



# Sustainability report 2019.

LINDEX



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A photograph of two women from behind, embracing. The woman on the left is wearing a dark red, long-sleeved dress with a black belt. The woman on the right is wearing a top with a colorful, intricate floral pattern in shades of blue, red, and white. They are standing against a plain, light-colored background. The text "We are Lindex." is overlaid in the center of the image.

We are Lindex.





At the close of 2019, I find myself reflecting on a year of powerful change in our industry, which is really a culmination of the past decade of growing momentum.

Our world has changed. Our priorities have changed. And with this, our business has changed.

As we explore circular business models, examine energy sources in our supply chain, and partner with our peers and competitors to address issues of gender equality, I am struck by how different the business landscape is now than it was in 2010. And what really underpins these changes is the concept of sustainability—a term which itself has changed over the past decade. While a vague awareness of working within planetary boundaries certainly existed, there is now a global understanding across nations and across ages that these boundaries are being stretched to the limit. And the concept of ‘sustainability’ itself has differentiated. Collectively, we have a more nuanced, and mature view of sustainability—and the role of businesses in relation to sustainability—that encompasses topics like worker wellness, climate impact, gender equality, water stewardship, and zero-waste lifestyles.

Particularly throughout the past year, the climate has been the central topic of global activism, youth demonstrations, and family dinnertable conversations. And the urgency of this challenge has permeated our culture here at Lindex.

We have worked hard to define our purpose at Lindex within this new context, and the outcome is our sustainability promise: to make a difference for future generations. This is integrated into our core reason for being, and we have defined our goals and our targets in the three areas most crucial to keeping our promise: Empower women, Respect the planet, and Ensure human rights. And we know the work has really just begun. Looking ahead we commit to accelerating our impact, integrating these activities throughout our entire value chain, and getting creative as we continue to innovate and collaborate.

When moving forward towards a new year, and a new decade, we are humble towards the challenges ahead. As we publish this report, the situation with covid-19 affects all of us, our surroundings and our business. It changes everything for people, communities and businesses, and the effects of this crisis is yet too early to fully define. As we navigate through these uncertain times, I am proud to be a part of Lindex and the way we do things together, with both today and tomorrow in mind.

The following report lays out the details of how we are making a difference for future generations. We welcome you along on our journey.

**Susanne Ehnåge**  
CEO





## The company

### At a glance

More than 60 years ago, Lindex started as a lingerie company in Alingsås, Sweden.

Since the beginning, we have been on a journey. A journey towards better products. Towards better design. Towards a better world. We are far from perfect, but we are also far from finished.

Today we are an international fashion company with nearly 5.000 employees, all working together to make a difference for future generations.

### Purpose

At Lindex, we exist to empower and inspire women, regardless of their relationship to us. It is our higher purpose.

From field to fitting room and at every step between, women are central to everything we do. And so we are focused on finding ways to support women and all the powerful, world-changing things they do.

In 2019 we launched our sustainability promise, which we believe reflects a common goal of women everywhere: to make a difference for future generations. Within that promise, we see three core focus areas: Empower women, Respect the planet, and Ensure human rights. Throughout this report, we look forward to sharing the details of our work in support of our purpose and our promise.

### Lindex at a glance

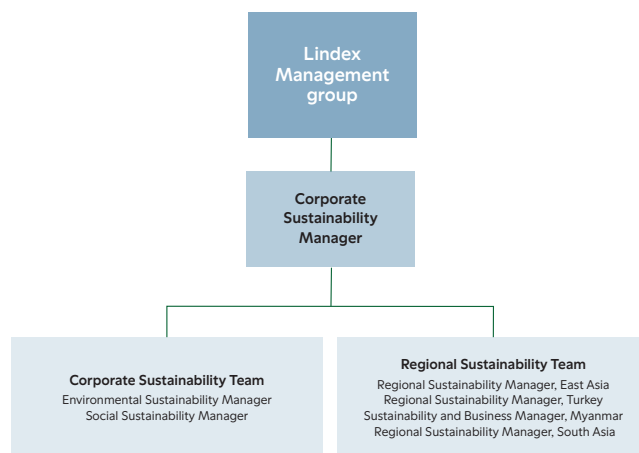
- Founded 1954 in Alingsås, Sweden
- Fashion for women and kids, lingerie and cosmetics
- Head office in Gothenburg, Sweden
- Part of the Stockmann Group since 2007
- Stockmann is listed on the Nasdaq Helsinki
- 460 stores in 18 countries (incl 9 franchise)
- Shop online in 32 countries and globally through third parties ASOS, Nelly and Boozt
- 575.8 MEUR turnover in 2019
- 4.671 employees
- 6 production offices
- 65 per cent of the garments made from more sustainable material in 2019



# We are Lindex. We do things together.

## Our structure

Sustainability is a team effort and we are fortunate to be a company filled with and surrounded by dedicated people who are part of our journey. Lindex's sustainability work is governed from the head office in Gothenburg. Our Corporate Sustainability Manager, supported by a team, is responsible for the overall sustainability direction and strategy, and reports to the management group. The team works closely with the entire organisation on the implementation of our strategy, and each department and country organisation is responsible for reaching their set goals. In our production offices, we have local sustainability teams that develop and implement the strategy in production.



## We see our sustainability work spanning three levels:

Working along these three levels ensures that our full team is aligned with our guiding star—to make a difference for future generations—and each individual is clear on which steps must be taken to move us ever closer to fulfilling our promise.

### Level 1 – Preparing a solid foundation

Our most fundamental level of sustainability consists of due diligence, risk mitigation, policies, and requirements, as well as a sustainability commitment that all our collaborating partners are required to follow. We also work with a code of conduct, which has been built upon industry standards and then expanded to incorporate a progressive regarding gender quality.

### Level 2 – Turning strategy into action

With our sustainability promise to make a difference for future generations, we must use our solid foundation as a springboard for setting the right strategy and framework, and then launching into action. Our framework is set, our path is mapped, and our focus areas are defined. To turn our strategy into action, we continually assess our progress across every part of the organisation, supporting one another to make sustainability part of our everyday work at Lindex.

### Level 3 – the game changers

With the fundamentals and sustainability integrated in our everyday work, we can achieve many great things. But it is still not enough for making a difference for future generations. Through collaboration and innovative approaches comes the game changers, the projects that takes us further than ever before. Examples include Even Better Denim and WE Women.


## Values

At Lindex, we believe that sustainability needs to be a mindset and integrated in everything we do. It's not about working with sustainability – it's about working in a sustainable way.

As a team, we strive to make the customer experience outstanding, always with passion and commitment. And we think good values make all the difference. These are the ones we live by:

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





The success factor  
at Lindex is that our  
employees show passion  
and commitment to their  
jobs and Lindex every day.

## Culture

At Lindex, we recognise the power of collaboration. Because two are more than one and together we can make a greater impact. We call it our success-factor.

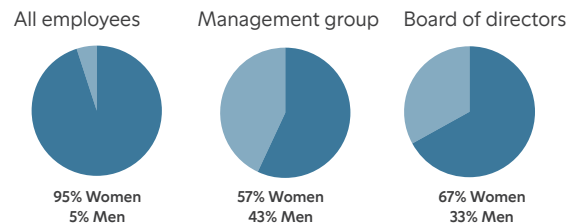
We see ourselves like a family—always supporting one another, always pushing one another, and always keeping one another accountable for making the decisions and taking the actions that will bring to life our promise.

## Diversity

We believe diversity is a strength, and it is a focus area for us as we continue to build a global culture of inclusivity. We see collaboration as vital to our success in that it enables cross pollination among diverse backgrounds, diverse roles, and diverse perspectives. By taking advantage of our employees' unique competencies and experiences, we increase creativity and deliver better long-term results. See more about our approach to supporting and valuing diversity on page 60.

### Gender diversity

We are proud to have many women in leadership positions among our management team and our Board of Directors.



## Leadership

We are proud of our leadership style, which emphasises empowering others, creating opportunities for growth, and clarity. The style of leadership we cultivate at Lindex is geared toward empowering our colleagues, and building upon each individual's unique strengths, their ambitions for the future, and their diverse perspectives.

Our employees tell us that this is one of the reasons that they truly love to work here at Lindex. They are passionate, they are loyal, and they know that their voices count.

### Leadership the Lindex way

- I'm a lindex role model in my words and actions
- I always act and make decisions according to our values
- I create conditions to deliver good results
- I guide the team through challenges and i'm confident in making decisions
- I'm clear in my communication and open to dialogue
- I delegate and take our business forward by developing both team and individuals
- I'm open to change and innovation to meet our customer today and tomorrow

## Performance

Finally, we emphasise a performance culture, clear goals, opportunities for growth, and accountability.

We believe in a performance culture where all employees take responsibility for developing themselves and their roles together with Lindex. In 2016 we started to implement a new way of working with Performance Development to better follow up with and support our employees. With the Performance Development approach, the employees take joint responsibility with their leaders in working towards their goals to contribute to Lindex's overall strategies and goals. As part of Performance Development, our aim is that all employees shall have continuous follow-ups on their individual goals, and periodically we reflect on the overall performance and future ambitions in a performance dialogue.

### New skills, new perspectives

At Lindex we use internal mobility to encourage our employees to explore the company beyond their specific roles. Exploring and moving into new roles within the company brings with it new experiences, perspectives and insights. Not only does this develop our employees and leaders, it also stimulates innovation and networking within the organisation. This approach also increases Lindex's ability to develop and adapt in an ever-changing retail industry. For employees, this exploration process can help inform or even change their desired career path and help them discover new areas where they show potential. We find many of our leaders through this approach.

LINDEX





## Together for a greater impact.

We have the power to empower.

We will grow for global recognition.

We learn so we can change.

Togetherness is our success.

### Employee promise

Just as we have made a promise to future generations, in 2019 we developed our employee promise – Together for a greater impact.

This was crafted following a series of workshops and interviews with employees from all parts of our organisation. The goal was to define what is unique about working at Lindex; our culture as well as our strengths and growth opportunities as an employer. We clarified the ambition from a management perspective, and we identified what our employees believe is special about Lindex, and how well that aligns with their dream working environment.

Our employee promise is based upon our higher purpose, and our belief that each of us has the power to empower and inspire women everywhere. This brings us closer as a community of colleagues, it gives us energy to walk that extra mile, and it knits us together in a warm, supportive, and welcoming atmosphere where we meet the challenges of an ever-changing fashion industry as a team, with clear ambitions and commitments to one another.





Global context.



## A new road ahead

Around the globe, 2019 was a year characterised by passionate discourse and action. Proactive consumers, countries, and corporations are examining their own practices and demonstrating a willingness and an urgency to improve. At Lindex, we are embracing this momentum, examining our own impact, and embedding our values further into our business practices.

We envision powerful changes in the coming years, both for our company, and for our industry, as we work toward achieving our promise. We also believe that reaching our goals will require transparency first and foremost, and open collaboration within our company and among our industry peers and stakeholders.

We are pleased to share our approach going forward, which builds upon internationally agreed-upon targets, and prioritises transparency and collaboration.

### 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 collaboration

The concepts of transparency and collaboration underpin all our efforts toward a more sustainable fashion industry.

Transparency enables accountability, for example by publicly linking our company with our supply chain partners so that we share in one another's successes and challenges. It also enables honest communication among stakeholders about our challenges, and enables us to focus our efforts in the most impactful ways.

Building off a foundation of transparency, collaboration is the next precondition for the kind of structural change we want to achieve. Collaboration with suppliers, industry peers and other partners is crucial as we work to fulfil our promise to future generations. No one company can do it alone, particularly in an industry as global, complex, and intertwined as fashion.

We are part of multiple commitments where we join forces with others and gather around common goals and ambitions. While we are proud of all the initiatives highlighted below, we would like to further emphasise our commitments to the Transparency Pledge and the UN Global Compact, as these two initiatives have the potential to transform the trajectory of our industry, and they are uniquely aligned with the three areas of our sustainability promise.





### Global Compact

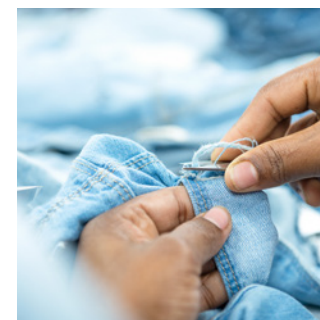
Lindex is committed to the UN Global Compact, an initiative developed by the United Nations to encourage businesses worldwide to adopt more sustainable and socially responsible policies. We have committed to operate in alignment with the UN Global Compact's ten principles, addressing areas including human rights, labour, environment and anti-corruption. Lindex signed the UN Global Compact in 2003, and in 2011 the Stockmann Group signed on behalf of the group including Lindex.



### 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.



### 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.



### BSR™

BSR™ (Business for Social Responsibility) is a global non-profit organisation that develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Together with BSR, we work to empower women through projects such as HERhealth and HERfinance.



### Swedish Fashion Ethical Charter

We are part of the Swedish Fashion Ethical Charter, an initiative developed by the Swedish Fashion Council and Association of Swedish Fashion Brands. The initiative drives common guidelines of social sustainability for those who work in the fashion industry, including areas such as inclusiveness and body positivity.



### The Accord

Lindex was part of the original five-year Accord on Fire and Building Safety in Bangladesh, which has made workplaces safer for millions of garment workers since its launch in 2013. All factories producing garments for Lindex in Bangladesh are covered by the Accord.





### Pink Ribbon

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 14.8 MEUR to cancer research.



### CottonConnect

Lindex partners with CottonConnect, an organisation with a mission to transform the cotton industry for good by enabling brands and retailers to develop a more robust and resilient cotton supply chain. Through their 'Women in Cotton' programme, female cotton farmers learn to improve their livelihood by using organic cotton farming practices. Through the programme, they are also able to hone their management skills, and learn about labour rights, health, and education. See more on page 31.



### WaterAid

As part of our promise to future generations that we will be a water responsible company, we collaborate with WaterAid to improve access to clean water and sanitation around the world. This also supports our promise to empower women. See more on page 53.



### The Global Deal

The Global Deal for Decent Work and Inclusive Growth was launched by the 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 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. By 2025 we will ensure that 80 per cent of our Tier 1 suppliers have implemented WE Women and HERhealth.



### 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.





### Recycled Polyester Commitment

The Recycled Polyester Commitment was developed by Textile Exchange's Recycled Polyester (rPET) Round Table to encourage brands and retailers to publicly commit to accelerating their use of recycled polyester by 25 per cent by 2020. Since we joined the commitment, we have reached that initial goal. We now continue towards our own goal that by 2025, all Lindex materials will be recycled or sustainably sourced.



### CanopyStyle

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

Lindex is one of the top ten users of more sustainable man-made cellulosic fibres worldwide.



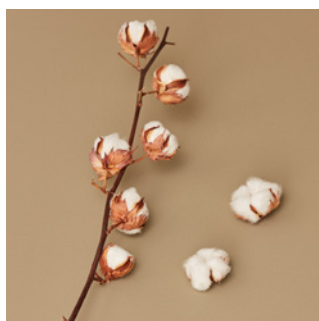
### 2020 Circular Fashion System Commitment

Lindex is committed to the 2020 Circular Fashion System Commitment, an initiative developed by Global Fashion Agenda. The aim of the commitment is to accelerate the transition to a circular fashion system, which is also a core aim of our sustainability promise.



