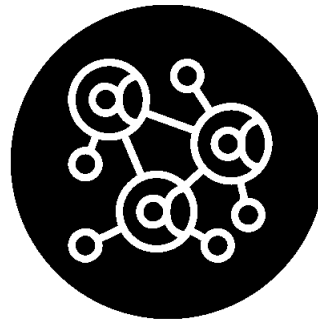


### 1. Climate & Environment

By 2030 Kappahl has:

- lowered our climate impact in line with the Paris Agreement by design for sustainable wardrobes, lower climate impact from both production and logistics, a new source of income from circular offers, and a more sustainable customer interaction
- measurable lowered our environmental impact on biodiversity, water, chemicals and land
- lowered the risk related to climate and environment

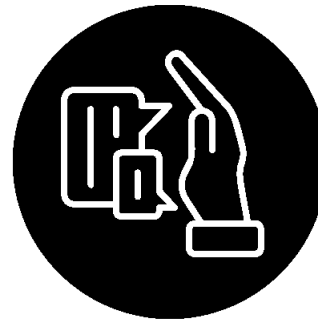
**50.4%**  
reduction in  
absolute climate  
emissions by 2032



### 2. Social Sustainability

By 2030 Kappahl has:

- a social roadmap that follows a risk-based approach with measurable improvements for workers in the value chain by fair partnership and increased leverage with our partners
- a diverse workforce with work that benefits life
- identified and measurable decreased fair wage gaps



### 3. Transparency & Engagement

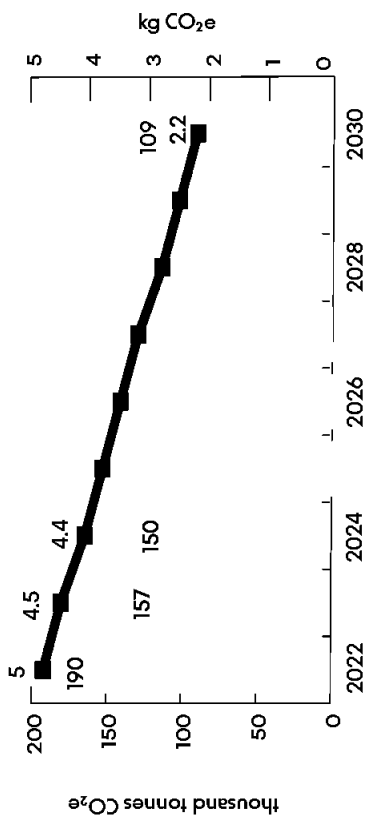
By 2030 Kappahl has:

- full value chain transparency both upstream and downstream
- trustworthy and efficient sustainability communication
- efficient anti-corruption processes



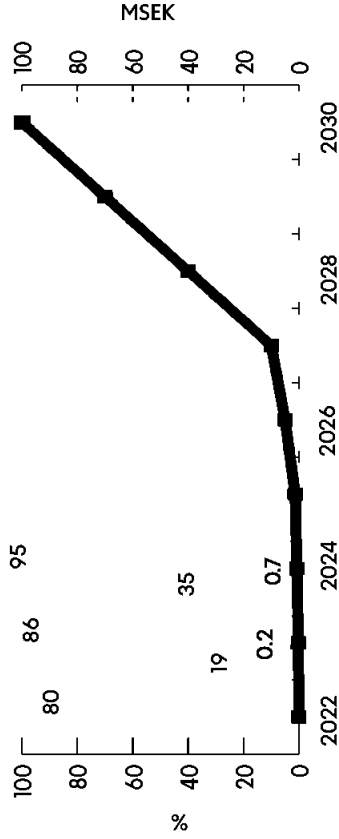
## Sustainability Strategy KPIs & Status 2024 - Including Trajectory

Climate KPIs 2022-2024, with 2030 trajectory



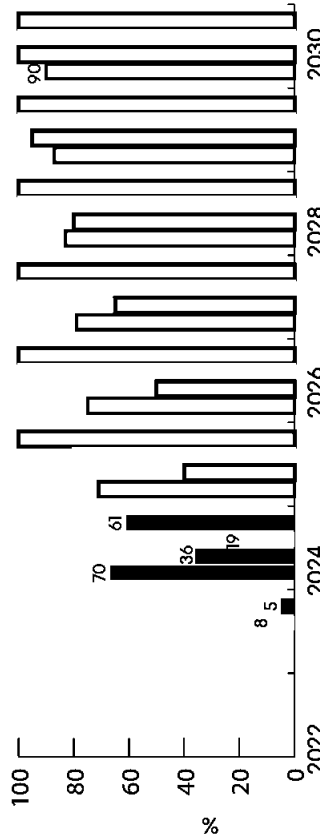
- Absolute climate emissions [thousand tonnes CO<sub>2</sub>e]
- Climate emissions per sold item (product or service) [kg CO<sub>2</sub>e]

Material and Circularity KPIs 2022-2024, with 2030 trajectory



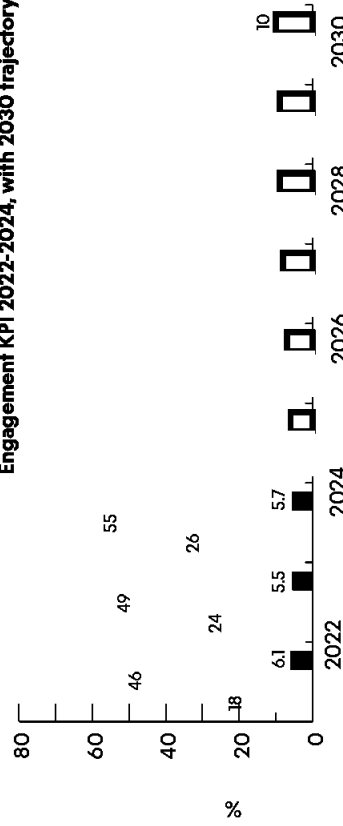
- Share of products in main materials made with less environmental impact [%]
- Share of assortment enabled for a circular economy [%]
- Yearly net sales from circular business offers [MSEK]

Social and Transparency KPIs 2022-2024, with 2030 trajectory



- Correlation purchase volume allocation and supplier ranking (A-D) [weighted MSEK]
- Share of tier 1 suppliers paying fair wages [%]
- Share of assortment where main fabric/main fiber is traced down to raw material level [%]
- Share of suppliers where main fabric/main fiber is traced down to raw material level [%]

Engagement KPI 2022-2024, with 2030 trajectory



- Share of customers that agree Kappahl Group brands help them to make sustainable choices [%]
- Share of customers that agree Kappahl Group brands show diversity in marketing [%]
- Brand tracker's Sustainability Indicator [%]

# Climate Transition Plan

At Kappahl Group, we exist to create a responsible world of fashion. Our climate goal is absolute which means it has not been set relative to growth, giving us as a company a 'climate budget' that we must keep within. During 2021, our climate transition plan was developed to be commercially viable and therefore anchored within our ambitious growth plan. It is also aligned with what is required by scientific consensus to stay within the 1.5 degree warming pathway in the Paris Agreement.

Our roadmap is built on five tracks, each governed by one of the Vice Presidents of the functions Assortment, Supply Chain and Sales. Some goals require cross-track collaboration, while others are specific to one area.

Decarbonization of our supply chain is key to achieve Kappahl Group's net-zero target. We are moving in the right direction, but still have a lot to do to reach our climate goals. Besides making reductions in reality, we need to increase our ability to measure our progress, wherefore the traceability goals are closely linked, see page 16. Kappahl Group's climate action roadmap focuses on reducing climate emissions in our own value chain until 2030. By 2030, we will develop activities to remove carbon from the atmosphere and store it permanently within or outside the value chain.

## Track 1 Assortment

- Certified and licensed raw materials
- Material consolidation
- Design for longevity, reuse, repair & recycling
- 3D design

## Track 2 Supply Chain

### Lower climate impact from our supply chain – Production

- Transparent supply chain
- Supplier consolidation
- Renewable electricity & energy efficiency
- Local market production

## Track 3 Supply Chain

### Lower climate impact from our supply chain – Logistics

- Electrification & renewable energy
- Increased filling rate
- Low impact packaging materials

## Track 4 Sales

### New source of income from circular offers

- Second hand
- Restored second hand

## Track 5 Sales

### Lower climate impact from a more sustainable customer interaction

- Customer transport
- Garment care
- Store energy efficiency

2022  
Base Year

2032  
50% Reduction

2040

Climate Neutral



# Climate & Environmental Roadmap Progress

## Climate change mitigation

### Science-Based Targets

The Science Based Targets initiative (SBTi) has approved Kappahl AB near-term science-based emissions reduction target. Kappahl AB has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2040.

Overall Net-Zero Target: Kappahl AB commits to reach net-zero greenhouse gas emissions across the value chain by 2040.

Near-Term Targets: Kappahl AB commits to reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2022 base year. \* Kappahl AB also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, business travel, and employee commuting 50.4% within the same timeframe. Kappahl AB finally commits to reduce indirect use phase emissions from business travel, downstream transportation and distribution, and use of sold products 50.4% within the same timeframe.

\*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Long-Term Targets: Kappahl AB commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2022 base year. \* Kappahl AB also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

### STICA

Kappahl Group is a member of the Swedish Textile Initiative for Climate Action (STICA). We have committed to reducing our absolute greenhouse gas emissions by 50.4% by 2032 from a 2022 base year. This commitment is aligned with what is required by scientific consensus regarding what is required to stay within the 1.5 C warming pathway. To learn more about our commitments and progress, visit [www.sustainablefashionacademy.org/stica](http://www.sustainablefashionacademy.org/stica)

The Swedish Textile Initiative for Climate Action (STICA) is an initiative jointly launched by Peak Performance, H&M, Sustainable Fashion Academy, Elco and Kappahl Group in 2018. Today, STICA has more than 50 members in the Nordic Countries and Kappahl Group contributes

in addition as board member. All members commit to reducing their greenhouse gas emissions in line with the 1.5°C target and the Paris Agreement. With the lion part of our emissions occurring in the supply chain, we need to cooperate with suppliers that have ambitious climate targets and can report on reductions.

### Climate Risks & Opportunities

If GHG emissions continue at the current rate, the atmosphere will warm by as much as 1.5 to 4 degrees Celsius by 2040, inundating coastlines, intensifying droughts, storms, heatwaves, and food scarcity.

The short term risk for Kappahl Group is reputational in terms of changed customer preferences, and policy-related risks as climate-related legislation increases. In the longer sight Kappahl Group faces a risk of not having access to the same supply chains if these are heavily affected by climate change. Our primary risk mitigation actions are the implementation of transparency to decarbonize the supply chain and the transition to a circular business model.

## Results for 2024

This year's climate calculation shows a 21 percent decrease in Kappahl Group's total emissions compared to 2022, which is our new base year after our commitment to SBTi. The amount of, and ratio between, products produced respective sold varies from year to year. The 5 percent decrease in 2024 was notably managed although we produced 4 percent more products in 2024 compared to 2023.

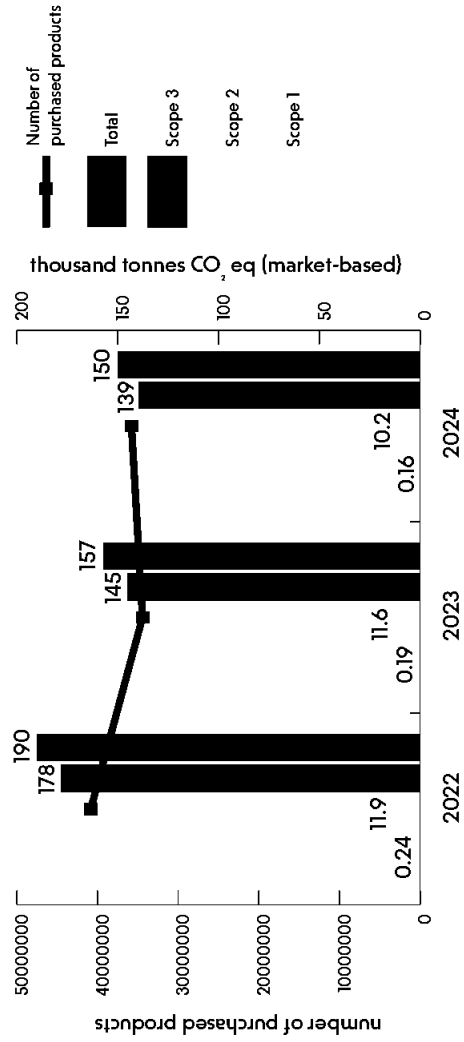
The factors behind the decrease has mainly been more renewable electricity at our Tier 1 suppliers, increased amount of real data from Tier 2, reduced customer transports and less energy use in stores,

now visible via the collection of real data. We have included previous years in the graph to show how important it is to look at the trend over several years when interpreting the results. The average level of emissions per sold product decreased 3.8 percent from 4.5 to 4.4 kg CO<sub>2</sub>-equivalents. This is the KPI we use on company level to follow our development to account for any overproduction. In the long run, Kappahl Group manages to sell 99.9 percent of the products we produce. The average level of production emissions per produced product decreased 2.8 percent from 2.69 to 2.61 kg CO<sub>2</sub>-equivalents.

**The Greenhouse Gas Protocol** is the global standard for accounting and reporting emissions from private and public sector operations, value chains and climate actions. The standard is divided into three scopes:

- **Scope 1:** Direct GHG emissions from sources that are operated by the company. Examples are company operated cars and refrigerant leakage.
- **Scope 2:** Indirect GHG emissions from the generation of purchased electricity or heat by the company.
- **Scope 3:** Indirect GHG emissions that occur in the value chain of the company. Examples are upstream production, transportation of goods and customer electricity usage for laundry.

Emissions per scope, thousand tonnes CO<sub>2</sub> eq.



## Climate Calculation Methodology

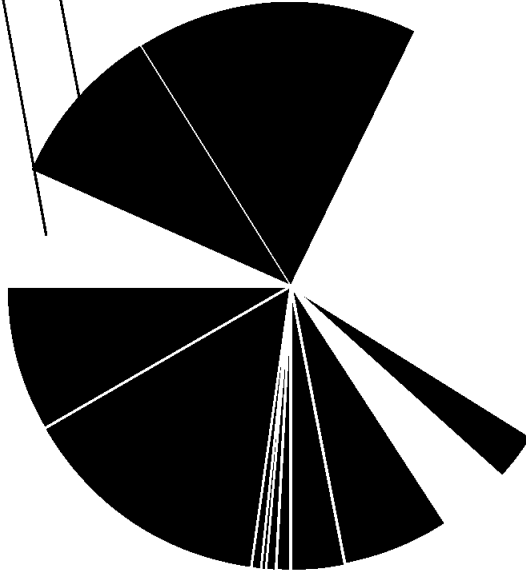
Kappahl Group has reported our climate emissions since 2014/15 but we have set 2022 as the base year after having our targets approved by the SBTi. Calculation and reporting of emissions are made in accordance with the Greenhouse Gas Protocol's "Corporate Accounting and Reporting Standard" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as the guidelines of the Swedish Textile Initiative for Climate Action (STICA), see page 57.

