



PUUILO

ANNUAL REPORT 2025

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REPORT BY THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS



Report by the Board of Directors

PUUILO'S BUSINESS OPERATIONS

Puulo is a Finnish discount retail chain. At the end of the financial period that ended on 31 January 2026, the strongly growing chain had 56 stores in different parts of Finland. In addition, customers are served through an online store. The product assortment includes building supplies, tools, HVAC and electrical accessories, pet food and supplies, car accessories, groceries, household products, garden supplies, free-time and other accessories as well as services. Puulo is one of the leading discount retailers in Finland and it serves both consumers and B2B customers in the repair and maintenance as well as construction sector. The company is known for its affordable prices and extensive product assortment. During the financial period, seven stores were opened: Varkaus, Savonlinna, Lohja, Mäntsälä, Jyväskylä Keljo, Iisalmi and Heinola.

COMPANY STRUCTURE

Puulo Group's parent company is Puulo Plc, which engages in the business operations of selling management services to the operative company of the Group. The Group also includes a retail business company Puulo Tavaratalo Oy, which is 100% owned by Puulo Plc. During the financial year, a new Swedish subsidiary, Puulo Varuhus AB, was established. The company has not had any business operations in financial period 2025.

OUTLOOK FOR THE FINANCIAL YEAR 2026

Puulo forecasts that net sales will be €480 – 510 million and the adjusted EBITA will be €80 – 90 million in the financial year 2026.

The forecast includes elements of uncertainty related to changes in consumer purchasing power and behaviour. Additionally, geopolitical crises and international tensions may affect product availability and prices.

PUUILO'S LONG-TERM TARGETS

The company's long-term financial targets for the strategy period 2026 – 2030:

- Growth: Net sales CAGR above 10% and net sales above €800 million by the end of financial year 2030 (ends in January 2031)
- Profitability: Adjusted EBITA margin above 17% of net sales
- Profit distribution: The company aims to distribute at least 80% of net income for each financial year
- Leverage: Net debt to adjusted EBITDA below 2.5x

GROWTH STRATEGY

Puulo's target is to continue strengthen its position as one of the leading discount retailers in Finland by utilising its key strengths: maintaining an attractive and wide product assortment, low prices and a convenient

shopping experience.

In line with its updated growth strategy, the company aims to open approximately 7 – 10 new stores in Finland per year and to continue to increase its like-for-like net sales by further increasing Puulo's brand awareness. As part of its updated growth strategy, Puulo will also begin international expansion by opening pilot stores in Sweden during the strategy period 2026 – 2030. The company has an efficient and standardised store opening process, which enables the opening of several stores each year without negatively affecting other operational activities. New stores are, on average, profitable after the first full month of opening.

Puulo continuously aims to enhance its value proposition by offering a wide product assortment that meets the customer needs at competitive prices. The company also aims to further develop its online store to provide customers with the opportunity for an omnichannel shopping experience.

STORE NETWORK DEVELOPMENT

In the financial year 2025, Puulo opened a total of seven new stores. In Q1 2025, the company opened three stores: Varkaus, Savonlinna and Lohja. In the second quarter, stores were opened in Mäntsälä and Jyväskylä Keljo. In last quarter, Puulo opened new stores in Iisalmi and Heinola.

In the financial year 2026, Puulo will open stores in Hollola (opened in March 2026), Espoo Espoonlahti, Jyväskylä Vaajakoski, Lahti Holma, Kangasala, Raasepori Karjaa and Kurikka. For the financial year 2027, Puulo has announced store opening in Ylivieska. Additional openings for both years will be announced as they are finalized.

Our store in Vantaa Virkamies will be relocated to new premises in Vantaa Tammisto in summer 2026 and stores in Jyväskylä Seppälä and Kajaani will be relocated in 2027. According to Puulo's definition, a store is considered new during the year of opening and the following financial year. Relocated stores are considered like-for-like stores.

Preparations for the first pilot stores in Sweden are progressing as planned. The goal is to open the first store at the latest in the third quarter of financial year 2027.

On 31 January 2026, Puulo had a total of 56 stores (49 stores) across Finland. The current store network is young, approximately half of the stores have been opened during the last five years.

FINANCIAL DEVELOPMENT

Seasonality

Puulo's business is, in part, seasonal in nature. As

such, there are seasonal peaks in Puuilo's net sales, operating result, and cash flows, although seasonal dependence is relatively low compared to the retail sector in general. Historically, Puuilo's most important seasons in terms of net sales have been the second and third quarter of each financial year. Additionally, Puuilo's net sales are partly impacted by exceptional, harsh, or seasonally atypical weather.

Net sales, result and profitability

In financial year 2025, Puuilo's net sales increased by 15.4% (+13.3%) to EUR 442.3 million (383.4). Net sales of Puuilo's stores were EUR 432.7 million (374.4) and net sales of the online store were EUR 9.6 million (9.1), which corresponded to 2.2% (2.4%) of net sales. Like-for-like store net sales increased by 3.7% (+1.5%). Online store net sales increased by 5.6% (+1.7%).

The development of net sales was positively impacted by the increase in net sales of both new and the like-for-like stores. The customer traffic continued to increase also in like-for-like stores. The average basket size decreased compared to the same period last year. Puuilo's gross profit for the financial period was EUR 169.0 million (144.6) and the gross margin was 38.2% (37.7%). Margin development was mainly supported by the significant increase in the relative share of private label sales and the change in the sales mix.

Operating expenses and personnel expenses totalled EUR 72.5 million (61.0), which corresponds to 16.4% of net sales (15.9%). Adjusted operating expenses including personnel expenses were €71.9 million (61.0), or 16.2% of net sales (15.9%). The most significant item in operating expenses was personnel expenses.

Personnel expenses were EUR 44.5 million (38.5), which corresponds to 10.1% (10.0%) of net sales. The increase in personnel costs was mainly due to new stores as well as the general increase according to the retail sector collective agreement. Operating expenses included €0.6 million items affecting comparability related to strategic projects. There were no items affecting comparability in the comparison period. Adjusted EBITA was EUR 77.4 million (67.0) and the adjusted EBITA margin was 17.5% (17.5%) increasing by 15.5% compared to the previous year. EBITA was EUR 76.8 million (67.0) and the EBITA margin was 17.4% (17.5%).

Operating profit was EUR 75.1 million (65.1), which corresponds to an EBIT margin of 17.0% (17.0%). Net financial expenses were EUR -5.3 million (-5.2). Net financial expenses excluding the effect of IFRS 16 were EUR -2.0 million (-2.3).

Profit before taxes was EUR 69.8 million (59.9). Total income taxes were EUR 13.8 million (12.0). The net result was EUR 56.0 million (47.9) and earnings per share were EUR 0.66 (0.57).

Balance sheet, financing and cash flow

At the end of the financial year, Puuilo's inventories were EUR 123.2 million (115.5). The increase in absolute inventory value is mainly due to seven new stores opened during the past twelve months and private label products for upcoming stores. Additionally, the import volume of private label products increased as planned. Puuilo aims to further improve inventory turnover in the future.

Operating free cash flow was EUR 72.6 million (44.0). Operating free cash flow was supported by strong EBI-

TA. The cumulative operational free cash flow for the comparison period was also impacted by the Hurrikaani arrangement.

At the end of the financial year cash and cash equivalents were EUR 33.0 million (18.3) and the company's financial position is healthy. Puuilo's interest-bearing liabilities totalled EUR 163.4 million (133.1), of which non-current financial loans amounted to EUR 69.9 million (50.0). The Group did not have any current financial loans (-). Other interest-bearing liabilities consisted of lease liabilities reported in accordance with IFRS 16. At the end of the financial year, the ratio of net debt to adjusted EBITDA was 1.3 (1.4), which is in line with the long-term target. The ratio of net debt to adjusted EBITDA excluding the impact of IFRS 16 was 0.5 (0.5). Net debt excluding the impact of IFRS 16 was approximately EUR 36.9 million (31.7).

Investments

Puuilo's investments were EUR 5.8 million (7.1). Investments were mainly related to the furnishing of new stores. Comparison period investments were mainly related to the acquisition of Hurrikaani store chain and the furnishing of new stores.

Personnel

The number of personnel converted into full-time employees (FTE) was 950 (849). The average number of personnel was 1,129 (1,005). Personnel expenses were EUR 44.5 million (38.5).

SIGNIFICANT EVENTS

Refinancing

Puuilo signed a new €100 million long-term financing agreement with OP Corporate Bank Plc. The new fi-

ancing agreement has a maturity of 36 months and includes two 12-month extension options. The new financing agreement replaced the previous agreement signed in 2021.

The financing agreement includes a total of €70 million term loan and €30 million revolving credit facility (RCF). The funds will be used to repay existing loans, working capital financing and for the Group's other general financing needs.

The terms of the financing agreement include one covenant: net debt/EBITDA ratio.

The agreement also includes €30 million uncommitted additional financing option (accordion option). However, this accordion option requires a separate financing decision from the bank. (Stock exchange release 27 March 2025)

Change in the holding of Puuilo Plc's treasury shares

A total of 126,481 Puuilo shares held by the company were conveyed without consideration to 28 key employees who participated in the 2022–2024 share-based incentive program. The program was originally announced on 20 April 2022 with a stock exchange release. The conveyance is based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 15 May 2024. After the share transfer on 14 April 2025, the company held a total of 428,519 own shares. (Stock exchange release 15 April 2025)

Board of Directors established a new long-term incentive plan for company's key employees

The Board of Directors of Puuilo Plc decided to establish a new Long-Term Incentive Plan for the key employees of the Company and its subsidiaries ("LTI") and launch the first LTI plan period for 2025–2027.

The purpose of the LTI is to encourage key employees to acquire and own the Company's shares. The LTI also aims to align the interests of the shareholders and the key employees as well as to increase key employees' motivation and long-term commitment to the Company. The LTI is intended to consist of annually commencing plan periods, each with a 12-month savings period followed by a holding period of approximately one and a half years. The Board of Directors will resolve annually on the launch of a new plan period. Participation in the LTI is voluntary, and key employees are invited to participate in each plan period separately.

The first LTI plan period 2025–2027 began on 1 June 2025 and ends on 31 May 2028. The first savings period ends on 31 May 2026. The holding period begins at the first acquisition of savings shares. In the 2025–2027 plan period, the LTI was offered to approximately 100 key employees of the Group, including also the Management Team and the CEO. As part of the LTI, the key employees have an opportunity to make a one-off investment and/or save a proportion of their salaries and invest those savings in Puuilo shares. With the savings of the 2025–2027 plan period, Puuilo shares will be acquired in four tranches estimated in September 2025, December 2025, March 2026 and June 2026.

In the 2025–2027 plan period, as a reward for their

commitment, the Company grants the key employees participating in the LTI a gross reward of one free matching share for every savings share acquired with their savings. The participants have also an opportunity to earn one to three performance-based matching shares (gross) for each savings share acquired with their savings if the performance criteria set for the plan period are met. The performance criteria of the plan are tied to the total shareholder return of the share (TSR), the company's adjusted earnings before interest, taxes and amortisation (EBITA) and return on invested capital (ROIC). Continuity of employment and holding of acquired savings shares for the duration of the holding period, ending on the day following the 2027 financial statement release, are prerequisites for receiving the award. The potential award will be paid partly in shares and partly in cash after the end of the holding period. The cash proportion is intended to cover taxes and statutory social security contributions arising from the award. Matching shares will be freely transferable after their registration in a participant's book-entry account. The savings shares and matching share are Puuilo shares.

The maximum number of matching shares (gross before taxes) for the first plan period of 2025–2027 is approximately 519 000 shares, calculated at the share price on 16 April 2025. The final number of matching shares depends on the key employees' participation and savings rate in the plan, the fulfilment of the prerequisites for receiving matching shares and the number of shares acquired from the market with savings. (Stock exchange release 17 April 2025)

Updated long-term financial targets for the strategy period 2026 – 2030

On 10 September 2025, Puuilo's Board decided on the updated long-time targets. The targets were published on 11 September 2025.

CFO Ville Ranta left Puuilo in the end of 2025

CFO Ville Ranta announced that he leaves Puuilo to join another company. He left his current position on 31 December 2025. The search for his successor is underway. (Stock exchange release 1 October 2025)

Members of Nomination Board

Representatives of the three largest shareholders registered in Puuilo Plc's shareholder register as of 1 October 2025 were elected to the Puuilo's Shareholders' Nomination Board along with the Chair of the Board of Directors, Mammu Kaario, as an expert member. Puuilo Plc's Shareholders' Nomination Board is a body of the Company's shareholders responsible for preparing proposals for the election and remuneration of the members and the Chair of the Board of Directors as well as the remuneration of Board committee members to the Annual General Meeting 2026 and, when necessary, to the Extraordinary General Meeting.

The three largest shareholders nominated following members to Puuilo's Shareholders Nomination Board: Ampfield Management, L.P., represented by Emerson Moore, Markku Tuomaala, represented by Janne Koikkalainen, Evli Fund Management Company Ltd, represented by Ville Tiainen. (Stock exchange release 14 October 2025)

Interim CFO

Annu von Weymarn has been appointed as interim

CFO and member of the Management Team of Puuilo effective 1 January 2026. Weymarn has served at Puuilo since 2019 and is currently the company's Head of Financial Controlling. (Stock exchange release 10 December 2025)

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Flagging notification

On 17 March 2026 Puuilo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from The Capital Group Companies, Inc. According to the notification, The Capital Group Companies, Inc. indirect holdings in shares and votes of the Company fell below the flagging threshold of 5 percent and was 4.98% after the transaction. (Stock exchange release 18 March 2026)

Proposals of the Shareholders' Nomination Board

The Shareholders' Nomination Board of Puuilo Plc proposes to the Annual General Meeting that the number of the members of the Board of Directors will be five (previously five). The Nomination Board proposes that current members of the Board of Directors, Susanne Hounsgaard, Jens Joller, Mammu Kaario, Tuomas Piirtola, and Markku Tuomaala, be re-elected. All proposed persons are independent of the company and its major shareholders except Jens Joller who is independent of the company, but dependent of the major shareholder. The Nomination Board proposes to the Annual General Meeting that Mammu Kaario be re-elected as the Chair of the Board of Directors.

The Nomination Board proposes that the remunerations of the members of the Board of Directors are as

follows:

- €70.000 (earlier €65.000) to the Chair of the Board of Directors as annual remuneration
- €37.000 (earlier €33.000) to the other members of the Board of Directors as annual remuneration
- In addition, the Chair of the Audit Committee will be paid €7.000 (earlier €6.000) as annual remuneration and other members of the Audit Committee €4.000 (earlier €3.000) as annual remuneration

All remunerations will be paid in cash. (Stock exchange release 20 March 2026)

Repurchase of own shares

On 25 March 2026, Puuilo announced that the company's Board of Directors had decided to use the authorization given by the Annual General Meeting held on 15 May 2025 to repurchase the company's own shares. The repurchases started on 27 March 2026 and ended on 9 April 2026. During this period, Puuilo repurchased 385,000 shares, corresponding to approximately 0.45% of the total number of the company's shares, which is 84,776,953. The average purchase price per share was € 12.798540 and the total amount € 4,927,438.

The repurchased shares are to be used primarily as part of the reward payments under the share-based incentive plans for key personnel. The shares were repurchased otherwise than in proportion to the shareholdings of the shareholders at the market price prevailing at the time of acquisition in public trading on Nasdaq Helsinki Ltd using the company's unrestricted equity. Following the repurchases, the company holds a total of 813,519 shares. (Stock exchange release 9

April 2026)

Flagging notification

Puuilo Plc has received a notification on 9 April 2026 in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act. According to the notification, JPMorgan Chase & Co.'s total indirect holdings in shares and votes of the Company have increased above the threshold of 5% on 7 April 2026 and is now 5.05%. (Stock exchange release 10 April 2026)

SHARES AND SHAREHOLDERS

Share information and share trading

Puuilo Plc has one class of shares. Each share carries one vote at the company's Annual General Meeting. The shares have no nominal value. Puuilo Plc's share capital was EUR 80,000 at the end of the reporting period and the company had 84,776,953 shares.

On the last trading day of the financial year, 31 January 2026, the closing price of the share was

EUR 12.31. The share turnover during the reporting period was EUR 321 million and 25,330,419 shares. The highest intra-day share price during the financial year was EUR 15.29 and the lowest intra-day price was EUR 9.83. At the end of the financial year, the market value of the shares was EUR 1,038 million.

The company held 428,519 treasury shares at the end of the reporting period.

Further information on Puuilo's shares and shareholders is available on the investor website at www.investors.puuilo.fi/en/investors/share_information/shareholders and on the management's holdings at

https://www.investors.puuilo.fi/en/investors/share_information/management_shareholding.

Shareholders

At the end of the financial year, Puuilo had 35,089 registered shareholders.

Puuilo has through a flagging notification in September 2023 from Ampfield Management LP, Inc, been informed that the company's indirect holdings are 10.11% of Puuilo's shares.

MAJOR SHAREHOLDERS ON 31 JANUARY 2026

		NUMBER OF SHARES	% OF SHARES
1. Tuomaala Markku	3,789,578	4.47%	4.85%
2. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,991,000	2.35%	2.14%
3. Danske Invest Finnish Equity Fund	1,678,475	1.98%	2.01%
4. Elo Keskinäinen Työeläkevakuutusyhtiö	1,666,000	1.97%	1.75%
5. Evli Finnish Small Cap Fund	1,300,000	1.53%	1.70%
6. Op-Suomi -Sijoitusrahasto	1,240,299	1.46%	1.61%
7. Evli Finland Select Fund	1,237,265	1.46%	1.05%
8. Op-Henkivakuutus Oy	604,874	0.71%	0.82%
9. Tuomaala Henri Aleksi	600,000	0.71%	0.77%
10. Säästöpankki Kotimaa -Sijoitusrahasto	553,949	0.65%	0.71%
10 largest total	14,661,440	17.29%	17.40%
100 largest total	23,457,699	27.67%	28.32%
Nominee registered total	49,493,635	58.38%	58.24%
Total	84,776,953	100.00%	100.00%



OWNERSHIP STRUCTURE ON 31 JANUARY 2026

	NUMBER OF SHARES	% OF SHARES
Private Individuals	17,128,378	20.20%
Pension & Insurance	5,397,279	6.37%
Others	4,473,033	5.28%
Fund company	3,906,442	4.61%
Companies	3,679,177	4.34%
Foundation	699,009	0.82%
Total	35,283,318	41.62%
Nominee registered	49,493,635	58.38%

BREAKDOWN BY SIZE OF HOLDING ON 31 JANUARY 2026

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES
0-100	17,366	49.49%	796,838	0.94%
101-500	12,481	35.57%	3,072,154	3.62%
501-1,000	2,993	8.53%	2,257,113	2.66%
1,001-5,000	1,925	5.49%	3,865,139	4.56%
5,001-10,000	163	0.46%	1,167,036	1.38%
10,001-50,000	102	0.29%	2,205,112	2.60%
50,001-100,000	14	0.04%	1,061,953	1.25%
100,001-	34	0.10%	20,857,973	24.60%
Nominee registered	11	0.03%	49,493,635	58.38%
Total	35,089	100.00%	84,776,953	100.00%

MANAGEMENT SHAREHOLDING

On 31 January 2026, Puuilo Plc's Board members and the CEO owned a total of 4,032,368 Puuilo Plc's shares, which corresponds to 4.76% of the company's shares and votes.

On 31 January 2026, the CEO had 213,499 Puuilo Plc's shares, which corresponded to 0.25% of the company's shares and votes. On 31 January 2026, Puuilo Plc's Management Team incl. CEO owned 392,752 Puuilo Plc's shares, which corresponded to 0.46% of the company's shares and votes.

FLAGGING NOTIFICATIONS

During the financial year, Puuilo received the following shareholder flagging notifications in accordance with the Finnish Securities Markets Act:

- On 11 August 2025, Puuilo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from The Capital Group Companies, Inc, according to which The Capital Group Companies, Inc's indirect holdings in shares and votes had decreased below the threshold of 10% on 8 August 2025 and was 9.84% after the transaction
- On 16 September 2025, Puuilo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from JPMorgan Chase &C, according to which JPMorgan Chase &C's indirect holdings in shares and votes of the Company rose above the flagging threshold of 5 percent and was 5.02% after the transaction.
- On 15 December 2025, Puuilo received a notification in accordance with the Chapter 9, Section 5 of

the Finnish Securities Market Act from JPMorgan Chase &C, according to which JPMorgan Chase &C's indirect holdings in shares and votes of the Company had decreased below the flagging threshold of 5 percent and was 4.99% after the transaction.

- On 20 January 2026, Puuilo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from The Income Fund of America, according to which The Income Fund of America's indirect holdings in shares and votes of the Company had decreased below the flagging threshold of 5 percent and was 4.94% after the transaction.

Further information on Puuilo's shares and shareholders is available on the investor website at www.investors.puuilo.fi/en/investors/share_information/shareholders and on the management's holdings at https://www.investors.puuilo.fi/en/investors/share_information/management_shareholding.

RISKS AND BUSINESS UNCERTAINTIES

Puuilo Group's risk management is based on the risk management policy approved by the Board of Directors. The purpose of the risk management policy is to define the framework, processes, governance and responsibilities of risk management in Puuilo.

The primary objective of risk management in Puuilo is to support the company's strategy execution, continuity of operations and realization of business objectives by anticipating any risks involved in the company's operations and managing them in a proactive manner. Enterprise risk management emphasizes the role of corporate culture and is an integrated part of Puuilo's

operations, planning and decision-making.

The Board of Directors is responsible for monitoring and ensuring that the Puuilo's risk management process functions are comprehensive. The Board defines the risk appetite and tolerance, according to the current conditions. The Board of Directors is also responsible for approving enterprise risk management related company policies. Puuilo's operative management is responsible for achieving the set objectives and controlling, managing, and mitigating risks that threaten them. The operative management is also responsible for the risk management work, and for ensuring the performance of the risk management process and the availability of sufficient resources.

Risks are assessed regularly and managed comprehensively. The Group's risk map and the most significant risks and uncertainties are regularly reported to Puuilo's Board of Directors, whereas the most significant risks and uncertainties are reported to the market in the report of the Board of Directors and significant changes within them are reported in the business reviews and half-year reports.

Most significant risks and uncertainties in Puuilo The activities of competitors and the entry of new competitors

The Finnish retail market is competitive, so the actions of competitors and the entry of new competitors may affect Puuilo's position in the market.

It is possible to react to the various actions of competitors through marketing, pricing, and assortment management, as well as through a rapid expansion of our store network. In addition, risk is managed by actively

monitoring competitors and evaluating their actions.

Product safety

A failure in product safety control or in the quality assurance of the supply chain could result in financial losses, the loss of customer trust or reputation, or in the worst case, endanger the health of customers.

The company manages the risk primarily through careful supplier selection, which includes reviewing suppliers' product safety and quality documentation and customer references. In addition, the company manages product risk by requiring independent laboratory verification of product safety for higher-risk products.

Changes in purchase power and customer behaviour

Changes in purchase power and consumer behaviour may occur due to factors such as the general economic situation, confidence in the economy, employment rate, inflation, energy prices, and interest rates.

Puuilo strives to influence consumer behaviour through advertising, as well as to maintain a favourable price image and careful pricing decisions.

Geopolitical Risks

The war in Ukraine and other geopolitical tensions have caused significant uncertainty in Europe and increased security policy tensions. The potential escalation of conflicts could lead to significant changes in the supplier environment, affecting Puuilo's supply chains and increasing procurement costs. The geopolitical situation and its indirect market impacts may increase customer price sensitivity.

Puuilo aims to manage risk by monitoring the situation

and reacting proactively to changes. Additionally, efforts are made to geographically diversify the supplier chain.

Failure and quality problems of products imported by Puuilo

Products imported by Puuilo imports may have quality problems, which may have negative impact on the reputation of private label products and among customers. In addition, the expansion and development of the assortment of private label products may have adverse impact on other supplier relations.

The risk is mitigated by private label product quality control and active selection management.

Cybersecurity

Despite technical and administrative protective measures, Puuilo's IT systems can be attacked. If the intrusion is not detected, it results in a data breach or denial of service. Additionally, the staff's insufficient knowledge and skills in data protection and handling can lead to information falling into the wrong hands.

Practices, documentation, and guidelines related to cybersecurity are continuously developed. The capabilities of new AI-based monitoring tools are examined. The risk is also mitigated by regularly training the employees.

Inefficient inventory management

Inefficient inventory management causes losses or revenue losses. Puuilo actively manages product assortment and monitors inventory turnover.

Pricing Strategy

Puuilo is a discount store, and price level important to

Puuilo's customers. Too high price level can lead to a deterioration in price perception and a decline in sales.

Puuilo actively monitors prices, and sales pricing is managed through a clear pricing strategy.

Disruptions in supply chains

Disruptions in the company's warehousing and logistics chain of suppliers or its own stores as well as possible strikes in the logistics sector may have an adverse effect on Puuilo's business, financial position, profit, and cash flows.

Puuilo manages the risk by decentralizing the supply chain and maintaining inventory levels in stores and central warehouses at an adequate level.

ESG risks in the supply chain

Puuilo's purchasing activities or its supply chain operations may have deficiencies related to ESG issues. Risk is that the company does not meet Amfori BSCI requirements or its legal obligations (e.g., due diligence in supplier selection) for old and/or new suppliers.

Puuilo reviews existing suppliers and requires BSCI certification from suppliers of risk countries. Responsibility is emphasized in new supplier selections and own factory audits are increased.

Failure or insufficiency of marketing and advertising

Puuilo's advertising and marketing programs may not generate sufficient awareness or increase brand appeal among customers, and the number of new customers may decline.

Puuilo measures advertising and advertising ROI.

Company advertises in media that provides the best effect.

Slowdown of product assortment development

The development of the company's product assortment may lag behind competitors, and emerging trends may not be identified. In addition, the attractiveness of the assortment may decrease among customers.

Puuilo manages risk by actively monitoring the operating environment and its changes, and open-minded experimenting with new trends.

Key personnel risks

Failure in recruiting or retaining management and other key personnel may adversely affect Puuilo.

The company manages the risk by striving to improve the employer image, by focusing to the quality of supervisory work, through incentive programs, and by offering meaningful tasks. In addition, recruitment processes are carried out carefully and suitability assessments are used.

Brand strength among consumers

Puuilo's ability to attract customers depends significantly on the strength of its brand, and Puuilo may not be able to maintain or improve its brand-related perceptions. Risks increase during international expansion when Puuilo's brand enters the target market with no existing awareness or history. Failure in the new market could negatively impact the brand among Finnish consumers as well.

Puuilo actively monitors consumer and customer research, continuously develops advertising concepts

and the product assortment, and improves the customer experience.

The general principles of Puuilo's risk management are also described on the investor website at https://www.investors.puuilo.fi/en/investors/corporate_governance/risk_management.

DECISIONS BY THE ANNUAL GENERAL MEETING AND THE BOARD OF DIRECTOR'S ORGANISATION MEETING

Puuilo Plc's Annual General Meeting was held on 15 May 2025 in Vantaa, Finland. The Annual General Meeting adopted the Company's annual accounts and the consolidated financial statements for the financial year 1 February 2024 – 31 January 2025, discharged the persons who have acted as members of the Company's Board of Directors and as CEO from liability and approved all proposals made to the Annual General Meeting by the Board of Directors and the Shareholders' Nomination Board.

Dividend

The Annual General Meeting resolved that an aggregate dividend of EUR 0.70 per share be paid based on the balance sheet adopted for the financial year ended on 31 January 2025. Of the proposed dividend, EUR 0.46 was distributed based on the financial year 2024 result and EUR 0.24 was distributed as a special dividend. The dividend was paid in two instalments of EUR 0.35 per share. The record date of the first dividend instalment was 26 May 2025 and the pay date was 2 June 2025. The record date of the second dividend instalment was 16 October 2025 and the pay

date 23 October 2025. The Board was authorized to decide, if necessary, on new dividend payment record date and pay date for the second instalment, if the rules and statutes of the Finnish book-entry system change or otherwise so require. The remaining distributable assets remain in equity.

Composition of the Board of Directors

The number of members of the Board of Directors was confirmed to as five (5). Jens Joller, Mammu Kaario and Tuomas Piirtola were re-elected, and Susanne Hounsgaard and Markku Tuomaala were elected as new members of the Board of Directors for a term ending at the end of the next Annual General Meeting.

The Annual General Meeting elected Mammu Kaario as the Chairman of the Board of Directors.

Remuneration of the members of the Board of Directors

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: to the Chairman of the Board of Directors EUR 65,000 and to the other members EUR 33,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the members of the Audit Committee will be paid as follows: to the Chairman of the Audit Committee EUR 6,000 and to the other members of the Audit Committee EUR 3,000.

Auditor

KPMG Oy Ab, a firm of authorized public accountants, was elected as auditor of the Company for the financial year 1 February 2025 – 31 January 202. Henrik Holmbom, APA, acted as the auditor with principal res-

pensibility. KPMG Oy Ab also acted as the Company's sustainability reporting assurance provider and Holmbom, ASA, as the principally responsible sustainability reporting assurance provider.

The auditor's remuneration is paid against an invoice approved by the Company.

Authorization for the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of an aggregate maximum of 8,477,695 Company's own shares provided, however, that the number of shares held by the Company at any time does not exceed 10 per cent of the total number of shares in the Company. Own shares can be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or on the acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization cancelled the authorization granted on 15 May 2024 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2026.

Authorization for the Board of Directors to decide on the issuance of shares as well as the issuance

of special rights entitling to shares

The Annual General Meeting decided to authorize the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 8,477,695 shares, which corresponds to approximately 10 per cent of all the shares in the Company. The Board of Directors decides on all other conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancels the authorization granted on 15 May 2024 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2026.

Authorizing the Board of Directors to resolve on donations for charitable purposes

The Annual General Meeting resolved to authorize the Board of Directors to resolve on donations for charitable or corresponding purposes in a total maximum of EUR 50,000. The Board of Directors was authorized to decide on the donation recipients, purposes of use and other terms of the donations. The authorization was proposed to remain effective until the end of the Annual General Meeting 2026, however, no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

Antti Ihamuotila, attorney-at-law, chaired the meeting.

The minutes of the Annual General Meeting is

available on the Puuilo investor website at www.investors.puuilo.fi/en/corporate-governance/general-meeting.

Decisions by the Board of Director's organisation meeting

The following members were re-elected to the Audit Committee: Mammu Kaario (Chair), Tuomas Piirtola and Jens Joller.

PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors of Puuilo Plc proposes to the Annual General Meeting to be held on 12 May 2026 that a dividend of EUR 0.54 per share be distributed based on the financial year 2025 result and that an additional special dividend of EUR 0.12 per share be distributed. The total proposed dividend which implies to EUR 0.66 per share and will be paid based on the balance sheet to be confirmed for the financial year 1 February 2025 – 31 January 2026 on shares held outside the company. The remaining distributable assets will remain in equity. The Board of Directors proposes that the dividend be paid in two instalments.

The first instalment, EUR 0.33 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 19 May 2026. The board proposes that the first dividend instalment payment date be 26 May 2026.

The second instalment, EUR 0.33 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 15 October 2026. The board proposes that the second instalment payment date be 22 October 2026. The Board proposes that it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second instalment, if the rules and statutes of the Finnish book-entry system change or otherwise so require.

As at the date of the proposal for the distribution of profit, 24 March 2026, a total of 84,348,434 shares were

held outside the company, and the corresponding total amount of dividends was EUR 55,669,966.44.

The distributable assets of the Group's parent company total EUR 133,155,191.36 which profit for the financial year is EUR 57,574,379.88. The proposed regular dividend based on the financial year 2025 result corresponds to approximately 81% of Puuilo Group's net income for the financial year. The proposed total dividend corresponds to approximately 100% of Puuilo Group's net income for the financial year 2025.

Annual General Meeting

Puuilo's Annual General Meeting will be held on 12 May 2026.



Key figures

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025	1 Feb 2023 - 31 Jan 2024
Net sales	442.3	383.4	338.4
Net sales development (%)	15.4%	13.3%	14.2%
Like-for-like store net sales development (%)	3,7%	1.5%	5.2%
Online store net sales development (%)	5,6%	1.7%	-11.2%
Gross profit	169.0	144.6	123.9
Gross margin (%)	38.2%	37.7%	36.6%
Adjusted EBITA*	77.4	67.0	54.1
Adjusted EBITA margin (%)*	17.5%	17.5%	16.0%
Adjusted EBITA* margin development (%)	15.5%	23.8%	10.9%
EBITA*	76.8	67.0	54.1
EBITA margin (%)*	17.4%	17.5%	16.0%
EBIT	75.1	65.1	52.8
EBIT margin (%)	17.0%	17.0%	15.6%
Net income	56.0	47.9	38.7
EPS (EUR)	0.66	0.57	0.46
Dividend (EUR per share)	0.66**	0.70	0.38
Operating free cash flow	72.6	44.0	54.8
Effective dividend yield (%)	5.4%**	6.8%	4.3%
Price to earnings ratio (P/E)	18.5	18.0	19.4
Net debt / adjusted EBITDA	1.3x	1.4x	1.5x
Net debt / adjusted EBITDA excl. impact of IFRS 16	0.5x	0.5x	0.5x
Total equity per share	1.2	1.2	1.0
Number of stores (end of period)	56	49	42
Number of personnel converted into full-time employees (FTE)	950	849	791

* Operating profit before the amortisation and impairment of intangible rights

** Proposal of Board of Directors

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES AND OTHER KEY FIGURES

Puulo uses alternative performance measures to reflect the changes in business performance and profitability. These indicators should be examined together with the key performance indicators compliant with IFRS Accounting Standards.

Like-for-like store net sales development is used to reflect the changes in Puulo's business volume between periods. The indicator reflects the change in the net sales excluding the impact of new stores. Like-for-like stores include the stores that have existed during both the review period and the comparison period.

Adjusted profit and profitability indicators are used to improve the comparability of operational performance

between periods. Items affecting comparability include unusual material items outside the ordinary course of the business such as listing expenses and business arrangements.

Alternative performance measures, adjusted for the effect of IFRS 16, are used to monitor the achievement of financial targets. EBITDA excluding the effect of IFRS corresponds to EBITDA before the adoption of IFRS 16.

In addition, financial performance indicators for the group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability, and financial position.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES AND OTHER KEY FIGURES

KEY FIGURE	DEFINITION
Like-for-like store net sales development (%)	Like-for-like store net sales development is calculated as the net sales development of the comparable stores that are not considered new or closed stores. A store is considered a new store during the opening year and the following financial year after the opening. Relocated stores are considered as like-for-like stores.
Online net sales development (%)	Change in online store net sales for the period divided by online store net sales for the previous period
Gross profit	Net sales – materials and services
Gross margin (%)	Gross profit as percentage of net sales
EBITA	Operating profit before amortisation and impairment of intangible rights
EBITA margin (%)	EBITA as percentage of net sales
Adjusted EBITA	EBITA adjusted with items affecting comparability
Adjusted EBITA development (%)	Change in adjusted EBITA for the period divided by adjusted EBITA for the previous period
Adjusted EBITA margin (%)	Adjusted EBITA as percentage of net sales
EBIT (operating profit)	Profit before income taxes and finance income and finance costs (operating profit)
EBIT margin (%)	EBIT as percentage of net sales
Earnings per share (basic) (EUR)	Earnings per share have been calculated by dividing the profit for the period according to the consolidated income statement by the weighted average number of shares issued.