### Textile Exchange

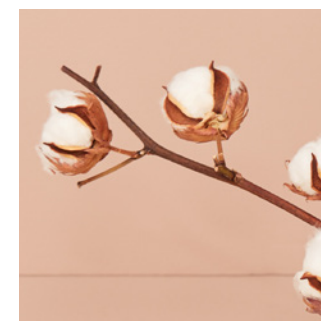
Lindex is a member of Textile Exchange, a global non-profit organisation that provides knowledge and tools to its members to make significant improvements in three core areas: Fibre and Materials, Integrity and Standards, and Supply Network. The overall goal shared by over 200 members is to create positive impacts on water, soil, air, animals, and the human population through increased uptake of more sustainable fibres and materials.



### Better Cotton Initiative

Cotton is Lindex's most commonly used fibre and we are a member of Better Cotton Initiative (BCI). BCI educates farmers to use more environmentally-friendly and socially- and economically-sustainable cultivation methods.

BCI aims to help transition five million cotton farmers to smarter cultivation techniques by the end of 2020, and for BCI cotton to compose 30 per cent of the global cotton 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.





### One Bag Habit

One Bag Habit is a joint initiative by Lindex, KappAhl and H&M. The aim is to reduce the consumption of shopping bags and increase awareness about bags' negative impact on the environment. If a customer does buy a bag from Lindex, it is made of 100 per cent recycled plastic.



### 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.



## Purchasing practices and long-term relationships

Our commitment to transparency and collaboration is also evident in the way we work with our supply chain partners. Our suppliers are independently owned, and we take care to build long-term partnerships with a few carefully selected suppliers who share our values and our commitment to ongoing progress. Our top 30 suppliers produced 80 per cent of our order quantity in 2019. 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.

Prior to becoming a Lindex partner, factories will be assessed based on the Lindex Global Minimum Requirements.

There are 13 requirements: 5 are zero-tolerance issues, and 8 are crucial. If any zero-tolerance issues are uncovered, we will not work with that factory, and we document this on our 'Lindex Stop List'.

We are aware of the challenges related to some of these crucial issues, such as freedom of association, overtime and documented management system. These are systemic issues which must be tackled with collective action. Our suppliers however, must show progress in these areas within

a reasonable timeframe. See more about how we handle these challenges on page 57.

A full audit is also conducted before a new supplier can receive their first Lindex order. This is how we verify that the supplier fulfils our expectations, including our code of conduct. We audit the factories on a regular basis, both by our production offices as well as independent auditors. The audits are performed both announced and unannounced. After each audit, an audit report with a CAP (corrective action plan) is developed. Each task on the CAP is given a deadline and the progress is monitored so we can provide support where needed, and ensure improvement.

Alongside the audit protocol, we maintain a presence in our production countries through our production offices. This is crucial to building relationships with our suppliers based on mutual respect, trust, and collaboration.

In China, Lindex also engages closely with the Institute of Public and Environmental Affairs (IPE) to monitor suppliers' environmental status and ensure their legal compliance.

### 13 global minimum requirements

#### Zero-tolerance issues

Forced labour  
Un-authorized subcontracting  
Transparency  
Child labour  
Minimum wage

#### Crucial issues

Fire, electrical and structural safety  
Overtime  
One-day rest within 7 days  
Waste water treatment if applicable  
No use of banned chemicals  
Legal wage system  
Freedom of association  
Documented management system

### Overview of audit statistics: 2019

Number of suppliers (active):	119
Number of factories used by our suppliers (active):	174
Percentage of Lindex suppliers covered by the code of conduct:	100%
Number of factory inspections (internal) during the year:	62
Audit results - % 'Outstanding or good':	13%
Audit results - % 'Acceptable':	68%
Audit results - % 'Insufficient':	19%
Audit results - % 'Unacceptable':	0%
Number of Accord inspections:	88
% of issues found that were remediated:	96%
Number of BSCI audits:	89
Full-audit:	52
Re-audit:	37





### Incentivising our partners

Connecting sustainability with commercial success ensures that it stays a top priority for our suppliers. We have a sustainability score card where we score our suppliers on their performance within social and environmental sustainability. The sustainability score is part of our business score card, which is our supplier management tool. This makes sustainability part of our formal decision-making process when determining where to place our orders.

### Self-assessments

In parallel with audits, we also use self-assessments where we train the suppliers to assess themselves and report to us. With self-assessments, we aim 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 score card system.

### Investing in our suppliers

Self-assessments require a higher level of knowledge within social compliance as well as HR, and they need to be performed by someone in the factory who has the appropriate mandate. A challenge we face today is that many suppliers are not yet at the level of being able to complete an accurate self-assessment. But we are investing in them to build this capacity.

For example, to support our suppliers in Myanmar, during 2017 we continued our collaboration with SMART. SMART is a four-year project (2016–19) funded by the European Union. The project provides local sustainability experts that train and support factory management in addressing international standards as well as ensuring improved working conditions and efficiency on a long-term basis.

### 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. We perform due diligence on our production countries every other year, as well as before we enter a new production country. Our due diligence process involves a risk assessment and SWOT analysis of each production market from a social and an environmental perspective, and also more broadly considering local, national and global political factors.

### Zero tolerance issues

We have zero tolerance for child or forced labour at any of our suppliers or any production units that produce goods for us. We would consider it a very serious matter if this were to arise. The risk that child or forced labour occurs is low in Tier 1, but the risk is higher further down the supply chain. We work in different ways to counteract this, such as by developing supply chain transparency. Using more sustainable materials such as Better Cotton, organic cotton and recycled materials, as well as working with GOTS certification on garments are further examples of how we counteract the occurrence of child or forced labour, as there are social requirements included in those guidelines and certifications.

In case of a human rights violation, we work together with the supplier on remediation for the victim. New orders are not placed until the violation has been corrected.



## Product safety and quality

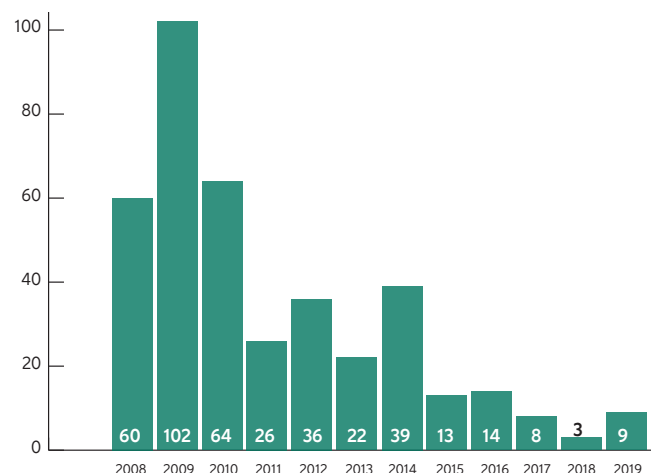
Our product testing system, which covers all product groups, includes thousands of quality, chemical, and safety spot checks each year to ensure that products fulfil all legal requirements, and our own stricter requirements. We use our own testing facilities as well as at external independent laboratories, and tests are done during production as well as on final products. We do not permit any animal testing of our products.

The number of failed tests has decreased significantly over the last few years due to active and purposeful quality assurance work. Today approximately 0,5 - 0,6 per cent of the quality and chemical tests fail. Products that fail quality tests are corrected or rejected before delivery. Products that fail our chemical tests are rejected.

Throughout 2019, there were two instances of products that we removed from shops due to concerns about their safety. The product Nail Polish Remover Pads did not meet the chemical legislation in Norway, and we opted to withdraw it from sale in all of our markets. We also had a snap-on bracelet for kids that was removed from sales and recalled because it was discovered that the metal components were not properly protected, and could cause injury. Although the bracelet had been tested and approved according to the European toy safety standard EN 71, we decided to recall the product since it did not meet Lindex's safety standard. Corrective actions have been taken to avoid such incidents in the future.

### Chemical fails

- Chemical Tests Performed: 658
- Number of Fails: 9
- Percentage of Fails: 0,6 per cent



### Special care for kids' wear

Kids crawl, climb, jump, and test every limit; we want their clothing to support them as they actively play, and never pose a safety concern. Our kids' wear follows the requirements of the European standards regarding children's safety, EN 14682 and TR 16792. We work actively to make our kids' wear safe to use through risk assessments and precautions as well as established routines, guidelines and checklists that are used during the entire process.

### Managing quality in real time with Quarma

Real-time quality control enables us to streamline communication, minimise waste, and build more collaborative relationships with our suppliers. This year, we've launched a pilot in China on an app-based platform for real time dialogue during critical points in the quality control process. We will expand this programme in 2020, rolling it out in both Turkey and Sri Lanka.





Our promise.



For more than 60 years, Lindex has created fashion for women.

Along the way, we are guided by a higher purpose. Our company is filled with and surrounded by women, and we feel a responsibility to every single one of them. Our company purpose is to empower and inspire women everywhere. Women are not only the ones who love to wear our garments – they populate every part of our value chain, from field to fitting room.

And if we truly want to empower and inspire women everywhere, we cannot settle with doing good today. We need to look ahead and anticipate the needs of future generations.

In April of 2019, we launched our new sustainability promise, which was developed with our purpose – to empower and inspire women everywhere – as a guiding star. The promise is divided into three focus areas:

- Empower women
- Respect the planet
- Ensure human rights

In some areas, we have already set progress in motion. In other areas, we are still working out the roadmap. Even if we don't have all the answers yet, we know that transparency, inclusiveness, innovation, dedication and, above all, collaboration will get us where we need to be.

We invite everyone to join us on this journey, including our customers. We want to empower and inspire those we connect with to live more sustainably, through everything from small nudges towards sustainable choices, to creating ambassadors for sustainable lifestyles.

Together - as suppliers, partners, employees and customers – we can make a difference for future generations. Join us on this journey.

## What about climate and circular economy?

Our promise is a holistic approach to helping women in today's world feel empowered and inspired. We understand that you can't fulfil your potential without access to clean water, food, shelter and safety. And these basic needs rely on functioning natural ecosystems.

If our world's climate warms beyond the limit of 1.5 degrees Celsius, it will become a world without enough clean water and food; a world of social unrest and conflict. By embedding climate action and circularity within our promise, we push ourselves to examine these issues, and our ability to make an impact, from multiple angles.

## Our journey toward creating structural change in the fashion industry

As both an employer and retailer, we have always aimed to make life easier and more beautiful for women. Unfortunately, over the years, we have sometimes failed in this by accepting poor industry norms. Across our value chain, the wellbeing of women has been compromised – from poor labour conditions in manufacturing to unhealthy stereotypes and ideals in advertising. We never made things worse on purpose, but a lack of awareness or action is still an act. We have done a lot of good work which we will continue, but we also promise to step up in those areas where progress has been slow.



# We promise to make a difference for future generations

## Empower women

### **Taking the lead in creating fair and equal workplaces for women**

We want all women across our value chain to be able to fulfil their potential.

### **Advocating inclusiveness and body positivity**

We want all women to feel inspired and self-confident, no matter who they are, how they look or which walks of life they have chosen.

### **Supporting a sustainable lifestyle**

We want to empower and enable women to have a sustainable wardrobe and live a sustainable life.

## Respect the planet

### **Taking climate action**

We want to make sure that our own operations are climate neutral and that we reduce the negative climate impact in our value chain.

### **Having a circular business approach**

We want to prolong the lifetime of our products and use resources in the smartest way possible throughout our operations.

### **Being a water responsible company**

We want to be water efficient throughout the whole value chain, reduce the risk of water scarcity in areas connected to our operations and together with business partners provide access to water and sanitation in factories and nearby communities.

## Ensure human rights

### **Advocating respect for human rights**

We want to make sure our whole value chain is progressing within living wage and that its workplaces are safe and healthy, free from harassment and discrimination.

# Goals overview

For our 2019 report, we are not just closing out a year. We are closing out a decade. Looking ahead toward 2020 and the years to come, this feels like an important moment to reflect, to re-examine, and to recommit. We are pleased to not only be reporting on progress toward our previous 2020 commitments, but to be unveiling a new set of goals aligned with our sustainability promise.

## 2019 progress: Looking back

We have been guided by three overarching goals for the last several years. This framework has been very valuable because it is simple, clear, and impactful. It also addresses three key areas: fibres, production, and processes.

## 3x80 by the end of 2020

1. 80 per cent of our garments will be made from more sustainable fibres
2. 80 per cent of our garments will be made in more sustainable production units
3. 80 per cent of our garments will be made using more sustainable production processes

2020 goals	2016	2017	2018	2019	Notes	Looking ahead 2025
80 per cent of our garments will be made from more sustainable fibres by end 2020	51%	55%	55%	65%	Our main challenge related to this goal is sourcing recycled materials that meet our quality and design requirements.	We are now aiming for 100 per cent by 2025.
100 per cent of our cotton will be sustainably sourced by 2020	95%	98%	98%	99%	Sustainably sourced cotton includes organic, BCI, and recycled options.	
We have committed to increase our use of recycled polyester by at least 25 per cent by 2020 (compared to 2017 baseline)				+65%	Our strategic approach to shifting toward recycled PET is to consolidate our fabric buying. This will enable us to place larger orders, and do it earlier on in the cycle.	Achieved; it is also imbedded within the new sustainable fibres goal.
80 per cent of our garments will be made in more sustainable production units by end 2020	17%		14%	35%	A core group of suppliers produces 80 per cent of our volume, so focus is on these key suppliers. There is a group of suppliers in Bangladesh who are nearing the threshold for becoming a 'more sustainable production unit' and we anticipate that they will shift up in 2020 – we are working on specific issues with them.	By 2025, Lindex suppliers who stand for 80 per cent of our garment production show total supply chain transparency and commitment to improving working conditions (as demonstrated through our scoring system).
80 per cent of our garments will be made with more sustainable production processes by end 2020	22%	26%	41%	55%	We have a large percentage of products that are GOTS certified at garment level. Going forward, we are moving from working at a garment level to working at a facility level for a greater impact across the industry.	By 2025, we have removed the release of all hazardous and toxic substances from Lindex's supply chain and we promote transparency and more sustainable chemistry.



## 2020 and beyond: Looking ahead

While our 3x80 framework was fit for purpose in the past, going forward we have a more comprehensive set of goals linked to the three focus areas within our promise: Empower Women, Respect the Planet, and Ensure Human Rights. We are taking more responsibility for creating structural change within our industry and within our communities. Change that elevates women, and demonstrates what a responsible company looks like in terms of our relationship to people and the environment.

This is a new approach for us, and we want to ensure that we can be successful from the outset. So we have been taking the proper time and care to establish each goal in a way that ensures that the approach is clear, the targets are appropriate and understood, and our progress is measurable. While each goal is different, we roughly follow the methodology below:

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

Central to this approach is ensuring that a proper definition and monitoring framework is in place. This is phase one.

In some cases, we already have progress to report for 2019. In other areas, the preparation continues and we look forward to sharing detailed information on our progress beginning with our 2020 report.

