

A group of six diverse women of various ages and ethnicities are posed against a light-colored wood-paneled wall. They are wearing athletic wear: crop tops and leggings in black, white, and a dusty rose color. The women are arranged in a line, with some looking towards the camera and others looking slightly away. The woman in the center is a Black woman with short hair, wearing a white crop top and white leggings. To her right is an older woman with grey hair, wearing a black crop top and black leggings, with her arms raised in a yoga-like pose. To the far right is a woman with long brown hair, wearing a black crop top and black leggings. The overall mood is positive and healthy.

Sustainability report 2020.

LIND&X

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

We are Lindex.





**2020** is certainly a year to remember. As I think over the struggles, the learning, the growth, and the tragedies we as a global community have faced, I am reminded that a crisis has the unique ability to highlight strengths as well as vulnerabilities. This is true for individuals, for communities, for industries, and for companies such as Lindex. While the experience of navigating the COVID-19 crisis has been difficult, and in some cases heart-breaking, I believe we are emerging with an even stronger sense of who we are as a company, what we stand for, and which direction we want to lead the industry.

This past year, we have faced unprecedented challenges across our entire operation, and throughout our value chain. We have been faced with urgent challenges related to the security of our business operations, while simultaneously working to protect the health and wellbeing of our employees and the people who are part of creating Lindex products around the world.

As we emerged from the early weeks, which were largely spent in survival mode, we began to reckon with the true depth of the systemic flaws in our industry that became so obvious during the onset of the pandemic. We have all had to face the impact of entrenched issues, like overproduction and the vulnerability of workers in the supply chain, with renewed urgency. And while the COVID-19 pandemic has been, and continues to be, a crisis, as I reflect on the past year, I am proud to be able to say that we, as Lindex, have continued to stand by

our commitments and operate in an ethical way, staying true to our values and our character. I am proud of the way we are fighting our way out of the crisis and the insecurity, honouring our commitments to our partners, our customers, and our colleagues as we support each other in the establishment of a new normal. I am proud of the way our team has looked for the opportunities to address the tough issues head on, and find innovative solutions, for example through digitalisation.

Indeed, in addition to being a crisis, this moment in time truly is a turning point for our entire society. The only way for any company to survive this moment intact is to emerge with sustainability at its core. In fashion, we as brands need to take responsibility for the full value chain, and continue to harness the momentum that can only come from collaboration with one another towards shared goals and a shared vision of a better industry.

Now is the time to embrace innovation, and take this opportunity to intentionally create the new normal we all would like to see: a fashion industry that is resilient, empowering, regenerative, and truly sustainable.

**Susanne Ehnbåge**  
CEO





# The company

## Who we are

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 a global fashion company with nearly 4.000 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. And never has it been so important to have a clear guiding star, as this has been indispensable in helping us to navigate our way through the COVID-19 global pandemic.

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 – despite the challenges that may arise.

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.

## Closely brand

Lindex is the initiator and majority shareholder of Closely, a new lingerie and sportswear brand created in 2019 and launched in 2020.

Closely's philosophy has sustainability at the centre. The ambition is to only make garments with perfect fit and function, becoming go-to items for every day that never end up at the bottom of the drawer. Inclusivity, durability, sustainability and quality are defining features of Closely, whose garments are made to fit and flatter a range of body types, while adhering to strict sustainability criteria during manufacturing in a transparent supply chain.

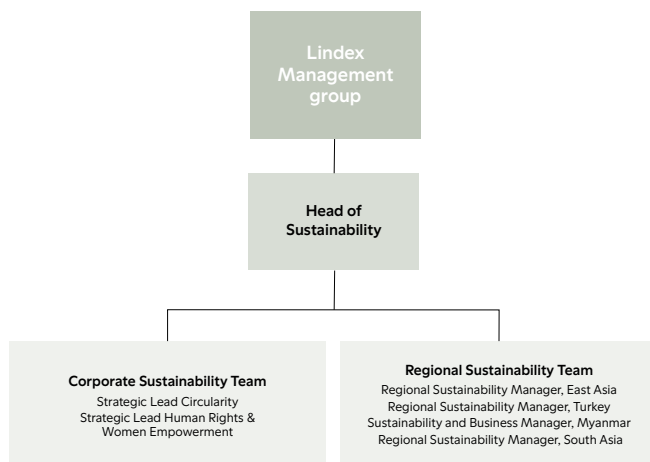
## Lindex at a glance

- 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
- 458 stores in 18 countries (incl 38 franchises)
- Shop online in 31 countries and globally through third parties ASOS, Boozt, Nelly, Next and Zalando
- 507,1 MEUR turnover in 2020
- 3.859 employees
- 6 production offices
- 68 per cent of the garments made from more sustainable material in 2020

On the way to Closely's goal of reaching zero emissions, each product is labeled with its own externally-calculated carbon footprint and all CO2 emissions are offset through hydropower projects in Sri Lanka, verified in accordance with The Clean Development Mechanism from the Kyoto Protocol. Products feature recycled fibres, and 70 per cent of the materials are bluesign approved.

## 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 Head of Sustainability, supported by a team, is responsible for the overall sustainability direction and strategy, and reports to the management group. The team works closely with the entire organisation on the implementation of 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.



## Culture

At Lindex, we see power in collaboration. Together we can make a greater impact. We treat one another like family, always providing support and encouragement, but also keeping one another accountable, and pushing ourselves to achieve our goals.

### Values

Our values guide us in everything we do, from how we act to the decisions we make. These values are the foundation for building our successful business in which all employees are encouraged to take initiative and make their own decisions. We have also seen how important it is to have clear and meaningful values during difficult times.

Throughout 2020, we have relied on our values to serve as our compass as we have navigated through the unknowns and the hardships of the pandemic with compassion, determination, creativity, and an eye for finding the opportunities to learn and grow.

#### These values are:

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

#### Employee promise:

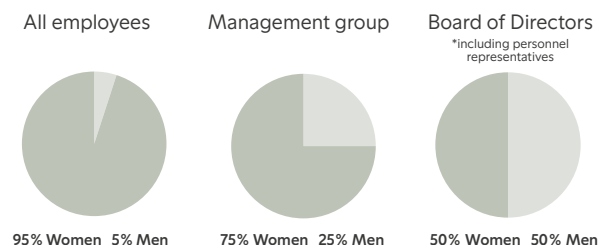
In 2019 we developed our employee promise – Together for a greater impact. See more on our [website](#).

## Diversity

We are intentional about creating a global culture of inclusivity. The power of diversity is that it brings the opportunity for new ideas, new energy, and new perspectives. It is the magic behind the power of collaboration. As we bring together diverse backgrounds, diverse roles, and diverse perspectives, we are able to think differently, leading to creative, powerful, and sustainable solutions and improved performance at every level. See more about our approach to supporting and valuing diversity on page 62.

### 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 towards 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.

### Self-leadership rollout

'Self-leadership' is an approach to personal and professional growth that encourages team members to connect their personal goals with our overall collective goals. It aligns with our culture of empowerment, and our goal of being a purpose-driven and customer-centred company. This is why we first brought the approach to our team in 2019 through a series of workshops.

We continued the rollout to the leaders in our sales countries during 2020 and found this was a very relevant and timely tool. They all found that it was a valuable resource that helped them to stay strong, focused, and positive during the pandemic, particularly as interaction with colleagues and managers was limited, and the ability to self-motivate and self-lead became crucial.

During 2021, our self-leadership concept will be available for all employees, in sales countries and in our production offices.

## 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

## Health and safety in our own operations

As the reach and impact of the pandemic became clear, ensuring the health, safety, and wellbeing of our staff and our customers became our topmost priority. Government-imposed restrictions in many of the communities where our stores are located led to reduced opening hours in our stores, and some of our retail staff faced reduced working hours. In countries where it was available, we helped employees identify and secure government support. In the head office in Sweden, most staff went on a short term lay-off with support from the Swedish government.