Our emissions are reported broken down into scopes 1, 2 and 3 according to the Greenhouse Gas Protocol. 7 (8) percent of our value chain emissions lie in Scope 1 and 2 according to the Greenhouse Gas Protocol, processes which we have a direct influence on. 93 (92) percent stems from Scope 3 which is our supply chain and our customers' activities. Kappahl Group does not purchase carbon offset credits for carbon emissions.

We try as far as possible to use actual measurements from our operations as reference data for the calculation, since standard values do not catch the real improvements that are made from year to year. We will the coming years transition to using real data from all tiers in our supply chain in our calculations. In 2021, we started for the first time to include primary data, that is real data, from our suppliers in Tier 1. In 2024, 96 (91) percent of our Tier 1 suppliers reported climate data to us.

For 2024, we have detailed the model for fabric production discriminating between woven and knitted garments, leading to a recalculation of the 2022 base year emissions as well as the 2023 calculation. The remodel together with improved accuracy of climate reporting from suppliers with verified Higg FEM modules resulted in an increase of about 8,000 tons CO<sub>2</sub>e of our base year 2022.

Emissions per category, 2024	thousands tonnes CO <sub>2</sub> e	percent of total
Scope 1	159	0.11%
Scope 2	10,165	6.8%
3.1 (Tier 4 Raw material processing)	14,098	9.4%
3.1 (Tier 3 Yarn formation)	24,280	16%
3.1 (Tier 2 fabric making, coloration)	39,944	27%
3.1 (Land Use Change-based emissions)	4,237	2.8%
3.1 (Tier 1 factories with T2 processes (vertical))	6,317	4.2%
3.1 (Tier 1 (Sewing))	8,875	5.9%
3.1 Purchased goods and services (Packaging material & spend)	4,852	3.2%
3.3 Fuel- and energy-related activities	917	0.61%
3.4 Upstream transportation and distribution	1,128	0.75%
3.6 Business travel	370	0.25%
3.7 Employee commuting	870	0.58%
3.9 Downstream transportation and distribution (incl. consumer transport)	21,466	14.3%
3.11 Use of sold products	12,423	8.3%
<b>Total (thousands tonnes CO<sub>2</sub>e)</b>	<b>150,100</b>	





## Energy

### Design For More Sustainable Production Technology

Fossil energy use is the main source of anthropogenic greenhouse gas emissions and switching to renewable energy use is key to achieve our climate goals. One goal we have is that 60 percent of the electricity used in our tier 1 factories shall be renewable in 2030. We monitor progress via the Higg Facility Environmental Module and the STICA questionnaire. The result for 2024 was 29 (4.8) percent.

One example of the switch to more energy-efficient technology is that since 2019, all our denim is produced using an improved washing process (Environmental Impact Management) that provides us with data on reductions of water, energy and chemical consumption. Naturally, all our denim uses 100 percent either certified organic cotton, or cotton sourced through the Better Cotton Initiative.

Kappahl Group collaborate with our suppliers in the transition to energy-efficient technology and renewable electricity. During 2024, 11 (3) of our strategic suppliers' factories representing 23 percent of our business volume have capacity programs in place to reduce their greenhouse gas emissions. Our suppliers have also been encouraged to attend several free online Climate action trainings provided by STICA's country working groups in China, Turkey, India and Bangladesh.

### Own Energy Use

From 2024, all energy (electricity and district heating) purchased under own agreements is renewable, including the energy use in the production offices in Bangladesh, China and India, for which renewable energy certificates are purchased. We continuously work with energy-efficiency in our stores and for our IT applications. During 2024, we have participated in the STICA working group for scope 1&2 emissions and started to collect real data for energy consumption from our stores. Our company car policy promotes fuel economy and electric vehicles, and we have charging posts for electric vehicles outside our headquarters.

### Transportation

In contrast to what many people think, transportation accounts for a relatively small proportion of climate emissions in a garment's life cycle, provided that air freight is avoided. Kappahl Group has a ban on air freight for in-bound and out-bound transports since 2020 also for delayed shipments when the supplier offers to pay for air freight. In 2024, only four out-bound shipments to customers in China and Japan were granted exception as the long-term logistics solution is not yet developed. Deliveries from the distribution center to physical stores are done by road or sea. We also impose environmental and social requirements on all carriers via our Sustainability Commitment, regardless of

mode of transport. In 2024, transportation contributed greenhouse gas emissions of 33 (27) g CO<sub>2</sub>-equivalents per sold product. Compared to our average carbon footprint per sold product of 4.4 kg CO<sub>2</sub>-equivalents, the transportation is 0.8 percent.

### Internal energy consumption<sup>1</sup>

	2024	2023	Change 2024/2023
Share of energy under own agreements from renewable sources, Sales countries%	100	100	-
Share of energy under own agreements from renewable sources, Production countries%	100	10	+90%
Electricity, MWh	23,151	26,875	-14%
Heating, MWh	1,532	1,441	+6%
Fuel <sup>2</sup> , GJ	1,724	2,725	37%
Energy intensity: Energy per square meter/open hour in stores and warehouses, Wh <sup>3</sup>	0.076	0.070 <sup>3</sup>	+8%

1. See page 55 for details on energy and climate calculations
2. Fuel refers to diesel for Kappahl Group's company cars
3. The 2023 value is corrected from 0.078 to 0.070 Wh. reported.



## Pollution of Water, Air, Soil & Substances of Concern

The greatest risk for Kappahl Group to contribute to pollution of water, air and soil lies in the supply chain. We use the Higg Facility Environmental Module (FEM) and supplier factory visits in Tier 1 and for nominated suppliers in Tier 2 to follow up on our suppliers' performance and in 2024, factories representing 93 (82) percent of our business volume reported environmental sustainability data via the Higg FEM, whereof 83 percent were verified modules. In 2024, we started assessing the performance of Tier 2-4, via our own ESG questionnaire making use of the traceability created by the supply chain mapping.

In our annual customer survey, the sustainability topic that has the highest priority among our customers is that there are no harmful chemicals present in our products. Phasing out the use of hazardous chemicals in the production is the most efficient way to see to that they do neither pollute in the production countries nor occur in any end products. Kappahl Group aims for continuous improvement and always apply the precautionary principle in our chemicals program "No Risk" that started already in 2005. We participate in the Swedish Chemicals Group at RISE to be proactive in our work with chemicals and set stricter demands than legislation. We proactively include chemicals in our Restricted Substance List to give our suppliers the means to phase them out in good time before they are restricted. We include our whole assortment range in the chemical risk assessment. In 2024

we carried out 924 (859) chemicals tests which corresponds to 9 (10) percent of our purchase orders. 99.7 (99.9) percent of the garments were approved according to the Kappahl Group requirements. No garments had restricted chemicals present above legal limits.

### Microplastics

Microplastics are small pieces of plastic, some even too small for our eyes to see. Microplastics have been observed in the environment worldwide and are considered a concern as they are suspected to transfer toxic substances to plants and animals, especially in oceans, lakes and watercourses. Microplastics in the oceans originate for example from the breakdown of larger plastic litter, but synthetic textiles are also a source. In addition, research has shown that also cellulose and protein fibers are found to generate micro-sized particles. The current knowledge of the scale of the caused harm is very low. It is likely that any content of toxic substances increases the risk of systemic damage but on individual organism level also particle effects are observed.

Kappahl Group follows the latest findings and strives to be transparent. We construct our garments for a long life and the strong synthetic fibers prolong the technical life length of the garments. In 2024, we placed around 1,800 tonnes of synthetic fibers on the market. We see that our work with preventing harmful chemicals from occurrence in our products is an action that is important to mitigate harm from micro-

sized particles regardless of fiber type. We always apply the precautionary principle in relation to chemicals and safety. We carry out regular quality and safety tests throughout the production process, in our chemicals program "No Risk".

### Water

The water withdrawal in the textile supply chain is dominated by conventional cotton cultivation, where the intense irrigation contributes to water sources being significantly affected by withdrawal of water. Kappahl Group has chosen to phase-out conventional cotton and use either certified organic cotton, or cotton sourced through the Better Cotton Initiative.

However, the manufacturing processes in factories do also consume water. Kappahl Group's transition to more sustainable production processes such as the improved denim washing process (Environmental Impact Management) means documented water savings, and we are only working with suppliers that have water purification and environmental management systems in place. Kappahl Group monitors progress via the Higg Facility Environmental Module (FEM) and via supplier factory visits in Tier 1. In 2024, we started assessing the performance of Tier 2-4, via our own ESG questionnaire. During 2025 we will start measuring water withdrawal leading to water scarcity throughout our supply chain making use of the traceability created by the supply chain mapping and Higg FEM.

### Direct Impact Drivers of Biodiversity Loss

The fashion industry is dependent on

and impacts animal life and biodiversity, particularly in the production of raw materials. Biodiversity is also affected by for example climate change, water scarcity and emissions of toxic substances. Therefore, the work at Kappahl Group to select more sustainable materials and produce at factories that use more sustainable processes is also vital to reduce the pressure on endangered species.

During 2024 we have carried out a biodiversity risk assessment and developed a roadmap for mitigating biodiversity loss and reducing the risks from biodiversity-related events. The roadmap development included a clarification of how our already reached achievements and existing climate and environmental targets contribute to impact mitigation and risk reduction for biodiversity. The KPIs for following progress of the biodiversity roadmap are listed in the table below. They are tagged after the type of response option according to Science Based Targets for Nature (SBTN): Avoid, Reduce, Regenerate, Restore, Transform (AR3T). Influenced by the SBTN framework, we have also set two new targets for 2030: No conversion of natural ecosystems, and increased engagement in priority sourcing regions. We will continue to develop our roadmap during 2025. Agriculture of plant products was the area of highest score in the biodiversity risk assessment based on generic data. However, Kappahl Group has chosen to phase out conventional cotton and since 2020, all the cotton we use is either certified organic cotton, or cotton



KPI	Target	Avoid, Reduce, Regenerate, Restore, Transform (AR3T)
	<b>No Conversion of Natural Ecosystems</b>	
Share of material (in weight) where sourcing requirements secure raw material production does not cause conversion of natural ecosystems (FSC/IFOAM/Better Cotton/etc.). a) per material category (cotton, MMCF, flax, jute, paper, leather, etc.) b) per product type (commercial goods, transport packaging, indirect materials, etc.)	No conversion of natural ecosystems (all risk commodities) by 2030 compared with a 2020 baseline	Avoid
Share of material (in weight) with Chain of Custody down to region/EUDR coordinates for raw material extraction. a) per material category b) per product type		Avoid
	<b>Landscape Engagement</b>	
Share of total cotton that is sourced via OCA Farm Programmes.	Increased engagement in priority sourcing regions by 2030	Transform
Number of priority sourcing regions where we participate in OCA Farm programmes.		Transform
Kappahl Group product categories using cotton that is sourced via OCA Farm Programmes.		Transform
	<b>Existing targets in the sustainability strategy</b>	
Absolute climate emissions	Climate & Environment	Avoid
Share of assortment with complete product in materials made with less environmental impact		Avoid/Reduce
Yearly Net sales from circular business offers		Reduce/Transform
Share of assortment where main fabric/main fiber is traced down to raw material level	Transparency & Engagement	Transform
Share of assortment where complete product is traced down to raw material level		Transform
	<b>Historical achievements to maintain</b>	
All the cotton we use is either certified organic cotton, or cotton sourced through Better Cotton.	Climate & Environment	Avoid/Reduce
Avoid persistent organic pollutants and chemicals with demonstrated negative impacts on biodiversity including harmful chemicals and hazardous substances by following Kappahl's chemical requirements.		Avoid

**Direct Impact Drivers of Biodiversity Loss (cont.)** sourced through Better Cotton. Better Cotton promotes biodiversity through several key initiatives aimed at sustainable cotton farming practices. Further, our work with Organic Cotton Accelerator (OCA) promotes the increase of organic cotton cultivation, which excludes genetically modified crops, use of chemical pesticides and artificial fertilizers. We are transitioning more and more of our linen into EUROPEAN FLAX™ certified linen or main linen fabrics were made from certified flax fibres. Wood-based products and packaging is another risk area for biodiversity where Kappahl Group works with FSC under license number FSC® N003228.

Kappahl Group has also partnered up with the CanopyStyle initiative since 2016. Canopy is a non-profitable organization with a mission to protect the world's forests, species, and climate, and to help advance indigenous communities' rights. Kappahl Group commits not to use dissolving pulp coming from ancient and endangered forests in wood-based cellulosic fabrics such as viscose and lyocell. We do so by using Canopy's Hot Button Ranking Report, exclusively sourcing from producers without any high-risk alert, i.e. ranked with a "dark green shirt". Our goal is that all wood-based cellulosic fibres shall be certified or licensed material by 2025. This way we can reassure that the cellulose is either recycled or origins from responsible forestry certified by Forest Stewardship Council (FSC) or equivalent. Today, 98 (94) percent of our wood-based cellulosic fibres are certified or licensed material.



## Resources Inflows, Including Resource Use

### More Sustainable Raw Material

Kappahl Group produced and sold about 34 (34) million products in 2024. The total weight of materials that were used to produce and package Kappahl's primary products was 7,016 (6,801) tonnes during the reporting period. 69 percent were renewable materials and 31 percent were nonrenewable, whereof 29 percent were recycled. Today, 95 (86) percent of our assortment is made in main materials with less environmental impact than conventional ones.

The notable improvement is to a big part accountable to the progress with the accessories. In just two years, between 2022 and 2024, 69% of the assortment has been transitioned into having a certified or licensed main material.

Our goal is for all our products to be made in main materials with less environmental impact for 2026 and forward. For 2026 our goal is that all wood-based cellulosic fibers, flax fibers and materials with animal origin are certified or licensed to enhance animal welfare and protect biodiversity.

Cotton is by far the raw material with the highest potentially negative environmental as well as social impacts in our assortment. We have identified cotton cultivation as a main risk factor for biodiversity loss, water scarcity and human rights violations. Since 2020, all the cotton we use is either certified organic cotton, or cotton sourced through the Better Cotton Initiative. Better Cotton requires participating farms to adhere to the Better Cotton Principles & Criteria, which are aligned with key international standards, including the ILO's

Core Conventions on child labor, forced labor, discrimination, freedom of association and the right to collective bargaining, and occupational safety and health. During 2024, Kappahl Group expanded the Better Cotton membership to traceable better cotton sourcing. Organic cotton is grown using natural fertilizers and pesticides and without genetically modified seeds, helping to preserve biodiversity and soil fertility. As a member of Organic Cotton Accelerator (OCA), Kappahl Group promotes the increase in the share of organic cotton globally and the improvement of the living conditions of cotton farmers. We are since 2024 certified to the Global Organic Textile Standard (GOTS), certified by Control Union 1209888.

