

A woman with long, thin braids stands barefoot on a large, dark, textured rock in the foreground. She is wearing a dark brown, long-sleeved, floor-length dress with a high collar. The background features a calm body of water, a rocky shoreline with green trees on the right, and a bright blue sky with large, white, fluffy clouds on the left.

Sustainability report 2022

LINDEX

Table of contents

We are Lindex 3

| | |
|--|-----------|
| CEO comment | 4 |
| The company | 5 |
| Our beginning | 5 |
| Purpose | 5 |
| Lindex today | 6 |
| Governance: Embedding sustainability into our business | 7 |
| Culture | 8 |
| Equal opportunities | 10 |
| Collective bargaining | 10 |
| Supply chain management | 11 |
| Lindex supply chain management system | 11 |

Global context 15

| | |
|--|-----------|
| Legislative landscape and policy engagement | 16 |
| Sustainable Development Goals | 17 |
| Transparency and traceability | 18 |
| Disclosure | 18 |
| How technology supports sustainability | 19 |
| Collaboration for impact | 19 |
| Partnerships | 20 |

Our promise 24

| | |
|---------------------------------|-----------|
| Our goals | 27 |
| Empower women | 31 |
| Achievements | 32 |
| Female health and wellbeing | 33 |
| Gender inclusive workplaces | 34 |
| Respect the planet | 38 |
| Achievements | 39 |
| Climate | 41 |
| Circularity | 47 |
| Natural resources | 51 |
| Ensure human rights | 60 |
| Achievements | 61 |
| Fair and decent work | 62 |
| Diversity, equity and inclusion | 70 |

Report background 73

| | |
|------------------|-----------|
| GRI index | 75 |
|------------------|-----------|

A top-down photograph of four young adults (three women and one man) lying on a light-colored floor, their heads touching in a circle. The woman at the top left is wearing a blue patterned shirt and jeans, smiling. The woman at the bottom left is wearing a dark blue long-sleeved shirt, smiling with her eyes closed. The man at the bottom right is wearing a blue denim shirt over a red turtleneck, with his eyes closed. The woman at the top right is wearing a green turtleneck sweater, smiling. The text "We are Lindex" is centered over the group in a white, sans-serif font.

We are Lindex



Looking back over the past year, I am struck by the unrest and disruption surrounding us on a global scale. Companies, countries, and families have been shocked by the outbreak of war in Ukraine, and challenged by the energy crisis and inflation that have followed in its wake. The coronavirus pandemic continues to impact parts of the world, and we are seeing an increase in political turmoil globally. Meanwhile, no matter where we live, we are seeing the obvious signs of climate change and understanding the growing impact this will have on each of our own lives. These challenges are real. They are difficult. And they are pushing us to become more creative, more focused, and more resolved in our commitment to make a difference for future generations.

Last year, I emphasised the transformation that has been underway for our company. And now, despite the upheaval and uncertainty around us, Lindex has emerged with an even stronger sense of who we are, of what really matters, and of how we can be a force for good in the world. Our sustainability promise has never been more relevant, and we are finding more powerful and concrete ways to empower women, respect the planet and ensure human rights. As you read through this report, you will see that we have updated some of our goals in these three areas. Within 'respect the planet' we have expanded our focus on natural resources, and we are sharing our new strategies on responsible chemistry, water, circular packaging, and materials. Within 'ensure human rights' you will see an entirely new approach to diversity, equity and inclusion that addresses our entire value chain. In both areas, we have expanded our efforts to match the challenges before us. But the most profound change you will see comes within our work to 'empower women'. We have reframed our efforts in this area into two new core aims, which are female health and wellbeing, and gender inclusive workplaces. As a company that is focused on women, we are stepping up to lead the

way in femtech, which is the application of innovation and technology to offer products and services that will improve women's wellbeing and health. We are proud to share that we have created Female Engineering (see more on page 33), a new brand that develops products to fulfil women's real needs through their various stages of life. As a further step in Lindex's investment in femtech, we have a majority stake in the start-up company Spacerpad, and its innovation in menstrual protection, with the goal to combat menstrual poverty and to promote sustainable consumption (see more on page 33). And, of course, sustainability is at the core of these new ventures, which prioritise sustainable materials and manufacturing transparency. We even share the carbon footprint of each Female Engineering product.

As we head into the future, we continue to take a stand on issues that matter, and we choose to use our company as a force for good. The next frontier we see is that of legislation. We are seeing a strong political will to establish new requirements for companies around social and environmental impacts, and we are placing ourselves on the forefront of this push for disclosure.

As Lindex, we continue to empower women, respect the planet, and ensure human rights. But we now do so from a more solid foundation, with more concrete and measurable actions that will have a tangible impact on our customers, our employees, our communities, and for all the people around the world who are touched by our company. I am so pleased to share our progress on this journey so far.

Susanne Ehnåge
CEO



The company

Our beginning

In 1954, Lindex started as a lingerie company in Alingsås, Sweden. Our journey towards better products, better design, and a better world continues to evolve, and the scope of our work continues to expand. Today we are a global fashion company with over 4.300 employees, all working together to find new and powerful ways to make a difference for future generations.

Purpose

At Lindex, we exist to empower and inspire women everywhere – this is our higher purpose. From field to fitting room and at every step in between, we are constantly seeking new ways to support, empower, and inspire the people and communities who are touched by our operations.

For us to better fulfil our higher purpose, in 2019 we launched our sustainability promise: to make a difference for future generations. The promise encompasses three core aspects: Empower women, respect the planet, and ensure human rights. Our commitment to this promise has taken us to new and exciting spaces, particularly in the last couple of years. Throughout this report, we look forward to sharing our endeavours and our achievements in pursuit of our purpose and our promise.

Lindex at a glance

- Founded 1954 in Alingsås, Sweden
- Fashion for women and kids, lingerie and cosmetics
- Head office in Gothenburg, Sweden
- Part of the Stockmann Group since 2007
- Stockmann is listed on the Nasdaq Helsinki
- 436 stores in 18 countries (incl 32 franchises)
- Shop online in 34 countries and globally through third parties ASOS, About You, Boozt, Nelly, Next and Zalando
- Turnover: 660 MEUR
- 4.314 employees
- 5 production offices
- 80 per cent of Lindex garments were made from more sustainable material in 2022 (based on dominant fibre)



Lindex today

Today, Lindex is a global company with a presence around the world, and a growing focus on sustainable products and femtech, which is reflected in our new ventures Spacerpad and Female Engineering.

Closely

Lindex is the initiator and majority shareholder of Closely, a premium underwear and sportswear brand created in 2019 and launched in 2020. Closely's philosophy has sustainability at the centre. The ambition is to only make garments with perfect fit and function, becoming go-to items for every day that never end up at the bottom of the drawer. Inclusivity, durability, sustainability, and quality are defining features of Closely, whose garments are made to fit and flatter a range of body types, while adhering to strict sustainability criteria during manufacturing in a transparent supply chain. On the way to Closely's goal of reaching zero emissions, each product is labelled with its own externally-calculated carbon footprint and all CO2 emissions are offset through hydropower projects in Sri Lanka, verified in accordance with The Clean Development Mechanism from the Kyoto Protocol. Products feature recycled fibres, and 70 per cent of the materials are bluesign approved.

Spacerpad

In December 2021, Lindex acquired 50,1 per cent of the shares of Spacerpad AB, a start-up company that exists to fight menstrual poverty and promote sustainable consumption. Spacerpad has developed reusable menstrual protection with a completely new patent-pending innovative technology. Read more about Spacerpad under our 'Empower women' chapter on page 33.

Female Engineering

Lindex has brought together leading underwear experts, scientists, and material pioneers to create Female Engineering. Female Engineering is a femtech brand that leverages the latest technology to offer innovative products that improve women's wellbeing through the different stages of life. This new brand is a collaboration between brilliant women, on a mission to change our lives, and our planet, for the better. See more on page 33.

As of the end of 2022 Lindex had 436 stores. Our 404 own stores were located in 9 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, and the United Kingdom. There were 32 franchise stores located in 9 countries: Bosnia Herzegovina, Serbia, Iceland, Kosovo, Albania, Qatar, Tunisia, Denmark and Malta. Lindex online shops were available in 34 countries: Austria, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Tunisia, and the United Kingdom. In addition, Lindex's products are sold in the online stores from ASOS, About You, Boozt, Nelly, Next and Zalando.

Governance: Embedding sustainability into our business

Embedding sustainability in our business plan and strategy is a team effort. It requires dedication, new mindsets, and new competencies. Bringing the consideration of planetary and human factors into all of our business decisions has been a central part of our recent transformation. We are making progress in ownership across the organisation and this continuously brings us forward on the journey.

Lindex's sustainability work is governed from the head office in Gothenburg. The Chair of Lindex's Board of Directors is responsible for Lindex's impact on human rights. Our Director of Sustainability is part of the group management team and reports directly to the CEO.

Supported by a team, the Director of Sustainability is responsible for the overall sustainability direction and strategy. The corporate sustainability team ensures that targets are in line with science and that the strategy is based on Lindex's materiality. The team supports the entire organisation on the implementation of our sustainability strategy across the organisation and goals are set and followed up on within teams, departments and strategic initiatives.

In our production offices, we have local sustainability teams that develop and implement the strategy in our supply chain and report progress to both business owners and our Director of Sustainability.





Culture

We see power in collaboration, and we know that together we can make a greater impact. In 2019 we developed our employee promise: Together for a greater impact. See more on our [website](#).

Values

Our culture is shaped in many ways by our values. These values are:

- Empower yourself and each other
- Seek constant improvement
- Make business-oriented decisions
- Act sustainable
- Make it simple

Work/life balance

At Lindex's headquarters, all permanent positions are full time positions. In 2022, 77 per cent of our female employees and 0,7 per cent of our male employees chose to work fewer hours than full time, mainly due to parental leave. Most of them work 80 per cent or 90 per cent schedules.

Leadership the Lindex way

We are all part of a transformational journey at Lindex, and this requires new types of leadership, to better lead ourselves and others.

Since 2008, 'Leadership the Lindex way' has been the foundation for our leadership and has evolved along the way to make sure we move in the right direction together. The time has come for 'Leadership the Lindex way' to evolve again, and we now see this as a holistic umbrella that includes two parts: self-leadership and our leadership approach.



The leadership approach at Lindex has been developed from within, and it builds upon our high level of engagement and positive culture. The approach gives guidance on everyday behaviours and decisions for our leaders, to make sure we move in the right direction together.

Self-leadership

Being able to lead ourselves – feeling comfortable with decisions, prioritisations and responsibilities – is the foundation for becoming more agile, cross functional and succeeding with our strategy. It gives us more clarity and can serve as a compass that is effective in an everchanging environment. With self-leadership, we get a deeper understanding of our own personal values and how to use them to motivate and guide ourselves, so we can feel confident in making priorities and decisions in our everyday work. It is also about everyone's responsibility – being active employees who take accountability for our own performance and sustainability.

Self-leadership at Lindex is defined by the following:

- **I FEEL CONFIDENT** in who I am, what I can do, what I want and how I apply this in my communication and collaboration with others.
- **I AM ACCOUNTABLE** for my own performance and my own sustainability.
- **LINDEX TRUSTS IN MY ABILITY** to practice self-leadership and support me if needed.

Leadership approach: We unleash full potential

We believe in a leadership behaviour and mindset defined by:

- **BUILDING TRUST** by encouraging self-leadership, seeing the individual and believing in the abilities of your team.
- **BEING INCLUSIVE** by building diversity, belonging, togetherness and actively invite perspectives and ideas different from your own.
- **BEING BUSINESS AND CUSTOMER FOCUSED** by taking actions based on insights, data and customer value, with an understanding of the business impact of every decision.
- **CREATING CLARITY** by communicating the business direction, goals and priorities in a way that engages and guides the team.
- **ENABLING CHANGE** by having courage to make decisions, test, fail and learn through feedback.

A culture of diversity, equity and inclusion

We are intentional about building a culture of inclusion and diversity. We believe the power of diversity is in bringing new ideas and new perspectives together, and our focus on DEI will enable and strengthen Lindex's transformation for the future. As we bring together more diverse teams, we will expand our ability to think differently, leading to creative, powerful, and sustainable solutions, as well as improved performance and relationships.

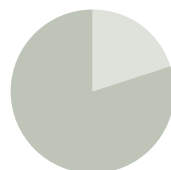
We also know that the more we pay attention to diversity, equity and inclusion, the better we will understand our customers of today and tomorrow. Overall, a work environment where diversity, equity and inclusion all thrive will enable our company and our culture to prosper.

In order to bring these values to the forefront even more, we have created a diversity, equity, and inclusion (DEI) strategy for Lindex. It will help each Lindex leader to become aware of how to build inclusive and diverse teams—and the benefits doing this—as well as making it a natural part of the long-term strategy of Lindex. Learn more about our DEI strategy on page 70, and read more about employee engagement related to DEI in the next section.

Gender diversity

Gender is one lens on diversity that we have been monitoring for years. We are proud to have many women in leadership positions among our management team and our Board of Directors.

Management team



80% women 20% men

Board of Directors
*including personnel representatives



67% women 33% men

Looking to the future, we strive for a gender balance where those with the best competence are on board and welcomed to support Lindex in our journey toward greater diversity, equity, inclusion, toward fulfilling our promise, and toward business success.

Diversity beyond gender

We are well aware that the journey of diversity does not begin or end with gender. For example, in our visual material we work with diversity in age, looks and body types with the goal that everyone should be able to recognise themselves in our pictures. We want to work towards more inclusivity across the whole company using the entire spectra of diversity to enrich our organisation. During 2022 we set ambitions, activities and targets so we can work intentionally and follow up on our progress within the organisation. Read more about our DEI strategy on page 70, and read more about employee engagement related to DEI below.

Employee engagement

Employee engagement at Lindex is about keeping our attitudes positive and our behaviours constructive. This helps us all feel a sense of pride and commitment to our work and lets everyone be part of creating the Lindex we want to work for. In 2021 we launched an online engagement platform enabling us to check in with our team frequently and easily to strengthen engagement. It's also a fantastic way for our employees to share their thoughts with us, both the things we are doing well and what we can do better.



Employee engagement on DEI

In alignment with our new DEI strategy, we added six new DEI-focused questions to our employee survey for 2022. We gathered this data in May and October, and will continue to use these same indicators in 2023 to monitor our improvement.

Our overall result on our 'Diversity & inclusion dashboard' is based on the statement "I'm satisfied with Lindex's efforts to support diversity and inclusion (for example, in terms of gender, ethnicity, socio-economic status)" and we score 8,6 which positions us in the top 25 per cent of the consumer industry among users of this data-gathering platform. This is compared to 8,7, or top 10 per cent, which was our score during the previous data-gathering round.

Our strength lies within 'Inclusiveness' where we score 9,0 on the statement "At Lindex, people of all backgrounds are accepted for who they are".

Our priorities for improvement are summarised under the category 'Diversity' and include three statements:

- "A diverse workforce is a clear priority at Lindex (for example, in terms of gender, ethnicity, disability, socio-economic status)",
- "Recruitment processes at Lindex attract and select a diverse workforce (for example, in terms of gender, ethnicity, disability, socio-economic status)," and
- "I believe Lindex is a diverse workplace (for example, in terms of gender, ethnicity, disability, socio-economic status)".

Here we score overall 8,0.

These outcomes continue to inform our new DEI strategy, and they are reflected in the actions and activities we are currently rolling out. Read more about our DEI strategy on page 70.

Equal opportunities

Providing equal opportunities is part of our promise to future generations. Our work on diversity includes ensuring that all employees at Lindex are treated with respect, with equal opportunities and a positive working environment. From our recent engagement survey, we can see that the majority of our employees feel that we provide equal opportunities and treat people from different backgrounds fairly.

Although this a good indication that our company values and our culture are on the right track, we recognise that we are on a journey to constantly improve. This means we ask for feedback and when that feedback is critical, we take the opportunity to learn and improve.

As we did in 2021, in 2022 we gathered data on our employees' perceptions and experiences related to harassment and discrimination through our employee survey. Among other questions, our employees were asked to respond to this statement:

“ If I experienced serious misconduct at work, I'm confident Lindex would take action to rectify the situation”.

The result showed less confidence than we would hope, meaning that this is an area that we must focus on improving.

During 2022, there was one discrimination case that came to our attention via the whistleblowing system. Measures have been taken to address this, and the case is now closed.

Lindex condemns all forms of discrimination and works actively to provide an inclusive and welcoming working environment to everyone. Our goal is that no employee experiences discrimination or harassment and that all leaders act when misconduct happens at work.

Collective bargaining

All employees in Sweden and Norway are covered by collective bargaining agreements (excluding managerial staff). In Finland all employees except office personnel are covered by collective bargaining agreements.

Supply chain management

Lindex supply chain management system

Our business success 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. 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.

The main tools within our supply chain management system are our:

- Human rights policy
- Code of conduct (with embedded gender equality expectations)
- Sustainability commitment
- Instructions for suppliers
- Business scorecard
- Business calendar/handbook (a guide for purchasing practices and design development)
- WE Women Management System (read more on page 34)

All suppliers and business partners supplying to or acting on behalf of Lindex are required to sign our sustainability commitment, code of ethics and code of conduct. Together, these outline our expectations for suppliers and business partners. In 2022 we worked with 97 suppliers and a total of 152 factories. One hundred per cent were covered by our code of conduct.

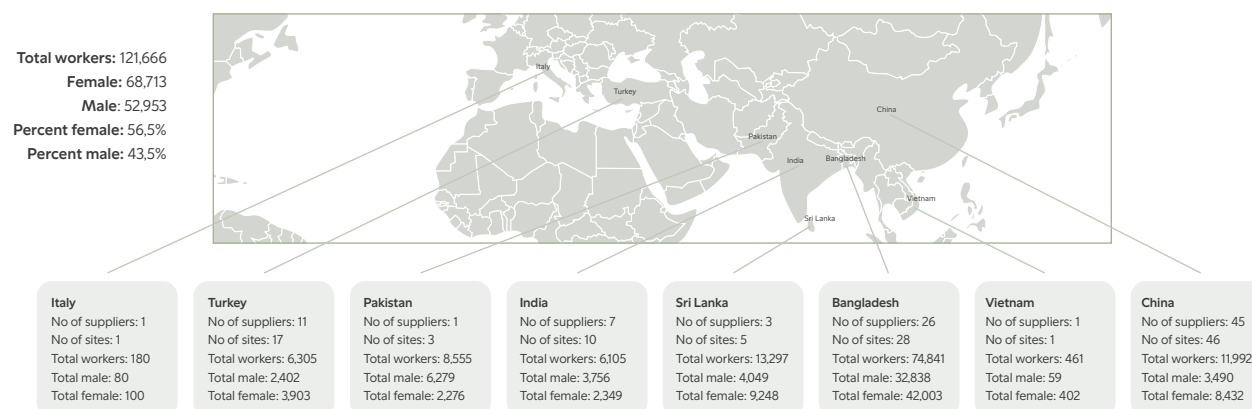
Through a pre-assessment we first confirm compliance with our code of conduct and we assess performance against our zero tolerance issues.

Once a relationship is established, the business scorecard is used to recognise and reward high performing suppliers based on business criteria as well as social and environmental performance.

We have 30 key suppliers who manufacture 80 per cent of our production, and this is the process we use with each of those key suppliers. Other suppliers that we may use from time to time, or for smaller quantities, will generally be audited and monitored by our third-party auditing partners.

As part of our commitment to transparency, we publish contact information for garment factories, processing units and fabric suppliers [here](#).

Our tier one suppliers around the world





Zero tolerance

We consider violations against our code of conduct to be a very serious issue. This goes beyond our tier 1 direct relationships to include any production site under any supplier that produces goods for Lindex.

Below is a list of issues that are considered to be zero tolerance. Lindex reserves the rights to immediately and permanently discontinue business with any production site under any supplier that is found to be breaching requirements related to these zero-tolerance issues.

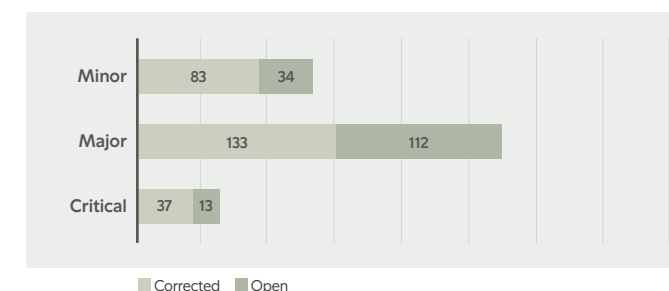
- Child labour
- Forced labour
- Failure to meet minimum wage requirements
- Harassment
- Discrimination
- Lack of transparency and denial of access to facilities and documents
- Use of banned chemicals
- Lack of proper business license
- Insufficient building and fire safety practices
- Environmental non-compliances
- Unauthorized subcontracting

Audits and audit statistics

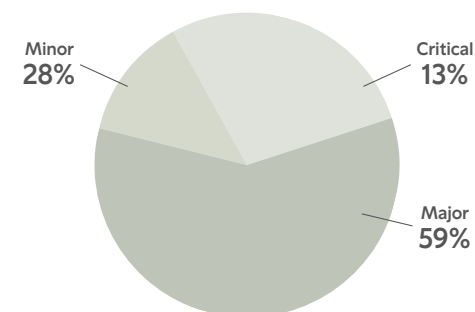
We are members of Sedex and use the SMETA audit approach; SMETA stands for Sedex Members Ethical Trade Audit, and we selected this system because of the embedded focus on gender equality. These audits lead to the development of an audit report, and where any areas for improvement are found, a corrective action plan (or CAP) is established. Our teams then monitor progress on deadlines and provide support as needed to resolve all corrective actions.

We communicate directly with suppliers and production sites regarding the issues identified in Sedex by 3rd party audits, and we check that these issues have been corrected during the year. Of the total of non-compliances specified, we confirmed that 253 have been corrected, and we will continue to engage with our suppliers and production sites on the remaining non-compliances as we move ahead with remediation actions.