## Empower women

Goals 2020 and beyond		Definition & monitoring framework in place	Progress 2019	Notes
Taking the lead in creating fair and equal workplaces for women	By 2022, all Lindex employees agree that Lindex acts in line with our company purpose 'to empower and inspire women everywhere'	Yes	Currently around 50 per cent	Based on employee survey.
	By 2021, all our business partners are committed to Lindex's new code of conduct that is progressive within gender equality	Yes	New code of conduct launched October 2019	In 2019, this was signed by all suppliers of commercial products.
	By 2025, Lindex suppliers who stand for 80 per cent of our production have completed our Women Empowerment programme and sustained the learnings	Yes	Suppliers standing for 38 per cent of order quantity covered by WE Women	Piloting now in Bangladesh, India and Myanmar and covering around 60 per cent of capacity.
Advocating inclusiveness and body positivity	By 2020, we will set goals on advocating inclusiveness and body positivity	In progress		
Supporting a sustainable lifestyle	By 2025, our customers recognise that Lindex is an honest and trustworthy brand in terms of sustainability	In progress		This will be monitored through customer outreach and surveys, and will link to our initiatives on design/durability, material use, service offer and customer engagement.
	By 2025, our customers recognise that Lindex is a brand that supports sustainable consumption patterns	In progress		This will be monitored through customer outreach and surveys, and will link to our initiatives on design/durability, material use, service offer and customer engagement.

## Respect the planet

Goals 2020 and beyond	Definition & monitoring framework in place	Progress 2019	Notes	
Taking climate action	By 2023, we are climate neutral in Lindex's own operations	Yes	Emissions decreased by 22 per cent	Compared to 2017
	By 2030, we have achieved 30 per cent reduction of CO2 emissions in Lindex's total value chain, with 2017 as baseline	In progress		Excludes consumer use phase
Having a circular business approach	By 2025, 100 per cent of Lindex's materials will be recycled and/or sustainably sourced	Yes	65 per cent	
	By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams	In progress		
	By 2025, all products will be designed for longevity and/or circularity	In progress		
	By 2020, all our own stores offer postconsumer textile collection	Yes	90 per cent of Lindex's own stores as of YE 2019	All stores in Sweden, Norway, and Finland. Testing in Baltics.
	By 2025, all paper and plastic packaging follow our circular material strategy	In progress		
Being a water responsible company	By 2025, all Lindex 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	Shifting from a product-based approach to a facility-level approach to maximise impact
	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	



## Ensure human rights

Goals 2020 and beyond		Definition & monitoring framework in place	Progress 2019	Notes
Advocating respect for human rights	By 2021, all Lindex business partners have signed Lindex Sustainability Commitment	Yes	100 per cent of suppliers of commercial products (assortment) have signed	
	By 2025, Lindex suppliers who stand for 80 per cent of our production show total supply chain transparency and commitment to improving working conditions	Yes	30 per cent	
	By 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme	Yes		2025 roadmap established
	By 2020, ensure that no discrimination and harassment occurs in Lindex's own operations	Yes	Lindex leaders at the head office have received training about workplace harassment and discrimination.	See page 60 on 'Safe and healthy workplaces'.

## Empower women

We love to recognise the women who populate every part of our value chain, from field to fitting room.

From picking the cotton, to spinning thread, weaving and knitting fabric, sewing garments, designing our looks, selling products in shops, and setting our corporate agenda; it is the hands and minds of women that make our business possible.



## Achievements

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

Your Smart Wardrobe was launched as a communication concept to empower our customers to make more mindful shopping choices and to support a sustainable lifestyle



*Self-leadership concept was launched internally in 2019 with the aim of strengthening all employees*



Implemented mindworkout sessions for all employees to strengthen ourselves from within



## Self-leadership

Starting in October 2019, we launched a series of workshops on self-leadership. The idea of self-leadership is to help our team members build connections between their own individual values and actions, and our overall collective goals. Then, we support them to develop a self-leadership practice, becoming intentional about living their values and facilitating a more sustainable lifestyle.

### Why?

To be able to feel good and stay healthy in our constantly changing environment, we all need to be able to lead ourselves. Incorporating self-leadership into our company culture is part of our strategic aim to be both a purpose-driven and customer-focused organisation, and we see self-leadership as a prerequisite for working in a more agile, cross-functional, and strategic way. We think it's a clear win-win for each individual and for all of us together as Lindex.



We have reached 76.000 workers with WE Women by Lindex

*Lindex Women's Café in Dhaka was established: This is part of our WE Women initiative, providing a space for training, legal counseling, and socialising, and skills development.*

HERhealth has reached 20.000 women in 20 factories, empowering women workers with knowledge about their own health and wellbeing



*A new project was launched in Myanmar in 2019 together with WaterAid to provide textile workers in the poorest communities access to clean drinking water and toilets*



Together with CottonConnect we launched a project for 350 female cotton farmers to improve their knowledge on organic farming



*A new code of conduct with a gender equality focus has been launched in our whole value chain*

## Private Sector Action for Women's Health and Empowerment

We are committed to the Private Sector Action for Women's Health and Empowerment Initiative, launched by the United Nations Foundation, the Bill & Melinda Gates Foundation, the UK's Department for International Development, and Merck for Mothers. The aim of the initiative is to work with companies who have large global supply chains employing millions of women workers, to take action to improve the health and well-being of the workers.

Together with other brands from the private sector, we have made a commitment in line with this initiative. By 2025 we will ensure that 80 per cent of our Tier 1 suppliers have implemented WE Women by Lindex and HERhealth. See more about these initiatives on pages 30 and 31 or read more at [privatesectoractionforwomenshealth.com](https://privatesectoractionforwomenshealth.com).

## Moving ahead

The fashion industry has established certain norms and ways of working that unfortunately can disempower women, and this ranges from unhealthy ideals in advertising to poor labour conditions in manufacturing. We've identified three key areas that we are focusing on to change this paradigm:

- Taking the lead in creating fair and equal workplaces for women
- Advocating inclusiveness and body positivity
- Supporting a sustainable lifestyle





## Taking the lead in creating fair and equal workplaces

We want all women across our value chain to be able to fulfil their potential, and we've undertaken a number of initiatives to support this goal.

### New code of conduct

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

The new code of conduct also focuses additional efforts on achieving UN Sustainable Development Goal #5: Gender Equality.

All Lindex's business partners are required to follow the code of conduct and the new version will be implemented in Lindex's full value chain by 2021. This is not merely an exercise on paper, but a genuine effort to facilitate systemic change; we are working with relevant national and international stakeholders to facilitate a shift in focus towards gender equality at a country and industry-wide level. Lindex is committed to working cooperatively with business partners to provide a supportive working environment for all male and female employees.

With this change, Lindex also leaves amfori BSCI, of which it has been a member since 2004.

### Goals

- By 2021, all our business partners are committed to Lindex's new code of conduct that is progressive within gender equality
- By 2025, Lindex suppliers who stand for 80 per cent of our production have completed our Women Empowerment programme and sustained the learnings
- By 2022, all Lindex employees agree that Lindex acts in line with our company purpose 'to empower and inspire women everywhere'

### What are some examples of the new requirements?

- Business partners must acknowledge gender-related risks and opportunities in their long-term plans, and develop a gender policy and strategy.
- Male and female employees with family responsibilities should be protected against discrimination with respect to dismissal.
- Business partners must track the career progress of women and men over time and set targets for their development.
- Childcare benefits and special leave or working hours arrangements for employees with family responsibilities should apply to both men and women.
- Business partners must have health and safety policies that consider the biological and gender-based differences between men and women, including sexual and reproductive health.

## Feature: WE Women by Lindex

We want all women across our value chain to be able to fulfil their potential. With WE Women by Lindex, we work for more gender equal and inclusive workplaces in our supply chain. This is our primary vehicle for achieving our 2025 goal: 'Lindex suppliers who stand for 80 per cent of our production will have completed our Women Empowerment programme.'

WE Women by Lindex is a project developed through a public-private partnership between Lindex and GIZ, and in cooperation with BSR and local non-governmental organisations.

### Why?

The majority of the textile workers who make our clothes are women, but the working atmosphere in factories is often made by men, for men.

### How?

In WE Women by Lindex, we educate our suppliers' factory management on gender equality and how to integrate it into management systems. The aim is to change the leadership and management style in factories to become more inclusive of women and able to address gender equality issues.

We also reach beyond the factories and into the community. Beginning in March 2019, we partnered with a local human rights organisation called KarmojibiNari to establish Women's Café, a community meeting place where men and women come for training on topics from legal rights to gender equality. But it is also a social

hub, where people play games, exchange ideas, and give feedback to Lindex on the factories where they work.

# 78 000

workers, of which 46 000 are women, have been reached so far

# 36

factories in Bangladesh and Myanmar are currently doing WE Women projects.

### Women's success makes a difference for future generations

With WE Women by Lindex, we want to utilise women's potential by providing career paths, strengthening female textile workers' self-esteem, and making it possible for them to identify themselves with success. By creating the right environment for equality and women's empowerment, we also believe that we can have a positive impact on women's roles in their families and communities.

None of the above will happen overnight, we know that. It takes time for structures in societies to change; often several generations. With WE Women by Lindex we aim to set things in motion in our supply chain now that will make a difference in the long term. We want to have a positive impact for the women working in factories today, so their daughters can see and believe in their own potential, which will have an impact for their future daughters and beyond.

## What do participants say about WE Women?

### Workers:

- 'I think men can play a big role for empowering women in the factory.'  
- A male operator from Northern Corporation
- 'If WE Women project of Lindex can solve the existing problem of women in all garment factory then this is the best project.'  
- A female operator from Pioneer Apparels Ltd.
- 'No project I found till now aim to include gender equality in to factory management system - I like this project and hope it will bring something better for us.'  
- A female line supervisor from Pioneer Group

### Managers:

- 'WE Women project have opened my eyes - now I think twice before taking any management decision I question myself whether it will create equal opportunities for all.'  
- Management /APS
- 'There are lots of inequality in our workplace which we usually cannot discover if we don't see those issues through gender lenses. WE Women by Lindex gives us these lenses.'  
- Management / Northern
- 'Women empowerment is not an issue of women only - it is the responsibilities of everybody to ensure equal opportunities, especially men can play a big role here.'  
- Welfare officer /Iris
- 'After engaging in the We Women project I could understand the life of a working woman'.  
- Welfare officer/ Dekko

*'The majority of the textile workers who make our clothes are women and we are committed to improving their lives. For many years we have worked to drive change in our supply chain through worker engagement and training. Now we have added a top-to-bottom approach, where we work to change the leadership and management style in factories to become more inclusive for women and aware of gender equality issues.'*

Anna-Karin Dahlberg, Corporate Sustainability Manager at Lindex



## HERhealth with BSR

We want all women across our value chain to be able to fulfil their potential. HERproject, a series of training programmes for textile factories initiated by BSR, is a programme that improves female textile workers' wellbeing and financial strength while increasing their independence.

The 'peer educator' model behind HERproject means there is a ripple effect as women share their knowledge with family, friends, and neighbours. There is also a strong commercial value to HERproject for the factory owners as it has shown to increase quality and efficiency in factories. Additionally, it has resulted in improved relationships between textile workers and factory management, breaking down barriers and enabling each party to view the other with greater empathy.

We work with two different programmes within HERproject; HERhealth and HERfinance Wage Digitisation.

Over 2019, 17 new factories were added in Myanmar and in India. Our goal is that by 2025, Lindex suppliers who represent 80 per cent of our production will have completed our Women Empowerment programme. We are currently at 40 per cent.

**With HERhealth**, female textile workers get health education and better access to health services. The participants can choose among topics such as hygiene, safe motherhood, food and nutrition, diseases, and more.

*'Now we have become conscious about our health, and we can teach other people about many health-related issues. We have influenced a lot of people this way.'*

Reshma Khatun Asha, a factory worker in Bangladesh that has participated in HERhealth.

**With HERfinance**, textile workers get finance education on topics such as financial planning, budgeting, saving, and borrowing responsibly. This programme reaches both women and men, but has a particular impact on women's financial strength since these women often lack access to and control over the household finances.

The programme also includes education for workers and management in the digitisation of payroll services. Through digitisation of payments, workers can have their salaries transferred to their mobile phone, which can also be used to make payments. Transitioning from cash-based payrolls to digital payrolls has many benefits such as increased security, resource efficiency and increased factory productivity.

## CottonConnect funding to support women's development

CottonConnect is an organisation with a mission to transform the cotton industry for good by enabling brands and retailers to develop a more robust and resilient cotton supply chain. As the name implies, CottonConnect builds connections between brands and retailers and farmers to create a transparent supply chain, while also training farmers in agro-economic practices, enhancing farmers' livelihoods, and supporting strong farming communities.

We are proud to be both a financial supporter and a partner of CottonConnect's 'Women in Cotton' programme. This initiative reflects our commitment to the women involved in our business—including those who grow the cotton. It also aligns with our focus on respecting the environment.

The 'Women in Cotton' programme trains female cotton farmers in cultivation skills as they transition from growing conventional to organic cotton. They are also trained in business management alongside health, education and labour rights. This presents a valuable opportunity that would not otherwise be available in their communities.

*'Our partnership with Lindex seeks to transform the organic cotton sector not only by increasing the volumes of organic cotton and by working with women who are often neglected in training programmes; but also and very importantly by creating a direct link between the farm community and the brand. We believe this is essential if we are to truly change cotton supply chains.'*

Alison Ward,  
CottonConnect CEO

# 20

factories we work with in Bangladesh, Myanmar, Pakistan, India, Cambodia and China have done HERhealth.

# 20 000

women working in factories have been reached so far.

# 7

factories we work with in Bangladesh, have done HERfinance.

# 11 000

women working in factories have been reached so far.

## Fair Photo Agency: Empowering local aspiring photographers

We try to empower female artists and entrepreneurs wherever possible. This is why we work with Fair Photo Agency. We first connected with this group in 2017, and we have used this agency several times since then for photoshoots. Fair Photo Agency shares our goal of empowering women, and connects Western companies such as ours with local, aspiring photographers.

This not only gives young women a powerful professional opportunity, it also validates their perspective and artistic viewpoint on the fashion industry.

We recently used Fair Photo Agency to take pictures for our gender equality management system programme.



## Advocating inclusiveness and body positivity

We want all women to feel inspired and self-confident, no matter who they are, how they look or which walk of life they have chosen. One way we do this is through our sizing options, which take into account diverse sizes, shapes and body types—particularly in the lingerie department where we aim to provide bras for all kinds of breasts.

Beyond our products, we are dedicated to being real and personal in our communication. As members of The Swedish Fashion Ethical Charter, we have also ensured that our campaign photography guidelines align with our values so that our campaigns visually illustrate inclusivity, confidence, and health. The Swedish Fashion Ethical Charter is a commitment that goes hand in hand with our ambitions as a brand,

because the woman is everything to us at Lindex. Advocating inclusiveness and body positivity is also part of our sustainability promise, as one of our three core aims in our focus area 'Empower women'.

### An initiative for common guidelines

The Swedish Fashion Ethical Charter is an initiative developed by the Swedish Fashion Council and Association of Swedish Fashion Brands. The initiative drives common guidelines of social sustainability for those who work in the fashion industry and for the consumers reached by the fashion industry's messages and ideals. Being part of the Swedish Fashion Ethical Charter, we commit to taking responsibility for what we convey in terms of ideals and diversity, as well as ensuring a healthy work environment, for example, during photoshoots.

In 2020, we will set additional goals on advocating inclusiveness and body positivity.





## Supporting a sustainable lifestyle

We want to empower and enable women to have a sustainable wardrobe and live a sustainable life.

And while there is a lot still to do on the journey toward supporting a sustainable lifestyle, we are already making progress through several different initiatives. Our focus now in these early days is on educating our customers so they know why—and how—they can start shifting to a more sustainable lifestyle, and empowering them with mindful options. We have set two goals in line with this approach.