In 2024, we have increased our follow-up of certified materials, and we discovered that we have faltered in some places, finding conventional cotton in some styles and this year we can only report 99% certified or licensed cotton. Kappahl Group has since 2020 a ban on the use of cotton cultivated or ginned in the Xinjiang Province in our products - a requirement applying to the total physical cotton content in a Kappahl Group product, including total mass balance of Better Cotton as well as organic certified cotton.

However, in 2024 we found through our traceability tool and supply chain mapping, in tier 4 there was a ginner situated in the Xinjiang Province, linked to five of our garments. The direct supplier was informed, and the ginner is no longer used in Kappahl Group's production. This incident underscores the critical importance of traceability within our supply chain, allowing us to identify and address potential issues and reinforcing our commitment to responsible sourcing.

Raw material KPIs	2024	2023	2022
100% products in main materials made with less environmental impact by 2026, %	95	86	80
100% denim made with less environmental impact by 2020, %	100	100	100
100% cotton certified or sourced through the Better Cotton Initiative by 2020, %	99 <sup>1</sup>	100	100
100% wood-based cellulosic fibres certified and/or sourced from traceable suppliers by 2026, %	98	94	81
100% materials of animal origin certified or licensed by 2026, wool %	99	74	51
100% materials of animal origin certified or licensed by 2026, other <sup>1</sup> %	100	100	100
100% flax fibres certified or licensed by 2026,	100	100	no data

1. For other materials of animal origin, Kappahl's animal welfare policy allows only certified down, mohair and alpaca. Leather is excluded since there is currently no certification available that covers the whole supply chain and guarantees animal welfare. Kappahl Group's current policy is to only sell leather from cattle (buffalo, sheep, goats and pigs) and we only use leather that is residual product from meat production. We do not accept leather from Indian cows, calves or oxen.

## Resources Outflows Related to Products & Services

### Prolong the Life Length

In order to prolong the life of each garment, thereby reducing the environmental cost per use, circular business models are key. With circular business models is meant reuse, rent, repair, but it can also mean that one garment stays together with the owner for its full life length. In 2024 Kappahl Group has continued developing our circular business model, now offering second hand in Finland and UK in addition to Sweden and Norway in selected stores. The net sales from circular business offers increased between 2023 and 2024 with 260 percent from 0.2 MSEK to 0.72 MSEK.

### Packaging

Kappahl Group's shopping bags are made from recycled plastic, which gives a lower climate impact than recycled paper bags. A life cycle assessment in which we compared recycled plastic bags with bags made from virgin plastic, recycled paper and virgin paper respectively, guided us when we selected the option with lowest footprint. The growing online shopping is a challenge that not only entails more transportation but also more packaging. It is important that we reduce the amount of packaging and ensure it does not end up in nature. In 2024, a total of 356 (403) tonnes of product packaging was used to protect and present our products. Today we have come a long way in terms of labels, hangers and customer bags, which are all in more sustainable material, such as recycled

plastic or FSC labelled paper<sup>1</sup>. In Sweden we have a fully circular flow for our plastic hangers, which are mended or recycled in cooperation with our supplier in Lidköping in Sweden. The transport packaging during 2024 amounted to 977 tonnes and is made from recycled paper and plastics which can be reused and recycled many times.

### Handling of Returned Goods

For online shopping, the most important environmental aspect is the return rates and routines for returned goods. Kappahl Group works to keep the return rate low via good fitting and collecting feedback on sizes from the online customers. All our garments are designed at Kappahl Group and tried on by live models. We have deliberately chosen to only offer free returns in our stores. If the customer returns the garments to the store they are put for sale there. Returns to our distribution central in Mölndal are returned to the omnichannel warehouse and put for sale there.

### Waste

The products that Kappahl Group place on the market will inevitably be disposed of by our customers in the downstream part of our value chain. Some products will have served their full technical life length with one or several users and become waste that can be material recycled or energy recycled. Other products are not worn out when they are disposed of. Our sustainability strategy focuses on keeping our products in use as long as possible preventing them

from becoming waste. This aligns with the coming EU legislation for an Extended Producer Responsibility (EPR) which stipulates that re-use of the collected textile waste is prioritized to follow the waste hierarchy and maximize the environmental benefits. The engagement for value chain circularity involves both activities to advance reuse and material recycling and are described on page 24-25 and 34-35.

We also try to minimize waste in our own operations, and we minimize overproduction by optimizing our prognoses and create styles that work across seasons. In the long run, Kappahl Group manages to sell 99,9 percent of the products we produce. We donate remaining unsold goods to charity organizations.

Other actions we take are to use only store interior materials that can be reused or recycled. We have reusable boxes for the transport from our distribution center to the stores and all packaging materials are recyclable. During 2024, a total of 681 (650) tonnes of waste was generated, of which 96 (95) percent was sent for recycling, 4 (5) percent for energy recycling and 0 (0) percent for landfill via our waste disposal contractor.

Since 2022, we work with a global waste disposal contractor, TES, for our electronics waste that has systems in place for reuse of electronic

components. In 2024, of our electric waste 57% was reused, 38% was material recycled and 4% was landfilled.

### Animal Welfare

Kappahl Group's policy for animal welfare is based on our collaboration with the Swedish Trade Federation and their animal welfare policy, and implemented via our Sustainability Commitment which is a contractual assurance with all business partners.



Today Kappahl Group accepts only certified animal origin materials<sup>2</sup>. We are certified to the Responsible Wool Standard (RWS), Responsible Mohair Standard (RMS), Responsible Alpaca Standard (RAS) and Responsible Down Standard (RDS) certified by Control Union 1209888. Our goal that all materials with animal origin shall be certified by 2025, was reached already from fall/winter season 2024.



In 2024 we have increased our follow up of certified materials. We discovered 19 styles where the Responsible Wool Standard certificates were falsified, all from the same supplier. Our supplier has updated their internal routines and procedures to secure that certificates will be correctly handled in the future.



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1. FSC license number FSC® N003228

2. Kappahl's animal welfare policy allows only certified down, mohair and alpaca. Leather is excluded since there is currently no certification available that covers the whole supply chain and guarantees animal welfare. Kappahl Group's current policy is to only sell leather from cattle (buffalo, sheep, goats and pigs) and we only use leather that is residual product from meat production. We do not accept leather from Indian cows, calves or oxen.



# Social Sustainability Roadmap Progress

## Working Conditions - Own Workforce

In our People Strategy, responsibility for people and planet is an integral part. Our aim is that all employees should feel that they contribute to Kappahl Group's sustainability work, which is something we measure annually. This year the figure was 73 (86) percent. We will investigate the reasons behind the reduction during 2025. We promote a good work environment in several ways, including offering occupational health services and where possible flexible working hours. In Sweden, Finland and Norway all employees are covered by collective agreements, representing 90 (90) percent of Kappahl Group's employees. In other countries, national legislation is applied, where in some cases we augment terms of employment beyond legislation.

### Occupational Health & Safety Management

All of Kappahl Group's employees and workplaces follow the countries' laws, rules and regulations on work environment. We have implemented a global incident reporting system through the IA platform. This system is not a legal requirement but supports statistics and routines, contributing to the strategic development of the work

environment as well as the understanding and prevention of work incidents. The platform makes it possible to report and track:

- All types of incidents, including accidents and near misses, risk observations and other safety-related concerns in the work environment. Including anonymous reports of discrimination and victimization, and accidents occurring during travel to and from work.
- Reports can be made by all employees in all the countries where we operate. Reports from consultants, visitors, customers, interns and suppliers are made by Kappahl Group employees in the IA by the manager or employee involved in the situation.

For 2024, 1 (2) case of actual severe work-related incidents was reported, 22 (45) moderate and 173 (186) minor, together with 136 (35) 'near miss' incidents. We had no work-related fatalities.

At Kappahl Group, our 4,000 employees take responsibility for their jobs and to create a good work environment where we reach our common goals together. Sickness

absence was 6.1 (7.3) percent during the year. We conduct safety inspections twice a year, and any incidents and occupational injuries are reported and dealt with. Ahead of operational changes, risk assessments are made concerning work environment issues. Each manager is responsible for ensuring that their employees have knowledge about a good work environment. Work environment issues are discussed regularly between employees and managers and at quarterly workplace meetings.

We work continuously to ensure a safe work environment. We carry out regular safety audits in stores, provide regular training in security in accordance with the training plan in our Security Manual, perform internal fire drills, and report and follow up incidents on an ongoing basis. We have established routines for serious incidents and an emergency group is available to provide support, with contact information accessible for all countries. Recent violent incidents at the Swedish shopping centers Emporia and Kungsmässan have raised public safety concerns. We have assessed our internal procedures for handling serious events and found them adequate. Throughout the year, we repeatedly urged stores to review

local evacuation and security measures. Additionally, we provide internal materials on crises, including terrorist attacks and shootings. The trade union has also played a role, with regional safety representatives visiting multiple shopping centers, also concluding our internal routines for serious incidents to be adequate.

### Training & Education

At Kappahl Group, Capable Leaders is our leadership development program, focusing on strengthening our managers in their leadership role. Capable Employees is our self-leadership program, focusing on strengthening all of us in our everyday work. Both programs are important tools through which we implement our policies in the supply chain. The aim is to give leaders and employees the tools they need to make sustainable and business-driven decisions, always from the customer's perspective. New employees are offered on-boarding training about Kappahl Group, our customers, values and sustainability work. All our employees receive continuous education and training for occupational health and safety and professional development, regarding for example work related hazards, handling of third-party certified goods, anti-corruption measures and inclusion and diversity. The 2024 average was 6.7 (5.9) training hours per employee. The share of managers and specialists which were recruited internally was 42 (51)% during 2024. In 2024 we invested in a new learning management system, EdApp, designed to make training more accessible, engaging and efficient.

## Workers in the Value Chain

### Working Conditions, Equal Treatment & Opportunities for All

Kappahl Group's activities have an impact on people and the environment in all parts of our value chain, but the most significant actual and potential social impacts occur in our supply chain. The textile supply chain is generally divided into four main tiers:

- Tier 1: final product manufacturing
- Tier 2: finished material manufacturing (fabric mills, dye houses etc.)
- Tier 3: raw material processing
- Tier 4: agriculture, ranching, forestry and extraction

Kappahl Group's business relationships are mainly with tier 1 suppliers, but the risks are greatest in the lower tiers. Kappahl Group uses the software TruTrace to enable traceability in the entire supply chain. In 2024, the share of suppliers with full traceability tier 1-4 was 61 (5) % and the goal is to reach 100% by 2025. The share of assortment where main fabric is traced to tier 4 was 19 (8) %. For this KPI the goal is to reach 100 percent in 2026 since we will place a large part of these orders in 2025.

Since 2023, also individuals outside our organization can use our whistleblower function to seek advice and raise concerns about the organization's business conduct. We view this anonymous and open reporting channel as a tool for due diligence, enabling broader risk identification, data collection, and enabling corrective actions. The channel is provided by a third part and accessible in all languages used across our (physical)

sales and production countries. In 2024, we reduced our handling time by 52% and invested in an oral reporting option, also accessible in all languages.

Kappahl Group launched its first Code of Conduct (CoC) for Suppliers in 1997. Just as the CoC before, today's Sustainability Commitment is a binding document through which we implement our policies in the supply chain. The suppliers commit to follow international human rights standards and ensure that not violations occur, particularly in relation to child labor, sexual harassment and gender-based violence, forced labor, working time, occupational safety and health, trade unions and collective bargaining, and wages, which are among the sector risk factors listed by the OECD.

The sustainability commitment also covers a wider range of issues, including access to water and sanitation, decent work, the rights of minorities and communities, and responsible sourcing from home workers. It also sets requirements for social and environmental considerations across the entire value chain, such as social dialogue, fair wages, and greenhouse gas emissions reduction. Furthermore, all contracts include a reference to our Ethical Guidelines, which explicitly address key topics like bribery and corruption.

### Supplier Collaboration & Review

To drive positive impact, we ensure collaboration with responsible suppliers. We are working to consolidate our supply chain and see transparent dialogue with

suppliers and factories as essential. We will continue our close relationship with suppliers that also see such a future. Kappahl Group invites all key and significant suppliers once a year to a Sustainability Dialogue to strengthen the partnership and exchange expectations on the sustainable development both in short and in the long term.

Kappahl Group performs Supplier Evaluations once a year with all 138 (136) suppliers where sustainability performance is one part that is evaluated and turned into business incentives in terms of continued partnership and new orders. During 2024, we developed a Supplier Ranking Tool a systematic way weigh different aspects against each other: working conditions in Tier 1, transparency Tier 1-4, data sharing through Higg FEM & FSLM modules, climate action and monitoring & corrective action plans. The Supplier Ranking Tool is the basis for the strategic KPI: 'Correlation purchase volume allocation and supplier ranking'.



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**Supplier Collaboration & Review (cont.)**  
 Employees at our local production offices monitor compliance with Kappahl Group's Sustainability Commitment in three steps:

1. Identify non-conformances
2. Initiate improvement measures
3. Support the work of improvement and if applicable remediation

We conduct regular reviews at the factories and suppliers we cooperate directly with, where interviews with factory workers are included. These are of four types:

- 1) Tier 1 cut-make-trim (CMT) or vertical factories, 2) Tier 1 processing factories, 3) Nominated material suppliers or 4) Agents and Importers. During the year we carried out 188 (205) factory reviews and follow-up visits at suppliers' factories. The factories that are not reviewed in the Agents and Importers category are in countries where the risk of deficiencies in the work environment and safety conditions are estimated to be low.

If we identify significant actual and potential negative social and environmental impacts at our reviews, our default position is to bring about change and offer remediation instead of terminating the collaboration. In these cases, the factory draws up a Corrective Action Plan (CAP) to correct the non-conformances. If a supplier does not cooperate, or a factory does not carry out agreed improvements, we limit or stop the order placement.

During 2024 we had no non-conformities related to environmental requirements. At two Bangladesh CMT factories after the boiler inspection by RSC3, the RSC-team identified high-risk findings in the boilers

that required immediate action. Both factories' management took this matter seriously, immediately shut down the boilers, and took the required corrective actions. After their corrective actions were accepted by the RSC, both factories' management restarted the boilers. One non-conformity related to transparency and cooperation was discovered at a Processing factory leading to a non-approval to produce for Kappahl Group. The non-conformity consisted of lack of access to documents for social review. In total, 2% of our Tier 1 suppliers identified as having significant negative social impact.

During 2024 we also started assessing our Tier 2-4 factories, finding 14 non-conformities within the areas: workings hours, health & safety, and compensations at Tier 2 material production and Tier 3 spinning factories in Bangladesh, India and Sri Lanka. Out of these 14 non-conformities, one issue has been closed through audit and 13 corrective actions plans are in place waiting to be verified by our direct suppliers.