Non-compliance open VS corrected



Non-compliance issue overview with severity

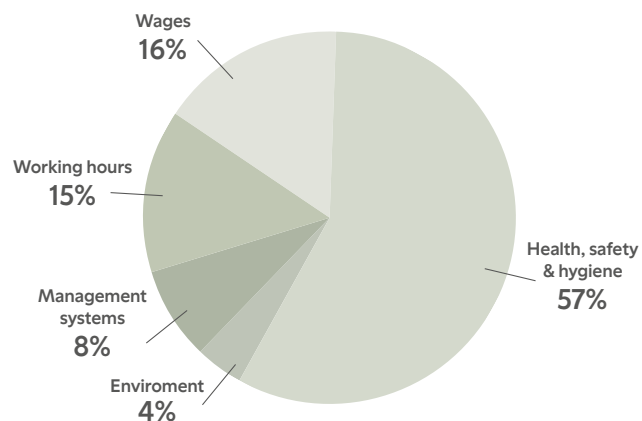




Common compliance challenges

The most common non-compliance issues that we find in our supply chain are shown in the pie chart here.

Top 5 criteria with non-compliance



Among the top 5 non-compliance findings, three of them are the main challenges in all of our sourcing markets, and they are interactive issues that impact each other. We are working on each of these issues, which are explained more below.

1. Health, safety and hygiene

Sometimes the work environment is not safe, perhaps due to deficient fire/electrical systems or building standards, but also blocked exits. Use of PPE and following safety instructions and routines are requirements that are often not met. Workers may not understand the importance of this, which is why there must be a strong occupational health and safety management system in place. See more on page 68.

2. Wages

We know that there is a strong relationship between low wages, excessive overtime, and worker health and safety. The lower the wage, the more pressure workers feel to work more hours in order to support themselves and their families. More overtime hours come with an increased risk of accidents and occupational injury. Fatigue from overwork also leads to other health and wellbeing concerns such as heart disease and increased absenteeism, along with decreased productivity and quality. See more on pages 63 and 66.

3. Working hours

Low wages (minimum wages determined by national law) may encourage an increase in working hours. This together with poor planning may lead to employer-mandated overtime and to excessive overtime. This can result in work-related injuries, and in a deterioration in health. See more on page 64.

Self-assessments

We want to go beyond audits and therefore we work with a range of different capacity-building initiatives, including self-assessments. Self-assessments, which are done in parallel with auditing, help to move the responsibility and ownership to the supplier and develop their skills to improve conditions without constant external pressure. This type of self-reliance is part of our definition of a more sustainable supplier, which is monitored as part of our supplier scorecard system. We are working with our top 30 suppliers to equip them to be able to conduct self-assessments.

- During 2021, 40 per cent of our top 30 suppliers were able to perform self-assessments.
- During 2022, 86 per cent of our top 30 suppliers were able to perform self-assessments.



Termination

Abruptly stopping work with a supplier can have a negative impact on the workers. This is what we want to avoid. So, we do not have a termination policy, but we have a responsible exit strategy, and we emphasise dialogue in our partnerships. If we stop working with a factory for business reasons, this is always preceded by feedback on any issues we are encountering. When termination of a partnership is the necessary course, we communicate this to the supplier and slowly phase out of the factory. This means that the workers do not face rapid consequences, and that management has a chance to ensure continuity through new business relationships.

The International Accord

Following the tragic Rana Plaza factory collapse in 2013, we at Lindex were early signatories to The Bangladesh Accord on Fire and Building Safety.

Then in 2021, The International Accord for Health and Safety in the Textile and Garment Industry was launched, with the intention to replicate the success of the Bangladesh Accord to other countries. The new agreement is a legally binding agreement between brands and trade unions to build a credible industry-wide compliance and accountability mechanism.

We signed on to this new initiative, which will run from September 2021 through October 2023, because we are committed to the global expansion of additional country-specific health and safety measures.

The agreement contains independent oversight of brands by unions and it also commits to exploring how trade unions and brands, together with other national and industry stakeholders, can strengthen health and safety in other production countries.

Regarding Accord activities in Bangladesh for 2022, we conducted 78 inspections and achieved a remediation rate of 95 per cent.

Sustainability commitment

Our suppliers must indicate that they share our commitment to sustainability. To formalise this shared set of values, we have a written sustainability commitment that our suppliers must review and sign. This then sets a clear baseline for our work together. This document is publicly available [here](#).

Global context



Legislative landscape and policy engagement

We have been encouraged to see that the response to many of the challenges facing countries and companies around the world has come in the form of stricter regulations on environmental impact as well as human rights. Achieving a fully circular apparel and textiles industry will depend on policy developments across the globe and the alignment of reporting requirements governing sales markets and supply chain regions.

In Europe, the EU Commission has set out the green transition pathway under the umbrella name 'The green deal'. The transition to a green economy will be accelerated by a significant set of new directives and legislation for the member states. The regulations include taxonomy and sustainability reporting, corporate responsibility due diligence, directives on empowering consumers and sustainable products, and much more. The fashion and textiles industry has been identified as one of the most critical industries to transform.

We welcome these developments and the levelling of the playing field that this will bring, even though the patchwork approach we are seeing now presents a significant challenge in the short term. We see this as part of the process, and looking to the future we are vocally supporting harmonised legislation and working to shape the next iteration of regulation based on the outcomes of our own pilots on innovation and alternative business models.

We also know that when more companies like Lindex publicly take a stand on issues such as climate change, pollution, and biodiversity, we are stronger when we stand together. The leverage we can create in cooperation with one another goes far beyond what any of us could do individually. We already work extensively with our industry peers and other stakeholders to push for structural and legislative change.

How do we engage with policymakers?

- Within the framework of the European green deal, we are contributing to dialogue that is shaping the EU textile strategy, such as through the platform of the Sustainable Fashion Academy (see page 20 for more details).
- We have joined several open dialogue meetings with relevant stakeholders from both Sweden and EU to give input on what we see is needed from a legislative perspective.
- In terms of the approach, we are pushing for both 'carrot' and 'stick' approaches, combining incentives with taxes and tariffs that make new circular business models a clear winner over the old linear model.

- We are heavily engaged in the discussions around extended producer responsibility (EPR), and we were part of the steering group for a pre-study on how an EPR system can best be shaped.
- We have made it clear that we welcome legislation in support of the EU's climate ambition.
- We also engage in policy dialogue in Bangladesh through the Sustainable Fashion by Sweden platform where brands come together with the Swedish embassy and Swedish businesses for high level meetings with the Bangladeshi government and other stakeholders such as UNDP to push for renewable energy and circular systems on a national level.

What else is needed?

One company cannot transform the current system of global supply chains on its own. We are in need of policy support around the globe when it comes to creating the new business models and evolved supply chains that our future industry will rely upon. This will involve garment collection within the EU EPR framework, which must be aligned with existing and next-generation recycling infrastructures closer to our existing supply chain. We call on policymakers to engage with us to address this challenge, and pave the way for a circular fashion industry.





Sustainable Development Goals

A robust framework is crucial to achieving complex goals, and in 2015 world leaders developed and committed to the Sustainable Development Goals (SDGs) as a guiding framework to end world poverty, fight inequality and tackle climate change by 2030. The seventeen Sustainable Development Goals and their related targets require action at every level, from consumers to governments, and companies such as Lindex have an important role to play.

We have identified six of the SDGs to which our business can make significant contributions. We have developed our sustainability promise and focus our efforts on projects and initiatives to support these goals. The six goals we are focusing on are:





Transparency and traceability

Transparency is a requirement for accountability, and a key step toward open, honest communication about how to improve. Traceability also relies on transparency, and in 2021 we launched products that for the first time were traceable all the way back to the cotton field. We continue to expand on this programme (see more on our website [here](#)) as we work toward our goal of ensuring that all our cotton will be sustainable and traceable in 2025.

For Female Engineering, our femtech brand, the products were launched with an industry-leading level of transparency and traceability. We are publishing the factory name and address as well as the carbon footprint as part of the information available about each product. For example, see the product information presented [here](#).

Disclosure

An important component of transparency is disclosure, and so each year we complete the Fashion Transparency Index questionnaire, which feeds into the annual ranking by Fashion Revolution. Despite the progress we have made in recent years, in 2022 our score in the Fashion Transparency Index fell to 42 per cent from our 2021 score of 50 per cent. We take this drop seriously, and we are examining the factors that led to the lower score and actively working to address them.

In accordance with the Transparency Pledge, we publish our garment factories and fabric mills in a searchable file, and we are now making a significant part of our raw material supply chain publicly available as well. See more [here](#).

How technology supports sustainability

The increasing role of technology and digital innovation in our society cannot be overstated. And this is true for the fashion industry as well. Technology will play a role in enabling us to achieve greater transparency and product traceability; it will enable greater accuracy in data gathering, and it will help us to capture more granular details. We envision a not-too-distant future where production on demand and real-time forecasting allow us to cut waste in the supply chain and minimise overproduction.

But even in the present, we are incorporating emerging innovations that can streamline our operations, save resources and reduce our impact. In 2022, we continued to embed the following technologies:

- **3D design:** Eight product groups are now designing in 3D at various stages of maturity. This has contributed in part to a decrease of 15 per cent in sampling between 2019 and 2022 among our baby team. We are increasing the use of 3D design in more product groups and we are also setting specific targets for share of samples that will be decreased. We are also engaging with suppliers that work with 3D to develop the working methods together.
- **Sustainability data reporting platform:** In 2022 we implemented a sustainability reporting platform where data for reporting can be collected, stored and visualised for more efficient reporting processes.
- **The BHive®:** We continued to expand use of The BHive®, a smartphone enabled platform for chemicals management. See more on page 57.
- **Product lifecycle management system:** We began piloting a PLM system for a full roll-out in 2023.

Collaboration for impact

With transparency as the foundation, collaboration is the next precondition for achieving the structural change we are striving for. Collaboration between Lindex and our suppliers, as well as among industry peers and stakeholders, is a must considering the complex, global and intertwined nature of the fashion industry. Systemic change cannot be achieved without collaboration, which increases leverage and allows for sharing knowledge and creating a common agenda among peers. Collaboration is also paving the way for a harmonisation among industry players, such as a common language and way of reporting, and common expectations about actions



toward suppliers and customers. In line with SDG #17, we are part of multiple commitments where we join forces with others and gather around common goals and ambitions.



Cancer Foundation

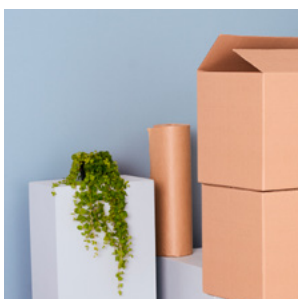
Every year Lindex dedicates October, International Breast Cancer Awareness Month, to supporting the fight against cancer and contributing to cancer research, which—despite the many advances already made—is a field that is in constant need of financial support.

Since Lindex began supporting the Pink Ribbon campaign in 2003, our programmes, in collaboration with our customers, have contributed over 19,3 MEUR to cancer research.



CanopyStyle

Lindex is committed to CanopyStyle, an initiative developed by Canopy, an independent environmental organisation working to protect the world's forests.



Clean Cargo

We are part of Clean Cargo, a network to reduce the negative environmental impact of sea freight. With its members, Clean Cargo represents around 85 per cent of the global container cargo capacity, making it the leading buyer-supplier forum for sustainability in the cargo shipping industry.



ETI

Lindex is a member of The Ethical Trading Initiative (ETI), which is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.



GIZ

Through a public/private partnership also including Bestseller, Deltex and Orsay, Lindex is working with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) to improve chemical management in 600 factories across the globe with the support of GoBlu International Ltd.'s digital chemical management tool The BHive®. Read more about the project and results to date on page 57.



IPE

The Institute of Public and Environmental Affairs (IPE) is a non-profit environmental research organisation based in Beijing since 2006. Lindex works with IPE to monitor environmental performance of direct suppliers and significant upstream suppliers in China through the PRTR (Pollutant Release and Transfer Registry) system. Lindex is one of the few brands in China that incorporates PRTR into our supply chain management requirements. In 2022, we deepened the partnership to also address sustainable development issues in China, and we are listed on the IPE Green supply chain map. IPE publishes an annual ranking of brand engagement through CITI for general environmental management and through CATI for climate governance. In 2022, Lindex was ranked No.14 & No.15 respectively in the whole textile industry with operations in China.



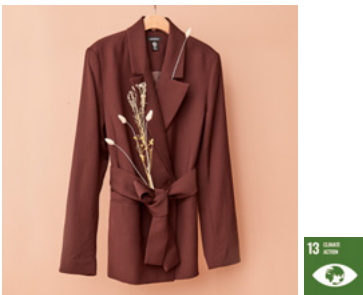
Sedex

Sedex is a leading ethical trade membership organisation that provides its members, including Lindex, with tools, services, and local networks to help improve working conditions in global supply chains. SMETA (Sedex Members Ethical Trade Audit) is Sedex's social auditing methodology.



SFA Learning & Innovation Network

The SFA Learning & Innovation Network is a collaborative effort bringing EU apparel and textile leaders together to prepare for upcoming legislative changes, and ultimately to improve the social and environmental performance of their companies. The Learning & Innovation Network offers webinars and discussions with an emphasis on emerging legislation and policy, integrating sustainability into the core business, and cutting-edge practices.



STICA

Lindex is a member of STICA, the Swedish Textile Initiative for Climate Action, where brands are coming together to reduce the climate impact of the textile industry. Within STICA, we work together to set science-based targets and plans for GHG reductions in line with limiting global warming to 1.5 degrees Celsius, and we report on our progress on a regular basis.



Sustainable Fashion by Sweden Platform

The Sustainable Fashion by Sweden Platform in Bangladesh was established by the Embassy of Sweden in Dhaka and Business Sweden. The aim is to find synergies and reinforce messaging when it comes to sustainability within the RMG sector as well as to convene key stakeholders to further promote and drive Sweden's commitment to sustainability. The aim is to match suppliers and factories with solution providers for sustainable development with a focus on climate action and water management. Key stakeholders include Swedish technology companies, finance and development organisations, the government of Bangladesh, and brands including Lindex, IKEA and H&M, as well as their suppliers.



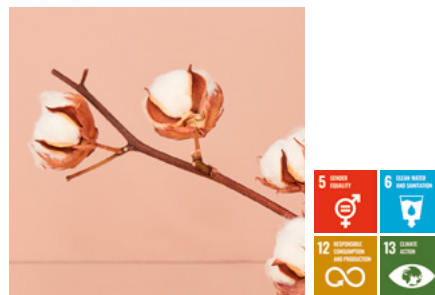
Swedish Chemicals Group at RISE

The Research Institute of Sweden, or RISE, works to ensure business competitiveness and contribute to a sustainable society through international collaboration with industry, academia and the public sector. Lindex is a member of the Swedish Chemical Group organised by RISE, which aims to spread the latest knowledge on chemical and environmental issues to member companies in the textile and electronics industry. The intention is to prevent the occurrence of unwanted chemicals in products such as textiles, footwear and electric and electronic equipment.



Textile Exchange

Lindex is a member of Textile Exchange, a global non-profit organisation that works with a community of stakeholders, from brands and retailers to manufacturers and farmers, to achieve positive climate action and more purposeful production.



The 2025 Sustainable Cotton Challenge

The 2025 Sustainable Cotton Challenge was initiated by The Prince of Wales' International Sustainability Unit and Lindex was one of the first companies to join. Signatories come together and commit to ensuring that 100 per cent of the cotton they use comes from more sustainable sources by 2025.



The Global Deal

The Global Deal for Decent Work and Inclusive Growth was launched by the former Swedish Prime Minister Stefan Löfven in cooperation with OECD and ILO in 2016. The Global Deal aims to encourage governments, businesses, unions, and other organisations to enhance social dialogue.



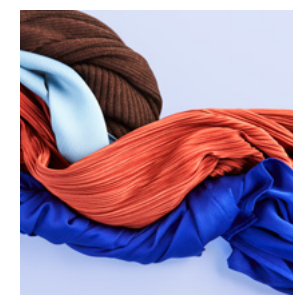
The International Accord for Health and Safety in the Garment and Textile Industry

Lindex was part of the original five-year Bangladesh Accord on Fire and Building Safety, which has made workplaces safer for millions of garment workers since its launch in 2013. Lindex was among the first signatories to the next iteration of this initiative, which seeks to expand the original improvements to factories around the globe.



The Private Sector Action for Women's Health and Empowerment Initiative

The Private Sector Action for Women's Health and Empowerment Initiative was launched by the United Nations Foundation, the Bill & Melinda Gates Foundation, the UK's Department for International Development, and Merck for Mothers. Together with other brands from the private sector, we have made a commitment in line with this initiative. This aligns with our sustainability promise of investing and using our business power to improve women's health and wellbeing in markets and communities where we operate.



The Swedish School of Textiles – Borås

As part of the University of Borås, the Swedish School of Textiles educates undergraduates and graduate students across seven departments each, focusing on design, engineering, and management, with an overall commitment to sustainability. Our engagement with the school involves innovation, programme advisory, exchange of knowledge, and more.



Transparency Pledge

While transparency is a major challenge in the fashion industry, it is the key to making progress within all areas of sustainability. We first committed to the Transparency Pledge in 2017. The Apparel and Footwear Supply Chain Transparency Pledge is an initiative by nine global trade unions and human rights organisations. The initiative was developed to promote deeper and wider transparency in supply chains by getting companies to publish information about the factories in the manufacturing phase of their supply chains.



WaterAid

As part of our promise to future generations that we are striving to be a water responsible company and we collaborate with WaterAid to improve access to clean water and sanitation around the world. This partnership also supports our promise to empower women and our commitment to female health. See more on page 33.

A photograph of three women walking through a field of tall, green grass under a clear blue sky. The woman on the left is wearing a red quilted jacket, a black cap, and black pants. The woman in the center is wearing a long green quilted vest over a grey sweater and black pants. The woman on the right is wearing a white quilted vest over a black top and black pants, and a light blue beanie. They are all smiling and looking towards the camera. The background consists of dense green trees.

Our promise



Our promise

Companies do not just exist to provide goods and services to one group of people: customers. Companies are also made up of people—people with families, communities, and multi-dimensional lives. At Lindex, we are well aware of the many people who make our company possible, from those who grow and pick cotton, to those who sew our garments, to the people working in our offices and shops, all the way through to the people wearing our designs as they take on the challenges of the world. And we feel a responsibility to every single one of them.

If we truly want to empower and inspire, we cannot settle for doing good today. We need to look ahead and work for what matters both today and tomorrow. For us to better fulfil our higher purpose, we have made a promise: to make a difference for future generations.

Our promise is divided into three areas:

- Empower women
- Ensure human rights
- Respect the planet

In 2022, we have updated our ambitions in each focus area to be more specific and more in line with our promise to make a difference for future generations.

In some areas, we have already made a tangible impact. In other areas, we are setting progress into motion. And there are some areas where we are still working to understand the best path forward. But even if we don't have all the answers yet, we know that transparency, inclusivity, innovation, dedication and, above all, collaboration will get us where we need to be. Read on to learn more about our achievements and our goals in each area.

We promise to make a difference for future generations

Empower women

Female health and well being

Investing and using our business power to improve women's health and well being in markets and communities where we operate.

Gender inclusive workplaces

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

Respect the planet

Climate

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

Circularity

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

Natural resources

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

Ensure human rights

Fair and decent work

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

Diversity, equity and inclusion

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

With our promise, we support the UN Sustainable Development Goals to which our business can make significant contributions:



Our goals

Our goals are aligned with our promise, and the three focus areas of empower women, respect the planet and ensure human rights. These goals demonstrate our commitment to encouraging structural change that elevates women. Through them, we model responsible corporate behaviour that respects people as well as the environment. The ambitious goals we have set for ourselves require a structured and organised approach, with clear definitions and proper monitoring. While our actions towards each goal

will look quite different, we have applied a consistent methodology to our approach, which is:

- Define the issue
- Set the vision
- Set the policy
- Align internally
- Declare publicly
- Monitor and report

Empower women

| Topic | Goal | Definition & monitoring frame- work in place | Supplemental KPIs | Progress 2019 | Progress 2020 | Progress 2021 | Progress 2022 | Notes |
|------------------------------|--|--|--|--|--|--|---|---|
| Gender inclusive work-places | By 2025, Lindex's suppliers who stand for 80% of our production have completed our Women Empowerment programme and sustained the learnings | Yes | | Suppliers standing for 38% of order quantity | Suppliers standing for 51% of order quantity; not rolled out further in 2020 due to COVID-19 | Suppliers standing for 51% of order quantity | Suppliers standing for 57% of order quantity | WE Women was completed in Bangladesh 2020 and in India 2021. Delays experienced due to COVID. We Women was introduced in Turkey 2022. |
| | | | Number of factories that provided skills trainings in management and leadership for female workers | | | | Bangladesh: 14 factories (51% of our suppliers), India: 2 factories (28% of our suppliers) | We started to measure in 2022 |
| | | | Number of female supervisors | | | | Baseline in Bangladesh is 546 (10.7% of supervisors), Baseline in India is 62 (8.4% of supervisors) | |

Respect the planet

| Topic | Goal | Definition & monitoring frame- work in place | Supplemental KPIs | Progress 2019 | Progress 2020 | Progress 2021 | Progress 2022 | Notes |
|-------------|---|--|-------------------|----------------------------|----------------------------|----------------------------|---|---|
| Climate | By 2023, we are climate neutral in Lindex's own operations | Yes | | Emissions decreased by 22% | Emissions decreased by 23% | Emissions decreased by 58% | Emissions decreased by 58% | Compared to 2017 |
| | By 2030, we have achieved 50% reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline) | Yes | | | | Emissions decreased by 25% | Emissions decreased by 25% | Excludes customer use phase. In addition to laundry and care, emissions from the customer use phase also includes assumptions on customer transport to and from stores. |
| Circularity | By 2026, 100% of Lindex's materials are recycled or sustainably sourced | Yes | | 65% | 68% | 78% | 80% | A garment is counted toward our 100% goal if it contains 50% or more "more sustainable materials." We have designated "more sustainable materials" to mean raw material comes from a renewable or recyclable source, and that the fibre is cultivated or produced using methods that have less of a negative impact on nature's resources compared to conventional alternatives |
| | By 2026, 70% of all products include a minimum of 15% recycled content | Yes | | | | 16% | 27% | We have added a goal specific to recycled fibres uptake and with that extended our commitment until 2026 compared to our previous 2025 goal |
| | By 2025, our entire assortment will be designed for longevity and/or circularity | Yes | | | | | 61% of teams started designing according to our circular design principles | Measured so far by how many teams have started using our 10 circular design principles. Going forward we will align this follow-up with coming requirements through the EU regulations on eco-design |
| | By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams | Yes | | | 89% | 92% | 96% | |
| | By 2025, all paper and plastic packaging follow our circular materials strategy | Yes | | | | | All transport packaging and stockings packaging plastic is shifted to 100% recycled content | |

