LINDEXGROUP

Lindex Group plc's Environmental Policy

Introduction

At Lindex Group, respect for the planet is an integral part of our business.

Climate change along with the depletion of natural resources and biodiversity loss represent the biggest environmental crisis of our time. To uphold the right to a healthy and safe environment and ensure the well-being of both present and future generations we need to drastically reduce our impact and safeguard the ecosystems that we depend on. This will require transformational changes by Lindex Group as well as the entire industry and we commit to actively making these changes both within our operations as well as contributing to the wider industry.

With this policy and our commitment to environmental sustainability, we will contribute to the realisation of the UN Sustainable Development Goals (SDGs) and support the ones to which our business can make significant contributions:



The UN Sustainable Development Goals

Furthermore, this policy addresses the following environmental areas identified as material to Lindex Group.

- Climate change
- Pollution
- Water
- Biodiversity and ecosystems
- Circular economy and resource use

Lindex Group plc
Aleksanterinkatu 52 B
P.O. Box 220 00100 Helsinki, Finland
lindex-group.com

LINDEXGROUP

Our commitment

Lindex Group is committed to respecting the planet and the right to a healthy and safe environment by actively identifying, assessing, and preventing or mitigating environmental impacts. We comply with all applicable national, EU and international legislation as well as authorities' requirements. Our Environmental Policy draws from the guidance on the principles for responsible business conduct outlined in these international documents:

- 10 Principles of the UN Global Compact
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector
- United Nations Paris Agreement
- UN Framework Convention on Climate Change (UNFCCC)
- Science Based Targets initiative
- Ellen MacArthur Foundation's Principles on Circular Economy
- Kunming-Montreal Global Biodiversity Framework (GBF)

Lindex Group's Environmental Policy is built around the material topics mentioned above and outlines the Group´s approach to the following objectives:

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.

Scope

This policy reflects our public commitment to respect the planetary boundaries and the right to a healthy and safe environment in our business operations, which applies to:

- our own operations
- our upstream and downstream value chain
- our sourcing, production, procurement processes, logistics, and sales

We also require that our businesses partners, including our suppliers, adhere to the same principles and targets enshrined in this policy.

We recognise our impact on the communities in which we operate. As a global organisation, our values and way of working affect many people living in close proximity to our production activities. Therefore, we commit to positively contributing to the communities along our value chain to uphold their human

rights by respecting their culture, connection with the land, and access to clean water.

Governance

Lindex Group's Board of Directors is responsible for the management of actual and potential environmental risk, impacts and opportunities. Lindex Group's Board of Directors approves the Environmental Policy. When necessary, the CEO or CEO's delegate may make technical amendments to the policy approved by the Board of Directors.

The Corporate Sustainability team at Lindex Group are responsible for formulating and periodically reviewing this policy. The Group Management Team and the respective business functions covering all departments, managers, and employees are responsible for the implementation of the policy.

Stakeholder dialogue

We recognise the important role of stakeholder dialogue in the development of this policy and in the implementation of the environmental due diligence process. We commit to engaging in dialogue with stakeholders connected to our operations or their credible proxies. When developing this policy we consulted with representatives from different stakeholder groups.

We are committed to actively engaging in dialogue with stakeholders in our value chain through local representation in our major sourcing countries and to membership in industry initiatives, partnerships and dialogue with NGOs, and other channels.

The relationship with our key suppliers is built on partnership and takes place through our local production offices in our main sourcing markets. We have an open and ongoing dialogue with our suppliers and we visit them on a regular basis and work on capacity building projects.

We actively communicate with our customers through open customer service channels and social media. In addition, we conduct frequent customer surveys that give our customers the opportunity to provide effective feedback on our products and communication.

Implementation

Environmental due diligence

To integrate Lindex Group's Environmental Policy into our business management, we conduct an ongoing and dynamic environmental due diligence process across our own operations and our value chain.

We are committed to identifying, preventing, mitigating, and remediating environmental impacts caused by or contributed to by our business operations, systematically addressing them in order of severity and likelihood.