When working was feasible, we took measures to ensure it could be done safely, without compromising the health of our employees. COVID-19 safety measures instituted by Lindex include the following actions:

- Implementing and communicating internal guidelines and guidelines from local authorities
- Disseminating information on how to prevent infection (for example; good hand hygiene, stay home if any early symptoms, and practice social distancing)
- Restricting business travel
- Establishing special procedures to protect employees in higher risk groups
- Rolling out Microsoft Teams across the whole organisation in all countries to facilitate work from home and secure employees' safety.
- Encouraging digital meetings and limiting the number of physical participants
- Increasing cleaning frequency and establishing proper hygiene routines
- Ensuring the availability of hand sanitizer and personal protective equipment (such as face masks) for work hours, and installation of Plexiglas protection for store cash desks
- Securing store routines and store communication to ensure health and safety for our employees and provide a safe customer experience in our stores



**Global context.**





## The COVID-19 pandemic

The global corona situation was the defining force across the globe in 2020. Its impact on our business operations cannot be overstated. And while 2020 has long been the goalpost for many of our sustainability targets, we found ourselves having to pivot to more urgent priorities even as the finish line was in sight.

While the impact of this on paper is that our progress towards our 2020 goals is not where we expected it would be, our impact in the world had to take precedence. We decided the most urgent priorities were:

- safeguarding the health, safety, and wellbeing of our employees and customers,
- safeguarding the health, safety and wellbeing of our suppliers and their workforces, and
- balancing our own survival with the pressing concerns related to both financial stability and worker wellbeing in our supply chain;

all while continuing to model ethical business behaviour.

Early on, we instituted health and safety systems to ensure our employees could live and work in a way that felt comfortable and safe for them, given their individual situations and constraints. We also took immediate actions to ensure a safe shopping experience for our customers.

We made sure to honour our commitments and live our values in all interactions with our suppliers. We recognise that the fashion ecosystem is interconnected; brands and suppliers must support one another and share the burden when challenges, particularly unprecedented challenges like the pandemic, arise. This is why we became a signatory of the [ILO Call to Action](#). This signifies our commitment to ensuring business continuity for our suppliers, and ensuring workers are paid and protected, without instituting any harsh order cancellations.

In the immediate response, we postponed 2 per cent of our Spring orders, and we have since taken responsibility for all liabilities in terms of fabrics and yarn, reincorporating them into new designs and new products. This has ensured that our suppliers have been able to keep their businesses open and pay their workers on time. While we saw order reductions of about 15 per cent in 2020 compared to 2019, all orders have been paid for.

We also did not leverage our own financial concerns to demand discounts. We temporarily prolonged our payment terms, though payments were released quickly in cases where our suppliers found themselves in a critical situation. We were able to monitor this in real time because we remained in close dialogue with our partners throughout these turbulent months. For example, in the middle of the crisis Lindex's CEO and our Director of Production both hosted

a digital meeting with our core suppliers, explaining the situation and the immediate next steps. Business ethics have remained the top prioritisation as we have sought to find the right balance that considers our business challenges, and our prioritisation of health and safety for all.

The pandemic has highlighted the structural issues that are a threat to the sustainability of our industry, and this has inspired us to act with renewed urgency to change this trajectory. For example, we are accelerating our efforts and expanding our goals; instead of working towards a 30 per cent CO2 emissions reduction by 2030, we are now aiming for a 50 per cent reduction in the same timeframe.

Within this new context, we look forward to sharing our progress towards a more sustainable fashion industry. While the numbers may not fully reflect the effort and progress we have made this year, we remain proud of how Lindex has conducted business with care, respect, and with renewed intensity toward our sustainability targets.

## 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:

These goals continue to remain relevant as we move through, and ultimately out of, the COVID-19 pandemic.







## Transparency

The concepts of transparency and collaboration underpin all our efforts to build a more sustainable fashion industry, and to fulfil our promise to future generations. Our commitment to these values proved to be a crucial tool for responding to the global corona situation.

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. And transparency is what enables consumers to make fact based and informed buying decisions which can accelerate the journey towards a sustainable fashion industry.

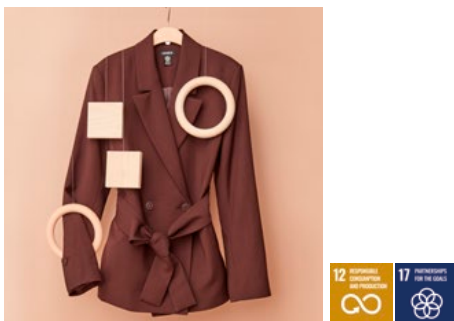
This past year, it was our commitment to transparency that enabled us to monitor the impact of the pandemic deep down into our supply chain, allowing us to tailor our own actions and our support to the needs and the circumstances of our partners.

In accordance with the Transparency Pledge, we publish our garment factories as well as fabric mills in a searchable file and we are aiming to publish more and more of our supply chain as we get more visibility. This effort has been recognised by the industry: In the 2020 Fashion Transparency Index, Lindex scored 50 per cent, which puts us among the top 25 brands out of the 250 global fashion brands that were ranked. See the full report [here](#).

## Collaboration

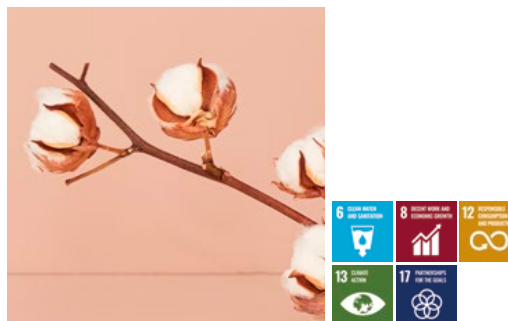
With transparency as the foundation, collaboration is the next precondition for achieving the structural change we are striving for. Collaboration between Lindex and our suppliers, as well as among industry peers and stakeholders, is a must considering the global, complex, and intertwined nature of the fashion industry. Respectful collaboration with our partners paved the way for Lindex, along with our suppliers, to emerge from the most challenging days of the pandemic intact, and with integrity.

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



### 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.



### 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.



### Bangladesh Accord on Fire and Building Safety (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.



### 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.



### CanopyStyle

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



### Clean Cargo

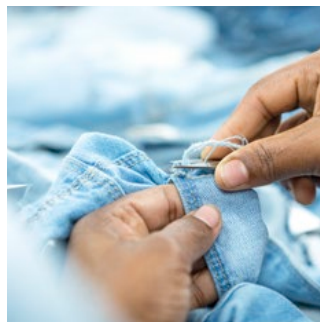
We are part of Clean Cargo, a network to reduce the negative environmental impact of sea freight. With its members, Clean Cargo represents around 85 per cent of the global container cargo capacity, making it the leading buyer-supplier forum for sustainability in the cargo shipping industry.





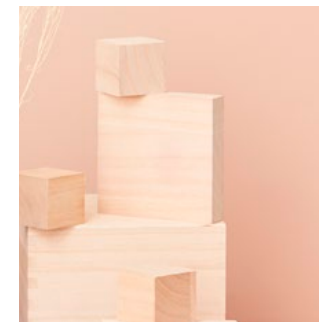
### CottonConnect

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 34.



### 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.



### 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.



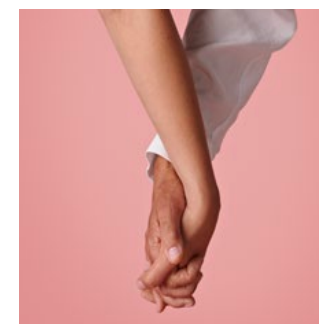
### The Global Deal

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.



### 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.



### 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 16 MEUR to cancer research.



### 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 suppliers that stand for 80 per cent of our capacity have implemented WE Women and HERhealth.



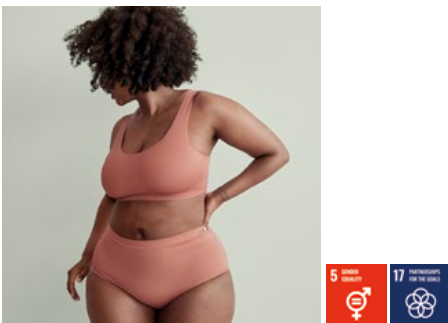
### Recycled Polyester Commitment

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.



### 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. See the first network report from STICA [here](#).



### 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.



### Swedish Leadership for Sustainable Development

Lindex is a member of SLSD, which aims to reduce poverty and promote sustainable development by convening leading companies to collaborate and learn from one another. SLSD aims to be a bridge connecting governments, civil society, and business in support of the Sustainable Development Goals through action, inspiration, and influence. See the SLSD Joint Commitment [here](#).



### Switching Gear - Enabling Network

We are part of the Switching Gear Enabling Network, which is a group of leading brands, experts, and circular innovators coming together with the support of Circle Economy and Fashion for Good to accelerate the uptake of recommerce and rental apparel business models.