### Making mindful choices

Making mindful choices is one of the best ways for our customers to have a positive impact on the environment and for the future generations.

### Helping our customers make mindful choices

Many people only use a small part of their wardrobe and with today's consumption, we use up more natural resources than the planet can

handle. By equipping our customers to make more mindful choices, they can be part of the solution: Choosing clothes they really love, taking proper care of them, and extending the life of each item all contribute to a smaller environmental footprint. 'Your Smart Wardrobe' is a simple way for our customers to engage with this.

### Shared responsibility

We are of course not putting it all on our customers. We as a company have the greatest responsibility to incorporate sustainable practices into our operations; for example, by reducing the climate impact of Lindex's entire business (read more about how we take climate action throughout our value chain on page 38). But analysis of our climate impact shows that about a fifth of Lindex's total carbon footprint can be impacted by our customers and the choices each individual makes.

Research from Mistra Future Fashion shows 'on average a t-shirt is used 30 times and washed 15 times. If this t-shirt is instead used 60 times the climate impact can be cut in half.' It is information like this can empower our customers to work with us to make a difference. Our website includes tips for our customers on reuse, recycling, and selecting more sustainable materials.

## Goals

- By 2025, our customers recognise that Lindex is an honest and trustworthy brand in terms of sustainability (as demonstrated through customer outreach and surveys).
- By 2025, our customers recognise that Lindex is a brand that supports sustainable consumption patterns (as demonstrated through customer outreach and surveys).





*‘As a major player in the fashion industry, we want to take our responsibility and do what we can to have a positive impact. We want everyone to have a wardrobe with clothes that they really love, take good care of and use often. With Your Smart Wardrobe, we want to make it easy for customers to find their own personal style and to build a smart wardrobe.’*

Pia Ekholm, Design and Buying Manager Women's Wear

### Your Smart Wardrobe

Our ‘Your Smart Wardrobe’ initiative was launched in 2019 with the goal of guiding our customers toward more mindful shopping, and to inspire them to build a more sustainable wardrobe where each piece is loved, appreciated, and cared for.

### What Your Smart Wardrobe achieves

We aim to create each piece with particular care in terms of quality, fit, and function. As women select from our collection of timeless, season-less, long-lasting and often multi-functional pieces that transcend trend, they will become active partners in reducing waste—which is what becomes of short-lived pieces that fall apart or fall out of style.

And this is just the beginning. We are working to better understand our customers’ insights, beliefs, and post-purchasing practices. Through social media campaigns and information on products and in our shops, we want to support them to better understand the materials we use, and why, and we want to help them extend the useful life of their items. And as we offer them this opportunity to shift their mindsets and their expectations related to fashion, perhaps they will also begin to shift their mindsets related to other purchases and activities, living a more sustainable lifestyle.

### Other ways Lindex is supporting a sustainable lifestyle

Pieces in our baby assortment have the smart Extended size solution, with extendable bodies and cuffs that can be adjusted to fit a growing child for a longer time; and, when the family finally does outgrow each item, we encourage them to pass these high-quality pieces along for another life with another family.

### Did you know...

We accept all types of textiles—regardless of where they were purchased—for reuse and recycling at all Lindex stores in Sweden, Norway and Finland. Textiles that are collected in our stores go to our partners in our sales countries. In Sweden, Lindex collaborates with Myrorna, in Norway with Fretex and in Finland with Recci.

Our partners work to promote sustainable consumption in the local markets. They sort the collected textiles and circulate as much as possible that can be used and loved by someone else, such as through second-hand stores.

If the quality of the textile is not good enough for reuse, it will be recycled into insulation or industrial cloth.

A very small share is recycled into new fibres; however, research and innovations are moving forward and the aim is that this share will grow in the future. Only about 2 per cent of the collected textile cannot be reused or recycled and is instead incinerated.

In 2019, we collected 155 tons of garments in our stores. By 2020 we will offer textile collection in all Lindex stores.





## Respect the planet

We will not be a bystander during the biggest environmental crisis of our time.

We know that our purpose – to empower and inspire women everywhere – is not possible in a ruined environment. Our purpose pushes us to do more to drive circularity in the fashion industry – which depends on the planet's resources — and to take action for the climate. It drives us to find new ways to be a water-responsible and a chemical-responsible company. And our commitment to respect the planet guides our choices of fibres and materials, and inspires us to raise the bar even more, such as through our goal that 100 per cent of Lindex's materials are recycled or sustainably sourced by 2025.



## Achievements

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



*65 per cent of our garments are made with recycled or more sustainable fibres*



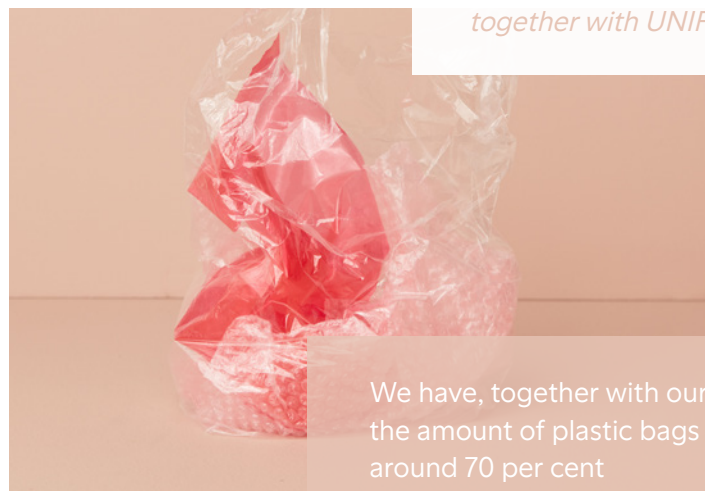
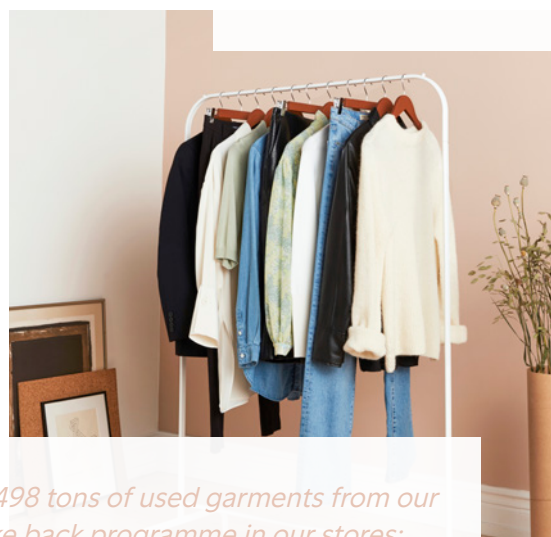
We joined STICA and set a climate strategy and goals for all departments



*We have diverted 16 million PET bottles from landfills and made them into garments together with UNIFI*



*We have totally collected 498 tons of used garments from our customers through our take back programme in our stores; Our partners have sorted them and given them a second life*



We have, together with our customers, reduced the amount of plastic bags from our shops by around 70 per cent



We piloted a circular business model through the online rental platform Something Borrowed



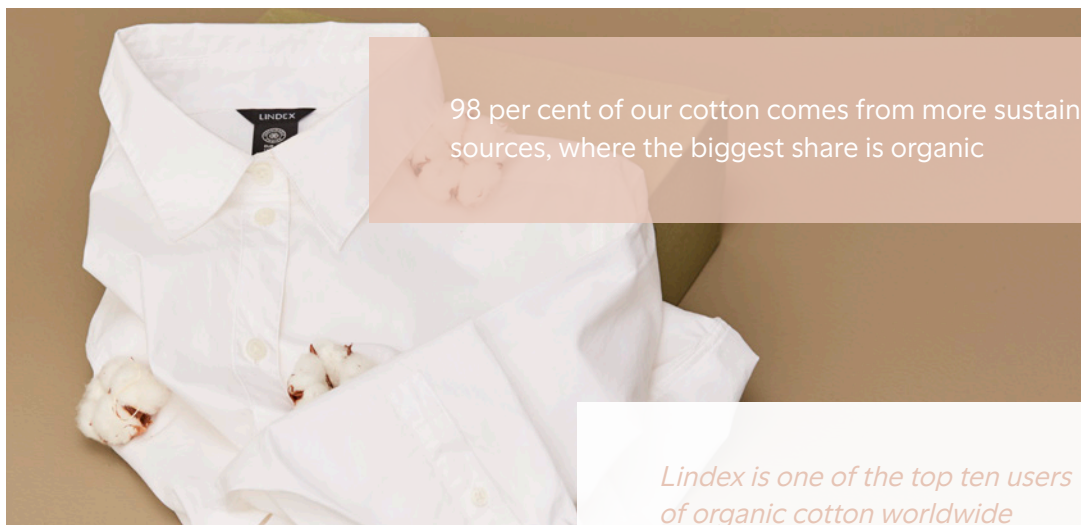
*We joined the Switchin Gear project to scale a new circular business model*

*All designers, buyers and production teams have been trained in design for circularity and the training is part of the introduction package for new staff as a basic requirement*



*100 per cent of our denim assortment is Better Denim, made with more sustainable materials, the cleanest indigo dye in the market and with water-, chemical- and energy-saving washing processes*

98 per cent of our cotton comes from more sustainable sources, where the biggest share is organic



*Lindex is one of the top ten users of organic cotton worldwide*

## Moving ahead

Respecting the planet requires a holistic viewpoint. We've examined our most impactful activities, and our greatest opportunities to effect change, and decided to focus on three different areas:

- Taking climate action
- Having a circular business approach
- Being a water responsible company

## Taking climate action

At Lindex, taking climate action is highly connected to our purpose: to empower and inspire women everywhere. Because you can't fulfil your potential without access to clean water, food, shelter and safety. These basic needs rely on functioning natural ecosystems. If our world's climate warms beyond the limit of 1.5 degrees Celsius, it will become a world without enough clean water and food; a world of social unrest and conflict. And women are the ones who are the most affected.

We want to make sure that our own operations are climate neutral and that we reduce the negative climate impact in our value chain.

Bringing the focus to our own impact, we know that the production, transportation, use and disposal of textile products and garments generates a significant amount of greenhouse gas emissions (GHGs) which contribute to global warming. At Lindex, we feel the sense of urgency and are committed to taking climate action throughout Lindex's business.

Our approach includes looking at our own operations, as well as the activities of our business partners and suppliers.

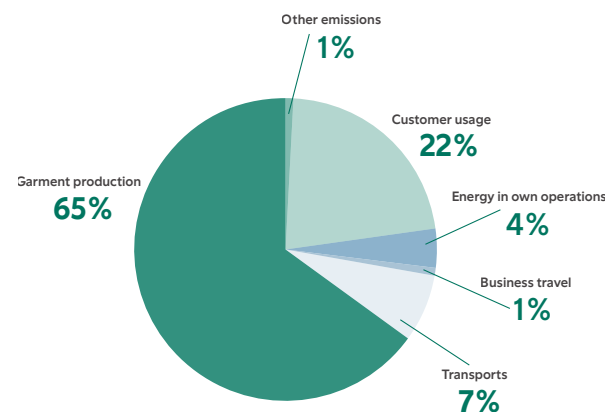
When it comes to our own operations, we have a goal to be climate neutral by 2023 in scopes 1 and 2. However, the majority of Lindex's climate impact lies in production across all stages, from raw materials to garment. It stands for about 60 per cent of Lindex's carbon footprint. For us to take climate action, we need to reduce the emissions connected to the material choices, production, transportation, use and disposal of our products. We also need to make sure our supply chain reduces its emissions and moves to renewable energy.

## Collaborating for climate impact

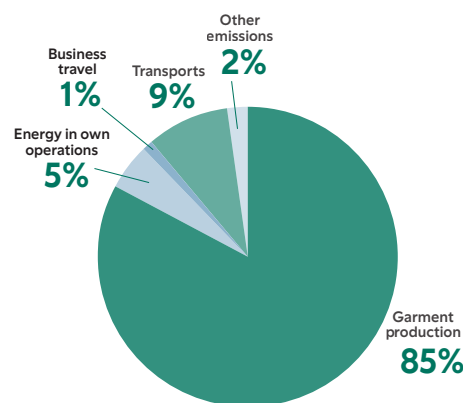
Using the UN Sustainable Development Goals as our guiding framework, we have aligned our strategy with Goal 13: Climate Action.

Additionally, we are working in accordance with the UN's Fashion Industry Charter for Climate Action through our commitment to STICA.

2017 emissions per category incl. customer usage, ton CO<sub>2</sub>e



2017 emissions per category excl. customer usage, ton CO<sub>2</sub>e



## Goals

- By 2023, we will be climate neutral in our own operations.
- By 2030, we will have reduced the CO<sub>2</sub> emissions in our entire value chain\* by 30 per cent, with 2017 as the baseline.

\*from raw materials to sales—this does not include the consumer use phase

## Activities in own operations

While the most impactful changes must occur within the supply chain, reducing our climate impact across our own operations shows our partners that we are committed to making the same changes we are asking of them, and committed to doing our share. On the Lindex side, this means we are:

- Setting goals
- Implementing a climate strategy
- Shifting to renewable energy sources
- Working to implement an energy efficiency programme

Over the past year we made very tangible progress along this path. We mapped our emissions sources, and worked with a climate consultant to develop an overall strategy addressing our business activities for each scope, with targets and goals per department. We have also sharpened our data tracking processes and our reporting, along with other industry leaders, to align with the STICA requirements for scopes 1 and 2. STICA is the Swedish Textile Initiative for Climate Action—a collaborative platform for brands committed to reducing the climate impact of the textile industry in line with limiting overall global warming to 1.5 degrees Celsius.

Shifting into 2020, we are moving into the implementation phase.



## Feature: Reducing our emissions

### How we achieved this change:

- Several store closures decreased our overall number of square meters
- More stores are connected to our central energy contract with guarantees of origin
- Energy mix in the local grid contains more renewable energy in 2019 compared to 2017

### Going forward to reach our goal, we will:

- Work with systematic energy saving programmes in our stores
- Incorporate more stores into the central energy contract, with guarantees of origin, securing renewable energy

From 2017 to 2019, we achieved a 22 per cent reduction in emissions related to our own operations.

Greenhouse gas emissions ton CO <sub>2</sub> e	2019	2018	2017	Change 2017 to 2019
<b>Market based category</b>				
<b>Emissions scope 1</b>	219	188	201	
<b>Emissions scope 2</b>	10.962	11.985	14.220	
<b>Electricity</b>	5.626	6.479	7.816	
<b>Heating</b>	5.335	5.506	6.404	
<b>Total emissions own operations</b>	11.181	12.173	14.421	-22%



In 2019, we set a strategy and a roadmap for achieving our goal of 30 per cent emissions reductions in our entire value chain, from raw materials through to sales, by 2030

## Production

We know that about 60 per cent of Lindex's climate impact lies in our raw materials and production of materials and garments. While this phase represents the greatest area for impact, it is also the greatest challenge.

Our production partners are independent businesses, and they face their own legal and operational requirements and priorities.

For us to facilitate change, we first need transparency down to our Tier 2 and Tier 3 supply chain partners, where raw materials and wet processes are handled. Then, we need verified data up through our Tier 1 garment factories. Because our relationships with Tier 2 and Tier 3 suppliers are less direct, and our leverage not as strong, we need to have strong relationships with our Tier 1 suppliers to support us in working with the deeper supply chain. We are proud of our progress in this area so far; we have consolidated our supplier base, and we have developed strong relationships built on trust and shared values. Read more on pages 16 and 17.