KEY FIGURE	DEFINITION
Earnings per share (diluted) (EUR)	Earnings per share have been calculated by dividing the profit for the period according to the consolidated income statement by the weighted average diluted number of shares issued.
EBITDA	Operating profit before depreciation, amortisation, and impairment
Adjusted EBITDA	EBITDA before items affecting comparability
Operating free cash flow	Adjusted EBITDA – depreciation of right-of-use assets – change in net working capital in cash flow statement – net capital expenditure
Effective dividend yield (%)	Dividend per share / Share price at the end of the period
Price to earnings ratio (P/E)	Share price at the end of the period / Earnings per share
Net debt / Adjusted EBITDA	Interest-bearing liabilities (loans from financial institutions + lease liabilities) – cash and cash equivalents divided by annualised adjusted EBITDA
Net debt / Adjusted EBITDA excl. IFRS 16 impact	Interest-bearing liabilities excluding IFRS 16 lease liabilities – cash and cash equivalents divided by adjusted EBITDA – lease expenses
Total equity per share	Total equity attributable to owners of the parent / shares

RECONCILIATION OF CERTAIN ALTERNATIVE PERFORMANCE MEASURES

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025	1 Feb 2023 - 31 Jan 2024
Items affecting comparability			
Strategic projects	0.6	-	-
Items affecting comparability	0.6	-	-
Gross profit			
Net sales	442.3	383.4	338.4
Materials and services	273.3	238.8	214.5
Gross profit	169.0	144.6	123.9
EBITA and adjusted EBITA			
Operating profit	75.1	65.1	52.8
Amortisation and impairment of intangible rights	1.6	1.9	1.3
EBITA	76.8	67.0	54.1
Items affecting comparability	0.6	-	-
Adjusted EBITA	77.4	67.0	54.1
EBITDA and Adjusted EBITDA			
Operating profit	75.1	65.1	52.8
Depreciation, amortisation and impairments	22.1	19.0	15.2
EBITDA	97.2	84.1	68.0
Items affecting comparability	0.6	-	-
Adjusted EBITDA	97.8	84.1	68.0

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025	1 Feb 2023 - 31 Jan 2024
Operating free cash flow			
Adjusted EBITDA	97.8	84.1	68.0
Net capital expenditure	-5.8	-7.1	-4.7
Depreciation on right-of-use assets	-17.3	-14.8	-11.9
Changes in working capital	-2.1	-18.2	3.4
Operating free cash flow	72.6	44.0	54.8
Net debt / Adjusted EBITDA			
Net debt	130.4	114.8	101.3
Adjusted EBITDA	97.8	84.1	68.0
Net debt / Adjusted EBITDA	1.3	1.4	1.5
Net debt / adj. EBITDA excl. impact of IFRS 16			
Net debt	130.4	114.8	101.3
IFRS 16 lease liabilities	-93.5	-83.1	-72.8
Net debt excl. impact of IFRS 16	36.9	31.7	28.5
Adjusted EBITDA, rolling 12 mths	97.8	84.1	68.0
Rents from lease agreements, rolling 12 mths	-18.8	-16.0	-12.3
Adjusted EBITDA excl. impact of IFRS 16	79.1	68.1	55.7
Net debt / adj. EBITDA excl. impact of IFRS 16	0.5	0.5	0.5

SUSTAINABILITY STATEMENT



Sustainability statement

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1. GENERAL INFORMATION

PUUILO IN BRIEF

Puulo is a Finnish discount retail chain. At the end of the financial period that ended on 31 January 2026, the strongly growing chain had 56 stores in different parts of Finland. In addition, customers are served through an online store. The product assortment includes building supplies, tools, HVAC and electrical accessories, pet food and supplies, car accessories, groceries, household products, garden supplies, free-time and other accessories as well as services. Puulo is one of the leading discount retailers in Finland and it serves both consumers and B2B customers in the repair and maintenance as well as construction sector. The company is known for its affordable prices and extensive product assortment.

Puulo Group’s parent company is Puulo Plc, which is a Finnish public limited company established under Finnish law. The company is headquartered in Helsinki, Finland. Puulo Plc is listed on the Nasdaq OMX Helsinki Stock Exchange.

ESRS 2 GENERAL DISCLOSURES

Preparation Basis

General basis for preparation of the sustainability statement (BP-1)

Puulo’s sustainability report has been prepared for the financial year from 1 February 2025 to 31 January 2026. It covers the entire Puulo Group, including the parent company Puulo Plc, its 100%-owned subsidiary Puulo Tavaratalo Oy and it’s 100%-owned subsidiary Puulo Varuhus Ab. Puulo Varuhus Ab had no operations during the financial period. The scope of consoli-

dation of the sustainability report is thus the same as in the financial statements. The assessment of impacts, risks, and opportunities at the beginning and end of the value chain has been included in the principles of action and attempts have been made to include indicators as accurately as the availability of information on product groups allows.

The reported sustainability topics are based on the double materiality analysis updated in 2025. The sustainability statement has been prepared in accordance with Chapter 7 of the Finnish Accounting Act and the European Sustainability Reporting Standards (ESRS).

No information related to intellectual property, know-how, or results of innovation has been omitted from the sustainability statement.

Disclosures in relation to specific circumstances (BP-2)

Puulo’s financial year begins on 1 February and ends on 31 January. In this report and its tables, the year refers to the financial year, not the calendar year.

The availability and quality of information related to the beginning and end of the value chain can cause uncertainty in the reported data. Nevertheless, the reporting is considered to provide sufficient and comparable information across reporting periods. The methods used in carbon footprint calculations and the uncertainties and limitations related to data quality are detailed in section E1-6. The value chain information regarding resource inflows in section E5-4 has been assessed using the company’s internal data, as Puulo does not manufacture or further process products itself and does not have access to detailed information about the

value chain.

Individual reported metrics have not been separately validated by an external party.

Puulo updated its sustainability strategy during the reporting period, and the metrics used to monitor the implementation of the strategy were also updated. As a result, this sustainability statement includes the return rate (S4-5) as a new metric, which was not included in the sustainability statement for the financial year 2024.

In its 2025 reporting, Puulo does not report the following material disclosure requirements or datapoints in accordance with Appendix C of ESRS 1:

- SSBM-1 Strategy, business model, and value chain: paragraph 40 (b) and (c)
- SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model: paragraph 48 (e)
- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities
- S1-13 Training and skills development
- S1-14 Health and safety: data points on the number of days lost due to work-related health issues, injuries, accidents, fatalities, and occupational diseases
- S1-15 Work-life balance

Governance

The role of the administrative, management and supervisory bodies (GOV-1, G1.GOV-1)
Responsibilities of the Board of Directors

Puulo’s Board of Directors oversees the company’s operations and administration and decides on significant matters related to the company’s strategy, investments, organisation and financing. The Board of Directors has general authority in all matters not assigned to other bodies by law or the Articles of Association. Its responsibilities include approving the financial statements and the report by the Board of Directors, including the sustainability statement, as well as half-year and business reviews; deciding on strategically significant business matters; confirming group-wide policies; and ensuring appropriate arrangements for risk management and internal control. The Board of Directors also appoints the CEO and other members of the management team and decides on the terms of their employment. The Board operates under a written charter defining its main duties and operating principles.

Until the Annual General Meeting on 15 May 2025, the Board of Directors consisted of six members, and from 15 May 2025 onwards, five members.

Board composition until 15 May 2025:

Chair: Lasse Aho

Members: Bent Holm, Jens Joller, Mammu Kaario, Anne-Mari Paapio, Tuomas Piirtola

Board composition from 15 May 2025:

Chair: Mammu Kaario

Members: Susanne Hounsgaard, Jens Joller, Tuomas Piirtola, Markku Tuomaala

Until 15 May 2025, 67% of Board members were men and 33% women; from 15 May 2025 onwards, 60% were men and 40% women. Based on the indepen-

dence assessment, all Board members were independent of the company and significant shareholders, except for Jens Joller, who was independent of the company but not of a significant shareholder. The gender ratio of the Board was 2:4 until 15 May 2025 and 2:3 thereafter. The proportion of independent Board members was 83% until 15 May 2025 and 80% thereafter.

During the reporting period, Puuilo's management team consisted of seven members, all of whom participated in operational management: CEO Juha Saarela, CFO Ville Ranta (until 31 December 2025), Annu von Weymarn (interim CFO from 1 January 2026), Marketing Director Perttu Partanen, Purchasing and Logistics Director Markku Lampela, HR Director Sirkkaliisa Kulmala, Sales Director Markus Kaatranen, and IT Director Juha Parviainen.

The gender ratio of the management team was 1:6 until 31 December 2025 and 2:5 from 1 January 2026. On the previous financial year, it was 1:6. There are no employee representatives on the management team or the Board of Directors.

The members of the Audit Committee were: Mammu Kaario (chair), Jens Joller and Tuomas Piirtola.

The duties of the Audit Committee include overseeing financial and sustainability reporting, risk management, the arrangement of audit and assurance of sustainability reporting, internal audit, as well as matters related to compliance and governance. The committee does not have independent decision-making power but prepares matters for decision by the Board of Directors or the Annual General Meeting.

Members of the Board of Directors must have the required qualifications and expertise to perform their duties. The Board of Directors collectively has sufficient knowledge and experience of Puuilo's business environment, industry, and product range.

Responsibilities of the Management Team

The management team acts as the top operational decision-maker in the Group. The management team participates in key strategic and operational decision-making and is responsible for resource allocation and performance assessment. The CEO serves as the chair of the management team. The management team reports strategically significant issues to the Board of Directors and prepares matters that fall under the Board of Directors' decision-making authority.

The management team members are responsible, among other duties, for Puuilo's sustainability work and for setting related targets. The CEO is responsible for overall sustainability, including economic, environmental, and social responsibility. The Purchasing and Logistics Director is responsible for the supply chain (product responsibility, logistics, and value chain employees), and the HR Director is responsible for social responsibility regarding the company's own workforce. The CFO is responsible for administration and reporting.

The management team has extensive experience and expertise in their respective areas, including material sustainability topics. The management team has access to Puuilo's internal sustainability expertise, and external experts are consulted when necessary.

The same control measures and procedures used in

other company operations are applied to manage sustainability impacts, risks, and opportunities. These are integrated into internal control processes. The management team is responsible for ensuring that risk management and internal control are appropriately organized.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Metrics and targets have been established for Puuilo's sustainability strategy and integrated into the company's regular financial reporting. Strategically significant sustainability key performance indicators are reported regularly to the management team and the Board of Directors. The frequency of management team reviews is defined in the sustainability strategy.

Puuilo's Board of Directors regularly addresses matters related to personnel and information security. Emissions from transportation are reported to the Board of Directors twice a year. Puuilo's sustainability statement is presented to the Board of Directors in connection with the financial statements. The Board of Directors approves the sustainability statement as part of the report by the Board of Directors.

Sustainability and sustainability-related matters are addressed by the management team based on business needs. The management team participates in identifying impacts, risks and opportunities, as well as in the assessment of double materiality. The assessment process also includes implementing the due diligence process according to the UN Guiding Principles on Business and Human Rights and the OECD Gui-

delines for Multinational Enterprises to identify adverse impacts on people and the environment.

The management team updated the double materiality assessment during the financial year 2025, and the results were reported to the Audit Committee and the Board of Directors. The Board of Directors approved the results of the assessment.

Puuilo's sustainability strategy was updated during the reporting period and approved by the Board of Directors.

The Audit Committee of the Board of Directors addresses key sustainability matters. During the reporting period, the Board of Directors and its Audit Committee addressed, among other things, the following sustainability topics:

- E-the sustainability statement for the previous financial year
- the update of the double materiality assessment
- the update of the sustainability strategy
- the results of the employee survey
- the performance of strategically significant sustainability metrics

Integration of sustainability-related performance in incentive schemes (GOV-3)

Sustainability performance is not included in incentive systems.



Statement on due diligence (GOV-4)

Core elements of due diligence	Paragraph in the sustainability statement
a) Embedding due diligence in governance, strategy and business mode	ESRS 2 GOV-2 ESRS 2 SBM-1, ESRS SBM-3 ESRS 2 IRO-1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 S1-2, S4-2, G1-2
c) Identifying and assessing adverse impacts	ESRS 2 SBM-3 ESRS 2 IRO-1
d) Taking actions to address those adverse impacts	E1-3, E5-2, S1-3, S1-4, S2-4, S4-3, S4-4
e) Tracking the effectiveness of these efforts and communicating	E1-5, E1-6, E5-3, E5-5, S1-5, S2-5, S4-5

Risk management and internal controls over sustainability reporting (GOV-5)

Puulo's sustainability reporting risk management follows the company's general risk management approach. Puulo Group's risk management is guided by the risk management policy approved by the Board of Directors. The purpose of the risk management policy is to define the risk management framework, processes, management, and responsibilities at Puulo. Puulo's risks are classified into strategic, operational, financial, compliance and sustainability risks. Risks are assessed based on their impact, likelihood and the current level of controls, in accordance with the finance function's guidelines.

Puulo has defined roles and responsibilities for sustainability reporting. The finance department is responsible for qualitative information in the report, which is based on interviews with responsible persons or previous year's reporting when applicable. The responsible person for each area participates in validating the content.

The finance department collects quantitative data from responsible persons and, where necessary, consolidates and analyses the data. The CFO is responsible for collecting, reporting, and publishing sustainability information as part of the report by the Board of Directors.

Internal control of reporting is based on monitoring and controls performed through self-assessment, with the results reported to the Board of Directors. Puulo has no separate internal audit function. The finance department is responsible for monitoring internal control. The Board of Directors may use internal or external resources to conduct separate internal audits if necessary.

The Audit Committee monitors the preparation and progress of the reporting. The most significant identified uncertainties relate to the estimation of emissions data. The accuracy of available data is improved by developing data collection processes

Strategy

Strategy, business model and value chain (SBM-1)

Puulo is a Finnish store chain founded in 1982, specializing in DIY, household goods, and pet products. By the end of the financial year 2025, Puulo had 56 stores nationwide and an online store, which is an essential part of Puulo's multichannel business model. Puulo serves both private customers and companies focused on maintenance, repair, or construction. During the reporting period, Puulo operated exclusively in Finland.

Each store's product range is the same. It consists of ten main product groups: building materials, HVAC and electrical accessories, car accessories, household products, garden supplies, pet food and supplies, tools, free-time and other accessories, groceries, as well as services. The share of seasonal products is small. The product range includes approximately 30,000 items.

The number of full-time employees in the group at the end of the reporting period was 950 (849). All staff work in Finland. The Group's net sales was €442.3 million (€383.4 million).

Company's growth strategy focuses on Puulo's commercial strengths: low prices, a wide range of products, and an easy shopping experience. The easy shopping experience and low prices are directly linked to consumers and end users. A wide and affordable product range is linked to material environmental sus-

tainability topics (circular economy, climate change) and working conditions for value chain employees. The global supply chain of products requires extensive logistics, includes several disposable products, and products that stand out for their quality and durability. The competence of the staff is crucial in the shopping experience, as customers often need help solving their problems.

The theme of Puulo's sustainability strategy is "Responsible Retailer". Puulo's sustainability strategy is divided into three areas: Responsible Supply Chain, Good Workplace, and Environmental and Social Responsibility. Puulo aims to offer sustainable and safe products, increase employee commitment and reduce its carbon footprint. Key objectives include increasing the share of suppliers committed to sustainability, reducing the return rate of products, improving employee retention and job satisfaction, increasing the recycling rate of waste and reducing greenhouse gas emissions.

Puulo's most significant production inputs are skilled personnel, products for sale, retail locations, and necessary logistics services. Puulo does not manufacture the products it sells but operates in the value chain between manufacturers and business and consumer customers. Product manufacturing and transportation are part of the value chain, while other production inputs are part of Puulo's operations. Puulo ensures the availability of production inputs with a broad, decentralized network of suppliers. Continuous improvement of staff skills is an essential part of ensuring and developing production inputs.

The upstream end of the value chain consists of the

manufacturing of products for sale and the procurement of the raw materials required for production.

For suppliers, Puulo offers a growing distribution channel for their manufactured products and a long-term business partnership. Special attention is paid to supplier selection, as the impacts of the global supply chain extend widely. Puulo has approximately 700 suppliers. About 80 percent of purchases are made from domestic suppliers, while the remaining 20 percent are from Asia or other EU countries. Puulo uses the amfori BSCI system to verify the responsibility of the supply chain, and supplier commitment to it is part of the supplier selection criteria. Puulo's ethical guidelines for procurement are included in cooperation agreements with all new suppliers and added to existing agreements when they are renewed. Risks related to supply chain disruptions are managed by diversifying supply chains across different countries and continents.

Puulo's principle is to operate in rented premises rather than owning store premises. The owners of store properties are among the most important business partners. Finding suitable rental spaces in collaboration with property owners is a prerequisite for opening new stores.

Puulo transports products to stores across Finland and imports products from Asia and Europe. Logistics significantly impact both operational quality and the environment. Emissions from land, sea and air transport are reduced in cooperation with logistics partner.

Strong and sustainable growth is possible only with skilled and motivated personnel. Puulo aims to be a good workplace where staff want to commit. Staff

availability is promoted by offering stable and permanent employment relationships, investing in the quality of management, and with commitment and incentive programs.

Puuiilo offers suppliers a growing distribution channel for their manufactured products and a long-term business partnership.

At the end of the reporting period, Puuiilo had 35,089 registered shareholders. They expect an attractive return on their invested capital. Financiers expect Puuiilo to act as a debtor accurately and reliably.

At the downstream end of the value chain are Puuiilo's consumer and business customers, the use of products, and after use, recycling or final disposal.

For its customers, Puuiilo offers affordable prices, a wide range of products, and an easy shopping experience. Through its business customers, Puuiilo's value chain is linked to these customers and the use of products in their business operations. The growth of e-commerce also increases product deliveries to customers and the related logistics, along with environmental impacts.

Product durability enhances customer satisfaction. Reducing product complaints decreases related transport emissions and waste volumes. The indirect benefits contribute to both environmental and societal well-being.

Interests and views of stakeholders (SBM-2)

Puuiilo's key stakeholders are customers, analysts and investors, suppliers, and its own personnel. These stakeholders have been widely consulted in connec-

tion with Puuiilo's first double materiality assessment through a stakeholder survey, the results of which have been utilised in the materiality assessment and its subsequent update.

Customer surveys are conducted regularly. Customers provide daily feedback on Puuiilo's operations, and the products sold by the company. Interaction with customers is described in more detail in disclosure requirement S4-2. Active dialogue is maintained with investors and analysts, for example in connection with financial reporting and investor and analyst meetings. Suppliers are of critical importance to Puuiilo's business, and interaction with them is continuous. The methods of supplier cooperation are described in more detail in disclosure requirement G1-2.

Puuiilo's strategy and business model are based on the competence and motivation of its personnel. Employee satisfaction is one of Puuiilo's key strategic objectives and is measured through an annual survey. Shift work, fixed-term employment contracts and other factors related to working conditions and remuneration that are typical of the retail sector may affect employee well-being. Interaction and cooperation between management and personnel are promoted through the cooperation negotiation committee and continuous informal discussions between management and staff. Interaction with the own workforce is described in more detail in section S1-2.

In addition, value chain workers have been identified as a significant stakeholder group that Puuiilo's operations impact considerably. Due to the nature of the supply chain and the geographical location of supp-

liers, there is practically no interaction with value chain workers. Puuiilo recognizes that its growth strategy affects value chain workers. Potential negative impacts on them are sought to be mitigated by developing supplier relationships and increasing the share of audited suppliers.

The purpose of stakeholder interaction is to understand the wishes and expectations of stakeholders towards Puuiilo. The needs and preferences of stakeholders, especially consumers, directly guide retail operations. In the stakeholder survey conducted as part of the materiality assessment, stakeholders identified Puuiilo's most important sustainability topics as occupational well-being, health and safety, customer privacy and data security, as well as product quality, durability, reparability and upgradability. Stakeholder views have been considered in both Puuiilo's business strategy and sustainability strategy. Puuiilo's strategy aligns with the company's understanding of stakeholder views. Stakeholder perspectives are taken into account in Puuiilo's ways of working to support the implementation of the company's growth strategy.

The results of customer surveys and employee satisfaction surveys are regularly reviewed by the management team. The Board of Directors' reviews HR and marketing reports according to the annual calendar, and material findings are reported to the Board of Directors in connection with these reviews.

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

The material sustainability topics identified for Puuiilo

are climate change, resource use and circular economy, own workforce, value chain workers, consumers and end users, and business conduct. The material impacts on people and the environment associated with Puuiilo's operations and business relationships are typical for the retail sector. In line with its growth strategy, Puuiilo is expanding its store network, e-commerce, and product range, and these factors are also reflected in the impacts, risks, and opportunities identified in the double materiality assessment. The ability of Puuiilo's strategy and business model to address material impacts and risks or to leverage material opportunities is based on a wide product range, an extensive supplier network, and a broad domestic store network. A separate resilience analysis of the company's strategy and business model's climate resilience has not been conducted.

Regarding material risks and opportunities, no material financial impacts on the company's financial position, financial performance, or cash flows have been identified during the reporting period. The company has not identified material risks or opportunities that would have material impacts on items in the financial statements.

Material Environmental Impacts, Risks, and Opportunities

The most material environmental impacts are related to greenhouse gas emissions from the production and logistics of the product range, the materials required for product manufacturing and packaging, as well as the energy consumption, emissions, and waste from Puuiilo's own operations. Positive environmental impacts are sought by offering high-quality, durable and

repairable products and spare parts.

The material climate change-related risks for Puuilo are transition risks. Production costs may increase due to stricter climate and other environmental regulations or taxation. Cost increases may not be fully transferable to customer prices.

Stricter emission and other environmental regulations may indirectly or directly increase Puuilo's own or the value chain's costs. Dependence on virgin raw materials may, in the long term, lead to supply chain disruptions and a reduction in the product range if the availability of these raw materials decreases.

Transitioning to cleaner energy sources is seen as an opportunity that reduces uncertainties related to the price and availability of more polluting fossil energy. Energy efficiency and waste minimization reduce costs.

The double materiality assessment did not identify any material physical climate risks for Puuilo. Puuilo's stores and offices are located in Finland, and the risks of extreme weather conditions affecting them were assessed as relatively low. Disruptions affecting suppliers' production facilities and logistics located abroad may have an impact on Puuilo, but the knowledge base for a more detailed climate risk assessment or resilience analysis is currently insufficient. Risks related to supply chain disruptions are managed through a broad supplier network.

Material Impacts, Risks, and Opportunities Related to People and Society

The material impacts on customers are related to pro-

duct safety and privacy, affecting all of Puuilo's business and consumer customers and the end users of the products. Potential individual product defects or misuse of products can, in some cases, cause accidents. Product safety is particularly important in certain product groups, such as paints and other chemicals.

Positive impacts are related to product safety and quality and compliance with safety standards. Key means to promote positive impacts include careful supplier and product selection. Safety standards, product labelling and instructions for use reduce risks of harm and health impacts to consumers.

Cybersecurity risks are associated with payment transactions in e-commerce and the processing of other customer data. Deficiencies in product safety or data security can cause reputational damage and a decline in sales.

The material impacts, risks, and opportunities arise from Puuilo's business model, which offers a wide range of products and customers pay for their purchases using electronic payment methods.

Permanent and secure employment relationships provide economic and psychological benefits to the personnel. An equal and fair workplace promotes job satisfaction. The company culture also reflects on the customer experience. Negative impacts on the own workforce can include dissatisfaction with working conditions or employment terms, or mental strain. Material impacts, risks, and opportunities related to personnel are connected to Puuilo's growth strategy, as strong growth can, for example, reflect on the mental strain of employees. Business growth and profitability are

enabled by skilled and motivated personnel, so material risks and opportunities depend on the company's own workforce.

Puuilo's employees are divided into permanent, fixed-term, and those working with variable hours, as well as full-time and part-time employees. The material impacts, risks, and opportunities related to personnel were found in the double materiality assessment to affect the entire workforce equally, and no employee groups were identified as being at greater risk.

In Puuilo's strategy and business model, supply chains are global, and their upstream ends may be located in countries with higher risk related to human rights and fair working conditions. Operations may be linked to forced labor, child labor, poor occupational safety, or otherwise poor working conditions. Any misconduct occurring in the value chain tends to be isolated cases and poses a reputational risk for Puuilo.

The double materiality assessment examined all employee groups in the value chain. The employees to whom material sustainability impacts or risks apply in Puuilo's value chain are those working outside the EU for Puuilo's suppliers. They work at the upstream end of the value chain in the production facilities or logistics tasks of suppliers or their subcontractors and participate in the procurement, processing, manufacturing, transportation, and other handling of goods. The material impacts and risks are related to their working conditions and the realization of their human rights.

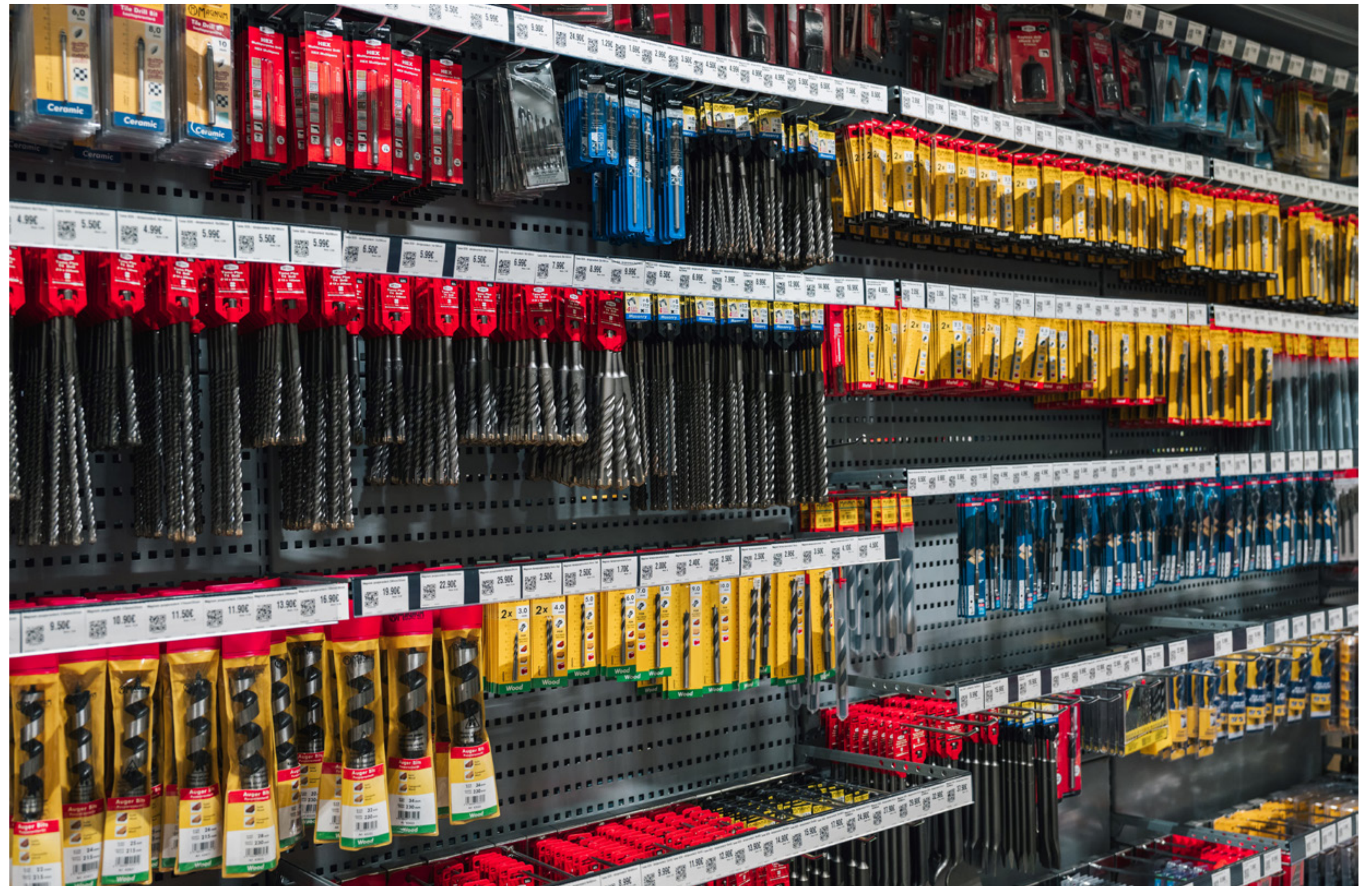
A significant share of the products sold by Puuilo are manufactured in Asia. Some of the manufacturing countries are classified as high-risk countries for wor-

king conditions and human rights according to the am-fori BSCI classification, where the risk of potential negative impacts is higher. The high-risk countries from which purchases were made during the reporting period were China, India, Pakistan, Turkey, Vietnam and Cambodia. The potential negative impacts on employees are systemic.

Failure to monitor product safety or ensure the quality of the supply chain can lead to financial losses and a decline in customer trust. Puuilo's reputation as an employer is linked to risks related to the availability of labor and employee well-being. Deficiencies in occupational health and safety practices could lead to increased sick leave, higher costs, and operational disruptions. The origin risks related to the treatment of value chain workers can affect Puuilo's reputation and, consequently, its long-term profitability.

Material Impacts, Risks, and Opportunities Related to Governance

Maintaining a safe and reliable product range, as well as a value-based corporate culture, strengthens Puuilo's brand value for customers. Corporate culture and employee satisfaction enhance the employer image and facilitate recruitment. Good supplier relationships strengthen the ability to ensure the financial profitability of the business.



Material impacts, risks and opportunities related to environment

Sub-topic	ESRS topic	Description of impact, risk or opportunity	Nature of impact	Value chain	Time horizon
Climate change mitigation	ESRS E1 Climate change	GHG emissions from own operations	Actual negative	Own operations	Short-term
Climate change mitigation	ESRS E1 Climate change	GHG emissions from product transportation and other logistics	Actual negative	Upstream	Short-term
Climate change mitigation	ESRS E1 Climate change	GHG emissions from product manufacturing	Actual negative	Upstream	Short-term
Climate change mitigation	ESRS E1 Climate change	Increase in production costs due to the transition to more sustainable production processes	Risk	Upstream	Medium-term
Climate change mitigation	ESRS E1 Climate change	Additional costs due to regulatory changes and increased taxation	Risk	Own operations	Medium-term
Energy	ESRS E1 Climate change	Energy use in own operations (including energy consumption of buildings)	Actual negative	Own operations	Short-term
Energy	ESRS E1 Climate change	Energy efficiency and the savings brought by energy-saving measures	Opportunity	Own operations	Medium-term
Energy	ESRS E1 Climate change	With the use of renewable energy, dependence on traditional energy sources decreases, leading to potential cost savings	Opportunity	Own operations	Long-term
Resources inflows, including resource use	ESRS E5 Resource use and circular economy	Overconsumption and material choices lead to the overuse of natural resources	Potential negative	Upstream	Short-term
Waste	ESRS E5 Resource use and circular economy	The negative environmental impacts of waste, as well as waste management and transportation	Actual negative	Own operations and downstream	Short-term
Outflows of resources related to products and services	ESRS E5 Resource use and circular economy	Providing customers with high-quality, durable, and repairable products, as well as spare parts	Potential positive	Own operations and downstream	Medium-term
Resource inflows, including resource use	ESRS E5 Resource use and circular economy	The decreasing availability of raw materials in the long-term increase costs	Risk	Upstream	Long-term
Waste	ESRS E5 Circular economy	Minimizing waste management costs	Opportunity	Own operations	Medium-term

Material Impacts, Risks, and Opportunities Related to People and Society

Sub-topic	ESRS topic	Description of impact, risk or opportunity	Nature of impact	Value chain	Time horizon
Secure employment, Working time, Adequate wage, Social dialogue, Freedom of association, Collective bargaining, Work life balance	ESRS S1 Own workforce	Dissatisfaction with working conditions, workload, and financial challenges	Potential negative	Own operations	Short-term
Secure employment	ESRS S1 Own workforce	Offering permanent employment to staff	Actual positive	Own operations	Short-term
Working time, Adequate wage	ESRS S1 Own workforce	High job satisfaction due to good working conditions	Potential positive	Own operations	Short-term
Working time, Adequate wage	ESRS S1 Own workforce	Decreased job satisfaction leads to lower work motivation, efficiency, and commitment, which in turn reduces productivity	Risk	Own operations	Medium-term
Secure employment, Working time, Adequate wage, Social dialogue, Freedom of association, Collective bargaining, Work life balance	ESRS S1 Own workforce	Recruitment challenges caused by a poor employer image reduce productivity	Risk	Own operations	Medium-term
Secure employment, Training and skills development	ESRS S1 Own workforce	A high level of customer service and employee satisfaction, resulting from staff retention, increases market share and productivity	Opportunity	Own operations	Medium-term
Secure employment, Working time, Adequate wage, Work life balance	ESRS S1 Own workforce	Improved productivity and strong workforce availability	Opportunity	Own operations	Medium-term
Health and safety	ESRS S1 Own workforce	Absences due to occupational accidents, health problems, or employee well-being challenges lead to increased operational costs	Risk	Own operations	Short-term

Sub-topic	ESRS topic	Description of impact, risk or opportunity	Nature of impact	Value chain	Time horizon
Gender equality and equal pay, Measures against harassment in the workplace, Diversity	ESRS S1 Own workforce	Equality has positive impacts on employee competence, career progression, and overall well-being	Potential positive	Own operations	Short-term
Secure employment, Working time, Adequate wage, Social dialogue, Freedom of association, Collective bargaining, Work life balance, Health and safety	ESRS S2 Workers in the value chain	Adverse working conditions within the value chain and their effects on individuals' well-being and means of livelihood	Potential negative	Upstream	Short-term
Secure employment, Working time, Adequate wage, Social dialogue, Freedom of association, Collective bargaining, Work life balance, Health and safety	ESRS S2 Workers in the value chain	Poor labor conditions in the supply chain pose a reputational risk, potentially resulting in financial liabilities	Risk	Upstream	Medium-term
Health and safety	ESRS S2 Workers in the value chain	Health problems and occupational accidents affecting employees throughout the value chain	Potential negative	Upstream	Short-term
Child labour, Forced labour, Adequate housing, Water and sanitation, Privacy	ESRS S2 Workers in the value chain	Serious human rights violations and inhumane living conditions within the supply chain	Potential negative	Upstream	Short-term
Child labour, Forced labour, Adequate housing, Water and sanitation, Privacy	ESRS S2 Workers in the value chain	Reputational risk arising from severe human rights abuses within the supply chain, negatively affecting market share	Risk	Upstream	Medium-term
Privacy	ESRS S4 Consumers and end-users	Secure payment methods and e-commerce security	Risk	Downstream	Short-term
Health and safety	ESRS S4 Consumers and end-users	Risks related to product safety	Potential negative	Downstream	Short-term
Health and safety	ESRS S4 Consumers and end-users	Product safety standards and the mitigation of consumer risks	Actual positive	Downstream	Short-term

Material Impacts, Risks, and Opportunities Related to Governance

Sub-topic	ESRS topic	Description of impact, risk or opportunity	Nature of impact	Value chain	Time horizon
Corporate culture	ESRS G1 Business conduct	Poor customer service due to weak organizational culture	Potential negative	Own operations	Short-term
Corporate culture	ESRS G1 Business conduct	Employee satisfaction, overall well-being, and organizational commitment	Potential positive	Own operations	Short-term
Corporate culture	ESRS G1 Business conduct	A strong corporate culture contributing to a positive brand image and market share growth	Opportunity	Own operations	Medium-term
Corporate culture	ESRS G1 Business conduct	A strong employer brand enhances employee engagement and contributes to higher productivity	Opportunity	Own operations	Medium-term
Relationships with suppliers	ESRS G1 Business conduct	Insufficient monitoring of the value chain may lead to adverse impacts on people and the environment	Potential negative	Own operations	Medium-term
Relationships with suppliers	ESRS G1 Business conduct	Reputational risks arising from adverse social and environmental impacts in the supply chain may weaken market share	Risk	Own operations	Medium-term
Relationships with suppliers	ESRS G1 Business conduct	Long-term partnerships contributing to increased efficiency	Opportunity	Own operations	Medium-term

Compared to the previous reporting period, the following impacts, risks and opportunities were not considered material:

ESRS topic	Description of impact, risk or opportunity	Nature of impact
ESRS E1 Climate change	Increase in sustainable products through portfolio expansion	Potential positive
ESRS E1 Climate change	Enhancing logistics and packaging with more environmentally friendly packaging solutions	Potential positive
ESRS E1 Climate change	New markets and innovations (products, services, business models) related to climate change challenges increase market share	Opportunity
ESRS E1 Climate change	Use of low-emission energy in own operations	Actual positive
ESRS E5 Resource use and circular economy	New innovations and product categories related to the circular economy increase net sales	Opportunity
ESRS E5 Resource use and circular economy	The harmful environmental impacts of packaging materials	Potential positive
ESRS S4 Consumers and end-users	Secure payment methods and e-commerce security	Actual positive
ESRS S4 Consumers and end-users	Financial impact of product recalls	Risk
ESRS S4 Consumers and end-users	Strengthening the brand through product safety, increasing market share	Opportunity
ESRS G1 Business conduct	Collaboration with suppliers enables innovation and creates opportunities for growth	Opportunity



Impact, risk, and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

Puulo’s material sustainability impacts, risks, and opportunities were identified and assessed during the fall of 2023 and early 2024. The process consisted of three phases:

1. Background analysis and development stakeholder understanding
2. Identifying and preliminarily assessing sustainability-related impacts, risks, and opportunities
3. Determination and validation of the materiality of the identified impacts, risks, and opportunities

The process utilized a combination of research based on public and internal sources, stakeholder surveys, independent assessments by Puulo’s expert and working group meetings. Puulo’s management team participated in the assessment in a validating role.