**KPIs for supply chain**

2024

	CMT (Tier 1 or vertical)	Processing factories	Nominated fabric factories	Agents & Importers factories
Total number of factories	149 (154)	65 (65)	31 (16)	42 (34)
Total number of factory reviews at new factories	16 (15)	2 (22)	6 (2)	2 (0)
Total number of factory reviews at existing factories	76 (98)	36 (38)	16 (7)	15 (3)
Total number of follow up visits	138 (107)	0 (0)	0 (0)	7 (0)
Not reviewed new factories	1 <sup>1</sup> (0)	0 (0)	0 (0)	0 (3) <sup>2</sup>
Approved	127 (125)	65 (65)	31 (0)	40 (34)
Temporarily approved	22 (29)	0 (0)	0 (16)	2 (3)
Unsatisfactory, corrective action plan established <sup>3</sup>	2 (1)	0 (0)	0 (0)	0 (0)
Unsatisfactory, relation terminated <sup>3</sup>	0 (0)	1 (0)	0 (0)	0 (0)

1. During 2024, one new factory belonging to our supplier in Pakistan was opened without our own staff visit using only verified HIGG FEM and FSLM modules as risk assessment.  
 2. Constitutes factories in the category of agents/importers that have not reached a certain order value or are not in a country described as a high risk.  
 3. RMG Sustainability Council (RSC)

### Control of New Production Markets & Sites

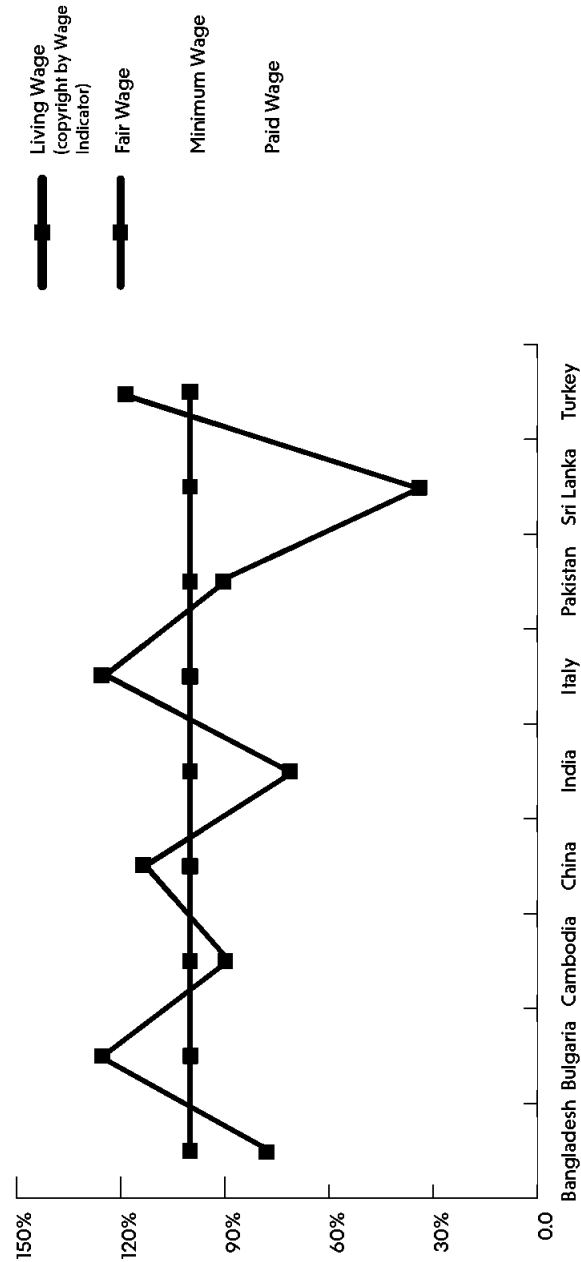
When we enter new production markets, we evaluate the situation concerning human rights in the country and region, for example the occurrence of child labor and forced labor. We also evaluate local legislation on working conditions and terms of employment, as well as such things as ownership structures for factories and land, aimed at identifying and avoiding the greatest risks. All new CMT factories are reviewed by our own staff at the Production Offices and need to be approved before orders can be placed there. The factory review for new factories always assesses both social and environmental criteria. During 2024, one new factory belonging to our supplier in Pakistan was opened without our own staff visit using only verified HIGGFEM and FSLM modules as risk assessment.

wages for the sector, our fair wage target, and publicly available living wage benchmarks from WageIndicator. As part of our due diligence, we are committed to ongoing improvement, collaborating closely with suppliers with industry stakeholders to gradually close the gap. In 2024, 38 percent of suppliers ensured fair wages were paid to their workers.

### Fair Wages

We identify fair wages as one of our key human rights issues and recognize that minimum statutory wages are often insufficient for factory workers to support their families. In line with our ETI membership and social sustainability goals, we are mapping wage levels at tier 1 suppliers representing over 94 (85) percent of business volume.

As part of our commitment, Kappahl Group has set a target and timeline to ensure that workers earn at least 30 percent above the legal minimum wage by 2030. This Kappahl-defined target serves as a concrete step toward achieving so called living wages, acknowledging that progress must be both structured and continuous. To assess wage levels, we compare supplier full-time paid wages - excluding overtime and bonuses - against legal minimum



## Other Work-Related Rights



Kappahl Group's Sustainability Commitment is a binding document that forbids violating human rights such as forced labor and child labor in all our business relations. Our work towards traceability in our supply chain is important as our supply chain is localized in parts of the world where there is a geographical risk of child labor, or of forced or compulsory labor.

One area where the risk is recognized to be high is the cotton harvesting, and to mitigate this risk Kappahl Group has phased out conventional cotton, using only either certified organic cotton, or cotton sourced through Better Cotton. We also believe that partnership is needed to protect human rights and are part of several initiatives for a more transparent supply chain.

### Cascale

Since 2018 we are a member of the industry initiative Cascale (former Sustainable Apparel Coalition). This partnership is important to Kappahl Group, since industry standards are key to facilitate transparent communication of environmental and social performance in the textile value chain, and reduce the workload of duplicate reporting. Kappahl Group uses the Higg Index set of tools and encourages our merchandize goods suppliers to do the same. The Higg Index Facility Social and Labor Module (FSLM) tool measures the social and human rights performance of factories and is now used at factories corresponding to 64 (45) percent of Kappahl Group's order value, whereof 56 % were verified modules.

### Ethical Trading Initiative

Kappahl Group has been a member of the Ethical Trading Initiative (ETI) since 2016, aligning with its commitment to advancing workers' rights. We actively engage within the ETI network for joint action on manufacturing chain challenges such as social dialogue, the right to freedom of association, collective bargaining, and joint remediation actions. We see freedom of association and the right to collective bargaining as enabling rights – essential for empowering workers and ensuring fair working conditions. As part of our commitment, we report under the Corporate Transparency Framework (CTF) and have taken steps to internally monitor key aspects of these rights to strengthen our approach and drive meaningful improvements.

We recognize that workers in our supply chain face barriers to freedom of association and collective bargaining due to restrictive laws and social and economic pressures. To address this, we aim to enhance data collection, identify gaps, and strengthen our due diligence to support fair working conditions.

### International Accord

Kappahl Group is a signatory of the International Accord for Healthy and Safety in the Textile and Garment Industry, which replaced the (in 2013 signed by Kappahl) Bangladesh Accord in 2021 and introduced the Pakistan Accord in 2022. As signatories to both country specific programs we actively support their implementation

and contributes to the worker complaint mechanisms established under both programs.

### Transparency Pledge

The Transparency Pledge is a coalition of a number of large global organizations (Human Rights Watch, IndustriAll, Clean Clothes Campaign, etc.) to improve transparency in the fashion industry's supply chains. Kappahl Group has published our supplier lists on our website since 2013 and are also working on a number of different solutions for increased transparency. To be clear with our commitment, we joined the Transparency Pledge in Autumn 2019 and follow their requirements for transparency linked to the supply chain. We list our tier 1 supplier facilities (including processing facilities) and our nominated material suppliers in the Open Supply Hub registry.

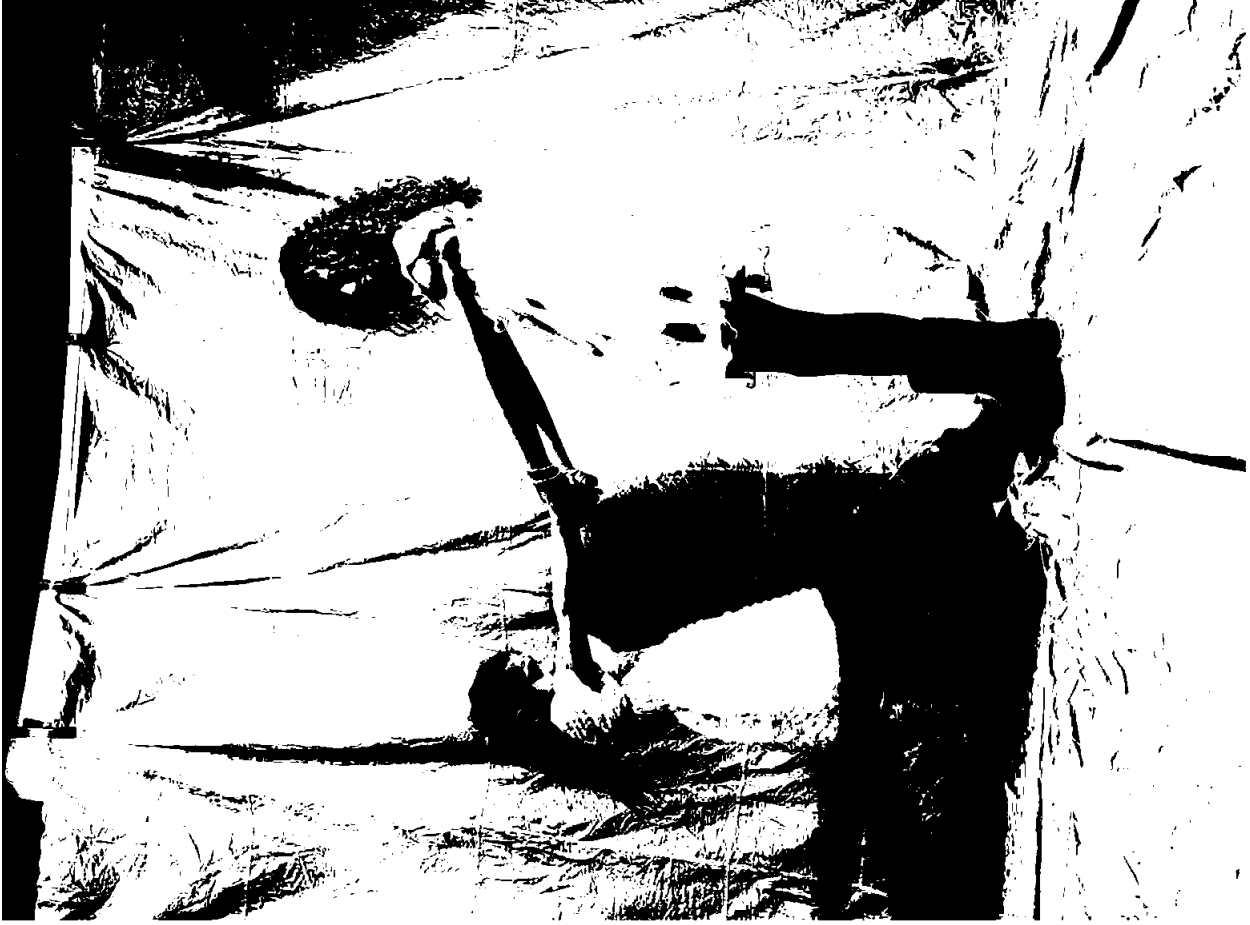
## Bangladesh Presence & Industrial Sewing Training Center

Bangladesh is one of the leading readymade garment (RMG) exporters in the world. The RMG sector employs around 4.0 million people directly, approximately 60 percent of them are women. This sector has for several decades played a significant role to reduce poverty and increasing women empowerment in the country, acting as a catalyst to achieve sustainable development goals. In July and August 2024, Bangladesh experienced violent political turmoil with mass-killings after student-led protests. Nobel laureate Muhammad Yunus is now tasked with stabilizing the country and steering it through economic and democratic reform, and the textile industry plays a key role in stabilizing employment and export incomes. Kappahl Group opened its first office in Bangladesh in 1994 and we celebrated our 30th anniversary this year together with our suppliers. In these uncertain times we are proud to stand firm in our long-lasting partnerships.

In 2024, Kappahl Group made a financial commitment to support the Employment Injury Scheme (EIS) Pilot in Bangladesh. This initiative provides financial protection to workers against workplace injuries and fatalities in the ready-made garment sector. The EIS Pilot covers all 4 million garment workers. It aims to run for 3 to 5 years, focusing on establishing operational aspects in the initial three years and subsequently transitioning into a full-fledged insurance protection scheme embedded within Bangladesh's national framework.

We continue our collaboration with the TCM Foundation to empower women, eliminate gender-based discrimination and poverty, and promote human rights in Bangladesh. As part of this effort, we are funding an industrial sewing training center for women on the outskirts of Dhaka, equipping them with valuable skills for economic independence.

Since it opened in 2009, the training centre has trained more than 1,000 women. At the training center underprivileged women are trained in industrial sewing, as well as on their rights as workers and on other basic life skills such as financial literacy, access to financial services, health and hygiene, participation in decision making. Furthermore, they receive free training with allowances and join export-oriented RMG factories after successful completion. Thus, the training center significantly contributes to enhance women's ability to contribute financially, participate in decision making, access resources, and cope with risks in society as a whole. The number of women trained in 2024 amounted to 178 (165) whereof 174 women in connection to finished training, signed an employment contract with suppliers approved by Kappahl Group.





# Transparency & Engagement Roadmap Progress

## Transparency in the Supply Chain

Kappahl Group views traceability as a core part in our work to create a responsible world of fashion. Since the fall/winter season of 2023, we achieved the goal that all our denim trousers are traceable from garment to fiber and the information is publicly accessible on the product's page on the Kappahl and Newbie online sales platforms. Our customers can see the name and address of the factory in each tier, as well as number of workers and parent company. This is a major achievement in our ambition to be a pioneer when it comes to sustainability and transparency in fashion.

In 2024, 99 of 103, or 96% of our tier 1 suppliers started mapping their supply chain in the TrusTrace traceability tool. Our one traceability goal is for 100% of our suppliers to have full traceability tier 1-4 by year 2025. The result for 2024 was 61 (5) %. During 2024 Tier 1 suppliers for denim, Minories and Newbie began providing traceability data for each purchase order. Our other traceability goal is for 100% of our assortment to have main fabric traced to tier 4 by 2026. The result for 2024 was 19 (8) %. In 2025 we plan to have all tier 1 suppliers mapping their supply chain and provide traceability data for each purchase order from fall/winter collection 2025.

## Transparency towards customers

In our Human Rights Policy we commit to respect the rights of the people who wear and use our products. We set strict requirements, which adhere to the precautionary principle on product safety and chemicals, and work in a rigorous process with our suppliers with testing and when required corrective actions. In our marketing and communication, we work for increased transparency and use our platform to promote human rights issues such as equality, diversity and inclusivity.