Respect the planet

| Topic | Goal | Definition & monitoring frame- work in place | Supplemental KPIs | Progress 2019 | Progress 2020 | Progress 2021 | Progress 2022 | Notes |
|-------------------|---|--|--|----------------------------------|--|---------------|---------------|---|
| Natural resources | By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse and recycling of wastewater in the environmental management systems | Yes | | Mapping and verification ongoing | Thorough water risk mapping in tier 1 and 2 complete. We have also developed an action plan per market to take us towards our goals. | 88% | 79% | For 2022, this is based on tier 1 suppliers with water intense operations (which is 25% of our total volume). Our criteria has become more stringent compared to 2021, which is why the percentage has decreased for 2022. For 2021, this figure was recalculated based on improved data availability. See further information about our water strategy on page 54. |
| | By 2025, we have removed the release of all hazardous and toxic substances from Lindex's supply chain and promote transparency and more sustainable chemistry | Yes | | Mapping and verification ongoing | The focus has been expanding our mapping and verification. Read more about The BHive® chemical management platform and our new PPP on page 57. | 91% | 79% | For 2022, this is based on tier 1 suppliers with water intense operations (which is 25% of our total volume). Our criteria has become more stringent compared to 2021, which is why the percentage has decreased for 2022. See further information about our water strategy on page 54. |
| | | | Percentage of vertical suppliers in Bangladesh, India, Turkey and Pakistan, and Sri Lanka complying with local national requirements or above standard (ZDHC) on Wastewater Discharge. | | | | 100% | |
| | | | Percentage of tier 1 suppliers granting access to clean water and sanitation for workers, as verified by social audit. | | | | 100% | |

Ensure human rights

| Topic | Goal | Definition & monitoring frame- work in place | Supplemental KPIs | Progress 2019 | Progress 2020 | Progress 2021 | Progress 2022 | Notes |
|---------------------------------|---|--|---|---|--|--|--|--|
| Fair and decent work | By 2025, Lindex's suppliers who stand for 80% of our production show total supply chain transparency | In progress | | | | | | While we have already mapped big parts of our supply chain, currently the IT infrastructure needed to enable SC transparency and product traceability is still in development. |
| | By 2025, Lindex's suppliers who stand for 80% of our production show commitment to improving working conditions | Yes | | | 77% | 70% | 72% | Measures share of Lindex's suppliers who stand for 80 per cent of our production that show commitment to improving working conditions. |
| | By 2025, Lindex suppliers who stand for 80% of our production work actively with a living wage programme | Yes | | | | 40% | 83% (goal exceeded) | |
| | | | Percentage of tier 1 suppliers providing digital payment of wages | | | | 98% | |
| | | | Percentage of top 30 suppliers conducting self-assessments | | | 40% | 86% | |
| | | | Percentage of top 30 suppliers calculating living wages using Anker & Anker methodology | | | 40% | 83% | |
| | | | Cases of discrimination and harassment that occur in Lindex's own operations | Head office has received training about workplace harassment and discrimination | Progress not measured in 2020 due to focus on COVID-19 | During 2021, there was one case of discrimination in Norway and one case of harassment in Sweden reported to HR; both were resolved during the year. | During 2022 there was one case that came in through our whistle-blowing system. It was resolved during the year. | |
| Diversity, equity and inclusion | Inclusive workplace | In progress | | | | | Lindex has set the ambition and made a decision to educate all managers and teams in DEI. Trainings for HQ managers were launched in the second quarter of 2022. | This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific questions in Lindex Voice. |
| | Increased diversity | In progress | | | | | Lindex has set the ambition and made a decision to work with communication, awareness and more of a focus on gender balance. A well-organised onboarding process is being developed. | This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific DEI questions in Lindex Voice. |



Empower women

One very important aspect of women's empowerment is to ensure that men and women have equal opportunities. Since women perform so much of the work that goes into our products and our business, we are investing in new business ventures and innovations that put women's health and wellbeing front and centre. This is also why we are working to create gender inclusive workplaces across our value chain.

Achievements

Here are some examples of things we are proud of related to our focus area 'Empower women':

In 2022, our WaterAid project impacted 3.500 people, with a focus on sanitation, health and women's empowerment.



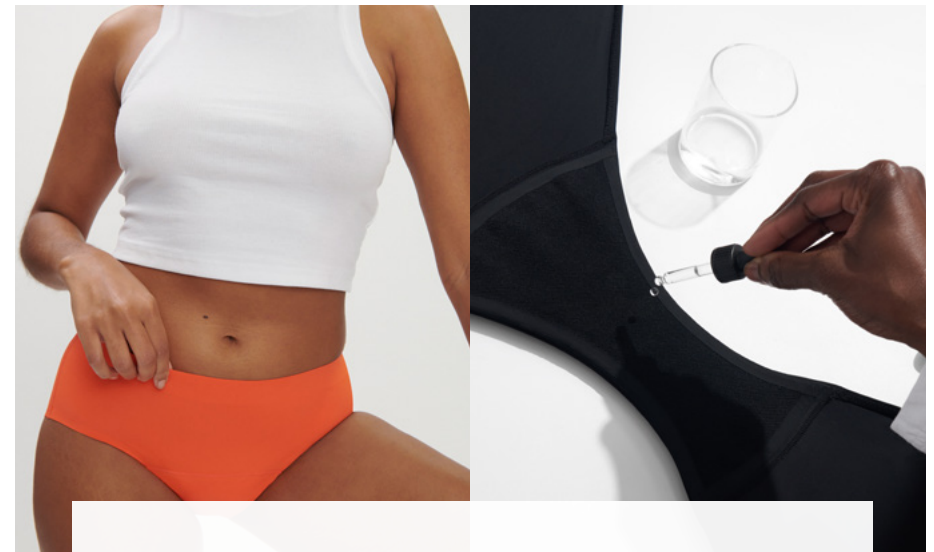
In 2022, 1.400 women visited our Women's Café in Dhaka, Bangladesh



Our WE Women management system programme has now been rolled out to Turkey in addition to Bangladesh and India; this enabled us to reach an additional 3.000 people across 8 factories (2.000 of them being women).



Together with our customers, we have contributed 19,3 MEUR for cancer research through our partnership with the Pink Ribbon Campaign and the Cancer Foundation.



We launched a new brand called Female Engineering, which offers high-tech, innovative, reusable period underwear, crafted by carefully selected, top performing manufacturing partners.



Female health and wellbeing

We believe that nothing is more valuable than health. Health is the critical precondition that must exist before any other meaningful work can be done in terms of economic or social empowerment. This is why women's health is at the core of Lindex's activities that aim to support and empower women. Many of our activities align with SDG #5, gender equality and SDG #6, clean water and sanitation, and we use our position and our business power at the intersection of these topics to make a tangible difference to women's health and wellbeing. This may take the form of our WASH programmes, providing access to water and sanitation facilities in underdeveloped communities where women and girls are disproportionately impacted by the lack of these services. Or it may take the form of products and services to ensure the continuity of women's achievements at home, at school, and at work during menstruation, a time that can present social, physical, and logistical challenges for many women and girls around the world. Whether through femtech or facilities, we are investing in women, and using our platform to improve women's health and wellbeing across the markets and the communities in which we operate.

FemTech

Femtech is the use of technology and engineering with the aim to make products and services to improve women's wellbeing and health. Investing in femtech is a very natural move for Lindex and is in line with our higher purpose and our promise.

Female Engineering

We have channelled our investment in femtech into the creation of our new brand called Female Engineering, whose innovative products with patented technology improve women's well-being throughout all the various stages of life.

The Absorbent Hygiene Product Manufacturers Association in the UK estimates that a woman uses around 11,000 sanitary products during a lifetime. With Female Engineering, we believe there is a better way. We created Female Engineering to address women's wants and needs while also promoting sustainable consumption and replacing disposable products.

Environmental and social sustainability form the core of Female Engineering, which offers high-tech, innovative, reusable period underwear, crafted by carefully selected, top performing manufacturing partners.

Female Engineering prioritises recycled and organic materials, and certifications from RCS Global Recycling Standard, OEKO-TEX Standard 100, Bluesign®, and OCS Global Recycling Standard are represented throughout the collection. All products are free from PFAS (see more on page 58), and we publish supplier information as well as the carbon footprint for each product.

Above all, Female Engineering's products bring together the best of innovation, science and engineering to reinvent female freedom. Through our scientists, creators and innovative partners, we play a crucial role in improving everyday life for each and every person with a female body.

Spacerpad AB

Lena Berglin and Karin Högberg are two women inspired by a higher purpose. They have combined forces and built upon Berglin's PhD in Interactive Textiles and Högberg's PhD in Nursing Science to launch Spacerpad AB, a start-up company that exists to fight menstrual poverty and promote sustainable consumption. They have developed a completely new and innovative reusable sanitary pad, inspired by a menstrual cup, which is in the process of being patented. The ambition is to partner with NGOs to bring their products to low-income countries and enable as many girls and women as possible to emerge out of period and incontinence poverty. We are inspired by their purpose and their creativity, and we saw a clear synergy between Lindex and Spacerpad. In December 2021, Lindex acquired 50.1 per cent of the shares in Spacerpad AB and we will continue to support the company in their ambition and purpose moving forward.

WaterAid

We have made a promise to future generations that we will be a water responsible company, and we have also made a promise to empower women. Our collaboration with WaterAid to improve access to clean water and sanitation around the world is a powerful part of keeping both promises.

Lack of access to clean water is a silent disaster for women and girls, stealing their time and limiting their future opportunities. Rather than attending school, going to work, or engaging with their communities, women and girls are the ones who spend countless hours collecting water. Reliable access to clean water and sanitation can change the lives of millions of women and girls around the world.



This is why we partnered with WaterAid to deliver a programme in Bangladesh called 'Addressing WASH crisis in low-income settlements of garment workers in Mirpur'. The project was incredibly powerful for young women particularly: it helped to build their confidence, protect their health, increase their knowledge, keep them engaged with school, and helped many to develop a stronger voice within their communities.

Specifically, through this programme we were able to improve sanitation facilities, with a special focus on women and girls, and their specific needs. At the time of reporting, we have been able to renovate or construct 20 improved sanitation facilities in communities of RMG workers and their families. These facilities reached 1.248 people (526 women, 722 men) with increased access to improved toilet and shower facilities, segregated for women and men. These facilities also ensured space for menstrual hygiene management (MHM) in at least one of the female chambers in each community, enabling women and adolescent girls to manage their menstruation and hygiene in privacy and with dignity. In addition to improving the facilities, this project increased the number of toilet chambers where possible. As part of WaterAid's standard practice to ensure local ownership and sustainability, the communities have been mobilised to contribute financially towards the construction of WASH facilities. To further ensure local ownership, WaterAid included the users of the facilities, especially women, during the planning for them, considering their needs, comfort, and safety.

Cancer Foundation

Together with our customers, we have contributed 19,3 MEUR for cancer research through our partnership with the Pink Ribbon Campaign and the Cancer Foundation. We are also working to raise awareness about prevention and breast health, and we are giving a voice to survivors who want to share their journeys. From getting diagnosed with breast cancer to getting a new perspective on life. Our 'Real talks' platform is a place to learn the intimate stories from women who know what it's like. Learn more [here](#).

Gender inclusive workplaces

Women deserve the same opportunities to develop their potential as men and this is why we work with our suppliers try to create a work environment that is as supportive to women as it is to men. However, there is still a long way to go; while most garment workers are women, the majority of the leadership roles are held by men. The concern is that these men in leadership roles may create an atmosphere that reflects their worldview, which may reinforce gender inequities. Our goal is that

the gender breakdown of leadership positions within factories reflects the gender breakdown of the industry overall. We want to see more women in positions of leadership, creating an atmosphere that supports their predominantly female colleagues. And we want them to be able to see themselves progressing in a career in the RMG sector.

Goals

By 2025, Lindex's suppliers who stand for 80 per cent of our production have completed our Women Empowerment programme and sustained the learnings

WE Women management system programme

Together with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), we created the WE Women Management System Programme in 2017 as a public-private partnership. The goal of WE Women has been to reduce the gender gap in management positions by giving women opportunities for skills training and mentorship. At the same time, we are raising the level of gender-issues awareness and knowledge among management, with a focus on women's health and closing wage gaps. This is how we are shifting cultural norms and improving gender equality.

We are convinced that the WE Women by Lindex approach is making meaningful change for women in Bangladesh. So now we are rolling this management system out to all garment suppliers in our global supply chain. So far, we have reached Bangladesh, India and now in 2022 Turkey became the most recent market to begin working with the system.

77%

Number of workers that are covered by WE Women in tier 1.



Due to the impact of the Covid-19 pandemic, in 2022 we also conducted a refresher course in Bangladesh to widen the group of trainers. Additionally, we have started a project with five of our suppliers in Bangladesh where special lines will be created with only female workers and supervisors. This will enable us to test whether women think the working environment is improved if it is only women working and they have a female supervisor. Secondly, we will study the impact of this change on efficiency.

We have also shared our approach so that other brands and factories can apply it as well and ensure long term impact. By sharing the results of WE Women with other buyers and business associations, we are mainstreaming this powerful approach for addressing gender issues on a larger scale across the industry.

WE Women and women's health

WE Women includes a robust health management system where female health is embedded in policies to address specific needs for women. Through this programme, we have been able to provide for the following health-focused services and tools:

- Regular health check-ups and surveys to find need-based focus areas,
- Sex-disaggregated data,
- Capacity building for peer educators to sustain the learning and sharing,
- Vaccination campaigns for hepatitis and cervical cancer started in Bangladesh and India,
- Mental health counselling & stress management,
- Basic learning on personal health hygiene, menstrual hygiene, and safety,
- Free sanitary napkins in all tier 1 factories in Bangladesh,
- Reproductive health education on sexually transmitted infections/reproductive tract infections, antenatal/postnatal care, cervical cancer and family planning,

- Mandatory attendance for husbands in monthly factory-based maternity meetings focused on teaching pre- and post-natal care,
- 30 minute breaks for breast feeding & pumping during the work day,
- Pumping facilities, and
- Supplementary nutritious food for all pregnant and lactating women.

Mousumi Akter is a Quality Auditor who leads a team of about 70 men and women. She says that the WE Women programme helped her “create the confidence in my soul to do something for myself as well as my child.” She also believes that the women on her team will become successful leaders one day as well.

Women's café

As a community outreach component of the WE Women Management System Programme in Gazipur, in 2019 Lindex started running Women's Café together with a local, female-led women's rights organisation called KarmojibiNari.

Many women meet here after work on Fridays or in the evenings during the week. All are welcome, not just women who work at Lindex's partner factories. They gather to build community, to learn new skills, and to get help when it is needed.

Women who come to the café have shaped the activities and services offered there, and at their request the café provides training on literacy, sewing, and a space for peer education focused on computer skills. There are two computers and two sewing machines available for use, so women can practice their skills or train their peers.

Rina Akter, who also participated in the WE Women programme, was promoted from operator to supervisor to Line Chief during her 12 years. She credits her work skills, her husband, and the support of her colleagues and superiors at work for her advancement.

In addition to offering a hub for socialising and training, the café also works as a grievance channel—for both work-related concerns and broader social problems. Workers can log work-related complaints through the café, and we try to help solve the issues; this can be very effective if the issue concerns a factory where we have production. The Lindex Women Empowerment Manager and our social team will follow up on factory-related problems by approaching and talking to the factory management until the problem has been solved. Typical problems to solve in the factory relate to leave and compensation. For problems outside of the factory, there is legal counselling to be had in the café.

In 2022, 44 women and 9 men sought counselling support through the café for reasons unrelated to work. An additional 38 women and 9 men used the formal grievance channel for factory-related concerns.

Women's Café has been a successful approach, and it has become popular among local garment workers. In 2022, there were 1,400 women and 270 men who visited the café, for a total of 1,670 people.

In 2022, another brand was inspired by our Women's Café and it opened up a café of its own. There are additional brands who are expressing interest in the idea as well, and we are looking for ways to collaborate with one another.

Case study: Paramount Products

Working in close and long-term collaborations with our suppliers enables us to commit to one another in terms of support, investment, and long-term improvement projects. Our WE Women programme is one example of this where we educate our suppliers' factory management in gender equality. Paramount Products is one supplier that has successfully undertaken Lindex's WE Women programme and is now taking further steps to improve working conditions and give everyone equal opportunities.

Empowerment as a business responsibility

With more than 7,000 employees, and a minority being women, Paramount has made social sustainability and women's empowerment a core part of its business values. This is also an important part of its business decisions and day-to-day operations. By identifying and recognising the needs of the most vulnerable within the workforce, Paramount is able to provide the support needed.

“Ensuring minimum wages, taking care of our workers' rights, and providing them protection against all forms of discrimination and exploitation are the basic minimum requirements. However, in order to ensure true empowerment a stronger commitment is required. And we believe that through business we have an opportunity to change the lives of this vulnerable group,” says Sumit Mahajan, Executive Director at Paramount.

WE Women as a steppingstone

Creating awareness about gender and social issues are key factors in Paramount's work towards ensuring empowerment among workers. One way in which Paramount works to break the deeply rooted mindset around gender stereotypes is to continuously provide all employees with awareness training on gender issues.

In 2021, Paramount implemented Lindex's WE Women programme and has since educated all employees on gender issues and how to have an unbiased approach to gender. This is a starting point of their journey towards empowerment.

“Lindex's WE Women programme has played an important role in our journey towards a gender inclusive business. Thanks to the programme, we have been able to transform our commitment into strategic actions and have made gender a cross-cutting theme across business functions influencing all our business decisions. As a result of the programme, we have gotten the tools to continue the work within this area and have initiated new projects that will help us improve even more,” says Sumit.

A gender inclusive business approach is only one part of Paramount's way towards empowerment. To amplify their efforts, Paramount has implemented two major internal projects; Sehat (health) and Mukta (liberation).

- **Project Sehat** aims to ensure the health and well-being of all employees, so that they can contribute according to their best abilities. The project provides promotive, preventive and curative health services to all workers irrespective of their gender. The project covers a wide range of diseases under both communicable and non-communicable categories like diabetes, tuberculosis, Covid-19, anaemia, hypertension, mental health and malaria.
- **Project Mukta** aims to liberate and empower female workers towards a more fulfilling life through workplace-based-interventions on sexual and reproductive health, financial inclusion, and gender equality. The project provides free sanitary pads to workers, along with health education on important topics like menstrual hygiene, family planning, care during pregnancy, STI/RTI and safe abortion. Through their efforts they have been able to reduce attrition and increase in the number of female workers, while also seeing better performance and higher job satisfaction. The gender inclusive approach has facilitated an increase in the number of female supervisors across all factories.

Increased performance and well-being

There is much to gain working with social sustainability and women's empowerment, not only from an ethical perspective but also from a business perspective. Something which they see direct effects from.

“We believe that healthy, happy, and empowered employees are a prerequisite for business sustainability. Through our empowerment work we have gained trust of our workers, a sense of belongingness and a higher commitment towards work which is reflected in better productivity and efficiency. From a business perspective it has also contributed to improve our image and reputation as a company among our business competitors and peers,” Sumit continues.

Support through commitment

Behind the success lies commitment to a long-term vision with a strategic approach to the work process. Through careful planning with internal stakeholders, analyses, understanding of challenges, and continuous monitoring and evaluation of the strategy, Paramount is able to make necessary adjustments along the way.

“It's important to bring everyone along the way and to put in efforts to empower those who are lagging. As a result, we have learnt to put more emphasis on equity than equality. Along with a strong commitment a system-driven approach is required so that the intention can be established and converted into greater results,” Sumit explains.

Paramount's consistent work with empowerment has led it to where it is today, committed to making a difference. With a workforce of more than 7,000 employees, building the same understanding and commitment across the organisation has proven to be challenging. But with persistent work through continuous trainings, awareness sessions and counselling, Paramount keep involving and engaging more and more employees in the matter. This is an important step in their efforts towards increasing the representation of female workers in the factory across all job roles.

Factory name: Paramount Products Pvt Ltd.

Location: India

No. of employees: 7,000

Lindex partner since: 2008

Impact summary

| Project | Country | Number of factories | Implementing partners | Number of people |
|---|---|----------------------------|-----------------------------|---------------------------|
| WE Women 2017–2021 | Bangladesh | 42 (31 Lindex + 11 GIZ) | GIZ, NRT, BSR | 100.000 (59.000 women) |
| WE Women 2019 | Myanmar | 5 | Sequa, BSR | 5.000 (4.000 women) |
| WE Women 2019–2021 | India | 9 | Swasti | 11.000 (7.000 women) |
| WE Women 2022 | Turkey | 8 | Müdderis | 3.000 (2.000 women) |
| HERhealth 2012–2018 | Bangladesh, Pakistan, India, Myanmar, China, Cambodia | 20 | BSR, Change Associated | 42.000 (20.000 women) |
| HERfinance 2016–2019 | Bangladesh | 7 | BSR, Swiss Contact, Sarathi | 18.000 (11.000 women) |
| Women's Café | Bangladesh | 1 café | Karmojibi Nari | 1.670 (1.400 women) |
| CottonConnect 2019–2021 | India | | CottonConnect | 350 |
| WaterAid 2019–2022 | Bangladesh | | WaterAid | 7.000 |
| WaterAid 2019–2022 | Myanmar* | | WaterAid | 4.000 |
| WaterAid 2022 | Bangladesh | | WaterAid | 3.500 |
| Bangladesh Accord on Fire and Building Safety | Bangladesh | 31 (all) | Accord, RSC | 42.000 |

*This project ended prematurely because of the military coup in Myanmar



Respect the planet

Climate change represents the biggest environmental crisis of our time, and we are adding our voice and our actions to the momentum for a transformation of the fashion industry. Above all, this must be a circular transformation, and we are working within our own operations as well as within our supply chain to transition to renewable fuel sources, to push for innovative and resource-efficient processes, to eliminate hazardous chemical use, to safeguard our waterways and to extend the life of our products. We continue to make progress against our goals, which have been updated in 2022 to reflect our clear prioritisation of addressing the climate crisis, transforming our business to a circular model, and protecting our natural resources.