Beyond our own supplier relationships, we must work with our peers in the industry to support a shift toward renewable energy use within the supply chain. We also face structural challenges, such as addressing instances where local legislation proves to be a hindrance to renewable energy use, or where access to financing is a hurdle. In these cases, no single company can make a change alone; we must work together for broad change across the industry. Read more about our collaborations starting on page 11.

## Transport

Transportation of our products accounts for a relevant share of our total carbon footprint and we work in several different ways to reduce the environmental impact of transport.

### More boats and trains, fewer flights

Air freight is not nature's best friend; it has a major negative climate impact and we only use it in exceptional cases. Sea freight has less negative climate impact and it is our most common transport option from production to our distribution centres. When we need occasional fast deliveries, we use train transport as often as possible which has much lower emissions compared to air freight.

To further reduce the footprint of our shipments via sea freight, we are members of Clean Cargo, a network of global actors with the shared

aim of reducing the environmental impact of global goods transportation and promoting responsible shipping. 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.

The Clean Cargo Methodology registers shipping companies and their environmental impact. This provides us with environmental performance data and tools for the procurement of our sea freight, so we can use the most sustainable option.

## 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. Apply standards for road transport: We work with a requirement platform developed together with other companies in the retail and food industry and in cooperation with the Swedish Transport Administration. The platform includes requirements regarding the environment, traffic safety, alcohol and drugs, emissions, speed and compliance with legislation.
5. 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.





## Having a circular business approach

The challenges we all face are not small, but we know what we need to do. We need to use resources in the best way and move towards a circular economy that values economic aspects equally to the social and environmental ones. Developing more circular business models and changing from a linear to a circular way of working is the only way forward and we need a system that supports this shift.

A circular approach to fashion is about resource efficiency at every stage, throughout a garment's lifecycle. This means, but is not limited to, using resources in the smartest way possible throughout our operations, and prolonging the lifetime of our products. When the garment can no longer be used or reused, we can then consider recycling. This is the final step after the garment's lifetime has been maximised, as reusing material is more resource efficient compared to growing or producing new fibres, and is key in a circular approach to fashion where nothing should end up in landfill or incineration.

### Lindex's 2020 Circular Fashion System Commitment

As part of our firm belief that collaboration is key to success, we have signed the 2020 Circular Fashion System Commitment by Global Fashion Agenda.

Global Fashion Agenda is a group working to set a mutual agenda and industry direction on sustainability in fashion. The aim of the commitment is to accelerate the transition to a circular fashion system.

### Alternative business models

We are exploring alternative business models that support circularity, rather than supporting the conventional linear pathway that leads to waste. For example:

- In October, we piloted a circular business model through the online rental platform 'Something Borrowed'. Our goal in this collaboration is to prolong the lifetime of our products and use resources in the smartest way we can.
- We were one of the first two brands to join Circle Economy's Switching Gear project which supports brand task teams in developing, launching and scaling a new circular business model by guiding them through a series of tailored masterclasses and providing connections to an enabling network. The goal is to help members succeed in launching a new business model platform by 2021.

## Goals

- By 2025, 100 per cent of Lindex's materials will be recycled and/or sustainably sourced
- By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams
- By 2025, all products will be designed for longevity and/or circularity
- By 2020, all our own stores offer postconsumer textile collection
- By 2025, all paper and plastic packaging follow our circular material strategy

### Does Lindex incinerate garments?

Our ambition is zero goods incinerated. Our policies and routines state that textiles from our textile 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. Only garments that do not fulfil our health and safety requirements shall be sent for incineration. This could be due, for example, to mold which developed during sea transportation, or garments that do not fulfil our chemical requirements. It is our obligation to ensure that these types of garments do not enter the market.

While the actual number of items sent for incineration in 2019 was quite small, we did see an increase in items sent for incineration compared to previous years. This is because we had two instances where, through a combination of human error and weather conditions, goods were packed while still damp, and they developed mold during transportation. These items were incinerated according to our policy to ensure that our customers were not impacted by this problem.



### Designing away waste

When determining the best way to address waste and to shift towards a circular model, we work according to a 'waste hierarchy.' This means working from the outset on reducing waste before it is ever created. This is relevant to our design approach, but also to our business and communication activities in terms of production (or over-production) as well as how we address consumption. Once we have maximised our savings related to Step 1: Reduce, we move on to Step 2: Reuse.

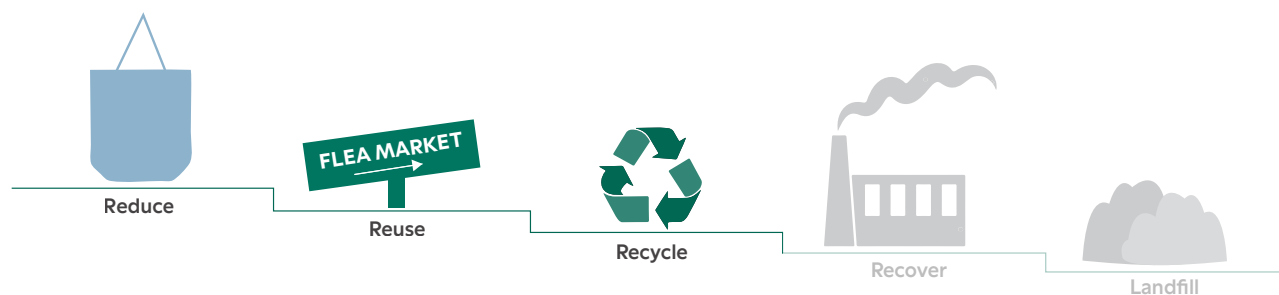
This includes actions such as giving garments a second life. The next course of action along the hierarchy is Step 3: Recycle, where the goal is to capture the value of the material to be recycled into new raw materials.

The overall goal is to limit the potential creation of waste to the greatest degree possible.

### Materials

With our sustainability promise - to make a difference for future generations - we have raised the bar for ourselves. We know that our choice of materials has an impact on both people and the environment, and that is why it is important for us to continue our work with more sustainable materials. This is part of our commitment to circularity.

At Lindex, we are actively working to extend the life of already-produced materials, while reducing the impact on the climate.



**By 2025, 100 per cent  
of Lindex materials will be  
recycled or sustainably  
sourced.**



## Feature: Cotton

Cotton is our most commonly used fibre. It is natural, renewable and biodegradable, but cotton cultivation requires a lot of water, and conventional cotton uses hazardous chemicals, such as pesticides, insecticides, and synthetic fertilisers.

As we work toward our sustainable materials goal of 100 per cent sustainably sourced or recycled materials by 2025, we are focusing on recycled cotton, organic cotton, and Better Cotton. These preferred cotton options reduce our reliance on virgin materials, reduce our carbon footprint, reduce our water footprint, help us build stronger and more resilient communities, and help us drive change in the industry by building demand for better alternatives.

This initiative encourages brands and retailers to commit to source 100 per cent of their cotton from the most sustainable sources by the year 2025. The Challenge was formed in 2017 when His Royal Highness The Prince of Wales convened a group of CEOs through the work of his International Sustainability Unit that existed to address critical challenges facing the world. Those original 13 CEOs committed to work together to accelerate the use of sustainable cotton, which paved the way for other industry leaders to follow – resulting in now more than 39 companies committed to sourcing 100 per cent sustainable cotton by 2025. Addressing the land, water, and social impacts of cotton supply chains will also move the textile industry closer to achieving the UN Sustainable Development Goals (SDGs).

**Lindex is one of the  
top ten users of organic  
cotton worldwide.  
Today, 78 per cent of our  
cotton is organic.**

**100 per cent of the  
cotton products in our  
baby assortment are  
GOTS certified.**

### Leading the way on sustainable cotton

Lindex was one of the first thirteen signatories to the 2025 Sustainable Cotton Challenge (formerly known as the Sustainable Cotton Communique), which has truly been a catalyst for change in the apparel and textile industry.

The overarching purpose of this initiative is to increase the uptake of organic and preferred cotton, therefore

- Increasing the income of smallholder farmers.
- Eliminating highly hazardous pesticides.
- Eliminating or reducing the amount of pesticides and synthetic fertilisers used.
- Reducing water use and improving water quality and soil health.
- Achieving positive carbon impacts as a result of more sustainable practices.

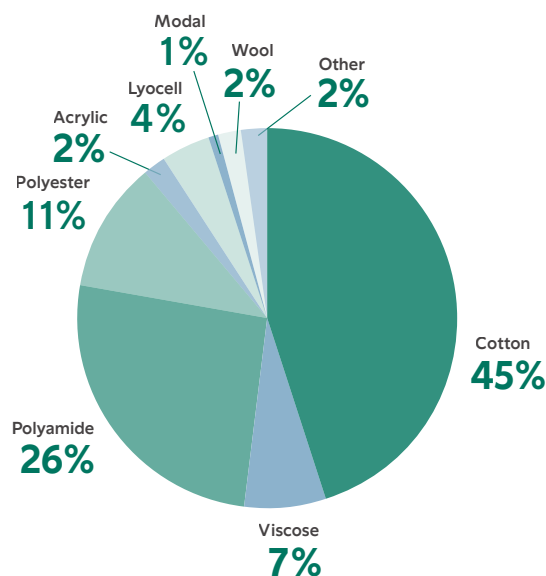
### Other materials we use in our collection

The material choices we make affect the product's appearance, quality, function, feel and fit. All materials we use require natural resources. But it is possible to choose materials that have a less negative impact on people and the environment. We call 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 and produced using methods that have less negative impact on nature's resources compared to conventional alternatives.

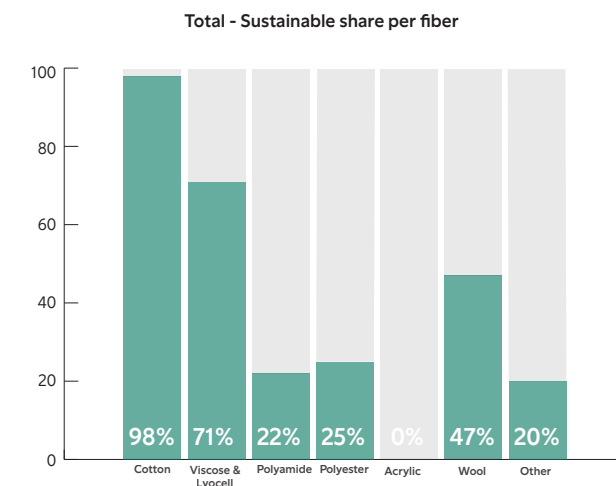
All materials have their own challenges and we are therefore constantly working to evaluate and find the best, sustainable alternatives. Considering our circular economy ambitions, it is very important that we use high quality materials so that they become high quality inputs for the circular economy.

Lindex is a top user  
of recycled PET bottles

### Materials we used in 2019



### How far we've come in switching to more sustainable options



### Material Change Index results



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) program. 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 2019 MCI and received a Level 4 (Leading) in Cotton and MMC (man-made cellulosics), and a Level 3 (Maturing) in Polyester, Nylon, and Wool.

In 2019, 32 per cent of our  
viscose was EU Ecolabel-certified  
Lenzing™ Ecovero™

LINDEX



## More on our key fibres

Conventional material	Challenges	Alternative	Why do we prefer this option?	How we use it	Did you know...	Goals
Cotton	Cotton cultivation can be highly resource-intensive, requiring irrigation, artificial fertilisers, and pesticides--all leading to soil depletion. The majority of cotton cultivation is in countries that lack clean water, so even though the cotton plants get the water they need, the people living there may not.	Recycled cotton	Instead of growing new cotton, we can save a lot of natural resources by reusing the cotton that has already been produced. Recycled cotton is leftovers from production or used textiles that have regained their life by being torn apart, spun and knitted or woven into new material.	We use recycled cotton in many different types of garments and especially in our denim assortment.	All recycled cotton we buy is certified according to the Textile Exchange Global Recycling Standard or Textile Exchange Recycled Claim Standard.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced
		Organic cotton	Organic cotton is grown without artificial fertilisers, chemical pesticides or genetically modified cotton seeds. Organic cotton cultivation improves the soil and it can then store more carbon dioxide which in turn is good for the climate. Organic cultivation also promotes biodiversity and contributes to healthy ecosystems and healthier farming communities.	Today, 68 percent of our cotton is organic and our entire baby assortment is made of organic cotton.	Lindex is one of the top ten users of organic cotton worldwide. Only about 1 per cent of the world's cotton is grown organically, so we consider other cotton alternatives as well.	
		Better Cotton	The Better Cotton Initiative (BCI) is a non-profit organisation founded in 2005, which Lindex has been a part of since the start. It is a very important initiative that works to drive large-scale change in the cotton industry by helping cotton farmers to transform their agriculture from conventional farming to growing more sustainably. They help farmers to use more environmentally friendly, but also socially and economically sustainable, cultivation methods. For example, it is about reducing the use of water, pesticides and moving from artificial to natural fertilisers.	-	As members of BCI, we support the expansion of cotton grown according to BCI requirements. The intention of BCI is to support a better industry. BCI is a scalable alternative to conventional: About 19 per cent of the cotton in the market is BCI compared to less than 1 per cent organic.  As BCI explains: 'BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.'	
Synthetics (polyester and polyamide)	After cotton, polyamide and polyester are the most common materials in our assortment.	Recycled polyester	Using recycled materials wherever possible means that we can significantly cut the footprint of our synthetic fibres. This reduces the pressure on natural resources and reduces our climate impact.	We use recycled polyester in, for example, pants, dresses and blouses.	The most common raw material source for recycled polyester is old PET bottles. Together with one of our suppliers, UNIFI, Lindex has transformed 16 million PET bottles into new garments. By recycling plastic bottles, we give them new life instead of them ending up in nature or in landfills.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced
	Synthetic fibres are prized for performance, but conventional options come from non-renewable resources, and they do not biodegrade.					
	Micropolastic shedding is another concern that the industry is still working to more fully understand and address.	Recycled polyamide		Recycled polyamide is mainly used in our lingerie, tights and swimwear.	The raw material is mainly from waste of the manufacturing industry.	