In the background analysis, the potential types of impacts, risks, and opportunities across Puulo’s entire value chain were determined. The materials used included Puulo’s previous sustainability statement and its background materials, customer and employee surveys, reports from peer companies, industry-specific standard topic recommendations, and the stakeholder survey. Based on these, an understanding of potentially material sustainability topics was formed. Themes that were not supported by background material or stakeholder views were already excluded as non-material at this stage.

For each potentially material topic, relevant actual or potential negative and positive sustainability impacts, as well as business risks and opportunities, were identified. These were identified at a general level across Puulo’s entire value chain, without detailed analysis of individual operations, business relationships, or geographical areas.

The identified impacts, risks, and opportunities were analyzed in more detail and grouped according to ESRS standards. At the same time, the views of key stakeholder representatives were also heard. In a workshop with Puulo’s management and experts, the impacts, risks, and opportunities were refined and prioritized.

In the prioritization, the severity of negative and positive impacts (scale, scope, and in the case of negative impacts, also the irreversibility of the impact), the magnitude of the financial impacts of risks and opportunities, and the likelihood of their occurrence were each assessed on a scale of 1–5. The assessment was conducted over short, medium, and long-term periods.

Preliminary materiality values for impacts were calculated based on severity and likelihood scores for each impact. Preliminary materiality values for risks and opportunities were calculated based on the magnitude and likelihood scores of their associated financial impacts.

As a result of the assessments, a relative ranking of all identified impacts, risks and opportunities was established, with the median of the materiality scores serving as the threshold for materiality. Puulo’s management team validated the assessment, after which it was re-

viewed by the Audit Committee and approved by the Board of Directors.

Update of the double materiality assessment

The double materiality assessment described above was updated in autumn 2025. The original descriptions and rationales for impacts, risks and opportunities were refined. Assessments of the severity of impacts and the magnitude of financial effects, as well as assessments of their likelihood, were updated. The materiality threshold remained unchanged. The estimated time horizons for the realisation of impacts, risks and opportunities were reviewed and updated where necessary.

The update was validated by Puulo’s management team and approved by the Board of Directors.

Continuous monitoring of impacts, risks and opportunities

The monitoring of identified potential and actual impacts is the responsibility of the management of each business unit.

The objective of risk management is to achieve competitive advantage by reducing threats and increasing opportunities. Risk management roles have been defined and integrated into business operations, planning and decision-making. Identified material sustainability risks are included in the update of the risk map in accordance with the management team’s annual cycle, as part of the company’s overall risk landscape. The company-wide risk map is approved annually by the Board of Directors.

The identification, assessment and management of sustainability-related opportunities form part of busi-

ness management. Data collection and assessment related to changes in demand across different product groups also cover sustainability-related matters and associated opportunities, such as circular economy solutions or energy efficiency.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1.IRO-1)

Puulo’s climate-related impacts and risks have been identified as part of the double materiality assessment. Greenhouse gas emissions arise from the value chain of products sold, including manufacturing, logistics and, in many cases, product use, as well as from Puulo’s own operations and the generation of purchased energy. No separate climate risk assessment or scenario analysis has been conducted.

The assessment did not identify any material physical climate risks. Even in the long term, the risks of extreme weather conditions affecting stores located in Finland and their surrounding areas are relatively small. Physical risks are more focused on suppliers’ production facilities and logistics centers and transport routes located abroad. Disruptions affecting these can impact the availability and price of products for Puulo.

Description of the processes to identify and assess material impacts, risks and opportunities related to pollution, water and marine resources, and biodiversity and ecosystems (E2.IRO-1, E3.IRO-1, and E4.IRO-1)

The thematic standards related to pollution (E2), water and marine resources (E3), and biodiversity and ecosystems (E4) were not assessed as material for



Puuiilo's sustainability reporting in the double materiality assessment.

The impacts, risks, and opportunities related to pollution, water and marine resources, and biodiversity and ecosystems were evaluated based on the best available information without screening analyses. Stakeholder views were surveyed as part of the double materiality assessment, which covered all environmental topics of the ESRS standards. Physical, transition, or systemic risks related to biodiversity and ecosystems were not separately assessed. Puuiilo's stores are located in leased properties in urban areas, and their impacts on the surrounding environment have been considered in zoning and building permit processes. No specific actions related to biodiversity were identified as necessary.

Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy (E5.IRO-1)

The material impacts, risks, and opportunities related to resource use and circular economy have been identified and assessed as part of Puuiilo's double materiality assessment. The assessment considered the main features of Puuiilo's supply chain, product range, and waste management. A broad engagement of domestic stakeholders was conducted during the double materiality assessment. However, it has not yet been possible to hear the views of communities affected by the supply chains of the product range.

The identified material negative impacts include the effects on the sufficiency of natural resources and ot-

her environmental impacts resulting from the use of virgin materials, mass production, and potentially poor product quality. A low recycling rate is associated with several adverse environmental impacts.

Potential legislative changes affecting the products sold and their characteristics have been identified as a material risk. This risk is generally mitigated by applicable transition periods, during which products already in stock can be sold before the end of the transition period. Consumer preferences may change, and on the other hand, it is possible to respond flexibly to changes in demand since there is no in-house manufacturing.

Minimizing waste brings cost savings.

A broader transition to a circular economy does not pose a material risk, as its impacts are expected to affect individual products or product groups, and Puuiilo itself is not a manufacturer of products.

Process to identify and assess material impacts, risks and opportunities related to governance (G1.IRO-1)

The material impacts, risks, and opportunities related to governance have been identified and assessed as part of Puuiilo's double materiality assessment. The assessment considered Puuiilo's operating environment in Finland, global supply chains, and structures typical of the retail sector.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

Puuiilo reports the material sustainability topics identified in the double materiality assessment in accordance with the standards ESRS E1, E5, S1, S2, S4, and G1, and additionally, general information about the

company according to the standard ESRS 2. The assessment process is described in section IRO-1 of the report. The material disclosure requirements reported under each standard are presented in Appendix 1 to this report.

A list of datapoints arising from other EU legislation is presented in Appendix 2.

2. ENVIRONMENTAL INFORMATION

EU Taxonomy

Puulo reports information related to the EU Sustainable Finance Taxonomy in accordance with Regulation (EU) 2020/852 and the requirements of the Finnish Accounting Act. In its taxonomy reporting for the financial year 2025, Puulo applies Commission Delegated Regulation (EU) 2026/73, including its provisions on the materiality of reportable information and the new reporting templates. As a result, comparative information for the previous year has not been restated.

The EU Taxonomy is a classification system intended to direct capital flows towards sustainable investments and to support the achievement of a climate neutral European Union by 2050. The company's business consists of retail operations. Puulo has reviewed its activities to identify taxonomy eligible and taxonomy aligned economic activities within its business.

The majority of Puulo's business activities do not fall within the scope of the Taxonomy. The company has not identified taxonomy aligned turnover, capital expenditure or operating expenditure. Puulo has taxonomy eligible capital expenditure related to store refurbishments and the transition to LED lighting; however, their share does not exceed the 10% materiality threshold set out in the Taxonomy Regulation. The calculations are based on the same IFRS accounting policies applied in Puulo's consolidated financial statements.

EU Taxonomy Key Performance Indicators

Puulo presents the key performance indicators for net sales (turnover), capital expenditures (CapEx), and operating expenditures (OpEx) in accordance with

the table defined in the EU Taxonomy Regulation for non-financial companies.

Preparation Principles

Net sales (Turnover)

Puulo applies the same IFRS-compliant preparation principles for calculating the net sales key performance indicators as it applies in its consolidated financial statements. The net sales recognition principles of the financial statements are presented in Note 2.1 of the consolidated financial statements. The total net sales used in the calculation of the key figure is the net sales shown in the group's income statement. The company has not identified any net sales that is aligned with or eligible under the taxonomy.

Capital Expenditures (CapEx)

Capital expenditure as defined by the EU Taxonomy Regulation includes additions to tangible and intangible assets during the financial year before depreciation, impairment and revaluations. The company has not identified taxonomy aligned capital expenditure. The company has taxonomy eligible capital expenditure related to the refurbishment of existing buildings and the transition to LED lighting; however, these remain below the 10% materiality threshold set out in the Taxonomy Regulation.

In accordance with the Taxonomy Regulation, Puulo includes in the calculation of capital expenditure the total amount of investments in tangible and intangible assets and additions to right of use assets recognised on the balance sheet under lease agreements. Additions to intangible assets are presented in Note 4.2 to the consolidated financial statements, additions to tan-

gible assets in Note 4.3, and additions to right of use assets related to lease agreements in Note 4.4.

The definition of capital expenditures in the Taxonomy Regulation differs from Puulo's reported investment key figure definition. According to Puulo's definition, the investment key figure includes investments in tangible and intangible assets. The key figure does not include additions to right-of-use assets recognized on the balance sheet from lease agreements. Puulo's investments in the financial year 2025 were €5.7 million (€7.1 million). Additions to right-of-use assets were €15.8 million (€20.9 million).

Operating Expenditures (OpEx)

The operating expenditures defined by the EU Taxonomy Regulation include direct non-capitalized costs related to research and development, building renovations, maintenance and repairs, and all other direct costs related to the maintenance of tangible fixed assets performed by the company or outsourced to a third party, which are necessary to ensure the continuous and efficient operation of these assets.

The company has not identified any operating expenditures (OpEx) that are Taxonomy-aligned or Taxonomy-eligible under the Taxonomy. In the Group's income statement, the operating expenditures defined by the Taxonomy Regulation are included in the other operating expenses related to property maintenance, which amounted to €5.6 million in the financial year 2025 (€4.9 million). Other operating expenses are detailed in Note 2.3 of the consolidated financial statements. In addition to costs related to property maintenance and repairs, the amount includes costs related to heating,

electricity, water consumption, and waste management, which are not included in the taxonomy regulation's definition of operating expenditures.

Template 1: Proportion of turnover, capital expenditure and operating expenditure related to taxonomy-eligible or taxonomy-aligned economic activities – financial year 2025 data (summary of key performance indicators)

Financial year 2025

KPI	Total	Propotion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year 2024	Proportion of Taxonomy aligned activities in previous financial year 2024
					Climate Change Mitigation	Climate change Adaptation	Water	Circular Economy	Pollutiom	Biodiversity					
	€ million	%	€ million	%	%	%	%	%	%	%	%	%	%	€ million	%
Turnover	442.3	0.0%	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0	0.0%
CapEx	21.5	2.8%	0.5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0	0.0%
OpEx	5.6	0.0%	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0	0.0%

ESRS E1 CLIMATE CHANGE

Material impacts, risks and opportunities related to climate change

Description of impact, risk or opportunity	Nature of impact	Value chain
GHG emissions from own operations	Actual negative	Own operations
GHG emissions from product transportation and other logistics	Actual negative	Upstream
GHG emissions from product manufacturing	Actual negative	Upstream
Increase in production costs due to the transition to more sustainable production processes	Risk	Upstream
Additional costs due to regulatory changes and increased taxation	Risk	Own operations
Energy use in own operations (including energy consumption of buildings)	Actual negative	Own operations
Energy efficiency and the savings brought by energy-saving measures	Opportunity	Own operations
With the use of renewable energy, dependence on traditional energy sources decreases, leading to potential cost savings	Opportunity	Own operations

Governance

Transition plan for climate change mitigation (E1-1)

Puulo does not currently have numerical climate targets or a transition plan. The objective is to prepare a transition plan during the financial year 2026.

Impact, risk and opportunity management

Impact, risk and opportunity management

Policies related to climate change mitigation and adaptation (E1-2)

Puulo’s environmental policies are set out in the sustainability strategy and the principles for sustainable use of resources. Puulo aims to reduce greenhouse gas emissions both in its own operations and across the value chain. Energy efficiency in stores is improved, and Puulo procures only electricity generated from renewable energy sources for its own use.

In cooperation with logistics partners, efforts are made to reduce emissions arising from transportation and warehousing. The climate impacts of waste management are reduced by decreasing waste volumes and by compensating emissions arising from waste management together with the waste management partner.

The CEO is responsible for ensuring compliance with Puulo’s climate change related policies.

Actions and resources in relation to climate change policies (E1-3)

The key actions related to climate change mitigation focus on energy efficiency and energy choices. Greenhouse gas emissions from logistics are mitigated by optimizing transportation. Emissions are monitored using emissions data provided by the company’s most significant logistics partner.

During the reporting year, Puulo procured electricity produced from renewable sources or nuclear power. The company’s own electricity procurement covers most of the stores, while in some locations, the store property owner procures the electricity. A total of 11 solar power plants have been installed at store properties, two of which were implemented in 2025.

Puulo’s stores are mainly located in new buildings, which improves average energy efficiency. Other measures to improve energy efficiency include optimisation of store heating and ventilation as well as logistics optimisation.

Greenhouse gas emissions from Puulo’s waste management are offset by purchasing permanent carbon sinks from a third party certified afforestation project (Kikonda Forest Reserve in Uganda). The amount of emission offsets includes emissions from both waste transportation and treatment. In 2025, the amount of emission offsets was 46.4 (31) CO2 equivalent tons.

Metrics and targets

Targets related to climate change mitigation and adaptation (E1-4)

Puulo does not have numerical emission reduction targets. The targets will be defined as part of the preparation of the transition plan during the financial year 2026.

Energy consumption and energy mix (E1-5)

Energy consumption and energy mix	2024	2025
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	182.11	194.6
Fuel consumption from natural gas (MWh)	99.71	285.5
Fuel consumption from other fossil sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	3,149.2	2,990.2
Total fossil energy consumption (MWh)	3,431.0	3,470.3
Share of fossil energy sources in total energy consumption (%)	19.0	19.1
Consumption from nuclear sources (MWh)	253.0	6,524.8
Share of nuclear-based energy sources in total energy consumption (%)	1.5	35.9
Fuel consumption for renewable sources (MWh)	11.3	12.8
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,136.9	8,189.9
The consumption of self-generated non-fuel renewable energy (MWh)	0	0
Total renewable energy consumption (MWh)	13,148.1	8,202.7
Share of renewable energy sources in total energy consumption (%)	79.4	45.1
Total energy consumption (MWh)	16,832.2	18,197.8

¹ Gas consumption was included in the 2024 reporting under fuel consumption from crude oil and petroleum products. This has been corrected retrospectively.

² For electricity consumption covered by guarantees of origin, an estimated energy mix has been used. Cancelled figures were not available at the time of reporting.



Energy intensity

	2024	2025	% 2025 / 2024
Energy intensity from activities in high climate impact sectors based on net sales (MWh/€ million)	43.90	41.14	-6.3%

Puulo’s business belongs to sectors with significant climate impacts (NACE main category G: Wholesale and retail trade), so energy intensity has been calculated based on the group’s total net sales.

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

	Retrospective		
	Year 2024	Year 2025	% 2025/2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO2eq)	68.4	109.4	+59.9%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO2eq)	1,963.0	1,216.3	-38.0%
Gross market-based Scope 2 GHG emissions (tCO2eq)	1,428.1	1,367.9	-4.2%
Material Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	150,834.5	182,709.9	+21.1%
1 Purchased goods and services	144,271.4	177,195.1	+22.8%
2 Capital goods	1,137.0	1,994.5	+75.4%
3 Fuel and energy-related Activities	609.3	516.7	-15.2%
4 Upstream transportation and distribution	3,394.6	1,923.3	-43.3%
5 Waste generated in operations	567.4	53.5	-90.4%
6 Business travel	87.8	101.5	+15.6%
7 Employee commuting	766.9	925.3	+20.7%

Total GHG emissions

Total GHG emissions (location- based) (tCO2eq)	152,865.9	184,035.6	+20.4%
Total GHG emissions (market- based) (tCO2eq)	152,331.0	184,187.2	+20.9%

Scope

Tons of biogenic CO2e

	2024	2025
Scope 1	3,0	3,2

There is not enough information available on biogenic CO2 for Scope 2 and 3.

GHG intensity per net sales

GHG intensity	2024	2025	% 2025 / 2024
Total GHG emissions (location-based) per net sales (tCO2eq/€ million)	398.7	416.1	+4.4%
Total GHG emissions (market-based) per net sales (tCO2eq/ €million)	397.3	416.4	+4.8%

Greenhouse gas intensity is calculated based on the group’s total net sales.

The methods used in the calculation of greenhouse gas emissions, as well as the uncertainties and limitations related to the quality of the data, are detailed in the tables below.

Scope 1 and 2

	Primary data	Methods, allocation methodologies, or assumptions	Uncertainties and limitations in data quality	Sources of emission factors
Scope 1	Fuel usage in machinery and vehicles	Primary data was gathered and reported using the relevant emission factor.	Scope 1	Fuel usage in machinery and vehicles
Scope 2	- Measured electricity and heating consumption - Averages based on measured heating and electricity consumption - Office building floor area (m2)	- The primary data collected was reported using the corresponding emission factor. - The energy consumption of the headquarters was estimated based on floor area. The following source was used as the specific energy consumption reference: Odyssee-MURE (2025). Heating consumption per m² and per dwelling. - For two of the company’s three electric vehicles, the average distance driven annually was estimated and multiplied by the WLTP consumption figures. Market-based: - Contract-based emission factors were applied for electricity at all sites where the company holds its own electricity contracts. Local district heating providers’ emission factors were used for heating. If the heating provider was unknown, an assumption was made regarding the local district heating supplier. - Residual mix emission factors were applied when the type of electricity contract was unknown. Location-based: - Country-specific emission factors were applied to purchased electricity and heating.	- The actual energy consumption of the company’s electric vehicles is unknown. This is not estimated to have a significant impact on the results of the calculation. - For purchased electricity, emissions calculated using the residual mix account for 21% of the total market-based scope 2 emissions. - For purchased heating, the market-based emission factor was assumed to be 69% of the total scope 2 emissions. This assumption has no significant impact on the results, regardless of the share. - The estimated energy consumption at the headquarters represents 3.2% of the total market-based and 1.4% of the total location-based scope 2 emissions.	Market-based: 1, 4, 11, 12, 13 Location-based: 2, 6, 7, 13

Scope 3

	Primary data	Methods, allocation methodologies, or assumptions	Uncertainties and limitations in data quality	Sources of emission factors
1. Purchased goods and services	• Mass of products purchased • Volume of purchased water (m3) • Calculated averages based on the volume of purchased water. • Total expenditure on purchased products or services (€)	• Data was collected using a hybrid approach, aiming to move from the most accurate applicable method to the least accurate • Some purchased packaging materials and water were collected on a volumetric basis. • For sites where measured water consumption was not available, the arithmetic average consumption of other stores was used. • The consumption-based [€] method was applied in determining other purchased products. Non-resalable purchased products (and services) were categorized based on accounting records, which were refined where necessary using invoice data. Data on resalable products was collected based on purchase receipt values and categorized according to the available emission factor categories.	• The volume-based emission factors used for water and packaging materials are averages. • The uncertainty level of euro-based emission factors is typically higher. The factors are from 2022 and have been inflation-adjusted for 2025. • Certain accounts had to be excluded from the calculation as they contain distinct products and/or services, and the emission factor could not be determined. Their contribution does not materially affect the results of the calculation.	3, 5, 8, 9, 10
2. Capital goods	• Amount of purchased capital goods (€)	• The collected data has been reported using a euro-based emission factor. The source data has been categorized into groups used in the calculation based on purchase invoices.	• The uncertainty level of euro-based emission factors is typically higher. These factors are from 2022 and have been adjusted for inflation to 2025.	3, 8
3. Fuel and energy-related activities	• Amount and type of fuel used. • Total kilometers driven by the company's own and leased vehicles. • Total volume of purchased electricity and heat.	• WTT emissions from vehicle fuels have been calculated based on Scope 1 data. The collected data has been reported using the corresponding emission factors. • For purchased heat and electricity, both WTT and T&D emissions have been calculated using both market-based and location-based approaches. The emissions are reported on a location-based basis. • The emission factor for the fuels used in the production of purchased heat has been determined using the weighted average of fuel and WTT emissions. • Except for heat production, the emission factors for this category are readily available from databases.	• Upstream emissions from the fuels used in purchased heat do not consider the use of combined heat and power (CHP) plants in district heating networks or losses in energy production and distribution.	2, 4, 7

	Primary data	Methods, allocation methodologies, or assumptions	Uncertainties and limitations in data quality	Sources of emission factors
4. Upstream transportation and distribution	- Emissions data provided by logistics companies. - Expenditure on logistics services (€).	- The emissions reported by logistics service providers include both upstream and downstream transportation costs covered by the reporting company. - While the transportation fee for products purchased online is included, it is primarily paid by Puuilo rather than the customer. Therefore, it is accounted for in the upstream. - Data has been primarily collected from partners, with secondary data from accounting records on the scale of purchases. - Approximately 80% of the products received by the company are delivered directly to stores from level 1 suppliers. The freight cost is included in the product price, and these costs cannot be broken down. Therefore, they are classified under scope 3 category 1.	- The data received from logistics service providers has been categorized as measured data points. The quality of the data, however, is not known. - The uncertainty level of the euro-based emission factors applied in the calculation is generally higher. These factors are from 2022 and have been adjusted for inflation to the year 2025.	3, 8
5. Waste generated in operations	- Emissions reported by the waste management partner (tCO₂e) - Number of employees, industry, and waste type - Water consumption (m3)	- Emissions from store waste management have been reported based on emissions data provided by the waste management partner - Wastewater generation has been determined based on measured water consumption. It is assumed that the amount of tap water consumed, as monitored by water meters, is equivalent to the amount of wastewater produced. - For locations with no available measured water consumption data, the arithmetic mean consumption from other stores has been used. - Waste generated at the headquarters has been estimated using HSY statistics based on the number of employees and the industry type.	The waste amount generated at the headquarters is based on an estimate, and as such, involves a level of uncertainty. However, the volume of waste is negligible relative to the retail business operations	5, 16, 17
6. . Business travel	Mileage allowances	The calculation includes mileage allowances paid to employees. The total kilometres driven were estimated based on the official 2025 mileage allowance rate published by the tax authority	Flights, trains, and taxis have been excluded from the calculation due to lack of available data. This exclusion is estimated to have a moderate impact on the results of this specific category, but not on the overall calculation.	4
7. Employee commuting	- Commuting survey, considering modes of transport, trips, and their frequency - Number of employees	The results of the survey conducted in the financial year 2024 were extrapolated to cover all employees in 2025.	There is no measured data available regarding employees' commuting patterns.	4, 14

Scope 3 greenhouse gas emission categories excluded from the inventory

Excluded from the inventory	Justification
Scope 3: Category 8: Upstream leased assets	Emissions during the use phase are consolidated into the Scope 1 and 2 emissions of the reporting company according to the chosen methodology.
Scope 3: Category 9: Downstream transportation	Puulo is only responsible for product transportation related to its e-commerce operations, and the associated emissions have been included in Category 4.
Scope 3: Category 10: Processing of sold products	N/A
Scope 3: Category 11: Use of sold products	Not assessable due to the number of products and their numerous different use-phase scenarios.
Scope 3: Category 12: End-of-life treatment of sold products	Not assessable due to the number of products and their numerous different end-use scenarios.
Scope 3: Category 13: Downstream leased assets	N/A
Scope 3: Category 14: Franchising	N/A
Scope 3: Category 15: Investments	N/A

N/A = not applicable, e.g., no emissions are generated from the respective category.

Scope 3 categor	tCO2e - supplier- specific data	%-share of total emissions calculated using supplier-specific data
1. Purchased goods and services	0.0	0%
2. Capital goods	0.0	0%
3. Fuel and energy-related Activities	0.0	0%
4. Upstream transportation and distribution	1,913.2	99.5%
5. Waste generated in operations	46.7	87.1%
6. Business travel	0.0	0%
7. Employee commuting	0.0	0%

Emission Factor Sources:

- 1 AIB (2024). European Residual Mixes. <https://www.aib-net.org/facts/european-residual-mix/2024>
- 2 Carbon Footprint Ltd (2025). International Electricity Factors. https://www.carbonfootprint.com/international_electricity_factors.html
- 3 DEFRA (2022). Conversion factors KgCO₂ per £ spent, by SIC code 2022. <https://www.gov.uk/government/statistics/uks-carbon-footprint>
- 4 DESNZ & DEFRA (2024). Greenhouse gas reporting: conversion factors 2024. <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>
- 5 Ecoinvent v3.11. Allocation, cut-off by classification. <https://ecoinvent.org/>
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- 14 Stott S. (2020). How green is cycling? Riding, walking, ebikes and driving ranked. <https://www.bikeradar.com/features/long-reads/cycling-environmental-impact>
- 15 Tilastokeskus (2024). Energy and the emissions -tables (Benefit allocation method). https://pxhopea2.stat.fi/sahkoiset_julkaisut/energia2024/html/engl0011.htm
- 16 U.S. Environmental Protection Agency (2025). Emission Factors for Greenhouse Gas Inventories. <https://www.epa.gov/system/files/documents/2025-01/ghg-emission-factors-hub-2025.pdf>
- 17 Yhdyskuntajättemäärät | Tableau Public

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities related to the use of resources and the circular economy

Description of impact, risk or opportunity	Nature of impact	Value chain
Overconsumption and material choices lead to the overuse of natural resources	Actual negative	Upstream
The negative environmental impacts of waste, as well as waste management and transportation	Actual negative	Own operations and downstream
Providing customers with high-quality, durable, and repairable products, as well as spare parts	Potential positive	Own operations and downstream
The decreasing availability of raw materials in the long-term increase costs	Risk	Upstream
Minimizing waste management costs	Opportunity	Own operations

Impact, Risk, and Opportunity management Policies related to resource use and circular economy (E5-1)

In retail, resource use and circular economy affect every stage of the value chain: raw material procurement and natural resource use, product design and manufacturing, logistics and packaging, maintenance and repair, as well as waste management and recycling.

Sustainable use of resources is one of the key focus areas of Puuilo’s sustainability strategy. It refers to reducing the environmental impacts of the company’s own operations and supply chain. An integral part of sustainable resource use is offering customers durable and safe products.

Policies related to resource use and the circular economy are set out, in addition to the sustainability strategy, in the ethical guidelines for procurement, the Supplier Code of Conduct, and, with regard to waste management and sorting, in the House Book. In its own operations, Puuilo aims to reduce waste volumes and increase the recycling rate. Waste is sorted to the greatest extent possible. The recycling rate is monitored at both store level and company level. Detailed instructions on waste management and sorting form part of the store operating guidelines. The waste hierarchy is not addressed in the instructions.

The sales management is responsible for ensuring compliance with the policies in stores. With regard to procurement, compliance with policies related to

resource use and the circular economy is the responsibility of the Purchasing and Logistics Director.

Actions and resources related to resource use and circular economy (E5-2)

Key actions focus on ensuring product quality, training staff and suppliers on ethical guidelines, and reducing waste and increasing the recycling rate.

The durability of products improves customer satisfaction and reduces environmental impact by decreasing logistics emissions and waste. Product quality is primarily ensured through careful supplier selection. Products imported by Puuilo are evaluated and tested considering the specific characteristics required for each product.

The purchasing organization is responsible for the ethical guidelines of procurement and for training suppliers and its own staff on them. Puuilo representatives also conduct factory visits for quality assurance purposes.

The change in waste volume was 14.3% (13.4%) compared to the previous financial year. At the same time, the number of stores increased by seven, corresponding to a 14.3% (16.7%) growth. Store managers monitor store-specific and chain-wide waste production. During the financial year 2025, staff training on waste management and recycling was continued to support the achievement of the recycling target.

As a result of waste volume monitoring and staff training, waste sorting and recycling are expected to become more efficient in stores.

Metrics and targets

Targets related to resource use and circular econo-

my (E5-3)

Puuilo aims to further develop waste management and sorting. These targets are voluntarily set by Puuilo and relate to recycling within the waste hierarchy.

To reduce the negative environmental impacts of waste, waste treatment and waste transportation, and to minimise waste management costs, the target is to achieve a recycling rate of 73% for waste generated in the company’s own operations by the end of the financial year 2025. No waste-type-specific targets have been set. The recycling rate target has been set by the management team and takes into account the results of the key stakeholder analysis.

The recycling rate is measured by dividing the amount of non-recycled waste in tonnes by the total amount of waste in tonnes. The data is obtained from the waste management partner’s system and reporting. In 2025, the recycling rate was 71% (68%).

Targets and metrics related to product quality and durability are described in section S4-5.

etettuja tavoitteita ja mittareita kuvataan osiossa S4-5.

Resource inflows (E5-4)

Puuilo’s product range includes approximately 30,000 items. The main product groups are building materials, HVAC and electrical supplies, car accessories, household goods, garden supplies, pet food and supplies, tools, free-time and other accessories as well groceries. The products mainly contain plastics, rubber, wood, and metals, some of which include critical raw materials and rare earth metals. The products sold are procured ready-made from the supply chain: Puuilo

does not manufacture or further process products itself and does not have detailed information on the raw materials used in the products.

In Puuilo’s own operations, water consumption is very low. Property, plant and equipment mainly consist of store fixtures and equipment.

Puuilo uses conventional packaging materials such as plastic wraps, cardboard, and paperboard for incoming goods and the transportation of products sold in the online store.

Resource outflows (E5-5)

As the company’s core business is retail and it does not have its own manufacturing operations, Puuilo does not treat products sold as resource outflows. Accordingly, the company does not report on the expected durability of products placed on the market relative to the industry average, product reparability, or the share of recyclable materials in products.

The largest waste groups generated in Puuilo’s operations are cardboard, energy waste, mixed waste, and plastics. Additionally, the operations produce construction, metal, and wood waste. The proportion of waste classified as hazardous, such as batteries or aerosols, is 0.7% of the total waste volume.

In e-commerce, the materials used for packaging products for customer deliveries, such as cardboard and plastics, are 100% recyclable. Orders are packed as compactly as possible to keep the package size small and to take up less space in delivery vehicles. Cardboard received at the warehouse is reused for packing online orders.

The waste data is based on data and reporting from the waste management partner.

Summary of waste generated by Puuilo (t)	2024	2025
Total amount of waste in metric tons	1,742	1,992
Total amount of hazardous waste in metric tons	14	14
Total amount of non-recycled waste in metric tons	555	579
Total amount of non-recycled waste in metric tons	32	29

Waste directed to other than final disposal by type of recovery in tonnes (t)	2024	2025
Hazardous waste		
Preparation for reuse	0	0
Recycling	7	8
Other recovery options	5	0
Total	12	8
Non-hazardous waste		
Preparation for reuse	3	0
Recycling	1,158	1,405
Other recovery options	548	573
Total	1,709	1,978

Waste directed to final disposal by type of treatment in tonnes (t)	2024	2025
Hazardous waste		
Incineration (without energy recovery)	0	0
Landfilling	0	0
Other final disposal	2	5
Total	2	5
Non-hazardous waste		
Incineration (without energy recovery)	0	0
Landfilling	0	0
Other final disposal	0	1
Total	0	1

Other final disposal includes waste treated by other methods, such as physicochemical treatment, as well as waste that has been transferred and subsequently finally treated.

3. SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

Material impacts, risks and opportunities related to the own workforce

Description of impact, risk or opportunity	Nature of impact	Value chain
Dissatisfaction with working conditions, workload, and financial challenges	Potential negative	Own operations
Offering permanent employment to staff	Actual positive	Own operations
High job satisfaction due to good working conditions	Potential positive	Own operations
Decreased job satisfaction leads to lower work motivation, efficiency, and commitment, which in turn reduces productivity	Risk	Own operations
Recruitment challenges caused by a poor employer image reduce productivity	Risk	Own operations
A high level of customer service and employee satisfaction, resulting from staff retention, increases market share and productivity	Opportunity	Own operations
Improved productivity and strong workforce availability	Opportunity	Own operations
Absences due to occupational accidents, health problems, or employee well-being challenges lead to increased operational costs	Risk	Own operations
Equality has positive impacts on employee competence, career progression, and overall well-being	Potential positive	Own operations

Impacts, risks, and opportunities management

Policies related to own workforce (S1-1)

Puulo aims to be a good workplace where employees want to commit. Puulo invests in employee retention, competence and motivation.

The principles related to the own workforce are described in Puulo’s House Book, the Code of Conduct for employees, and the Equality, Non-Discrimination, and Personnel Development Plan. These principles apply to all Puulo employees. No groups have been identified within the workforce that would require or be subject to special principles or measures.

The House Book contains principles, operating practices, and practical guidelines related to working at Puulo. Familiarization with the House Book is part of every employee’s induction at the workplace. One of its goals is to enhance the well-being of the work community and the creation of a good customer experience. The CEO is responsible for the implementation of the House Book, and each member of the management team is responsible for the operating instructions within their area of responsibility.

