

Lindex Slavery Act Statement

Lindex

Lindex is an international fashion company with about 440 stores in 18 markets, e-commerce, and sales online worldwide through third-party partnerships. Our assortment includes several different concepts within womenswear, kids wear, lingerie and cosmetics. Lindex was founded in 1954 and has since then grown to become one of the leading fashion companies in Europe. Lindex is owned by The Stockmann Group, a Finnish listed company engaged in retail trade since 2007. The group’s operational structure is divided into two divisions – Stockmann and Lindex.

We have published our Supplier List since 2017. For more information about Lindex organization, see Annual and Sustainability Report.

Organizational structure and supply chain

Lindex’s sustainability work is governed from the head office in Gothenburg. The Director of Sustainability, supported by a team, is responsible for the overall sustainability direction and strategy, and reports to the management group. The team works closely with the entire organisation on the implementation of the strategy, and each department and country organisation are responsible for reaching their set goals. In our production offices, we have Sustainability teams that develop and implement the strategy in production. The Chair of our Board of Directors is ultimately responsible for the management of sustainability-related risks at Lindex.



Lindex is a fashion retailer and we do not own any production facilities and rely on suppliers to produce our garments. We have consolidated our supply chain and work closely with a smaller number of suppliers in long-term partnerships. 80% of our order quantity is produced by 30 suppliers.

Lindex places a high importance on being present in our production countries, so we have local production offices in Bangladesh, China, Hong Kong, India and Turkey. These offices play a key role in Lindex's sustainability efforts in production, and around 90% of our garments are purchased through these offices.

| Tier | Definition | Examples | Status |
|------|--|---|------------------|
| 1 | Manufacturing facilities of “ready to ship” goods including vertically integrated facilities | Cut and sew factories | Fully mapped |
| 1 | Processing facilities involved in the further processing of “ready to ship goods” | Screen print, embroidery, garment dyeing and denim washing | Partially mapped |
| 2 | Manufacturing and processing facilities of fabric | All wet processing units of raw material. Knitting/weaving, Fabric dyeing, Yarn dyeing, Fiber dyeing, AOP | Partially mapped |
| 3 | Manufacturing of yarn | Spinning mills | Partially mapped |
| 4 | Production of all raw material (natural and manmade fiber), trims | Fiber supplier Trim supplier | Not mapped |

A value chain approach to addressing Modern Slavery

Modern slavery refers to various forms of exploitation that involve the control and exploitation of people for profit, such as forced labor, debt bondage, human trafficking, forced marriage, and other forms of exploitation that violate a person's freedom and dignity. It is a serious human rights violation and a global problem that affects millions of people around the world.

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our value chain, from the design and sourcing of materials, through processing and manufacturing, distribution, and sales, to consumption, including disposal, recycling, reuse and resell. This includes our various supply chains, our own operations, and the use and reuse of our products.

Forced labor has been identified as one of our salient human rights issues. We recognize that the risk of forced labor is most prominent upstream in the supply chain linked to specific raw materials, often associated with agriculture or farming. Manufacturing, warehouse operations, transportation, construction, and facility management are also recognized as high-risk industries. We acknowledge that this risk increases in areas where local legislation or governance is weaker, and where more vulnerable groups are present.

We understand that the root causes of modern slavery in supply chains could be lack of freedom of association and collective bargaining, purchasing practices and a lack of living wage. We are committed to complying with the UK Modern Slavery Act and will provide an annual slavery and human trafficking statement on our website.

Policies and commitments in relation to slavery and human trafficking

A key component in our strategy to prevent and address adverse impacts in our supply chain is to establish long-term relationships with business partners. We strive to find partners who have an aspiration to move beyond compliance and share our commitments to human rights. The center piece of our expectations for business partners' conduct is our Human Rights Policy and Code of Ethics, as well as our general Code of Conduct (with embedded outspoken gender equality expectations), our Sustainability Commitment and Instructions for Suppliers. In 2022, we worked with 97 business partners and a total of 152 factories in tier 1, all of which were covered by our Code of Conduct and regular SMETA audits.