At the Lindex division, based on our business relationships, leverage, and operational context, we employ tools such as the Supplier Code of Conduct, sustainability commitment, supplier environmental scorecard and capacity building programmes. As a Group we engage in dialogue with relevant stakeholders to detect potential environmental impacts within our value chain. When environmental impacts are caused by third parties, we strive to use our leverage to ensure remediation and implement preventative measures.

We are committed to reviewing and adapting company policies and practices on a regular basis to ensure that they are in line with our Environmental Policy. We will continuously revise our priorities, strategies and roadmaps based on the result of the impact assessment process.

Metrics and targets

To measure our progress on environmental performance in our own operations and in the value chain we developed specific, measurable goals and we commit to reviewing them on a regular basis. We are also committed to continous improvement. We regularly monitor, measure and report on progress against our environmental goals both internally to the Group Management Team and the Board of Directors and to external stakeholders.

To balance short- and long-term goals we work both on optimising and developing our current business as well as testing and implementing innovative solutions to create the long-term solutions.

Collaboration and advocacy

The transformational changes needed cannot be achieved by Lindex Group alone, so collaboration, advocacy and engaging with our stakeholders are all part of our commitment. Together we can increase leverage, share what we have learnt, and pave the way for harmonisation among industry players.

In line with UN Sustainable Development Goal 17: Partnerships for the goals, we are part of multiple commitments where we join forces with others and gather around common goals and ambitions.

The complex global and intertwined nature of the fashion industry means that we must collaborate with suppliers, industry partners, NGOs, and research institutions to advance understanding and solutions.

We welcome the development of the legislative landscape to level the playing field and drive systemic change. To further support this development, we engage in policy dialogue across all sustainability topics and the entire value chain.

Disclosures and communication

Transparent reporting is of high importance for us. Apart from reporting in line with legal obligations, such as the EU Corporate Sustainability Reporting Directive, we also strive to actively share our progress and best practices with industry peers and our stakeholders.

Our focus

Climate action

Lindex Group is deeply committed to fostering a sustainable economy by actively reducing its greenhouse gas emissions (mitigation) and fortifying its resilience against the risks posed by climate change (adaptation).

We have set science-based targets for GHG reductions in line with the 1.5° target presented in the Paris Agreement across our operations and supply chain. Lindex Group's target is to reduce greenhouse gas emissions by 42% by 2030 from 2022 from its own operations (Scope 1 and 2) and value chain (Scope 3), respectively.

Addressing the climate crisis requires a transformational approach and it must be integrated into Lindex Group's overall business strategy, as well as the strategic sales and growth plans. We are committed to the transformation to a circular economy as required of the industry and described above.

Furthermore, climate actions will be taken in every part of our business through shifting to renewable energy sources and adopting energy efficiency measures. A special focus will be on decarbonisation in our supply chain as well as shifting to low-carbon materials.

We will also engage in industry level collaboration and policy advocacy to address the transformational and structural challenges we face in relation to energy systems and new technology needed to fulfil our commitment.

The Lindex division's 2030 Climate Action roadmap outlines all our climate-related activities consolidated into one strategic action plan for the organisation to reach our 2030 target. The document presents our targets, strategy and methodology and details our strategic plan to reduce emissions including our strategic growth plan as well as roadmaps for each part of the value chain.

Circular economy and resource use

At Lindex Group, we embrace the shift to a circular economy and are fundamentally transforming our practices towards a circular fashion system in order to reduce our impact and embrace new business opportunities. Guided by the EU waste hierarchy and the Ellen MacArthur Foundation's principles on the circular economy we commit to keeping products and materials circulated at their highest value, to extending product life cycles, optimising resource use and eliminating waste and pollution.

Our commitment includes the decoupling of value and growth from climate impact and the use of natural resources with a clear focus on creating maximum product value, optimising production volumes, reducing overproduction and exploring and scaling circular business models and services as part of our future growth.

We design our products for a maximised lifetime, to be sold several times and to be made from recycled and regenerative materials that can be recycled back into the system.

We are committed to the uptake of recycled materials and to actively engage with industry partners to enable the uptake and scaling of available solutions. We will ensure that our products and materials are aligned with existing and near-term solutions for recyclability without jeopardising key functions or lifespan.

We actively engage in the development of a supply chain and infrastructure that will keep products and materials in circulation and we support our suppliers and business partners in resource-efficient processes, powered by renewable energy and free from hazardous chemicals.

