



NTA Report

LINDEX



Introduction

General description of the enterprise structure and area of operations

Lindex is a fully owned subsidiary of Stockmann Group. With around 436 shops in 18 different markets, including Norway, Lindex is one of the leading fashion chains in Europe. A substantial part of Lindex's business is in Norway (99 shops and e-commerce).

At Lindex, we welcome the Norwegian Transparency Act ("NTA") as a strong regulatory framework that can level the playing field and contribute to increased transparency and the promotion of human rights globally. We believe that conducting due diligence checks and reporting on our human rights impacts (actual or potential), including our work to mitigate such impacts, is a means to continuously improve our work on human rights.

In alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, we are committed to respecting all internationally recognised human rights, including civil and political rights, economic, social and cultural rights, labour rights, and the rights of particularly vulnerable individuals and groups.

Our ambition with this report is to provide all readers with easily accessible insights into our ongoing work within the field on an annual basis, highlighting both challenges and opportunities.



General description of how Lindex handles impacts

A general description of the enterprise's guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions

Lindex acknowledges that there are human rights risks in our own operations and the textile value chain. We aspire to respect human rights in our operations and expect our business partners to do the same, and we recognise that it is a continuous journey of learning and improvement. This means that we work proactively to identify, prevent and minimise any negative impacts that our business activities may have on the environment, as well as on human and labour rights in our production countries, our own operations and our supply chain. We also have an ambition to be at the forefront of positive social impact and aspire to go beyond compliance.

The Chair of our Board of Directors is ultimately responsible for the management of sustainability-related risks at Lindex, which includes overseeing management of actual and potential impacts on human rights, including decent working conditions. Our sustainability targets are commitments made by the Board. We have a Director of Sustainability who sits on the global Management Group and was appointed in 2022. The Director of Sustainability is in charge of the Corporate and Regional Sustainability Teams, which implement the sustainability strategy. The teams follow up on goals and strategic initiatives and support the entire organisation in implementing the strategy. At production office level, local sustainability teams support the implementation of the strategy in our supply chain, reporting progress to business owners and the Director of Sustainability. Our sustainability teams develop and implement our strategy in our supply chain. They also monitor and support our supply chain in our main production markets and offices. See: [Organisation and approach | Lindex group](#)





Key sustainability and human rights provisions are embedded in the Lindex:

- Human rights policy, [Policies | Lindex Group](#)
- Sustainability commitment [Organisation and approach | Lindex Group](#)
- Instructions for suppliers, not public
- Code of conduct, [see here](#)
- Due diligence methodology. [See 2022 CSR report page 66](#)

We regard due diligence as central to our business and attempt to integrate human rights into planning and reporting as far as possible. We also consider human rights in sourcing plans and Business partner selection strategies. Our due diligence process involves analysing risks and impacts in production markets. We follow up with business partners using tools, including self-assessments, SMETA audits and risk and impact assessments. Before we enter into new markets, we engage with external stakeholders to understand the local context. [See 2022 CSR report page 11.](#)

Adverse impacts and their mitigation

– Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.

– Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

Identification of human rights impacts in the value chain

In 2022, together with a Swedish external partner (Enact Sustainable Strategies AB) that has 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, including decent working conditions. The findings provide the basis for our salient human rights issues reported in our CSR report. The report also highlighted gaps in Lindex's processes in relation to managing

human rights and suggested ways to close such gaps, for example by increasing dialogue with affected stakeholders.

Below, we share the impacts and risks Lindex has found for own operations and supply chain. We present the planned actions to respond to the issue and results for each issue in the text below.

Our business operations

The main issues for our own operations (employees at all offices, warehouses, distribution centres and shops in all sales countries) include:

- Health and safety
- Discrimination
- Freedom of association
- Privacy

In order to address the impacts and prevent and minimise the risks, we work continuously to integrate human rights considerations into our daily work. We understand that respecting human rights within our own business is a precondition for effective operations. Work-life balance, a healthy and safe working environment and the wellbeing of our colleagues and contractors will ensure employee satisfaction.

Equal opportunity and non-discrimination are at the core of Lindex's vision. Fighting discrimination and creating a truly equal working environment both in terms of opportunity (recruitment) and in occupation requires constant effort. Empowering women has been a particular focus of our human rights commitment for many years.

We work to ensure that the recruitment processes at Lindex are based on objective and non-biased criteria. We particularly make efforts to increase opportunities for vulnerable groups, for example in Finland where the human resources department is working to promote migrant labour. We have a zero-tolerance policy to discrimination and act immediately when we find out about an incident in order to resolve the matter.

For Lindex, freedom of association is a cornerstone for the realisation of favourable working conditions. We are aware that freedom of association is restricted in some of the countries that we operate in. We strive to engage through dialogue with employees to the degree possible. It is through dialogue between Lindex and employees that we can improve their working conditions. Through our human resources departments in our production offices, we also engage in ongoing dialogue on key work-related issues.