The Code of Conduct for employees forms the basis for all our activities, and every Puulo employee must follow the guidelines provided therein. The Code of Conduct adheres to the Universal Declaration of Human Rights by the United Nations and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO). The use of human trafficking, child labor, or any form of forced labor is not accepted.

The purpose of the Code of Conduct is to help Puulo

employees act responsibly in their work. The principles of conduct are:

- Compliance with laws and commitments
- Opposition to corruption and bribery
- Avoidance of conflicts of interest and promotion of fair competition
- Respect for human rights and care for the workplace community
- Promotion of more sustainable consumption
- Acting responsibly as a retailer
- Open and truthful communication
- Confidential handling of information
- Compliance with insider regulations and Puulo’s insider guidelines
- Reporting concerns and violations

The principles presented in the Equality, Non-Discrimination, and Personnel Development Plan are:

- All employees have equal opportunities to succeed and develop in their work
- The aim is to create a work community where employees treat each other equally and fairly
- Equal and non-discriminatory treatment of everyone in both daily operations and decision-making
- No one should be discriminated against based on gender, age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, health status, disability, sexual orientation, or any other personal reason.

The House Book, the Code of Conduct, and the equality, non-discrimination and personnel development plan are available to all employees on Teams. The equality, non-discrimination and personnel development plan is

discussed with employee representatives in the cooperation negotiation committee and the occupational safety committee.

Employees have full freedom of association, and representatives have been elected for all staff groups.

Policies related to the prevention of occupational accidents have been confirmed as part of a three-year occupational safety action programme. The objective of occupational health care is preventive action and the maintenance of employees' work ability. Employees are provided with occupational health care services that exceed statutory requirements. Work-related hazards and risk factors have been assessed on a unit-specific basis. It is the responsibility of supervisors to instruct employees in safe working practices. All Puuilo store employees complete occupational safety training annually.

The HR unit is responsible for the content of the House Book, the Code of Conduct, and the Equality, Non-Discrimination, and Personnel Development Plan, and the management team approves them.

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Interaction with the staff is based on openness. The CEO organizes staff meetings four times a year. Internal team collaboration has been increased with regular weekly and monthly meetings throughout the organization.

At Puuilo, every employee belongs to a general Teams channel intended for discussion, questions, ideas and initiatives. Through this channel, everyone has an

equal opportunity to participate in real time communication. In addition to the general channel, Puuilo has unit specific or project specific channels.

Puuilo complies with the Finnish Act on Co operation within Undertakings and its provisions on co operation and dialogue with employees and their representatives. The cooperation negotiation committee meets four times a year. The committee addresses matters required by the Act on Co operation as well as common issues concerning the entire workforce that are relevant from the perspective of employees' access to information and opportunities for influence. A summary of each meeting of the cooperation negotiation committee is published for all employees.

The occupational safety committee monitors the implementation of occupational safety, identifies development needs related to employee well being and the work community, and proposes solutions. Employees elect four regional occupational safety representatives and their deputies. Both the representatives and their deputies are members of the occupational safety committee.

The occupational health care steering group meets four times a year. The HR Director holds monthly meetings with employee representatives.

The effectiveness of communication is assessed through questions related to communication and leadership culture in the employee survey.

The HR Director is responsible for communication with employee representatives. Where necessary, matters are addressed by the management team or among

members of the management team.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

Negative impacts on staff are addressed by intervening in working conditions and work-related stress. Observations or reports of such issues lead to a thorough investigation of the working conditions, consultation with the concerned parties, and, if necessary, improvement of tools or methods and updating of guidelines.

Every employee has the responsibility and duty to address any issues they observe, such as inappropriate behavior or deficiencies in occupational safety or working conditions. Observations are reported to the employer. There is a dedicated PRO24 system for reporting occupational safety observations. The employer is obligated to address the reported issues upon receiving the information. Every occupational accident is investigated, and the investigation is documented for the purpose of improving occupational safety.

Puuilo follows a consistent model for addressing situations where an employee's behavior is unacceptable for any reason. Any observed concerning or poor behavior is addressed by the supervisor whenever necessary. This model is described and instructed in the House Book.

The annual staff survey also includes open questions where concerns can be raised. Based on the survey results, development measures are planned, and their implementation is monitored. Store managers receive store-specific reports.

The House Book describes the occupational safety

and staff representative organizations along with their contact information. This information is electronically available to all staff.

Puuilo has an external service provider-maintained whistleblowing channel for reporting cases that violate ethical principles, suspicions of such cases, or other concerns. The whistleblowing channel is publicly available on the company's website and internally to all staff via the Teams channel. Information about the whistleblowing channel and its operating principles is provided during induction, in the House Book, on the Teams channel, and in the Code of Conduct for employees. The channel is also available on Puuilo's website and can be used by external stakeholders such as consumers, suppliers or value chain workers.

Reports can be submitted anonymously. If desired, the reporter is informed about the handling of the report and the measures taken. Written procedures have been defined for handling reports and for follow up actions. Reports submitted through the reporting channel are forwarded to the HR Director or, in cases of conflict of interest, to an HR specialist, who may appoint additional investigators if necessary. Reports are handled confidentially. Cases are archived in case similar or related reports are received at a later stage. If a report or preliminary review gives rise to suspicion of misconduct, HR decides on initiating further investigation and informs the CEO, the management team and, where necessary, the Board of Directors. Reports submitted by persons other than Puuilo's own employees are processed in accordance with the same procedures.

The system categorises reported cases, and they are

reported regularly to the management team and the Board of Directors.

The reporting channel is designed to protect the identity of the reporter in all situations related to submitting a report. If desired, the reporter may remain anonymous throughout the entire handling and investigation process. Puuilo does not attempt to identify the reporter in any way. Reports are investigated without undue delay, and any potentially conflicted persons are excluded from the internal investigation.

In the 2025 employee survey, 96% of respondents (95%) fully or somewhat agreed with the statement “I know how to report misconduct that I have experienced or observed”.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Puuilo aims to be a workplace that employees want to commit to. Employee well-being and job satisfaction are promoted by investing in leadership, occupational safety, employee skills, the smoothness of daily work, and a reasonable workload.

The importance of human rights and equality is emphasized to all employees during induction and in the Code of Conduct. In 2025, no human rights impacts were observed that would have required specific corrective actions.

The Equality and Non-Discrimination Plan and its implementation are monitored in the cooperation nego-

tiation committee and discussed with staff representatives. Puuilo’s goals for an equal and non-discriminatory workplace are considered in workforce recruitment, task allocation, career advancement, compensation, job diversification, and support for participation in training. The training of employees on the Code of Conduct is systematically continued.

Employee retention is seen as a success factor at Puuilo, affecting the level of customer service and employee satisfaction. For this reason, employees are primarily offered full-time employment contracts.

Employee well-being is supported by offering employment benefits to all staff. These include staff discounts, an employee benefit program, and a well-being benefit that can be used to purchase desired sports, cultural, and wellness services. Employees are rewarded for long service and on special occasions. Recreational activities are also organized for the staff.

Annual assessments of accident risks and work ergonomics are conducted in stores and other locations. A more comprehensive workplace survey on the physical and mental workload is conducted every five years. Mandatory occupational safety training is organized regularly. Additionally, it is ensured that employees have appropriate tools that support well-being and occupational safety.

Puuilo’s growth and the introduction of new operating models and systems require continuous development of employee skills. In 2025, the objectives were to improve leadership and customer service, with training focused on

- supervisors’ IT skills
- handling threatening situations related to substance abuse
- training related to the customer concept

In 2025, a new competence development system was introduced to create online training content and to verify completion of annual mandatory training. Each employee is required annually to complete refresher training on occupational safety, information security and ethical guidelines.

Puuilo offers its employees various opportunities to develop themselves and their skills. Studying alongside work is enabled through flexible work arrangements such as study leave or temporary part time work. PuuiloOpisto, implemented in cooperation with Taitotalo, provides further and supplementary training related to sales, customer service and supervisory roles for employees in permanent employment and fixed term employment exceeding one year.

The early intervention model supports employees’ ability to cope at work. Possible actions are always evaluated on a case-by-case basis.

The principles and practices described in the Code of Conduct and the Equality and Non-Discrimination Plan aim to ensure that potential negative impacts on employees are managed. According to business cycles, negative impacts such as the need to adjust the workforce in stores cannot be completely excluded.

Human resources matters are managed by Puuilo’s HR team under the HR Director. The team size avera-

ges seven full time equivalents. The occupational safety organisation includes an occupational safety manager and elected occupational safety representatives. The cooperation negotiation committee consists of a total of 16 members. The chief shop steward works on a full time basis.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

Puuilo’s material potential negative sustainability impacts on its own workforce include dissatisfaction with working conditions, workload, and financial challenges. These impacts are not systemic but related to individual cases.

Puuilo’s material potential positive sustainability impacts on its own workforce include offering permanent employment contracts and high job satisfaction due to good working conditions. Additionally, the positive impacts of equality on employees’ skills, career development, and well-being were identified as potential positive impacts. These impacts affect all employees, especially those in permanent and full-time positions.

Puuilo has not set time-bound targets related to its own workforce. Impacts on the workforce are monitored through the share of full-time employment contracts, employee turnover and the employee survey. The targets are:

- Share of full-time employment contracts above 70%
- Turnover of permanent employees below 25%
- Employee survey PeoplePower Index above 70

The target for the share of full time employment contracts was previously 80%, but it was lowered in connection with the update of the sustainability strategy to better reflect seasonal fluctuations typical of the retail sector. The share of full time employment contracts in the financial year 2025 was 75% (74%).

The turnover of permanent employees in 2025 was 12% (16%). The figure does not include summer employees or other employees working under short-term fixed-term contracts.

Employee well-being is measured through an annual employee survey. A quantitative target for the PeoplePower Index of the employee survey was set in connection with the update of the sustainability strategy. The outcome in 2025 was 75.4 (70.1).

The PeoplePower Index reflects the overall result of the employee survey. It is calculated based on 22 index questions. The score is 0 if all respondents were extremely critical and 100 if all respondents were extremely positive in their responses to all index questions.

Characteristics of the undertaking’s employees (S1-6))

All Puuilo’s own workforce is employed in Finland.

Gender Distribution of Employees

Gender	Number of employees (NOE)	
	2024	2025
Women	558	607
Men	446	463
Other	1	2
Not reported	88	227
Number of employees	1 093	1 299

Country of Employment for Employees

Country	Number of employees (NOE)	
	2024	2025
Finland	1 093	1 299
Other countries	0	0



Information About Employees

	WOMEN		MEN		OTHER*		NOT REPORTED		TOTAL	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Number of employees (NOE)	558	607	446	463	1	2	88	227	1093	1299
Number of permanent employees (NOE)	439	465	334	346	1	0	40	130	814	941
Number of temporary employees (NOE)	47	59	35	28	0	1	12	26	94	114
Number of non-guaranteed hours employees (NOE)	72	83	77	89	0	1	36	71	185	244
Number of full-time employees (NOE)	369	399	277	284	1	1	29	66	676	750
Number of part-time employees (NOE)	117	107	93	74	0	0	23	67	233	248
Number of other employees with employment contracts*	72	101	76	105	0	1	36	94	184	301

*An employee who is called in to work on an on call basis or a comparable arrangement and who, due to the nature of the employment relationship, is not included among full time employees with employment contracts.

In the report for the comparative year, the corresponding table was presented in full time equivalents (FTE). For comparability purposes, the figures for 2024 are also presented as headcount numbers (NOE).

The nature of each employment contract is recorded in the HR information system for each employment relationship.

During the reporting period, 449 (476) employment contracts ended. Total employee turnover was 35%

(44%). Total turnover is calculated by dividing the number of employment contracts that ended during the reporting period by the number of employees with employment contracts at the end of the financial year. Total turnover figures include all employment contracts, including fixed term contracts such as summer employees and employees working with variable working hours.

Collective bargaining coverage and social dialogue (S1-8)

Puulo applies the collective agreement for the retail sector. With the exception of senior management, it covers all employees, representing 96% (95%) of the workforce.

Coverage Rate	Collective Bargaining Coverage				Social Dialogue	
	Employees - EEA		Employees - Non-EEA		Workplace representation (EEA only)	
	2024	2025	2024	2025	2024	2025
0–19%						
20–39%						
40–59%						
60–79%						
80–100%	Finland	Finland			Finland	Finland

Puulo has not entered into agreements concerning a European Works Council, a Works Council of a European Company (SE), or a Works Council of a European Cooperative Society (SCE).



S1-9 Diversity metrics
Gender Distribution of Management

	Men		Women		Other		Not reported	
	Number	%	Number	%	Number	%	Number	%
Board of Directors until 15 May2025	4	67	2	33	0	0	0	0
Board of Directors from 15 May 2025 onwards	3	60	2	40	0	0	0	0
Management team until 31 December 2025	6	86	1	14	0	0	0	0
Management team from 1 January 2026 onwards	5	72	2	28	0	0	0	0

FY2024	Men		Women		Other		Not reported	
	Number	%	Number	%	Number	%	Number	%
Board of directors	4	67	2	33	0	0	0	0
Management team	6	86	1	14	0	0	0	0

Personnel by age group

	Head count		Percentage	
	2024	2025	2024	2025
Under 30 years	530	671	49%	52%
30–50 years	421	483	39%	37%
Over 50 years	141	143	13%	11%
Not reported	1	2	0%	0%

Data is presented as the number of active employment contracts at the end of the financial year. The reporting uses the same figures as those presented in the financial statements.



Adequate wages (S1-10)

The salary paid to an employee is based on the demands of the job and the employee’s personal skills, qualifications, and performance. Puuilo pays all its employees at least the salary stipulated by the collective agreement for the retail sector.

Health and safety metrics (S1-14)

Occupational accidents among Puuilo’s staff are typically minor, such as falls, sprains, or cuts, and they result in at most short-term absences.

Health and safety-related metrics	2024	2025
Share of employees with employment contracts covered by occupational health services (%)	100%	100%
Number of fatalities due to workrelated injuries and occupational health issues	0	0
Occupational accidents	20	8
Accident frequency	13.99	4.94

The number of recorded occupational accidents is estimated based on the total number of accidents and the length of the resulting absence. A recorded occupational accident is defined as an absence of more than four days, as such an absence usually requires a doctor’s visit. The accident frequency is calculated by dividing the number of recorded occupational accidents by the total number of hours worked, multiplied by one million hours

Compensation metrics (pay gap and total compensation) (S1-16)

The gender pay gap in the Puuilo Group for the financial year 2025 was 1.4% (4.0%). Information related to remuneration is based on employees who were in active employment during the financial year. The gender pay gap has been calculated as a headcount-weighted average of gross hourly wages for women and men. Experience-based pay supplements have been included in the calculation, while bonuses have been excluded. Working time supplements have not been included, as they are based on the collective agreement and are paid at equal rates to all employees. To ensure comparability, the gender pay gap for the financial year 2024 has also been recalculated using the same methodology, which is why the comparative figure presented differs from the previously published figure.

The ratio of the total remuneration of the highest-paid individual at Puuilo to the median total remuneration of other full-time employees with employment contracts was 13.8 (6.5).

Incidents, complaints and severe human rights impacts (S1-17)

During the reporting period, 2 (4) cases of discrimination or harassment were recorded through Puuilo’s supervisors or the reporting channel. One case was reported via the reporting channel and one through a supervisor. The data for the metric is based on information provided by the reporting channel service provider and the HR function.

No severe human rights incidents occurred during the reporting period.

No cases were processed in court, and no fines, penalty payments or compensation were paid.

ESRS S2 WORKERS IN THE VALUE CHAIN

Material impacts, risks and opportunities related to value chain workers

Description of impact, risk or opportunity	Nature of impact	Value chain
Adverse working conditions within the value chain and their effects on individuals’ well-being and means of livelihood	Potential negative	Upstream
Poor labor conditions in the supply chain pose a reputational risk, potentially resulting in financial liabilities	Risk	Upstream
Health problems and occupational accidents affecting employees throughout the value chain	Potential negative	Upstream
Serious human rights violations and inhumane living conditions within the supply chain	Potential negative	Upstream
Reputational risk arising from severe human rights abuses within the supply chain, negatively affecting market share	Risk	Upstream

Impact, risk and Opportunity management

Policies related to value chain workers (S2-1)

Policies related to value chain workers are set out in Puuilo’s ethical guidelines for procurement, which are based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The ethical guidelines for procurement are incorporated into procurement agreements and apply to all of Puuilo’s purchases and to all countries in the supply chain.

Puuilo respects internationally recognised human rights and is committed to promoting universal fundamental principles and rights at work, such as freedom of association and the right to collective bargaining, occupatio-

nal health and safety, the prohibition of forced labour, child labour and human trafficking, non discrimination, as well as reasonable working hours and fair compensation for work performed. These principles are set out in the amfori BSCI Code of Conduct, to which Puuilo is committed.

Puuilo seeks to reduce potential human rights violations in its value chain and, where necessary, to remedy adverse impacts that have occurred. Puuilo’s suppliers and business partners are likewise required to identify and promote the realisation of human rights and labour rights. Suppliers and partners report on the promotion of responsibility when requested. If defi-

ciencies are identified, corrective actions are primarily sought through cooperation. Cooperation may be terminated if the situation is not remedied.

Responsibility for procurement and for compliance with related principles lies with the Purchasing and Logistics Director.

Puuilo has not become aware of any cases involving value chain workers during the reporting period in which the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises for Responsible Business Conduct would not have been complied with.

Processes for engaging with value chain workers about impacts S2-2

Puuilo maintains close contact with its suppliers; however, there is no regular direct communication with value chain workers. Engagement is carried out indirectly through social responsibility audits conducted by third parties. In practice, this refers to audits based on the amfori BSCI Code of Conduct or equivalent standards. Through these audits, information is obtained on working conditions, including occupational safety, employee remuneration and working hours, as well as the realisation of freedom of association and the right to collective bargaining.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

The amfori BSCI principles constitute a commitment by amfori members and their business partners to respect

human rights and protect the environment in the global supply chain in accordance with internationally recognised principles. The principles are used to identify, prevent, mitigate, report on and remedy adverse impacts related to human rights and the environment.

Puuilo requires a valid amfori BSCI audit or an equivalent audit from suppliers whose country of operation is classified as high-risk in terms of the realisation of human rights. The classification is based on amfori’s country risk classification. Puuilo does not conduct audits itself; audits are carried out by authorised third parties. Audit reports are valid for two years and are a prerequisite for entering into a new agreement or renewing an existing agreement. When placing an order, Puuilo’s buyer verifies the validity of the audit report.

If concerns arise regarding suppliers’ working conditions or the realisation of human rights, the case is investigated together with the supplier. The supplier is given the opportunity to implement corrective actions within a reasonable timeframe. The company assesses the outcomes of corrective actions in cooperation with the supplier. On a case-by-case basis, cooperation with the supplier may be terminated if the supplier does not commit to corrective actions.

Value chain workers have the opportunity to contact Puuilo through the whistleblowing reporting channel available on Puuilo’s website. In practice, Puuilo does not have the means to actively inform value chain workers of the existence of the channel, nor to ensure that they are aware of it. The reporting channel and its operating principles are described in disclosure requirement S1-3.

Taking Action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches (S2-4)

Domestic suppliers and suppliers from countries classified as low-risk for human rights compliance are required to commit to Puuilo’s procurement ethical guidelines. The guidelines take into account the working conditions and the realisation of human rights of value chain workers. Suppliers from high risk countries are required to have a valid amfori BSCI audit or an equivalent internationally recognised responsibility audit in place at the time of entering into a contract.

Through commitments and audits, Puuilo seeks to ensure that working conditions for value chain workers are appropriate and that their human rights are respected. The use of contractual terms provides an incentive for the supply chain to act responsibly. Cooperation with suppliers is described in more detail in section G1 2 of this report.

No specific measures were implemented in 2025, as Puuilo did not receive any reports of severe human rights or labour rights violations.

Supplier selection and related processes are the responsibility of Puuilo’s procurement department under the leadership of the Purchasing and Logistics Director as part of day to day operations. In 2025, no separate budget allocations were used and no investments were made in relation to supplier selection or value chain workers.

Metrics and goals

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

The objective is to expand the coverage of amfori BSCI or equivalent audits in supplier contracts in high risk countries. Successful completion of an audit demonstrates the supplier’s commitment to ensuring appropriate working conditions and respecting the human rights of its workers. The target has been set by Puuilo’s management team without direct engagement with value chain workers.

The metric used is a ratio comparing purchases in euros from audited suppliers in high risk countries to total purchases from high risk countries. The metric was reviewed in 2024, which serves as the base year. The target is to increase the share to 90% by 2028.

During the reporting period, the share of audited suppliers in purchases from high risk countries was 87.9% (85.5%). Purchases were made from suppliers located in countries classified as high risk—China, India, Pakistan, Turkey, Vietnam and Cambodia—from approximately 200 suppliers in total.

Basis for Metrics Related to Value Chain Workers

The classification of supplier countries into high risk countries and other countries in the supply chain is based on the amfori BSCI country risk classification. Information on the timing of supplier audits is obtained from the amfori BSCI portal. An audit may have been conducted no more than two years prior to entering into a contract.

ESRS S4 CONSUMERS AND END-USERS

Material impacts, risks and opportunities related to consumers and end users

Description of impact, risk or opportunity	Nature of impact	Value chain
Secure payment methods and e-commerce security	Risk	Downstream
Risks related to product safety	Potential negative	Downstream
Product safety standards and the mitigation of consumer risks	Myönteinen tosiasiallinen vaikutus	Downstream

Management of Impacts, Risks, and Opportunities Policies related to consumers and end-users (S4-1)

Material sustainability issues for consumers and end users relate to product safety and data security. In line with its sustainability strategy, Puuilo aims to ensure the quality and safety of the products it sells as well as the security of customer data. All customers are served in accordance with uniform principles.

Puuilo does not have a separate product safety policy. In Puuilo’s Code of Conduct, consumers and end users are addressed in particular under the principle “we communicate openly and truthfully”. Product, service, pricing and other relevant information is presented clearly and truthfully in marketing communications, and no misleading expressions are used. In addition, the principle “we handle information confidentially” describes the strict confidentiality requirements relating to customer and other personal data. The ethical principles are described in more detail in section G1-1.

Through information security management in accordance with Puuilo’s data protection and information

security policies, the company aims to ensure the confidentiality, integrity and availability of information requiring protection. All processing of personal data complies with applicable legislation and Puuilo’s principles for the processing of personal data.

Responsibility for the implementation of product safety related principles lies with the Purchasing and Logistics Director, while responsibility for the implementation of data protection and information security related principles lies with the IT Director.

The data protection and information security policy has been approved by the Board of Directors. Its key guidelines are included in Puuilo’s Code of Conduct and the House Book, which are available to all staff. Annual data protection and information security training is mandatory for all staff.

Puuilo does not have a separate human rights commitment for customers and end users. Respect for human rights is set out in the Code of Conduct and in the ethical guidelines for procurement, which are described in more detail in sections S1 1 and S2 1.

Processes for engaging with consumers and end-users about impacts (S4-2)

Consumer needs and preferences directly guide retail operations. These are interpreted through product sales and customer satisfaction. The product range is adjusted based on consumer opinions and feedback. All stakeholders, including consumers and end users, emphasized privacy and data security in the stakeholder survey related to the double materiality assessment.

Puuiilo has several channels for communication with customers. Customers can directly contact Puuiilo's centralized customer service or store staff. Written feedback can be provided through Puuiilo's website, which also includes contact information for customer service, stores, and Puuiilo's management team. The whistleblowing channel on Puuiilo's website is also available to business customers, consumers, and end users. The channel and its operating principles are described in disclosure requirement S1-3. Interactions, customer calls, and feedback are daily basis.

Customer satisfaction surveys are conducted regularly. The most recent customer satisfaction survey was carried out in 2024. Additionally, a comprehensive stakeholder survey was conducted as part of the double materiality assessment to gather customer views on Puuiilo's responsibility.

The CEO, who has the highest operational responsibility, is in charge of communication with customers, communication channels, and considering customer views.

Customer feedback is responded to based on a case-by-case assessment. The number of product re-

turns and complaints is continuously monitored.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Customers have the right to exchange or return purchased products within 30 days. The right of return does not apply to certain clearly defined product groups, such as hygiene products, food, or pet food.

Product safety is strictly regulated. Authorities responsible for monitoring product safety include the Finnish Safety and Chemicals Agency (Tukes), Customs, and the Food Authority. Each buyer monitors regulatory changes for their product area.

Quality and product safety deviations are addressed, where necessary, through sales bans and product recalls, which are effective measures for removing low quality products from the market. For products that are not private label products, the supplier or the importer of the product is responsible for product safety and decides on recalls. Any damages caused by defective products are compensated to the customer.

The channels available to consumers and end users to raise concerns and needs directly with Puuiilo are described in disclosure requirements S1-3 and S4-2. Puuiilo considers these channels to be sufficient, and consumers are aware of them.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Actions Related to Product Safety

Puuiilo aims to enhance product safety and thereby manage the costs associated with product recalls and strengthen brand image through preventive measures. The quality and safety of products are primarily ensured through careful supplier selection, which includes both product safety and quality documentation as well as checking supplier customer references. Products imported by Puuiilo are evaluated and tested considering the specific characteristics required for each product.

Product safety is a key theme in the induction of buyers. In stores and customer service, customers are guided on the safe use of products. Product packaging labels and instructions for use must be appropriate. For chemicals, it is ensured that safety data sheets are available.

The share of product complaints and e commerce product reviews is monitored on a bi weekly basis. If the number of complaints increases, the supplier is contacted without delay to investigate the quality deviation. Quality deficiencies may lead to a change of supplier. Where necessary, the product assortment is supplemented with a replacement product from another manufacturer.

In cases of serious quality deviations, a decision on a sales ban or recall is made if necessary. In these cases, cooperation is carried out with the authorities responsible for monitoring product safety, and their guidelines are followed.

Puuiilo has not received any reports related to human rights or violations of human rights concerning consu-

mers or end users.

Ensuring product safety is a continuous activity at Puuiilo, and no separate budget allocations were used nor investments made for this purpose during the reporting period. Within Puuiilo's procurement organisation, buyers are supported by a product development and quality manager.

Actions Related to Data Protection and Information Security

By offering secure payment methods to customers, the risk of identity theft and fraud is reduced. Information security is part of daily operations and is implemented through administrative and technical measures.

The IT Director is responsible for handling information security incidents and reporting them internally within Puuiilo as required. Incidents assessed as severe are addressed by the company's management team. For identified information security risks, a mitigation plan is prepared. Necessary measures are scheduled and responsibilities are assigned.

An annual assessment of information security risks and an external evaluation of information security are conducted. Based on these, an annual action plan is prepared. The implementation of the plan is monitored quarterly by the management team and annually by the Board of Directors.

In 2025, systematic development of information security and data protection continued. Development measures focused on the protection of identities and devices, improvement of data protection related processes and practices, enhancement of 24/7 monitoring and res-

ponse capabilities, and ensuring business continuity. Employee training materials were updated, and the content of mandatory information security and data protection training for all employees was expanded.

No severe information security incidents were identified at Puuilo in 2025.

The expected outcome of these actions is that information security will continue to be ensured and that no severe information security incidents will occur.

Regarding the security of card payments, Puuilo complies with the international PCI DSS standard (Payment Card Industry Data Security Standards). The company is audited annually for PCI DSS compliance. All staff undergo annual information security and data protection training, and all employees working with payment cards complete annual PCI passport training. The HR department monitors the completion of these trainings.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

There are no time-bound targets set for product safety. Product quality is monitored using the product return rate. The objective is for the return rate to decrease on a year-on-year basis. In 2025, the return rate was 0.1%.

The return rate includes returns due to product defects or quality deficiencies. Store personnel record the reason for the return when receiving customer returns. The rate is calculated by dividing the number of returned items by the number of items sold. The return rate

does not include returns from e commerce.

In addition to complying with applicable laws and regulations, the objectives for information security are to ensure that no severe security incidents or data breaches occur. In the financial year 2025, no severe information security incidents were recorded.

Puuilo's IT department assesses the severity of all information security incidents and breaches. The assessment takes into account the potential impact on individuals or the company, as well as how leaked information could be misused.



4. GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

Material impacts, risks and opportunities related to governance

Description of impact, risk or opportunity	Nature of impact	Value chain
Poor customer service due to weak organizational culture	Potential negative	Own operations
Employee satisfaction, overall well-being, and organizational commitment	Potential positive	Own operations
A strong corporate culture contributing to a positive brand image and market share growth	Opportunity	Own operations
A strong employer brand enhances employee engagement and contributes to higher productivity	Opportunity	Own operations
Insufficient monitoring of the value chain may lead to adverse impacts on people and the environment	Potential negative	Own operations
Reputational risks arising from adverse social and environmental impacts in the supply chain may weaken market share	Risk	Own operations
Long-term partnerships contributing to increased efficiency	Opportunity	Own operations

Management of impacts, risks and opportunities

Corporate culture and business conduct policies (G1-1)

Puulo’s corporate culture embodies the company’s values, which have been formulated together with the staff. These values are actively communicated to ensure they become part of the company’s daily operations.

Puulo’s value

DISTINCTIVENESS

There’s a lot of power in being distinctive. We are a unique company, and proud of it. We also encourage our employees to be themselves. Because the best results are achieved that way.

JOY

It is a pleasure and easy to visit our stores. The joy begins with us, our desire to work here. The darker it is around us, the more important it is for us to bring joy and compassion around us.

COST AWARENESS

Price awareness means that we do not waste money. This applies to us, but especially to our customers. Except when it gives joy or benefits in which case it is not waste of money.

PROPRIETY

It is important to us that we can stand behind every decision. This means that decisions, whether they are big or small, are carefully weighted considering also the long-term effects. This applies to the environment, society and our own personnel. In other words, we hold on to our values.

DETERMINATION

As they say, fortune favours the brave. We set our goals high and move forward determinedly towards our goals. Our customers do not buy from us to test products but to use them. In this way we develop as people and as a company.

Puuiilo strives to maintain an atmosphere of openness and high ethics in its business operations. Business conduct is guided by the House Book, which are internal guidelines for employees, ethical guidelines for employees, and the Supplier Code of Conduct. The ethical principles related to Puuiilo's corporate culture set out in the Code of Conduct are described in section S1 1, and the ethical guidelines for procurement in section G1 2. The Code of Conduct also covers the prevention of bribery and corruption. Any suspected violations of ethical guidelines are investigated in accordance with the intervention model defined in the House Book or through the whistleblowing reporting channel process.

The corporate culture is characterized by a low hierarchy. Management engages regularly with employees through, among other channels, a company wide Teams channel, informal discussion forums, the cooperation negotiation committee, and day to day internal collaboration. Corporate culture is assessed through an annual employee survey. The objectives and metrics of the employee survey are described in section S1 5.

The CEO is responsible for the implementation of ethical principles, and each member of the management team is responsible for the guidelines within their area of responsibility.

The ethical guidelines for procurement (Supplier Code of Conduct) define Puuiilo's requirements for suppliers. The procurement ethics guidelines are described in more detail in section G1 2, Supplier relationship management.

Responsibility for updating the House Book and the

Code of Conduct lies with HR, and for supplier related cooperation with the procurement organisation. The House Book and the Code of Conduct are electronically available to all Puuiilo employees, and reviewing them forms part of the onboarding process. The ethical guidelines for procurement are integrated into supplier selection processes and cooperation agreements.

Puuiilo operates a reporting channel open to all for reporting suspected or actual violations of policies. The whistleblowing reporting channel is described in disclosure requirement S1 3. Reporters are protected against retaliation in accordance with the whistleblowing policy by safeguarding their anonymity and by applying disciplinary measures to employees who engage in retaliatory actions against an identified reporter. In situations of potential business disruption, internal control procedures are followed.

New employees familiarise themselves with the Code of Conduct as part of onboarding. All employees complete mandatory annual refresher training on ethical conduct, and the HR function monitors completion of the training.

Key roles in the prevention of corruption and bribery include persons with financial decision making authority, namely members of the management team and individuals responsible for purchasing and indirect procurement.

Management of relationships with suppliers (G1-2)

Puuiilo aims to develop its operations with goods and service suppliers in a long-term manner. Stable partnerships can create more efficient business relationships and enhance the profitability of both parties.

Puuiilo has approximately 700 product suppliers in total. Around 80% of purchases are made domestically, while the remaining approximately 20% are sourced from other EU countries or Asia. Puuiilo manages business and reputational risks by maintaining a broad supplier network. Supplier selection includes the review of suppliers' product safety and quality documentation as well as customer references. The Purchasing and Logistics Director is responsible for supplier selection procedures.

Preventing potential environmental or human rights violations in the supply chain, as well as related reputational risks and potential loss of customer trust, is important to Puuiilo. Supplier relationships are managed in accordance with the company's ethical guidelines and the ethical guidelines for procurement. Ongoing interaction with suppliers includes regular meetings, buyer visits to suppliers' premises, and periodic negotiations on the terms of cooperation agreements.

The basic principles and expectations for suppliers are set out in the ethical guidelines for procurement (Supplier Code of Conduct), which are based on the OECD Guidelines for Multinational Enterprises. Puuiilo categorises suppliers into two groups based on country risk. Suppliers operating in Finland or other countries classified as low risk are required to commit to Puuiilo's ethical guidelines for procurement. Suppliers located in high risk countries are required to undergo an amfori BSCI audit or an equivalent audit. The ethical guidelines for procurement apply to all Puuiilo suppliers. The Purchasing and Logistics Director is responsible for the implementation of the procurement ethics guidelines, and each member of the management team is respon-

sible for compliance within their respective area of responsibility.

The ethical guidelines for procurement require suppliers to respect internationally recognised human rights and to promote fundamental labour rights. In addition, suppliers and business partners are expected to proactively identify environmental impacts and to avoid harmful environmental effects, such as loss of biodiversity, challenges related to access to clean water, emissions to air, soil or water, and the use of virgin rare raw materials.

Suppliers and business partners report on the promotion of responsibility when requested. If deficiencies are identified, corrective actions are primarily sought through cooperation. Puuiilo is not materially dependent on individual suppliers, and cooperation may be terminated if a supplier does not commit to remedying identified shortcomings.

Puuiilo's practice is to pay all invoices on time and to apply reasonable payment terms that are commonly used in the industry. No specific payment practices are applied exclusively to small or medium sized enterprises; the same principles apply to all suppliers. Puuiilo's payment practices are described in more detail in section G1 6.

Metrics and targets

Payment practices (G1-6)

Puuiilo's purchase invoices are mainly paid in accordance with payment terms of 30–60 days, regardless of the size of the supplier. Due to system related limitations, precise information on the proportion of payments made in accordance with standard payment



terms is not available. Invoices related to imported products are typically paid before the products are recognised in Puuilo's inventory or no later than 30 days after shipment.

Due payments are monitored daily as part of Puuilo's invoice processing. The objective is to pay invoices by their due date, except for invoices that are subject to dispute or otherwise require clarification. In such cases, the supplier is always contacted. The average time taken to pay an invoice from the date when the statutory payment period begins was 21 (23) days. The average has been estimated based on Basware's supplier specific payment time report. To ensure comparability, the average payment time for invoices in the financial year 2024 has also been recalculated using the same methodology, which is why the comparative figure differs from the previously published figure.