Through a pre-assessment, we first check compliance with our Code of Conduct and performance against our zero-tolerance issues. Once a relationship is established, the business scorecard is used to recognize and reward high-performing suppliers based on business criteria, as well as social and environmental performance. We take any possible infringements against our Code of Conduct very seriously. This goes beyond our tier 1 direct relationships and includes any production site under any supplier that produces goods for Lindex.

Our Code of Conduct explicitly states that practices such as modern slavery, forced labor, and human trafficking are strictly prohibited. We prohibit practices that restrict employees' freedom of movement or their ability to voluntarily terminate their employment contract. Employees are free to leave their employment after providing reasonable notice, and business partners are not permitted to confiscate or withhold employees' identity documents, financial guarantees, or other valuable items to bind them to employment.

Additionally, we prohibit the recruitment of child labor, and require business partners to have verification processes in place to ensure that child labor is not recruited.

To further address these issues, our company has a Forced Labor Action Plan and a Child Action Plan, which can be found on our website. The Code of Conduct is available in different languages for the convenience of all our business partners.

Risk assessment, prevention, and mitigation

Our analysis of human rights risks across our operations and supply chains is based on salient issues, through a risk assessment, we identify and assess actual and potential human rights impacts in our own operations and supply chain. The assessment is conducted in alignment with international standards on business and human rights, namely the UNGPs and OECD Guidelines for Multinational Enterprises. The assessment highlighted risks for adverse human rights impacts, including decent working conditions and the risk of forced labor and child labor. The findings provide the basis for our salient human rights issues where gaps were found in our processes in relation to managing human rights and suggested ways to close such gaps, for example by increasing dialogue with affected stakeholders.

Our sustainability risk assessment includes both an environmental and a social aspect. Prior to becoming a Lindex partner they will be assessed based on the Lindex Global Minimum Requirements. This is a set of 13 requirements of which 5 are zero tolerance issues and 8 are crucial. If any zero tolerance issues are uncovered, we will not work with that factory and we document this on our “Lindex Stop List”.

On an overarching level, our focus is to address the impacts and risks through mitigation plans for each of the issues that have been identified. Based on what we learn, we update governance, policies, and the procedures’ structure to improve further. Since 2021, we have an online engagement platform, Lindex Voice. We continually act on feedback from employees, Lindex Voice being an important source of information.

We have identified that our highest risks related to human rights lies in the supply chain and therefore we primarily focus on this part of our value chain. Many of the countries where we manufacture our garments are higher risk in terms of both impact on the environment and social conditions. We are aware of this risk, and we therefore regularly monitor and audit our business partners and implement corrective action plans when necessary. Through a pre-assessment, we first check compliance with our Code of Conduct and performance against our zero-tolerance issues. Once a relationship is established, the business scorecard is used to recognize and reward high-performing suppliers based on business criteria, as well as social and environmental performance. We take any possible infringements against our Code of Conduct very seriously. This goes beyond our tier 1 direct relationships and includes any production site under any supplier that produces goods for Lindex.

We have a dedicated team responsible for implementing and enforcing our policies, and they work closely with our business partners to ensure compliance. Furthermore, we also encourage our employees, business partners, and other stakeholders to report any concerns or violations of our policies. We have a whistleblowing system to ensure that all reports are handled confidentially, and that appropriate action is taken.

Human rights due diligence processes.

Our analysis of human rights risks in our operations and supply chains is centred on salient issues, notably the potential for forced labour and child labour. We use this analysis to assess human rights risk in our operations and supply chains. Our methodology to identify heightened risk is based on a process which involves the World bank risk classification and their 6 dimensions of

governance. Based on these indicators we apply our analysis to different situations and contexts to inform a risk-based approach that helps us prioritize our efforts and adjust actions.