With our marketing, we aim to give our customers inspiration and guidance towards more sustainable choices. It is not enough to produce garments with better sustainability performance, the customers need to be able to distinguish and select them. In 2024, Kappahl Group could make substantiated claims of environmental and/ or social benefits with a raw material and/ or a production process for over 95 percent of our around 4,000 products. The claim is made for each specific product and is stated both on an on-product mark on the physical product and on the product's website at Kappahl's & Newbie's online sales platforms.

All products with an on-product mark have 50 percent or more of the material made in the specified raw material or production process. Only one claim is visible on each on-product mark. This means that for a product consisting of a 90 percent organic cotton – 10 percent recycled polyester blend, the on-product mark and the information on the website will only make a claim of the certified cotton. We sincerely aim to give clear guidance for customers who want to make a more sustainable choice. Notably, our customers ask for this type of guidance in our annual sustainability survey. We have not identified any noncompliance with regulations and/or voluntary codes concerning marketing communications.



## Digital Product Passport Pilot

The introduction of digital product passports (DPP) is part of the EU's Green Deal and is included in the Ecodesign Directive for sustainable products. The regulation will require that almost all products placed on the European market have a DPP that will provide reliable sustainability data, all to increase traceability and facilitate a circular economy. Textiles, electronics and batteries are the first product areas to be introduced.

From January 2024, our customers who bought the "Göran" children's trousers or "Olle" children's sweater from the spring collection of Minorities online were able to access sustainability data on materials, suppliers, eco-labelling and how the garments can be circulated. This was achieved as a result of the Trace4Value project, providing Kappahl Group and the other project partners with valuable input on how the DPP works for customers, as well as being part of identifying the necessary data and preparing the business and the value chain for DPP and future legislation.





## Anti-Corruption

Bribery and corruption are not considered a salient risk in Kappahl Group's operations and value chain, as our risk management is viewed as adequate today. We have zero tolerance to any type of corruption and have a high level of internal control in all our operations. It is highly unusual for us to identify cases of corruption among employees or suppliers. Kappahl Group has Ethical Guidelines that are communicated to all governance body members, employees and business partners. The Guidelines address key issues, including bribery, corruption, gifts, conflicts of interest, harassment and victimization. They also provide guidance on how and where to report irregularities. Our employees are regularly informed of our Ethical Guidelines and our leaders work continually to create an open business climate and uphold good business ethics. To ensure accountability, employees can anonymously report on grievances or misgivings about circumstances that violate our values and ethical principles through our whistleblowing service that is handled by an external party. During 2024, this tool was rolled out also to people outside of Kappahl Group.

We continuously assess all our operations for risks related to corruption. During 2024, there have been no incidences where violations of our Ethical Guidelines led to the dismissal of an employee. We had no incidents where contracts with business partners were terminated or not renewed due to violations related to corruption. No public legal cases regarding corruption have been brought against us. Kappahl Group has started implementing the TruTrace traceability software to gain

visibility in the lower tiers of the supply chain. In 2023, we introduced a new anti-corruption training for employees. We will update the course annually, track completion rates, and continuously enhance interactivity to align with our new learning platform, EdApp.

## Engagement for Circularity

Kappahl Group believes in designing for long and circular product lives. Kappahl Group is committed to design products for longevity and circularity. We are constantly looking for new assortment solutions and services to help us develop our circular offer. One circularity goal is that 50% of our assortment shall be enabled for a circular economy by 2026, which we define as fulfilling the EU Taxonomy criteria for substantial contribution to transition to a circular economy for wearing apparel. As these criteria are still preliminary we have the definition of what 'enabled for circular economy' means is based on the KPI in our current Sustainability Product Scorecard (SPS) for Design that lasts covering physical as well as non-physical durability, design for increased use and reparability. 35 (19) % of our assortment fulfilled the criteria in 2024.

## Higg Index

Kappahl Group has been a member of Cascale (former Sustainable Apparel Coalition) since 2018. Cascale has developed the Higg Index, a series of tools that measure and evaluate the sustainability performance of factories, brands and products.

## Higg Brand & Retail Module

The Higg Brand and Retail Module (Higg BRM) identifies hotspots and opportunities for improvement along a fashion brand's global value chain. During 2022, Higg BRM was subject to a major update to align with the growing flora of sustainability frameworks and regulations. Due to the major changes, the historic results are not comparable with the current. The module for 2023 was verified during 2024, giving Kappahl Group an overall verified score of 39.3%. The section scores were Environmental: 39.6%, Social 35.8% and Governance 46.4%.

The module for 2024 will be verified during 2025 and Kappahl Group will report the results in the 2026 sustainability report.

## Higg Index Facility Tool

The Higg Index Facility Environmental Module (FEM) tool measures the environmental performance of factories and is now used at factories corresponding to 93 (82) percent of Kappahl Group's order value, whereof 83 % were verified modules. The Higg Index Facility Social and Labor Module (FSLM) tool measures the social and human rights performance of factories and is now used at factories corresponding to 64 (45) , whereof 56 % were verified modules, percent of Kappahl Group's order value.

## Higg Product Tool

Kappahl Group uses the Higg MSI and the Higg Product Module internally to develop our product level measurability and as a guidance in our product development to create awareness about all the steps that affects a products climate footprint, from fiber selection to use of processes with less environmental impact.



**Engagement for Circularity(cont.)**

Another circularity goal is that we shall reach 100 MSEK in yearly net sales from circular business offers by 2030. The demand for second hand apparel has grown the past years and is expected to grow much faster than sales of new apparel in the coming years and we want to meet our customers' expectations and demand for resale.

During 2024, Kappahl Group expanded resale of both Newbie and Kappahl kids garments to stores in Finland and the UK in addition to Sweden and Norway. The net sales from circular business offers increased between 2023 and 2024 with 260% from 0.2 MSEK to 0.72 MSEK. We are still on pilot study level but are learning how to develop a scalable circular offer that is both profitable and increases the life length of our products.

During 2025, Kappahl Group will continue to expand the circular business offers through a newly established partnership with the innovative consumer-to-consumer (C2C) platform reCRL. Customers in Sweden can now easily resell their previously purchased Kappahl or Newbie garments, giving them a new life in someone else's wardrobe. The service applies to the entire range and all brands within the Kappahl Group.

Kappahl Group participated in four research projects aimed at improving circularity in 2024. We continue as partner in the project Systemdemonstratorer lead by Science Park Borås, aiming at creating a system level development towards a circular economy in the textile sector. We also continue as partner in the Rewin project, aiming

at creating an industrial scale polyester recycling plant in Sweden. We started a new engagement in the TextRepair project where an automated repair module for garments is developed. The fourth and last project was lead by Kappahl Group: Sustainable steel production by efficient use of discarded textiles. The project results indicated that bio-based coal produced from the pyrolysis of textile waste can meet the technical and sustainability requirements for use in steel production, thereby replacing fossil coal and a plan for continuation is on-going.

**Personal Safety of Consumers and/or End-Users**

When it comes to quality and child safety, Kappahl Group sets high demands via the Kappahl Group Product Quality Standard. We carry out regular quality and safety tests throughout the production process. A product safety assessment is made for all kids garments (up to size 170 cm). 40,857 (37,580) products were tested for safety requirements during 2024. We had 2 (2) cases of product recalls during 2024, both which concerned child safety. For the products that are deemed to be potentially harmful to humans or the environment, we have no other option than incineration with energy recovery. During 2024, we sent 4,302 (1,678) products for incineration and 2,592 products back to the supplier for health, safety or environmental reasons. Products that have non-hazardous faults, such as incorrect sewing, are sent to our partner Fretex International/ Mytorna for reuse at other markets. 8,887 (7,530) products were sent for reuse via Mytorna in 2024.





choices. Our goal is that by transparent and courageous reporting, where we also show the challenges that stand before us, we will improve so that by 2030, 70 percent of our customers will answer 5 or 6 on these questions.

From 2024, we include also potential customers in the Sustainability Strategy KPI for trust in our sustainability work. We measure this via our Brand Tracker tool, where people are interviewed regardless of whether they are Kappahl/Newbie customers or not. This year we report both on the customer survey question and the Brand Tracker sustainability indicator 'Conscious choices made easy' to keep the continuity. To understand how much the customers know about the sustainability work at Kappahl Group, we have started asking the customers if they recognize these highlights from our sustainability work:

1. "all our denim is traceable"
2. "we offer a second hand/preloved assortment"
3. "care for your clothes"
4. "certified/licensed materials"

The sustainability highlights are long-lived although defined for each year. The outcome will be presented in the sustainability report for 2025.

inspired to make sustainable choices and agree that we show diversity in terms of variation in ethnicity, body shape and age in our marketing. In the annual customer survey, the scale is set to 1-6 (1 = strongly disagree, 6 = strongly agree). If the score is 5 or 6 we have assumed that the respondent agrees with the statement.

At the measurement point in February 2025, 55 (49) percent of Kappahl Group's customers agree that the brand shows variation in ethnicity, body shape and age in the marketing. 40 (31) percent of our customers answered that they have great confidence in our sustainability work and 27 (24) percent feel that the brand inspires them to make more sustainable

accordance with the Swedish Ethical Fashion Charter's guidelines for the fashion industry's ideal body image and diversity. The Kappahl brand's higher purpose is to celebrate diversity in everyday life. Our assortment and customer offer have since the start in 1953 been based on inclusive and sound ideals, offering fashion to a wider range of customers both in terms of wallet and sizes. The XLNT assortment with beautiful, well-fitting fashion in no less than 19 sizes has been a part of Kappahl since 1997 and feels today more relevant than ever.

We continuously check to what extent the Kappahl and Newbie customers have confidence in our sustainability work, feel

**Engagement & inclusion of Customers**  
Together with our customers we donated SEK 8.3 (8.8) million during the financial year to local sustainability projects to support the civil society. The main part, 5.85 million SEK, went to local children's rights organizations in Sweden, Norway, Finland and Poland, and we also supported Medicins Sans Frontiers on a global level. The profits from bags purchased by customers in stores are donated to organizations promoting sustainable development. In 2024, a total donation of over 1.67 million SEK came from bag sales.

Read more about all the organizations we support at our website: [kappahl.com/partnerships](https://kappahl.com/partnerships) Kappahl Group works in

	2024	2023	2022
<b>KPIs for consumer engagement</b>			
Annually collected tonnes of textiles	90	101	155
Reduction of bag use compared to 2016/2017, %	83	81 <sup>1</sup>	81 <sup>1</sup>
Share of customers that feel that Kappahl/Newbie help them to make sustainable choices %	27	24	18 <sup>2</sup>
	Kappahl	-	-
	Newbie	-	-
Share of customers that agree Kappahl/Newbie shows diversity in marketing %	55	49	46 <sup>2</sup>
	Kappahl	-	-
	Newbie	-	-
Share of customers that have great trust in Kappahl/Newbie's sustainability work %	40	31	26 <sup>2</sup>
	Kappahl	-	-
	Newbie	-	-
Brand Tracker's Sustainability Indicator [%]	5.7	5.5	6.1

1. The 2023 and 2022 values are corrected from 76 respective 73 due to a reporting error.  
2. In 2023 a method change was made to better understand the respondent's standpoint. Thus, the results increase 2023 vs. 2022 was partly due to the method change. The increase 2024 vs. 2023 is not impacted by method.



# Employment at Kappahl Group

During 2024, 3,920 people were employed by Kappahl Group, working in five sales markets and in three production countries. In November 2024 the highest and lowest number of employees in a given month, were 4,318 and 3,774, respectively, with the measure point recorded average number of 3,920 people. In addition, 48 (70) people not employed by Kappahl Group contributed as consultants to our activities with IT and logistics services. The tables with in-depth information below show ongoing employment at Kappahl Group at the measure point. Data refers to headcounts and is not restated to the number of full-time equivalents.

Employee data has been collected through the payroll- and time reporting systems. There are some seasonal variations during the year regarding needs for employees/consultants and hours in stores, for example during the Christmas season and the summer holiday period. We recognize the need for our employees to plan their work and we offer the vast majority employment contracts with guaranteed hours. The annual total compensation ratio was 13.4 (13.8) percent. The percentage increase of the salary is equivalent to the median percentage increase; ratio being 1-1 (1-1). We have chosen to compare compensation on the Swedish market, deeming this ratio to be most relevant for this report.

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## In-Depth Information: Employees

Total number of employees by employment contract (permanent and temporary), region & gender	2024		2023		2022	
	Women	Men	Women	Men	Women	Men
Number of employees, Sweden permanent	1,443	136	1,403	137	1,398	136
Sweden, temporary	503	68	554	68	686	74
Number of employees, Norway, permanent	628	4	591	6	540	6
Norway, temporary	450	6	465	10	477	6
Number of employees, Finland, permanent	243	3	247	3	234	4
Finland, temporary	65	0	73	0	94	0
Number of employees, Poland, permanent	155	6	157	6	119	2
Poland, temporary	44	0	54	4	81	4
Number of employees, United Kingdom, permanent	55	1	34	0	30	0
United Kingdom, temporary	0	0	0	0	0	0
Number of employees, production offices, permanent	53	57	69	58	64	59
Production offices, temporary	0	0	1	0	0	0
Number of employees on permanent contracts, Group	2,578	206	2,501	210	2,385	207
Number of employees on temporary contracts, Group	1,062	74	1,229	82	1,338	84
<b>Total for Group</b>	<b>3,639</b>	<b>281</b>	<b>3,730</b>	<b>292</b>	<b>3,723</b>	<b>291</b>





### In-Depth Information: Employees

Employees by employment type (full-time and part-time) and region	2024		2023		2022	
	Women	Men	Women	Men	Women	Men
Employees on full-time contracts, Sweden	550	125	525	120	537	119
Employees on part-time contracts, Sweden	1,396	79	1432	85	1,547	91
Employees on full-time contracts, Norway	172	4	161	4	160	4
Employees on part-time contracts, Norway	906	6	905	2	858	7
Employees on full-time contracts, Finland	55	2	80	3	89	4
Employees on part-time contracts, Finland	253	1	240	0	239	0
Employees on full-time contracts, Poland	179	6	196	10	159	4
Employees on part-time contracts, Poland	20	0	15	0	41	2
Employees on full-time contracts, United Kingdom	10	1	10	0	8	0
Employees on part-time contracts, United Kingdom	45	0	24	0	22	0
Employees on full-time contracts, production offices	53	57	69	57	63	59
Employees on part-time contracts, production offices	0	0	1	1	1	0
Number of employees on full-time contracts, Group	1,019	195	1,041	194	1,016	190
Number of employees on part-time contracts, Group	2,620	86	2,617	88	2,708	100
<b>Total for Group</b>	<b>3,639</b>	<b>281</b>	<b>3,658</b>	<b>282</b>	<b>3,723</b>	<b>291</b>





New employee hires 2024 (head count)	< 30 years old		30-50 years old		Over 50 years old	
	Women	Men	Women	Men	Women	Men
New employee hires, Sweden	735	80	175	22	106	9
New employee hires, Norway	247	3	55	1	13	0
New employee hires, Finland	26	0	14	0	1	0
New employee hires, Poland	32	1	15	0	1	0
New employee hires, United Kingdom	32	0	18	1	1	0
New employee hires, production offices	3	1	5	2	0	0
<b>Total for Group</b>	<b>1,075</b>	<b>85</b>	<b>282</b>	<b>26</b>	<b>122</b>	<b>9</b>

Employee turnover, permanent and temporary* (head count)	2024	2023	2022
Employee turnover, Sweden, %	46	53	55
Employee turnover, Norway, %	31	28	49
Employee turnover, Finland, %	11	26	28
Employee turnover, Poland, %	31	41	45
Employee turnover, United Kingdom, %	52	15	27
Employee turnover, production offices, %	5.3	5	9
<b>Total for Group</b>	<b>38</b>	<b>41</b>	<b>49</b>

\* The employee turnover figures include all types of employees at Kappahl Group as is recommended by GRI. Temporary employment is common in the retail industry and we include all those that have been on-boarded to an employment at Kappahl during 2024, regardless of period.