### 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.



### Transparency Pledge

While transparency is a major challenge in the fashion industry, it is the key to making progress within all areas of sustainability. We first committed to the Transparency Pledge in 2017.

The Apparel and Footwear Supply Chain Transparency Pledge is an initiative by nine global trade unions and human rights organisations. The initiative was developed to promote deeper and wider transparency in supply chains by getting companies to publish information about the factories in the manufacturing phase of their supply chains.



### WaterAid

As part of our promise to future generations that we 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 55.

## Purchasing practices and long-term relationships

The way we work with our supply chain partners demonstrates our commitment to transparency and collaboration. Since our suppliers are independently owned companies, we must ensure that we are aligned in terms of our values, our ways of working, and our commitment to continuous improvement. We are intentional about building long-term partnerships with a small group of carefully selected suppliers; our top 30 suppliers produced 80 per cent of our order quantity in 2020. Working in close and long-term collaborations with our suppliers enables us to commit to one another, such as working together to implement new processes, or investing together in long-term improvement projects.

During the pandemic, we have also seen how valuable our relationships and our established lines of communication have been as we have worked together to mitigate the impact of the virus, and support one another through the crisis.

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'.

### Overview of audit statistics: 2020

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 2019* year:	62
Audit results - % 'Outstanding or good':	13 %
Audit results - % 'Acceptable':	68 %
Audit results - % 'Insufficient':	19 %
Audit results - % 'Unacceptable':	0 %
*2019 figures are used here because we have transitioned from BSCI to SEDEX, and the new audit system is not yet fully in place.	
Number of Accord inspections:	88
% of issues found that were remediated:	96 %

## 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

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 60.

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. In a typical year, we would audit the factories on a regular basis. Audits would be conducted by our own teams, as well as independent auditors, and would include both announced and unannounced audits. These audits would lead to the development of an audit report with a CAP (corrective action plan), and our teams would monitor progress on deadlines and provide support as needed. However, given the safety concerns related to COVID-19, and international travel restrictions, we have had to temporarily rethink our approach to auditing and monitoring in general. See more details on page 30.

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.





### 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' facilities 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 increasing our 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 ongoing product testing protocol covers all product groups, and includes thousands of quality, chemical, and safety spot checks each year. This is how we ensure that products fulfil all legal requirements, and our own stricter requirements. In a typical year, testing is done by 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. Due to the COVID-19 pandemic, many testing labs were closed down, and they resumed operation much later than other parts of the supply chain, and with very small teams. This is why we tested fewer products during 2020 than in the preceding 8 years. Overall, however, this equates to about 8 per cent of our products being tested, compared to our typical 10 per cent.

Despite the reduction in the number of tests, we have still covered the most critical chemicals relevant for each product and material type, taking into consideration the different conditions within each production market. What does that mean in practice? See how we have considered the context for two different examples, Bangladesh and Shanghai/Hong Kong.

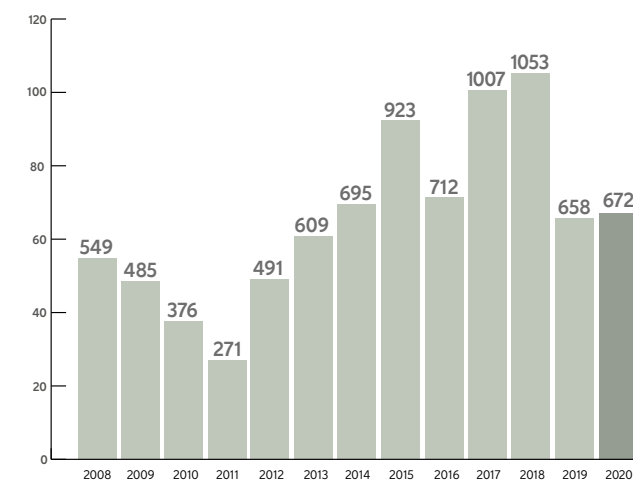
- **Our partners in Bangladesh** are largely vertically integrated facilities, meaning we have greater visibility into the processes. Additionally, many of these suppliers have implemented good practices already: Some are certified according to the Global Organic Textile Standard (GOTS), others use bluesign-approved chemicals. Since rolling out The BHive®, a digital chemical management tool, 12 of our suppliers have also scanned the chemicals in their storage facilities, meaning we can compare them in real-time to the Lindex MRSL (see more on The BHive® on page 53).
- **Shanghai and Hong Kong**, however, represent a different picture. Few suppliers are vertically integrated, and there is a more complex mix of product types, a wider variety of materials, and therefore a more complex and risky chemical situation, made more challenging by the COVID-19 situation and mandated lockdowns. However, we did manage to implement The BHive® chemical management system with 24 facilities in China.

### New chemicals added to our RSL

Our Restricted Substances List (RSL) addresses chemicals that could be present on our final products. As the body of knowledge related to chemical safety is always growing, we have updated our RSL to reflect the latest information. New additions to the RSL include:

1. Alkylphenol (AP)
2. Two flame retardants
3. Two biocidal agents
4. Isocyanates
5. Five allergenic and/or CMR dyes
6. Cyclic siloxanes (D4, D5 and D6)

In 2020, there were no product withdrawals or recalls. Over 90 per cent of returned unique styles had fewer than 20 returns each; this means we can infer that there were no general quality defects. The quality claim rate for 2020 remained steady compared to the last two years, at around 0,10 per cent returns. E-commerce returns to stores were at 58 per cent for 2020. This is a lower percentage than last year, likely due to reduced store opening hours and customer preferences to stay out of shops and malls during the global corona situation.



Number of fails: 8 (9 in 2019)  
Percentage of fails: 0,1% (0,6% in 2019)

### Special care for kids' wear

Kids must be free to explore the world, and we want their clothing to support them as they crawl, climb, jump, and play. We never want their clothing to pose a safety concern, so 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.

Within the scope of the Swedish Institute for Standards (SIS) Lindex has participated in the development of a test method for quick detachment of hoods from children's clothing in case of entanglement.

Lindex also participated in the revision of EN 14682 regarding cords and drawstrings on children's clothing, as well as other standard revisions and developments in SIS's committees.

**LINDEX**



A young woman with long brown hair and blue eyes, wearing a green sweater and hoop earrings, smiling and holding a large green leaf. The text "Our promise." is overlaid in white.

Our promise.





## Our promise

Lindex has been creating clothes for women for more than 60 years, and we have always been guided by a higher purpose.

Looking around at our customers, our colleagues, and our partners, we see that Lindex is not only making products for women, we see that Lindex as a company is made possible by women. From the women picking cotton, to the women sewing our garments, to the women working in our shops, and those wearing our designs as they take on the challenges of the world, we feel a responsibility to every single one of them.

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

- Empower women
- Respect the planet
- Ensure human rights

In some areas, we have already made a tangible impact. In other areas, we are setting progress into motion. And there are some areas where we are still understanding what the path ahead will look like. But even if we don't have all the answers yet, we know that transparency, inclusivity, innovation, dedication and, above all, collaboration will get us where we need to be.

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 will 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 towards 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 will make sure women across our value chain are able to fulfil their potential.

### Advocating inclusiveness and body positivity

We will do our part in making women feel inspired and self-confident, no matter who they are, how they look or which paths in life they have chosen.

### Supporting a sustainable lifestyle

We will do our part in empowering and enabling women to have a sustainable wardrobe and live a sustainable life.

## Respect the planet

### Taking climate action

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

### Being a water responsible company

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

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



# Goals overview

Well before we knew what this year would involve, we knew that 2020 would be a benchmark year. While we are already deeply involved in working towards our next round of goals, 2020 was the deadline for the previous approach set in 2015, which addressed three key areas: fibres, production, and processes. We are pleased to share the final progress update on our 2020 goals below, as well as progress on our forward-looking targets.

## Closing out our 2020 goals

We designed our 2020 goal framework to be simple, clear and impactful.