Achievements

Here are some examples of things we are proud of related to our focus area 'Respect the planet':

We expanded our kids' second-hand pilots from selected stores to additional online and pop-up stores.

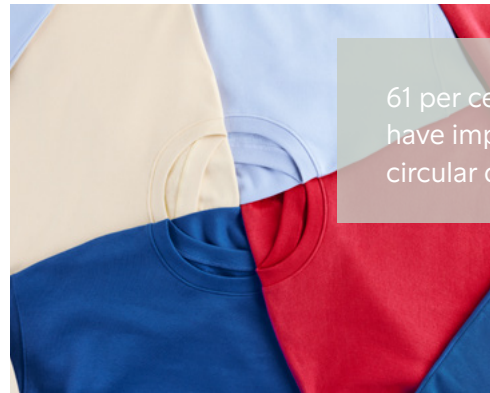


Total emissions from our own operations is down 58 per cent compared to our baseline calculations.

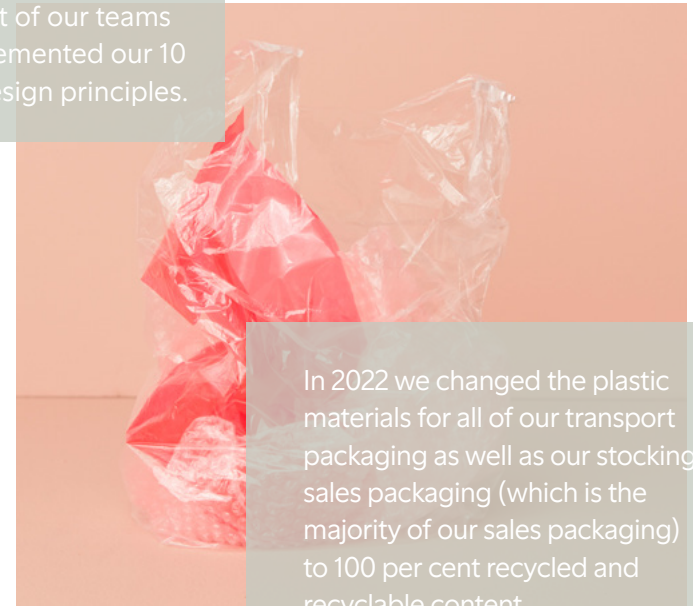
As part of our pilot with Södra, and our commitment to circularity, we booked 250 tonnes of OnceMore® material made from post-consumer textile waste blended with inputs from responsibly managed forests. This has been integrated into our supply chain where it is being made into about a million garments that will be available in stores at the end of 2022 and throughout 2023.



61 per cent of our teams have implemented our 10 circular design principles.



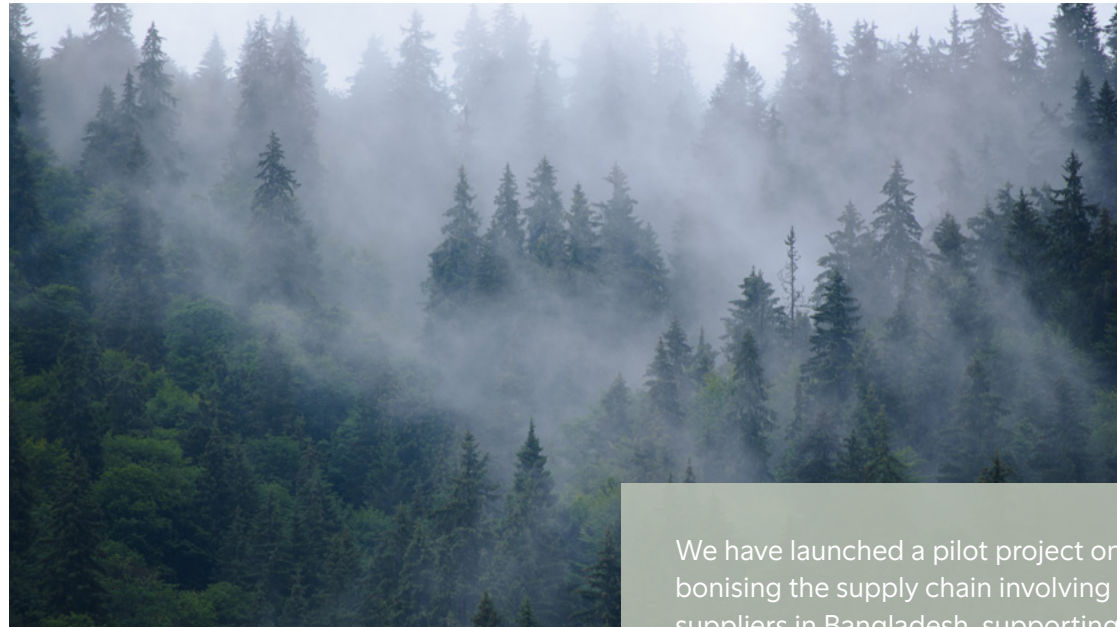
In 2022 we changed the plastic materials for all of our transport packaging as well as our stocking sales packaging (which is the majority of our sales packaging) to 100 per cent recycled and recyclable content.



We have launched a new recycled fibres goal, and a roadmap for achieving it. Our aim is that by 2026, 70 per cent of our products include at least 15 per cent recycled fibres.



We have reduced energy consumption in over 120 of our stores, saving an average of 30 per cent in each.



We have launched a pilot project on decarbonising the supply chain involving five key suppliers in Bangladesh, supporting them with assessment and accurate roadmaps to reduce emissions in order to support our goal of a 50 per cent emissions reduction.

Lindex, via the Stockmann Group, has committed to the Science Based Targets initiative; we expect to submit data-based targets for approval before October 2023.





Climate and structural change

We are facing a climate crisis along with biodiversity loss at an alarming rate. We know that global warming beyond the limit of 1,5 degrees Celsius will put humanity's core needs at risk, and that women will bear the brunt of these challenges.

The only way to address the crisis is through transformational change; business as usual with sustainability on the side is no longer an option. While we have spent over 65 years optimising our current business strategy, we now have to summon the courage and the creativity to set this aside and challenge ourselves to design a new approach that places our purpose, our promise, and the realities of the climate crisis front and centre.

Lindex has set the climate goal, in line with science, to achieve a 50 per cent reduction of CO2 emissions by 2030. Being successful will require that we integrate this goal, and all the necessary steps to achieve it, within the overall Lindex business strategy. While we will be taking action in nearly every aspect of our business, there are a few

cornerstones this strategy will build upon and these are the actions that we are currently taking;

- including energy efficiency and renewable energy in our supply chain (see pages 44 and 46),
- exploring and scaling circular business models (see page 48),
- prolonging the lifetime of the garments we sell (see pages 47 and 50),
- and integrating our climate goal into our strategic sales plan as well as our growth strategy.

We have already learned that producing less, decreasing our sales promotions, and increasing full price sales will be key components in our approach. We are confident that the combination of our preparation, our out-of-the box thinking, our data-based modelling, and our commitment to our promise will enable us to reach our climate goal while growing, staying profitable, and continuing to create opportunities for the people within our value chain.

Goals

- By 2023, we are climate neutral in Lindex's own operations
- By 2030, we have achieved 50 per cent reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline)

Taking climate action

In practice, reducing our climate footprint means we must examine our material choices, our suppliers' production processes and energy sources, our transportation systems, and our customers' use and disposal habits. Our approach to taking climate action starts with looking at our own operations to see how to minimise greenhouse gas emissions in our day-to-day activities as we work towards our goal to become climate neutral by 2023 in scopes 1 and 2. But our efforts don't stop with our own operations; our greatest opportunity for creating positive change is to reduce the climate impact of our value chain, from raw materials to garment production. This is where about 67 per cent of Lindex's carbon footprint is determined (excluding transportation).

Data collection and measuring impact

Our approach to reducing the climate impact is based on data collection and measurement. Collecting and verifying data throughout our value chain is a real challenge, and climate data collection requires an extra critical eye: we need to remain critical of the data we receive, and conduct constant verification and assessment.

Throughout the value chain we rely on data that we get from partners such as travel agencies, transport providers, suppliers etc.

Our current calculations are based on a mix between generic data and real data, and we are committed to continually increasing the share of real data as we improve our access and our verification processes.

This is an ongoing journey, and as we replace generic data with actual figures, we must also re-calculate our baseline figures. So far, we have replaced generic data with real data from tier one suppliers that cover 70 per cent of our order quantity. Of these, 35 per cent are vertical operations, so here we include wet processes such as printing and colouration, and/or knitting.

Climate action Scope 1 and 2

Own operations

On our way to our goal of being climate neutral in our own operations by 2023, we have taken several major steps over the past year. For example, we are now sourcing renewable energy with 'guarantees of origin' for all of our electricity needs within our own operations, including our stores,

Science Based Targets initiative (SBTi)

Lindex's owner, Stockmann Group, has committed to the Science Based Targets initiative and we are currently calculating our total climate balance as a group. The targets will then be set during next year and submitted to SBTi for assessment and approval before October 2023.

offices, and warehouses globally. We are investing in transitioning halogen lights in our stores around the world to LED lights as part of a project we started in 2020 which is dedicated to lowering energy consumption in our stores. We work through 50-60 stores per year, and at the end of 2022 we have reached over 120 stores, reducing energy consumption by an average of 30 per cent in each.

Climate action in scope 3

Business travel

Our business travel is up 305 per cent for 2022 compared to 2021. This is primarily because we have resumed some traveling after a drastic reduction in recent years due to the global Corona situation. However, the emissions impact of this travel is still well below what it was prior to the pandemic. Emissions from business travel in 2022 is still down 60 per cent from our baseline year in 2017. We see a future where business travel will increase slightly from 2022 levels, enabling us to meet with colleagues and suppliers in other countries, but most likely this travel will continue to be moderate in comparison to pre-pandemic years.



Transport

Fashion is a global industry, and transporting our products represents a significant part of our total carbon footprint. We know that air freight has a negative climate impact and so we only use this mode of transport in exceptional cases. In 2021 this was almost 5 per cent of our volume, but in 2022 we were able to bring this down to 0,4 per cent.

This reduction comes from increasing stability within our production markets compared to 2021, when the pandemic presented challenges to both production and distribution. Additionally, as part of our emissions reduction plan we are making intentional business decisions that will continue to reduce the need for air freight.

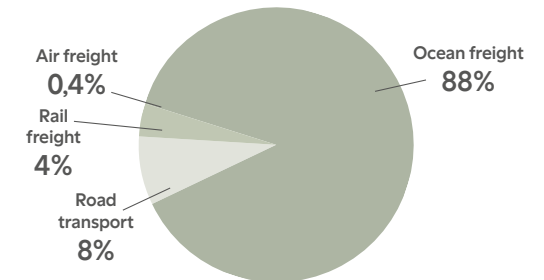
Compared to the major impact of air freight, sea freight has a much smaller footprint, so this is our preferred and most commonly used route. As of July 2021, we switched to 100 per cent biofuels for all of our transportation by boat through DHL Global Forwarding's GoGreen Plus service.

For 2022, we fuelled the majority of our outbound transportation with hydrotreated vegetable oil (HVO) biofuel—this is a repurposed waste product from the agricultural and food service industries, and it is a renewable alternative to diesel fuel.

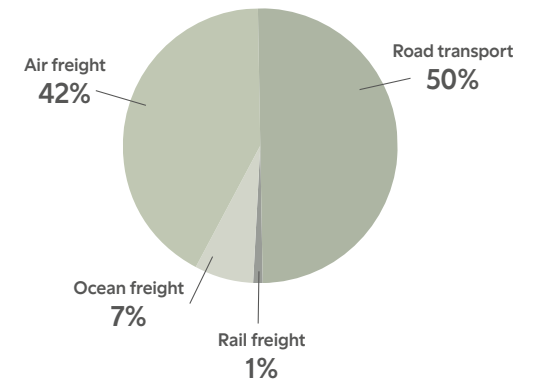
How we achieve efficient transport at every step

1. Smart product distribution to avoid additional transport among stores.
2. Combine transport with other companies in the same shopping centre or area.
3. Fully load all shipments: We regularly measure and follow up on the loading efficiency in containers and filling degree in the boxes for shipments from production to our distribution centres, and at our distribution centres.
4. Customer returns connected to our e-commerce can be made in our stores; about 70 per cent of all returns are made in our stores and not sent back to our warehouse.

Share of transport mode by order volume



Share of transport mode by emissions





Supply chain and production

In order to improve the climate footprint of our business, we must take a variety of different approaches across the lifecycle of each product. Shifting toward more recycled and more sustainable fibre is just one part of the puzzle. As the “Average emissions in garment manufacturing per stage” chart shows, we need to focus on the production and wet processing of fabrics (tier 2) as well as the production of garments in order to efficiently reduce emissions in supply chain. This includes reducing energy (especially from heating, such as heating and cooling water for all wet processing) and shifting the source of energy used for electricity and heating to renewable sources instead of fossil fuels.

For us to move forward it is important that suppliers are engaged and motivated. That they have an ambitious target in line with Lindex goal and science to keep below 1,5 degree trajectory. It is also important that they develop an accurate action plan and roadmap how to reach the target and we also need them to drastically pursue the shift to renewable energy.

Many of our suppliers are long-term partners and we have worked to develop sustainability projects together for many years. We are continuing to build on these relations, supporting suppliers with trainings and pilot project. For example we are engaging suppliers in an online course developed by GIZ and the UNFCCC where manufacturers can learn the impact of climate change, how to set a target, measure and account for greenhouse gas emissions and implement actions to cut the emissions. We are also doing hands-on projects engaging consultants to develop accurate action plans for selected suppliers (see the project on page 46).

However, with some suppliers we do not have business leverage, especially where we don't have any direct business contact or commitment since they are further down the supply chain. In these cases we need to understand their intrinsic drive, goals and roadmap to make sure they are keeping the pace we need to keep our goal.

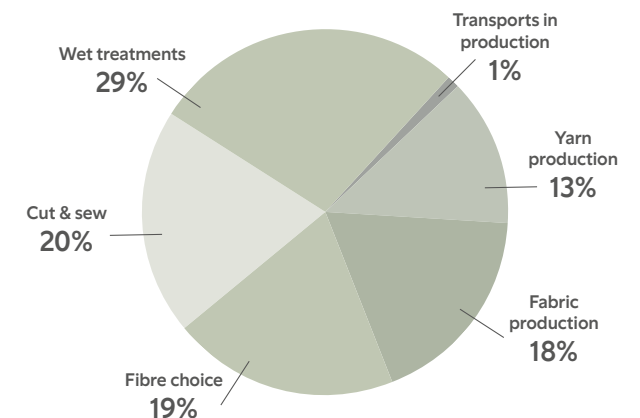
Through our environmental scorecard we are measuring the performance of our suppliers in terms of target setting, development of action plan and a shift to renewable energy as a source. So far we have included tier 1 and vertical suppliers in this follow-up but we are working on getting all tier 2 suppliers included in our scoring.

Collaborating for climate impact

Using the UN Sustainable Development Goals as our guiding framework, we have aligned our strategy with Goal 13, climate action.

Lindex is a member of STICA, the Swedish Textile Initiative for Climate Action, where brands are coming together to reduce the climate impact of the textile industry. Within STICA, we work together to set science-based targets and plans for GHG reductions in line with limiting global warming to 1,5 degrees Celsius, and we report on our progress on a regular basis. Learn more about STICA [here](#). The network report is available [here](#).

Average emissions in garment manufacturing per stage



Emissions overview 2022

After several years of interruption due to the global corona situation, in 2022 our production and sales volumes rebounded to more typical levels. We are pleased to show that even though we made and sold a greater number of items in 2022 compared to 2021, we managed to slightly reduce our emissions (by 0.2 per cent), meaning that emissions per piece is down.

Compared to our baseline year of 2017, we have decreased our emissions across the board, ultimately achieving a 25 per cent total emissions reduction excluding customer use phase. The total emissions figure increases slightly when customer use phase is included since this is directly linked to the increase in sales numbers,

and customer use phase includes assumptions about customer travel to and from stores.

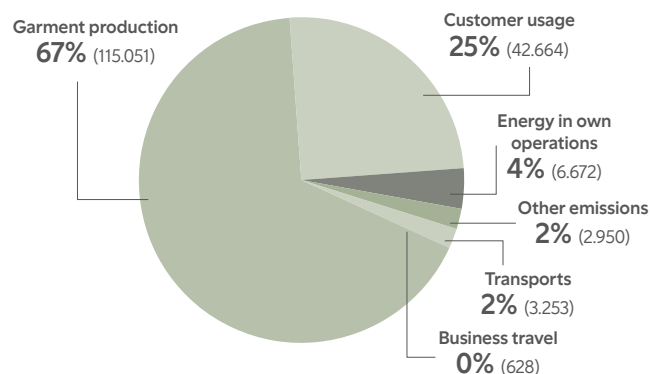
We have achieved this reduction through actions within our own operations, as well as work with our supply chain partners. We have also significantly reduced our air freight and improved the footprint of transport, which is part of the 22 per cent reduction for Scope 3.

All of these actions bring us closer to our 2030 goal of achieving a 50 per cent reduction of CO₂ emissions in Lindex's total value chain (compared to our 2017 baseline).

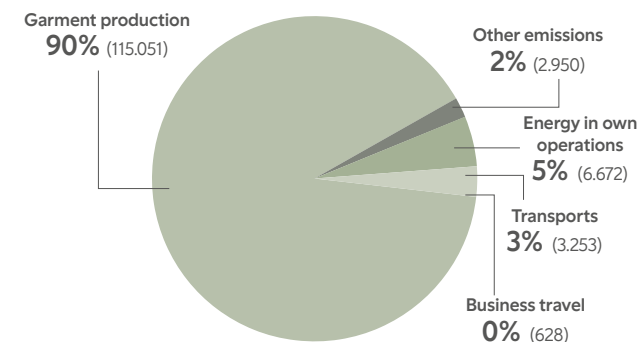
| Ton CO ₂ e (market based) | 2017 | 2018 | 2019 | 2020* | 2021* | 2022 | Change 2022– 2021 | Change 2022– 2017 |
|---|----------------|---|----------------|----------------|----------------|----------------|----------------------|----------------------|
| Scope 1 | 211 | No calculation of ton CO ₂ was made for 2018-outcome | 219 | 197 | 136 | 188 | 39% | -11% |
| Scope 2 | 13.861 | | 10.926 | 10.605 | 5.764 | 5.725 | -1% | -59% |
| Own operations | 14.072 | | 11.181 | 10.802 | 5.899 | 5.913 | 0% | -58% |
| Scope 3** | 158.000 | | 138.108 | 116.379 | 122.868 | 122.641 | 0% | -22% |
| Total emissions excluding customer use phase | 172.072 | | 149.289 | 127.181 | 128.767 | 128.554 | 0% | -25% |
| Total emissions including customer use phase | 218.243 | | 183.798 | 157.676 | 169.826 | 171.233 | 1% | -22% |

*2020 and 2021 have been recalculated in 2022 due to improved data quality **Scope 3 has been recalculated to exclude customer use phase

2022 emissions per category incl. customer use phase, ton CO₂e



2022 emissions per category excl. customer use phase, ton CO₂e





Supply chain project

In line with the approach described above, this year we ran an assessment with five of our key tier 1 and 2 suppliers in Bangladesh to support them in creating action plans to move us toward our goal of a 50 per cent emissions reduction in a cost-effective way. Another aim was to start building a library of these actions so we can share the learning throughout our supply chain. Furthermore, this helped us to better understand which suppliers are on the trajectory of drastically reducing emissions at the pace needed.

Consultants were engaged to calculate baseline performance, support goal-setting, create a roadmap with actions, identify relevant costs and ROI and determine the timeline and roll-out plan. Dialogue in support of this project also included other brands working with these same suppliers to enable broader collaboration.

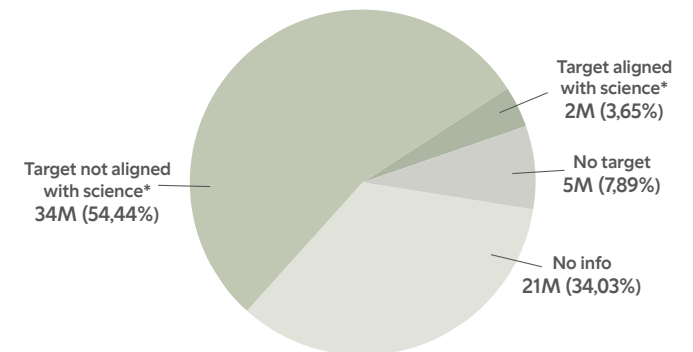
This project allowed us to discover that we can cost-effectively reduce up to 20-30 per cent of emissions over just a couple of years. We are also understanding that the gap to reach 50 per cent is mainly due to lack of technology and access to renewable energy sources across the country.

To overcome these structural challenges, we are engaging in a partnership with the embassy of Sweden in Bangladesh, together with Swedish brands H&M and IKEA, along with the Nordic Chamber of Commerce and Industry and the Sweden-Bangladesh Business council in an initiative called “Sustainable Fashion Platform”. In the initiative we work both on technology solutions matchmaking as well as policy dialogue to tackle issues such as the infrastructure for renewable energy.

The next step will be to use the learnings to build accurate roadmaps for our tier 1 and 2 suppliers in Bangladesh and India. And we will continue to build on this knowledge and project experience for our other production areas, taking into account each country's individual challenges.

The results of this project will also feed back into Lindex's overall climate roadmap and our short- and long-term goals.

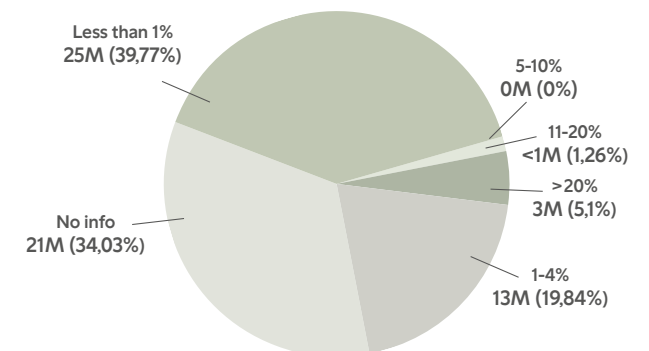
Share of order quantity by suppliers' emission reduction



This includes all the tier 1 and vertical suppliers we have worked with 2022.