## In-Depth Information: Inclusion & Gender Equality

Kappahl Group's higher purpose is to create a responsible world of fashion. Our People Strategy states that we promise you the right to always be yourself – Kappahl Group a Place to Belong. We had 4 (0) formally reported incidents of discrimination during 2024, reported via the Whistleblower system, the IA system and via the manager. Action was taken immediately and all four cases were closed during 2024. In the anonymous Employee Input Survey, 3 (1) % of our employees stated that discrimination occurs at Kappahl Group.

For 2024 we did not have the possibility to carry out the yearly Kappahl Annual Survey (KAS) due to change of supplier. In KAS we ask questions, for example about employee satisfaction and motivation, but also about discrimination. In previous years, our annual survey has also included questions on inclusion and diversity based on self-identification. This allowed us to track whether respondents from underrepresented groups score in line with the total results for Kappahl Group, ensuring we uphold our employee promise: the right to always be yourself. To compensate for this, we carried out an anonymous Employee Input Survey, which had a completion rate of 28% or 1,089 responses. 3.0 (2.5) % of the respondents answered that they had been exposed to any discrimination in the past 12 months, or 32 people. We will go back to using an external survey tool in 2025 and expect the completion rate to return to the level of previous years.

Gender breakdown of the Board and employees %	2024	2023	2022
Board, % Women	67	62	50
Board, % Men	33	38	50
Employees, % Women	93	93	93
Employees, % Men	7	7	7

Age breakdown of the Board and employees %	2024	2023	2022
Board, % under 30 years	-	-	-
Board, % 30–50 years	11	25	25
Board, % over 50 years	89	75	75
Employees, % under 30 years	39	41	39
Employees, % 30–50 years	37	37	39
Employees, % over 50 years	24	22	22

Female managers %	2024	2023	2022
Management team	62	62	75
Total, Sweden	93	93	93
Head office, Sweden	87	91	92
Stores, Sweden	96	95	94
Distribution centre, Sweden	75	75	75
Total, Norway	98	98	98
Total, Finland	96	94	93
Total, Poland	91	91	91
Total, United Kingdom	92	100	100
Total, production offices	78	71	60



# Key Impacts, Risks & Opportunities

## Management Approach

Kappahl Group's management approach to its material impacts, risks & opportunities is informed by the GRI standards, the Norwegian Transparency Act, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles as well as the EU Corporate Sustainability Due Diligence Directive (CSDDD). Although these documents differ in phrasing and scope, the content can be summarized as:

1. Embed responsible business conduct into the enterprise's policies
2. Identify and assess actual and potential adverse impacts
3. Implement suitable measures to cease, prevent or mitigate adverse impacts
4. Track the implementation and results of measures
5. Communicate publicly
6. Provide for or co-operate in remediation and compensation where this is required

The table below provides a guide to the disclosures required under the Norwegian Transparency Act. At Kappahl Group, our President and CEO has the ultimate responsibility for Kappahl Group's sustainability performance.

The Vice President Sustainability is responsible for leading, developing and reporting the sustainability work, including stakeholder dialogue and risk assessment and for developing strategies, policies, and goals. Kappahl Group carries out due diligence in accordance with the OECD Guidelines for Multinational Enterprises.

The risk assessment is carried out on a yearly basis by an internal expert team, and takes into account risks from a sector, product, business model, country, and sourcing model perspective. We have integrated sustainability in our business strategy and work with transparent and responsible suppliers. We ensure respect for the human rights of the people whose work contributes to our business; respect for the environment; and good governance in all our business relationships and throughout our value chain via our Sustainability Commitment (previously code of conduct). A transparent supply chain is the common denominator for managing our impacts and risks related to sustainability.

Disclosures for the Norwegian Transparency Act	Page
Our company structure, products and area of operations	2-3, 56
Guidelines and procedure for the due diligence process	42-43
Embedding responsible business conduct into policies and commitments	43
Grievance mechanism and whistle-blower services	27, 30
Stakeholder dialogue	46-47
Industry collaboration	30,34
Actual adverse impacts identified through our due diligence	26, 28, 41
Significant risks of adverse impacts identified through our due diligence	26-30, 44
Implemented and planned measures to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results thereof.	26-30, 41
Processes to remediate negative impacts	28-29



## Due Diligence

The Kappahl Group is committed to respect human rights and the environment in our whole value chain through proactive due diligence aligned with the UN Guiding Principles on Business and Human Rights. We work in accordance with the Norwegian Transparency Act and the OECD Guidelines for Multinational Enterprises. We welcome legislation in the area such as the EU Corporate Sustainability Due Diligence Directive (CSDDD) which we envisage can provide a level playing field for companies placing products on the European market.

Due diligence is a process under constant development in Kappahl Group. To be able to identify, prevent, mitigate, remediate and account for adverse impacts in our value chain we need to take actions at several levels. Currently we work closely with our tier 1 suppliers that share our values and can support our aim to create a responsible world of fashion. When entering a partnership with a tier 1 supplier our Sustainability Commitment is signed and we have own staff annually visiting and reviewing these suppliers. If adverse impact regarding human rights or the environment is discovered, measures will be taken and openly reported in the next sustainability report.

Kappahl Group views traceability as a core part in our sustainability work. In 2024, practically all our tier 1 suppliers, have mapped their supply chains from garment to fiber in the TrusTrace traceability tool. In 2025, all purchase orders will have the main material traced down to fiber level.

In 2019, we joined the Transparency Pledge, which presents three benefits with a transparent supply chain. First of all, a transparent supply chain enables workers' rights in the different tiers as it make brands accountable for their supply chain. Secondly, transparency and traceability are crucial for decision-making at Kappahl Group. When we have visibility in our supply chain we create opportunities to take sustainable decisions and navigate within an industry with huge challenges. Thirdly, by implementing traceability and communicating our due diligence process we create opportunities for our consumers to take sustainability-driven decisions. We want our customers to feel confident that the Kappahl and Newbie brands do what we promise regarding sustainability and due diligence in our value chain, both regarding human rights and the environment.

We are today working with both human rights and environmental due diligence but we have a lot left to do. We are constantly developing our policies and risk management systems regarding due diligence to respect human rights and the environment, to meet and exceed the expectations placed on us. Increased value chain traceability will make it possible to prevent, mitigate and take actions regarding adverse impacts in our entire value chain, and enable us to track and fulfill our sustainability goals as well as legislation.

## Embedding Responsible Business Conduct Into Policies & Commitments

Kappahl Group's purpose is to create a responsible world of fashion and our business idea is to develop sustainable, profitable and strong brands in an efficient way. Our sustainability strategy is integrated in our strategic plan for 2024-2030. Our strategic plan aims to create a sustainable and profitable Kappahl Group, growing with strong brands and is based on four objectives:

- An efficient and scalable core;
- Kappahl - the preferred fashion brand;
- Newbie - a global brand; and
- A family of brands

For each of the four objectives, strategic initiatives implement business- as well as sustainability-focused targets.

At Kappahl, our President and CEO has the ultimate responsibility for Kappahl's sustainability performance. The Vice President Sustainability is responsible for leading, developing and reporting the sustainability work, including stakeholder dialogues, risk assessments and for developing strategies, policies, and goals (more info on page 13).

Our Human Rights Policy is approved by the Kappahl Board of Directors and stipulates the use of due diligence, the precautionary principle and respect for human rights for employees, customers and people in our value chain. The Human Right Policy covers modern slavery as defined in the UK Modern Slavery Act 2015. On our Newbie site for the UK, we have

published our Modern Slavery Statement. We implement our human rights commitment through our Ethical Guidelines for our employees and through our Sustainability Commitment and we engage with our business partners to address, prevent and remediate adverse impacts. Kappahl's policy follows the International Bill on Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) as well as the International Labor Organization's declaration on fundamental principles and rights at work. Our policy is also informed by the Ethical Trading Initiative's base code, which applies to Kappahl as a member of the organization.

Kappahl has several additional policies and commitments in the area of sustainability: Inclusion & Diversity; Working Environment; Equity; Whistleblowing; Climate; Environment; Chemical Management and Animal Welfare. All policies and commitments are embedded in our strategies, steering documents and routines. We prioritize and address salient risks first. Kappahl's Sustainability Commitment is a contractual assurance with all business partners to implement our policies for animal welfare and business ethics as well as human rights and environmental due diligence throughout our value chain. Read our Sustainability Commitment and our Human Rights Policy in full at [kappahl.com/social](https://kappahl.com/social).



## Double Materiality Assessment

Kappahl Group's ambition has since our first sustainability report in 2008 been to provide a full and honest picture of our material sustainability-related impacts, risks and opportunities. Our double materiality assessment (DMA) is informed by the Corporate Sustainability Reporting Directive (CSRD) and the Task Force on Climate-related Financial Disclosures (TCFD) with a focus on negative impacts and risks but also describing positive impacts and opportunities. The DMA is updated on a yearly basis by representatives from sustainability expert functions as well as the executive management team at Kappahl Group.

The identification and assessment of impacts, risks and opportunities was made through summarizing findings from our stakeholder dialogue (see page 46) together with factual input from a number of guiding documents and tools from GRI, Cascale, OECD, UN, WEF, WWF and Canopy. Each European Sustainability Reporting Standards (ESRS) subtopic was graded on a scale from 1-5 based on impact as well as financial risks and for three different time horizons: <1 year, 1-5 years, >5 years\*.

Prioritization is based on the severity of harm at first hand. The threshold for ESRS subtopics to be considered material was set to 5.5, these 19 subtopics are listed on pages 47. Compared to 2023, two subtopics were removed from the list of material subtopics: Social inclusion of consumers and/or end-users, and Information-related impacts for consumers and/or end-users.

\* Please note that the grading has not been subject to audit.

## Our Value Chain

The DMA scope covers our entire value chain from raw material extraction to end-of-life. Our largest impacts and risks are found in the logistics operations and tiers 2-4 of our supply chain where our visibility is low and mitigation actions limited. Pages 19-41 describe the actual and potential, negative and positive impacts of each material topic mitigation and remediation actions.

Kappahl Group's value chain is divided in nine different parts in the figure below:

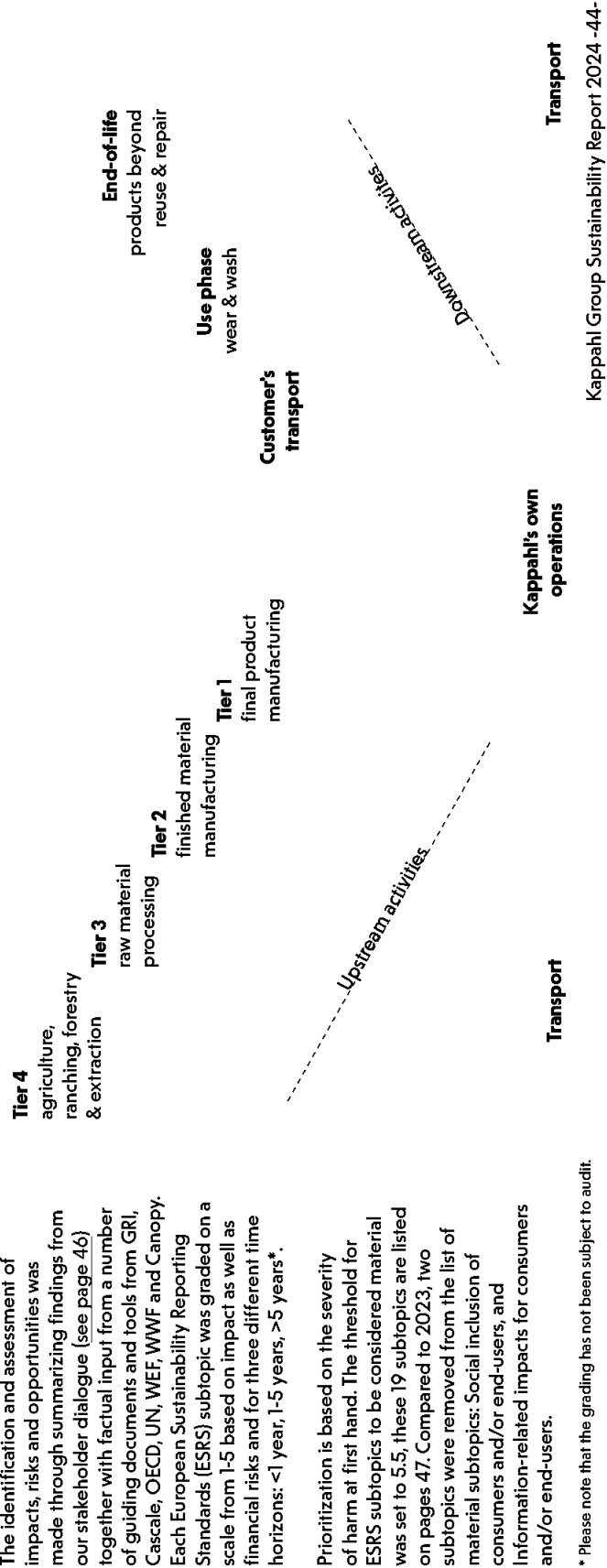
### Upstream activities

- Tier 1 - final product manufacturing, (confectioning & assembly);
- Tier 2 - finished material manufacturing (fabric mills, dye houses etc.);
- Tier 3 - raw material processing (yarn manufacturing etc.);
- Tier 4 - agriculture, ranching, forestry and extraction;

### Downstream activities

Kappahl's own operations; Customers' transport; Use phase; End-of-life.