## 3x80 by the end of 2020

- 80 per cent of our garments will be made from more sustainable fibres
- 80 per cent of our garments will be made in more sustainable production units
- 80 per cent of our garments will be made using more sustainable production processes

2020 Goals	2016	2017	2018	2019	2020	Notes	Looking ahead 2025
80 per cent of our garments will be made from more sustainable fibres by end 2020	51%	55%	55%	65%	68%	As of 2020, we have improved sustainable sourcing for viscose, polyester, and wool.	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%	99%	Sustainably sourced cotton includes organic, BCI, and recycled options. For 2020, our share of organic cotton is up to 80 per cent of total cotton.	
• We have committed to increase our use of recycled polyester by at least 25 per cent by 2020 (compared to 2017 baseline)				+65%	+65%	Our strategic approach to shifting towards recycled PET is to consolidate our fabric buying. This will enable us to place larger orders, and do it earlier on in the cycle. The pandemic in 2020 necessitated a reduction in orders, which changed the assortment. This was circumstantial and does not indicate a change in strategy. Our total uptake of polyester was impacted by the pandemic during AW20.	Achieved; it is also imbedded within the new sustainable fibres goal.
80 per cent of our order volume will be produced by facilities scored at least '4 – Best Industry Practice' in the score card by end 2020	17%		14%	35%	35%	A core group of suppliers produces 80 per cent of our volume, so focus is on these key suppliers.	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%	53%	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. See more on facility-level activities under 'Being a water-responsible company' on page 52.	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.



## Looking ahead: 2020 and beyond

Building on the progress we made using the 3x80 framework, we have expanded the scope of our goals as we move forward. Our new goals are aligned with our promise: Empower women, Respect the planet, and Ensure human rights. These new targets demonstrate our commitment to taking more responsibility for creating structural change that elevates women and models responsible corporate behaviour that respects people as well as the environment.

The ambitious goals we have set for ourselves require a structured and organised approach, with clear definitions and proper monitoring. While our actions towards each goal will look quite different, we have applied a consistent methodology to our approach, which is:

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

## Empower women

Goals 2020 and beyond		Definition & monitoring framework in place	Progress 2019	Progress 2020	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 higher purpose - to empower and inspire women everywhere	Yes	Currently around 50%	Not measured in 2020	Based on employee survey for 2019.
	• By 2021, all our business partners are committed to Lindex's Code of Conduct that is progressive within gender equality	Yes	New Code of Conduct launched October 2019	Not measured with non-commercial suppliers (indirect purchasing) in 2020; new routines for HQ implementation in progress	In 2019, this was signed by all suppliers of commercial products. Implementation is the focus now.
	• By 2025, Lindex's 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% of order quantity	Suppliers standing for 51% of order quantity; not rolled out further in 2020 due to COVID-19	Programme ongoing in India. Relaunch planned for Myanmar 2021. Bangladesh pilot completed in 2020.
Advocating inclusiveness and body positivity	Ongoing			See page 35 for more information	This commitment is part of Lindex's promise, and is embedded in our culture, brand and ongoing business activities.
Supporting a sustainable lifestyle	Ongoing			See page 36 for more information	This commitment is part of Lindex's promise, and is embedded in our culture, brand and ongoing business activities.

## Respect the planet

Goals 2020 and beyond		Definition & monitoring frame- work in place	Progress 2019	Progress 2020	Notes
Taking climate action	By 2023, we are climate neutral in Lindex's own operations	Yes	Emissions decreased by 22%	Emissions decreased by 23%	Compared to 2017
	By 2030, we have achieved 50 per cent reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline)	In progress			Excludes consumer use phase. Goal has been changed from 30 to 50% to align with the 1.5-degree Celsius global warming pathway
Having a circular business approach	By 2025, 100 per cent of Lindex's materials are recycled or sustainably sourced	Yes	65%	68%	
	By 2025, our entire assortment will be designed for longevity and/or circularity	Yes			
	By 2021, we will set goals on reducing material streams and sending zero waste to landfill	Yes	In progress	Complete	See updated goals below
	<b>New goal 1:</b> By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams	Yes		89%	
	<b>New goal 2:</b> By 2020, all our own stores offer post-consumer textile collection	Yes	90% Lindex's own stores as of YE 2019	90% of Lindex's own stores as of YE 2020	All stores in Sweden, Norway, Finland, and Lithuania
	<b>New goal 3:</b> By 2025, all paper and plastic packaging follow our circular materials strategy	Yes		We have achieved a 25% reduction in plastic waste compared to 2019	
Being a water responsible company	By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse and recycling of wastewater in the environmental management systems	Yes	Mapping and verification ongoing	Thorough water risk mapping in tier 1 and 2 complete. We have also developed an action plan per market to take us towards our goals	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	The focus has been expanding our mapping and verification. Read more about The BHive® chemical management platform and our new PPP on page 53	Shifting from a product-based approach to a facility-level approach to maximise impact



## Ensure human rights

Goals 2020 and beyond		Definition & monitoring frame-work in place	Progress 2019	Progress 2020	Notes
Advocating respect for human rights	By 2021, all Lindex business partners have signed the Lindex Sustainability Commitment	Yes	100 per cent of suppliers of commercial products (assortment) have signed	100 per cent of suppliers of commercial products (assortment) have signed	
	By 2025, Lindex's suppliers who stand for 80 per cent of our production show total supply chain transparency and commitment to improving working conditions	Yes		60%	
	By 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme	Yes		Suppliers are being trained on Anker Methodology for living wage calculation	
	Ensure that no discrimination and harassment occurs in Lindex's own operations, year by year	Yes	Lindex leaders at the head office have received training about work-place harassment and discrimination	Progress not measured in 2020 due to focus on COVID-19	See page 62 on 'Safe and healthy workplaces'



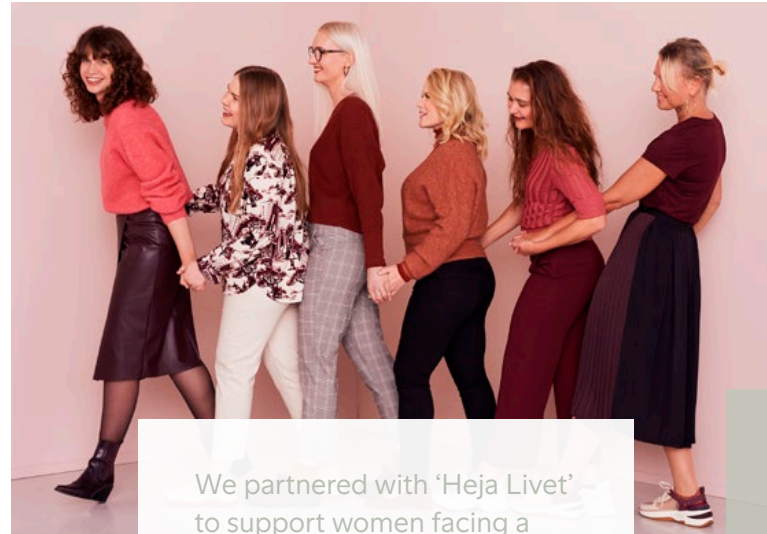
## Empower women

The hands that pick our cotton, spin our yarn, weave or knit our fabric, sew our garments, design our styles, sell our garments, and run our company overwhelmingly belong to women. Women make Lindex possible, and we want to help create possibilities for women in return.



## Achievements

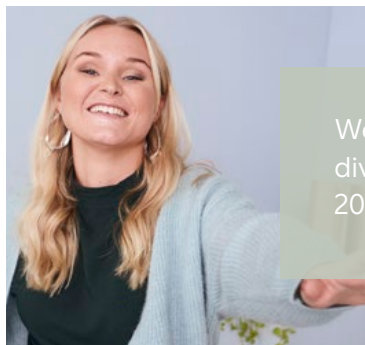
Here are some examples of things we are proud of related to our focus area 'Empower women':



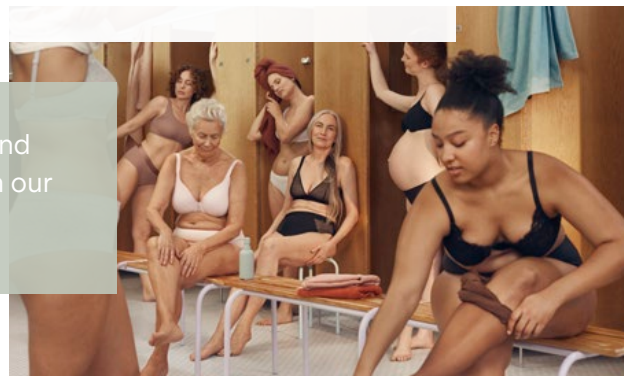
We partnered with 'Heja Livet' to support women facing a broad range of challenges, including those related to mental health, finances, body image, equality, and the environment.