Conventional material	Challenges	Alternative	Why do we prefer this option?	How we use it	Did you know...	Goals
<b>Viscose &amp; lyocell</b>	These fibres are made from wood pulp using a chemical process. The biggest challenge with materials made from trees is to ensure that the forestry is sustainable which is, among other things, about the logging and what quantities are cut down at a time. Unfortunately, deforestation is common. Every year millions of trees are cut down in the world for textile production, which jeopardises the climate and biodiversity. We are also concerned about the chemicals used in manufacturing.	<b>Tencel, EcoVero, and Excel</b>	In our products, we mainly use TencelTM, Eco-VeroTM or Excel, which is manufactured by two large manufacturers; Lenzing and Birla. The raw material comes from responsibly cultivated forests and production takes place in a closed cycle where about 99 per cent of all process chemicals are recycled.	TencelTM and Excel can be found in, for example, underwear, pants and tops. TencelTM and Eco-VeroTM are manufactured in factories that are evaluated and certified according to the EU Eco-label and currently make up 48 per cent of all our viscose and lyocell.	<p>Lindex is one of the top ten users of more sustainable man-made cellulosic fibres worldwide.</p> <p>Together with other brands, retailers and suppliers, Lindex is committed to CanopyStyle and the initiative's work to protect the world's forests.</p> <p>It is estimated that more than 150 million trees are logged and turned into fabrics such as viscose globally each year, endangering the world's forests, biodiversity and climate. CanopyStyle is an initiative developed by Canopy, an independent environmental organisation working to protect the world's forest globally.</p> <p>Most of our viscose comes from suppliers that Canopy reports to have best industry practice. We only work with suppliers with best industry practice or demonstrated ambitions to improve.</p>	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced
<b>Wool</b>	Wool is a natural material with many advantages; it keeps you warm, it's soft, has nice lustre, doesn't wrinkle and has naturally cleaning properties. A woolen garment lasts for a very long time if you handle it properly, and it requires less laundering. However, there are concerns related to animal welfare, and the health of grazing land.	<b>Responsible Wool Standard (RWS) certified wool</b>	We mainly use RWS (Responsible Wool Standard) certified wool in our garments. RWS imposes requirements on the welfare of the sheep but also environmental requirements on farms. The standard requires that the soil on which the sheep graze and live on is used responsibly in terms of pesticides and biodiversity.		Until there are certifications that guarantee responsible animal welfare according to our Animal welfare policy, we have chosen to phase out mohair and cashmere.	By 2025 all our wool should be recycled or come from responsible agriculture with regard to the welfare of the animals and environmental requirements and be certified by an independent third party.
<b>Leather</b>	Animal welfare, GHG emissions, chemical use in tanning, and deforestation are all issues associated with leather and meat production.	<b>Locally-sourced leather</b>	Most of Lindex's leather straps are manufactured in Sweden from leather that comes from the EU.	The leather in our belts is vegetable tanned which means that no chrome is used in the tanning process.	All leather used in Lindex products comes from animals bred for the food industry.	
<b>Down</b>	Force-feeding and live-plucking are concerns for geese and ducks who supply down and feathers.	<b>Responsible Down Standard (RDS) certified down</b>	The down and feathers used in Lindex products have not been picked from live birds, nor do our clothes contain down from endangered or wild birds.	Down in Lindex products is mainly used as filling in winter garments.	We only buy down that is certified according to the Responsible Down Standard, RDS, which is a standard to ensure that feathers and down come from responsibly treated birds.	Maintain 100 per cent of our down coming from either recycled or RDS-certified sources.



## Design approach

Sustainable products and a circular approach requires mindful choices in design beyond the fibres and the materials we use. Our designers consider circularity and design for longevity. We strive to create items that are timeless in style, and durable in construction, with our customers' desires in terms of fit, functionally, and care always in mind. See 'Supporting a Sustainable Lifestyle' on page 33 for more. While we first launched our design tool to educate designers on circularity in 2017, we continue to grow our designers' skills in this area, and most recently held a series of workshops on design for longevity in 2019. Building from this, we also set a new goal for ourselves: By 2025, all products will be designed for longevity and/or circularity.

Our next design challenge is to examine end-of-life solutions for our garments. This will be an ongoing process as each product is different and has a different path, but we look forward to sharing our progress over the next year.

## Packaging reduction pilot

In mapping our plastic sources, we found that 58 per cent of the plastic volume we used in 2018 was for transportation, and 38 percent was for shopping bags handed out by our shops, so these became the two priority focus areas.

We've already seen success through our One Bag Habit initiative, which has cut single-use shopping bags by about 70 per cent. Our buying and logistics teams have worked to minimise the use of plastic wrapping on orders, aiming for bulk wrapping wherever possible. Additionally, we have changed the materials and design of our retail and e-commerce bags; we are now using recycled and recyclable materials.

Going forward, we have set a target that all paper and plastic packaging follows our circular strategy. Our circular strategy for plastics is built upon Ellen MacArthur Foundation's 'Circular Plastics Economy' framework with three ordered principles: eliminate, innovate, and circulate.

We use this as our hierarchy of decision-making, similar to how we use the waste hierarchy (see page 42), and each principle has a goal and roadmap in place. In addition to looking at volumes, we are also looking at materials, and aiming for more recycled and recyclable materials.

These actions have set us on the path toward achieving our goal of cutting our single-use plastics by 25 per cent over the next five years. We expect to see improvements as early as the end of 2020 as a result of the trainings we've given our buying teams.

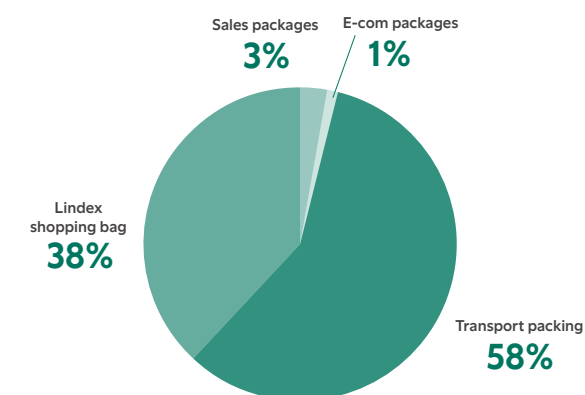
## One Bag Habit

One Bag Habit is a joint initiative by Lindex, KappAhl and H&M. The aim is to reduce the consumption of shopping bags and increase awareness about bags' negative impact on the environment. This initiative is also a great opportunity to encourage our customers to create more sustainable habits. Since we launched One Bag Habit, the consumption of bags in our stores has decreased significantly: currently, only about 30 per cent of our customers choose to buy a bag.

As a member in One Bag Habit companies commit to:

- Charge for all shopping bags
- Inform customers about shopping bags' environmental impact
- Offer shopping bags that are recyclable and made of more sustainable materials
- Donate the surplus from the sales of bags to causes that drive sustainable development
- Annually report about the results

With the surplus from One Bag Habit, we are sponsoring our WaterAid projects in Myanmar and Bangladesh as well as Women in Cotton.





## Being a water responsible company

The fashion industry relies on water at every stage. From the cotton fields to the dye houses to the washer at home, water is part of the full lifecycle of a garment.

In addition to being dependent on access to vast amounts of water, the fashion industry risks having a negative impact on nearby communities by negatively impacting their access to clean water for other purposes, such as drinking, fishing, or farming.

Being a water responsible company is one of the core aims in our sustainability promise – to make a difference for future generations.

### Goals

We want to be water efficient throughout the whole value chain, reduce the risk of water scarcity in areas connected to our operations and together with business partners provide access to water and sanitation in factories and nearby communities. Here are our goals:

- By 2025, all Lindex business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse and recycling of wastewater in their 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

### Water impact

To achieve our goals, we need to look at water through several different lenses.

Water used to create our products:

- How we can use less water and use it right?
- How can we save water on a product level?
- How can we save water on a factory level?

Water released after making our products:

- How can we make sure our wastewater is clean and safe?

### Using less water and using it right

There are two key aspects of water impact; the amount of water used and how it's being used. It's equally important to use less water and use it right, in every way we can. Our largest impact is in the materials and production processes used for our products.

Using water right revolves around the choice of chemicals, equipment, and processes used to clean the water before it is released. It's about making sure that the production doesn't lead to harmful substances being released into nature, polluting water sources and causing damage to the environment.



**Water on a product level**

We have more control over our own products than over a factory's full manufacturing capacity, so we leverage this to create better products. We can also use these products to educate our customers and give them more opportunities to select items that support their own goals for a more sustainable lifestyle.

On a product level, we can reduce our water impact by choosing more sustainable materials. The most impactful change is replacing conventional cotton with recycled cotton; thousands of litres of water can be saved this way.

We can also reduce our water impact by using more sustainable processes for washing, printing, dyeing and finishing in the production. Our Better Denim assortment is one of our front runners when it comes to more sustainable processes. See more detail in page 49.

**Water on a factory level**

Besides working on a product level with specific processes, we also work with water management at factory level. Where we can, we take the opportunity to help our partner factories improve their overall operations. Our factories also produce for other fashion companies, and we are all in this together. This is how we effect change across the entire industry.

We score our suppliers on their water consumption and waste water production. We have an environmental code that sets requirements for our suppliers regarding water treatment, handling of chemicals, waste treatment and emissions.

**Women and water**

The consequences of water scarcity are especially significant for women as they are often the ones responsible for collecting the water needed by their families. This can take many hours per day.

They are also vulnerable to infections when giving birth and during menstruation.

These factors hold women back from developing and being able to fulfil their potential.

## Responsible chemistry

Chemicals are used throughout the making of our products, for example to give a garment its colour or to enhance properties such as softness. Responsible chemicals management in our supply chain is part of our sustainability promise, and is an essential part of our commitment to be a water responsible company.

In 2019, we adopted a chemical strategy that codified our shift from a product-safety focus to a pro-active, full lifecycle focus—beginning with better chemicals used in manufacturing. Taking control of chemical use reinforces accountability on our side, and builds trust with our customers. They can feel comfortable knowing that we are staying a step ahead of the ever-changing laws and regulations, but also staying true to our purpose.

What does the implementation of our new strategy look like? As with our approach to water, we think about chemicals from several perspectives:

- Are our products safe?
- Are our workers and their communities protected?
- How can we support innovation that achieves better practices related to chemistry across the industry?

**We believe that transparency paves the way for preferred, safer chemistry. It is a precondition for the success of our chemicals strategy.**

### Products

We ensure that the products sold in our stores are safe, of good quality and 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.

## Workers and their communities

Not all chemicals used during production end up in the finished product, but we consider the health and safety of people who work in production and live in the communities nearby just as much as we consider the health of our customers.

Our MRSL (Manufacturing Restricted Substance List), which was launched in 2018, lists the chemicals that are not permitted in any stage in the making of our products. Our MRSL aligns with the ZDHC MRSL, and in some cases goes beyond, with stricter requirements for PVC, PFAS, and even suggestions for alternatives. With our MRSL, we can eliminate harmful substances from the beginning, so they do not enter the production cycle at all.

This is another area where transparency plays a crucial role. The more we understand about our supply chain, the more we can go beyond setting limitations on chemicals and instead shift toward promoting more sustainable chemistry and the substitution of unwanted chemistry in an even better way. Read more about our approach below under 'Innovation.'



### Innovation: The BHive

We've moved quickly on the topic of chemical management. The launch of our new MRSL in early 2019 kicked off the process, and then we immediately

moved to the verification step. Mapping of our suppliers' chemical use began in June 2019 with the roll-out of the BHive, an innovative new system for chemicals management.

The BHive, from GoBlu International Ltd, increases transparency, communication, and the use of safer chemicals through a smart-phone app that generates chemical inventories and provides tailored dashboards for both facilities and brands.

*'We consider BHive to be a great tool for companies that wish to move away from hazardous chemicals. It enables a new kind of transparency in the global textile supply chain that we haven't seen before.'*

Alice Hyllstam, ChemSec

We decided to move quickly on this topic because we felt it sent an important message to our partners and our stakeholders that we take our responsibility seriously regarding chemicals. Through the brand platform on The BHive, we can now view our suppliers' chemical inventories, and see whether the chemical products in use meet our requirements. We can also see whether they are compliant with leading initiatives or standards such as the ZDHC MRSL, GOTS, bluesign, and ECO-passport. The platform also supports the ChemSec Marketplace's substitution module, which is integrated into The BHive.

### Who is using the BHive, and how?

- Number of Countries: 3
- Number of wet processing units: 21
- Number of chemical inventories created: over 600
- Number of chemical products logged: 4.300

About 65 per cent of the scanned chemical products used by these suppliers across their full production (whether for us, or for another fashion company) now comply with Lindex's requirements. This means we are raising the performance of our suppliers across the board, no matter who they are producing for. And this is how we make a difference for future generations; by raising performance throughout the industry.

*'We started to use BHive as we see that this tool can help us to promote transparency and achieve the goal of removing the release of hazardous chemicals from our supply chain. We want all Lindex suppliers using this tool to create their chemical inventory, by which we can ensure that they are using better chemistry.'*

Iqbal Kazy,  
South Asia Regional Sustainability Manager



## Case study: Resource-efficient dyeing

While our approach to water and chemical use has become more holistic and strategic, we continue to request certain chemical products that we know have a better environmental footprint. For example, we worked with Huntsman and KISCO to increase the use of more sustainable chemical products.

Using Huntsman-verified methodology, we calculated the following savings based on our work with suppliers to use Avitera dyestuff in 2019 (based on 2,47 million pieces):

- Total water saving = 17,3 million liters
- Total energy saving = 1.482 mega watt hours
- Total salt saving in dyeing process = 148 tons
- Total CO2 emission reduction = 790 tons

### Cosmetics

Even though our focus is fashion, we apply the same level of care to the cosmetics we sell in our shops, as well. We have mapped our cosmetics supply chain, and we've begun phasing out cyclic silicones and PFAS-substances in cosmetic products. We have committed to the following steps on PFAS and Cyclic siloxanes going forward in 2020:

- Lindex will not accept new products that are formulated with PFASs.
- Supplier shall, together with Lindex, establish a plan for how to phase out the use of PFASs in products that Lindex is currently buying and replace products that Lindex is currently buying that are formulated with PFASs.
- Lindex will not accept new products that are formulated with cyclic siloxanes.
- Supplier shall collaboratively work with Lindex to investigate and consider how to phase out the use of cyclic siloxanes in products that Lindex is currently buying, or replace products that are formulated with cyclic siloxanes.

### Precautionary principle

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



### Better Denim

Conventional denim production requires vast amounts of water, and can expose workers to health and safety risks. We've been on a journey to improve our denim since 2015, and since 2017, all our denim is Better Denim.

#### What does 'Better Denim' mean?

1. The denim is made from more sustainable materials.
2. We use cleaner dyeing processes.
3. We use more sustainable washing processes.

**With Better Denim  
we use up to:**

**85 per cent less water**

**70 per cent less energy**

**45 per cent less chemicals**

### More sustainable materials

Conventional denim is usually a blend of cotton and polyester. Better Denim, however, uses more sustainable options; Better Cotton Initiative (BCI) cotton, organic cotton, recycled cotton and recycled polyester. During 2019 we have included recycled cotton into 47 per cent of our denim products with an average recycled content of 15 per cent. This is an estimated saving of 700 litres of water per product.

### Cleaner dyeing process

All of our indigo-dyed denim is dyed with DyStar Liquid Indigo Vat 40 per cent Solution, the cleanest indigo dye on the market. The dye has better fixation than other dyes, which means there is less need for additional chemicals or several rinses after the dyeing. The dye is liquid and the process occurs in a closed system, which eliminates dust and significantly reduces contact with chemicals for the people working in the production.

### More sustainable washing processes

The washing processes for Better Denim only need about 15 litres of water, compared to 50-70 litres of water for conventional denim. We also use fewer and better chemicals, meaning our wastewater is cleaner. Water efficiency and chemical efficiency also saves us energy, which means a reduced climate impact. This is monitored using the Environmental Impact Measuring (EIM) system from Jeanologia.

### Our journey toward better denim finishing

- Sand blasting has been banned since 2014.
- Moving into 2020, we are exploring safer alternatives to Potassium Permanganate (PP), which is often used in denim finishing.





## Feature: WaterAid

As part of our promise to future generations that we will be a water responsible company, we collaborate with WaterAid to improve access to clean water and sanitation around the world. This also supports our promise to empower women.