*scientist tell us we need to halve our emissions every decade in order to limit warming to no more than 1.5 degrees. Source: IPPC.

Share of renewable energy based on order quantity



This includes all the tier 1 and vertical suppliers we have worked with 2022.

Circularity

Over the past year, we have undergone a transformational change as we continue to become a business that creates value and growth while decreasing our climate impact and our use of natural resources, while working in parallel to impact consumer behaviour to reduce over consumption.

This change is important because transforming to a circular economy is a necessary strategic response to planetary pressure; it also presents new business and economic opportunities. Our aim is to minimise impact as well as maximising value and growth for every product produced. Examples of this approach would be focusing on full price sales and offering resale items to keep products moving through multiple second-hand loops.

Moving forward, we have updated our sustainability promise to reflect this more specific and more ambitious target.

Beyond our own business model, we are working to cultivate an economy that is restorative and regenerative by design. This means finding ways to keep products and materials constantly at their highest value. And this system change requires us to examine circularity from multiple angles: circular products, circular supply chain and circular customer journeys.

- **Circular products:** Lindex products will be designed for a maximised lifetime, to be sold several times and made from recycled and regenerative materials that can be recycled back into the system.
- **Circular supply chain:** Lindex's supply chain will keep products and materials in circulation. Suppliers will use resource-efficient production processes, they will be powered by renewable energy, their operations will be free of hazardous chemicals to ensure safe products and materials, and they will partner with us to enable re-use and recycling of our products.
- **Circular customer journeys:** Lindex will increase the use, active wear and lifetime of every product with extended offerings such as care, repair and re-commerce, as well as empowering and transparent communication to support sustainable consumption and lifestyle.

Circular products

Decisions made at the product level set the preconditions for both a circular supply chain and a circular customer journey. Design choices impact materials, production processes, product lifetime, use patterns, and end-of-life opportunities. Our focus is on creating products that are made from recycled or regenerative materials, designed for longevity where they can have a long lifetime in a customer's wardrobe before being resold and then ultimately being recycled back into the system.

Ten design principles

Our focus in 2021 was on introducing and piloting our new ten design principles. However, for 2022, our goal was to get all teams and product groups testing and working with these design principles, and optimising the approaches for each type of product; there is not one approach that fits all product groups or products, but rather it is a puzzle of matching the right strategy with the right product.

This has involved a shift in mindset for everyone working within design and product development, and we've had to adjust to a new starting point, which is that sustainable design is both a prerequisite and an important enabler for the circular transformation of our business.

Design for longevity:

The product is designed to maximise the use and active life of that product.

Principle 1. Timeless design

Principle 2. Physical durability

Principle 3. Fit and functions

Principle 4. Design for recommerce, rental or repair

Principle 5. User data

Design for circularity:

Our products use recycled or more sustainable materials and our products and materials are able to be recycled back into new materials.

Principle 6. Reused or recycled materials

Principle 7. Recyclable materials

Principle 8. Align with recyclers

Principle 9. Easy disassembly

Principle 10. Traceability and transparency



Progress report

We are aware that sustainable design is a topic under consideration as part of the emerging EU legislation on sustainable products. We foresee that expectations within this area will become clearer as the EU regulations, standards and measures are developed for our industry. Since we aim to align with this emerging legislation, we plan to set specific KPIs within the coming year.

In the meantime, however, we are measuring our progress by how many teams and product groups are involved in circular design. Our latest tracking shows that 61 per cent of our teams have started designing according to the circular design principles.

Circular supply chain

Our focus within ‘circular supply chain’ over the past year has been to create a 2030 supply chain vision where sustainability and circularity is embedded into our various strategies covering:

- materials,
- suppliers,
- long-term placing in selected production markets, and
- product flow and logistics.

The sustainable supply chain vision is built on maximising the value of every product while at the same time minimising the environmental impact as we reduce overproduction and waste while increasing resource efficiency.

How we work

There is no ready-made solution for reaching our long-term goal of a fully circular supply chain. So, we have to work in parallel, both building the roadmaps for actions that are feasible now, while also testing, piloting and partnering to develop new solutions. What does this look like in 2022, and what will our actions achieve?

Goals

- By 2025, 100 per cent of Lindex’s materials are recycled or sustainably sourced
- By 2026, 70 per cent of all products include a minimum of 15 per cent recycled content
- By 2025, our entire assortment will be designed for longevity and/or circularity
- By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams
- By 2025, all paper and plastic packaging follow our circular materials strategy

61%

of our team was already working with our design principles in 2022.

| Action | Optimise supply | Reduce overproduction | Resource efficiency in manufacturing |
|---|-----------------|-----------------------|--------------------------------------|
| We are building a new state-of-the-art omnichannel distribution centre in Alingsås that will support our ambition to simultaneously optimise supply and reduce overproduction. | x | x | |
| We are developing our nearshore production sites and improving our operations across all markets to add flexibility in our supply chain. | x | | |
| We are implementing RFID tags for the majority of our products which will be an important enabler for our circular transformation and optimisation of supplies, as well as traceability and transparency. | x | x | |
| We are collaborating with Södra Skogsägarna to close the loop and scale up recycling of postconsumer textile waste (see more below). | | x | x |
| We have launched project on decarbonising the supply chain involving five key suppliers in Bangladesh; this will enable us to create a roadmap to achieve 50% emissions reduction (see more on page 45). | | | x |

Feature: collaboration with Södra

Södra Skogsägarna, Sweden's largest forest owners association and producer of timber, paper and textile pulp, has developed a new circular raw material. OnceMore® is the world's first large-scale process for recycling blended fabrics. The process combines post-consumer textile waste with renewable wood from responsibly managed forests to produce high-quality textile pulp.

Why are we partnering with Södra?

Today there are major challenges in large-scale post-consumer textile recycling. Existing solutions are not enough. We see that OnceMore® is a material that maintains the same quality and characteristics of a viscose that our customers know and value, and the process also has the potential to scale. Today OnceMore® is being made from textile waste sourced from worn-out bed linen, but through our collaboration we will learn from each other to enable our products to enter the value stream going forward.

We are happy there are new actors taking on this challenge and want to work together to build a new circular supply chain.

What is OnceMore®?

OnceMore® is a viscose product, which is raw material that enters our supply chain at a very early stage. We as a company do not usually have agreements this far down in the value chain, but we saw this as an opportunity to help build the infrastructure for circularity. We booked 250 tonnes of raw material—a significant amount that will ultimately be used to produce about a million garments and about a third of our viscose products—and connected it to our supply chain in collaboration with our existing partners.

The OnceMore® material consists of certified forest fibre combined with a mixture of post-consumer recycled textile waste. The innovative process behind the material allows Södra to chemically transform cotton-based and even blended-fibre textile waste into another cellulose material. Compared to mechanically recycled cotton, this process gives longer fibres and opens the door to new possibilities. It is a solution that can be scaled in the industry.

The first garments became available in stores in December 2022. These garments will continue to arrive regularly throughout 2023 and will include jersey and woven products for women and kids. We will continue

to explore additional uses for OnceMore® materials going forward, and continue to replace more conventional materials like viscose with this next-generation material.

“A part of our circular transformation at Lindex includes our choice of materials and reducing our impact and dependency on natural resources. Our collaboration with OnceMore® is an important step in our circular transformation, where we want to increase the reuse of materials and reduce the use of virgin raw material. Today, there are major challenges regarding large-scale recycling of textiles where OnceMore® is an important enabler. Through our collaboration, we can contribute to a more sustainable textile industry while taking further steps on our circular journey and reducing our environmental impact.”

Annette Tenstam, Strategic Lead Circularity
& Environmental Sustainability at Lindex

Incineration

Our ambition is zero goods incinerated. Our policies and routines state that textiles from our collection in store, as well as garments with complaints and unsold garments, shall be sent for reuse and recycling. Sending garments for incineration is something we avoid to the greatest extent possible. If problems occur, we aim to salvage all safe products to prevent wasteful incineration.

Only garments that do not fulfil our health and safety requirements shall be sent for incineration. It is our obligation to ensure that those types of garments do not enter the market.

In total, 609 garments were sent for incineration in 2022.

Circular customer journeys

At Lindex, we empower our customers with services, tools and education that will enable them to take part in our circular fashion transformation and maximise the lifetime of products and materials. And we want to support our customers by offering seamless services for collection that enable reuse and recycling, while also helping them to develop habits around:

- Making informed and [mindful choices](#) for what they buy,
- Applying knowledge on proper [garment care and repair](#), and
- Extending the active lifetime of products through new customer offers such as second-hand.

Care and repair

Proper care habits and opportunities for repair can go a long way to extend the useful life of a garment. We have updated our [guidelines for care and repair](#) to further support our customers. Over the past year we also hosted several live events. One was with sustainability influencer Johanna Leyman, including her hands-on tips for sustainable consumption, care and repair. During the event she was able to promote her book “Klä barnen” which features tips and tools for making children’s clothing last. We also hosted a re-commerce event including care and repair inspiration and tips throughout selected stores in Sweden. Finally, we have increased our offering of care and repair products, such as a sewing kit, patches, and replacement straps and zippers. Find guidelines, tools, and inspiration on our website [here](#).

86% of our stores offer post-consumer textile collection.

Collection for reuse and recycling

We collaborate with charity partners to offer collection of used garments. So far, we are offering textile collection in all stores in Sweden, Norway, Finland and Lithuania covering 86 per cent of Lindex’s own stores. Going forward, we

anticipate new regulations for waste handling and collection to be in place by 2025 through the EU Textile Strategy roll-out, including extended producer responsibility (EPR) for textile waste. We await clearer directions before taking a next step so that we can align with emerging legislation.

We have also launched Lindex’s own online take-back/collection system of products for resale, so we are now working to combine these two options of handing in garments for customers.

Currently, customers can either donate items to charity, or they can hand in garments for resale in return for a voucher for every garment that we can resell. We are no longer offering vouchers for charity donations. Upon request from our charity partners in Sweden and Norway, we are also collecting only garments in good condition, able to be resold. This helps to teach customers to separate what can be resold and what needs to be recycled.

Re-commerce

As a strategic part of our long-term growth plan, we are aiming to extend our current circular customer offerings into scalable and profitable new business models. We are carefully considering the business and sustainability implications of this shift, as well as our customers’ experience, so we are taking a ‘pilot and test’ approach, where we are constantly learning and improving how we work.

2022 update: scaling up kids’ re-commerce

As the volume of products coming in through our online takeback programme has increased, we have moved out of our initial test phase and shifted the operation of the programme from our head office to our warehouse in Partille. As we prepare to scale up even further, we are now focused on increasing the efficiency in registration and sorting.

We expanded the product offerings included in our re-commerce pilot to include our full kidswear assortment, made available in selected retail stores and separate pop-up resale events. We also piloted a babywear recommerce programme online in fall of 2022.

2022 update: womenswear re-commerce expands

For womenswear we are piloting take-back in Norway with our charity partner Fretex as well as on our own with in-store collection. We are currently testing resale in two stores in Norway. We have also launched a first pilot in Sweden, collaborating with charity partner Myrorna for take-back. Garments are resold during events in selected stores.

Natural resources

Our approach to materials, packaging, water, and chemicals is governed by our new commitment to minimise our impact on ecosystems and biodiversity with a responsible and regenerative approach to natural resources. This year's pilot project with Södra (see more on page 49) has enabled us to more clearly understand and map our raw materials portfolio and assess the current risks and opportunities. We are now starting the process of planning how to best mitigate these risks, and take proactive steps toward our natural resources commitment. Read more on how our updated commitment will impact the strategy for each issue below.

Materials strategy

Our materials strategy is built around three pillars: sustainable, recycled, and regenerative materials.

When it comes to sustainable materials, the solutions and the next steps are clear, and we have a concrete roadmap for achieving our goal of 100 per cent sustainably sourced or recycled materials by 2026. As of the end of 2022, we have reached 80 per cent sustainably sourced materials. This means that 80 per cent of our garments are composed of at least 50 per cent more sustainable materials.

Recycled materials present more of a challenging picture. Some solutions currently exist, enabling us to source materials made from

recycled pre-consumer waste or upcycled PET. The roadmap for these existing solutions has been prepared and we have also added a new goal: 70 per cent of all products must include a minimum of 15 per cent recycled content by 2026.

However, for other approaches, like post-consumer textile-to-textile recycling, there are gaps in existing technology or infrastructure. The approach here is focused on piloting and engaging with our suppliers, researchers, industry pioneers and solution providers to identify and address the current gaps and also to test new solutions to gain insights on how to scale. As of the end of 2022, our textile products containing at least 15 per cent recycled material stood at 27 per cent, compared to 16 per cent in 2021.

Our newest focus area going forward is regenerative materials. A regenerative approach means ensuring we are a positive force in building soil health, enabling carbon capture and storage, and improving biodiversity and natural ecosystems. It is both a planet- and people-centred approach, emphasising the way land is used to produce renewable materials and promote a healthy natural ecosystem, while enabling people to have a healthy and sustaining livelihood. This area is new and our approach going forward is focused on exploring possible solutions.

Goals

- By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse, and recycling of wastewater in the environmental management systems
- By 2025, we have removed the release of all hazardous and toxic substances from Lindex's supply chain and promote transparency and more sustainable chemistry

Sustainable/renewable materials

All materials we use require natural resources, but it is possible to choose materials with a minimal impact on people and the environment.

We have designated these materials ‘more sustainable’ and by that we mean that the raw material comes from a renewable or recyclable source, and that the fibre is cultivated or produced using methods that have less of a negative impact on people, animals, and the planet compared to conventional alternatives.

Material Change Index

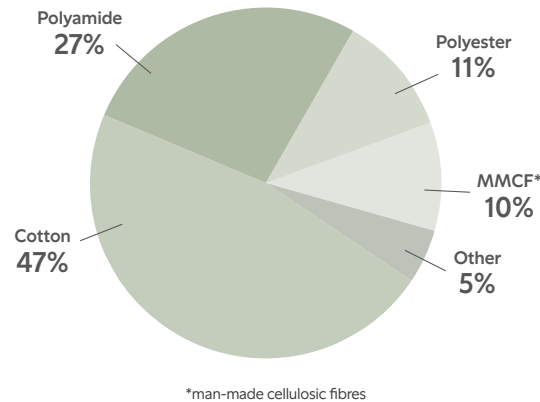
As stated by Textile Exchange: ‘Textile Exchange’s Material Change Index (MCI) and wider family of indices are the product of the Corporate Fiber & Materials Benchmark (CFMB) programme. The CFMB tracks the textile sector’s progress toward more sustainable materials sourcing, as well as its alignment with global efforts like the Sustainable Development Goals (SDGs) and the transition to a circular economy.’

Lindex was a participant in the 2021 MCI and received a Level 4 (Leading) as the overall MCI score as well as in the Cotton, Manmade Cellulosics and Wool as well as Strategy topics. This means we have levelled up from 3 to 4 in both Wool and Manmade Cellulosics. Lindex earned a Level 3 (Maturing) in Circularity and SDGs. We again participated in 2022; results are expected in March 2023. Read more about the MCI [here](#).

Recycled materials

Using recycled materials is part of our 2030 circularity strategy, where our aim is to eliminate all waste. Using recycled synthetic materials wherever possible means that we can significantly cut the footprint of our synthetic fibres, such as polyester and polyamide. This reduces the pressure on natural resources and reduces our climate impact. We are also using recycled cotton, particularly in our denim collection. All recycled cotton we buy is certified according to the Textile Exchange Global Recycling Standard or Textile Exchange Recycled Claim Standard.

Materials we used in 2022



Leading the way on cotton

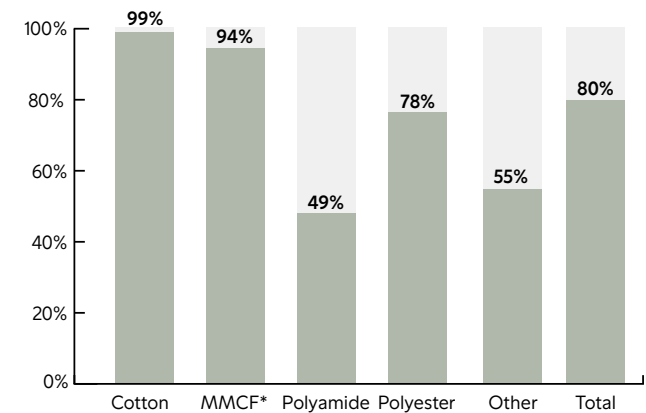
In order to decrease our dependence on both land and water use, part of our strategy involves shifting to recycled materials, as described above. While there is an important role in this strategy for recycled cotton, we still use a significant amount of virgin cotton in our portfolio.

One change to our cotton approach is that we are shifting our priority to traceable cotton, aiming for 100 per cent traceable cotton by 2025. So, we are streamlining our cotton engagements in support of this goal. Seeing that the share of Better Cotton in Lindex’s cotton portfolio has decreased over recent years in favour of organic cotton, and that our share of Better Cotton at the end of 2021 was around 15 per cent, we will no longer be focused on BCI and instead will focus on traceable forms of organic cotton, cotton in conversion or regenerative cotton.

As we manage this transition, we expect to increase the volume of conventional cotton in our collections until we have managed to fill the gap with any of above-mentioned alternatives.

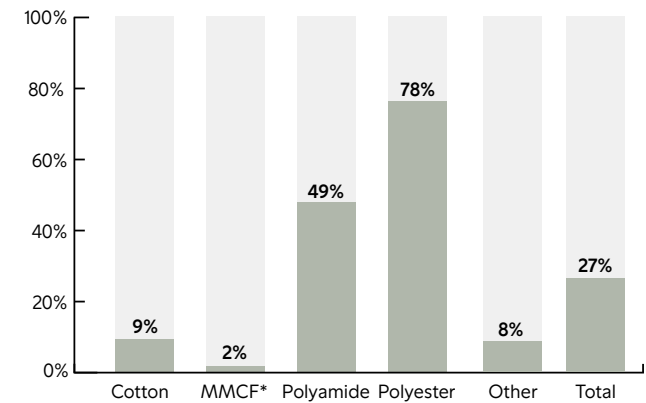
How far we have come in switching to more sustainable options

Total - Sustainable share per fibre



Products containing at least 50 per cent sustainable materials are counted toward the sustainable share total.
*man-made cellulosic fibres

Share of products with at least 15 per cent recycled content



*man-made cellulosic fibres



Circular packaging strategy

When it comes to packaging, we apply the same lifecycle impact thinking as we do for textile products, including raw material input, production and end-of-life solutions.

We are committed to eliminating unnecessary packaging, to designing for recycling and to moving towards recycled content in our packaging.

The majority of our packaging materials end up in our leading sales countries (for example, Nordic countries), which are regions of the world where both awareness and infrastructure for recycling are established. As circularity is our focus, we want to make sure the materials are recovered and recycled as a first approach, as this enables us to recover the value of the materials. We also ensure that all packaging includes information about how to recycle.

Packaging has an important function as it protects products during transportation and handling. This protective role must be weighed carefully as we consider whether removing any packing is an option. We must ensure that we do not make our products more susceptible to damage, which would create more of a negative environmental impact and outweigh the benefits of a reduction in packaging.

How we “reduce”

Over the past several years, we have worked to eliminate as much single-use plastic as possible in transport packaging, which is the majority of our plastic volume. We are now only using single-use plastic for delicate and sensitive items. Our new multichannel distribution centre will, however, pose new challenges for us in handling single garments automatically. Instead of going back to single-use plastics, we are piloting new folding methods to keep the volume of packaging used to a minimum.

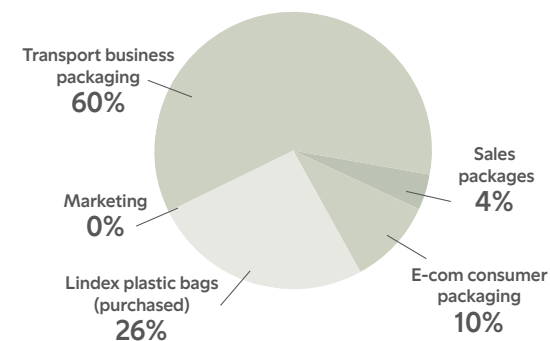
How we “reuse”

Reuse is all about planning and changing our own behaviours. In 2022 we piloted a programme to remove one-time hangers throughout our stores and replace them with reusable hangers. Our ambition is to scale up this initiative during 2023.

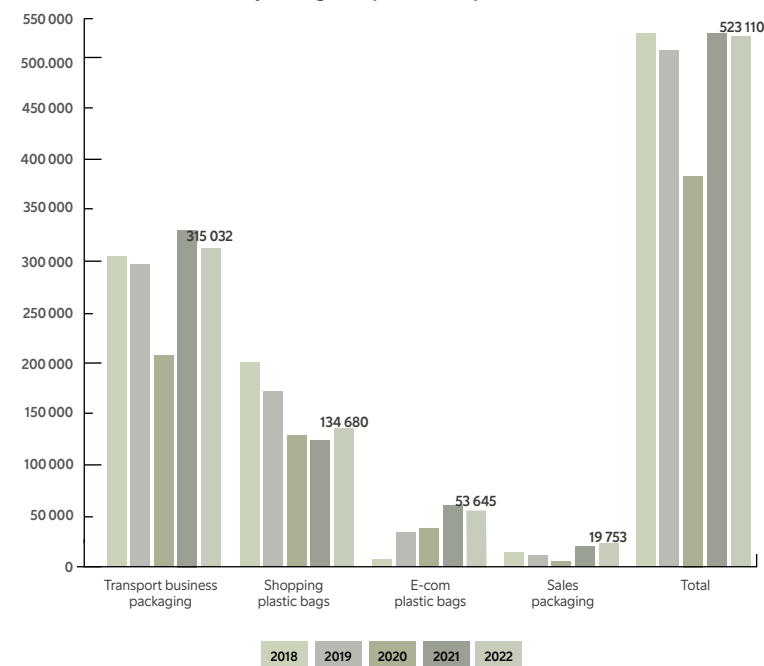
How we “recycle”

In 2022 we changed the materials for all of our transport packaging as well as the vast majority of our sales packaging (from stockings) to 100 per cent recycled and recyclable content. This covers about 98 per cent of our plastic packaging, and follows up on our previous work to change all shopping bags and e-commerce packaging to 100 per cent recycled and recyclable content.