There are no ongoing lawsuits or disputes due to payment delays.

APPENDICES TO SUSTAINABILITY STATEMENT

Appendix 1 (IRO-2)

For each standard, the material information requirements have been reported:

Standard	Disclosure requirement	Page
ESRS 2	BP-1 – General basis for preparation of the sustainability statement	19
	BP-2 – Disclosures in relation to specific circumstances	19
	GOV-1 – The role of the administrative, management and supervisory bodies	19
	GOV-2 – Information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies	20
	GOV-3 – Integration of sustainability-related performance in incentive schemes	20
	GOV-4 – Statement on due diligence	21
	GOV-5 - Risk management and internal controls over sustainability reporting	22
	SBM-1 – Strategy, business model and value chain	22
	SBM-2 – Interests and views of stakeholders	23
	SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model	23
	IRO-1 - The identification and assessment of material impacts, risks, and opportunities	31
	IRO-2 – Disclosure requirements in ESRS covered by the sustainability statement	32

Standard	Disclosure requirement	Page
ESRS E1	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	20
	E1-1 – Transition plan for climate change mitigation	35
	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	23
	ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	31
	E1-2 – Policies related to climate change mitigation and adaptation	35
	E1-3 – Actions and resources in relation to climate change policies	35
	E1-4 – Targets related to climate change mitigation and adaptation	35
	E1-5 – Energy consumption and mix	36
	E1-6 – Gross scopes 1, 2, 3 and Total GHG emissions	37
	E5. IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	31
ESRS E5	E5-1 Policies related to resource use and circular economy	43
	E5-2 Actions and resources related to resource use and circular economy	43
	E5-3 Targets related to resource use and circular economy	43
	E5-4 Resource inflows	43
	E5-5- Resource outflows	44

Standard	Disclosure requirement	Page
ESRS S1	ESRS 2 SBM-2 – Interests and views of stakeholders	23
	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	23
	S1-1 – Policies related to own workforce	45
	S1-2 – Processes for engaging with own workers and workers’ representatives about impacts	46
	S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	46
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	47
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	47
	S1-6 – Characteristics of the undertaking’s employees	48
	S1-8 - Collective bargaining coverage and social dialogue	50
	S1-9 – Diversity metrics	51
	S1-10 – Adequate wages	52
	S1-14 – Health and safety metrics	52
	S1-16 – Remuneration metrics (pay gap and total remuneration)	52
	S1-17 – Incidents, complaints and severe human rights impacts	52

Standard	Disclosure requirement	Page
ESRS S2	SBM-2 Interests and views of stakeholders	23
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	23
	S2-1 Policies related to value chain workers	53
	S2-2 Processes for engaging with value chain workers about impacts	53
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	53
ESRS S4	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	54
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	54
	SBM-2 Interests and views of stakeholders	23
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	23
	S4-1 Policies related to consumers and end-users	54
ESRS G1	S4-2 Processes for engaging with consumers and end-users about impacts	55
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	55
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	55
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	56
	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	19
ESRS G1	G1-1 Business conduct policies and corporate culture	57
	G1-2 Management of relationships with suppliers	58
	G1-6 – Payment practices	58

Appendix 2 (IRO-2)

List of Other Data Points Required by EU Legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		General disclosures
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		General disclosures
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				General disclosures
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		Non-material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		Non-material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		Non-material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		Non-material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	Environmental information
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	X		Non-material
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		Environmental information

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				Environmental information
ESRS E1-5 Energy consumption and mix paragraph 37	X				Environmental information
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				Environmental information
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	X	X	X		Environmental information
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		Environmental information
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	Environmental information
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		Not reported due to transitional provisions (BP 2)
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a),		X			Not reported due to transitional provisions (BP 2)
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		X			Not reported due to transitional provisions (BP 2)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)			X		Not reported due to transitional provisions (BP 2)

ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS E2-4 Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				Non-material
ESRS E3-1 Water and marine resources paragraph 9	X				Non-material
ESRS E3-1 Dedicated policy paragraph 13	X				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				Non-material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				Non-material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	X				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	X				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	X				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	X				Non-material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	X				Non-material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	X				Non-material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X				Non-material

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				Environmental information
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X				Environmental information
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	X				Non-material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	X				Non-material
ESRS S1-1 Human rights policy commitments paragraph 20	X				Social information
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			X		Social information
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	X				Social information
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	X				Social information
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	X				Social information
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	X		X		Social information
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X				Not reported due to transitional provisions (BP 2)

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X		X		Social information
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X				Social information
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				Social information
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	X		X		Social information
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				General disclousures
ESRS S2-1 Human rights policy commitments paragraph 17	X				Social information
ESRS S2-1 Policies related to value chain workers paragraph 18	X				Social information
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	X		X		Social information
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			X		Social information
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X				Social information

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Location in the report
ESRS S3-1 Human rights policy commitments paragraph 16	X				Non-material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	X		X		Non-material
ESRS S3-4 Human rights issues and incidents paragraph 36	X				Non-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X				Social information
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X		X		Social information
ESRS S4-4 Human rights issues and incidents paragraph 35	X				Social information
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X				Governance information
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	X				Governance information
ESRS G1-4 Fines for violation of anti-corruption and antibribery laws paragraph 24 (a)	X		X		Non-material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	X				Non-material

FINANCIAL STATEMENTS



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In addition to this PDF-document, Puuilo has published Financial Statements in accordance to European Single Electronic Format (ESEF) requirements as a xHTML document which is the official version of the report.

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Net sales	2.1	442.3	383.4
Other operating income	2.1	0.7	0.5
Materials and services	2.3	-273.3	-238.8
Personnel expenses	2.3	-44.5	-38.5
Other operating expenses	2.3	-27.9	-22.6
Depreciation, amortisation and impairments	4.1-4.4	-22.1	-19.0
Operating profit		75.1	65.1
Finance income	5.6	0.5	0.6
Finance costs	5.6	-5.9	-5.8
Total finance income and costs		-5.3	-5.2
Profit before taxes		69.8	59.9
Current income tax	2.4	-14.3	-12.6
Deferred income tax	2.4	0.5	0.6
Total income tax expense		-13.8	-12.0
Profit for the period		56.0	47.9
Total comprehensive income for the period		56.0	47.9

EUR million	Note	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Profit for the period attributable to:			
Owners of the parent		56.0	47.9
Profit for the period		56.0	47.9
Earnings per share for profit attributable to owners of the parent			
Basic and diluted earnings per share (EUR)	5.3	0.66	0.57

The Notes are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

EUR million	Note	31 Jan 2026	31 Jan 2025
ASSETS			
Non-current assets			
Goodwill	4.1	33.5	33.5
Intangible assets	4.2	13.7	16.0
Property, plant and equipment	4.3	7.6	5.9
Right-of-use assets	4.4	92.3	82.1
Deferred tax assets	2.4	1.6	1.3
Total non-current assets		148.7	138.8
Current assets			
Inventories	3.1	123.2	115.5
Trade receivables	3.2, 5.5	9.4	5.9
Other receivables	3.2	2.4	2.3
Cash and cash equivalents		33.0	18.3
Total current assets		168.0	142.0
Total assets		316.7	280.8

EUR million	Note	31 Jan 2026	31 Jan 2025
Equity and liabilities			
Equity			
Share capital	5.2	0.1	0.1
Reserve for invested unrestricted equity	5.2	29.0	29.0
Retained earnings		13.8	24.8
Profit for the period		56.0	47.9
Total equity attributable to owners of the parent		98.9	101.8
Total equity		98.9	101.8
Liabilities			
Non-current liabilities			
Loans from financial institutions	5.4, 5.5	69.9	50.0
Lease liabilities	4.4	77.3	68.1
Provisions	4.5	1.1	1.0
Deferred tax liabilities	2.4	2.3	2.5
Total non-current liabilities		150.6	121.6
Current liabilities			
Lease liabilities	4.4	16.2	15.0
Trade payables	3.3, 5.5	31.0	24.0
Advances received	2.1	0.5	0.4
Income tax liabilities	2.4	1.7	2.8
Other current liabilities	3.3, 5.5	17.8	15.2
Total current liabilities		67.2	57.4
Total liabilities		217.9	179.0
Total equity and liabilities		316.7	280.8

The Notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO OWNERS OF THE PARENT						
EUR million	Note	Share capital	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total equity
Equity on 1 Feb 2025		0.1	29.0	-3.2	76.0	101.8
Profit for the period					56.0	56.0
Total comprehensive					56.0	56.0
Dividends	5.2				-59.0	-59.0
Transfer of own shares	5.2			0.6	-0.6	0.0
Share-based incentive plan	2.3				0.1	0.1
Total transactions with owners			0.6	-59.5	-58.9	
Equity on 31 Jan 2026		0.1	29.0	-2.6	72.4	98.9

ATTRIBUTABLE TO OWNERS OF THE PARENT						
EUR million	Note	Share capital	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total equity
Equity on 1 Feb 2024		0.1	29.0	-3.2	59.2	85.0
Profit for the period					47.9	47.9
Total comprehensive					47.9	47.9
Dividends	5.2				-32.0	-32.0
Share-based incentive plan	2.3				0.8	0.8
Total transactions with owners				-	-31.2	-31.2
Equity on 31 Jan 2025		0.1	29.0	-3.2	76.0	101.8

The Notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Cash flows from operating activities			
Profit for the period		56.0	47.9
Adjustments for:			
Depreciation, amortisation and impairments	4.1-4.4	22.1	19.0
Gains/losses on disposal of property, plant and equipment		0.0	0.0
Other non-cash adjustments		0.1	0.8
Finance income and costs	5.6	5.3	5.2
Income tax expense	2.4	13.8	12.0
Changes in working capital			
Change in trade and other receivables	3.2	-3.7	-1.0
Change in inventories	3.1	-7.7	-22.4
Change in trade and other current non-interest-bearing liabilities	3.3	9.3	5.2
Interests paid		-1.6	-2.6
Interests of lease liabilities		-3.4	-2.9
Interests received		0.5	0.6
Arrangement fee for loans from financial institutions and other financial costs	-0.5	-0.3	-0.3
Income taxes paid		-15.4	-12.4
Net cash flows generated from operating activities		74.9	49.1

EUR million	Note	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Cash flows from investing activities			
Payments for intangible assets	4.2	-0.4	-2.3
Payments for property, plant and equipment	4.3	-5.4	-4.8
Proceeds from sale of property, plant and equipment	4.3	0.0	0.0
Net cash used in investing activities		-5.8	-7.1
Cash flows from financing activities			
Proceeds from borrowings	5.1	70.0	-
Repayments of loans from financial institutions	5.1	-50.0	-
Principal elements of lease liabilities	5.1	-15.4	-13.1
Dividends	5.2	-59.0	-32.0
Net cash used in financing activities		-54.4	-45.1
Net increase (+)/(-) decrease in cash and cash equivalents	14.6	-3.1	-7.3
Cash and cash equivalents at the beginning of the period		18.3	21.5
Cash and cash equivalents at the end of the period		33.0	18.3

The Notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1 BASIS OF PREPARATION

Note 1.1 Company information

Puulo Group is a Finnish retailer company. On 31 January 2026, the fast-growing Group had a total of 56 stores (49 stores) across Finland. In addition, the on-line store serves customers. The product assortment includes building supplies, tools, HVAC and electrical accessories, pet food and supplies, car accessories, groceries, household products, garden supplies, free-time and other accessories as well as services. Puulo is one of the leading discount retailers in Finland and it serves both consumers and B2B customers in the repair and maintenance as well as construction sector. The company is known for its low prices and wide range of products.

The Group's parent company is Puulo Plc, domiciled in Helsinki, Finland. The company's registered address is Pakkalankuja 6, 01510 Vantaa, and its Business ID is 2726573-8. Puulo Plc is listed on Nasdaq Helsinki. The Consolidated Financial Statements are available on Puulo's investor website at www.investors.puulo.fi/en and at the company's headquarters at Pakkalankuja 6, 01510 Vantaa.

During the financial year, a new Swedish subsidiary, Puulo Varuhus AB, was established. The company has not yet had any business operations

These Consolidated Financial Statements include the consolidated financial statements of Puulo Plc ("the company") and its Finnish subsidiary ("the Group" or "Puulo"). These Consolidated Financial Statements include the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity and consolidated statement of cash flows as well as notes for the reporting period that ended on 31 January 2026 and comparison information for the financial year ended on 31 January 2025.

The company's reporting period begins on 1 February and ends on 31 January. The reporting period 2025 comprises the period 1 February 2025 – 31 January 2026 and the comparison period 2024 the period 1 February 2024 – 31 January 2025.

The company's Board of Directors approved these Financial Statements on 15 April 2026. Under the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements at the general meeting held after their publication. The general meeting also has the authority to decide on amendments to the financial statements.

Note 1.2 Basis of preparation

Puulo's Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Stan-

dards approved for adoption by the European Union. They comply with the effective IAS and IFRS Accounting Standards and the respective SIC and IFRIC interpretations. The notes to the Consolidated Financial Statements also include requirements in accordance with Finnish accounting and limited liability company legislation.

The notes to the Consolidated Financial Statements have been grouped into sections based on their nature. The basis of preparation of the financial statements is described as part of the note Accounting Policies, while the accounting policies directly related to a specific note are presented as part of the note in question. The notes of each area contain the relevant financial information, the accounting policies as well as the key estimates and discretionary solutions.

The financial statements have been prepared on the basis of initial cost.

The figures in the Consolidated Financial Statements are presented in millions of euros, unless otherwise stated. The figures have been rounded to the nearest million, and therefore the sum of individual figures may deviate from the total presented. The presentation currency of the financial statements is euro, which is also the functional currency of the company and the Group.

Note 1.3 Accounting estimates and judgements

Critical accounting estimates and assumptions

The preparation of Consolidated Financial Statements requires management to make estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The following areas include management's estimates and assumptions:

- Share-based payments (Note 2.3)
- Measurement of inventories (Note 3.1)
- Goodwill impairment test (Note 4.1)
- Measurement of the Puulo trademark (Note 4.2)
- Measurement of lease liabilities and right-of-use assets (Note 4.4)
- Restoration obligation (Note 4.5)
- Expected credit loss (Note 5.5)

The accounting estimates related to these areas are described in more detail in each respective note.

Estimates and judgements are regularly reviewed for accuracy. The estimates and judgements are based on historical data and other factors, including expectations on future events that may have a financial impact on the entity and that are assumed to be reasonable under the circumstances.

Critical judgements in applying accounting policies

The Group's management uses its judgement in the adoption and application of accounting policies in the financial statements.

The Group performs goodwill impairment testing at least annually. The estimation of the recoverable amount is based on value in use calculations. Preparing these calculations requires the use of estimates. Although management believes that the assumptions used are appropriate, the estimated recoverable amounts may differ from the amounts realized in the future. (Note 4.1)

Lease agreements include both termination and extension options. Management exercises judgment in determining whether lease termination or extension options will be exercised and in assessing the lease end date and the lease term. Management also applies judgment in determining the lease terms of leases that are indefinite. (Note 4.4)



2 BUSINESS PERFORMANCE

Note 2.1 Revenue

Accounting policy

Puuiło’s retail chain and online store sell building supplies, tools, HVAC and electrical accessories, pet food and supplies, car accessories, groceries, household products, garden supplies, free-time and other accessories as well as services. Net sales are primarily generated by the sales of goods and recognised when the control of the product is transferred to the customer, in other words, when the product is relinquished.

The products sold by the Group have a right of return. Based on experience, the quantity of the returned goods is considered to be insignificant compared to the company’s net sales.

Puuiło sells gift cards to customers. The Company recognises a liability on these prepayments. The liability is presented in the balance sheet as a separate line item Advances received. The liability is derecognised, and net sales are recognised when customer purchases goods with the gift card. After the gift card has been used, Puuiło is considered to have fulfilled its performance obligations.

Sales are paid mainly in cash or by credit card. Financing offered to consumers is arranged by an external partner and does not create a performance obligation to Puuiło. Therefore, the arrangement does not affect the revenue recognition. The payment time for invoiced sales offered to B2B customers is typically 14 – 30 days. As the payment term is less than 12 months, the transaction prices are not adjusted with the time value of money.

Puuiło’s contracts with customers do not contain separate performance obligations recognised at different times. The product warranties offered by the Company are treated as assurance type warranties, because they do not include additional services to the customer. In most cases, the Company charges the warranty costs from the supplier.

The line-item other operating income includes lease income, gains on disposals of tangible assets, and other income that are not directly related to the Company’s ordinary business operations. Lease income consists of income received from sales locations.

NET SALES

EUR million	31 Jan 2026	31 Jan 2025
Stores	432.7	374.4
Online store	9.6	9.1
Net sales total	442.3	383.4

CONTRACT LIABILITIES (ADVANCES RECEIVED)

EUR million	31 Jan 2026	31 Jan 2025
	0.5	0.4

OTHER INCOME

EUR million	31 Jan 2026	31 Jan 2025
Lease income	0.5	0.3
Gains on disposal of tangible assets	0.0	0.0
Other	0.2	0.2
Total	0.7	0.5

Note 2.2 Segment information

Due to the nature of Puuilo’s operations, the Group has one reportable operating segment. The individual stores and the online store are considered to be the distribution channels of Puuilo’s products and all of them operate under the Puuilo trademark. The Group has operated only in Finland. New Swedish subsidiary was established during the financial year, but it has not yet operated. The operations, such as financial administration, IT management, marketing as well as purchasing and logistics are centralised at the Group level.

The Board of Directors is the highest operating decision-maker at Puuilo, as it is responsible for resource allocation in the Group and assesses the performance of the operations. Puuilo’s Board of Directors regularly monitors financial information of the Group. The performance metric Puuilo uses internally to monitor and assess the operations is the Group-level adjusted EBITA, which corresponds to profit before finance income and cost, taxes and amortisation and impairment of intangible rights, adjusted by items affecting comparability.

Due to the large number of customers and the nature of the business, sales to any individual customer have not exceeded 10 percent in the financial period that ended on 31 January 2026 or the comparison period.

NOTE 2.3 EXPENSES

Materials and services and other operating expenses

Accounting policy

Materials and services consist of the acquisition cost of goods sold during the financial period and the services directly related to the goods sold. Other operating expenses include expenses other than the cost of goods sold, such as administration costs, property maintenance costs, marketing and IT costs as well as sales freight and credit card commissions. Other operating expenses also include potential losses on the disposal of property, plant and equipment and intangible assets.

Foreign exchange differences arising from purchases are recognised in the appropriate line item above operating profit.

MATERIALS AND SERVICES

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Purchases during the reporting period	280.5	260.8
Changes in inventories	-7.4	-22.3
External services	0.3	0.3
Total	273.3	238.8

OTHER OPERATING EXPENSES

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Administration expenses	2.6	1.8
Property maintenance expenses	5.6	4.9
Marketing expenses	8.6	6.8
IT costs	4.5	3.6
Sales freights and credit card fees	2.3	2.1
Other	4.3	3.3
Total	27.9	22.6

AUDITORS’ FEES

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Statutory audit fees	0.1	0.1
Assignments referred to in Chapter 1, Section 1, Subsection 1, Paragraph 2 of the Auditing Act.		
CSRD assurance	0.1	0.1
ESEF reporting	0.0	0.0
Other services	0.1	-
Total	0.2	0.2

Employee benefits

Accounting policy

Short-term benefits

Wages and salaries mainly comprise of fixed monthly salaries and hourly wages paid to employees. Other indirect employee costs include pension expenses and other social security expenses. Employee benefits are recognised for work completed up to the balance sheet date in other liabilities and measured at the amount that is expected to be paid when the liabilities are settled.

Post-employment benefits

The pension plan of Puuilo is a defined contribution plan. The payments of a defined contribution pension plan are made to pension insurance companies, after which the Group does not have any other payment obligations. Payments made on the defined contribution pension plan are recognised as expenses in the income statement for the financial period they are attributed to.

Management remuneration

The management consists of the Board of Directors, the CEO and the other members of the Management Team. The Board of Directors makes the decision on the remuneration of the CEO and the other Management Team. The remuneration of the CEO and the Management Team consists of a fixed monthly salary, customary fringe benefits and a share-based incentive plan for the key employees (see section below). The CEO or the other members of the Management Team do not belong to any short-term incentive programme.

made by the shareholders in the Annual General Meeting. The Shareholders' Nomination Board prepares a proposal on the remuneration of the Board members to the Annual General Meeting. The remuneration of the Board of Directors is monetary. The Board of Directors' remuneration is based on an annual fee, and the members are not paid separate meeting fees in addition to this. Travel expenses incurred by the Board meetings are reimbursed in accordance with the company's travel expense policy. Pension payments are not included in the remuneration of the Board of Directors.

EMPLOYEE BENEFIT EXPENSES

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Wages and salaries	37.2	32.2
Pension costs	6.3	5.5
Social security costs	1.1	0.8
Total	44.5	38.5

PERSONNEL ON AVERAGE AND AT THE END OF REPORTING PERIOD:

	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Number of employees at the end of the period, full-time equivalent	950	849
Personnel on average	1,129	1,005

The company's CEO and the other members of the Management Team are entitled to a statutory pension benefit. The company does not have in place current additional pensions or collateral arrangements for the CEO and the other members of the Management Team.

The CEO is entitled to statutory pension, and their retirement age is determined in accordance with the legislation in effect. The period of notice of the CEO is six months and they are entitled to receive salary for the period of notice. The period of notice of the other members of the Management Team is three months. The members of the Management Team are entitled to their respective monthly salaries for the period of notice.

In accordance with the Finnish Limited Liability Companies Act, the decision on the remuneration payable to the members of the company's Board of Directors is

REMUNERATION OF MANAGEMENT

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
CEO		
Fixed salaries and fringe benefits	0.2	0.2
Share-based payments	0.0	0.0
Pension costs	0.0	0.0
Total	0.3	0.3
Other members of the Management Team		
Fixed salaries and fringe benefits	1.0	0.9
Share-based payments	0.4	0.3
Pension costs	0.2	0.2
Total	1.5	1.4
The Board of Directors		
Mammu Kaario, Chair of the Board from 15 May 2025	0.1	0.0
Susanne Hounsgaard, since 15 May 2025	0.0	-
Jens Joller	0.0	0.0
Tuomas Piirtola	0.0	0.0
Markku Tuomaala, since 15 May 2025	0.0	0.0
Total	0.2	0.1
Former Board members		
Lasse Aho, Chair of the Board until 15 May 2025	0.0	0.1
Bent Holm, until 15 May 2025	0.0	0.0
Anne-Mari Paapio, until 15 May 2025	0.0	0.0
Rasmus Molander, until 15 May 2024	-	0.0
Total	0.0	0.1
Total Management Team and the Board of Directors	2.0	1.8

The share-based payments include the cost effect on the financial year.

Share-based compensation

Accounting principle

The fair value of share-based payments is measured on the day which the share-based payment plan is agreed upon the counterparties. Fair value of share-based payments is recognised as an expense over the vesting period. The settlement, if the set targets are met, is a combination of shares and cash. Share-based payments to be settled in shares are recognised in equity and the payments to be settled in cash are recognised as a liability. Such cash-settled share-based payments for which the employer shall deduct, on behalf of the employee, from the share award such number of shares which covers taxes and tax-like charges paid in cash, shall be classified in their entirety as equity-settled share-based payments and thus, are recognised in equity.

Accounting estimates and judgements

The number of the shares to be granted are estimated at the end of each reporting period. The evaluation considers the turnover of persons and other factors affecting the number of shares to be granted. In addition, the measurement of the fair value of the plan and the parameters used in the measurement require management judgement.

Share-based incentive plan

Puulo Board of Directors decides on the share-based incentive plan for key personnel annually. The aim of the plan is to align the objectives of the shareholders

and the key employees in order to increase the value of the company in the long-term. The plan is intended to encourage key employees to personally invest in the company's shares, to steer them toward achieving the company's strategic objectives, to retain them at the company, and to offer them a competitive reward plan that is based on acquiring, earning and accumulating Puulo shares.

Each plan includes one performance period, spanning approximately three financial years. The performance criteria for plans are the Total Shareholder Return of the Puulo share (TSR), adjusted EBITA and, for PSP2025–2027, the return on invested capital (ROIC) of the Puulo Group. The achievement of the targets set for the performance criteria will determine the proportion out of the maximum reward that will be paid as reward to participants. The prerequisite for participation in the plan and receiving reward on the basis of the plan is that a participant personally has acquired Puulo shares up to the number determined by the Board of Directors. Furthermore, payment of reward is based on the participant's valid employment or service upon reward payment.

Primarily, the rewards from the plans will be paid partly in the company's shares and partly in cash by the end of May following the end of the performance period. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service terminates before the reward payment. The CEO and other members of the Management Team are

obliged to keep the shares paid as a reward for twelve (12) months after the reward payment.

The target group of the plans consisted of the CEO, other members of the Management Team, Store Managers and other key personnel. The final number of shares will depend on the participants’ personal share acquisitions and the achievement of the targets set for the performance criteria.

The total cost of the share plan is recognised over the performance period, which is approximately 34 months. In the financial year 2025, the impact of the share-based compensation plans on the profit was EUR 1.1 million (0.8). At the end of the reporting period, the amount to be recognised as expense for the financial years 2026 – 2028 is estimated at a total of EUR 1.3 million (1.2). The actual amount may differ from the estimate.

ASSUMPTIONS APPLIED IN DETERMINING THE FAIR VALUE OF SHARE AWARD:

Grant date and fair value of share-based payments	2022-2024	2023-2025	2024-2026	2025-2027
Grant date	3.6.2022	12.5.2023	10.5.2024	9.5.2025
Grant date fair value of the share award (EUR)	4.43	4.83	7.58	12.81
Share price at grant date (EUR)	5.34	7.29	10.70	12.85
Performance period start date	3.6.2022	12.5.2023	10.5.2024	9.5.2025
Performance period end date	28.2.2025	31.3.2026	31.3.2027	31.3.2028
Commitment period end date	31.5.2025	31.5.2026	31.5.2027	31.5.2028

Assumptions applied in determining the fair value of share award	2022-2024	2023-2025	2024-2026	2025-2027
Maximum amount of shares to be granted (pcs)*	315.000	678.000	738.000	519.000
Share awards granted	-	-	-	209.968
Changes in the number of shares granted (pcs)	-66.862	-8.448	-1.254	-14.752
Exercised during the period (pcs)	211.658	-	-	-
Outstanding at the of the period (pcs)	-	243.888	194.997	195.216
Participants at the end of the reporting period	25	27	31	63
Share price at the end of the reporting period	-	12.31	12.31	12.31
Assumed fulfilment of the performance criteria	-	95 %	63 %	68 %
Forfeiture rate	-	1 %	3 %	6 %

* Gross number of shares netted with the applicable withholding tax. The net amount will be paid in shares.

Note 2.4 Income taxes

Accounting policy

Income tax comprises of the current income taxes and deferred taxes for the financial period. The income tax is recognised in the income statement. The tax effect of the items recognised directly in equity is, correspondingly, recognised as a part of equity.

The current taxes consist of the expected tax payable on the taxable income for the financial period, based on the tax rates enacted or in practice enacted by the closing of the accounts and any taxes payable for the previous year.

Deferred tax is calculated based on temporary differences between the carrying amounts and the carrying value of assets and liabilities, as well as on confirmed losses to the extent that it is probable that these can be utilised against future taxable income. Deferred tax is determined using tax rates (and laws) which have been enacted or in practice enacted by the end of the financial period and which are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. Deferred tax is not recognised for temporary differences related to initial recognition of goodwill.

Deferred tax assets and liabilities are netted to the extent that the company has a legally enforceable right to net current tax assets and liabilities and when the deferred taxes are related to the taxes of the same tax authority. Tax assets and tax liabilities based on the taxable income for the period are netted when the organisation has a legally enforceable right, and it intends either to settle on a net basis or to realise the asset item and settle the liability simultaneously.

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Current income tax on profits for the year:	14.3	12.6
Total current income tax	14.3	12.6
Deferred income tax:		
Change in deferred tax assets	-0.3	-0.3
Change in deferred tax liabilities	-0.2	-0.2
Total deferred tax	-0.5	-0.6
Income tax expense	13.8	12.0

Reconciliation of the tax expense recognised in the consolidated income statement and the taxes calculated using the Finnish tax rate (20% for all financial periods):

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Profit before tax	69.8	59.9
Tax calculated at domestic tax rate of 20 %	14.0	12.0
Income not subject to tax	-0.1	0.0
Expenses not deductible for tax purposes	0.0	0.0
Adjustment in respect of prior years	-0.1	-
Taxes in income statement	13.8	12.0

CHANGES IN DEFERRED TAXES

	1 Feb	Recognised through profit or loss	31 Jan
Reporting period 2025			
Deferred tax assets			
Tangible assets	0.0	0.0	0.0
Leases*	1.0	0.2	1.2
Share-based incentive plan	0.3	0.1	0.4
Total	1.3	0.3	1.6
Reporting period 2025			
Deferred tax liabilities			
Intangible assets	2.5	-0.2	2.3
Tangible assets	0.0	0.0	0.0
Arrangement fees of loans from financial ins- titutions	0.0	0.0	0.0
Total	2.5	-0.2	2.3

	1 Feb	Recognised through profit or loss	31 Jan
Reporting period 2024			
Deferred tax assets			
Tangible assets	0.0	0.0	0.0
Leases*	0.8	0.2	1.0
Share-based incentive plan	0.1	0.2	0.3
Total	1.0	0.3	1.3
Reporting period 2024			
Deferred tax liabilities			
Intangible assets	2.7	-0.2	2.5
Tangible assets	0.0	0.0	0.0
Arrangement fees of loans from financial ins- titutions	0.0	0.0	0.0
Total	2.7	-0.2	2.5

* Deferred tax assets and deferred tax liabilities arising from lease agreements have been netted. (Lease liabilities 18,9 (16,8) and Right-of-use assets 17,8 (15,9).

3 WORKING CAPITAL

Note 3.1 Inventories

Accounting policy

The cost of inventories, i.e. goods intended for retail, corresponds to the purchasing cost of the product in question determined using the weighted average cost method. The cost of finished goods comprises all costs of purchase, including direct freight and handling costs. Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated necessary costs of sales. The cost of inventory does not include borrowing costs.

EUR million	31 Jan 2026	31 Jan 2025
Finished goods	113.1	105.7
Goods in transit	8.4	8.2
Prepayments	1.7	1.5
Total	123.2	115.5

On 31 January 2026, the valuation of inventories included a write-down for obsolescent and slow-moving products amounted to EUR 1.5 million (1.4).

The cost of goods sold has been presented in Note 2.3.

Key judgements and discretionary solutions

– Inventory valuation

The Group regularly reviews inventories for possible obsolescence and turnover, and for possible reduction of the net realisable value below cost and recognises a write-down of inventory when necessary. Such reviews require estimates of future demand for products. Possible changes in these estimates may cause changes in inventory measurement in future periods.

Note 3.2 Trade and other receivables

Accounting policy

Trade receivables are receivables that consist of products sold to customers in the ordinary course of business. They fall due within 14 – 30 days and are, therefore, all classified as current. Trade receivables are initially recognised in the amount of the invoice issued

to the customer. Trade receivables do not include financial components.

The fair value of current trade and other receivables are estimated to equal their book values due to their short maturities.

TRADE AND OTHER RECEIVABLES CONSIST OF THE FOLLOWING:

EUR million	31 Jan 2026	31 Jan 2025
Trade receivables	9.4	5.9
Other receivables	0.0	0.0
Prepaid expenses	2.4	2.2
Total	11.8	8.2

AGING ANALYSIS OF TRADE RECEIVABLES

EUR million	31 Jan 2026	31 Jan 2025
Not overdue	9.1	5.7
Overdue		
Less than 14 days	0.2	0.1
14-30 days	0.1	0.1
31-60 days	0.0	0.0
Over 60 days	0.1	0.0
Total	9.4	5.9

In the financial period 2025, a credit loss of EUR 0.1 million was recognised in profit or loss on trade receivables (0.1). The receivables do not involve significant credit risk concentrations, and the maximum amount of the credit risk corresponds to the carrying amount of the receivables at the end of the financial period.

Trade receivables include an impairment amounting to EUR 0.0 million (0.0). The expected credit loss risk is not significant due to the low volume of invoiced sales. Credit risk is described in more detail in Note 5.4.

Note 3.3 Trade and other payables
Accounting policy

Trade payables and other payables include goods and services which Puuilo has received prior to the end of financial period which were not paid by the end of the financial period. The amounts are unsecured and

mainly paid according to the payment term of 30 – 60 days. Trade and other payables are presented as current liabilities if they are due within 12 months after the financial period. The carrying amounts of trade payables and other payables are considered to be the same as their fair values, due to their short-term nature.

MATERIAL ITEMS INCLUDED IN PREPAYMENTS

EUR million	31 Jan 2026	31 Jan 2025
Annual bonuses for purchases	0.9	0.7
Unbilled product reclamation	-	0.2
Social security costs	0.3	0.2
Expenses paid in advance	1.2	1.0
Other	0.1	0.2
Total	2.4	2.2

TRADE AND OTHER PAYABLES CONSIST OF THE FOLLOWING:

EUR million	31 Jan 2026	31 Jan 2025
Current		
Trade payables	31.0	24.0
Advances received	0.5	0.4
Income tax liabilities	1.7	2.8
Other current liabilities	8.2	7.4
Accrued expenses	9.7	7.8
Total current	51.1	42.4

Other current liabilities mainly consist of value added tax liabilities and withholding tax liabilities.

MATERIAL ITEMS INCLUDED IN CURRENT ACCRUED EXPENSES

EUR million	31 Jan 2026	31 Jan 2025
Salary accruals	2.4	2.0
Social security costs	1.7	1.5
Interest expenses	0.7	0.2
Holiday pay expenses	4.9	4.2
Total	9.7	7.8

4 CAPITAL EMPLOYED

Note 4.1 Goodwill

Accounting policy

Goodwill is measured at acquisition cost less any accumulated impairment losses. Goodwill is not subject to annual amortisation, because it is considered to have an indefinite useful life.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset item’s fair value less costs of disposal or the higher of value in use. Often it is not possible to estimate the recoverable amount for an individual asset. In the case of goodwill, the recoverable amount is determined for the cash-generating unit to which the goodwill belongs. Impairment loss recognised for goodwill is not reversed under any circumstances.

Key judgements and estimates in goodwill impairment testing

Puulo’s goodwill has arisen in connection with the acquisition of Puulo business in 2015 when the current Puulo Group was established. Therefore, the entire goodwill was generated from a single acquisition covering the entire business of Puulo. At the end of the financial period, goodwill stood at EUR 33.5 million (33.5).

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill was impaired. The recoverable amount

of a cash-generating unit is determined based on the value in use calculation which requires the use of assumptions. Estimates and judgements are required when determining the components of the recoverable amount. These components include the discount rate, the terminal growth rate, net sales and the operating profit. The discount rate reflects the time value of money and the market risk premiums. The risk premiums reflect risks and uncertainties for which the future cash flow estimates have not been adjusted. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate.