We know that without access to clean water and sanitation, women will not be able to fulfil their potential. Every day, millions of women walk for hours to get water, leaving no time left for work, school or community engagement. Limited access to clean water also leads to health and security issues. Our current project with WaterAid is in Mirpur, a textile production community in Dhaka, Bangladesh. By the time the project is complete, we anticipate that we will have achieved the following:

- Access to clean drinking water for 4,500 people
- Access to proper toilets for 5,000 people
- Distribution of information on personal hygiene and sanitation for 6,300 people

We look forward to expanding this programme to Myanmar in the future, and we have completed the preparatory work for a 2020 launch.

### The importance of clean water and sanitation

Did you know that diseases caused by dirty water kill more people each year than all forms of violence, including war? Over 840 million people lack access to clean water and almost 2.3 billion people lack access to decent toilets.

Lack of access to clean water is a silent disaster that affects women and girls the most by limiting their future opportunities as they spend countless hours collecting water rather than going to school, going to work, or engaging with their communities.



## Ensure human rights

In every part of Lindex's business, we depend on the decisions, hands and skills of people. People with rights, who must be treated with dignity and respect. It is our responsibility to make sure that fundamental human rights are respected in our entire value chain.

Global development has in many ways made it possible for our society to prosper, but it has also contributed to new challenges that cannot be overlooked. The environmental challenges, along with one of the greatest refugee crises of our time, has made many people more vulnerable to unfair treatment. It has changed the landscape for risks connected to human rights, and modern forms of slavery such as forced labour are growing. Women and children are still the part of the population that is most likely to have their human rights compromised.

There is no doubt that we must take responsibility for any human rights impacts connected to Lindex's business, even when we have done nothing intentional to cause it. With a holistic approach to human rights, including every part of our business, we need to use our leverage through business relationships where we can, as well as work for a positive impact where we are not the ones in control.

### **There's no responsibility without transparency**

Transparency is a precondition for making progress within sustainability and at the same time, it is one of the greatest challenges in the fashion industry.

Transparency is the key to making progress within all areas of sustainability including human rights.



## Achievements

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



Transparency Pledge – committed since 2017

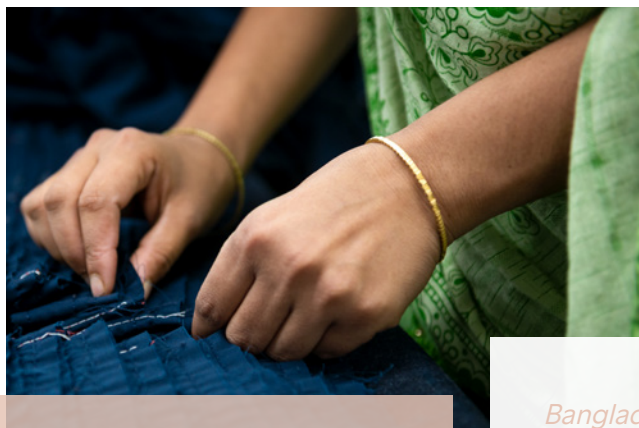


Launch of new code of conduct with a gender equality focus (See page 29)

Public Human Rights policy in place (see page 56)



Suppliers who stand for 60 per cent of Lindex's production volumes are part of Lindex's self-assessment programme



System for monitoring human rights launched 2017



Bangladesh Accord remediation grade of 96 per cent on average for Lindex factories

## Moving ahead

From now through 2025, focus areas related to human rights will be

- Transparency
- Living wages
- Safe and healthy workplaces, free from harassment and discrimination

## Advocating respect for human rights

We advocate for the workers in our supply chain and for those in our own operations. This is part of how we make a difference for future generations. This includes thinking about health and safety, but also more broadly about human rights, which includes holistic wellness, empowering women, and fair wages. We continuously work on risk mitigation and remediation in our daily work with audits, visits and talking to workers. What we find, we investigate and remediate in cooperation with workers, suppliers and local NGOs.

We also achieve impact in these areas through our work on WE Women, HERhealth and HERfinance, and our collaborations with WaterAid, CottonConnect, and the Women's Café. See our impact below.

### Human rights policy

Lindex's human rights policy is based on several international human rights principles. Lindex does not tolerate or condone abuse of human rights within any part of our business or supply chain and we take seriously any allegations of human rights not being respected. Our human rights policy is available on our website.

## Goals

We want to make sure our whole value chain is progressing regarding living wages, and that workplaces are safe and healthy, free from harassment and discrimination. Here are our goals:

- By 2021, all Lindex business partners have signed Lindex's Sustainability Commitment
- By 2025, Lindex suppliers who stand for 80 per cent of our production show total supply chain transparency and 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
- Ensure that no discrimination and harassment occurs in Lindex's own operations by 2020

Project	Country	No of factories	Implementing partners	No of women
WE Women 2017-2020	Bangladesh	31	GIZ NRT BSR	42.000
WE Women 2019	Myanmar	5	Sequa BSR	4.000
WE Women 2019/2020	India	11	Swasti	11.000
HERhealth 2012-2018	Bangladesh, Pakistan, India, Myanmar, China, Cambodia	20	BSR Change	20.000
HERfinance 2016-2019	Bangladesh	7	BSR Swiss Contact Sarathi	11.000
Women's Café 2019	Bangladesh	1 café	KarmojibiNari	5.000 in
CottonConnect 2019-2021	India		CottonConnect	350
WaterAid 2019-2022	Bangladesh		WaterAid	7.000
Bangladesh Accord on Fire and Building Safety	Bangladesh	31 (all)	Accord, RSC	42.000



## Challenges in 2019

While we do have targeted programmes to address issues in the supply chain related to human rights, we feel that it is important to be transparent about our challenges as well. Many of these challenges plague the industry as a whole, and we continue to tackle these challenges by collaborating with our suppliers and industry stakeholders, and by being open about our setbacks and our expectations. Below are the key challenges that continue to be the focus of our efforts. With ongoing programmes, capacity building, and collective action, we are determined have a positive impact in these challenging areas:

Challenges		Our approach for change		Results to date
Excessive overtime	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.	We are running several projects with our suppliers to improve planning and forecasting. We aim to highlight the links between production planning, lead time, and overtime costs. We are also working to ensure overtime work is properly compensated.		We launched our first overtime project in 2015, and as of the end of 2019, we engage with 8 suppliers in China and 13 in Bangladesh.
	In China we have a systemic challenge as wages are often paid on a piece rate basis, which complicates overtime payments.	We are constantly reviewing our purchasing routines and during 2018 we started to train our buying teams on buying practises.		We have seen improvements from time to time in Bangladesh, but consistency over time is a challenge.
Transparency	Opaque supply chains are at a greater risk for forced and/or child labour. Without transparency, oversight, and strong relationships, unauthorised subcontracting can take place, and documentation can be faked. Our relationships are strongest with tier 1 suppliers. However, mapping further down the supply chain is more challenging, and our leverage to demand improvements decreases.	We aim to build strong relationships, based on trust, with a consolidated group of suppliers.		In 2019, we further consolidated our supply chain to 119 suppliers and 174 factories.
	Another current challenge relates to refugees working in the supply chain, who may be taken advantage of if they do not possess the proper work documentation.	We maintain a presence in the factories through our local production offices.		We have a strong local presence in our production markets that enable close dialogue and insight in our supply chain.
		We work with self-assessments with our most important partners in order to build internal capacity and ownership with them.		We signed the Transparency Pledge in 2017.
				We are working to build transparency: 1. Working toward our goal of using self-assessments with suppliers that stand for 80 per cent of our production, as of 2019 we have covered 60 per cent of our production volume in Tier 1. 2. According to the commitment to the Transparency Pledge, we have published 100 per cent tier 1 suppliers, all processing units and tier 2 suppliers that cover around 80 per cent of our fabric volumes.

Challenges		Our approach for change	Results to date
<b>Social dialogue</b>	Without social dialogue, there cannot be proper management or feedback systems, and workers' voices may not be heard. Social dialogue is a pre condition for workers to exercise their right to Freedom of Association and collective bargaining. Culturally, worker voice may not be valued and language barriers may lead to marginalisation. The question of gender equity and equality is a growing concern in the industry where management positions tend to be held by men.	Through WE Women by Lindex, we educate our suppliers' factory management on gender equality and how to integrate it into management systems. The aim is to change the leadership and management style in factories to become more inclusive for women and to raise awareness of gender equality issues. We would also like to see an increased number of female managers in the factories. See more on page 30.  Freedom of Association, overtime and documented management systems are systemic issues which must be tackled with collective action. Our suppliers however, must show progress in these areas within a reasonable timeframe.	WE women management system has been developed and implemented. The impact of this has reached 47 facilities and 57,000 women: 31 facilities and 42,000 women in Bangladesh 5 facilities and 4,000 women in Myanmar 11 facilities and 11,000 women in India  Together with our partner KarmojibiNari, we have established the We Women Café, which is a meeting place and resource for training on local laws, and for legal counselling. In 2019, 1,800 women and 750 men received training. A total of 5,000 women have visited the café.
<b>Living wage</b>	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: Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme by 2025.	In We Women, we work on improved data collection and analysis.  We work according to our Living Wage Roadmap. See page 59 for more detail on Living Wage.  WE Women also creates and enhances proper wages management systems which is the foundation for paying a living wage.
<b>Occupational health and safety</b>	The working environment is often not safe for workers. It can be due to deficient fire-electrical or building standards, but also to 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 and thus there must be a strong OHS management system.	We work with social audits, internal visits and we conduct our own internal health and safety training where we see the need.  We have been members of the Bangladesh Accord on Building and Fire Safety since the start and have an average remediation rate of 96 per cent.	In Bangladesh Accord we have reached an average remediation rate of 96 per cent.  74 per cent of our tier 1 suppliers reach our high standards for health and safety and the remaining ones have a structured approach to improvement.
<b>Safe workplaces for women free from harassment and discrimination</b>	Gender-specific concerns exist for female workers in the factories. Women are particularly vulnerable to sexual harassment and workplace violence. Here we also must consider health and wellness as they relate to maternity issues and access to medical facilities.	Lindex's new code of conduct with a gender focus was launched in 2019.  Our HERhealth and WE Women programmes specifically address gender-specific concerns by working to change the workplace environment and through education.	The WE Women Management System has been developed. The impact of this has reached 47 facilities and 57,000 women: 31 facilities and 42,000 women in Bangladesh 5 facilities and 4,000 women in Myanmar 11 facilities and 11,000 women in India  Up till now we have covered 20 factories and 20,000 women globally through HERhealth projects.





## Social dialogue

'Social dialogue' refers to a collaborative process including employee representative groups and governments that aims to improve conditions for workers.

Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

We consider our WE Women programme to be an example of a successful social dialogue initiative. See our feature on WE Women on page 30.

## 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 available on our website.

## Transparency

We do not own any factories, instead we work with independent suppliers. In recent years, we have heavily consolidated our supply chain and today we work in long-term partnerships with a few carefully selected suppliers.

Read more about how we work with our supply chain partners on page 16 under 'Purchasing practices and long term relationships' above, where we detail our auditing protocols, our self-assessments,

our supplier sustainability scorecards, and our overall approach to partnering with our suppliers.

While transparency is a major challenge in the fashion industry, it is the key to making progress within all areas of sustainability. We are committed to The Apparel and Footwear Supply Chain Transparency Pledge, 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.

On our website we publish our supplier lists, including our manufacturing factories, our processing factories, and our tier 2 factories.

## Living wage

The making of our products creates jobs for thousands of textile workers and all of them have the right to a fair, safe and healthy workplace. The working conditions for textile workers in our supply chain is an important part of our sustainability promise.

In compliance with the code of conduct and local law, our suppliers are required to pay at least the country's statutory minimum wage to their employees. However, the minimum wage is often not at a level that cover the workers' basic needs.

Making sure our whole value chain is progressing on the topic of living wages is an important part of our sustainability promise.

We are also well aware of the challenges regarding wages in the supply chain and it is a very complex issue that requires collaboration between a number of stakeholders to be resolved. Factories often produce for many different brands and there needs to be long term solutions that benefits the workers no matter which brand is being produced in the factory at the time. Wages need to be negotiated among the parties of the labour market and the government has a key role in setting minimum wages and labour laws. We as a company must do everything we can and work together in the industry to have a positive impact.

We have established a living wage roadmap for the next five years, and that includes supporting our partners to work actively with a living wage programme. One example is our WE Women programme, which focuses on helping facilities implement a wage structure and a proper management system.

Our goal is that by 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme.

## Safe and healthy workplaces

Our promotion of safe and healthy workplaces includes our own offices as well as our supply chain partners.

### Within Lindex

We have a responsibility to ensure a healthy and safe workplace. All matters and policies affecting health and safety are under constant review.

We take conscious preventative measures to keep sickness absence at a reasonable level and the overall sickness absence during 2019 was 4.68 per cent. At the head office it was 4.23 per cent, which aligns with our target of under 5 per cent.

We are proud of the internal initiatives at Lindex that help us to create a positive, healthy, and safe workplace for our team. We've also created a diversity plan that aligns with the three areas of our promise and addresses our employees, our organisation, and our customers through specific objectives and initiatives.

## Work/life balance

At AB Lindex all permanent positions are full time positions. 11 per cent of the female employees and 4 per cent of the male employees have chosen to work less hours than full time, mainly due to parental leave. Most of them work 80 per cent or 90 per cent.

### How do we work with diversity?

Teams that consist of people with different experiences and perspectives are more effective, creative and dynamic than homogenous groups. It is every Lindex leader's responsibility to make sure that they have a diverse team and that diversity becomes a natural part of the long-term competence plan.

Lindex' efforts to promote diversity and equal opportunities are crucial to acquire and retain the right talent, build employee engagement and create a positive work environment for everyone.

To promote diversity, we work actively in all parts of our organisation:

- Before employment
- Among our employees
- In our customer offer

### Equal opportunities at Lindex

As part of our diversity work, we strive to ensure that all employees at Lindex are treated with respect, have equal opportunities and a positive working environment. This is also part of our promise to future generations.

Lindex condemns all forms of discrimination and works actively to provide an inclusive and welcoming working environment to everyone.

As with our broader sustainability strategy, we are on a journey to constantly improve our own workplaces. This means we ask for feedback, and when that feedback is critical, we take the opportunity to learn and improve.

The latest employee survey (conducted in November 2018) showed indications that we have employees experiencing harassment, bullying or discrimination within the Lindex Group. Therefore, the management team chose to focus on this area through two targeted efforts:

- A lecture on discrimination, harassment and bullying conducted by an expert in this field for all leaders at AB Lindex in spring 2019.
- In the fall of 2019, a series of articles was published on the intranet to increase knowledge and awareness about bullying, harassment and discrimination at work. This series of articles is intended to reach all employees of the Lindex Group.

### What does this look like in practice?

In order to ensure that there is no discrimination in the Lindex Group and that we have an organisation that takes advantage of diversity, we work according to legislation to continuously conduct analyses and follow-ups in five different areas:

- Working conditions
- Salaries & terms of employment
- Recruitment and promotion
- Education and training
- Parenthood and work

To ensure that we meet the requirements of the markets where we operate, we apply a four-step approach:

- Investigate
- Analyse
- Act
- Follow up

Any cases of discrimination or harassment are handled by HR, through unions and relevant authorities.

### Within the supply chain

All of our suppliers are required to follow a code of conduct that sets the basic requirements for working conditions such as wages, workplace safety, working hours and more. The Lindex Code of Conduct is based on ETI's (Ethical Trading Initiative) code of conduct, but has an enhanced focus on gender equality. See more on page 29.