Plastic share per stream 2022



Yearly changes in plastic use per stream



Selected figures from previous years have been recalculated in 2022 based on improvements in data quality for shopping and e-commerce bags. Cosmetics packaging has been added into the total sales packaging figure for 2021 and 2022.



Responsible water strategy

At Lindex, we think about water from both a quantity lens, and a quality lens. In terms of quantity, we must consider the amount of water that is available and prioritise access to water in farming and manufacturing communities for other purposes, such as drinking, fishing, or other forms of agriculture. We also must ensure that any water used during the creation of our products is clean and safe to be returned to the environment, which means carefully considering all chemicals, equipment, and processes used to create our products. We have taken specific actions to address both the quantity and the quality of the water that flows through our supply chain so that we can be water efficient, reduce the risk of water scarcity in areas connected to our operations, safeguard the environment and human health, and together with business partners provide access to water and sanitation in factories and nearby communities.

Additional water achievements for 2022

1. 100 per cent of Lindex employees receive basic water training.
2. 100 per cent of tier 1 suppliers receive basic training on incorporating techniques to reduce, reuse and recycle water and wastewater in their environmental management system.
3. 100 per cent of our vertical suppliers in Bangladesh, India, Turkey, Pakistan and Sri Lanka comply with local/national requirements or go beyond this to comply with a higher standard such as the ZDHC requirements on wastewater discharge.
4. 100 per cent of tier 1 suppliers grant access to clean water and sanitation for workers as verified by social audit (SMETA).

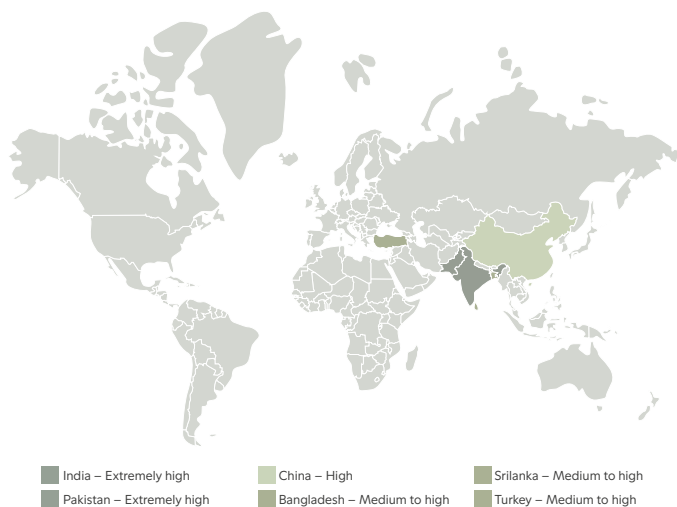
Over the past year, we have accelerated our work on water. We now have a comprehensive water strategy and a framework we use to guide our water-related activities. This framework illustrates what responsible water management involves, and covers topics ranging from advocacy to raw materials, processing, design, and sanitation.

| | Focus areas | Examples of actions |
|--|--|--|
| Responsible water management by Lindex | Better raw materials and recycled fibres | Circular and regenerative fibre strategy (see page 52) |
| | Design for longevity and circularity | See page 47 |
| | Prioritise suppliers with low water footprints | See tracking of our goal “By 2025, all Lindex’s business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse, and recycling of wastewater in the environmental management systems.” (see pages 29 and 54) |
| | Mitigate water risk | See “Water risk mapping” (see page 55) |
| | Ensure clean water and sanitation for all | See “WaterAid” project (see page 33) |
| | Advocacy in water management | Refer to our engagement in the Sweden Platform in Bangladesh (see page 16) |

Water risk mapping

We conduct water risk mapping using WRI's [Aqueduct Water Risk Atlas](#) tool. This informs our country-specific approach to water, and depending on what we find in each production market, we adjust our action plan to those specific risks.

Water risks in Lindex production countries



Rain water harvesting project

As part of our current project with WaterAid, we have been working to establish a rain water harvesting mechanism in one of our partner factories in Bangladesh, Incredible Fashion. We hope that this project will enable us to learn new information that we can help other factories apply going forward.

As the water table of Dhaka and the surrounding area is going down every year, we must find ways to recharge the groundwater. This help address surface drainage issues, such as water logging and flooding during the monsoon, as well as groundwater table depletion.

Together with WaterAid, we recently created and successfully trialled a rain water harvesting plant at Incredible Fashions Ltd

Who is Incredible Fashions Ltd?

- Incredible Fashions Ltd. is located in Mouchak, Kaliakoir, which is part of the Gazipur District in Bangladesh
- The factory manufactures about 650.000 pieces per month, mainly jersey products for women and children
- This is a vertically integrated factory, managing knitting, cutting, sewing, finishing and printing
- Lindex has been working with Incredible Fashions Ltd. since 2015
- Incredible Fashions Ltd. employs 1.250 people; the gender breakdown is 687 men and 563 women

The total water demand for the factory during normal operations is approximately 100.000 litres/day. This includes the water for drinking, toilet and kitchen use as well as water for steam generation.

Looking ahead, and planning for the impact of annual monsoon seasons, we expect the rain water harvesting facility to achieve the following outcomes:

1. Based on the rooftop area of the factory building, Incredible Fashion Ltd. will be able to collect approximately 300.000 litres of rain water every day during the main monsoon period: this is triple their daily demand.
2. Based on the rain profile of Bangladesh, the factory will be able to meet 100 per cent of its water demand from rain water for approximately 150 days a year.
3. Excess harvested water during the rainy season will be diverted to a borehole for ground water recharge.
4. Approximately 12 MWh electricity will be saved in a year, which will ultimately save 9 tons of CO₂e GHG emissions every year.
5. The amount of groundwater saved per day can meet the water demand for approximately 2.500 local community members every day.

Microfibres

While we tend to think of microfibre loss as an aquatic problem, microplastics are actually released at all stages of the product life span.

There is significant research happening now to add to our understanding of this issue. For example, the European Commission's initiative on microplastics pollution aims to tackle microplastics unintentionally released into the environment. It will focus on labelling, standardisation, certification and regulatory measures to reduce environmental pollution and potential health risks.

But at the moment, our knowledge about the full extent of plastic pollution is still limited. For example, we are still not certain about the origin of plastics in the ocean, inland waters and soils, or their effects on humans and the environment. The toxicology of textile microplastics is an area in which relatively little research has been conducted to date. Initial studies provide an idea of the concentration of PET at which negative effects could be expected for living organisms, but research beyond this is still forthcoming. It should also be noted that some microplastic particles may be potential carriers for pollutants that accumulate on them.

The absorption of these pollutants and the ability to transfer them to organisms has not yet been well studied and requires further research.

As we await more data, we still aim to be proactive in this area. While the product life cycle stage that often gets attention is household laundry, major areas we can help to shape include surface construction of products and the fabrication of the end product. We suspect that methods of joining pieces of material together can impact fibre release, and so a couple of mitigation strategies we are already working with include using laser cutting, and providing additional edge protection with bonded tapes.

Our goal for the present is to implement mitigation strategies where possible while we continue to gain knowledge about Lindex's contribution to microfibre release.

Responsible chemistry strategy

The fashion industry relies heavily on chemical use during manufacturing. For example, chemicals are used for dyeing, for enhancing certain properties such as softness, and to enable better performance, such as for waterproofing. In many cases, chemical use goes hand-in-hand with water use, as water is used to bring the products and the chemicals together. This water must then be cleaned and treated. This is why responsible chemicals management in our supply chain is an essential part of our commitment to be a water responsible company. We have continued to expand upon our chemical strategy, which was launched in 2019. Embedded in this strategy is our shift from a product-safety focus to a full lifecycle focus. In practice, this means we not only looking at the chemicals used to create our products, but we are working with our suppliers to shift to better chemical use across all their activities. By closely monitoring chemical use, we step up our own accountability, we signal to our customers that this is a priority area for us, and we stay true to our purpose. As with our approach to water, we think about chemicals from several perspectives.

We ask ourselves:

- Are our products safe?
- Are our workers and their communities protected?
- How can we support innovation and transparency to achieve better chemical practices throughout the industry?

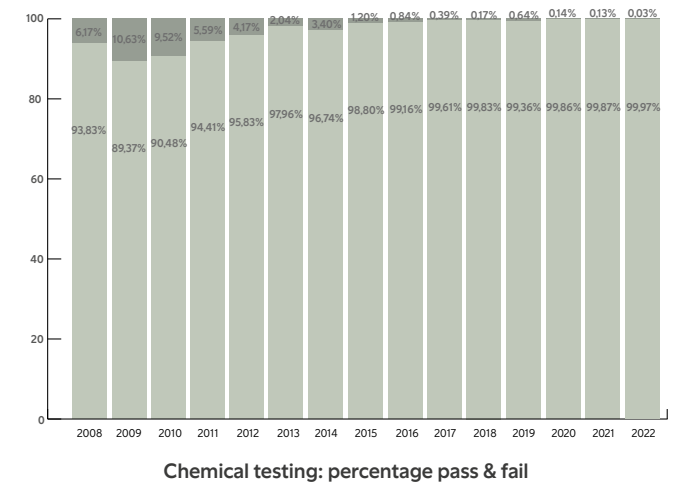
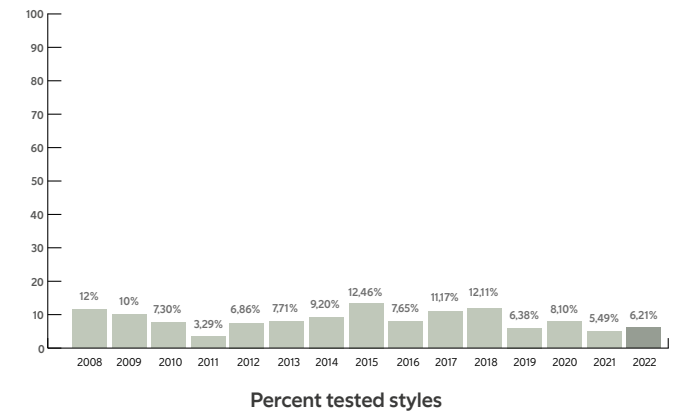
Product safety: product level testing

We conduct thousands of quality, chemical, and safety spot checks each year, across all product groups. This is how we ensure our products fulfil all legal requirements, and our own stricter requirements.

In 2022, we have kept up with the testing frequency compared with previous years, both in terms of physical testing and random chemical testing. In 2022 6,2 per cent of our products underwent chemical testing, which is in line with a typical percentage. Of those styles tested, 99,97 per cent passed testing, and 0,03 per cent failed.

In addition to the random chemical testing, 97 wet processing units have scanned and shared their chemical inventory with us, and 70 per cent of the scanned chemicals used throughout their operations were compliant with our requirements. This means our wet processing part-

ners are showing good compliance levels, which impacts their manufacturing of all products, not just Lindex's products. This also demonstrates an increase in transparency. See more about this initiative below on page 57, under The BHive®.



New chemicals to RSL

Part of offering safe and high-quality products is ensuring that they do not contain any unwanted chemicals. We follow the REACH chemical legislation, and in some cases our requirements are also stricter than REACH. These expectations are explained to our manufacturers in our Restricted Substances List (RSL), which lists the chemicals that are not permitted in our final products because they present health or environmental hazards. Our suppliers must verify that they are in compliance with our RSL, and we also have independent laboratories conduct product tests to confirm compliance. This list is constantly updated based on new developments in research and legislation.

We have updated the RSL twice in 2022, including strengthening limit levels and expanding requirements for more materials.

New chemicals added:

- Carcinogenic, Mutagenic, Reproductive toxic dyestuff (CMR), C.I. Pigment Red 104
- Bisphenol B (BPB)
- Bisphenol S (BPS)
- Polycyclic aromatic hydrocarbon (PAH), 6,6'-di-tert-butyl-2,2'-methylenedi-p-cresol (DBMC)

Worker and community safety: MRSL now publicly available

Beyond our products themselves, we consider the impact of textile chemicals on the health and safety of people who work in our supply chain or live in nearby communities.

Our MRSL (Manufacturing Restricted Substance List) aligns with the ZDHC MRSL. The ZDHC MRSL offers brands and suppliers a single, harmonised list of chemical substances banned from intentional use during manufacturing and related processes in supply chains of the textile, apparel, and footwear (including leather and rubber) industries.

In order to increase transparency and accountability, our MRSL is now publicly available on our website, [here](#).

Innovation and transparency: The BHive®

In June 2019, we began a pilot in Bangladesh and Turkey for mapping our suppliers' chemical use with The BHive®. This tool encourages transparency, communication, and the use of safer chemicals through a smartphone app that generates chemical inventories and provides tailored dashboards for both facilities and brands. In the course of 2022, we have managed to onboard 45 more factories to the tool, a large amount of which are located in China. In total, we now have 97 factories actively working with The BHive®:

- 15 in Bangladesh
- 58 in China
- 9 in India
- 2 in Pakistan
- 2 in Sri Lanka
- 11 in Turkey

The BHive® has greatly increased transparency in our supply chain, and it has enabled verification of our suppliers' compliance with our MRSL.

Combined, our partners have used The BHive® to scan and record 42,226 chemicals in 2022 and more than 70 per cent of the connected factories' chemicals — across their full production (whether for us, or for another fashion company) — now comply with Lindex's requirements.

In 2021, we achieved 76 per cent compliance—however over the past year we have engaged 45 additional factories in using this tool, and this has almost doubled the amount of chemicals we are able to track.

This new level of transparency, covering even more of our supply chain, enhances our ability to work with corrective action plans and phase out the use of non-compliant chemicals.

This means more safety for workers, and a smaller environmental impact, which is also beneficial for nearby communities.

DeveloPPP

In 2020, Lindex partnered with three other European brands and retailers – Bestseller, Deltex and The Fashion Cube – and the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH in a [develoPPP.de](#) project. Together with the partners we are active in:

- 6 countries, and
- 430 wet processing units, while
- 30,208 chemical products that have now been logged



The project has contributed to more transparency in the supply chain, enabling the participating brands to better understand their supply chain structures. The companies and brands that have participated in the project consider the achievements so far to be a good basis for continuous work and interaction with their producers. The information that has been learned also provides a basis for conscious buying decisions.

PFAS movement

Here at Lindex, we phased out the use of PFAS chemicals on our garments many years ago. PFAS stands for per- and polyfluoroalkyl substances, and this is a family of almost 5.000 industrially produced chemicals. They are often used for water- and stain-repellent finishes.

However, epidemiologists have found links between PFAS exposure and health issues that could impact workers, including cancer, lower birthweights for babies, and problems with the immune system.

We are proud to have been one of the first fashion brands to ban PFAS chemicals on our garments back in 2014 when we phased out the use of PFAS-related substances in DWR (Durable Water Repellent) finishes. Since then, we work with a single nominated supplier of the DWR-finish who does not use PFAS-related substances in the finish treatment. This aligned with our goal of removing the release of hazardous and toxic substances from our entire supply chain.

Our promise to future generations, however, requires us to look beyond our own products and our own suppliers. We are aiming for legislation that will restrict the use of these chemicals for everyone, to protect all workers. This is why we have joined the PFAS Movement, through ChemSec. By signing on to the movement, which includes 96 members, we commit to participating in the following steps:

A call on policy makers to regulate PFAS efficiently, without the possibility for manufacturers to simply swap one PFAS chemical for an unregulated 'cousin'.

- A call on the chemical industry to put money into innovation and develop safer alternatives to PFAS for all kinds of products.
- A recognition that PFAS is a major health and environmental problem.
- A call on all other brands to join this commitment and work towards a phase-out of PFAS in all kinds of consumer products. Change won't come easy. As long as there is no universal PFAS ban, these chemicals will continue to be used in production. By joining the PFAS Movement, Lindex is taking responsibility for helping to rid the world of these harmful substances, and we are encouraged to see that other brands are joining in.

In 2022 we participated in about five different webinars and workshops addressing these issues.

Antimicrobial finishes

Because of our new focus on femtech, and the product development we have been doing as part of our new Female Engineering brand, we are also more closely examining finishes involving biocides. A biocide may be a substance or a mixture intended to kill, or render harmless, harmful and irritating organisms such as bacteria, mould and insects.

This becomes relevant for our leakproof menstrual underwear, which is treated with a formula called Agion Active XL in order to prevent bacterial growth and odour. This treatment is one of the best available today and it is approved by OEKO-TEX®. Additionally, the biocides in the treatment are strictly regulated by EU law and are classified as safe for humans.

We are aware, however, that these treatments can have a negative environmental impact—specifically, they can be toxic to a broader range of organisms than the ones we intend to target. If biocides build up in waste or in water, this could create problems for the natural ecosystem, and potentially indirectly for humans.

Additionally, the overuse of antimicrobial and biocidal treatments may encourage bacteria to become resistant to products that are essential to hygiene and health in other contexts. There are suspicions that certain biocides may render antibiotics inactive, which would make it harder to cure infectious illnesses.



This is why we work actively with experts, researchers and textile innovators in femcare to find an even better solution. We are well on our way and as soon as we have a better alternative, we will replace the antimicrobial treatment.

In the meantime, as we continue to investigate emerging alternatives, we follow regulations strictly in order to minimise risks. This means we ensure that the minimal amount of biocides are used, we choose the safest options, we only use them on products where there is a clear need, and we carefully label all treated articles in accordance with Regulation (EU) No 528/2012 on the marketing and use of biocidal products (BPR).

Case study: “hidden” PFAS chemicals

It has been implied by NGOs as well as by authorities that PFAS may be “hidden” in products where they may have been used to aid processes early in the manufacturing phase, or where they may have been used as part of an auxiliary chemical formulation or even as a lubricant.

One example of products where these “hidden” PFAS may occur is cosmetics. We have mapped our cosmetics supply chain, and we have now phased out PFAS-substances in cosmetic products (see more below).

We have also investigated whether “hidden” PFAS chemicals could be a concern in our Female Engineering products. PFAS-related substances have no known intentional function or use in our products. And since Female Engineering products are OEKO-TEX certified and tested for PFAS-related substances according to the most stringent OEKO-TEX standard, we did not expect to find any contamination. However, working in close cooperation with a testing lab and research institute called RISE (Research Institute of Sweden), we conducted a detailed investigation into the fluorine content, as the presence of fluorine may be linked to the use of fluorinated ingredients, such as PFAS chemicals. Our analysis has shown no increased concentrations of fluorine, which could have indicated that PFAS-related substances have been used.

We can now be confident that no PFAS-related substances have been used in Female Engineering products.

Cosmetics

Even though our focus is fashion, we apply the same level of care to the cosmetics we sell in our shops, as well. There are two remaining products from an external brand that we sell in our stores that previously contained PFAS chemicals and cyclic siloxanes. These have now been reformulated, and the new formulations will be available during Q2 2023.

Precautionary principle

We apply the precautionary principle in our environmental work and have adopted a preventative approach with the substitution of hazardous chemicals.



Ensure human rights

We seek to lift up the people whose hands, skills, and dedication make Lindex possible. Above all, we acknowledge that each and every person has rights, and must be treated with dignity and respect. It is our responsibility to make sure that fundamental human rights are respected throughout our entire value chain and our own operations. We advocate for health and safety, but also more broadly for human rights, which includes holistic wellness, empowering women, and fair wages.

Freedom of association, rights to unionisation, worker representation and collective bargaining are each under pressure in many countries. We have identified significant risks to workers’ rights and freedom of association in Bangladesh, China, India, Pakistan and Turkey. We have mapped our supply chain and know where there is unionisation, which is a first step to establish a fair worker representation in our supply chain.

| Region | Production units without trade union | Production units with trade union |
|------------|--------------------------------------|-----------------------------------|
| Bangladesh | 26 | 3 |
| India | 15 | 0 |
| Pakistan | 4 | 0 |
| China | 43 | 9 |
| Vietnam | 1 | 1 |
| Turkey | 19 | 2 |

And finally, we are working to advance diversity, equity and inclusion, in our own operations and as well as within our value chain.

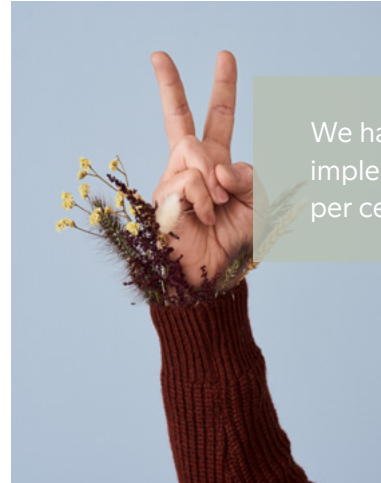
Achievements

Here are some examples of things we are proud of related to our focus area 'Ensure human rights':

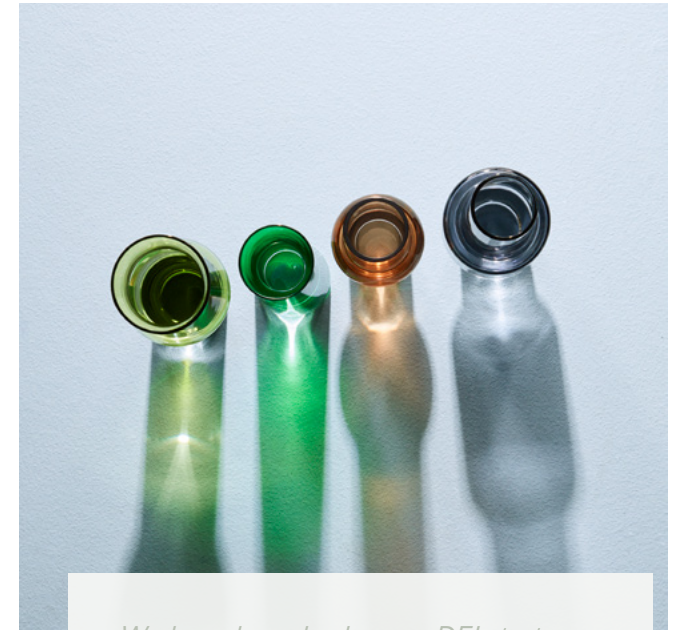
We have donated SEK 300,000 to distribute food vouchers to unemployed textile workers in the Yangon area, administered by SMART Myanmar.



As of 2022, 86 per cent of our top 30 suppliers are able to conduct self-assessments.