Inbound and outbound transports throughout the entire supply chain





## Our Stakeholders

As part of our due diligence process, Kappahl Group has an ongoing dialogue with the stakeholders that to a large extent have impact on or are impacted by our business. The list of key stakeholders is reviewed on an annual basis to reflect the current reality. Today, the key stakeholders to whom we consider ourselves accountable to are: customers; employees; suppliers; our owners Mellby Gård AB and the Kappahl AB Board. We also continue the valuable dialogue with other stakeholders such as students, trade unions and other nongovernmental organizations (NGOs), other fashion brands, policymakers, media and researchers.

The stakeholder dialogue has the form of anything from daily contact to annual surveys to provide an insight into our stakeholders' prioritization of sustainability issues, their confidence in our sustainability work and what they see as our opportunities and challenges for our future work.

NGOs



Trade Unions



Students



Fashion brands



Media

Research

Policymakers



Key Stakeholder	Dialogue & Frequency	Important Questions for the Stakeholder Groups (top four issues marked in bold)
<p><b>Customer</b></p>	<p>Customer club survey in Sweden, Norway, Finland and Poland, once per year.</p> <p>Continuous dialogue with customers through customer services, stores, social media.</p> <p>Consumer survey Sustainable Brand Index in Sweden, Norway and Finland once a year.</p> <p>Kappahl's Brand Tracker</p>	<p><b>Good working conditions in the company</b>  <b>Reduced use of chemicals</b>            Responsibility in supply chain and improved conditions for the workers  <b>Supply safe, good quality products</b>            Collect used clothes for reuse and recycling            Good working conditions at suppliers            Fair wages throughout the entire value chain  <b>Reduce microplastics emissions</b>            Promote diversity and gender equality            More sustainable materials</p>
<p><b>Employees</b></p>	<p>Kappahl attitude survey, once a year.</p> <p>Close dialogue with local unions.</p> <p>Company Information four times a year with possibility to ask questions.</p>	<p><b>Good working conditions in the company</b>  <b>Supply safe, good quality products</b>            Responsible action by management and board            Promote diversity and gender equality in the company and actively combat discrimination            Good working conditions at suppliers  <b>Reduce our use of resources in production</b>  <b>Reduce our climate impact</b>            Reduce the amount of waste and increase the percentage of reuse and recycling            Use materials sustainably            Contribute to increased reuse and recycling of clothes</p>
<p><b>Suppliers</b></p>	<p>Seasonal Supplier Evaluation and continuous dialogue in the daily work.</p> <p>Annual Sustainability Dialogue since 2021.</p> <p>Interviews with workers during factory visits.</p>	<p>Fair partnership            Good working conditions in the company            Human rights in the supply chain  <b>Fair wages</b>  <b>Transparency</b>  <b>Anti-corruption</b>            Support local communities            Animal welfare  <b>Product quality and safety</b></p>
<p><b>Owners            Mellby gård AB &amp;            Kappahl's board            of Directors</b></p>	<p>Continuous dialogue in the daily work via the Kappahl executive management team.</p> <p>Direct dialogue at Board meetings between the VP Sustainability and Kappahl's Board of Directors.</p> <p>Yearly overview of the sustainability strategy, policy documents and progress.</p>	<p>The Kappahl Board of Directors trusts Kappahl to have the competence to decide the important economic, environmental and social sustainability issues.</p>



Material topics	Geographical risks	Impact, risks, opportunities	GRI Disclosures 2024
Climate change mitigation	Global	See pages 17-20	305-1, 305-2, 305-3, 305-5
Energy	Global	See page 22	302-3
Pollution of air	Production countries*	See page 23	413-2
Pollution of water	Production countries*	See page 23	413-2
Pollution of soil	Production countries*	See page 23	413-2
Substances of concern	Production countries*	See page 23	Own disclosure: Share of approved No Risk-tests
Microplastics	Production countries*, Sales countries	See page 23	413-2
Water	Production countries*	See page 24	"Own disclosures: Water withdrawal by source. Water sources significantly affected by with- drawal of water "
Direct impact drivers of biodiversity loss	Production countries*	See page 25	413-2
Resources inflows, including resource use	Production countries*	See page 26	301-1
Resources outflows related to products and services	Sales countries	See page 26	"Own disclosures: Number of sold products. Yearly revenue from circular business models "
Waste	Production countries*, Sales countries	See page 26	306-1, 306-2, 306-3
Working conditions	Production countries*, Sales countries	See page 27	401-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 404-1, 405-1, 406-1
Working conditions	Production countries*	See page 28	403-7, 407-1
Equal treatment & opportunities for all	Production countries*	See page 27-28	414-1, 414-2
Other work-related rights	Production countries*	See page 30	408-1, 409-1
Personal safety of consumers and/or end-users	Sales countries	See page 35	416-1, 416-2
Animal welfare	Production countries*	See page 26	2-23 Policy commitments.
Corruption & bribery	Production countries*, Sales countries	See page 32	205-2, 205-3

\*Production countries indicate: India, China, Bangladesh, Pakistan, Turkey, Sri Lanka and Cambodia

Kappahl Group Sustainability Report 2024 -47-

# Future Outlook

## Expanding Second-Hand Opportunities Online

At the beginning of 2025, we took a new step in our journey towards offering our customers circular options. At Kappahl Group, we continue to broaden our circular journey by empowering customers to extend the lifecycle of their garments. Through our collaboration with the innovative reCRL platform, our customers in Sweden can now seamlessly resell their secondhand Kappahl and Newbie items online. This initiative aligns with our sustainability strategy by reducing textile waste and promoting the reuse of garments.

The integration of reCRL allows customers, in an easy way, to create secondhand listings using Kappahl Groups's product images, descriptions, and suggested pricing. Club members benefit further by accessing their purchase history, making it easy to resell previously purchased items. This service encompasses our entire product range, including women's, men's, and children's clothing from all Kappahl Group brands.

"Expanding our secondhand offering is an important step in supporting circular consumption," says Viktoria Arndt, Sales & Business Development Manager at Kappahl Sales. "We aim to inspire and assist our customers in giving their garments a longer life, which we know is

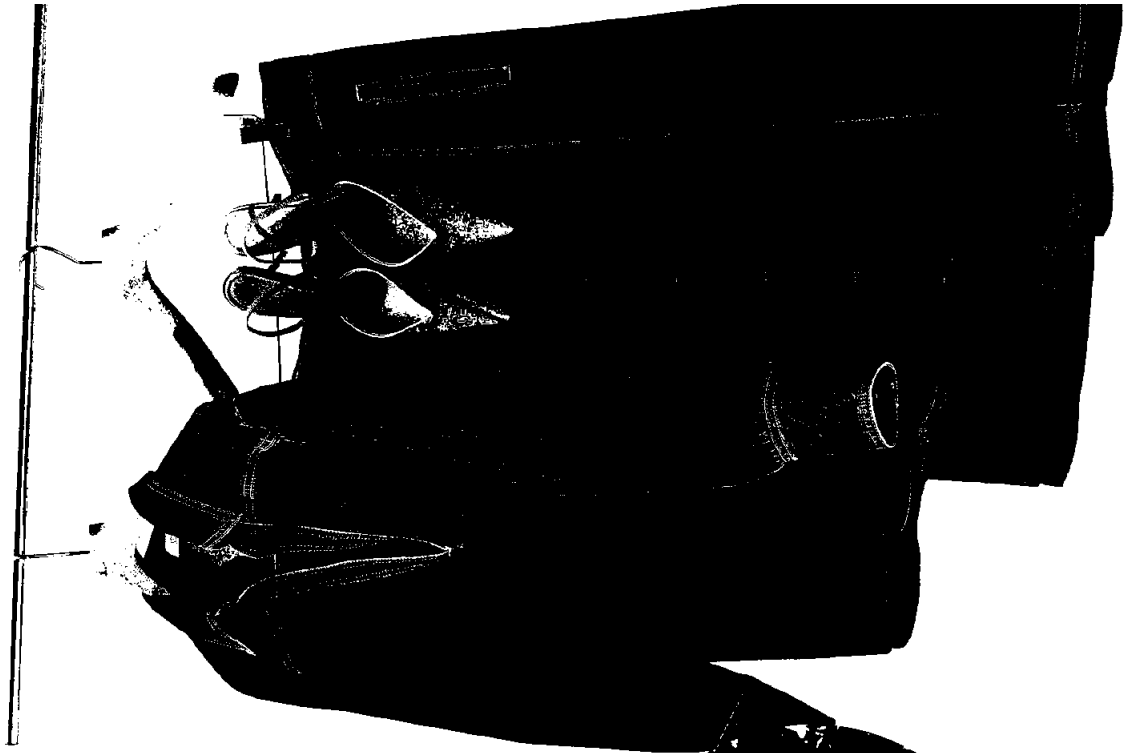
one of the most effective ways to reduce textile-related environmental impact."

Customer feedback and market insights play a central role in our circular transformation. Market insight, for example the Swedish Trade Federation's 2024 Pre-Loved Indicator report, shows that around 70% of Swedish secondhand shoppers prefer buying online. This makes offering digital resale opportunities a natural extension of our customer-centric approach.

By staying attuned to customer preferences, engaging with market developments, and actively participating in circularity-focused projects, Kappahl is committed to driving sustainable change. Our goal is to co-create a more sustainable fashion industry – together with customers, employees, and other industry stakeholders. Through continuous innovation and engagement, we aim to remain a step ahead in the shift toward circular fashion.



**Viktoria Arndt**  
Sales & Business Development Manager  
at Kappahl Sales





# GRI Index

The Sustainability Report has been prepared in accordance with the GRI Standards at core level. The sustainability report covers the same companies as the Kappahl Group's financial statements. Our GRI index presented below provides an overview of our general disclosures under the GRI Guidelines and disclosures for the topics that we have decided to disclose on the basis of our materiality analysis found on page 41.

The page references below specify where information about the respective disclosure can be read. Further information on the GRI and a full description of guidelines and disclosures can be found at [Globalreporting.org](https://Globalreporting.org).

**Statement of use** Kappahl AB has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023.

**GRI 1 used** GRI 1: Foundation 2021

**Applicable GRI Sector Standard(s)** Not currently available

GRI standard/other source	Disclosure	Page reference	Notes	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>General Disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	1-2, 56				
	2-2 Entities included in the organization's sustainability reporting	1, 56				
	2-3 Reporting period, frequency and contact point	1				
	2-4 Restatements of information	3, 19, 21, 36				
	2-5 External assurance	1, 55				
	2-6 Activities, value chain and other business relationships	2-4, 27, 44				
	2-7 Employees	2-3, 37-41			Information incomplete	We will develop system support to enable complete reporting
	2-8 Workers who are not employees	37				
	2-9 Governance structure and composition	12-13, 41				
	2-10 Nomination and selection of the highest governance body	12			Information unavailable	Not public
	2-11 Chair of the highest governance body	12-13				

A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.



GRI standard/other source	Disclosure	Page reference	Notes	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>General Disclosures</b>	2-12 Role of the highest governance body in overseeing the management of impacts	12-13, 45-46				
	2-13 Delegation of responsibility for managing impacts	12-13				
	2-14 Role of the highest governance body in sustainability reporting	12-13, 44, 55				
	2-15 Conflicts of interest	12	2-15 b	Unavailable info	Not public	
	2-16 Communication of critical concerns	13				
	2-17 Collective knowledge of the highest governance body	12-13				
	2-18 Evaluation of the performance of the highest governance body	12		Processes criteria not public	Unavailable info	Not public
	2-19 Remuneration policies	12				
	2-20 Process to determine remuneration	12				
	2-21 Annual total compensation ratio	37				
	2-22 Statement on sustainable development strategy	5-6, 15				
	2-23 Policy commitments	12-18, 27-30, 32, 42-43, 46				
	2-24 Embedding policy commitments	12-13, 26, 42-43				
	2-25 Processes to remediate negative impacts	14, 26-31, 42-46				
<b>GRI 2: General Disclosures 2021</b>	2-26 Mechanisms for seeking advice and raising concerns	27, 30				
	2-27 Compliance with laws and regulations	26, 34-35				
	2-28 Membership associations	18, 22-24 30, 34				
	2-29 Approach to stakeholder engagement	45-46				
	2-30 Collective bargaining agreements	26				



GRI standard/other source	Disclosure	Page reference	Notes	Omission	
				Requirement(s) omitted	Reason Explanation
<b>Material topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	44-46		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	3-2 List of material topics	47			
<b>Anti-corruption</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 42-44			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	27, 34		Total number of stakeholders that have received training	We will develop system support to enable complete reporting
	205-3 Confirmed incidents of corruption and actions taken	34			
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	24-25, 42-44			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	24			
Own disclosure	Number of sold products	24			
	Yearly revenue from circular business models	16			
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	21, 42-44			
GRI 302: Energy 2016	302-3 Energy intensity	21			
<b>Water and effluents</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 42-44			
Own disclosure	Water withdrawal by source	22			
	Water sources significantly affected by withdrawal of water	22			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	17-19, 42-44			



GRI standard/other source	Disclosure	Page reference	Notes	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	20, 57				
	305-2 Energy indirect (Scope 2) GHG emissions	20, 57				
	305-3 Other indirect (Scope 3) GHG emissions	19-20, 57				
	305-5 Reduction of GHG emissions	19				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	25, 35, 42-44				
GRI 306: Waste 2020	306-1, 306-2, 306-3 Waste generated	25				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 42-44				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	40		Breakdown of employee turnover per age group	Information incomplete	We will develop system support to enable complete reporting
<b>Occupational health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	26-27, 42-44				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	26				
	403-2 Hazard identification, risk assessment, and incident investigation	26				
	403-3 Occupational health services	26				
	403-4 Worker participation, consultation, and communication on occupational health and safety	26				
<b>Occupational health and safety</b>						
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	26				
	403-6 Promotion of worker health	26				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27				



GRI standard/other source	Disclosure	Page reference	Notes	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>Training and education</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 42-44				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	26		Breakdown per age group and gender	Information incomplete	We will develop system support to enable complete reporting
<b>Diversity and equal opportunity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	41, 42-44				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41				
<b>Non-discrimination</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	41, 42-44				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41				
<b>Freedom of association and collective bargaining</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	24, 26-27, 30, 42-44				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	27, 30, 44				
<b>Child labor</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 29-30, 42-44				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	27, 30				
<b>Forced or compulsory labor</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 30, 42-44				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	27-30				



GRI standard/other source	Disclosure	Page reference	Notes	Omission	
				Requirement(s) omitted	Reason Explanation
<b>Local communities</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 23, 27, 42-44			
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	5, 23, 27			
<b>Supplier social assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	27-32, 34 42-44			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	29			
	414-2 Negative social impacts in the supply chain and actions taken	28			
<b>Customer health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 32, 35-36 42-44			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	22, 35			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	22, 35			
Own disclosure	Share of approved No Risk-tests	22			
<b>Marketing and labeling</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 42-44			
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	32			
	Share of customers that agree Kappahl/Newbie shows diversity in marketing	36			



# Auditor's Statement

## **Auditor's statement on the statutory sustainability report**

To the general meeting of the shareholders in Kappahl AB, corporate identity number 556661-2312

## **Engagement & responsibility**

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2024 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## **Opinion**

A statutory sustainability report has been prepared.