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

In relation to the right to privacy, we are aware of the risks involved in handling our employees' and customers' personal data. In our Personal Data Processing Policy, we set the framework for how we manage personal data, notably, in accordance with the GDPR.

Our supply chain:

We consider sustainability in the procurement of goods and services. A key component in our strategy to prevent and address adverse impacts in our supply chain is to establish long-term relationships with business partners. We strive to find partners who have an aspiration to move beyond compliance and share our commitments to human rights.

The centrepiece of our expectations for business partners' conduct is our Human Rights Policy and Code of Ethics, as well as our general Code of Conduct (with embedded outspoken gender equality expectations), our Sustainability Commitment and Instructions for Suppliers.

In 2022, we worked with 97 business partners and a total of 152 factories in tier 1, all of which were covered by our Code of Conduct and regular SMETA audits.

Through a pre-assessment, we first check compliance with our Code of Conduct and performance against our zero-tolerance issues. Once a relationship is established, the business scorecard is used to recognise and reward high-performing suppliers based on business criteria, as well as social and environmental performance.

We take any possible infringements against our Code of Conduct very seriously. This goes beyond our tier 1 direct relationships and includes any production site under any supplier that produces goods for Lindex.

Below is a list of issues for which we have zero tolerance. Lindex reserves the right to immediately and permanently discontinue business with any production site under any supplier that is found to be breaching requirements related to:

- 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 licence
- Insufficient building and fire safety practices
- Environmental non-compliance
- Unauthorised subcontracting

Our risk and impact assessment has further identified the following issues in our supply chain.

Forced labour

Lindex strictly condemns and prohibits all forms of modern-day slavery, including forced, bonded, compulsory, illegal and prison labour 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 preventing, identifying and mitigating 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 allegations of the above, we follow our



forced labour action plan, a seven-step process which includes identifying accountable individuals and possible remediation, as appropriate.

See [Policies | Lindex Group](#)

On a strategic level, we have worked pro-actively to transform and consolidate our value chains and have encouraged our business partners 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 links 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 in order 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 also published our supply chain for tiers 1 and 2 on our website. [See 2022 CSR report page 18 and 23.](#)

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 from 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 will be no recruitment of child labour, and verification processes are 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 we receive 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. See [Policies | Lindex Group](#)

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

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. Our goal is for the Lindex business partners who produce 80% of our production to work actively with a living wage programme 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 production as well as in our shops. 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 to provide some discretionary income”.

We are committed to working together with our business partners and stakeholders to achieve a wage that can support decent living standards for the employees 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 of local living wages against wages paid. [See 2022 CSR report page 63 - 64.](#)



We also seek to ensure that our purchasing practices enable the payment of correct wages and do not drive overtime. We support our business partners in implementing an effective wage management system that classifies jobs according to skill level and pays workers according to their competence. [See 2022 CSR report page 63 - 64.](#)

Social dialogue, freedom of association and collective bargaining

The right to freedom of association and collective bargaining is a challenge in many countries, for example 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, unions and freedom of expression are important to ensure that employees 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 where unions/employee committees work together. This is included in our Code of Conduct.

We have identified a risk of significant adverse impacts on employees' 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 employee representation in our supply chains. [See 2022 CSR report page 61.](#)

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 the development phase but will be expanded to other production countries in the future.

Diversity, non-discrimination

Discrimination is any kind of treatment that directly or indirectly disfavours or limits the acting space and options of individuals/groups. Diversity means the inclusion of individuals of different identities (e.g.

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 ensuring 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 experience a positive working environment. To promote diversity, we are rolling out a number of activities linked to these ambitions, beginning with awareness training. We measure employee satisfaction globally through an online engagement platform that also enables our employees to share their thoughts. [See 2022 CSR report page 6 and 71.](#)

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. [See 2022 CSR report page 34.](#)

Health and safety

Health and safety of employees and customers in the global value chain are critical preconditions to economic and social empowerment and are therefore very important to Lindex.

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

When it comes to health, we have reframed our efforts in this area into two new core aims, namely 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. [See 2022 CSR report page 33.](#)

Regarding safety in our production countries, we monitor the situation in the factories through external audits and 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. [See 2022 CSR report page 1.](#)

As part of women empowerment, we have created the We Women management system to promote a better, safer and more inclusive work environment for female workers in the factories. [See 2022 CSR report page 34.](#)

Access to clean water

Lindex considers 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 company that uses water responsibly, Lindex approaches water resources from a both quantitative and qualitative perspective. Water should be safe, sufficient, 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 the 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.

We are committed to working closely with our suppliers globally to ensure that wastewater is properly treated before being discharged. We are also actively working with our business partners 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. [See 2022 CSR report page 55 and 33.](#)

Grievances

Local grievances are handled directly by factories where the complaints are written down and accounted for. This is followed up in our audits and monitored by us regularly.

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

The whistleblowing function is also available for production countries.