We have, together with our suppliers, implemented digital wage payments for 98 per cent of the workers in our supply chain.



We have launched a new DEI strategy, based on deep dive interviews, workshops and specific questions, reaching our whole organisation, through our engagement tool Lindex Voice.

We now have 83 per cent of our top 30 suppliers calculating living wages using the Anker & Anker methodology.



In 2022, we worked with external expert Enact to conduct comprehensive human rights due diligence assessments across our supply chain and throughout our own operations, resulting in the identification of our current salient issues (see more on page 65).



Fair and decent work

When we talk about fair and decent work, we mean enabling safe and healthy workplaces where labour rights are respected and making sure our whole value chain is progressing within living wage.

Lindex is a member of ETI, the Ethical Trading Initiative, which is a UK-based independent body that has been bringing together companies, trade unions and non-governmental organisations (NGOs) since 1998 to ensure compliance with international labour standards in the global supply chains of member companies.

Lindex has been a member since 2018 and we work with ETI to progress our approach to human rights and workers' rights.

Some of the other tools we use to promote fair and decent work include our wage strategy, our own purchasing practices, our WE Women management system, and our due diligence approach.

Wage strategy

We outsource production to independent manufacturers. This means we don't pay garment workers' salaries, nor can we decide how much they are paid. But we need to have a transparent overview of the wage situation in our supply chain. And that means each of our suppliers needs to be clear and transparent about their own practices.

This is why we train our suppliers on how to calculate the local living wage according to the Global Wage Coalition and the Anker & Anker methodology. This methodology is a practical compromise between separately estimating the cost of each and every expense families have, and the most common approach currently used for estimating living wage in developing countries, which uses just two expense groups. In 2022 and 2023 our focus is on this calculation. The next step will be to analyse the gap between current wages and the calculated living wage, and have a discussion with our suppliers about how we can bridge that gap.

We also train our suppliers in setting job descriptions and establishing a wage grid; both of these things increase transparency and accountability. This has been a focus in 2022 and will continue to be a focus for 2023.

Goals

- By 2025, Lindex's suppliers who stand for 80 per cent of our production show total supply chain transparency
- By 2025, Lindex's suppliers who stand for 80 per cent of our production show commitment to improving working conditions
- By 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme

Our commitment to respect labour rights in our supply chain

The [ILO Declaration on Fundamental Principles and Rights at Work](#), adopted in 1998 and amended in 2022, is an expression of commitment by governments, employers' and workers' organisations to uphold basic human values—values that are vital to our social and economic lives.

We commit to decent working conditions in our value chains and to cooperate with others where infringements on workers' right are identified. We, however, think that it is the different parties on the labour market (employer, employee, workers, governments and authorities, workers' organisations and unions) that are in the best position to improve working conditions through collaboration.



Other actions we take to enhance transparency include:

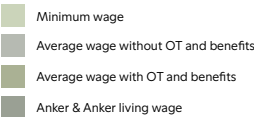
- Setting clear standards and expectations for every supplier that makes our products, as well as taking action if the standards are not met, as is clearly stated in the sustainability commitment each supplier must agree to abide by (see more on page 11).
- Ensuring that our purchasing practices—the way we place our orders and the prices we pay—enable the payment of correct wages (see more on page 64).
- Helping suppliers implement effective wage management systems that classify jobs according to skill level and pay workers according to their competence.

Looking into 2023 and beyond, our wage strategy will be focused on these additional areas:

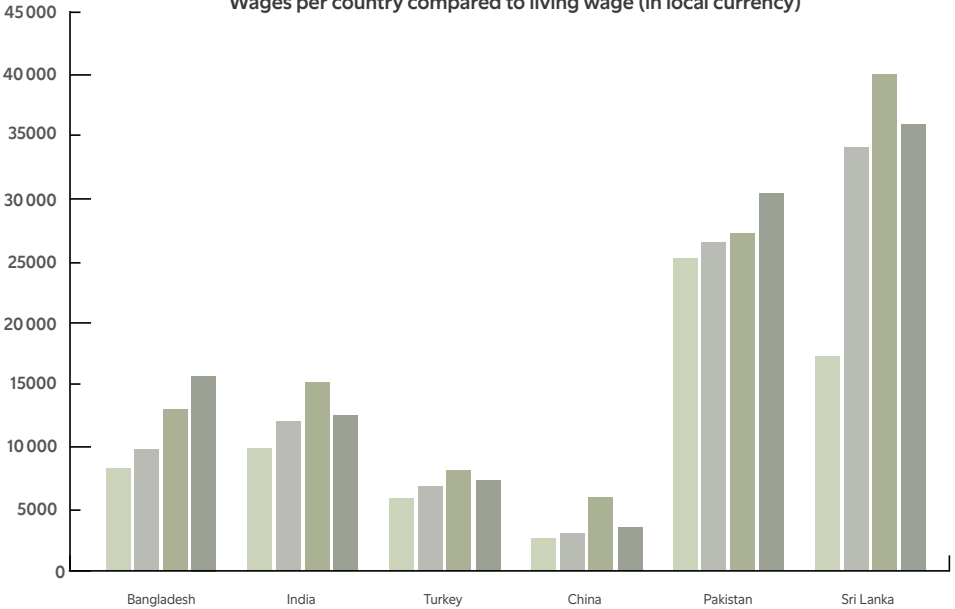
- Digitalised wage payments (2023): In our supply chain we have 98 per cent digitalised wage payments; we aim for 100 per cent by 2023.
- Isolating labour costs (2022-2023): In autumn 2022 we began working on a pilot to isolate the labour cost in Bangladesh. We will then analyse the results together with our suppliers.
- Living wage roadmap goal for 2025: Lindex suppliers who stand for 80 per cent of our production should work actively with a living wage programme.

This chart illustrates the local living wage calculations done by our top 30 suppliers representing 80 per cent of our production. Calculations are done according to the Global Living Wage Coalition and their selected Anker & Anker methodology. All cost calculations are taken from the local area around the factory premises and where the workers live and shop, and workers have been interviewed to verify the figures.

This calculation has been made in order to make both suppliers and Lindex aware of any differences when comparing wages actually paid (both with and without overtime and benefits included) to the local living wage. We will discuss any gaps with our suppliers when all calculations have been made.



Wages per country compared to living wage (in local currency)





Lindex purchasing practices

Responsible purchasing practices can support and enable improved working conditions at our supplier facilities. We work hard to build strong, long-term relationships with our key suppliers, and that can only work if our suppliers see us as a good partner. These close relationships enable us to work together to tackle the big issues such as living wages, and sustainable production. They also enable all of us to feel secure in the sustainability of our businesses. There are 30 key suppliers that produce 80 per cent of our production volume, and so we focus on being the best partner we can be to this strategic group.

The first part of ensuring that we are responsible business partners is ensuring that our own commitment to sustainability is embedded in our business practices at every level. The chair of our board of directors is responsible for sustainability-related risks at Lindex, which ensures top-level commitment to our sustainability targets. Additionally, our Sustainability Director is part of the management group.

This top-level buy-in has streamlined the process of integrating responsible purchasing practices into our overall strategy and decision-making process.

Key provisions are imbedded with our:

- Human rights policy,
- Sustainability commitment,
- Instructions for suppliers,
- Code of conduct, and
- Due diligence methodology.

Additionally, our human rights due diligence approach is central to both our planning and our reporting. Specifically, these outcomes impact our 5-year strategy and sourcing plan. This also shapes our placement strategy, which goes hand in hand with our supplier strategy.

Each of this is informed by and helps to shape:

- Our 2025 goals (with roadmaps and action plans).
- Our annual reporting, including our sustainability report, specific ETI reporting, and stakeholder dialogue.
- Our work toward the Norwegian Transparency Act and EU directive reporting.

Being a good partner to our suppliers means aiming for win-win situations, and supporting our suppliers to become proactive and self-reliant promoters of sustainability. It also means sharing responsibility for the well-being of workers. This requires that we understand how our business decisions—such as choices related to payment terms or the timing of purchases—can impact people working within our partner factories. We have local production offices with local staff in each of our key markets. Our regional sustainability managers conduct trainings in these local production offices on what responsible purchasing looks like, and how Lindex's purchasing decision can impact workers. We also work to minimise sampling, and ensure we provide accurate technical specifications.

In order to facilitate planning and help our suppliers avoid excessive overtime, in collaboration with our suppliers Lindex has created a working process where responsibility is clearly identified throughout every stage. We have also worked together with them to create a number of tools to support planning and forecasting.

These include:

- Buying handbook
- Forecasting and capacity booking tools
- Fabric booking tools
- Product workflow tools

Payment terms are another area where our decision-making can have a significant impact on worker experience. We ensure that our payment terms are transparent, and that our standard 60-day terms are met in full and on time. We opt for mutual decision-making when unforeseen circumstances arise, such as delays or other claims.

We Women Management System (2017 – 2025)

Through our We Women Management System we are trying to provide a healthy and inclusive working environment especially for female workers free from harassment and gender-based violence. We also work within this system to help give female workers the same possibilities as male workers regarding access to skills training and promotion. We have rolled out WE Women in Bangladesh, India, and Turkey. Next, we are looking toward implementing the programme in China. Read more about the WE Women management system on page 34.



Due Diligence

We work proactively to identify, prevent, and minimise any negative impact our business activities may have on the environment as well as on human and labour rights in our production countries. In addition to enforcing our code of conduct, we adhere to the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains.

We perform due diligence on our production countries every other year, or more frequently if needed based on current events and the recommendations of our stakeholders. Our due diligence process involves a risk assessment and SWOT analysis of each production market from a social and an environmental perspective. We also consider broad local, national, and global political factors. For new markets, we use external organisations who are able to bring a deep level of regional expertise.

There are new and emerging requirements on due diligence, for example as part of the European directive, and we are working to incorporate new approaches and requirements into our existing systems.

Assessment of Lindex's Salient Issues

In 2022, together with a Swedish external partner (Enact Sustainable Strategies AB) with specific expertise on business and human rights, we identified and assessed actual and potential human rights impacts in our own operations and supply chain. The assessment was 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 and provided the basis for our salient human rights issues. The report also highlighted gaps in Lindex's processes in relation to managing human rights, and suggested ways to close such gaps, for example to increase dialogue with affected stakeholders.

The major result of this assessment is that all major production markets now have established heatmaps of human rights-related issues based on severity and likelihood. We use these results to determine where extra attention is needed, and the outcomes have been critically important in informing our country strategies and our goal setting process. We also conducted a risk assessment on own operations as part of this process. This includes having each of our business functions assess their sustainability risks, including risks to human rights, on a regular basis.

The intention of this process is to ensure the existence and adequacy of prevention and mitigation plans. Because of the human rights due diligence performed in cooperation with Enact we have been able to transition from having talked about challenges in 2021 to identifying salient issues in 2022.

Salient issue #1: Forced labour

Lindex strictly condemns and prohibits all forms of modern-day slavery, including forced, bonded, compulsory, illegal, prison labour

| Salient issues | Additional detail available on page |
|---|-------------------------------------|
| Forced labour | 65 |
| Child labour | 66 |
| Promoting living wage | 66 |
| Social dialogue, freedom of association & collective bargaining | 67 |
| Diversity & non-discrimination | 67 |
| Health & safety | 68 |
| Access to clean water | 68 |

and human trafficking. Unfortunately, forced labour remains an unresolved issue today, with 27.6 million people being in forced labour in 2021 (source ILO). Forced labour can manifest itself through practices of, e.g. withholding passports, coercion, unpaid wages, debt-bondage resulting from high recruitment fees etc.

We work to ensure that forced labour does not occur in our value chains and have a Modern Slavery Act statement that defines our approach



to prevent, identify and mitigate the risk of modern slavery in our business and our value chains.

All forms of forced labour, child labour, slavery and human trafficking are included in our minimum requirements as “zero tolerance” issues and all our business partners sign the sustainability commitment. When we receive information on allegation of the above, we follow our Forced labour action plan, a seven-step process which includes identifying accountable individuals and possible remediation, as appropriate.

On a strategic level, we have worked pro-actively to transform and consolidate our value chains, as well as for our suppliers to become self-reliant. We want to work with partners who take responsibility for their own sustainability and in the long term we believe that this will prevent all kinds of violations of human rights, forced labour included.

We have identified possible linkages to forced labour in our supply chain in Asia, tier 2. We immediately acted to follow up on the new information, and to ensure that appropriate action was taken in accordance with our action plan. We will continue to investigate and screen relevant information regarding our supply chain, to implement our commitment to zero tolerance against forced labour.

In order to show our commitment towards transparency in our supply chain, we signed the Transparency Pledge in 2017. We have also

published our supply chain for tier 1 and 2 on our website. Read more about transparency and traceability on page 18.

Salient issue #2: Child labour

Lindex strictly condemns and prohibits all forms of child labour. Child labour deprives children of their childhood and interferes with their schooling. Current estimates are that 160 million (Unicef 2021) children, that is one in ten globally, are involved in child labour. About half of them are involved in hazardous work, defined as work performed by children in dangerous and unhealthy conditions that can lead to a child being killed, injured or made ill as a result of poor safety and health standards or employment conditions. Such work can result in permanent disability, ill health and psychological damage.

We are committed to preventing child labour taking place in our value chain and we work to anticipate, prevent and address child labour in all forms. It is clearly stated in our Code of conduct that there shall be no recruitment of child labour, and verification processes shall be in place to ensure this.

All forms of forced labour, child labour, slavery and human trafficking are included in our minimum requirements as “zero tolerance” issues. When receiving information on allegations of the above, we follow our Child

labour action plan, a five-step process which includes identifying accountable individuals and possible remediation, as appropriate. We have not received any reports regarding cases of child labour in recent years.

On a strategic level, we have worked actively to reduce and consolidate our supply chain and today we have 30 suppliers who produce 80 per cent of our production. This is a necessary first step in the transformation of our relationship with our suppliers, and working with partners who take responsibility for impacts occurring in their supply chain.

Salient issue #3: Promoting living wages

We know that minimum wage levels in global textile and retail value chains often are not enough to support decent living standards. It is a human right to have a wage that can provide a decent living. Poor wages contribute to poverty and issues with overall health and wellbeing. Wages are set by national or local laws; individual efforts by brands cannot create a sustainable change. It is therefore an issue which must be solved by collaboration between governments, unions, employees and employers, where social dialogue is the foundation. We have developed a 2025 living wage roadmap. The goal is that Lindex suppliers who stand for 80 per cent of our production work actively with a living wage program by 2025.



Although many of our business partners have wages that surpass minimum levels, we continue to strive for fair payments throughout our value chains; in the production as well as in our stores. There is a strong connection between regular employment, wages, overtime and purchasing practices, primarily in the manufacturing supply chains.

In our supplier code of conduct, we define our commitment to living wage in the following way: "wages should always be enough to meet basic needs for workers and their families, as well as providing some discretionary income".

We are committed to work together with our business partners and stakeholders to achieve a wage that can support decent living standards for the workers in our value chains. In the supply chains, we work together with our manufacturing business partners to perform periodic reviews of employees' wages against local calculated living wages (Anker & Anker) and we have performed a wage review between local living wage and wage paid. Read more about wages in our supply chain on page 63.

We also seek to ensure that our purchasing practices enable the payment of correct wages and does not drive overtime. We support our suppliers in implementing effective wage management system that classifies jobs according to skill level and pays workers according to their competence. Read more about our purchasing practices on page 64.

Salient issue #4: Social dialogue, freedom of association & collective bargaining.

The right to freedom of association and collective bargaining is a challenge in many countries, including due to restrictive legislation and weak governance. For example, in Bangladesh and India, the power of some small unions is compromised by their weak financial position and further undermined by allegations of corruption. In some instances, it is difficult for the unions to make an impact.

Lindex strongly supports the right to freedom of association involving the right of individuals to interact and organise among themselves to collectively promote, pursue and defend common interests. Social dialogue, freedom of expression, and unions are important to ensure that workers can express their concerns and views, as well as to enable fundamental principles and rights at work. Lindex believes that decent working conditions are best promoted where there is social dialogue between employer and employee representatives, and unions/worker committees work together. This is included in our code of conduct.

We have identified a risk for significant adverse impacts on workers' rights and freedom of association in our production countries. We have mapped our supply chain and know where there is unionisation, which is a first step for us to establish a fair worker representation in our supply chains. Read more about unionisation in our supply chain on page 60.

In Bangladesh, the International Accord – of which we are a member – has been very successful in their work with occupational health and safety committees. Lindex is working proactively to support and advance social dialogue and working committees in our supply chain in Bangladesh, a process which is in development phase but will be expanded to other production countries in the future.

Salient issue #5: Diversity & non-discrimination

Discrimination is any kind of treatment that directly or indirectly disfavours or limits individuals' / groups' acting space and options. Diversity means the inclusion of individuals of different identities (ex: ethnicity, gender, age) in the workforce.

Lindex condemns all forms of discrimination and works actively to provide an inclusive and welcoming working environment for everyone. We are committed to ensure that no worker experiences discrimination or harassment and that all leaders immediately address any incidents of discrimination or harassment.

Our work on diversity includes ensuring that all employees at Lindex are treated with respect, granted equal opportunities and a positive working environment. To promote diversity, we are rolling out a number of activities linked to these ambitions, beginning with awareness trainings. We measure employee satisfaction globally through an online engagement platform which also enables our employees to share their thoughts. Read more about our DEI strategy on page 70.



In the supply chain, we have rolled out the WE Women management system, aimed at creating more inclusive workplaces for women, free of discrimination and harassment, and giving women the same opportunities as men in career progression. Read more about WE Women on page 34.

Salient issue #6: Health & safety

Health and safety of employees, workers and customers in the global value chain are the critical pre-conditions to economic and social empowerment, and as such, are very important to Lindex.

Our commitment is to ensure safe working conditions, store safety, product safety and chemical safety in working environments both in our own operations, in our global value chains.

When it comes to health, we have reframed our efforts in this area into two new core aims, which are female health and wellbeing and gender inclusive workplaces. As a company that is focused on women (as consumers and co-workers), we are stepping up to lead the way in femtech, which offers digital products and services that will improve women's wellbeing and health. Read more about our work in femtech on page 33.

Regarding safety in our production countries, we monitor the situation in the factories through external audits while we follow up on corrective action plans and ensure that remediation is taking place. We are also in close contact with factories through our production offices and local staff

which allows us, for example, to support workers in getting their voices heard by the management.

In Bangladesh, we are members of the International Accord which promotes safe workplaces through independent safety inspections, training programmes, and a complaint mechanism to safeguard workers against occupational health and safety risks. Read more about the International Accord on page 14.

As part of Women Empowerment, we have created a management system, WE Women, to promote a better, safer and more inclusive work environment for female workers in the factories. Read more about WE Women on page 34.

Salient issue #7: Access to clean water

Lindex consider clean and accessible water to be critical to human health. The main barriers to addressing water problems in developing countries include poverty, costs of infrastructure, and poor governance. The effects of climate change on the water cycle can exacerbate these problems.

As a water responsible company, Lindex approaches water resources from a both quantitative and qualitative lens. Water should be safe and enough in supply, accessible and affordable for personal and domestic use. Industrial contamination of waterways in certain countries affects people's access to water, as well as their livelihoods.

Since our industry relies heavily on chemicals and wet-processing units, chemical management and discharge need to be addressed. Denim production is a particular risk area. Lindex has taken specific actions to address both the quantity and the quality of the water used in our supply chain so that we can be water-efficient, reduce the risk of water scarcity in areas connected to our operations, and, together with our partners, safeguard the environment and human health in factories and nearby communities. We have a goal and a strategy for use of chemicals. Lindex's goal is to cease the release of hazardous and toxic substances from Lindex's supply chain and promote transparency and more sustainable chemistry by 2025. Read more about our responsible chemistry strategy on page 56.

We are committed to work closely with our suppliers globally to ensure wastewater is properly treated before discharging. We are also actively working with our suppliers to reduce their dependency on fresh water from conventional sources (e.g., ground water) and increase the use of water from non-conventional sources like recycled water, harvested rainwater etc. Through our involvement in community projects we have contributed to improved infrastructure and given people access to clean water. Read more about our responsible water strategy on page 54 and WaterAid on page 33.

Soft exit Myanmar

Lindex first opened an office in Yangon at the beginning of 2017 and worked with about 10 suppliers. After the military coup in 2020, we questioned our operations in the country. We had concerns about the safety of workers in the factories we partnered with, but also for our own staff stationed in Yangon. The general security situation with curfews, harassment by the military, shootings and more made it impossible to carry out either external or internal factory inspections and thus we could not guarantee responsible purchases and acceptable conditions in the factory. It was also not possible to roll out the WE Women management system programme with a focus on women and equality in the supply chain that was planned. The business aspect became complicated with both financial and logistical obstacles. In

June 2021, we contacted our suppliers to discuss a possible Lindex exit from Myanmar. It turned out that our suppliers, who were not local to Myanmar, but rather subsidiaries of international companies, decided to stay even if Lindex left. We then agreed with our three largest suppliers that we would support them while an exit plan was implemented in line with our ethical business practices.

During this soft exit period, our local Lindex team has carefully monitored these factories with a focus on health and safety, number of workers in the factories, Covid vaccinations and salary payments. Lindex stayed until June 2022 with some orders to the three suppliers where our business comprised a significant per cent of their annual production volume. This plan gave our suppliers time to prepare their

future operations and find new buyers before Lindex left Myanmar. Most critically, this meant that the workers in the factories would be able to keep their jobs.

We have also continued our dialogue with relevant stakeholders (including workers, SMART Myanmar, EuroCham and ETI UK) on how to make a responsible exit, with a minimal impact on textile workers and civil society. We have reported on how we do this both for the Ethical Trading Initiative UK and the Clean Clothes Campaign.

As part of our support for workers in the community, we donated SEK 300.000 to distribute food vouchers to unemployed textile workers in the Yangon area, administered by SMART Myanmar.

Diversity, equity and inclusion

In 2022 we began setting a diversity, equity and inclusion (DEI) strategy for our more than 4,000 employees. DEI means making sure our whole value chain is free from discrimination and has an inclusive environment where all individuals are treated fairly, with respect and have equal access to opportunities and resources.

We have set some goals to increase the gender balance and also to improve perceptions on how included our employees feel, and how inclusive of a workplace they feel that Lindex is overall.