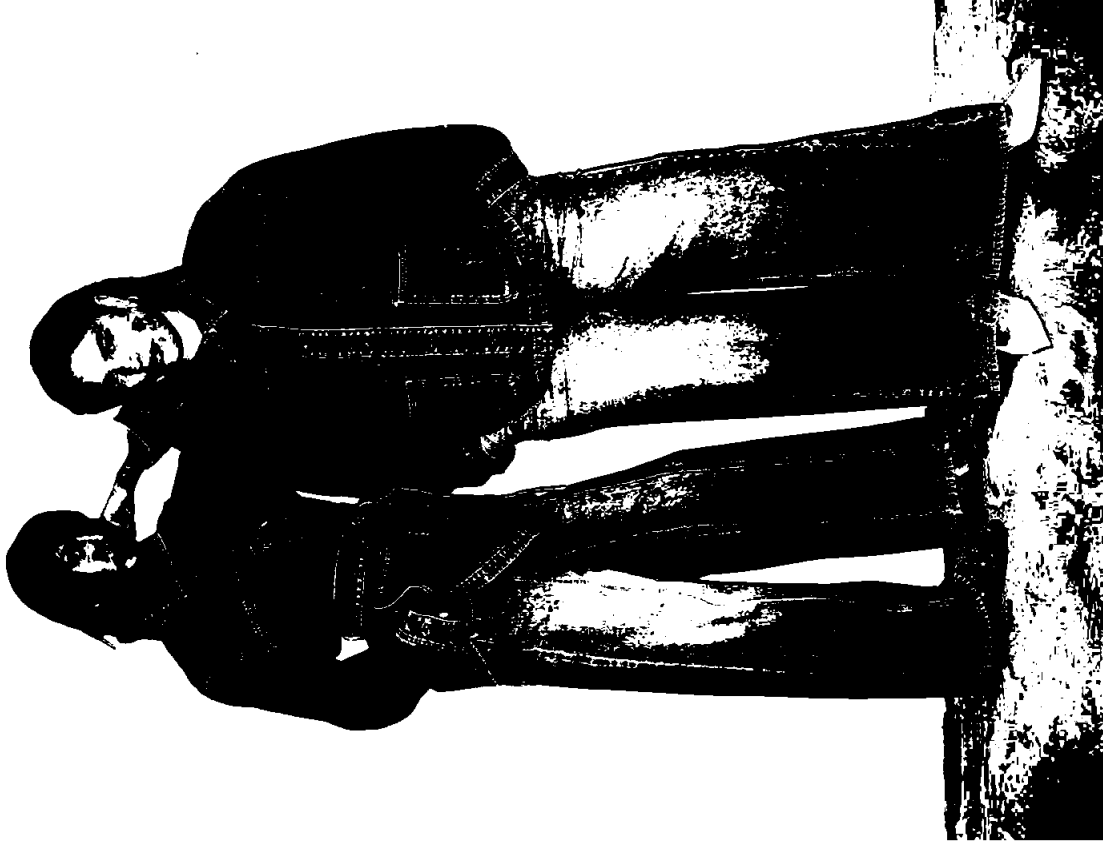
Malmö, 2025, date as indicated by my signature

PricewaterhouseCoopers AB

Eva Carlsvi

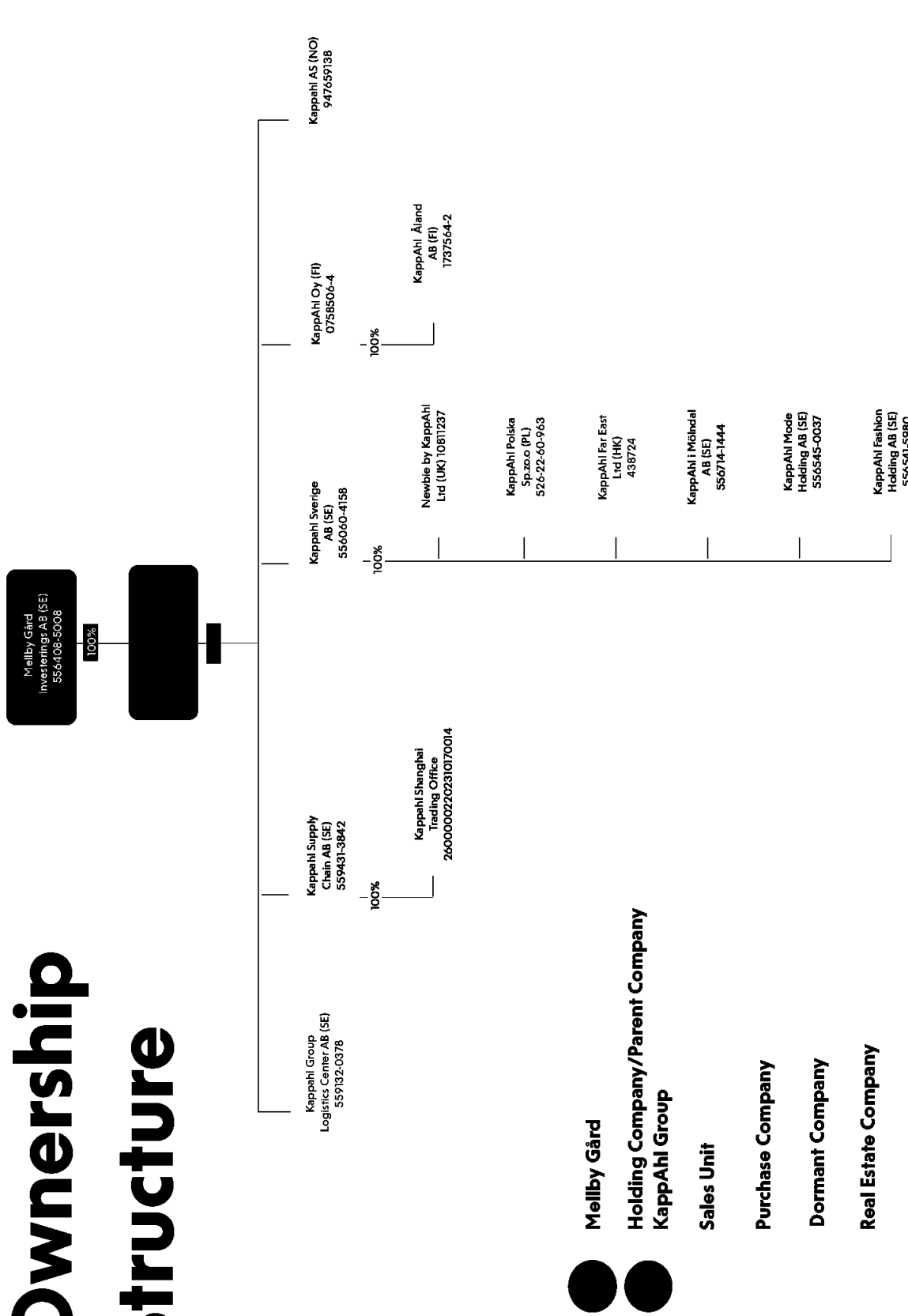
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*





# Ownership Structure



**Mellby Gärd**

**Holding Company/Parent Company  
Kappahl Group**

**Sales Unit**

**Purchase Company**

**Dormant Company**

**Real Estate Company**



## Terms & Abbreviations

<b>FSC</b>	Forest Stewardship Council
<b>GOTS</b>	Global Organic Textile Standard
<b>Higg Index</b>	A suite of sustainability performance tools developed by Cascale
<b>ILO</b>	International Labour Organization
<b>ISO</b>	International Organization for Standardization
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>Paris Agreement</b>	The Paris Agreement is a legally binding international treaty on climate change, adopted by 196 Parties at COP 21 in Paris, 2015.
<b>Shop Online</b>	Kappahl Group has three different webshops at kappahl.com, newbie.com, and newbiestore.com (UK)

**Other Indirect Greenhouse Gas Emissions (Scope 3):** Categories assessed as material for Kappahl Group:

**Category 1, Purchased goods and services:** Cultivation or production of raw materials and manufacture. The upstream emissions was calculated on the basis of data on purchased garments and the downstream emissions on the basis of data on garments sold. Emission factors are taken from the MSI/Higg Index where real data is not available. Emissions include all GHG Protocol gases.

**Category 3, Fuel and energy related activities:** Emissions on extracting, refining and distribution of the fuels used in company cars and private cars used for business as well as electricity and district heating production plants from which Kappahl Group purchases its electricity and district heating. Emissions include all GHG Protocol gases.

**Category 4, Purchased transportation and distribution (upstream):** Emissions include both emissions from the vehicle and on extraction, refining and distribution of used fuel for goods transportation purchased by Kappahl Group. Emissions include all GHG Protocol gases.

**Category 6, Business travel:** Sources of emissions included are business travel by bus, train, air, rental cars and taxi, and in addition hotel nights. Travel data is based on data from the travel agency. Emissions include all GHG Protocol gases.

**Category 7, Employee commuting:** Sources of emissions included are employee commuting by bus, train, car and motorcycle. Commuting data is based on an employee survey. Emissions include all GHG Protocol gases.

**Category 9, Purchased transportation and distribution (downstream):** Covers travel to and from the store for visitors to Kappahl Group's stores. Based on measured number of visitors and distribution of typical journeys for urban areas and small towns. Emissions include all GHG Protocol gases.

**Category 11, Use of sold products:** Covers washing, drying and ironing and modeled in accordance with the draft Product Environmental Footprint (PEF) guidelines. Emissions for energy use for these activities take into account the country to which the garment is sold. Emissions include all GHG Protocol gases.

## Definitions for Energy & Climate Calculations

**Direct Greenhouse Gas Emissions (Scope 1):** Company cars and private cars used for business: calculation based on mileage in service. Emissions include all GHG Protocol gases. Emission factor for Swedish cars 1–3 years old. STICA members should use the operational control approach when reporting GHG emissions. Using the operational approach means that companies should account for emissions from leased assets under operational control as Scope 1 instead of Scope 3.

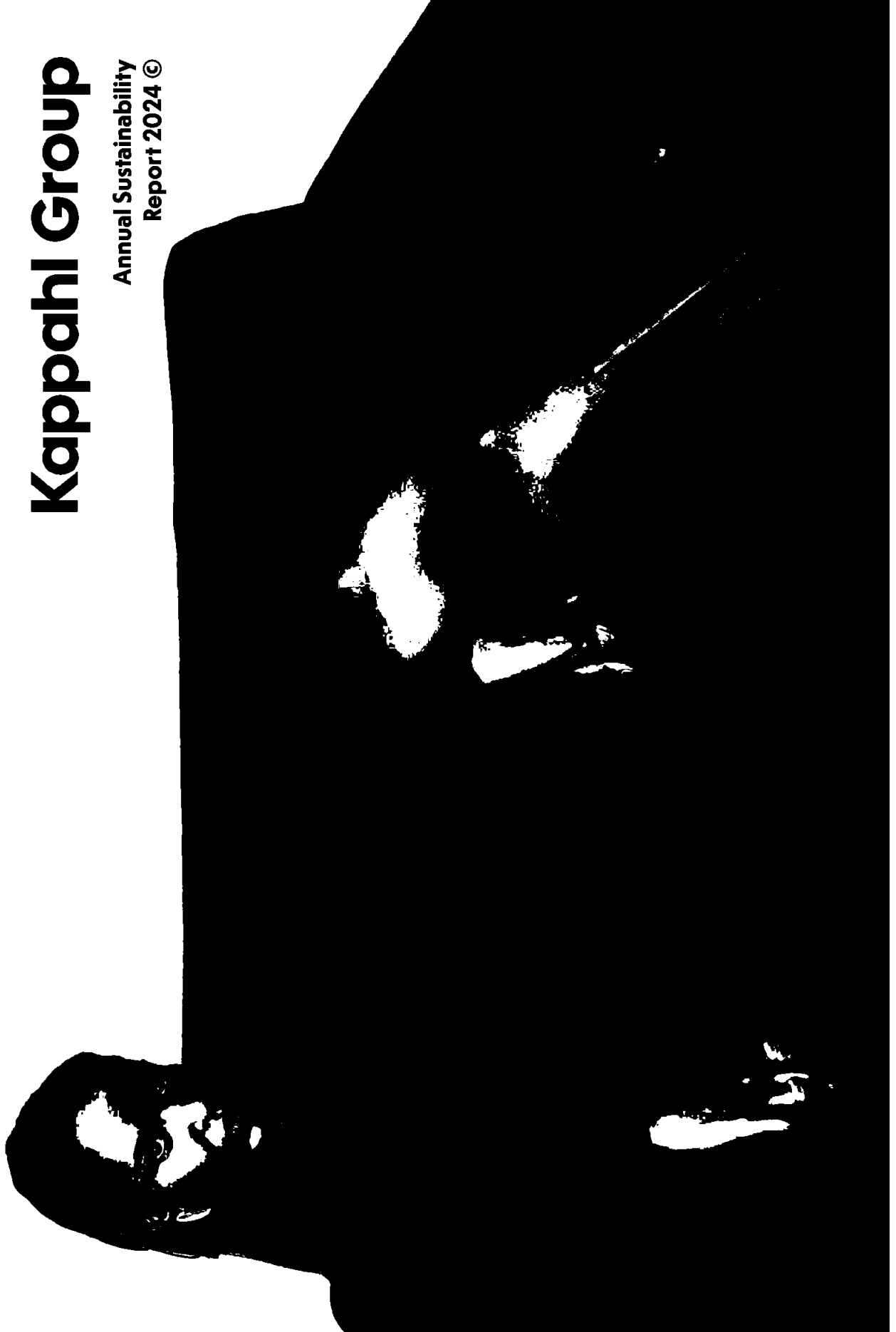
**Energy Indirect Greenhouse Gas Emissions (Scope 2):** Electricity consumption: measured or estimated consumption in offices and stores. Emissions include carbon dioxide, nitrous oxide and methane.

**Market-based and location-based method for Scope 2 emissions:** STICA members should use the market-based method when reporting GHG emissions from energy. Location-based emissions should also be accounted for and reported separately, but the market-based method is the primary method and should be used in all cases where nothing else is specified.



# Kappahl Group

Annual Sustainability  
Report 2024 ©





Til generalforsamlingen i Kappahl AS

## Uavhengig revisors beretning

### Konklusjon

Vi har revidert årsregnskapet for Kappahl AS som består av balanse per 31. desember 2024, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav, og gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2024, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

PricewaterhouseCoopers AS, Kalnesveien 5, 1712 Grålum  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



#### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet. For videre beskrivelse av revisors oppgaver og plikter vises det til: <https://revisorforeningen.no/revisjonsberetninger>

Sarpsborg, 16. mai 2025  
**PricewaterhouseCoopers AS**

Dag Olav Haugen  
Statsautorisert revisor  
(elektronisk signert)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Haugen, Dag Olav	BANKID	2025-05-16 13:28

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