We encourage all business partners of Lindex Group to follow circular principles and the waste hierarchy and to support full transparency and reporting to secure zero waste to landfill or incineration.

We also strive to increase the use, active wear and lifetime of every product with extended offerings and services such as care, repair and re-commerce, as well as empowering and transparent communication to support sustainable consumption and lifestyle.

Biodiversity and ecosystems

We will prevent and reduce the impact of our value chain and support the protection and restoration of biodiversity and natural ecosystems.

To align with the global goals and targets for land and biodiversity our first focus is to reduce dependency on natural resources and land areas needed to produce our items. In our own brand products, this is done through increased use of recycled materials as well as through our circular approach to decouple growth from resource use. We commit to zero deforestation or other transformation of natural ecosystems and will increase the traceability of all our materials.

Our next focus is to improve ecosystem integrity through better land-use management by using raw materials from sustainably managed sources that minimise impact and respect human rights. The Lindex division is committed to the goal of sourcing 100% more sustainable materials through recognised certification schemes. To secure constant improvement and best practices we are also actively engaging in landscape improvements working on innovation and next-generation practices such as regenerative agriculture.

Biodiversity is intricately linked to other environmental impacts such as water, pollution, and climate. To further limit biodiversity loss it is imperative to address all of these areas as described in this policy.

Water

At Lindex Group, we acknowledge the textile industry's significant role in contributing to water scarcity. The Lindex division, which forms the majority of the Group, commits to reducing water usage and pollution throughout its value chain and actively works to ensure clean water and sanitation in the communities connected to its value chain.

The Lindex division will reduce water usage across its value chain, with a particularly focus on water-intensive materials and production processes. This includes promoting and adopting recycled, regenerative, and organic practices to minimise water consumption. In collaboration with our partners, we will ensure sustainable water management practices, including the implementation of water recycling and rainwater harvesting to reduce dependence on freshwater sources.

Securing water quality is paramount. The Lindex division works closely with its partners to reduce pollution and to minimise the release of hazardous chemicals and waste. Responsible treatment of wastewater before discharge is a critical component of our Environmental Policy and Code of Conduct.

Through our collaboration platforms the Lindex divisions works actively to support our suppliers to adopt advanced methods and technologies and finding the right partners.

The Lindex division actively works to secure access to safe and affordable water and sanitation in communities connected by the value chain, with special attention to the needs of women and girls.

Pollution

At Lindex Group, we acknowledge the significant impact that pollution to air, water and soil can have on ecosystems, communities, and human health. We are committed to reducing pollution throughout our value chain focusing on textile manufacturing processes and agricultural practices.

Our chemical strategy revolves around three key pillars: eliminating the release of hazardous and toxic substances across our value chain and during the lifespan of our products, ensuring complete transparency in all supply chain activities, and advocating for a more sustainable chemistry within our industry.

Lindex Group works closely with its independent suppliers to identify and address potential sources of pollution and requires all its own brand value chain actors to both comply with its Manufacturing restricted substances list to implement effective and responsible waste and wastewater management practices and to secure full transparency.

Furthermore, we work actively towards better land use management by using raw materials from certified sustainably managed sources with a responsible approach to chemical use and pollution prevention.

Microplastic pollution is a growing concern. We strive to achieve zero impact from fibre fragmentation from our own brand textiles to the natural environment and fibre fragmentation is high on our agenda. Our focus is on contributing to the development of knowledge and identification of solutions where we collaborate with industry partners and invest in research and development to explore and adopt innovative solutions for reduction from product and production. Our commitment means that we are serious about taking actions to influence progress to the adoption of innovative solutions.

Speak up

Lindex Group encourages all of its employees, suppliers, partners, public authorities, customers, and other stakeholders to report any misconduct or raise concerns relate to this policy through the whistleblowing channel:

https://report.whistleb.com/en/lindexgroup

All reports will be thoroughly investigated and addressed by the company.

For questions concerning this policy or its contents, please contact your team leader or the person responsible for this policy:

Anna-Karin Dahlberg, Chief Sourcing & Sustainability Officer

This policy is approved by the Lindex Group plc's Board of Directors on 22 August 2024.