Since DEI is about people, and including all perspectives, we started by doing just that: we began gathering information from within the company using surveys, doing deep dive interviews and workshops, and collecting data. This has made it possible to set concrete ambitions that reflect the specific needs, perspectives, and values at Lindex, and to identify specific activities that will enable us to reach these ambitions. We also recognise that the changes we are working to achieve are not shifts that happen overnight. These are changes that require time and persistence to become a natural part of Lindex's way of working.

Ambitions

- **Inclusive workplace:** Lindex has set the ambition and made a decision to educate all managers and teams in DEI. Trainings for HQ managers were launched in the second quarter of 2022.
- **Increased diversity:** Lindex has set the ambition and made a decision to work with communication, awareness and more of a focus on gender balance. A well-organised onboarding process is being developed.

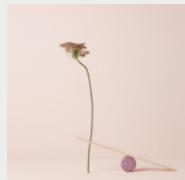
This is why we are beginning with awareness raising, so all of us are on board and can see the possibilities and challenges moving forward. Next, we are working to inspire, engage and include our employees through trainings, discussions and setting shared goals together, which have been informed by dialogue and reflection. Overall, we know that we must engage 'the people it's about' to define what diversity, equity, belonging, and inclusion mean to them.

What do we mean by DEI?



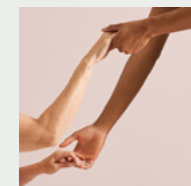
Diversity: the mix of all of us

Diversity is about having a mix of people with different visible and invisible traits, such as gender, physical abilities, age, body type, origin, background, sexual orientation, religion, socio-economic status, education and parental status, among other things.



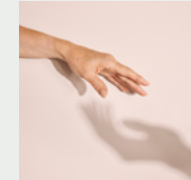
Equity: fairness for everyone in the mix

Equity is about making sure everyone in the mix of people is being treated fairly, with respect and have equal access to opportunities and resources.



Inclusion: welcoming and embracing the mix

Inclusion is diversity and equity in action. Making the mix of people work by having an environment with a culture, behaviour and mindset that embraces all people and where everyone feels welcome.



Belonging: feeling valued as a part of the mix

Belonging is an emotional outcome of inclusion. It is about feeling secure and able to bring your authentic self to work and feel accepted for who you are.

The research

Research confirms that DEI is critically important to a range of stakeholders, from employees to customers to investors. We have learned that teams with the highest equality culture are six times more innovative than teams with the lowest equality. Research from McKinsey & Co. found that gender-diverse companies were 15 per cent more likely to outperform the median in their industry nationally, and for ethnically diverse companies this increased to 35 per cent. In Sweden, between 2016 and 2019, the most inclusive companies had more than double the stock exchange developments of their peers. And among the top six trends for recruiting new talent is that workers want to be with a company that addresses DEI.

What research says:

“Inclusive teams outperform their peers in team-based assessments”

“Gender-diverse companies are more likely to outperform their peers over time”

Why DEI matters to Lindex

Diverse teams are smarter, and they solve problems more effectively than less-diverse teams. Diverse organisations perform better financially, have higher levels of customer satisfaction and are more capable of reaching strategic goals. We are prioritising DEI because we want to build a strong brand and a strong company that mirrors our customers and the customers we seek to attract. We also want to attract and retain the right talent among our employees, and to engage wider perspectives to become more innovative and sustainable.

Beyond the business benefits highlighted above, we believe that being included and accepted for who you are is a basic human right, and that advancing diversity, equity and inclusion is a moral imperative.

Ambitions and focus areas

Our strategic approach to DEI at this stage is based on two specific ambitions:

1. Increasing diversity
2. Building and communicating an inclusive environment.

Our ‘inclusive workplace’ ambition is targeted at increasing both performance and wellbeing, as measured through our ‘Lindex voice’ employee survey. Activities we are undertaking to achieve this include:

- Leadership trainings on inclusion and unconscious bias
- Employee trainings and inspirational lectures on inclusion and unconscious bias
- Rolling out new employee on-boarding practices that address inclusivity
- Educating our full team on Lindex’s existing policies, for example those related to discrimination, equal treatment, and whistleblowing

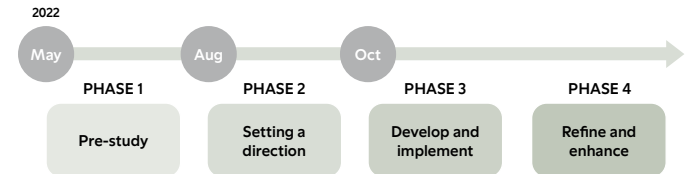
Our ‘increase diversity’ ambition is aimed at increasing innovation and performance as well as strengthening our brand. We will measure our progress in these areas through our internal Lindex Voice survey, our external branding surveys, and our gender balance KPIs. Strategic activities we have identified for this ambition include:

- Updating both internal and external communications
- Launching recruitment trainings on unconscious bias and gender de-coding
- Setting research-backed goals to increase the multicultural and gender-balanced makeup of our teams
- Succession planning
- Engaging with networking programmes



What we have done and will do

Beginning in May 2022, we launched a four-phased strategic approach to DEI that will elevate the company through the stages identified below:



What success looks like

We are clear about what our successful DEI strategy will unlock for our leaders, our employees, our customers, and our other stakeholders. Quite simply, we want each of them to:

| | |
|------|---|
| Know | Why DEI is important and what steps we aim to take to reach our ambitions. |
| Feel | Lindex is a workplace where everyone is included and welcomed to contribute. |
| Do | Focus on creating an inclusive environment, and recruiting/upskilling a diverse workforce that is sustainable for today and tomorrow. |

This is aligned with our promise to make a difference for future generations, and we are proud of the progress we have already made toward building a more diverse, equitable, and inclusive Lindex.

A woman with long, wavy blonde hair is smiling and standing on a large, weathered log on a sandy beach. She is wearing a long black coat over a light-colored shirt and blue jeans. The background features a calm body of water, distant hills, and a cloudy sky. The text "Report background" is overlaid in the center of the image.

Report background

Report background

The report has been produced by GoBlu International in collaboration with the sustainability, controlling and corporate communications teams at Lindex. Lindex's board and management group has been involved in the process. The report has not been reviewed in full by any third party.

The previous report was published on 29 March 2022.

Questions relating to this report can be directed to anna-karin.dahlberg@lindex.com

Lindex has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards. Additional information about our ownership structure and organisational changes, as well as the Stockmann Group's annual reporting that covers integrated reviews of business operations, financials, governance, and sustainability, can be found in Swedish, Finnish, and English on the Stockmann Group's website.

Boundaries

This report covers the global activities of the Lindex group; that is AB Lindex and its wholly owned subsidiaries, five production offices and five country offices in Europe, Lindex stores and the Lindex-owned distribution centre in Sweden. The report also covers the Lindex share of the Stockmann Group's shared production activities in Asia. The report does not cover Lindex franchised stores, which totals 32 stores in ten 9 countries. Nor does it cover outsourced distribution centre services.

Materiality

Our work towards sustainability is embedded in all of our activities and aligned with our promise: to make a difference for future generations. Within this promise, we have focused on three key areas we feel we can most impact:

- Empower women
- Respect the planet
- Ensure human rights

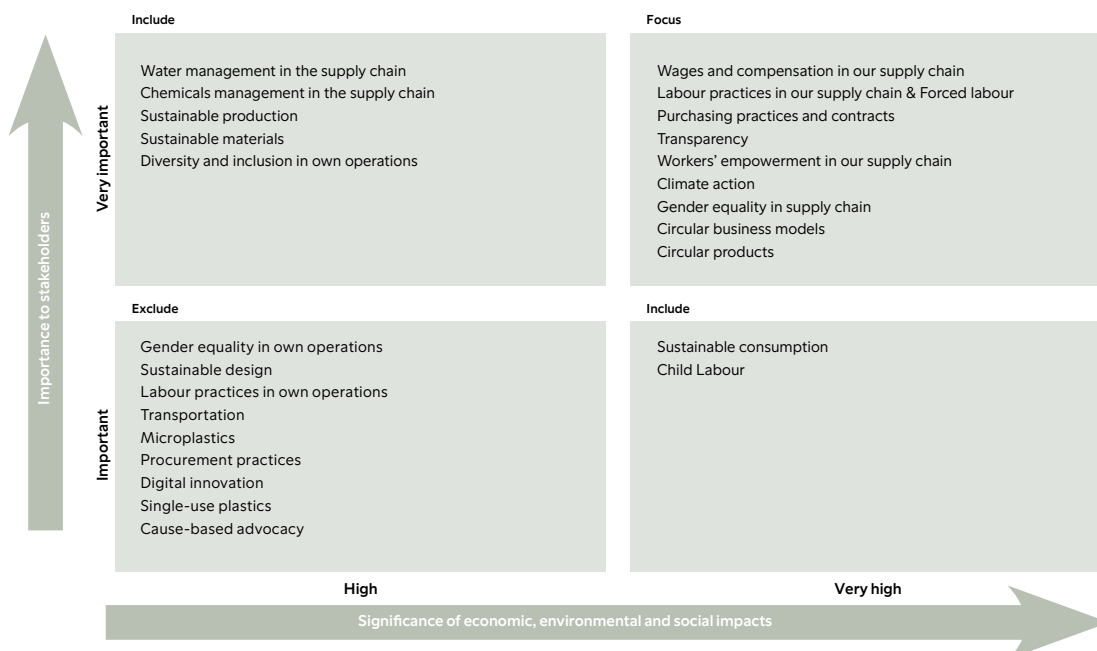
However, we also want to ensure that this approach takes our stakeholders' priorities into consideration. This is why Lindex conducted a comprehensive stakeholder materiality consultation in 2021. The goal of this process was to gather stakeholder feedback on ESG priorities to inform Lindex's approach to both reporting and strategic engagement with key issues. Representatives of 21 different stakeholder groups, plus an additional 500-plus customers, took part in the feedback process via survey, interview, or qualitative feedback channel.

These stakeholder groups included:

Lindex board members, franchisees, suppliers, the Lindex management group, customers, researchers, and representatives from 16 organisations ranging from advocacy groups to industry watchdogs, government agencies, financing firms and unions. The outcomes of the stakeholder materiality consultation have been discussed among the teams at Lindex, and the table below summarises the major findings.

The topics in the top right quadrant, indicating high priority areas for our stakeholders, are detailed throughout this report. The areas in the top left and bottom right boxes will be included in the report as well, but with less prominence.

In order to prioritise the most material areas in the report, the areas in the bottom left box will not be emphasised in the reporting. However, there are exceptions to this where we felt certain topics were either extremely relevant to our strategy (for example, sustainable design), or we felt topics needed to be covered due to the global context this year (for example, transportation). We also included the topic of 'digital innovation' as this is of increasing strategic importance due to the



changing digital landscape, and our stakeholders felt this would be a relevant topic over the next several years. All findings, however, are being considered in ongoing strategy formulation.

Policies

Lindex has a set of policies in place to serve as the foundation for our business activities and has set clear expectations for our employees. These policies reflect our core values and align with our code of conduct and our overall strategy, as well as applicable laws. These include:

- Lindex human rights policy
- Lindex discrimination policy
- Lindex homeworking policy
- Lindex offence and harassment policy
- Lindex reuse recycling and donation policy
- Child labour action plan
- Forced labour action plan

The full policies are publicly available on our website [here](#).

GRI index

Lindex has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards (2016).

| GRI Standard | Disclosure number | Disclosure title | Topic boundary | Location of disclosure | Additional information or omissions | Note |
|-----------------------------------|-------------------|--|----------------|---|-------------------------------------|---|
| GRI 102: General disclosures 2016 | 102-1 | Name of the organisation | | Pg. 5 (The company) | | |
| | 102-2 | Activities, brands, products, and services | | Pg. 5 (Lindex at a glance) | | |
| | 102-3 | Location of headquarters | | Pg. 5 (Lindex at a glance) | | |
| | 102-4 | Location of operations | | Pg. 6 | | |
| | 102-5 | Ownership and legal form | | Pg. 5 (Lindex at a glance) | | |
| | 102-6 | Markets served | | Pg. 6 | | |
| | 102-7 | Scale of the organisation | | Pg. 5 (Lindex at a glance), Pg. 8 (Work/life balance) | | |
| | 102-8 | Information on employees and other workers | | Pg. 5 (Lindex at a glance), Pg. 8 (Culture) | | |
| | 102-9 | Supply chain | | Pg. 11 (Supply chain management), Pg. 62 (Fair and decent work), Pg. 64 (Lindex purchasing practices), Pg. 65 (Due diligence) | See note | Lindex publishes contact info for garment factories, processing units and fabric suppliers on Lindex.com . |
| | 102-10 | Significant changes to the organisation and its supply chain | | | See note | No significant changes in Lindex's operations. |
| | 102-11 | Precautionary Principle or approach | | Pg. 59 (Precautionary principle) | | |
| | 102-12 | External initiatives | | Pg. 20 (Collaboration for impact) | | Additional detail available from Stockmann's 2022 Corporate Social Responsibility Report (Corporate governance, Pg. 2-4, pg. 6-7) |
| | 102-13 | Membership of associations | | Pg. 20 (Collaboration for impact) | | Additional detail available from Stockmann group website: Memberships of associations and advocacy organisations . |
| | 102-14 | Statement from senior decision-maker | | Pg. 4 (CEO comment) | | |

| GRI Standard | Disclosure number | Disclosure title | Topic boundary | Location of disclosure | Additional information or omissions | Note |
|-----------------------------------|-------------------|--|----------------|---|-------------------------------------|--|
| GRI 102: General disclosures 2016 | 102-16 | Values, principles, standards, and norms of behavior | | Pg. 8 (Culture), Pg. 25 (Our promise), Pg. 70 (Diversity, equity and inclusion), Pg. 74 (Policies) | | |
| | 102-18 | Governance structure | | Pg. 7 (Governance: Embedding sustainability into our business) | | |
| | 102-40 | List of stakeholder groups | | Pg. 74 (Materiality) | | |
| | 102-41 | Collective bargaining agreements | | Pg. 10 (Collective bargaining) | | |
| | 102-42 | Identifying and selecting stakeholders | | Pg. 74 (Materiality) | | |
| | 102-43 | Approach to stakeholder engagement | | Pg. 74 (Materiality) | | |
| | 102-44 | Key topics and concerns raised | | Pg. 11 (Supply chain management), Pg. 16 (Legislative landscape and policy engagement), Pg. 25 (Our promise), Pg. 27 (Our goals), Pg. 65 (Due diligence, Assessment of Lindex's salient issues), Pg. 74 (Materiality) | | |
| | 102-45 | Entities included in the consolidated financial statements | | | See note | See " Stockmann Group 2022 Financial Review " |
| | 102-46 | Defining report content and topic boundaries | | Pg. 74 (Report background) | | |
| | 102-47 | List of material topics | | Pg. 74 (Materiality) | | |
| | 102-48 | Restatements of information | | | See note | In case of occurrence, this is reported in connection with relevant topic. |
| | 102-49 | Changes in reporting | | | See note | In case of occurrence, this is reported in connection with relevant topic. |
| | 102-50 | Reporting period | | Pg. 74 (Report background) | | |
| | 102-51 | Date of most recent report | | Pg. 74 (Report background) | | |
| | 102-52 | Reporting cycle | | Pg. 74 (Report background) | | |

| GRI Standard | Disclosure number | Disclosure title | Topic boundary | Location of disclosure | Additional information or omissions | Note |
|---|-------------------|--|-------------------------------------|--|-------------------------------------|---|
| GRI 102: General disclosures 2016 | 102-53 | Contact point for questions regarding the report | | Pg. 74 (Report background) | | |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | | Pg. 74 (Report background) | | |
| | 102-55 | GRI content index | | Pg. 75 (GRI index) | | |
| | 102-56 | External assurance | | Pg. 74 (Report background) | | |
| GRI 103: Management approach 2016 | 103-1 | Explanation of the material topic and its boundary | | | See note | The management approach is presented in connection with each material topic. |
| | 103-2 | The management approach and its components | | | See note | The management approach is presented in connection with each material topic. |
| | 103-3 | Evaluation of the management approach | | | See note | The management approach is presented in connection with each material topic. |
| Economics | | | | | | |
| GRI 201: Economic performance 2016 | 201-1 | Direct economic value generated and distributed | Inside the organisation | | See note | Additional detail available from Stockmann's 2022 Corporate Social Responsibility Report (Sustainable business approach, pg. 25-26) |
| GRI 203: Indirect economic impacts 2016 | 203-1 | Infrastructure investments and services supported | Outside the organisation | Pg. 6 (Lindex today), Pg. 33 (Female health and wellbeing, FemTech, WaterAid), Pg. 34 (Cancer Foundation, WE Women management system programme), Pg. 35 (Women's cafe), Pg. 37 (Impact summary), Pg. 46 (Supply chain project), Pg. 55 (Rain water harvesting project) | | |
| Environmental | | | | | | |
| GRI 301: Materials 2016 | Own indicator | Share of more sustainable materials used in our garments | Outside the organisation | Pg. 52 (Materials we used in 2022. How far we've come in switching to more sustainable options) | | |
| | 301-2 | Recycled input materials used | Outside the organisation | Pg. 52 (Recycled materials, Share of products with at least 15 per cent recycled content), Pg. 53 (Circular packaging strategy) | | |
| | Own indicator | Collected textile through Lindex stores | Inside and outside the organisation | Pg. 50 (Collection for reuse and recycling) | | |
| GRI 302: Energy 2016 | 302-4 | Reduction of energy consumption | Outside the organisation | Pg. 42-46 (Taking climate action) | | |

| GRI Standard | Disclosure number | Disclosure title | Topic boundary | Location of disclosure | Additional information or omissions | Note |
|--|----------------------|---|-------------------------------------|--|-------------------------------------|--|
| GRI 303: Water 2016 | Own indicator | Initiatives for more sustainable water management | Outside the organisation | Pg. 33 (WaterAid), Pg. 54 (Responsible water strategy), Pg. 68 (Salient issue #7: Access to clean water) | | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Inside and outside the organisation | Pg. 45 (Emission overview 2022) | See note | Additional detail available from Stockmann's 2022 Corporate Social Responsibility Report (Environmental responsibility, pg. 32) |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Inside and outside the organisation | Pg. 45 (Emission overview 2022) | See note | Additional detail available from Stockmann's 2022 Corporate Social Responsibility Report (Environmental responsibility, pg. 32) |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Inside and outside the organisation | Pg. 45 (Emission overview 2022) | See note | Additional detail available from Stockmann's 2022 Corporate Social Responsibility Report (Environmental responsibility, pg. 32) |
| GRI 306: Effluents and waste 2016 | Own indicator | Share of stores with recycling systems | Inside and outside the organisation | Pg. 28 (Respect the planet/circularity) | | |
| GRI 307: Environmental compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | Inside and outside the organisation | Pg. 65 (Due diligence) | See note | We have not identified any non-compliance with environmental laws and/or regulations. See more about our due diligence process on page 65. |
| GRI 308: Supplier environmental assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | Inside and outside the organisation | Pgs. 11-14 (Supply chain management), Pg. 57 (Innovation and transparency: The Bhive®, develoPPP) | | |
| Social | | | | | | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Inside the organisation | | See note | New employee hires: 171%. Employee turnover: 21.3%. The information has not been broken down by age group and gender due to limitations in the data. |
| GRI 403: Occupational health and safety 2016 | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Inside the organisation | | Information unavailable, see note | Due to limitations in the data we report on the total rate of sickness absence (6.2%). In total, there were 141 work-related injuries reported in 2022. |
| | Own indicator | Remediation rate of issues found through Accord inspections | Outside the organisation | Pg. 14 (The International Accord) | | |
| GRI 404: Training and education 2016 | 404-3 | Percentage of employees receiving regular performance and career development reviews | Inside the organisation | | Information unavailable, see note | According to our latest employee survey in October 2022 (with a total participation rate of 70%) we received a score of 9.1 on the question 'At work, I know what I'm expected to deliver.' We received a score of 8.1 on the question 'I get enough feedback to understand if I'm doing my job well.' |
| | Own indicator | Number of women reached in HERhealth and workers reached in HERfinance | Outside the organisation | Pg. 37 (Impact summary) | | |

| GRI Standard | Disclosure number | Disclosure title | Topic boundary | Location of disclosure | Additional information or omissions | Note |
|---|-------------------|--|-------------------------------------|--|-------------------------------------|---|
| GRI 405: Diversity and equal opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Inside the organisation | Pg. 9 (A culture of diversity, equity and inclusion), Pg. 67 (Salient issue #5: Diversity & non-discrimination), Pg. 70 (Diversity, equity and inclusion) | Information unavailable, see note | Due to limitations in the data we focus the reporting on gender. |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | Inside the organisation | Pg. 10 (Equal opportunities) | | |
| GRI 407: Freedom of association and collective bargaining 2016 | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Outside the organisation | Pg. 10 (Collective bargaining), Pg. 61 (Ensure human rights), Pg. 67 (Salient issue #4: Social dialogue, freedom of association & collective bargaining) | | |
| GRI 408: Child labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | Outside the organisation | Pg. 12 (Zero tolerance), Pg. 66 (Salient issue #2: Child labour) | | |
| GRI 409: Forced and compulsory labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Outside the organisation | Pg. 12 (Zero tolerance), Pg. 65 (Salient issue #1: Forced labour)) | | |
| GRI 412: Human rights assessment 2016 | 412-1 | Operations that have been subject to human rights reviews or impact assessments | Inside and outside the organisation | Pg. 11 (Supply chain management system), Pg. 12. (Audits and audit statistics), Pg. 37 (Impact summary), Pg. 65 (Due diligence) | | |
| GRI 414: Supplier social assessment 2016 | 414-1 | New suppliers that were screened using social criteria | Outside the organisation | Pg. 11 (Supply chain management system), Pg. 12. (Audits and audit statistics), Pg. 37 (Impact summary), Pg. 57 (Innovation and transparency: The BHive ®), Pg. 65 (Due diligence) | | |
| GRI 416: Customer health and safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | Outside the organisation | Pg. 56-59 (Responsible chemistry strategy) | | |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Outside the organisation | Pg. 56 (Product safety: product level testing) | | |
| GRI 419: Socioeconomic compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | Inside and outside the organisation | Pg. 65 (Due diligence) | See note | We have not identified any non-compliance with laws and regulations in the social and economic area. See more about our due diligence process on page 65. |