Goodwill impairment test

Puulo’s management has been monitoring goodwill on the Group level from the date the goodwill was generated. Therefore, for the purpose of annual goodwill impairment testing, management has discrete and reliable financial information available on the Group level. Puulo’s management considers the Group to consist of one cash-generating unit, and therefore, goodwill is tested for impairment on the Group level.

The key assumptions of the impairment calculations are the estimated growth rate of net sales and the estimated EBIT level for the period of five years. Cash flows beyond this period have been extrapolated based on the forecast growth of 2.0% (2.0%). The discount rate used is the weighted average cost of capital (WACC) after tax. The WACC formula inputs are the risk-free rate of return, market risk premium, industry-specific beta factor, target capital structure and borrowing cost. The pre-tax WACC used was 11.3%

(11.3%) and post-tax 9.6% (9.5%). No goodwill impairment has been recognised. In addition, management has estimated that no reasonably possible change in the key assumption of the impairment testing would have resulted in a goodwill impairment.

Note 4.2 Intangible assets

Accounting policy

Intangible assets comprise of the capitalised costs of the Puulo trademark, other intangible rights, the ERP system and the other IT systems. Their carrying amount corresponds to cost less accumulated amortisations and impairment losses. The capitalised cost of the ERP system consists of invoices from external service providers and license fees as well as Puulo’s internal project work related to the implementation of the new ERP system.

Other intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Puulo trademark	20 years
Software and licences	5 years
Other intangible rights	5 years

The costs related to the maintenance of IT systems and software are recognised in the financial period during which they incur.

Key judgements and estimates in measurement of the Puulo trademark

The useful life of the Puulo trademark is estimated to be 20 years, and it represents the Group’s assessment of the period over which the trademark is expected to generate cash flows to the Group. The actual useful

life may, however, be shorter or longer, depending on changes in the operating environment. Any identified changes in the useful life of the Puulo trademark are reflected in the amortisation period and the recognition of impairment losses, when needed.

At each balance sheet date, the management assesses whether there is any indication that the value of the Puulo trademark may be impaired. For the Puulo trademark, changes in the retail business environment, for example, could be an indication of impairment. For the trademark, the recoverable amount cannot be estimated on an asset-by-asset basis. As it is estimated that Puulo has one cash-generating unit, Puulo’s trademark, like goodwill, is tested on the Group level.

The impairment is recognised through profit or loss. The impairment loss recognised earlier on an asset item is reversed if the recoverable amount of the asset has increased. However, the maximum reversal is the carrying amount that would have prevailed for the asset before the impairment was recognised.

EUR million	Goodwill	Intangible rights	Other intangible assets	Total
Cost on 1 February 2025	33.5	26.8	8.5	68.9
Additions	0.0	-	0.4	0.4
Cost on 31 January 2026	33.5	26.8	8.9	69.3
Accumulated amortisation and impairment on 1 February 2025	-	-12.6	-6.8	-19.4
Amortisation and impairment	-	-1.6	-1.1	-2.7
Accumulated amortisation and impairment on 31 January 2026	-	-14.2	-7.9	-22.1
Net carrying amount on 1 February 2025	33.5	14.2	1.7	49.5
Net carrying amount on 31 January 2026	33.5	12.6	1.1	47.2

EUR million	Goodwill	Intangible rights	Other intangible assets	Total
Cost on 1 February 2024	33.5	25.0	8.1	66.6
Additions	-	1.9	0.4	2.3
Cost on 31 January 2025	33.5	26.8	8.5	68.9
Accumulated amortisation and impairment on 1 February 2024	-	-10.8	-5.9	-16.7
Amortisation and impairment	-	-1.9	-0.9	-2.7
Accumulated amortisation and impairment on 31 January 2025	-	-12.6	-6.8	-19.4
Net carrying amount on 1 February 2024	33.5	14.2	2.2	49.9
Net carrying amount on 31 January 2025	33.5	14.2	1.7	49.5

No impairment has been recognized for intangible assets during the financial year 2025 (EUR 0.3 million).

Note 4.3 Property, plant and equipment
Accounting policy

Property, plant and equipment consist mainly of store buildings and related capital improvement costs, as well as machinery and equipment. They are measured at cost less accumulated depreciation and impairment losses. The measurement of leased properties is covered in section 4.4 Leases. Historical cost includes expenditure that is directly attributable to the acquisition of asset items or internally developed assets and subsequent costs incurred by the replacement of parts that meet the criteria for asset recognition. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset or, in the case of leasehold improvements and leased assets, over the period of the lease or the useful life of the asset, whichever is shorter.

The estimated useful lives are as follows:

Capital improvement cost	5 years
Machinery and equipment	3 – 10 years
Leased assets	over the lease term

Residual values, depreciation methods and useful lives are reviewed and adjusted, if needed, at the end of each reporting period. An item of property, plant and equipment is derecognised upon disposal or when no future financial benefits are expected from its use. Sales gains and losses are determined by comparing disposal proceeds with the carrying amount of the disposed asset. Sales gains and losses are recognised within other operating income or expenses in the income statement in the period on which the disposal occurs. Sales gains are presented in Note 2.1.

At each balance sheet date, the management assesses whether there is any indication that the value of property, plant and equipment may be impaired. In the case that there is such evidence, an assessment is made of the recoverable amount of the asset which is the higher of the fair value of the asset less the costs of disposal or the value in use. In many cases, the recoverable amount cannot be estimated on an asset-by-asset basis. In that case, the recoverable amount is determined for the cash-generating unit to which the asset item belongs. Due to the nature of Puuilo’s operations, the Group has only one cash-generating unit.

The impairment is recognised through profit or loss. The impairment loss recognised earlier on an asset item is reversed if the recoverable amount of the asset has increased. However, the maximum reversal is the carrying amount that would have prevailed for the asset before the impairment was recognised.

Puuilo’s property, plant and equipment is divided into owned and leased assets as follows. Leased assets are covered in Note 4.4. Leases.

EUR million	31 Jan 2026	31 Jan 2025
Leased	92.3	82.1
Owned	7.6	5.9
Total	100.0	88.0

Changes in property, plant and equipment

The figures do not include changes in leases. Leases are covered in Note 4.4.

Additions	Buildings and structures	Machinery and equipment	Total
Cost on 1 February 2025	0.8	12.3	13.0
Additions	-	3.8	3.8
Disposals	-	0.0	0.0
Cost on 31 January 2026	0.8	16.1	16.8
Accumulated depreciation and impairment on 1 February 2025	-0.8	-6.4	-7.2
Depreciation and impairment	-	-2.0	-2.0
Accumulated depreciation and impairment on 31 January 2026	-0.8	-8.5	-9.2
Net carrying amount on 1 February 2025	0.0	5.9	5.9
Net carrying amount on 31 January 2026	0.0	7.6	7.6

EUR million	Buildings and structures	Machinery and equipment	Total
Cost on 1 February 2024	0.8	8.9	9.6
Additions	-	3.5	3.5
Disposals	-	0.0	0.0
Cost on 31 January 2025	0.8	12.3	13.0
Accumulated depreciation and impairment on 1 February 2024	-0.8	-5.0	-5.7
Depreciation and impairment	-	-1.5	-1.5
Accumulated depreciation and impairment on 31 January 2025	-0.8	-6.4	-7.2
Net carrying amount on 1 February 2024	0.0	3.9	3.9
Net carrying amount on 31 January 2025	0.0	5.9	5.9

No impairment was recognised on property, plant and equipment during the financial period or the comparison period.

DEPRECIATION, AMORTISATION, AND IMPAIRMENT

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Depreciation, amortization and impairment by asset class		
Intangible rights	1.6	1.9
Other intangible assets	1.1	0.9
Machinery and equipment	2.0	1.5
Total	4.7	4.2
Total	4.3	3.3
Right-of-use assets	14.8	11.9
Depreciation, amortization and impairment total	22.1	19.0

Depreciation of right-of-use assets is covered in greater detail in Note 4.4.

Note 4.4 Leases

Accounting policy

Puuiilo’s leases mainly consist of store building and of-
fice leases, as well as machinery and equipment used
in the business operations and IT leases. At the incep-
tion of the contract, the Group makes an assessment
of whether the contract is a lease or contains a lease. A
contract is deemed to be a lease if it conveys the right
to control the use of an identified asset for a period of
time in exchange for consideration. At the inception of
a lease, Group recognises a right-of-use asset as well
as a lease liability. Puuilo has not used the exemptions
for short-term leases (lease term less than 12 months)
or low value leases permitted by IFRS 16.

Lease liability is measured at the present value of
those lease payments that have not been paid at the
lease commencement date. The lease payments are
discounted at the interest rate implicit in the lease if the
rate in question is readily determinable. If the rate is not
readily determinable, the Company’s incremental bor-
rowing rate will be used. Puuilo has used an interest
rate implicit in the lease as the discount rate in machi-
nery and equipment leases and the incremental borro-
wing rate in the valuation of the store and office leases.
The discount rates vary between 3.0% and 5.5%.

The lease term used in the measurement of lease liabi-
lity is the non-cancellable period of a lease. The lease
term includes a period covered by an option to extend
and/or to terminate the lease if it is reasonably certain
that the lessee will use the extension option or does
not use the option to terminate. The lease term of the
leases valid until further notice is based on the probab-
le lease term as estimated by the management.

Each lease payment is allocated between amortisation
of the lease liability and finance cost. The finance costs
are recognised at profit or loss over the lease period so
as to produce a constant periodic rate of interest on the
remaining balance of the liability for each period.

The right-of-use asset is measured at cost at the com-
mencement date of the lease. The cost comprises of
the amount of the initial measurement of the lease li-
ability at the commencement date, any lease payments
at or before the lease commencement date, as well as
any restoration costs. Lease payments for store and
office leases are mainly tied to the cost-of-living index.
Lease liability is adjusted when the index changes.
Right-of-use assets are adjusted with the items resul-
ting from the remeasurement of the lease liability.

The right-of-use assets based on leases are depreciat-
ed on a straight-line basis over the shorter of the lease
term or their estimated useful lives. The depreciations
are made starting from the date the asset item was
commissioned. The estimated useful lives are as
follows:

Machinery and equipment	3 – 5 years
Stores	5 – 10 years
Offices	1 – 5 years

Puuilo has asset restoration obligations related to lea-
sed store buildings. Puuilo has recognised a provision
for estimated restoration costs. More information is
provided in Note 4.5.

Key judgements and estimates applied in
accounting for the leases

When determining the lease term, the management
must consider all facts and circumstances that create
an economic incentive to exercise an extension option.
Judgement is also used in determining the lease term
for leases that are valid until further notice. Extension
options are included in the lease term only if it is rea-
sonably certain that the option will be used. The lease
term of the leases valid until further notice is based on
the probable lease term as estimated by the manage-
ment.

The Group leases various properties as well as machi-
nery and equipment. Leases of store properties are ty-
pically made for fixed periods of 5 to 10 years but may
also include extension options. The management has
assessed the use of each extension option and if the
use of an option has been assessed to be reasonably
certain, the option has been included in the lease term.
The assessment of the use of extension options is af-
fected by, among other things, the length of the original
lease, the location and the condition of the property
and the amount of rent. Lease terms are negotiated on
an individual basis and they can include other terms
and conditions.

The management has used judgment when determi-
ning the appropriate incremental borrowing rate to be
applied in the calculation of the lease liability of proper-
ty leases.



RIGHT-OF-USE ASSETS

EUR million	31 Jan 2026	31 Jan 2025
Premises and facilities	90.4	80.6
Machinery and equipment	1.9	1.6
Total	92.3	82.1

LEASE LIABILITIES

EUR million	31 Jan 2026	31 Jan 2025
Non-current	77.3	68.1
Current	16.2	15.0
Total	93.5	83.1

The additions to the right-of-use assets (new leases) during the financial period that ended were EUR 15.8 million (20.9).

MATURITY ANALYSIS, CONTRACTUAL DISCOUNTED CASH FLOWS

EUR million	31 Jan 2026	31 Jan 2025
Less than one year	16.2	14.8
From one to five years	53.4	47.3
Over five years	24.0	21.1
Total	93.5	83.1

MATURITY ANALYSIS, CONTRACTUAL UNDISCOUNTED CASH FLOWS

EUR million	31 Jan 2026	31 Jan 2025
Less than one year	19.8	17.7
From one to five years	61.8	54.1
Over five years	25.9	22.5
Total	107.5	94.3

AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

Depreciation charge of the right-of-use asset

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Premises and facilities	16.4	13.9
Machinery and equipment	1.0	0.9
Total	17.3	14.8
Interest expenses included in the finance cost	3.4	2.9
Cash flow		
Total cash outflow for leases	18.8	16.0

The lease commitments for contracts taking effect in the future is presented in Appendix 5.7.



Note 4.5 Provisions

Accounting policy

A provision is recognised when the Group has a legal or actual obligation as a result of past events, and it is probable that a cash outflow will be required to settle the obligation and the amount can be estimated reliably. Provisions are not recognised on any estimated future operating losses. The interest expense arising from the discounting of provisions to their current value is recognised in financial expenses. Provisions are allocated between amounts expected to be realised within 12 months of the balance sheet date (current) and amounts expected to be realised later (non-current).

Key judgements and estimates applied in restoration obligation

Puuiło’s provisions consist of restoration provisions of leased store premises. The provisions include the estimated costs of restoring the store to its original state (asset retirement obligation). A corresponding asset item of an amount equivalent to the provision is recognised in property, plant and equipment and depreciated during the useful life of the asset. The provision and the corresponding asset item are recognised in the balance sheet at the beginning of the lease term, in other words, at the same time as the lease is recognised in the balance sheet.

The provisions for restoration obligations related to stores are determined on the basis of the net present value of Puuiło’s total estimated unavoidable dismantling costs. The estimates are based on the future estimated cost level, taking into account the effect of inflation, the cost development and discounting. Assumptions are also used when assessing the time periods for which resto-

ration costs are incurred. Because the actual outflows can differ from the estimates due to changes in technology, prices and conditions and can take place after many years in the future, the carrying amounts of the provisions are regularly reviewed and adjusted to take into account any such changes.

The management estimates that the restoration obligations will be realised within 2 – 10 years.

The changes in the restoration provisions during the financial year:

PROVISIONS

EUR million

On 1 February 2025	1.0
Additions	0.1
Amounts charged against provision	-
On 31 January 2026	1.1
of which	
Current	-
Non-current	1.1
Total	1.1

EUR million

On 1 February 2024	0.9
Additions	0.2
Amounts charged against provision	0.0
On 31 January 2025	1.0
of which	
Current	-
Non-current	1.0
Total	1.0

5 CAPITAL STRUCTURE AND FINANCING

Note 5.1 Capital management and net debt

The Group’s objective for the capital management is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders and maintain an optimal capital structure in order to reduce the cost

of capital. The capital structure is regularly assessed by the Board of Directors when the Board monitors equity and the level of net debt.

Interest-bearing net debt is calculated based on the consolidated balance sheet as follows:

EUR million	31 Jan 2026	31 Jan 2025
Non-current financial liabilities		
Loans from financial institutions	69.9	50.0
Lease liabilities	77.3	68.1
Total non-current financial liabilities	147.2	118.1
Current financial liabilities		
Lease liabilities	16.2	15.0
Total current financial liabilities	16.2	15.0
Total financial liabilities	163.4	133.1
Cash and cash equivalents	33.0	18.3
Net debt	130.4	114.8



CHANGES IN NET DEBT

EUR million	Net debt 1 Feb. 2025	Cash flows from financing activities	Non-cash changes		Net debt 31 Jan. 2026
			New lease agreements	Other changes	
Cash and cash equivalents	18.3	14.6			33.0
Proceeds from loans from financial institutions	70.0			70.0	-
Repayments of loans from financial institutions	-50.0			-50.0	50.0
Non-cash changes	50.0	20.0		-0.1	69.9
Lease liabilities	83.1	-15.4	15.8	10.0	93.5
Net debt	114.8	19.2	15.8	9.9	130.4

EUR million	Net debt 1 Feb. 2024	Cash flows from financing activities	Non-cash changes		Net debt 31 Jan. 2025
			New lease agreements	Other changes	
Cash and cash equivalents	21.5	-3.1			18.3
Repayments of loans from financial institutions				-	-20.0
Loans from financial institutions	50.0			0.0	50.0
Lease liabilities	72.8	-13.1	20.9	2.5	83.1
Net debt	101.3	-16.2	20.9	2.6	114.8

Other changes include non-cash flow changes and interest payments, which are presented as operating cash flows in the statement of cash flows.

During the financial year the Group has signed a EUR 100 million financing agreement. The loan matures in 2028 and includes two 12-month extension options. The new financing agreement replaces the previous agreement signed in 2021, which would have matured in 2026. The financing agreement includes a total of EUR 70 million in term loan arrangements and a EUR 30 million revolving credit facility (RCF). The terms of the loan arrangement include one covenant: net debt/ EBITDA ratio.

The financing agreement includes standard covenants and terms and conditions concerning situations in which the loan would mature. The agreement terms and conditions concerning the financial covenants measure the company's indebtedness by means of the net debt to EBITDA ratio. In addition, the interest rate margin of the financing agreement is tied to the ratio of net debt and EBITDA. The loans under the financing agreement are unsecured.

Compliance with the covenants and loan terms and conditions is monitored as part of the Group's financial reporting, and they are reported to the Board of Directors monthly and to the lenders on a quarterly basis. No covenants were breached during the financial period or the comparison period, and the Group has no difficulty in meeting them.

The financing agreement made during the financial year also includes EUR 30 million uncommitted additional financing option (accordion option). However,

this accordion option requires a separate financing decision from the bank.

Note 5.2 Equity

Puuiilo’s equity consists of the share capital, the reserve for invested unrestricted equity, and retained earnings. All of the company’s shares are presented as share capital. If the company purchases its own shares, the purchase will be deducted from equity.

Puuiilo Plc’s share capital is EUR 80,000 (EUR 80,000). The company has one type of shares. At the end of the financial year, the number of shares was 84,776,953. Each share conveys one vote in the general meeting and a similar dividend. The shares do not have a nominal value.

The reserve of invested non-restricted equity, EUR 29.0 million (29.0), includes the share subscription prices to the extent not designated to be included in share capital.

Puuiilo Group held 428,519 (555,000) treasury shares on the balance sheet date of 31 January 2024. The acquisition cost of the shares, approximately EUR 2.6 million (3.2), have been deducted from retained earnings in equity.

In the financial period, the total amount of dividends distributed was EUR 59.0 million (EUR 0.70 per share). In the comparison period 2024, the total amount of dividends distributed was EUR 32.0 million (EUR 0.38 per share). The dividend proposed by the Board of Directors to the Annual General Meeting has not been deducted from equity. Instead, dividends are recognised on the basis of the resolution by the Annual General Meeting.

Note 5.3 Earnings per share

Accounting policy

The undiluted earnings per share was calculated by dividing the profit in accordance with the Group’s income statement by the weighted average of the issued shares. The earnings per share adjusted by the dilution effect is calculated otherwise in the same manner, but the weighted average takes into account the diluting effect caused by the conversion of diluting potential shares to shares.

The earnings per share and the diluted earnings per share are shown in the following table:

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Basic earnings per share		
Profit attributable to the owners of the Company	56.0	47.9
Profit used to determine basic earnings per share	56.0	47.9
Weighted average number of shares outstanding during the period	84,323,484	84,221,953
Basic earnings per share (EUR)	0.66	0.57
Diluted earnings per share		
Profit used to determine diluted earnings per share	56.0	47.9
Weighted average number of shares outstanding during the period	84,638,964	84,573,601
Diluted earnings per share (EUR)	0.66	0.57

Note 5.4 Financial risk management

The Group’s operation exposes it to a variety of financial risks: a foreign exchange risk, cash flow interest rate risk, credit risk and liquidity risk. The Group’s financial risk management strives to ensure liquidity and minimize potential adverse effects of market fluctuations and unpredictability to Group’s financial performance, balance sheet and cash flows.

The Board of Directors is responsible for the principles for overall risk management. The Management Team is responsible for the practical implementation of financial risk management. This includes the identification and assessment of risks and the tools needed to protect from them.

Foreign exchange risk

Puuiilo is exposed to exchange rate risks through its purchases of goods. Unfavourable changes in foreign exchange rates may increase the cost of products purchased in currencies other than euro, and Puuiilo may not be able to pass all such costs on to sales prices. Puuiilo’s main foreign currency is the US dollar. In the financial period 2025, approximately 88% of Puuiilo’s purchases were made in euros and approximately 12% in US dollars (84% and 16%, respectively, in the financial period 2024). Puuiilo does not hedge its purchases in dollars. The table below shows Puuiilo’s transaction position at the balance sheet date and the sensitivity analysis. The sensitivity analysis of the transaction position shows the impact of the Group’s order book on profit or loss before taxes if the exchange rate change was +/-10%.

EUR million	31 Jan 2026	31 Jan 2025
Transaction exposure	11.8	9.3
Open exposure	11.8	9.3
Change +10%	-1.1	-0.8
Change -10%	1.3	1.0

Interest rate risk

The Group’s loans from financial institutions have variable interest rates, which exposes the Group’s cash flow to interest rate risk. On 31 January 2026, the carrying amount of these loans was EUR 69.9 million (50.0). The Group has not used interest rate hedging, but the interest rate risk has been mitigated, if necessary, by using cash assets to make additional repayments in order to manage interest expenses.

The Group’s exposure to interest rate risk is presented in the table below:

EUR million	31 Jan 2026	31 Jan 2025
Fixed interest rate		
Lease liabilities	93.5	83.1
Floating interest rate		
Loans from financial institutions	69.9	50.0
Floating interest rate position, total	69.9	50.0

If interest rates had been 1.0 percentage points higher and all other factors were unchanged, the post-tax profit for the financial period would have been EUR 0.6 million (0.4) lower as a result of interest expenses of the floating rate interest-bearing liabilities. If interest rates had been 1.0 percentage points lower and all other factors were unchanged, the post-tax profit for the financial period would have been EUR 0.6 million (0.4) higher as a result of interest expenses of the floating rate interest-bearing liabilities. The sensitivity analysis is based on the risk position at the end of each financial period.

Credit risk

The Group’s credit risk consists of credit risk related to business risks and the counterparty risk of other financial instruments. The majority of the Group’s sales are cash transactions, sales on credit is possible only to B2B customers. Trade receivables from B2B customers do not include a credit risk concentration, as the Group’s customer base is widespread, and no customer or customer group is dominant from the Group’s perspective. Credit losses affecting the result for the financial periods presented in these financial statements were immaterial in monetary terms. Counterparty risk related to cash and cash equivalents is managed by depositing cash and cash equivalents in large Nordic banks with solid credit ratings. The Group’s cash and cash equivalents are fully available to the Group.

The maximum amount of the Group’s credit losses corresponds to the carrying amount of the financial assets at the end of the financial period. The information is presented in Note 5.5.

Liquidity risk

Puuiło’s CFO monitors the Group’s liquidity situation and reports regularly to the Board of Directors and CEO to ensure that the Group has sufficient cash for business needs and loan management. The Group follows the financing required in business operations by analysing the operating cash flow forecasts and inventory turnover in order to have sufficient liquid assets to fund the operations and to repay loans from the financial institutions at maturity.

At the end of the financial period, the Group’s cash and cash equivalents totalled EUR 33.0 million (18.3). At the end of the financial period, the Group’s trade receivables totalled EUR 9.4 million (5.9), including bank and credit card receivables. The Group had a credit limit of EUR 30.0 million at the end of the financial year (revolving credit facility). The Group has not used the revolving credit facility during the financial year or the comparison period.

In addition, during the financial year, Puuiło agreed with a financial institution on an uncommitted additional financing facility of EUR 30 million (accordion option). However, this accordion option requires a separate financing decision from the bank. I

n addition to financial assets and liabilities, Puuiło’s liquidity is based on cash flow from operations and management of the change in net working capital. The net working capital is mainly affected by the inventory turnover and trade payables. Puuiło’s net cash flow generated from operating activities was EUR 74.9 million (49.1) in the 2025 financial period. A significant portion of Puuiło’s net sales is generated from sales paid with

cash or with credit cards. In addition, the company has some trade receivables mainly from sales to corporate customers, as described above. Puuilo has a strong cash flow generated from the operating activities, which it plans to use to finance the payments described in the table below. If necessary, Puuilo can also utilise its unused revolving credit facility in liquidity management.

The table below shows the Group's financial liabilities by maturity group based on the remaining maturity at the balance sheet date. The amounts presented are contractual, undiscounted cash flows.

EUR million	Under 1 year	1-2 years	3-5 years	Over 5 years	Contractual undiscounted cash flows	Carrying value
31 Jan 2026						
Loans from financial institutions	2.1	2.1	70.3		74.6	69.9
Lease liabilities	19.8	18.8	43.0	25.9	107.5	93.5
Trade payables	31.0				31.0	31.0
Other payables	0.7				0.7	0.7
Total	53.6	20.9	113.4	25.9	213.8	195.1

EUR million	Under 1 year	1-2 years	3-5 years	Over 5 years	Contractual undiscounted cash flows	Carrying value
31 Jan 2025						
Loans from financial institutions	1.9	50.9	-		52.8	50.0
Lease liabilities	17.7	16.7	37.4	22.5	94.3	83.1
Trade payables	24.0				24.0	24.0
Other payables	0.2				0.2	0.2
Total	43.8	67.7	37.4	22.5	171.3	157.3

Other payables do not include advances received, income tax liabilities, value-added tax liabilities as well as liabilities related to salaries and social security expenses, as they are not classified as financial liabilities. Other payables in the table include accrued interest related to the loans from financial institutions. Other accrued expenses are not classified as financial liabilities and are not included in the table. Other liabilities are presented in Note 3.3.

Note 5.5 Financial assets and liabilities

Accounting policy

Financial assets

The Group’s financial assets include trade receivables, other financial receivables and cash and cash equivalents.

The Group applies a simplified approach in accordance with IFRS 9 that takes into account the expected life of receivables for all trade receivables and contractual receivables. The Group management estimates that the credit risk of trade receivables is insignificant. The IFRS 9 impairment requirement also applies to cash, but the impairment loss is insignificant.

Trade receivables are written down if the Group does not have a reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, include the debtor’s non-commitment to a repayment plan.

Impairment losses on trade receivables are presented as a net amount in operating profit. Subsequent payments on previously recognised credit losses are recognised in the same line item.

Cash and cash equivalents include cash on hand as well as bank deposits. Financial assets are held to collect contractual cash flows. The contractual cash flows consist exclusively of principal and interest on the principal amount outstanding. Financial assets are initially measured at fair value and subsequently measured at amortised cost. Impairment losses are presented in other operating expenses in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or the item included in the financial assets has been transferred from the Group, and when the risks related to ownership have been transferred from the Group.

CASH AND CASH EQUIVALENTS

EUR million	31 Jan 2026	31 Jan 2025
Cash in hand and at bank	33.0	18.3
Total	33.0	18.3

Key judgements and estimates applied in accounting for credit losses

Trade receivables for the financial period or the comparison period did not include material overdue receivables. The amount of trade receivables and impairment losses recognised on them has been insignificant. In addition, the amount of the company’s trade receivables in relation to the volume of business has been low, as a significant portion of the company’s sales is paid in the company’s stores at the time of purchase. Due to the above, the Group management has exercised judgement and estimated that the credit loss risk of trade receivables is not considered to be essential and has not recognised the expected credit losses in the financial statements.

Financial liabilities

The financial liabilities include loans from financial institutions, accrued interests, lease liabilities and trade payables.

Financial liabilities are initially recognised at their fair value less the transaction costs incurred. After the initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

A financial liability is classified as current when it will be settled within 12 months from the reporting date or when the Group does not have an unconditional right to defer settlement of the liability to more than 12 months after the reporting date. Financial liabilities which fall due within 12 months after reporting date are classified as current, even if the long-term refinancing agreement has been completed after the reporting date and prior to the approval of the financial statements. If a covenant is breached on or before the reporting date with the effect that the liability becomes payable on demand, the liability is also classified as current. If liabilities are classified as current due to a covenant breach, they are presented in the amount to be redeemed.

A financial liability is derecognised from the balance sheet when it is discharged, cancelled or it expires.

FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY

EUR million, 31 Jan 2026	Measured at amorti- sed cost	Fair value through profit or loss	Carrying amount
Current financial assets			
Trade receivables	9.4		9.4
Other financial assets	1.0		1.0
Cash and cash equivalents	33.0		33.0
Total financial assets	43.3		43.3

EUR million, 31 Jan 2026	Measured at amortised cost	Fair value through profit or loss	Carrying amount
Non-current financial liabilities			
Loans from financial institutions	69.9		69.9
Lease liabilities	77.3		77.3
Current financial liabilities			
Lease liabilities	16.2		16.2
Trade payables	31.0		31.0
Accrued interests	0.7		0.7
Total financial liabilities	195.1		195.1

EUR million, 31 Jan 2025	Measured at amortised cost	Fair value through profit or loss	Carrying amount
Current financial assets			
Trade receivables	5.9		5.9
Other financial assets	0.9		0.9
Cash and cash equivalents	18.3		18.3
Total financial assets	25.2		25.2

EUR million, 31 Jan 2025	Measured at amortised cost	Fair value through profit or loss	Carrying amount
Non-current financial liabilities			
Loans from financial institutions	50.0		50.0
Lease liabilities	68.1		68.1
Current financial liabilities			
Lease liabilities	15.0		15.0
Trade payables	24.0		24.0
Accrued interests	0.2		0.2
Total financial liabilities	157.3		157.3

Other financial assets include receivables related to annual discounts on purchases and product complaints to be invoiced from suppliers. Other prepaid expenses are not classified as financial assets and are therefore not presented in the table. Prepaid expenses are presented in more detail in Note 3.2. Accrued liabilities include only accrued interest since other accrued liabilities are not classified as financial liabilities. Other liabilities are presented in more detail in Note 3.3.

The carrying amounts of current items are estimated to substantially correspond to their fair values. The fair values of the loans from financial institutions are as follows:

EUR million	Carrying amount	Fair value
31 Jan 2026	69.9	69.9
31 Jan 2025	50.0	50.0

The fair values of loans from financial institutions are based on cash flows discounted at the interest rate on the reporting date. Loans from financial institutions are classified in level 2.

Note 5.6 Finance income and costs

Accounting policy

Finance costs consist of interest expenses on the loans from financial institutions, interest expenses on lease liabilities and other finance costs.

Transaction costs related to loans from financial insti-

tutions are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the loan to the present value. The calculation includes all fees and transaction costs paid by the parties to the contract.

FINANCE INCOME

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Interest income	0.5	0.6
Total finance income	0.5	0.6

FINANCE COSTS

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Interest expenses on loans from financial institutions	1.8	2.5
Interest expenses on lease liabilities	3.4	2.9
Other financial costs	0.7	0.4
Total finance costs	5.9	5.8

Note 5.7 Contingent liabilities

Accounting policy

Contingent liability is a liability that arises from past events and whose existence will be confirmed in the future, or an existing obligation that is not recognised in the balance sheet because its realisation is not probable, or the amount of the obligation cannot be determined with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet. They are presented as disclosures unless the possibility of the realisation the liability is remote.

Puuiło’s contingent liabilities consist of lease liabilities for the leases with the lease term beginning after the end of the reporting period and are therefore not recognised in the balance sheet. The Group’s financial institution loan is unsecured.

Puuiło has committed to leases, the lease term of which will begin in the future, and which are, therefore, not recognised in the balance sheet as right-of-use assets or lease liabilities. The minimum lease payments under these agreements are shown in the table below:

EUR million	31 Jan 2026	31 Jan 2025
Liability for lease agreements that will enter into force in the future	43.1	27.9



6 OTHER NOTES

Note 6.1 Related parties

Puulo’s related parties include key personnel of the Puulo Group, their close family members and companies controlled by them. The key personnel include the members of the Board of Directors, the CEO, and other members of the Management Team.

The Puulo Group purchases some products it sells in its stores from companies owned by related parties. These companies manufacture products that are part of Puulo’s product assortment. In addition, the company leases business premises from related parties. The Group’s lease liabilities to related parties include the present value of the future lease payments of the above-mentioned leased premises. Transactions with related parties have taken place at market price and on normal terms. All Puulo employees are entitled to the ordinary personnel discount in Puulo stores. A related party employed by Puulo is entitled to this discount. This information has not been presented as related party transactions.

The following transactions were carried out with related parties:

INCOME STATEMENT

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Net sales	0.0	0.0
Materials and services	4.2	1.0
Rent and other operating expenses	0.2	0.1

BALANCE SHEET

EUR million	31 Jan 2026	31 Jan 2025
Sales receivables	0.0	-
Trade payables	0.3	-
Lease liabilities (IFRS 16)	0.7	-

SHAREHOLDINGS

	31 Jan 2026	31 Jan 2025
The Board of Directors	3,818,869	32,891
CEO	213,499	201,220
Other members of the Management Team	179,226	431,474

The remuneration of the management team is presented in Note 2.3.

Note 6.2 Group structure and consolidation

The consolidated financial statement of Puulo Group includes Puulo Plc (parent company) and its wholly owned subsidiary, Puulo Tavaratalot Oy. Both companies are headquartered in Helsinki. During the financial year, a new Swedish subsidiary, Puulo Varuhus AB, was established. Registered office of the company is in Stockholm. The company has not had any business operations in financial period 2025.

Accounting policy

Subsidiaries

The subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which control is transferred to the Group until the date that control ceases. Puulo has control over an entity when Puulo is exposed to, or entitled to, the company’s variable returns and has the ability to influence those returns by prescribing the principles of the entity’s operations.

The Consolidated Financial Statements have been prepared using the acquisition method. Intercompany transactions, receivables and liabilities and unrealised gains are eliminated. Unrealised losses are also eliminated unless the transaction indicates an impairment of the asset transferred.

Note 6.3 Significant events after the end of the reporting period

Flagging notification

On 17 March 2026 Puulo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from The Capital Group Companies, Inc. According to the notification, The Capital

Group Companies, Inc. indirect holdings in shares and votes of the Company fell below the flagging threshold of 5 percent and was 4.98% after the transaction. (Stock exchange release 18 March 2026)

Proposals of the Shareholders' Nomination Board

The Shareholders' Nomination Board of Puuilo Plc proposes to the Annual General Meeting that the number of the members of the Board of Directors will be five (previously five). The Nomination Board proposes that current members of the Board of Directors, Susanne Hounsgaard, Jens Joller, Mammu Kaario, Tuomas Piirtola, and Markku Tuomaala, be re-elected. All proposed persons are independent of the company and its major shareholders except Jens Joller who is independent of the company, but dependent of the major shareholder. The Nomination Board proposes to the Annual General Meeting that Mammu Kaario be re-elected as the Chair of the Board of Directors.

The Nomination Board proposes that the remunerations of the members of the Board of Directors are as follows:

- €70.000 (earlier €65.000) to the Chair of the Board of Directors as annual remuneration
- €37.000 (earlier €33.000) to the other members of the Board of Directors as annual remuneration
- In addition, the Chair of the Audit Committee will be paid €7.000 (earlier €6.000) as annual remuneration and other members of the Audit Committee €4.000 (earlier €3.000) as annual remuneration

All remunerations will be paid in cash. (Stock exchange release 20 March 2026)

Repurchase of own shares

On 25 March 2026, Puuilo announced that the company's Board of Directors had decided to use the authorization given by the Annual General Meeting held on 15 May 2025 to repurchase the company's own shares. The repurchases started on 27 March 2026 and ended on 9 April 2026. During this period, Puuilo repurchased 385,000 shares, corresponding to approximately 0.45% of the total number of the company's shares, which is 84,776,953. The average purchase price per share was € 12.798540 and the total amount € 4,927,438.

