

# LINDEX GLOBAL COMPENSATION POLICY

## 1. Purpose

The purpose of this policy is to ensure that Lindex consistently provides fair, transparent, and sustainable compensation throughout all areas of its operations.

This policy ensures compliance with local laws and EU Directives<sup>1</sup> across all Lindex countries, promotes employee well-being, and upholds corporate responsibility in line with our Human Rights Policy and ILO Core Conventions. It serves as a framework that guides leaders in making consistent and fair decisions regarding compensation. The policy supports the organisation's overall business strategy and aims to ensure that all employees are compensated in a manner that reflects their role, responsibilities, performance, and contribution to the success of Lindex.

Ultimately, the purpose of this Compensation Policy is to support sustainable growth, promote an inclusive and equitable workplace, and ensure that compensation practices contribute positively to both individual and organisational success.

## 2. Scope

This policy applies to all employees of Lindex and its subsidiaries, regardless of employment type, including part-time, full-time, temporary, and permanent contracts. Provisions for wage-setting vary depending on whether the country has collective bargaining arrangements. For part-time employees, entitlements under this policy will be provided on a proportionate basis according to their hours of work. Interns and volunteers are not included.

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<sup>1</sup> EU Pay Transparency Directive (EU) 2023/970

### 3. Our commitment

#### 3.1 Fair and compliant compensation

We commit to providing our employees with fair and rightful compensation to ensure equality and compliance. Wages at Lindex are determined individually based on legal requirements, collective bargaining agreements (when applicable) as well as the responsibility of the role, achieved result and in comparison, to market related salaries.

All employees at Lindex have equal opportunities for employment, promotion, and professional development. We also commit to equal pay between women and men applicable local and international standards<sup>2</sup>.

#### 3.2 Adequate wages

We commit to providing our employees with an adequate wage that ensures a decent living standard. Wages and benefits paid for a standard working week must, at a minimum, meet national legal standards, the local industry standards, or collective bargaining agreements, whichever is higher. In any event, wages for a standard working week should always be enough to meet basic needs and provide some discretionary income.

### 4. Guiding principles

- **Legal compliance:** Lindex guarantees full adherence to all relevant national and local labour laws, minimum wage regulations, and collective bargaining agreements, ensuring that wages always meet or exceed statutory and negotiated standards.
- **Adequate wages:** All employees shall receive a wage sufficient to cover basic needs, support a decent standard of living, and provide some discretionary income. For part-time employees, wages shall be provided on a proportional, hourly basis to ensure fair and consistent compensation aligned with hours worked.

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<sup>2</sup> EU Pay Transparency Directive (EU) 2023/970

- **Market-based compensation:** Compensation levels are set to remain competitive within the local industry and labour market, ensuring employees are fairly rewarded in comparison to similar roles elsewhere.
- **No discrimination or gender pay gap:** Employees performing comparable work with similar experience and qualifications will be compensated equitably, with no discrimination based on gender or any other protected characteristic. Lindex guarantees equal pay for equal work and work of equal value and is committed to closing any gender pay gaps.
- **Pay transparency and accountability:** Lindex has a pay structure ensuring equal pay for equal work and work of equal value, maintains transparency regarding pay structures, wage decision criteria, and provides accessible information to employees and job seekers. Clear explanations for pay-related decisions are provided including compensation based on a fixed base wage, date for payment, overtime compensation, any paid absence such as illness, vacation entitlements, any other payments and benefits.
- **Responsible and sustainable employer:** Lindex is dedicated to enhancing its reputation as a responsible and sustainable employer by upholding ethical wage practices and prioritising the welfare of its employees.

## 5. Wage determination

Wages are determined ‘individually’ based on local legislation, collective bargaining agreements, skills and experience, including relevant qualifications, expertise, years of service, and market competitiveness with regular reviews of prevailing industry standards. Performance is also considered, particularly the extent to which employees embody Lindex values and goals and demonstrate ‘Leadership the Lindex Way’.

## 6. Wage review and adjustments

Wages are subject to annual review to ensure full compliance with laws, collective bargaining agreements, prevailing inflation rates, and relevant market benchmarks, including performance, Lindex’s guidelines and action plans concerning compensation strategy.

Wage adjustments accompany promotions or changes in position to accurately reflect any increase in duties or responsibilities.

## 7. Governance (roles and responsibilities)

<b>Roles</b>	<b>Responsibilities *</b>
<i>HR Managers</i>  <i>or</i> <i>Production Office Managers</i>	<ul style="list-style-type: none"> <li>• Ensures compliance with labour laws and regulations</li> <li>• Conducts market research on wage standards in the industry</li> <li>• Ensures that the wages are set based on Lindex's pay structure</li> </ul>
<i>Compensation &amp; Benefits Manager</i>	<ul style="list-style-type: none"> <li>• Overseeing compliance with labour laws and regulations</li> <li>• Analyses compensation data and trends</li> <li>• Recommends compensation adjustments based on market data</li> </ul>
<i>HR Business Partner</i>	<ul style="list-style-type: none"> <li>• Advise leaders on salary decisions to ensure alignment across company practices</li> <li>• Provide guidance on market benchmarks and internal pay structures if applicable</li> <li>• Support compliance with equal pay and transparency requirements</li> <li>• Collaborate with team leaders and Compensation &amp; Benefits Manager during the compensation processes</li> </ul>
<i>Every Team Leader</i>	<ul style="list-style-type: none"> <li>• Assesses employee performance and contributions</li> <li>• Collaborates with respective HR on wage decisions</li> <li>• Determine the final wage (if manager)</li> <li>• Complies with laws and pay structure (if manager)</li> </ul>
<i>Country Managers or Production Office Managers</i>	<ul style="list-style-type: none"> <li>• Reviews budget implications of wage reviews and adjustments</li> <li>• Ensures financial sustainability of wage decisions</li> <li>• Approves final wage adjustments</li> </ul>

<p><i>Chief People and Communication Officer</i></p>	<ul style="list-style-type: none"> <li>• Communicates Global Compensation Policy to stakeholders</li> <li>• Oversees execution of the Policy across all departments, monitor adherence</li> <li>• Ensures transparency through clear communication to leadership and employees</li> </ul>
<p><i>Lindex Leadership Team</i></p>	<ul style="list-style-type: none"> <li>• Sets overall compensation strategy, budget and structure</li> <li>• Reviews and approves major compensation policy changes</li> <li>• Implements this policy within their departments as all Chief Officers are responsible for ensuring its application and adherence.</li> </ul>

*\*When applicable, all roles cooperate with Unions according to local laws and regulations.*

## 8. Speak-up

Lindex encourages all its employees to report any misconduct or raise concerns related to this policy through the whistleblowing channel: [report.whistleb.com/en/stockmann](https://report.whistleb.com/en/stockmann) All reports will be thoroughly investigated and addressed by the company.

For questions concerning this policy or its contents, please contact your team leader or the person responsible for this policy: Niklas Lindholm (Chief People and Communications Officer)

This policy is approved on 21/04/2026.

## Glossary:

- **Compensation:** The total package of financial and non-financial benefits an employee receives, including salary, bonuses, and other allowances.
- **Salary:** A fixed, regular payment (usually monthly or annually) for professional work, regardless of hours worked.
- **Wage:** A fixed regular payment earned for work or services, typically paid on an hourly, daily or weekly basis.