For many of the identified risks and impacts, we work closely with our industry peers, business partners, global and local stakeholder organisations, and external human rights experts to address the issues more effectively, and thus improve our capacity to respect and uphold human rights principles in the value chain. More information on our partnerships and collaborations can be found in our Sustainability Report 2022.

For already existing production markets, we perform due diligence every other year or on a need's basis. Our due diligence process involves a risk assessment and SWOT analysis of each production market from a human rights perspective and an environmental perspective, and also more broadly considering local, national and global political factors.

For potential and new sourcing markets our due diligence process begins with assessing and evaluating risks related to human rights violation. This process involves using the World Bank ranking to determine the level of risk present in each country, and whether an internal or external partner should conduct a Human Rights Due Diligence. This is supported by a SOP (Standard Operating Procedures) that the company has set to introduce new sourcing markets.

The company recognizes that the highest risks related to human rights lie in the supply chain and therefore focuses primarily on this part of the value chain.

The company also engages with internal and external stakeholders, including buying teams, regional teams, regional NGOs, and trade unions, to understand and prioritize risks. This helps the company to ensure that the due diligence process is comprehensive and considers the perspectives of a wide range of stakeholders.

Supplier relationships

Our business relies on being able to find the right supply chain partners who share our values and working together to maintain both strong relationships and high ethical standards. To achieve this, we are working hard to reduce our number of suppliers to make them partners. Today we have 30 partners who produce 80% of our production.

We have a management system structure in place which helps us to find potential long-term partners who:

- Share our vision for a transparent and sustainable fashion industry,
- Have the aspiration to move beyond compliance and focus on continuous improvement, and
- Commit (alongside us) to empowering women, respecting the planet, and ensuring human rights

In our effort to move from audits to making the supplier take ownership and responsibility for their own compliance, we train our suppliers to assess themselves, develop their understanding and skills to fill out self-assessments and report to us. This type of self-reliance is included in our definition of a more sustainable supplier, which is monitored as part of our supplier score card system.

We have production offices in Bangladesh, China, India, Pakistan and Turkey. Around 90 per cent of our garments are purchased through our production offices. Our Production Sustainability Teams work at our production offices, and they are our local sustainability specialists. They work closely together with our suppliers to implement Lindex Code of Conduct, sustainability work and initiatives in production and they direct the Lindex orders towards the suppliers that offer the most sustainable production. The Production Sustainability Teams report to the Head of Sustainability

We have a sustainability score card where we score our suppliers on their performance within social and environmental sustainability. The sustainability score is part of our business score card, which is our supplier management tool.

We are working on disclosing our whole supply chain. Our progress can be seen in our supplier list, which we publish on our home page. So far, we have listed our whole tier 1 and 80% of our volume in tier 2.

As part of our commitment to transparency, we participate annually in Fashion Revolution's Fashion Transparency Index Report, and in 2023 we were ranked ? out of ? brands. We signed the Transparency Pledge in 2017.

Lindex Code of Conduct

In 2019, with the launch of our new Code of Conduct, Lindex became one of the first major fashion companies to integrate gender equality into its basic requirements for business partners, including supply chain partners. This change codifies Lindex's ambition to take the lead in creating fair and equal workplaces for women. Lindex developed its new code of conduct based on the ETI Base Code by the Ethical Trading Initiative, and it continues to cover basic requirements for wages, working conditions, freedom of association and more. However, this updated document has an enhanced focus on gender equality, particularly related to women working in garment manufacturing factories. Lindex is since 2018 a member of the Ethical Trading Organization.

Grievance mechanism

Local grievances are handled directly by factories where the complaints are written down and accounted for. This is followed up in our audits and monitored by us regularly. In Bangladesh the grievance mechanism is supported by the Bangladesh Accord's complaint mechanism.

To address the grievances related to the violations of our Code of Conduct in a speedy manner, we have established our Stockmann Group Whistleblowing Policy. See [link](#)