The repurchased shares are to be used primarily as part of the reward payments under the share-based incentive plans for key personnel. The shares were repurchased otherwise than in proportion to the shareholdings of the shareholders at the market price prevailing at the time of acquisition in public trading on Nasdaq Helsinki Ltd using the company's unrestricted equity. Following the repurchases, the company holds a total of 813,519 shares. (Stock exchange release 9 April 2026)

Flagging notification

Puuilo Plc has received a notification on 9 April 2026 in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act. According to the notification, JPMorgan Chase & Co.'s total indirect holdings in shares and votes of the Company have increased above the threshold of 5% on 7 April 2026 and is now 5.05%. (Stock exchange release 10 April 2026)

Note 6.4 New and upcoming accounting standards

IFRS 18 Presentation and Disclosure in Financial Statements, effective for reporting periods beginning on or after 1 January 2027, will replace the standard IAS 1 Presentation of Financial Statements. The standard will have an impact on the presentation of primary financial statements and the accompanying notes of Puuilo group financial statements.

Parent company Financial Statements

PARENT COMPANY'S INCOME STATEMENT

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Net sales	1,468,258.91	1,468,258.80
Other operating income	-	2,401.63
Personnel expenses		
Wages and salaries	-1,837,850.13	1,293,519.16
Social security costs		
Pension costs	-198,404.91	-205,597.83
Other social security costs	-21,812.92	-23,458.61
Personnel expenses, total	-2,058,067.96	-1,522,575.60
Other operating expenses	-1,458,122.31	-725,922.20
Operating profit (loss)	-2,047,931.36	-777,837.37
Financial income and expenses		
Other interest and financial income		
From others	88,364.80	43,838.80
Interest expenses and other financial expenses		
To others	-1,648,403.57	-1,702,875.87
Financial income and expenses, total	-1,560,038.77	-1,659,037.07
Financial income and expenses, total	-1,659,037.07	-1,452,574.92
Profit (loss) before appropriations and taxes	-3,607,970.13	-2,436,874.44

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Appropriations		
Group contribution		
Group contributions received	75,448,822.33	65,184,329.05
Appropriations, total	75,448,822.33	65,184,329.05
Income taxes		
Taxes for the financial period	-14,266,472.32	-12,571,443.48
Income taxes, total	-14,266,472.32	-12,571,443.48
Profit (loss) for the financial period	57,574,379.88	50,176,011.13

PARENT COMPANY’S BALANCE SHEET

EUR	31 Jan 2026	31 Jan 2025
Assets		
Non-current assets		
Investments		
Shares in Group companies	73,156,725.91	73,156,725.91
Investments total	73,156,725.91	73,156,725.91
Non-current assets total	73,156,725.91	73,156,725.91
Current assets		
Receivables		
Current		
Receivables from Group companies	102,028,456.90	93,772,875.73
Other receivables	14,080.21	0.00
Accrued income	92,382.66	94,991.59
Current total	102,134,919.77	93,867,867.32
Cash at hand and in banks	10,616,078.06	1,301,625.22
Current assets total	112,750,997.83	95,169,492.54
Assets total	185,907,723.74	168,326,218.45

EUR	31 Jan 2026	31 Jan 2025
Equity and liabilities		
Equity		
Share capital	80,000.00	80,000.00
Reserve for invested unrestricted equity	30,000,004.98	30,000,004.98
Profit (loss) for previous financial periods	45,580,806.50	54,448,699.17
Profit (loss) for the financial period	57,574,379.88	50,176,011.13
Equity total	133,235,191.36	134,704,715.28
Liabilities		
Non-current liabilities		
Loans from financial institutions	50,000,000.00	30,000,000.00
Non-current liabilities total	50,000,000.00	30,000,000.00
Current liabilities		
Trade payables	108,142.01	70,478.70
Liabilities to Group companies	-	211,919.89
Other liabilities	92,477.42	136,326.41
Accrued expenses	2,471,912.95	3,202,778.17
Current liabilities total	2,672,532.38	3,621,503.17
Liabilities total	52,672,532.38	33,621,503.17
Equity and liabilities total	185,907,723.74	168,326,218.45

PARENT COMPANY'S CASH FLOW STATEMENT

EUR	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Cash flow from operating activities:		
Profit (loss) before appropriations and taxes	-3,607,970.13	-2,436,874.44
Adjustments:		
Financial income and expenses	1,560,038.77	1,659,037.07
Cash flow before change in working capital	-2,047,931.36	-777,837.37
Change in working capital:		
Increase(-)/decrease(+) of non-interest-bearing current accounts receivable	19,729.22	12,234.02
Increase(-)/decrease(+) of non-interest-bearing current liabilities	153,000.35	76,040.68
Cash flow from operating activities before financial items and taxes	-1,875,201.79	-689,562.67
Paid interest and payments from other financial expenses from operating activities	-1,648,403.57	-1,702,875.87
Financial income from operating activities	88,364.80	43,838.80
Direct taxes paid	-15,368,443.46	-12,436,489.84
Cash flow from operating activities (A)	-18,803,684.02	-14,785,089.58

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Cash flow from investment activities (B)	-	-
Financing cash flow:		
Proceeds from borrowings	50,000,000.00	-
Repayments of loans from financial institutions	-30,000,000.00	-
Dividends paid	-59,043,903.80	-32,004,342.14
Change in Group financing	67,162,040.66	47,749,794.44
Financing cash flow (C):	28,118,136.86	15,745,452.30
Changes in cash and cash equivalents (A+B+C) increase(+)/decrease(-)	9,314,452.84	960,362.72
Cash and cash equivalents at the beginning of the financial period	1,301,625.22	341,262.50
Cash and cash equivalents at the end of the financial period	10,616,078.06	1,301,625.22

Notes to the parent company's financial statements

ACCOUNTING POLICIES

Puulo Plc's financial statements have been prepared in accordance with the Finnish Accounting Act and ordinances and other statutes concerning the preparation of financial statements.

Trade receivables, accrued income and other receivables are recognised at their nominal value or their lower probable value. Liabilities are recognised at their nominal value.

The financial statements have been prepared in accordance with the measurement and recognition principles and methods prescribed in chapter 2, section 2 a of the Accounting Ordinance.

SIGNIFICANT EVENTS IN THE FINANCIAL PERIOD

Refinancing

Puulo signed a new €100 million long-term financing agreement with OP Corporate Bank Plc. The new financing agreement has a maturity of 36 months and includes two 12-month extension options. The new financing agreement replaced the previous agreement signed in 2021.

The financing agreement includes a total of €70 million term loan and €30 million revolving credit facility (RCF). The funds will be used to repay existing loans,

working capital financing and for the Group's other general financing needs.

The terms of the financing agreement include one covenant: net debt/EBITDA ratio.

The agreement also includes €30 million uncommitted additional financing option (accordion option). However, this accordion option requires a separate financing decision from the bank. (Stock exchange release 27 March 2025)

Change in the holding of Puulo Plc's treasury shares

A total of 126,481 Puulo shares held by the company were conveyed without consideration to 28 key employees who participated in the 2022–2024 share-based incentive program. The program was originally announced on 20 April 2022 with a stock exchange release. The conveyance is based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 15 May 2024. After the share transfer on 14 April 2025, the company held a total of 428,519 own shares. (Stock exchange release 15 April 2025)

Board of Directors established a new long-term incentive plan for company's key employees

The Board of Directors of Puulo Plc decided to estab-

lish a new Long-Term Incentive Plan for the key employees of the Company and its subsidiaries ("LTI") and launch the first LTI plan period for 2025–2027.

The purpose of the LTI is to encourage key employees to acquire and own the Company's shares. The LTI also aims to align the interests of the shareholders and the key employees as well as to increase key employees' motivation and long-term commitment to the Company. The LTI is intended to consist of annually commencing plan periods, each with a 12-month savings period followed by a holding period of approximately one and a half years. The Board of Directors will resolve annually on the launch of a new plan period. Participation in the LTI is voluntary, and key employees are invited to participate in each plan period separately.

The first LTI plan period 2025–2027 began on 1 June 2025 and ends on 31 May 2028. The first savings period ends on 31 May 2026. The holding period begins at the first acquisition of savings shares. In the 2025–2027 plan period, the LTI was offered to approximately 100 key employees of the Group, including also the Management Team and the CEO. As part of the LTI, the key employees have an opportunity to make a one-off investment and/or save a proportion of their salaries and invest those savings in Puulo shares. With the savings of the 2025–2027 plan period, Puulo shares will

be acquired in four tranches estimated in September 2025, December 2025, March 2026 and June 2026.

In the 2025–2027 plan period, as a reward for their commitment, the Company grants the key employees participating in the LTI a gross reward of one free matching share for every savings share acquired with their savings. The participants have also an opportunity to earn one to three performance-based matching shares (gross) for each savings share acquired with their savings if the performance criteria set for the plan period are met. The performance criteria of the plan are tied to the total shareholder return of the share (TSR), the company's adjusted earnings before interest, taxes and amortisation (EBITA) and return on invested capital (ROIC). Continuity of employment and holding of acquired savings shares for the duration of the holding period, ending on the day following the 2027 financial statement release, are prerequisites for receiving the award. The potential award will be paid partly in shares and partly in cash after the end of the holding period. The cash proportion is intended to cover taxes and statutory social security contributions arising from the award. Matching shares will be freely transferable after their registration in a participant's book-entry account. The savings shares and matching share are Puulo shares.

The maximum number of matching shares (gross before taxes) for the first plan period of 2025–2027 is approximately 519 000 shares, calculated at the share price on 16 April 2025. The final number of matching shares depends on the key employees’ participation and savings rate in the plan, the fulfilment of the prerequisites for receiving matching shares and the number of shares acquired from the market with savings. (Stock exchange release 17 April 2025)

Updated long-term financial targets for the strategy period 2026 – 2030

On 10 September 2025, Puuilo’s Board decided on the updated long-time targets. The targets were published on 11 September 2025.

CFO Ville Ranta left Puuilo in the end of 2025

CFO Ville Ranta announced that he leaves Puuilo to join another company. He left his current position on 31 December 2025. The search for his successor is underway. (Stock exchange release 1 October 2025)

Members of Nomination Board

Representatives of the three largest shareholders registered in Puuilo Plc’s shareholder register as of 1 October 2025 were elected to the Puuilo’s Shareholders’ Nomination Board along with the Chair of the Board of Directors, Mammu Kaario, as an expert member. Puuilo Plc’s Shareholders’ Nomination Board is a body of the Company’s shareholders responsible for preparing proposals for the election and remuneration of the members and the Chair of the Board of Directors as well as the remuneration of Board committee members to the Annual General Meeting 2026 and, when necessary, to the Extraordinary General Meeting.

The three largest shareholders nominated following members to Puuilo’s Shareholders Nomination Board: Ampfield Management, L.P., represented by Emerson Moore, Markku Tuomaala, represented by Janne Koikkalainen, Evli Fund Management Company Ltd, represented by Ville Tiainen. (Stock exchange release 14 October 2025)

Interim CFO

Annu von Weymarn has been appointed as interim CFO and member of the Management Team of Puuilo effective 1 January 2026. Weymarn has served at Puuilo since 2019 and is currently the company’s Head of Financial Controlling. (Stock exchange release 10 December 2025)

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Flagging notification

On 17 March 2026 Puuilo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from The Capital Group Companies, Inc. According to the notification, The Capital Group Companies, Inc. indirect holdings in shares and votes of the Company fell below the flagging threshold of 5 percent and was 4.98% after the transaction. (Stock exchange release 18 March 2026)

Proposals of the Shareholders’ Nomination Board

The Shareholders’ Nomination Board of Puuilo Plc proposes to the Annual General Meeting that the number of the members of the Board of Directors will be five (previously five). The Nomination Board proposes that current members of the Board of Directors, Susanne Hounsgaard, Jens Joller, Mammu Kaario, Tuomas Piir-

tola, and Markku Tuomaala, be re-elected. All proposed persons are independent of the company and its major shareholders except Jens Joller who is independent of the company, but dependent of the major shareholder. The Nomination Board proposes to the Annual General Meeting that Mammu Kaario be re-elected as the Chair of the Board of Directors.

- €70.000 (earlier €65.000) to the Chair of the Board of Directors as annual remuneration
- €37.000 (earlier €33.000) to the other members of the Board of Directors as annual remuneration
- In addition, the Chair of the Audit Committee will be paid €7.000 (earlier €6.000) as annual remuneration and other members of the Audit Committee €4.000 (earlier €3.000) as annual remuneration

All remunerations will be paid in cash. (Stock exchange release 20 March 2026)

Repurchase of own shares

On 25 March 2026, Puuilo announced that the company’s Board of Directors had decided to use the authorization given by the Annual General Meeting held on 15 May 2025 to repurchase the company’s own shares. The repurchases started on 27 March 2026 and ended on 9 April 2026. During this period, Puuilo repurchased 385,000 shares, corresponding to approximately 0.45% of the total number of the company’s shares, which is 84,776,953. The average purchase price per share was € 12.798540 and the total amount € 4,927,438.

The repurchased shares are to be used primarily as part of the reward payments under the share-based incentive plans for key personnel. The shares were

repurchased otherwise than in proportion to the shareholdings of the shareholders at the market price prevailing at the time of acquisition in public trading on Nasdaq Helsinki Ltd using the company’s unrestricted equity. Following the repurchases, the company holds a total of 813,519 shares. (Stock exchange release 9 April 2026)

Flagging notification

Puuilo Plc has received a notification on 9 April 2026 in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act. According to the notification, JPMorgan Chase & Co.’s total indirect holdings in shares and votes of the Company have increased above the threshold of 5% on 7 April 2026 and is now 5.05%. (Stock exchange release 10 April 2026)

NOTES TO THE INCOME STATEMENT

Net sales

EUR	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Management fees charged from group companies	1,468,258.91	1,468,258.80
Total	1,468,258.91	1,468,258.80

Other operating income

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Other	0.00	2,401.63
Total	0.00	2,401.63

Finance income and cost

EUR million	1 Feb 2025 - 31 Jan 2026	1 Feb 2024 - 31 Jan 2025
Interest income from others	88,364.80	43,838.80
Interest expenses to others	-1,648,403.57	-1,702,875.87
Total	-1,560,038.77	-1,659,037.07

Auditors’ fees

EUR	31 Jan 2026	31 Jan 2025
Audit	141,600.00	105,586.70
Other services	66,181.31	-
Total	207,781.31	105,586.70

Number of personnel

	31 Jan 2026	31 Jan 2025
Average number of personnel	7	7
Total	7	7

Personnel expenses

EUR	31 Jan 2026	31 Jan 2025
Salaries and wages	1,837,850.13	1,293,519.16
Pension costs	198,404.91	205,597.83
Other social security costs	21,812.92	23,458.61
Total	2,058,067.96	1,522,575.60

NOTES TO THE ASSETS IN BALANCE SHEET

Material items included in accrued income

EUR	31 Jan 2026	31 Jan 2025
Prepaid expenses	91,440.18	94,790.69
Other	942.48	20.90
Total	92,382.66	94,991.59

Receivables from Group companies

EUR	31 Jan 2026	31 Jan 2025
Trade receivables	122,354.90	153,555.40
Group contribution receivables	101,906,102.00	93,619,320.33
Total	102,028,456.90	93,772,875.73



NOTES TO THE EQUITY AND LIABILITIES IN BALANCE SHEET

Equity

EUR	31 Jan 2026	31 Jan 2025
Share capital at the beginning of the financial period	80,000.00	80,000.00
Share capital at the end of the financial period	80,000.00	80,000.00
Restricted equity total at the end of the financial period	80,000.00	80,000.00
Reserve for invested unrestricted equity at the beginning of the financial period	30,000,004.98	30,000,004.98
Reserve for invested unrestricted equity at the end of the financial period	30,000,004.98	30,000,004.98
Profit (loss) for previous financial periods at the beginning of the financial period	54,448,699.17	42,356,677.65
Transfer of profit (loss) from previous financial period	50,176,011.13	44,096,363.66
Dividend distribution	-59,043,903.80	-32,004,342.14
Profit (loss) for previous financial periods at the end of the financial period	45,580,806.50	54,448,699.17
Profit (loss) for the financial period	57,574,379.88	50,176,011.13
Unrestricted equity at the end of the financial period	133,155,191.36	134,624,715.28
Equity total	133,235,191.36	134,704,715.28

Calculation of distributable funds in equity

EUR	31 Jan 2026	31 Jan 2025
Profit (loss) for previous financial periods	45,580,806.50	54,448,699.17
Profit (loss) for the financial period	57,574,379.88	50,176,011.13
Reserve for invested unrestricted equity	30,000,004.98	30,000,004.98
Distributable funds total	133,155,191.36	134,624,715.28

Material items included in deferred liabilities

EUR	31 Jan 2026	31 Jan 2025
Salary accruals	49,886.96	54,046.03
Social security costs	76,978.42	53,153.52
Holiday pay expenses incl. social security costs	157,108.29	195,251.57
Interest expenses	496,466.94	106,883.57
Income tax	1,691,472.34	2,793,443.48
Total	2,471,912.95	3,202,778.17

HOLDINGS IN OTHER COMPANIES

Puuilo Plc (parent company) has one wholly owned Finnish subsidiary, Puuilo Tavaratalot Oy and one wholly owned Swedish subsidiary, Puuilo Varuhus AB.

Signatures of Report by the Board of Directors and Financial Statements

The financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the companies included in its consolidated financial statements. The Report by the Board of Directors presents a fair re-view of the development and performance of the com-pany and the companies included in its consolidated financial statements, as well as a description of the significant risks and uncertainties and the company’s position. The sustainability statement included in the Report by the Board of Directors has been prepared in compliance with the sustainability reporting standards as well as Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council (Taxono-my Regulation).

DATE AND SIGNATURE

In Helsinki, 15 April 2026

Mammu Kaario
Chair of the Board

Jens Joller
Member of the Board

Markku Tuomaala
Member of the Board

Juha Saarela
CEO

Susanne Hounsgaard
Member of the Board

Tuomas Piirtola
Member of the Board

AUDITOR’S REPORT

An auditor’s report has been issued today.

In Helsinki, 15 April 2026

KPMG Oy Ab
Authorised Public Accountants

Henrik Holmbom
APA

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Puuilo Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Puuilo Plc (business identity code 2726573-8) for the financial year ended 31 January, 2026. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, cash flow statement and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.3 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Inventory existence and valuation (Reference to the financial statements note 3.1. Inventories)	
• Inventories at year-end totalled €123 million and comprised 39 % of consolidated total assets. • The acquisition cost of the inventory is determined using the weighted average price method. • The acquisition cost of finished products includes all purchase costs, including immediate transportation and handling costs and granted credits by suppliers. • Inventory is valued at acquisition cost or net realizable value, whichever is lower. The determination of net realizable value and any potential impairment involves management judgement regarding future demand for the products. • Due to the importance of the balance sheet item and the risk associated with existence and valuation, inventories are considered a key audit matter.	Our audit procedures included e.g. the following: • We have evaluated the internal control environment related to inventory management and tested the key controls • We have evaluated the inventory accounting principles used against the applicable accounting standards • We have performed risk assessment procedures using data-analytics capabilities • We have evaluated the methodology and implementation of shrinking and obsolescence calculations • We have attended to the inventory counts and performed verification procedures through test counts of selected items • We have compared the unit prices of the selected inventory items with the purchase invoices, tested the correctness of the weighted average price calculation and compared the unit prices of selected stock items with the selling prices • We have evaluated inventory related notes information in the financial statements

We have not identified key audit matters relating to the parent company’s financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit con-

ducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethi-

cal requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 15, May 2025, and our appointment represents a total period of uninterrupted engagement of one year.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial state-

ments, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, April 15, 2026

KPMG OY AB

Audit Firm

Henrik Holmbom

Authorised Public Accountant, KHT

Assurance Report on the Sustainability Report

(Translation of the Finnish Original)

To the Annual General Meeting of Puuilo Plc

We have performed a limited assurance engagement on the group sustainability statement of Puuilo Plc (business identity code 2726573-8) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.2.2025–31.1.2026.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Puuilo Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Regarding the comparative information, the group sustainability statement for the financial year 1.2.2024–31.1.2025 was assured at a limited assurance level by

a different authorised sustainability auditor, whose assurance report dated March 24, 2025 expressed an unmodified opinion on the group sustainability statement. Our opinion is not modified in respect to this matter.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Puuilo Plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

Preparing a group sustainability statement requires a company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind

of information includes estimates and assumptions as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting forward-looking information in accordance with ESRS standards, a company's management is required to make assumptions about possible future events, and to disclose the company's possible future actions in relation to those events, as well as to prepare the forward-looking information based on these assumptions. Actual results are likely to differ because forecasted events often do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement.

We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, among others, the following:

- We interviewed the company's management and persons responsible for collecting and preparing the information contained in the group sustainability statement at the group level, as well as at different levels and business areas of the organization.
- Regarding the double materiality assessment process, we assessed the implementation of the process carried out by the company and the information disclosed on the process in relation to the requirements of the ESRS standards.
- Through interviews we gained understanding of the group's key processes, controls and information systems related to collecting and consolidating the sustainability information.
- We got acquainted with the group's internal guidelines and operating principles relevant to the sustainability information disclosed in the group sustainability statement.
- We got acquainted with the background documentation and documents prepared by the company, as applicable, and assessed whether they support the information included in the group sustainability statement.
- We assessed the information disclosed on material sustainability matters in the group sustainability statement in relation to the requirements of the ESRS standards.
- In relation to the EU taxonomy information, we gained understanding about the process by which the company has defined taxonomy eligible and taxonomy aligned activities, and assessed the regulatory compliance of the information provided.

Helsinki, April 15, 2026

KPMG OY AB

Authorised Sustainability Audit Firm

Henrik Holmbom

Authorised Sustainability Auditor, KRT

CORPORATE GOVERNANCE



Corporate Governance Statement

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CORPORATE GOVERNANCE STATEMENT 1 FEBRUARY 2025 – 31 JANUARY 2026

I INTRODUCTION

Puuiilo is committed to good corporate governance by complying with laws and regulations in all of its operations and by implementing corporate governance recommendations. Puuiilo's Group governance complies with the company's articles of association, Finnish law and other statutes and regulations related to the governance of a public limited liability company. Moreover, Puuiilo's operations are governed by the values and internal policies confirmed in the company.

Furthermore, Puuiilo complies with the Finnish Corporate Governance Code for Finnish listed companies published by Securities Market Association in 2025. The company does not deviate from any recommendations included in the Corporate Governance Code. The Corporate Governance Code can be accessed at <https://www.cgfinland.fi/en/>.

This corporate governance statement has been prepared in accordance with the recommendations given in the Corporate Governance Code. The corporate governance statement has been prepared separately from the Board of Directors' report and published on the company's investor website at <https://www.investors.puuiilo.fi/en/>. The Audit Committee of Puuiilo's Board of Directors has reviewed this corporate governance statement and the Board has approved it. An external auditor has ensured that the statement has been issued and that the description of

the key internal control and risk management systems related to the financial reporting process are consistent with the financial statements.

II CORPORATE GOVERNANCE DESCRIPTIONS

Puuiilo Plc is a public limited liability company established in Finland and registered in the Trade Register maintained by the Finnish Patent and Registration Office and governed by Finnish law. Puuiilo is listed on the main list of Nasdaq Helsinki.

The Puuiilo Group consists of the parent company, Puuiilo Plc, and its Finnish and Swedish subsidiaries. The Group's new Swedish subsidiary, Puuiilo Varuhus Ab, was established during the financial year 2025. The company has not yet commenced business operations. The parent company is responsible for the governance of all companies. The business operations are centralised in Puuiilo Tavaratalot Ltd.

Due to the nature of Puuiilo's operations, the Group has one reportable operating segment. The individual stores and the online store are considered to be the distribution channels of Puuiilo's products, and all of them operate under the Puuiilo trademark. The Group operated only in Finland during the financial year 2025. The functions such as financial administration, IT management, marketing as well as purchasing and logistics are centralised at the Group level.

In accordance with the Limited Liability Companies Act, Puuiilo's articles of association and internal operating procedures, the company's governance and management have been divided between the shareholders, Board of Directors and CEO. The shareholders exerci-

se their decision-making power in matters concerning the company in the general meeting in accordance with the Limited Liability Companies Act. The company's Board is in charge of the governance and proper organisation of the operations of the company. The Board also elects the CEO and the members of the management team. The CEO is in charge of managing and supervising the company's daily operations in accordance with the Limited Liability Companies Act, the company's internal operating procedures as well as the authorisations and guidelines issued by the Board. The company's management team supports and assists the CEO in his duties.

1 General Meeting

In accordance with the Limited Liability Companies Act, the shareholders exercise their decision-making power in matters concerning the company in the general meeting. The general meeting usually convenes by the invitation of the Board of Directors.

In accordance with the Limited Liability Companies Act, the Annual General Meeting must be held annually within six months of the end of the financial period. The general meeting decides on the adoption of the financial statements, the distribution of dividends as well as the election of the Board members and the auditor and their respective remuneration, among others. The general meeting also decides on discharging the Board of Directors and the CEO from liability.

An extraordinary general meeting must be held for the handling of certain matters when the Board of Directors deems it necessary or when the company's auditor or shareholders holding no less than 10% of the total

number of the company's shares so request in writing.

In accordance with the Limited Liability Companies Act, the invitation to the general meeting must be delivered to the shareholders no earlier than three months and no later than three weeks before the meeting, however no later than nine days before the general meeting reconciliation date. The meeting invitation and the other general meeting documents, including the Board's proposals to the general meeting, are made available to the shareholders no later than three weeks before the general meeting on the company's investor website at <https://www.investors.puuiilo.fi/en/>.

For a shareholder to be entitled to attend the general meeting, they must register with the company no later than on the date provided in the meeting invitation. This date may not be earlier than ten days before the general meeting. The right to attend and to cast a vote in the general meeting requires that the shareholder has registered in the shareholder register maintained by Euroclear Finland no later than eight business days before the general meeting (the general meeting reconciliation date), in accordance with the Act on the Book-Entry System and Settlement Activities.

A holder of nominee-registered shares who wishes to attend the general meeting should apply for a temporary registration in the shareholder register. The notification concerning the temporary registration must be made no later than the date specified in the invitation to the general meeting. In accordance with the Limited Liability Companies Act, this date is after the general meeting reconciliation date. The notification of temporary registration is considered to be a registration to

the general meeting. If a shareholder attends the general meeting via several proxies, the shares based on which each proxy represents the shareholder must be announced in connection with the registration.

The presence of a quorum in the general meeting is not contingent on a certain number of shares being represented in the meeting, apart from certain exceptions defined in the Limited Liability Companies Act.

Voting right

A shareholder may exercise their right to attend the general meeting and cast a vote in the meeting in person or via an authorised proxy.

Each share of the company entitles its holder to one vote in the general meeting. If the shareholder's shares have been entered on more than one book-entry account, the shareholder has the right to use a different proxy for the shares of each book-entry account. The shareholder may vote differently with a portion of the shares held by them. In order to attend and vote in the general meeting, the shareholder should be registered in the shareholder register maintained by Euroclear Finland.

Most of the decisions in the general meeting are taken by a simple majority of votes. However, certain decisions, such as changes to the articles of association, deviating from the shareholders' pre-emptive subscription right in a share issue and decisions on company merger, demerger or dissolution, require a minimum majority of 2/3 of the votes cast and the shares represented in the meeting.

Resolutions of Annual General Meeting 2025

PuuiLo Plc's Annual General Meeting was held on 15 May 2025 in Vantaa, Finland. A total of 365 shareholders representing 56,193,306 shares and votes were represented at the meeting.

The Annual General Meeting adopted the Company's annual accounts and the consolidated financial statements for the financial year 1 February 2024 – 31 January 2025, discharged the persons who have acted as members of the Company's Board of Directors and as CEO from liability and approved all proposals made to the Annual General Meeting by the Board of Directors.

Dividend

The Annual General Meeting resolved that an aggregate dividend of EUR 0.70 per share be paid based on the balance sheet adopted for the financial year ended on 31 January 2025. Of the proposed dividend, €0.46 was distributed based on the financial year 2024 result and €0.24 was distributed as a special dividend. The dividend was paid in two instalments. The first dividend instalment, EUR 0.35 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the first dividend instalment 26 May 2025. The payment date for the first dividend instalment was on 2 June 2025. The second dividend instalment, EUR 0.35 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the second dividend instalment 16 October 2025. The payment date for the second dividend instalment was on 23 October 2025.

In addition, the Annual General Meeting authorized the Board of Directors to decide, if necessary, on a new record date and a new payment date for the second dividend instalment if regulations applicable to the Finnish book-entry system change or otherwise so require.

Composition of the Board of Directors

The number of members of the Board of Directors was confirmed to as five (5). Jens Joller, Mammu Kaario and Tuomas Piirtola were re-elected and Susanne Hounsgaard and Markku Tuomaala were elected as new members of the Board of Directors for a term ending at the end of the next Annual General Meeting.

The Annual General Meeting elected Mammu Kaario as the Chairman of the Board of Directors.

Remuneration of the members of the Board of Directors

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: EUR 65,000 to the Chairman of the Board of Directors and EUR 33,000 to the other members of the Board of Directors. In addition, the Annual General Meeting resolved that the annual remuneration to the members of the Audit Committee will be paid as follows: EUR 6,000 to the Chairman of the Audit Committee and EUR 3,000 to the other members of the Audit Committee.

Auditor

KPMG Oy Ab, a firm of authorized public accountants, was elected as auditor of the Company and CSRD assurance provider for the financial year 1 February 2025

– 31 January 2026. APA Henrik Holmbom acts as the auditor with principal responsibility. As well, ASA Henrik Holmbom acts as the principally responsible sustainability reporting assurance provider.

The auditor's remuneration is paid against an invoice approved by the Company.

Authorization for the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of an aggregate maximum of 8,477,695 Company's own shares provided, however, that the number of shares held by the Company at any time does not exceed 10 per cent of the total number of shares in the Company. Own shares can be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or on the acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization cancelled the authorization granted on 15 May 2024 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2026.

Authorization for the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The Annual General Meeting decided to authorize the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 8,477,695 shares, which corresponds to approximately 10 per cent of all of the shares in the Company. The Board of Directors decides on all other conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancelled the authorization granted on 15 May 2024 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2026.

Authorizing the Board of Directors to resolve on donations for charitable purposes

The Annual General Meeting decided to authorize the Board of Directors to resolve on donations in a total maximum of EUR 50,000 for charitable or corresponding purposes. The Board of Directors decides on the donation recipients, purposes of use and other terms of the donations. The authorization remains effective until the end of the Annual General Meeting 2026, however, no longer than for a period of 18 months from the date of the resolution of the General Meeting.

Antti Ihamuotila, attorney-at-law, chaired the meeting.

The minutes of the Annual General Meeting will be available on the website of Puuilo Plc at <https://www.investors.puuilo.fi/en/corporate-governance/general-meeting>.

2 Shareholders' Nomination Board

Puuilo's Annual General Meeting 2022 resolved to establish a Shareholders' Nomination Board and confirmed rules of procedure for the Board. According to the decision of the General Meeting, the Shareholders' Nomination Board will be composed of representatives appointed by the three largest shareholders of the Company. The Chair of the Board of Directors acts as a person with expertise in the Shareholders' Nomination Board. The Chair does not participate in the decision-making of the Shareholders' Nomination Board.

The three shareholders with the largest number of votes for all shares of the Company on the 1st business day of October of the calendar year preceding the Annual General Meeting, have the right to nominate the members representing the shareholders. The nomination right is determined in accordance with the shareholder register maintained by Euroclear Finland Ltd. If a shareholder presents a written request to the Chairman of the Board of Directors by last business day of September of the year preceding the Annual General Meeting, into the holdings of the shareholder shall be calculated also holdings of a person equivalent to the shareholder that need to be taken into account when evaluating the requirement to flag changes in the holdings under the Finnish Securities Markets Act.

The Chair of the Board of Directors shall request the three largest shareholders to appoint one member each to the Shareholders' Nomination Board in accordance with the above described right of appointment. If a shareholder does not wish to exercise the right of appointment, the right is transferred to the next largest shareholder who would not otherwise have the right of appointment. The Shareholders' Nomination Board is established until further notice until the General Meeting decides otherwise. The term of office of the members of the Shareholders' Nomination Board expires each year when a new Shareholders' Nomination Board is appointed. The members of the Shareholders' Nomination Board shall not be entitled to any remuneration on the basis of their membership in the Nomination Board. The members' travel expenses shall be reimbursed in accordance with the Company's travel policy. When necessary, the Shareholders' Nomination Board may in order to carry out its duties use external experts at a cost approved by the Company.

Representatives of the three largest shareholders registered in Puuilo Plc's shareholder register as of 1 October 2025 were elected to the Puuilo's Shareholders' Nomination Board along with the Chair of the Board of Directors, Mammu Kaario, as an expert member. The three largest shareholders have nominated following members to Puuilo's Shareholders Nomination Board:

- Ampfield Management, L.P., represented by Emerson Moore
- Markku Tuomaala, represented by Janne Koikkalainen

- Keskinäinen Eläkevakuutusyhtiö Ilmarinen, represented by Esko Torsti

100% of members of the Shareholders' Nomination Board are men.

Proposal of the Shareholders' Nomination Board

Puuilo's Shareholders' Nomination Board is chaired by Emerson Moore. The Shareholders' Nomination Board of Puuilo Plc proposes to the Annual General Meeting that the number of the members of the Board of Directors will be five (earlier five).

The Nomination Board proposes that all current members of the Board of Directors Susanne Hounsgaard, Jens Joller, Mammu Kaario, Tuomas Piirtola and Markku Tuomaala be re-elected. CVs of members can be found at the end of this statement. All proposed persons have granted their consent to the position. All proposed persons are independent of the company and its major shareholders except Jens Joller who is independent of the company, but dependent of the major shareholder. The Nomination Board proposes to the Annual General Meeting that Mammu Kaario be re-elected as the Chair of the Board of Directors.

The Nomination Board proposes that the remunerations of the members of the Board of Directors are as follows:

- EUR 70.000 to the Chair of the Board of Directors as yearly remuneration (earlier EUR 65.000)
- EUR 37.000 to the other members of the Board of Directors as yearly remuneration (earlier EUR 33.000)
- In addition, the Chair of the Audit Committee will be paid EUR 7.000 (earlier EUR 6.000) as yearly remuneration

neration and other members of the Audit Committee EUR 4.000 (earlier EUR 3.000) as yearly remuneration

All remuneration fees will be paid in cash.

The Nomination Board proposals were published as stock exchange releases on 20 March 2026.

3 Board of Directors

Duties of the Board

In accordance with the Limited Liability Companies Act, the Board of Directors supervises the operations of Puuilo and decides on significant matters concerning the company’s strategy, investments, organisation and financing. The Board has general competence in all matters that have not, pursuant to law or the company’s articles of association, been assigned to other bodies to decide on or carry out.