We worked with suppliers to ensure that no workers – the majority of whom are women – lost their job because of COVID-19.



We celebrated the power and diversity of women through our 2020 underwear campaign.



## Achievements



We reached 119,000 people, including 70,000 women, in Bangladesh, Myanmar, and India with WE Women by Lindex.



*We continued to expand our new gender-focused Code of Conduct throughout the supply base.*



We pivoted the CottonConnect project to address the pandemic, reaching 350 women with health and sanitation information in India.



We exceeded all of our impact targets for the number of people reached through our partnership with Water-Aid, expanding access to clean drinking water, sanitation, and education to thousands of people; the majority of those impacted are women.



## Moving ahead

Those of us in the fashion industry recognise that a drastic structural and cultural shift is needed in our industry. For too long, we have accepted certain norms and ways of working that disempower women, from the labour conditions in manufacturing all the way through to the imagery used in marketing campaigns. The three key areas we are tackling first as we work to restructure this paradigm are:

- 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. The importance of fair, equal and safe workplaces has been underscored during the global corona situation, and we continue pushing forward on this goal through our interactions with our suppliers, and through the policies that guide our decision-making and create our corporate culture.

### Goals

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





## Feature: How we handled COVID-19 in the supply chain

The global COVID-19 pandemic first emerged in November 2019 in China, spreading rapidly along with the wave of travel for the Chinese New Year celebrations. Governments were forced to balance public health priorities with economic realities, instituting quarantine, lockdown, and social distancing measures.

From the Lindex perspective, nearly all of our production and sales countries were in some form of a lockdown starting at the end of March 2020. While the timing of the virus rippled across the globe in waves, our response in most countries was similar. Our production offices initiated regular communication with suppliers right away, gathering information on the health situation for workers, and the impact on each factory's ability to operate. We scoured multiple channels to get as much information as possible, including contacting factory CSR staff via social media, monitoring government websites, reviewing data from NGOs, and of course staying in direct communication with our partners.

Along with securing their safety, we were also concerned with maintaining an income for factory workers in our supply chain. When the governments in several South Asian countries formulated a payment

protocol, Lindex immediately implemented it and guaranteed workers received their salaries and their benefits.

The next challenge that emerged was getting our products into stores, as shipments were delayed. As the virus continued to spread across the globe, this challenge diminished in importance as shops themselves were closed, or restricted. Safety for our people, and the survival of our own company, became the focus. While this was a major source of upheaval and concern, we held fast to our values, our purchasing practices, and our sustainability commitments.

### How have we supported our suppliers through the COVID-19 pandemic?

- **No harsh cancellations:** We did not cancel any orders for products that had been delivered or prepared. We did not ask for retroactive discounts.
- We did cancel about 2 per cent of our total order stock for spring 2020, but we managed this process ethically and responsibly. Where fabric and trims had already been

procured for these cancelled orders, we found ways to repurpose the materials. See more on page 47.

- We temporarily prolonged our payment terms, and then we closely monitored the situation among our suppliers so that payments could be released quickly for partners that found themselves in a critical situation.
- **Health and safety protocols:** As lockdowns eased, we worked with our suppliers to implement hygiene and safety measures, and monitored the treatment of workers who were sick or quarantined to ensure they had proper medical support as well as their leave benefits and salary. We kept abreast of recommendations from leading organisations such as the ILO, the Accord, ETI, FairWear Foundation, and governments, and shared emerging information and best practices with our partners. Our factories have shared with us videos and presentations showing how they have implemented recommendations.
- **Job security and salary continuity:** As layoffs began, we established a protocol to support workers who might lose their job. However, there have been no factory closures or worker



dismissals due to COVID-19 in our supply chain. This is a testament to the support, communication, and collaboration we maintained with our partners.

- **Tools and guidelines:** On February 24, 2020 we developed a Guideline for Responsible Practise During Coronavirus Epidemic for China. Shortly after, we updated it to A Global Guideline for Lindex on Ethical Buying Practice, relevant to COVID-19, as well as post-pandemic. The guideline focuses on strategies to minimise the business impact of the global corona situation in supplier factories so we can make sure our actions avoid order cancellations and price-changes. There are also guidelines on how to use existing fabric stock. Our Bangladeshi office has also produced a safety guideline for suppliers, with strategy recommendations for suppliers during an outbreak, and information about social compliance requirements and audits.
- **Maintaining a supportive presence:** In addition to keeping all communication lines open and active during and after lockdowns, we have also conducted digital visits to factories using video

streaming platforms. When and where in-person visits became possible, our teams went on-site and focused on Occupational Health and Safety together with correct and on-time wage payment. While we have seen an overall drop in compliance when looking at the various issues in our Code of Conduct, the prioritisation of health and safety for workers took precedence, and we stand by that short-term shift in focus.

- **Building a future-proof industry:** Seeing that collaboration, ongoing support, dialogue, and a commitment to ethical production had such a profound positive impact on our suppliers, we have been working to expand this philosophy throughout the industry.
  - We helped to establish a brand collaborative in Turkey focused on pandemic-related issues. Working groups were formed around crisis management for suppliers, communication, social dialogue and conflict management, among other subjects. These working groups conducted online trainings and webinars for suppliers

and developed support tools, and this group continues to operate.

- We have also engaged with our peers to discuss best practices and share support. Much of this has been through the industry networks and platforms where we are active members, including the ILO Call to Action, and ETI.
- **Rebalancing power dynamics:** In June, our CEO, our Director of Design, Purchase & Production, and our Global Sourcing Manager had a meeting with our most important suppliers that stand for 80 per cent of our production. The aim of the call was to explain Lindex's situation during the pandemic, what measures were being taken, and why. We also wanted to give our partners a platform to share how COVID-19 impacted them, and to collaboratively tackle the problems we are each facing as a result of the pandemic.

## What lessons can we take from this experience?

We continue to face struggles due to the global corona situation, and we believe many of the changes the pandemic had on the fashion landscape will be long-term. However, many of these changes were necessary, and we are embracing the opportunity to change, grow, and improve.

- In the immediate term, we are continuing to monitor the health of our suppliers' business, and the job security of workers. While we are comfortable with the way **we prioritised worker health and wage security** in the immediate response to the pandemic, we are now re-iterating the **importance of all the provisions of our Code of Conduct**.

- We are keenly aware of the increased risk during the recovery of **forced labour** throughout the supply chain, and we are **closely monitoring the issue**, which disproportionally impacts women and children.
- We are now far more aware of the areas where our industry is prone to upset, and we are **rethinking supply chains to find ways to make them more stable and resilient**.
- **The power in transparency and collaboration has now been tested and proven.** The overall relationship between Lindex and our suppliers, factories, and workers has improved; the level of trust and transparency shown by our suppliers has improved remarkably.

- **Technology will continue to take centre stage.** During lockdown we have held virtual/live streaming meetings with fabric suppliers, and this has been a very successful approach that we plan to continue. We have also successfully implemented digital wage payments in Bangladesh now that the government has supported this transition during the pandemic.



### Lindex Code of Conduct empowers women

Recent years have seen a proliferation of different initiatives and projects targeting female garment workers, and we acknowledge that this is a step in the right direction. However, in our experience these women-specific projects do not have the capacity to transform the way a business operates because the deeply entrenched structural challenges remain unchallenged. Asking women to work harder in order to fix society is neither fair, nor effective.

The current structural realities that unfairly impact women need to be addressed from a holistic perspective. An example of this kind of structural obstacle is the lack of awareness among factory managers related to gender equality. Audits alone cannot create the supportive environment for behavioural change which is needed to improve gender equality at the workplace, but we also know that we cannot change what we cannot measure. In order to assess risks and adverse impacts on women, solid data is required. This can help bring to light the sometimes-invisible challenges and build more effective, targeted programmes, which link to management systems, incentive programmes, and assessments.

Lindex has selected partners, such as Sedex, with auditing systems that integrate gender indicators within their tools and systems. This gender impact data is also key to understanding why gender gaps persist and how to best design effective interventions that meet the needs of women, as well as to adequately report on achievements.

Setting up systems to collect gender-disaggregated data requires a functioning management system, awareness and training. With our Lindex Code of Conduct, we have integrated gender equality into our basic requirements for business partners and supply chain partners. This change codifies Lindex's ambition to take the lead in creating fair and equal workplaces for women.

This code is 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.

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: In alignment with UN Sustainable Development Goal #5: Gender Equality, 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.