Read more about how we work with our suppliers on page 16. See an overview of our impact on page 56.

## Health and safety in Bangladesh

When we think about safe and healthy workplaces, one topic that remains front of mind for us is building safety in Bangladesh. We were signatories of the Bangladesh Accord on Fire and Building Safety, which was created in the wake of the Rana Plaza Collapse in 2013. The intention has always been to transition the Accord over to local management.

The Accord has already been transformed into the 'Transition Accord' which is valid until May 2021. At that point, a Bangladeshi organisation connected to BGMEA will fully take over from the Transition Accord. It is called RMG Sustainability Council (RSC).

The RSC will be governed by a board consisting of representative of the BGMEA, fashion brands and national trade unions. Once the Accord leaves Bangladesh, RSC will inherit both its staff and infrastructure. Additionally, the RSC will work in cooperation with the government of Bangladesh to ensure its work complements the work of the Remediation Coordination Cell.

We are actively engaged in this transfer process, and we are still determining our own next steps going forward.

Regardless of the next steps, we are proud of the progress we have made with our factories in Bangladesh through the Accord. We have an average remediation rate of 96 per cent.



A photograph of a person's lower legs and feet. They are wearing white socks with two horizontal red stripes. Their shoes are dark blue sneakers with red and white accents and white laces. Instead of feet, the shoes contain a bouquet of flowers, including large orange-red proteas, smaller yellow flowers, and dried grasses. The person is standing on a light grey surface against a light blue background.

Report background.



# Report background

The report has been produced by the Lindex corporate communications team in collaboration with the sustainability team. 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 24 April, 2018.

This report covers the calendar year from 1 January until 31 December 2019. Questions relating to this report can be directed to Anna-Karin.Dahlberg@lindex.com.

This report has been prepared in accordance with the GRI Standards: Core Option. 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, six production offices in Asia and six 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 franchising stores, a total of 46 stores in eight countries managed by seven franchising partners. Nor does it cover outsourced distribution centre services. In case that results presented in the report deviates from the above, this is specified in relation to the specific result.

## 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

We engage in an ongoing stakeholder dialogue which provides us with insights and we continuously evaluate our actions to ensure our focus areas are essential. As a complement to this ongoing work, we performed a long-term materiality assessment during 2017 specific

to Lindex's sustainability reporting. In previous reports we based the reporting on the Stockmann Group's materiality assessment combined with some additional assessments for Lindex. With the 2017 Lindex materiality assessment we were able to focus solely on topics relevant to the Lindex business area and this has strengthened the focus even more on what is most material for Lindex sustainability reporting. This assessment, together with our strategic direction, is the foundation for this report, however, our continuous stakeholder engagement gives us an ongoing updated direction. The fashion industry is quite mature in terms of insights regarding sustainability and the challenges the industry needs to address and there is much internal knowledge at Lindex.

For a detailed description of how the assessment was conducted, see Lindex 2017 Sustainability report

At the time of the assessment, the areas highlighted in italics stood out on both parameters. In the last two years since we made the assessment we see that the interest in climate and sustainable consumption have increased; we have marked them in italics as well. In the Lindex sustainability report, we will focus most on the areas in the top right box.

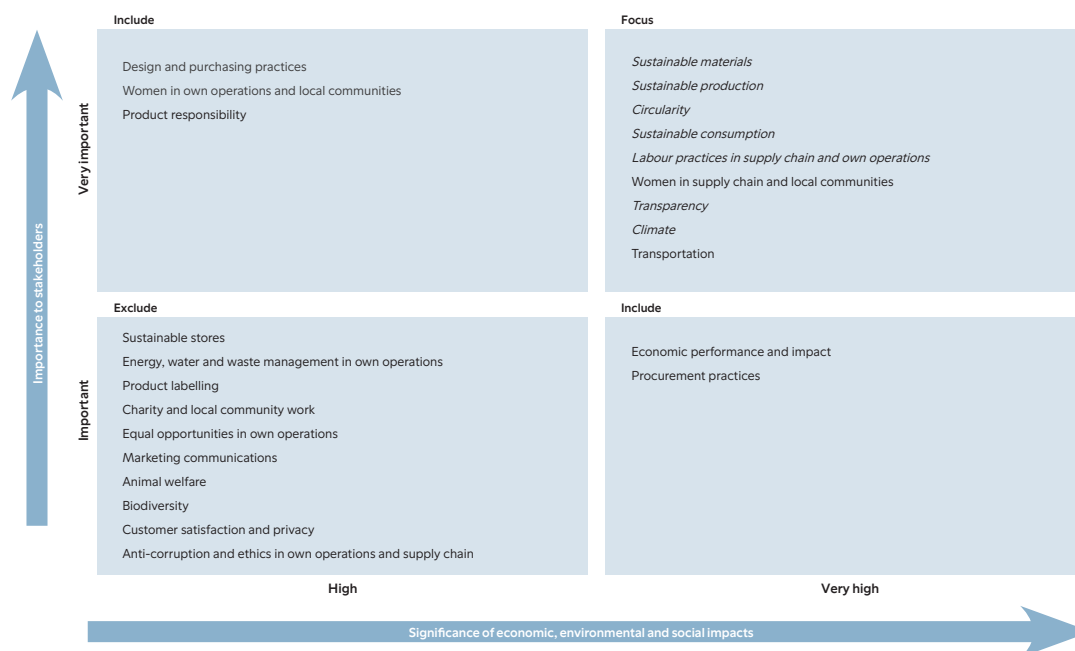
The areas in the top left and bottom right boxes will be included in the report but with less prominence. In order to prioritise the most material areas in the report, the areas in the bottom left box will not be emphasised in the reporting.

## Policies

Lindex has a set policies in place to serve as the foundation for our business activities, and set clear expectations for our team members. 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
- Modern Slavery Act transparency statement 2016

The full policies are publically available on our website.





# GRI index

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 (Lindex at a glance)		
	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. 5 (Lindex at a glance)		In 2019, Lindex had 464 fashion stores. 424 own stores were located in 10 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland, UK. 41 franchise stores were located in 9 countries: Saudi Arabia, Bosnia Herze-Govina, Serbia, Iceland, Kosovo, Albania, Qatar, Tunisia, Denmark. Lindex online shop available in 31 countries: Austria, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Sweden, Tunisia, United Kingdom. In addition, Lindex's products are sold in the online stores of ASOS, Boozt, Nelly and Zalando.
	102-5	Ownership and legal form		Pg. 5 (Lindex at a glance)		
	102-6	Markets served		Pg. 5 (Lindex at a glance)		See above 102-4
	102-7	Scale of the organisation		Pg. 5 (Lindex at a glance), Pg. 60 (Work/life balance)		See above 102-4. More detailed information on financial profitability available in the Stockmann Group Financial Review, pages 17-20, 26-27 <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-8	Information on employees and other workers		Pg. 5 (Lindex at a glance), Pg. 7 (Culture), Pg. 60 (Safe and healthy workplaces)		More detailed information on employee demographics and locations available from the Stockmann CSR Report (Responsible Work Community), pages 27-34. <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-9	Supply chain		Pg. 16 (Purchasing practices and long term relationships)		
	102-10	Significant changes to the organisation and its supply chain		See note		Financial Review / Report by the Board of Directors, Inspiration for responsible choices (11-20) <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-11	Precautionary Principle or approach		Pg. 50 (Responsible chemistry)		We apply the precautionary principle in our environmental work and have adopted a preventative approach with the substitution of hazardous chemicals.
	102-12	External initiatives		Pg. 11–15 (Transparency and collaboration)		Additional detail available from Stockmann CSR Report, Our approach (5-10), Sustainable business approach (35-39) <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-13	Membership of associations		Pg. 11–15 (Transparency and collaboration)		Additional information available from the Stockmann Group website <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-14	Statement from senior decision-maker		Pg. 4 (CEO letter)		

GRI Standard	Disclosure Number	Disclosure Title	Topic boundary	Location of disclosure	Additional information or omissions	Note
	102-16	Values, principles, standards, and norms of behavior		Pg. 5–8 (The company), pg. 16 (Purchasing practices and long-term relationships), pg. 19–21 (Our promise), pg. 29 (Taking the lead in creating fair and equal workplaces), pg. 60 (Safe and healthy workplaces), pg. 62 (Policies)		
	102-18	Governance structure		Pg. 6 (Our structure)		
	102-40	List of stakeholder groups		See note		Additional detail available from Stockmann CSR Report, Stakeholder Engagement (10) <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-41	Collective bargaining agreements		See note	All Lindex employees in Sweden (2.311) Norway (951), and Finland (525) are covered by collective bargaining agreements.	Additional detail available from Stockmann CSR Report, Responsible Work Community, Page 31 <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-42	Identifying and selecting stakeholders		Pg. 62 (Report background)		Additional detail available from the Lindex 2017 Sustainability report <a href="https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf">https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf</a>
	102-43	Approach to stakeholder engagement		Pg. 62 (Report background)		Additional detail available from the Lindex 2017 Sustainability report <a href="https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf">https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf</a>
	102-44	Key topics and concerns raised		Pg. 62 (Report background)		
	102-45	Entities included in the consolidated financial statements		See note		Stockmann Group Financial Review, Notes to the Consolidated Financial Statements. All the annual reviews are available at <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	102-46	Defining report content and topic Boundaries		Pg. 62 (Report background)		Additional detail available from the Lindex 2017 Sustainability report <a href="https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf">https://about.lindex.com/files/documents/lindex-sustainability-report-2017.pdf</a>
	102-47	List of material topics		Pg. 62 (Report background)		
	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. 62 (Report background)		
	102-51	Date of most recent report		Pg. 62 (Report background)		
	102-52	Reporting cycle		See note		Reports are published annually
	102-53	Contact point for questions regarding the report		Pg. 62 (Report background)		
	102-54	Claims of reporting in accordance with the GRI Standards		Pg. 62 (Report background)		
	102-55	GRI content index		Pg. 63 (GRI content Index)		



GRI Standard	Disclosure Number	Disclosure Title	Topic boundary	Location of disclosure	Additional information or omissions	Note
	102-56	External assurance		Pg. 62 (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
<b>Economics</b>						
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Inside the organisation	See Note		Additional detail available from Stockmann CSR Report, Sustainable business approach (35-39), Responsible work community (31) <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Outside the organisation	Pg. 29 (Taking the lead in creating fair and equal workplaces), Pg. 47 (One Bag Habit), Pg. 56 (Advocating Respect for Human Rights)		
<b>Environmental</b>						
GRI 301: Materials 2016	Own indicator	Share of more sustainable materials used in our garments	Outside the organisation	Pg. 44 (Materials we use in 2019, How far we've come in switching to more sustainable options)		
	301-2	Recycled input materials used	Outside the organisation	Pg. 44 (Materials we use in 2019, How far we've come in switching to more sustainable options)	Information unavailable, see note	11 per cent of our garments have their main fiber share consisting of recycled polyester or polyamide. Due to limitations in data, we are unable to specify the garments that also contain recycled cotton.
	Own indicator	Collected textile through Lindex stores	Inside and outside the organisation	Pg. 34 (Your Smart Wardrobe/Did you know...)		
GRI 302: Energy 2016	302-4	Reduction of energy consumption	Outside the organisation	Pg. 38 (Taking climate action), Pg. 39 (Reducing our emissions)		
GRI 303: Water 2016	Own indicator	Initiatives for more sustainable water management	Outside the organisation	Pg. 31 (CottonConnect), Pg. 43-45 (Feature: Cotton, More on our key fibres), Pg. 48-52 (Being a water responsible company), Pg. 53 (Feature: WaterAid)		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Inside and outside the organisation	Pg. 38 (Taking climate action)	See note	Additional detail available from Stockmann CSR Report, Sustainable Shopping Environment (21-26). <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	305-2	Energy indirect (Scope 2) GHG emissions	Inside and outside the organisation	Pg. 38 (Taking climate action)	See note	Additional detail available from Stockmann CSR Report, Sustainable Shopping Environment (21-26). <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	305-3	Other indirect (Scope 3) GHG emissions	Inside and outside the organisation	Pg. 38 (Taking climate action)	See note	Additional detail available from Stockmann CSR Report, Sustainable Shopping Environment (21-26). <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>

GRI Standard	Disclosure Number	Disclosure Title	Topic boundary	Location of disclosure	Additional Information or omissions	Note
GRI 306: Effluents and waste 2016	Own indicator	Share of stores with recycling systems	Inside and outside the organisation	Pg. 24 (Respect the planet/ Having a circular business approach)		
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Inside and outside the organisation	See note		We have not identified any non-compliance with environmental laws and/or regulations.
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Inside and outside the organisation	Pg. 16 (Purchasing practices and long term relationships)		All new tier 1 suppliers are screened, and many in tier 2 as well.
<b>Social</b>						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inside the organisation	See note	Information unavailable, see note	New employee hires: 16 per cent. Employee turnover: 17 per cent. The information has not been broken down by age group, gender and region 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	Pg. 60 (Safe and healthy workplaces/ Health and safety in Bangladesh)	Information unavailable, see note	Due to limitations in the data we report on the total rate of sickness absence.
	Own indicator	Remediation rate of issues found through Accord inspections	Outside the organisation	Pg. 60 (Safe and healthy workplaces)		
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Inside the organisation	Pg. 7 (Culture)	Information unavailable, see note	The information has not been broken down by age group, gender and region due to limitations in the data.
	Own indicator	Number of women reached in HERhealth and workers reached in HERfinance	Outside the organisation	Pg. 31 (HERHealth with BSR)		
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Inside the organisation	Pg. 6 (Our structure), Pg. 7 (Culture), Pg. 60 (Safe and healthy workplaces)	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. 60 (Safe and healthy workplaces/ Equal opportunities at Lindex)		
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. 57-58 (Challenges in 2019/Social Dialogue)		Additional detail available from Stockmann CSR Report, Responsible Work Community (27-34). Most of the Stockmann Group's own employees work in countries classified by the amfori BSCI as low-risk countries for human rights violations. The fulfillment of freedom of association in the supply chain is monitored through own audits and those made by a third party. <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Outside the organisation	Pg. 16-17 (Purchasing practices and long term relationships)		



GRI Standard	Disclosure Number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
<b>GRI 409: Forced and compulsory labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Outside the organisation	Pg. 16-17 (Purchasing practices and long term relationships)		
<b>GRI 412: Human rights assessment 2016</b>	412-1	Operations that have been subject to human rights reviews or impact assessments	Inside and outside the organisation	Pg. 16 (Purchasing practices and long term relationships/Overview of audit statistics: 2019)		
<b>GRI 414: Supplier social assessment 2016</b>	414-1	New suppliers that were screened using social criteria	Outside the organisation	Pg. 16 (Purchasing practices and long term relationships)		Additional detail available from Stockmann CSR Report, Sustainable Business Approach (35-39). <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
<b>GRI 416: Customer health and safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	Outside the organisation	Pg. 18 (Product safety and quality)		Additional detail available from Stockmann CSR Report, Inspiration for Responsible Choices (11-20). <a href="http://year2019.stockmanngroup.com">http://year2019.stockmanngroup.com</a>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Outside the organisation	Pg. 18 (Product safety and quality)		
<b>GRI 419: Socioeconomic compliance 2016</b>	419-1	Non-compliance with laws and regulations in the social and economic area	Inside and outside the organisation	See note		We have not identified any non-compliance with laws and regulations in the social and economic area.