In addition, according to the Charter of the Board its duties include the following:

- Managing and appropriately arranging the Company’s operations
- Overseeing the solidity, profitability, and liquidity of the Company, as well as the Company’s management
- Approving Puuilo’s strategy, annual budget and investment plans
- Deciding on large-scale and financially significant matters related to the business operations
- Taking out loans for the Puuilo Group, granting loans and deciding on the guarantees to be issued
- Approving the Puuilo Group’s policies, such as treasury, tax and risk management policies
- Being responsible for appropriately organising Puuilo

Group’s risk management and internal control

- Approving the financial statements, consolidated financial statements including CSRD report as well as half-year reports and business reviews
- Preparing the proposal to the General Meeting on the selection of the Company’s Auditor as well as the assurer of the CSRD report based on the proposal by the Audit Committee

In addition, the Board of Directors appoints Puuilo’s CEO and the members of the management team and decides on their employment terms and conditions. The Board has prepared a written charter for its operations that defines the Board’s key tasks and operating principles.

The term of the Board members ends at the end of the Annual General Meeting following their election.

Members of the Board

In accordance with Puuilo’s articles of association, the Board of Directors has a minimum of four and a maximum of seven members. In the 1 February 2025 – 31 January 2026 financial period, the Board of Directors convened 15 times.

The Annual General Meeting 2022 decided to establish a Shareholders’ Nomination Board. The Nomination Board has prepared proposals for the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board Committees to the General Meeting 2024.

The composition and holdings of the Board of Directors on 31 January 2026 are shown in the table below:

Name	Year of birth	Position	Education	Principal occupation	Board Member since	Attendance at meetings	Shares held at the end of the reporting period
Mammu Kaario	1963	Chair	MBA, M.Sc (Law)	Board professional	2021	100%	2,941
Susanne Hounsgaard*	1962	Member	M.Sc (Econ.)	Deputy CEO	2025	100%	2,350
Jens Joller	1983	Member	M.Sc (Econ.)	Research Director	2024	100%	22,000
Tuomas Piirtola	1980	Member	M.Sc (Econ.)	CEO	2023	100%	2,000
Markku Tuomaala*	1967	Member	Elementary school	Entrepreneur	2025	100%	3,789,578

*Appointed to the Board of Directors on 15 May 2025. Attendance applies to meetings after the appointment.

Board of Director's diversity principles

During the 1 February 2025–31 January 2026 financial period, there were representatives of both genders in the Board of Directors. Two members were women (40%) and three men (60%).

Puuiilo acknowledges that diversity in the Board supports the company's business operations and development and that the diversity of the members' expertise, experience and opinions promotes the preparedness to adopt an unbiased approach and generate innovative ideas.

The objective is to ensure that the Board as a whole has sufficient competence and experience in Puuiilo's business environment. The Board members should have adequate qualifications and expertise to carry out their tasks, and they should spend a reasonable amount of time to carry out the duties presented in the Corporate Governance Code.

It is estimated that in the 2025 financial period, the diversity principles were fulfilled to a sufficient extent.

Independence

The Board of Directors regularly assesses the independence of its members in accordance with Recommendation 10 of the Corporate Governance Code. A Board member is obligated to submit to the Board of Directors the information required for the assessment of their independence. All Puuiilo Board members are external to the company (non-executive directors).

Based on the independence assessment, the following Puuiilo Board members are considered to be independent of the company and its significant shareholders:

Mammu Kaario (chair), Susanne Hounsgaard, Tuomas Piirtola, Markku Tuomaala, Lasse Aho (chair until 15 May 2025) Bent Holm (member until 15 May 2025 and Anne-Mari Paapio (member until 15 May 2025). Jens Joller is independent of the company but not independent of the company's significant shareholders.

Self-evaluation of the Board of Directors

The performance of the Board of Directors and its individual members is evaluated annually. The results of the evaluation are taken into consideration when preparing a proposal on the new composition of the Board. The self-evaluation is based on a questionnaire survey followed by a discussion in the Board of Directors of the self-evaluation results and further measures.

4 Board committees

Puuiilo has one committee appointed by the Board of Directors, the Audit Committee. The Committee has no independent decision-making authority but its purpose is to present issues it is responsible for to the Board of Directors and the general meeting for a decision. The Committee reports regularly to the Board of Directors.

The Board of Directors has confirmed the Audit Committee's key duties and operating principles in the Charter of the Audit Committee. The Audit Committee consists of a minimum of three (3) members and a maximum of four (4) members, including the chair. The Board of Directors elects the members of the Audit Committee from among its members after the Annual General Meeting. The term of the members is one year.

The majority of the members of the Audit Committee must be independent of the company, and at least one of the members must be independent of the significant shareholders of the company. The members of the Audit Committee must have the relevant expertise and experience required for the performance of the duties and responsibilities of the Audit Committee and the mandatory tasks relating to auditing. At least one of the members should have expertise in accounting, bookkeeping or auditing, and overall, the Committee members must possess relevant competence on the company's business operations.

A person participating in the operational management of Puuiilo Plc or its Group company, such as a managing director, cannot be appointed to the Audit Committee as a member.

Duties of the Audit Committee

The duties of the Audit Committee include:

Oversight of financial reporting

- Monitoring and assessing the financial reporting processes and reviewing the annual financial statements, half-year reports and business reviews with the external auditor before submission to the Board for approval.
- Reviewing and assessing the results of the audit with the external auditor.
- Reviewing internal controls and monitoring the effectiveness of the company's internal control processes over financial reporting.
- Reviewing the company's key auditing policies and principles.
- Monitoring the business operations with related par-

ties and reporting any conflicts of interest.

- Reviewing the company's statement of non-financial information.
- Monitoring the company's financial position.
- Assessing the use and presentation of alternative key indicators.

Oversight of sustainability reporting

- monitor and assess the sustainability reporting process of and review with the CSRD assurance provider the sustainability statement before submission to the Board for final approval;
- review and assess with the CSRD assurance provider the results of the assurance;
- review internal controls and monitor the effectiveness of the Company's procedures for internal control over sustainability reporting;
- review the Company's key sustainability policies and principles;
- evaluate the performance of key sustainability targets;

Risk management

- Monitoring and reviewing the effectiveness of the company's risk management, including the risk profile of Puuiilo Group, and making such recommendations as the Committee considers necessary as well as reviewing the risk management-related statements to be included in the financial reports.
- Assessing the effectiveness of internal control and the internal control system.
- Assessing the principles related to the company's internal control and risk management of the company's financial reporting and sustainability reporting

- processes.
- Receiving and reviewing management reports on any material financial risks and litigations or claims raised by any Puuilo Group companies or against Puuilo Group companies.

Auditors and external auditing

- Preparing for the Annual General Meeting, and otherwise as needed, a proposal to the shareholders regarding the election and fees of the external auditor(s) and their remuneration principles.
- Initiating the process regarding the rotation of the auditor.
- Evaluating the audit plan as well as the scope and quality of the external audit and reviewing the audit fees.
- Evaluating the independence of the auditors.
- Approving and monitoring the non-audit services provided by the auditors.
- When needed, meeting separately with the external auditors to discuss any matters other than the duties required by law, which might be relevant in terms of internal control.
- Reviewing and confirming the independence of the external auditors, also in connection with the non-audit services.
- Reviewing and evaluating the process of selecting external auditors and following any regulatory changes regarding the auditor selection as well as the rotation of the auditor and the auditing firm.

CSRD assurance provider and external assurance

- for the purposes of each Annual General Meeting and otherwise as necessary, prepare a resolution

- proposal to the shareholders as to the election and fees of the CSRD assurance provider and remuneration principles;
- evaluate the sustainability reporting assurance plan as well as the scope and quality of the external assurance and review assurance fees;
 - review and evaluate the process of selecting CSRD assurance provider and follow any regulatory changes regarding CSRD assurance provider selection.

Internal audit

- Approving the internal audit guidelines, the audit activities and the resourcing of the internal audit function.
- Assessing the scope and quality of the internal audit as well as approving the internal audit plan and monitoring its implementation.
- Reviewing the summary reports of the internal audit and the management’s response.

Legal matters, compliance and governance

- Reviewing major legal disputes and other legal matters together with the company’s General Counsel and/or external legal advisor.
- Reviewing the company’s Corporate Governance Statement including the description of the main features of the internal control and risk management in relation to the financial reporting and sustainability reporting processes, which are included in the company’s Corporate Governance Statement.
- Establishing the principles concerning the monitoring and assessment of related party transactions.

Other

- Tending to other duties assigned by the Board of Directors.

When carrying out its auditing duty, the Audit Committee has access to the company’s bookkeeping, documents, facilities and personnel. In matters falling within its area of responsibility, the Audit Committee can request advice from legal advisors, auditors or other advisors at the company’s expense.

The Audit Committee convenes a minimum of four (4) times per year at the invitation of the Chair. The Audit Committee sets up an annual schedule for the Committee’s meetings. The schedule includes the matters to be discussed in each meeting so as to cover all the obligations of the Committee. In addition, the Commit-

tee may define other matters included in its sphere of duties on a meeting-specific basis.

The Audit Committee Chair presents the Committee’s proposals to the Board of Directors. The Audit Committee Chair introduces to the Board of Directors a summary report of each Audit Committee meeting. In addition, the memoranda and materials of the Audit Committee meetings are made available to the Board members. The Audit Committee evaluates its own activities on an annual basis and reports on the evaluation to the Board of Directors. The Committee reports on its work to the Board of Directors on a regular basis.

During the 1 February 2025 – 31 January 2026 financial period, the Audit Committee convened five times and comprised the following members:

Name	Attendance at meetings	Independence
Mammu Kaario (Chair)	100%	Independent of the Company and Its major shareholders
Jens Joller	100%	Independent of the Company, not independent of the Company's major shareholders
Tuomas Piirtola	100%	Independent of the Company and Its major shareholders

5 CEO and the management team
CEO

The CEO is in charge of managing and supervising the company’s daily operations in accordance with the Limited Liability Companies Act as well as the authorisations and guidelines issued by the Board of Directors.

Management team

Unlike the Board of Directors and the CEO, the management team is not a statutory body. Nevertheless,

the management team, including the CEO, is the highest operative decision-making body in the Group. The management team participates actively in the key strategic and operative decision-making and is responsible for resource allocation and assessing profitability. CEO of the company is male and in the end of the financial period there are two women (29%) and five men (71%) in the management team. and six men (86%) in the management team.

Management team composition

Name	Year of birth	Position	Education	Management Team member since	Shares held at the end of the reporting period
Juha Saarela	1974	Chief Executive Officer	B. (Technology)	2017	213,499
Ville Ranta*	1977	Chief Financial Officer	M.Sc (Econ.)	2016	290,240
Perttu Partanen	1985	Chief Marketing Officer	M.Sc (Econ.)	2020	34,636
Markku Lampela	1971	Chief Purchasing Officer	M.Sc (Econ.)	2020	39,850
Sirkkaliisa Kulmala	1967	Chief Human Resources Officer	M.Sc. (Agricultural and Forestry)	2020	48,479
Juha Parviainen	1968	Chief Information Officer	BBA (Information Technology)	2020	21,939
Markus Kaatranen	1977	Sales Director	BBA	2022	19,062
Annu von Weymarn**	1978	Interim Chief Financial Officer	M.Sc (Econ.)	2026	15,260

*Until 31.12.2025 / ** Since 1.1.2026

III DESCRIPTION OF THE MAIN FEATURES OF THE CONTROL PROCEDURES AND THE RISK MANAGEMENT SYSTEMS

1 Internal control

The company’s internal control targets functions and processes that are essential in terms of the company’s business operations and financial reporting and is risk-based.

The company’s Board of Directors has approved operating principles for internal control. They define the objectives of internal control on the basis of internationally known principles. Internal control aims to sufficiently ascertain that the internal control procedures are adequate to either prevent or detect deviations, errors or misconduct in the company’s business operations, financial and sustainability reporting or compliance with applicable laws and regulations and, when such are observed, to take corrective measures.

The company’s internal control includes the key policies, processes, operating methods, control measures and monitoring of controls, in which the company’s Board of Directors, CEO, other members of the management team and all employees participate in accordance with their respective roles. Currently, the company has no separate internal audit function. Monitoring in accordance with the annual planning cycle of internal control and in the form of self-evaluation of the controls and including the reporting of the results to the Board of Directors, as well as the responsibility to implement measures that are similar to internal audit, have been organised in the company’s financial administration. The Board of Directors annually evaluates the need to establish an independent internal audit function.

Should a need arise for internal audit measures, the Board of Directors may use internal or external resources to carry out separate internal audits.

The company has in place whistleblowing channel for employees to report suspected misconduct.

2 Risk management

The purpose of Puuilo’s risk management policy is to define the framework, processes, governance and responsibilities of risk management in Puuilo.

The primary objective of risk management in Puuilo is to support the company’s strategy execution, continuity of operations and realisation of the business objectives by identifying risks involved in the company’s operations and managing them in a proactive manner. Comprehensive risk management emphasises the importance of the corporate culture and is an integrated part of the business operations, planning and decision-making in Puuilo.

Risk management objectives and principles

Puuilo’s risk management objectives are to:

- Emphasise risk awareness and proactive management of risks within the company.
- Increase opportunities and reduce threats with the aim to gain competitive advantage.
- Ensure sufficient treatment of risks throughout the organisation.
- Manage risks as an integrated part of the operations, planning and decision-making through defined roles and responsibilities.

Puulo's risk universe and risk categories

Risk universe

Puulo's risks are divided into the following main categories: strategic risks, operational risks, financial risks and compliance risks.

Strategic risks

Strategic risks are primarily uncertainties related to the operating environment and Puulo's ability to leverage changes in the operating environment or to prepare for them. These may include changes related to the general economic situation, competitors, legislation, or technological development. Strategic risks may relate to both financial and non-financial objectives. Appropriate risk treatment is implemented so that the chosen strategy is within the company's risk tolerance.

Operational risks

Operational risks are circumstances or events which may prevent or hinder the attainment of objectives or cause damage to people, property, business, information or any other operations of the company.

Financial risks

Financial risks are related to Puulo's financial position. They include risks concerning the availability and cost of financing, changes in foreign exchange rates, and investments.

Compliance risks

Compliance risks are risks related to exposure to legal penalties, financial forfeiture and material losses, which an organisation faces when it fails to act in accordance with industry laws and regulations or internal policies.

Sustainability risks

There may be deficiencies in Puulo's purchasing operations or its supply chain operations from a sustainability perspective. The risks may relate, for example, to climate change mitigation, resource use, and working conditions in the value chain or among its own staff.

Risk management governance, roles and responsibilities

An overview of the roles and responsibilities of the most relevant bodies with regards to risk management is provided in the following sub-sections.

Board of Directors

The Board of Directors is responsible for monitoring and ensuring that the functions of Puulo's risk management process are comprehensive. The Board defines the risk appetite and tolerance in accordance with the current conditions. The Board of Directors is also responsible for approving the company policies related to risk management.

Operative management

The company's operative management is responsible for achieving the set objectives and controlling, managing and mitigating risks that threaten them. The operative management is also responsible for the risk management work and for ensuring the performance of the risk management process and the availability of sufficient resources.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for the risk management guidelines and advice to be given to the business operations and functions as well as for

monitoring the practical implementation of the process. The CFO coordinates the risk management assessment process, which supports the management, operative business operations and other support functions in the risk management work. The CFO reports the key risks to the Board of Directors on a yearly basis.

IV OTHER INFORMATION

1 Related party transactions

In accordance with the Corporate Governance Code, Puulo's Board of Directors has defined principles for the monitoring and assessment of related party transactions. The company maintains a list of its related parties. The related party transactions are market-based, and their terms and conditions correspond to transactions carried out with independent parties. The company's financial administration is responsible for the monitoring of related party transactions and reporting them to the Audit Committee. The identified related party transactions are reported to the Audit Committee annually. The Board of Directors makes the decisions on agreements or other legal acts that are not within the scope of Puulo's customary business operations and not executed under customary commercial terms and conditions. The matter at hand and the related decision-making are prepared carefully with the help of external assessments, for example. The disqualification provisions of the Limited Liability Companies Act are complied with in decision-making. Related party transactions that are not part of the company's customary operations or that are carried out in deviation of customary commercial terms and conditions require a decision by the Board of Directors. Related party tran-

sactions are regularly reported as part of financial reporting and published separately if so required by law or the rules of Nasdaq Helsinki.

2 Insider administration

Puulo Plc's insider guidelines are based on Finnish and the EU's laws and regulations*. The purpose of the insider guidelines is to summarise the most important rules and procedures applied to the use and management of inside information in the company.

The insider guidelines include rules and regulations concerning the prohibited use of inside information, the company's insider lists, the disclosure and delayed disclosure of inside information, and reporting the transactions of the company's management and their related parties.

The insider guidelines apply to all persons who have an employment relationship with the company and its Group companies, as well as the members of their respective boards of directors (each referred to as an "employee").

The insider guidelines are also applicable to parties who, by virtue of some other agreement or otherwise, perform duties through which they have access to inside information relating to the company and who have, therefore, been entered into the company's insider list. Such parties include advisors, accountants, auditors or credit rating agencies (each referred to as a "service provider"). In addition, the insider guidelines describe reporting obligations applied to trading by the related parties of the members of the company's Board of Directors and Group management team.

**The most important provisions concerning insider information are the EU’s Regulation 596/2014/EU on market abuse (MAR), the European Commission’s Level 2 delegated regulations adopted under the MAR and the guidelines relating to MAR issued by ESMA, the Finnish Securities Markets Act (746/2012, as amended), the Finnish Penal Code (39/1889, as amended) as well as Nasdaq Helsinki Ltd.’s (“Nasdaq Helsinki”) Guidelines for Insiders of Listed Companies.*

Public disclosure of inside information

As an issuer, the company is required to publicly disclose as soon as possible the inside information which directly concerns it or its financial instruments. The company must ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public.

The information to be disclosed will be disclosed via a stock exchange release submitted to the central media, the Financial Supervisory Authority and Nasdaq Helsinki. In addition, the information is published on the company’s investor website and retained there for a period of at least five (5) years.

Notification requirement of persons discharging managerial responsibilities

Pursuant to MAR, the company has defined as persons discharging managerial responsibilities in the company the members of the Board of Directors, the CEO and the Chief Financial Officer (hereinafter the “managers”).

The managers and the persons closely associated with

them (hereinafter the “related parties”) have an individual obligation to notify the company and the Financial Supervisory Authority of transactions conducted on their own account that concern the shares or debt instruments of the company or other financial instruments or derivatives linked thereto.

The published transaction notifications of managers and their related parties are available on the company’s investor website at <https://www.investors.puuiilo.fi/en/>.

Closed period

The managers may not conduct any transactions on their own account or for the account of a third party, directly or indirectly, with the company’s shares or other financial instruments during a closed period of thirty (30) days before the publication of the financial statements release, half-year report or business review, including the day of publication of the said report. The company notifies the managers of the closed period in advance.

Moreover, the company has also extended the trading restriction to all such employees and other persons who have an opportunity to access information about the company’s business review, half-year report or financial statements release through their position or duties before the said documents are published (“closed period employees”). These persons should restrict trading on the company’s shares to a period that begins on the day following the publication of the company’s business review, half-year report or financial statement release and ends two weeks thereafter (“the permitted period”).

The company monitors trading by its insiders, managers and their related parties as well as the closed period employees.

3 External auditor

The Annual General Meeting decides on the election of the auditor and the CSRD assurance provider and on their fees. In accordance with Puuilo’s articles of association, the company should have one (1) auditor, who must be an accounting firm authorised by the Finnish Patent and Registration Office. The auditor’s term begins from the Annual General Meeting in which they were elected and ends at the end of the next Annual General Meeting.

The auditor is responsible for the auditing of the financial statements and accounting as well as the admini-

nistration of the Group companies. The auditor submits a statutory Auditors’ Report on the financial statements to the company’s shareholders. Moreover, the auditor regularly reports to the Audit Committee of the Board.

External auditor and CSRD assurance provider on 1 February 2025–31 January 2026

The company’s statutory auditor and the CSRD assurance provider is KPMG Oy Ab, Authorised Public Accountants. APA Henrik Holmbom acted as the auditor with principal responsibility. As well, ASA Henrik Holmbom acted as the principally responsible sustainability reporting assurance provider.

Holmbom is registered in the register of auditors referred to in chapter 6, section 9 of the Auditing Act (1141/2015, as amended).

Auditors’ fees have been paid as follows:

	1 Feb. 2025 - 31 Jan. 2026	1 Feb. 2024 - 31 Jan. 2025
Statutory audit	110,000	124,087
Assignments referred to in Chapter 1, Section 1, Subsection 1, Paragraph 2 of the Auditing Act.		
CSRD assurance	57,000	60,000
ESEF reporting	10,000	10,300
Other services	58,000	-
Total	235,000	194,387

Board of Directors



MAMMU KAARIO

Chairman of the Board of Directors
MBA, M.Sc. in Law
(b. 1963, Finnish citizen)

**Member of the Board since 2021,
Chair of the Audit Committee.**

Previously, Ms. Kaario has acted as Managing Director at Partnera Oy, Investment Director at Korona Invest Oy and as a Partner at Unicus Oy and Conventum Corporate Finance Oy. In addition, Ms. Kaario acts as Vice Chairman at CapMan Oyj and Ponsse Oyj, a member of the Board of Directors at Epec Oy, Gofore Oy, Lapti Group Oy, Taideyliopiston sijoitusneuvosto, Urhea-Halli Oy, Sten & Co Oy, HC Ässät Oy, Makai Holding Oy. Previously, Ms. Kaario has acted as the Vice Member of the Board at Tosuka Holding Oy and the Chair of the Board of Directors at Sibelius-Akatemian tukisäätiö and Saka Finland Group Oyj.

**Shares in Puuilo on
31 January 2026:**
2,941



TUOMAS PIIRTOLA

Member of the Board of Directors
MBA, M.Sc. in Law
(b. 1980, Finnish citizen)

**Member of the Board since 2023,
member of audit committee.**

In addition, Mr. Piirtola acts as the CEO of Better Burger Society Oy, Director of the Fast Food business at NoHo Partners Fast Food, Member of the Board at Finago S.A. and Member of the Board at Virinsa Oy. Previously, Mr. Piirtola has worked as Country manager at Jysk Oy, General Manager and country manager at Reckitt Benckiser Healthcare CEE, COO at Tamro Baltics, project manager at Apotek1 Sweden, Business development manager at Tamro Oyj, Business controller at Suomen Posti Oyj and Management consultant at McKinsey & Company.

**Shares in Puuilo on
31 January 2026:**
2,000



SUSANNE HOUNSGAARD

Member of the Board of Directors
M.Sc. in Economics and Business
(b. 1962, Danish citizen)

Member of the Board since 2025.

In addition, Ms. Hounsgaard acts as Deputy CEO of Normal A/S. Ms. Hounsgaard has acted as Chief Commercial Officer at Normal A/S and Purchasing Director for fruit and vegetables and OCM Manager (Organizational Change Management) at Dansk Supermarked A/S. Ms. Hounsgaard has worked as Purchasing Director for non-food and near food and as Category Manager for health and beauty at Dansk Supermarked A/S.

**Shares in Puuilo on
31 January 2026:**
2,350



JENS JOLLER

Member of the Board of Directors
MBA
(b. 1983, Swiss Citizen)

**Member of the Board since 2024,
member of audit committee.**

Head of Research at Ampfield Management. Previously, he has held investor positions at MSD Partners and Apax Partners and worked as a consultant at The Boston Consulting Group.

Independent of the company, but dependent of the major shareholder.

**Shares in Puuilo on
31 January 2026:**
22,000



MARKKU TUOMAALA

Member of the Board of Directors
Elementary School
(b. 1967, Finnish Citizen)

Member of the Board since 2026.

Mr. Tuomaala serves as CEO of Aitokaluste Oy and Iceboys Oy. Previously, Mr. Tuomaala has acted as CEO and founder of Puuilo Plc (and previous Puuilo -companies). Mr. Tuomaala acts as a member and Chair of the Board at Silver Cars Rental Oy, Icepartners Oy, Tiikeri Partners Oy, Fast Food Builders Oy and Iceboys Oy. In addition, Mr. Tuomaala acts as a member of the Board at Warma Steel Oy, Kiantama Oy and Aitokaluste Oy.

**Shares in Puuilo on
31 January 2026:**
3,789,578

Management team



JUHA SAARELA

CEO
(b. 1974, Finnish citizen)

Has been the company's
CEO since 2017.

Previously, Mr. Saarela has acted as a Deputy CEO, Purchasing Manager and member of the Board at J. Kärkkäinen Web Oy, Store Manager at Kesko Oy and Area Manager at Maskun Kalustetalo Oy.

Mr. Saarela has a Bachelor of Applied Science degree from the Centria University of Applied Sciences.

Shares in Puuilo on 31 January 2026:
213,499



ANNU VON WEYMARN

Interim CFO
(s. 1978, Suomen kansalainen)

Has been a member of the company's Management Team since 1 January 2026.

Von Weymarn has worked at Puuilo since 2019 in financial controlling roles. Previously, Ms. von Weymarn has served as an IFRS Specialist at Kesko Oy and as an Auditor at KPMG Oy Ab. Ms. von Weymarn holds a Master's degree in Economics and Business Administration from Uppsala University.

Shares in Puuilo on 31 January 2026: 15,260



PERTTU PARTANEN

Chief Marketing Officer
(b. 1985, Finnish citizen)

Has been a member of the company's Management Team since 2020.

Previously, Mr. Partanen has been a Marketing Manager Power Finland Oy.

Mr. Partanen holds a Master's degree in Economics and Business Administration from the Jyväskylä University School of Business and Economics

Shares in Puuilo on 31 January 2026:
34,636



MARKKU LAMPELA

Director Purchases & Logistics
(b. 1971, Finnish citizen)

Has been a member of the company's Management Team since 2020.

In addition, Mr. Lampela is a member of the Board of Fodelia Oy. Previously, Mr. Lampela has acted as the CEO of Erätukku Oy, Kotivara Oy and SwanLine Oy.

Mr. Lampela holds a Master's degree in Economics and Business Administration from the University of Vaasa.

Shares in Puuilo on 31 January 2026:
39,850



SIRKKALIISA KULMALA

Previously, Ms. Kulmala has acted as the HR Director at SOK, Suomen Lähikauppa Oy, Kesko Oy, Valio and Silmäasema Oy.

Kulmala holds a Master's degree in Agricultural Economics from the University of Helsinki.

Shares in Puuilo on 31 January 2026:
48,479

Head of Human Resources
(b. 1967, Finnish citizen)

Has been a member of the company's Management Team since 2020.



MARKUS KAATRANEN

Joined Puuilo from Kotipizza Oy, where he served as Sales Director from 2016 to 2022. Kaatranen has previously, for example, worked for LIDL Finland for about eight years. He holds expertise in chain operations and experience from retail sales management roles.

Kaatranen holds a Bachelor's degree in Business Administration.

Shares in Puuilo on 31 January 2026:
19,062

Myyntijohtaja
(s. 1977, Suomen kansalainen)

Has been a member of the company's Management Team since 2022.



JUHA PARVIAINEN

He has previously acted as an IT Director at EAB Group Oy, IT Director at the building and technical trade division of Kesko Oy, Chief Information Officer at Anttila Oy and K-Citymarket Oy, and as IT Manager at Altia Oy.

Parviainen holds a BBA degree in Information Technology from the Helia University of Applied Sciences.

Shares in Puuilo on 31 January 2026:
21,939

Tietohallintojohtaja
(s. 1968, Suomen kansalainen)

Has been a member of the company's Management Team since 2020.

RENUMERATION REPORT



I INTRODUCTION

Puuido Plc’s (hereinafter referred to as “Puuido” or “the company”) corporate governance complies with the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code for Finnish listed companies published by Securities Market Association in 2025.

Puuido’s Remuneration Report for 2025 complies with the Remuneration Policy published on 17 May 2022. The Remuneration Policy was approved by the Annual General Meeting held on 17 May 2022. It is available on Puuido’s investor website at <https://www.investors.puuido.fi/en/>.

The Remuneration Policy is presented to the shareholders every four years and whenever there is a need for significant amendments. The Audit Committee regularly reviews the Remuneration Policy to ensure its compliance with Puuido’s strategic goals and long-term financial targets before its presentation at the 2026 Annual General Meeting.

This remuneration report covers Puuido’s financial period 1 February 2025 – 31 January 2026 (“the 2025 financial period”). This remuneration report has been reviewed by The Audit Committee and approved by the Board of Directors. An external auditor has ensured that the report contains the information required and that it is consistent with the financial statements. The remuneration report will be reviewed at the Annual General Meeting 2026. The remuneration report provides information on the remuneration paid to the Board of Directors and the CEO. The remuneration and other financial benefits have been reported on an accrual ba-

sis. The company will publish the remuneration report on its investor website.

The objective of remuneration at Puuido is to promote the company’s competitiveness and to support strategy implementation. In addition, remuneration aims to commit key employees and the entire personnel to the company in the long term in order to achieve the shared objectives and to create value for the shareholders. The Annual General Meeting decides on the remuneration of the Board of Directors. The Board decides on the terms and conditions of the employment of the CEO, in a written agreement. The Board also decides on the terms and conditions of the long-term incentive programs (Performance matching share plans), which the CEO is entitled to participate in.

II DEVELOPMENT OF PUUILO’S REMUNERATION AND FINANCIAL PERFORMANCE

The table below presents the remuneration development of the Board and the CEO compared to the development of the average remuneration of Puuido’s employees and Puuido’s financial development during the last five years.

Remuneration	1 Feb. 2025 - 31 Jan. 2026	1 Feb. 2024 - 31 Jan. 2025	1 Feb. 2023 - 31 Jan. 2024	1 Feb. 2022 - 31 Jan. 2023	1 Feb. 2021 - 31 Jan. 2022
Chair of the Board	63,333	60,000	60,000	60,000	47,500
Other members of the Board (average)	33,133	32,000	32,000	32,000	20,417
CEO	343,273	195,540	182,940	182,940	171,000
Average Puuido employee**	39,168	37,886	37,158	34,562	32,754

Development of financial performance (EUR million)

Net sales	442.3	383.4	338.4	296.4	270.1
Adj. EBITA	77.4	67.0	54.1	48.8	48.4
Adj. EBITA margin (%)	17.5%	17.5%	16.0%	16.5%	17.9%
EBIT	75.1	65.1	52.8	47.0	44.5
EBITA margin (%)	17.0%	17.0%	15.6%	15.9%	16.5%

The figures are reported on a cash basis and do not include social or pension costs.

*) Puuido Group personnel expenses divided by the number of full-time employees at the end of the reporting period

III REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting held on 15 May 2025 confirmed the following annual fees for the members of the Board of Directors:

	EUR
Chair of the Board	65,000
Other members of the Board	33,000

The remuneration of the Board of Directors is monetary. The Board of Directors’ remuneration is based on an annual fee, and the members are not paid separate meeting fees in addition to this. Travel expenses incurred by the Board meetings are reimbursed in accordance with the company’s travel expense policy. Pension payments are not included in the remuneration of the Board of Directors. Members of the Board of Directors are not included in Puuilo’s long-term incentive programs.

The Annual General Meeting held on 15 May 2025 confirmed the following annual fees for the members of the Audit Committee:

	EUR
Chair of the Audit Committee	6,000
Other members of the Audit Committee	3,000

Fees paid to the members of the Board 1 February 2025 – 31 January 2026 (EUR)

Name	Position	Board annual fee	Audit Committee fee	Total
Mammu Kaario	Chair of the Board, Chair of the Audit Committee	53,333	5,667	59,000
Lasse Aho	Chair of the Board (until 15 May 2025)	20,000		20,000
Bent Holm	Member of the Board (until 15 May 2025)	10,000		10,000
Susanne Hounsgaard	Member of the Board (from 15 May 2025)	22,000		22,000
Jens Joller	Member of the Board, member of the Audit Committee	32,000	2,833	34,833
Anne-Mari Paapio	Member of the Board (until 15 May 2025)	10,000		10,000
Tuomas Piirtola	Member of the Board, member of the Audit Committee	32,000	2,833	34,833
Markku Tuomaala	Member of the Board (from 15 May 2025)	22,000		22,000
Total		201,333	11,333	212,667

IV REMUNERATION OF CEO

The salary of the CEO consists of a fixed monthly salary and customary fringe benefits. The CEO is entitled to participate in the company’s long-term incentive plan, the CEO does not have a short-term incentive plan. The company’s CEO is entitled to a statutory pension benefit. The company does not have in place any additional pensions or collateral arrangements. The retirement age of the company’s CEO is determined in accordance with the legislation in effect.

In the financial period 1 February 2025 – 31 January 2026 the total remuneration including fixed monthly salary and fringe benefits paid to the CEO was EUR 208,955. In addition to the fixed monthly salary, the CEO was paid a share-based reward of €136,318 gross in spring 2025 under the PSP2022–2024 program. The paid reward corresponded to approximately 64% of his annual salary.

The CEO was not paid any performance bonus, additional pensions or other additional benefits.

Each Performance Matching Share Plan covers has one performance period, spanning three financial years. The performance criteria are the total shareholder return of Puuilo’s share (TSR), the adjusted EBITA of the Puuilo Group and, for PSP2025 – 2027, the return on invested capital (ROIC). The achievement of the targets set for the performance criteria will determine the proportion out of the maximum reward that will be paid as reward to participants. The prerequisite for participation in the plan and receiving reward on the basis of the plan is that a participant personally has acquired Puuilo shares up to the number determined

by the Board of Directors. Furthermore, payment of reward is based on the participant’s valid employment or service upon reward payment.

Primarily, the rewards from the plan will be paid partly in the company’s shares and partly in cash after the end of the performance period of each plan. The cash

proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant’s employment or service terminates before the reward payment. The CEO is obliged to keep the shares paid as a reward for twelve months after the reward payment.

Long-term incentive plans effective in the financial year 2025

	PSP 2022-2024	PSP 2023-2025	PSP 2024-2026	PSP 2025-2027
Performance period	Financial years 2022-2024	Financial years 2023-2025	Financial years 2024-2026	Financial years 2025-2027
Grant date	3 June 2022	12 May 2023	10 May 2024	9 May 2025
Grant date share price (EUR)	5.34	7.29	10.70	12.85
Performance criteria	Total Shareholder Return of the Puuilo share (TSR) and Adjusted EBITA	Total Shareholder Return of the Puuilo share (TSR) and Adjusted EBITA	Total Shareholder Return of the Puuilo share (TSR) and Adjusted EBITA	Total Shareholder Return of the Puuilo share (TSR), Adjusted EBITA and the Return on Invested Capital (ROIC)
Criteria outcome (out of maximum level)	76%	To be confirmed after the end of financial year 2025	To be confirmed after the end of financial year 2026	To be confirmed after the end of financial year 2027
Maximum number of share awards to be granted (pcs)*	15,474	7,605	2,919	2,772
Number of shares received	11,760	-	-	-
Payment in cash (EUR)	136,333	-	-	-
Payment date	April 2025	By the end of May 2026	By the end of May 2027	By the end of May 2028
Share price on payment date, EUR	11.59	-	-	-
Commitment period end date	April 2025	By the end of May 2026	By the end of May 2027	By the end of May 2028

* Gross number of shares netted with the applicable withholding tax. The net amount will be paid in shares.

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