## WE Women by Lindex

Women are our inspiration. More than that, women are the driving force that makes Lindex work. So we want all women, in every role throughout our value chain, to be able to fulfil their potential. Creating a workplace that is inclusive in regards to gender is a key part of this goal, and specifically we want people in management roles to reflect the gender balance of the industry overall. While the majority of garment workers are women, the majority of the leadership is men; and they create an atmosphere that reflects their worldview, and often reinforces gender inequities.

### Achieving impact for women

We want to see more women in positions of leadership, creating an atmosphere that supports their goals

and values. This is why, together with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), we created WE Women in 2017 as a public-private partnership. The goal of WE Women, which ended its first phase in November 2020, has been to reduce the gender gap in management positions by giving women opportunities for skills training and mentorship. Simultaneously, we are raising the level of gender-issues awareness and knowledge among management, with a focus on women's health and closing the wage gaps. This is how we are shifting cultural norms and improving gender equality, and making progress towards our 2025 goal: 'Lindex suppliers who stand for 80 per cent of our production will have completed our Women Empowerment programme.'

### The WE Women approach

The approach of WE Women aligns with our Code of Conduct. Last year, along with our promise (page 20), we created an updated Code of Conduct that places gender equality as a central priority of our company, and as a requirement for our business partners (See more on page 32).

To measure performance, we have created a self-assessment based on the UN's Women Empowerment Principles (WEPs), and factory progress is measured in our scorecard twice a year as part of our WE Women management system. The five focus areas are:

- Establish high level corporate leadership for gender equality (for example, is gender equality mentioned in the business plan?).
- Treat all men and women fairly at work (for example, is there a policy for equal pay? Is there a pay gap?)
- Ensure the health, safety and well-being of all women and men workers.
- Promote education, training and professional development for women.
- Measure and report on progress to achieve gender equality.

Suppliers use these focus areas to create their own gender plans, with timelines for improvements. However, certain requirements must be included, for example:

- 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.

### Impact assessment results

In July 2020, the Population Research and Development Associates (PRDA) group was commissioned to conduct a survey analysis of the WE Women by Lindex project to assess whether the gendered working conditions and career chances of female workers had improved in the participating factories.

Based on the survey results and analyses provided above, it is clear that the WE Women project has been successful in achieving its main objective, which was to have at least 70 per cent of female employees in participating factories agree that gendered working conditions and career chances have improved in their factory. About 94 per cent of the female workers interviewed stated that the working conditions in their factories have improved since January 2019 and 90 per cent reported that their career opportunities have also improved during the same period.

The first project score card measurement will take place in June 2021. The KPIs we will use are:

- Does the facility have a gender policy?
- Does the facility have a strategy (gender plan) on gender equality (which includes performance targets, as well as consultation, feedback and evaluation mechanisms)?
- Does the facility have policies and practices to identify and address any gender pay gap?
- Does the facility have a system or initiative to promote qualified women for management level positions (are women offered opportunities for skills training and mentoring)?
- Percentage of female and male population in managerial and supervisory positions.

We can already see that improvements have been made, and 70 per cent of the suppliers now have these KPIs in place. Precise measurements, however, will take place in spring 2021.

### Scaling the change

Now that we have seen the success of the WE Women by Lindex approach as a model for women's empowerment, we are rolling this management system out to all garment suppliers in our global supply chain. Implementation is taking place already in both Myanmar and India, and in 2025 we will have covered all of our tier 1 suppliers.

In the spirit of supporting structural changes that make the fashion industry more gender-inclusive, we are sharing our approach so that other brands and factories can apply it as well, and ensure long term impact. As of the middle of 2020, we are finalising gender-specific performance criteria which suppliers and buyers alike can integrate into their management systems.

By sharing the results of this initiative with other buyers and business associations and through the cooperation with GIZ, we are mainstreaming this powerful approach for addressing gender issues on a larger scale across the industry.

### CottonConnect funding to support women's development

CottonConnect is an organisation that builds connections among brands, retailers, and farmers to transform the cotton industry for good. Brands and retailers gain transparency as they develop a more robust and resilient cotton supply chain.

In parallel, the farmers enrolled in the programme learn valuable agro-economic skills that enhance their livelihoods and support their communities.

True to our promise and our values, we are a financial supporter as well as 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.

The women participating in this programme faced a whole new set of challenges due to the pandemic. CottonConnect responded in a manner that echoes our own priorities; by immediately launching a campaign to ensure the safety and wellbeing of these farmers, as well as the support staff and implementing partners. 'Sustainable Lives: Mission Hope' drew on expertise from CottonConnect's Sustainable Lives programme, and women farmers in Madhya Pradesh participating in this program have benefited from activities including:

- Dissemination of COVID-19-specific IEC ('Information, Education, and Communication') materials related to health and hygiene.
- Community support intervention, for example distribution of soap, masks and hand sanitisers.
- Health and hygiene training in the local language (both live and via videos) on safe water, personal hygiene and sanitation to improve and maintain the wellbeing of farmers and their families.

### Empowering women with WaterAid

We are incredibly proud of the work we have done to empower women through our partnership with WaterAid. Together, we have expanded access to clean drinking water, sanitation, and education for thousands of people, with a focus on women and girls. See more under 'Being a water responsible company' on page 55.





## Advocating inclusiveness and body positivity

We are working to bring about a world where women feel inspired, confident, and comfortable in their own skin. We celebrated this vision, and the beautiful diversity of sizes, shapes, and ages women represent, in our latest undergarment campaign, which was released in February. This modern campaign, viewing life from the female gaze, portrayed real women, just as they are, living their real life, just as it is.

And we know that real life can be beautiful, complicated, challenging, joyful, complex, and intense—all at the same time. This is why we also live out our purpose to empower and inspire women everywhere through our collaboration with Heja Livet. Heja Livet is a social network, a communication platform and a support forum for everyone who self-identifies as a woman. Heja Livet empowers women in different stages of life, challenges stigmas and protects the priceless sisterhood between women while inviting discussion and action on serious issues

including mental illness, finances, women's health, body positivity, gender equality and inclusivity, the environment, psychology, and more.

No matter how you look, what you do or how old you are, we want all women to feel valued and important. If we can change how women feel about themselves, then we are on to something good. And this is a journey we are committed to seeing through, step by step.

We will do our part in making women feel inspired and self-confident, no matter who they are, how they look or which walks of life they have chosen.

## 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.



## Supporting a sustainable lifestyle

Our goal is to empower women to live a sustainable life. One part of a sustainable lifestyle is having a sustainable wardrobe, and we see this as an opportunity practice informed decision making, and to invite broader change. As our customers proceed along their own sustainability journey, we are supporting them with our communication, our products, and our services.

### Supporting a sustainable lifestyle through empowering communication

Making mindful choices is one of the best ways for our customers to have a positive impact on the environment and make a difference for future generations. And the basis for this is transparent, empowering communication. We are transparent about our goals, our progress, and our challenges. We also publicly share our supplier list. Together, this information helps our customers feel informed and empowered. We also offer thoughtfully designed collections that encourage mindful shopping. The fashion industry is straining our planet's resources, and all too often the result is more garments that hang in full closets, and rarely get worn. Through the 'Your Smart Wardrobe' initiative,

we equip our customers with the information and the options they need to select garments they love, make them last, and contribute to a smaller environmental footprint. Our fit libraries, and our Pants Solution, BraVolution, and childrens' 'Grow with you' lines are all example of ways our customers can make mindful and informed decisions that enable them to partner with us in improving our footprint.

### Supporting a sustainable lifestyle through our products

Our customers know that we are working towards our goal that 'by 2025, 100 per cent of Lindex's materials are recycled or sustainably sourced,' and so they know they are supporting this goal by shopping with us. See our progress on page 48. But making garments last for a long time is just as important as making them from better materials. We know that doubling the useful lifetime of a garment means the environmental impact is cut in half, so in addition to making well-designed and well-fitting products (see more above), we focus on longevity and durability. This means making high-quality products that are well-constructed and timeless, and meant to make our

We will do our part in empowering and enabling women to have a sustainable wardrobe and live a sustainable life.

customers happy for many years. We also offer a care guideline to help our customers extend the life of their garments. See more about our commitment to design for circularity and longevity on page 45. and selecting more sustainable materials on page 48.

### Supporting a sustainable lifestyle through new services

In-store textile collection, rental fashion, and re-commerce of kids' outdoor wear are all examples of services we are exploring to support our customers to live a sustainable lifestyle. Read more about our circular business models starting on page 43 under 'Having a circular business approach'.





## Respect the planet

Climate change represents the biggest environmental crisis of our time, and we are on the front lines, pushing for circularity, resource efficiency and innovation. We cannot fulfil our promise or live out our purpose unless we find new ways to be a water-responsible and chemical-responsible company. Not even a global pandemic can make our commitment to respect the planet waver; we continue to make progress towards our goal that 100 per cent of Lindex's materials are recycled or sustainably sourced by 2025, and we have used our learnings from the past year to push ourselves at every step from product design through manufacturing, on to extending opportunities for a second life for each garment.

## Achievements

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



*We increased our commitment to CanopyStyle beyond wood-based textile fibres to also include paper packaging, and we signed the Pack4Good commitment.*



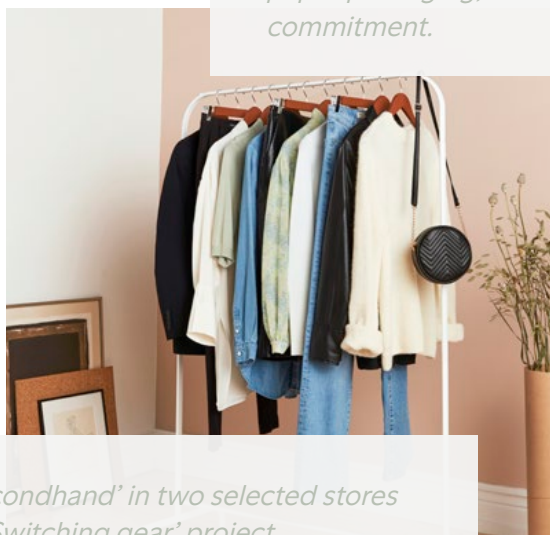
Lindex is a founding member of World Circular Textiles Day.



*We repurposed 806,982 used plastic bottles, turning them into recycled polyester labels.*



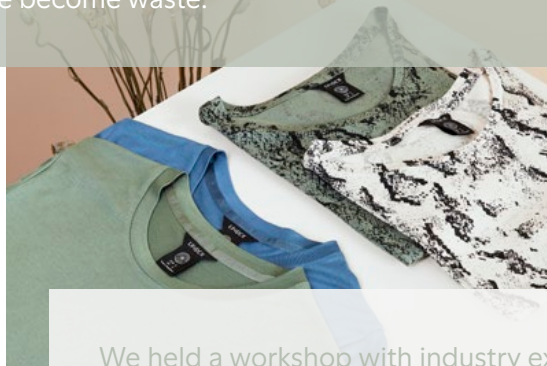
*We tested Lindex kids 'secondhand' in two selected stores in Sweden as part of the 'Switching gear' project.*



Expanded the scope of our carbon footprint measurement to capture more detail related to scope 3 emissions from manufacturing.



By the end of 2020, we managed to repurpose 100 per cent of the liability fabrics that resulted from the early days of the pandemic, creating 700,000 pieces from fabric that could otherwise have become waste.

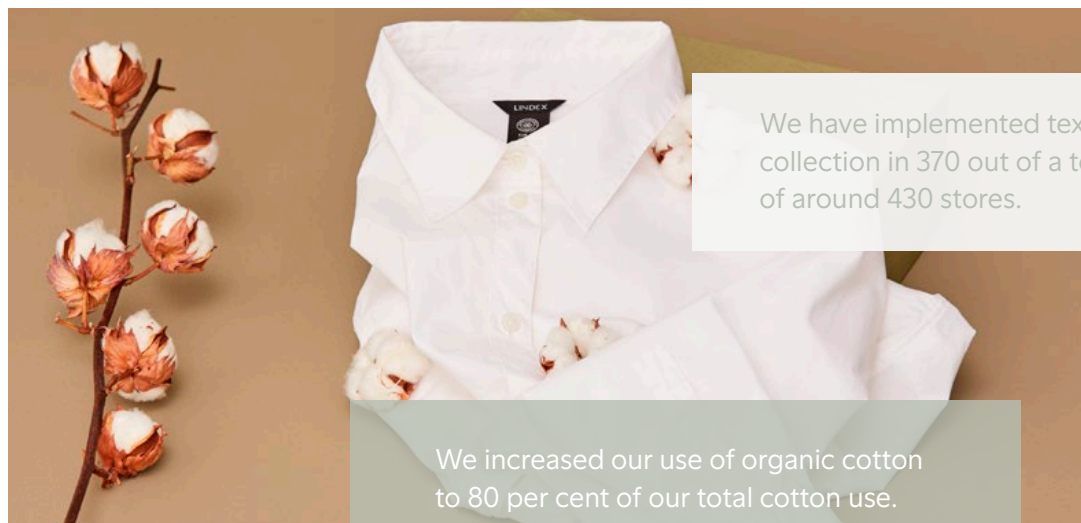


We held a workshop with industry expert Rebecca Earley on design for longevity and circularity for all designers.

*We rolled out The BHive®, the chemical management platform we use to monitor and improve chemical selection and use, to 43 factories in 5 countries, with nearly 80 per cent showing chemical compliance.*



*Index initiated the launch of a new brand called Closely, which is a model for brand actions related to carbon emissions.*



We have implemented textile collection in 370 out of a total of around 430 stores.

We increased our use of organic cotton to 80 per cent of our total cotton use.

## Moving ahead

Our purpose compels us to address the climate crisis head on and with a sense of urgency. We cannot empower and inspire women to reach their full potential if their basic needs related to clean water, food, shelter, and safety are not secure. This is why we have set targets related to:

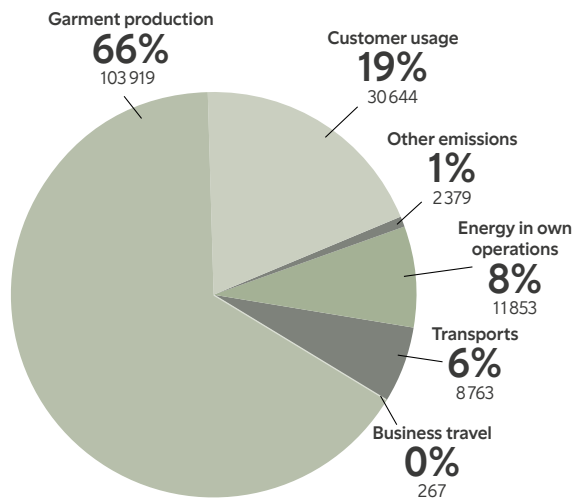
- Taking climate action
- Having a circular business approach
- Being a water responsible company

## Taking climate action

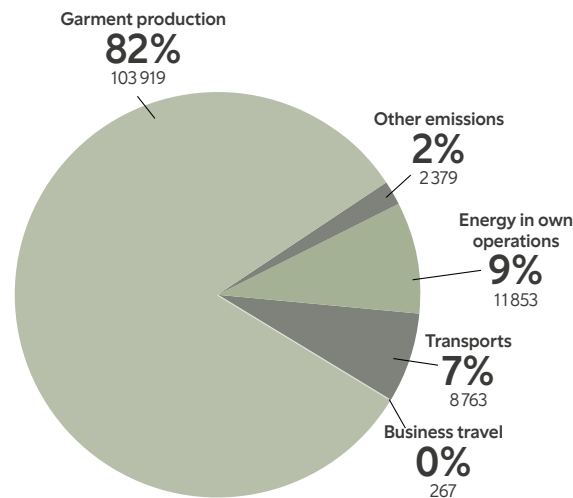
We know that climate warming beyond the limit of 1.5 degrees Celsius will put humanity's core needs at risk, and that women will bear the brunt of these challenges. In practice, reducing our climate footprint means we must examine our material choices, our suppliers' production processes, our transportation modes, and our customers' use and disposal habits. We also need to make sure our supply chain reduces its emissions and moves to renewable energy. Our approach to taking

climate action starts with looking at our own operations to see how to minimise greenhouse gas emissions in our day to day activities as we work toward our goal to become climate neutral by 2023 in scopes 1 and 2. However, our greatest opportunity for creating positive change is to reduce the climate impact of our value chain, from raw materials to garment production. This is where about 65 per cent of Lindex's carbon footprint is determined.

2020 emissions per category incl. customer usage, ton CO<sub>2</sub>e



2020 emissions per category excl. customer usage, ton CO<sub>2</sub>e



## Goals

- By 2023, we are climate neutral in Lindex's own operations
- By 2030, we have achieved 50 per cent reduction of CO<sub>2</sub> emissions in Lindex's total value chain (with 2017 as baseline)

## Collaborating for climate impact

Using the UN Sustainable Development Goals as our guiding framework, we have aligned our strategy with Goal 13: Climate Action. Lindex is a member of STICA, the Swedish Textile Initiative for Climate Action, where brands are coming together to reduce the climate impact of the textile industry. Within STICA, we work together to set science-based targets and plans for GHG reductions in line with limiting global warming to 1.5 degrees Celsius, and we report on our progress on a regular basis. See the first network report from STICA [here](#).



## Framing climate impact during the pandemic

For the past several years, we have been taking concrete, deliberate steps to reduce climate impact across scopes 1, 2 and 3 and the data for 2020 reflects significant improvements. However, it must be highlighted that the majority of this CO<sub>2</sub> reduction is attributed to reductions in order volume and to store and office closures due to the global corona situation. Our total order quantity in 2020 compared to 2019 is down by about 20 per cent, and this has correspondingly decreased our overall climate impact. However, the impact that COVID-19 has had on our climate emissions will bring us a lot of learnings for how to move forward on our climate journey.

### Activities in own operations

At Lindex, we aim to model the business values we ask our partners to demonstrate, so we are leading by example when it comes to reducing our climate impact in our own operations.

This means we have been

- Setting goals
- Implementing a climate strategy
- Shifting to renewable energy sources, and
- Implementing an energy efficiency programme.

Our focus in 2020 has been to continue working with the climate expert we engaged in 2019 to implement changes based on our emissions mapping, and to work toward the targets and goals we have set for each department.

Comparing 2020 with the previous year, we see that there has been an 11 per cent reduction in kilowatt hours across our stores, offices, and warehouses. Much of this decrease is due to reduced opening hours in

stores and offices, though buildings did need to maintain certain minimum temperatures and functionality, which still require energy use. The total reduction also reflects deliberate energy-saving actions in our stores and offices, such as converting to LED lights. Our usage of renewable energy in these streams has remained largely consistent, at around 60 per cent.

In regards to heating, our calculations for 2020 are based on generic data that considers the energy mix available in each market, and the size of each building. However, going forward into 2021, we plan to begin gathering more specific data.

### Focusing on scope 3

In 2020, we have shifted more of our emphasis to reducing our scope 3 climate impact, which is where we have the most room to improve. Scope 3 includes business travel, transportation, the whole production phase, and emissions connected to plastic and paper. We have taken actions in all these areas; however, the bulk of the reductions we show for 2020 should be attributed to the global pandemic and decreased order volumes. See more about climate impact in production on page 42 and plastic waste on page 51.

### Business travel

Business travel has decreased dramatically—though this is largely due to the global corona situation. Comparing 2020 with 2019, both air and train travel are each down by 80 per cent, and car travel is down by 50 per cent. All of these business travel metrics will decrease our overall climate impact for 2020. We also believe that this is a transformation in our behaviour that will last beyond the current crisis, making us more efficient and reducing our carbon footprint.

Ton CO <sub>2</sub> e (market based)	2017	2018	2019	2020	Change 2020 – 2019	Change 2020 – 2017
Scope 1	153	No calculation of ton CO <sub>2</sub> e was made for 2018-outcome	219	173	-21%	13%
Scope 2	14.220		10.962	10.955	0%	-23%
Own operations	14.373		11.181	11.128	0%	-23%
Scope 3	192.904		172.617	149.696	-15%	-24%
Total emissions	207.277		183.798	157.824	-14%	-24%

## Climate in production

While the global corona situation certainly changed our plans in a number of areas this past year, we have actually been able to accelerate our progress towards reducing the climate impact of production. We've done this by following the best-practice approach of mapping, then assessing and evaluating, and then creating a system of interventions and incentives that lead to scalable and significant impact. At this stage, we have mapped our supply chain to identify carbon emissions across all tiers, and we have created a strategy and a road-map for our intensified target, which is now to achieve a 50 per cent reduction in emissions by 2030, across all tiers. This expands upon our previous reduction goal of 30 percent, and is in line with the collaborative mission to keep global warming to under 1.5 degrees Celsius.

### Assess and evaluate suppliers

We know that you can't improve what you don't measure, so we first must have a baseline figure to understand the performance of our biggest suppliers. Based on generic factory data, we have calculated that the largest part of our emissions footprint comes from tier 2, where fabric production and wet processing (dyeing, finishing, etc.) occurs. We have seen success from our strategy to consolidate tier 1 to focus on building both cooperation and leverage; we are now expanding this approach to tier 2. Moving forward, this generic data will be replaced by actual data from our own supply chain, which we are already starting to collect.

We are capturing both qualitative and quantitative measures using our updated assessment form, which also captures our suppliers' own goals and action plans for reduction of energy and emissions and scale of renewable energy. This helps us understand the energy efficiency measures already in place, and our suppliers' ambitions and plans going forward. Our updated assessment form will now be rolled out to both garment manufacturers (tier 1) as well as our fabric and wet processing manufacturers down the supply chain (tier 2) as a start. These assessments will factor into our decision making when it comes to our sourcing strategy, so we have the data we need to incentivise and reward our top performing partners.

Together with qualitative data we will also start to follow up the actual emission data to track the progress of suppliers. We have developed and piloted a questionnaire for actual data collection that we will continue to improve and connect to our reporting going forward.

### Create supplier engagement

After we identify the most strategic suppliers, we invite them to join us in our efforts to reduce our climate impact. For energy programmes to be effective, the suppliers themselves must feel invested and internally driven. Each improvement programme takes into account the facility's unique situation in terms of tier, product types, geography, specific challenges, and intrinsic motivations, with a tailor-made approach.

We also know that where suppliers have a clear goal and drive of their own, they can set in motion a very effective ripple effect down the tiers. By working collaboratively, such as through the STICA initiative, we can create leverage with tier 1 and 2 and we can join hands with our peers and other stakeholders to provide education and trainings to suppliers on the climate urgency and actions they can take. We can work together to gather and share inspiring case studies, clarify the business case for energy efficiency, and create an environment for supportive dialogue.

### Energy efficiency and renewable energy interventions

While there is an overarching strategy to guide our activities, we are also continuing to develop regional and national strategies that account for the particular challenges in certain areas. For example, the approach looks different based on whether factories tend to be vertically integrated, or whether renewable energy is readily available.

Collaboration down the chain will be a prerequisite for success, along with collaboration with other brands, stakeholders, NGOs, and industry initiatives. Together we must find interventions on energy efficiency and renewable energy sourcing that can have a significant carbon reduction impact while also being cost-efficient and scalable.

## Transport

Fashion is a global industry, and transportation of our products represents a significant contribution to our total carbon footprint. This is why we work to reduce the environmental impact of transport from multiple angles.

For 2020, we transported less volume overall due to the COVID-19 pandemic and the overall reduction in our order quantities. Focusing in on emissions, there was a decrease in emissions associated with both boat and train transport; air and trucking emissions have in-

creased. Our use of air freight has stayed consistent with last year, but our overall truck transport footprint has increased as our customers increased their use of our e-commerce options. This means we had more inbound transportation of goods from the local market, and increased outbound transport to the customer.

### More boats and trains, fewer flights

We know that air travel has a negative climate impact, and air freight of goods is no different. We only use this mode of transport in exceptional cases, totaling just 3% of our volume in 2020: If possible we opt for train transport when speed is a concern. Compared to the major impact of air freight, sea freight has a much smaller footprint, so this is our preferred route. Sea freight is our most common transport option from production to our distribution centres.

## 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

A circular economy values the social and environmental impacts of doing business alongside the economic outcomes. We believe this is the only way forward that allows us to fulfil our promise to future generations.

A circular approach to fashion is about resource efficiency at every stage of a garment's lifecycle. Instead of the previous take-make-waste linear approach, this means we are working to build a system where all inputs and all processes contribute to a regenerative ecosystem. This applies to how we approach product design, material selection, and quality, but also how we are working to extend the usable life of a garment, plan for recyclability, and ensure our business decisions prioritise human and planetary health—from how we choose partners, to how we choose power sources.

### Goals

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



### Lindex's 2020 Circular Fashion System Commitment

As part of our firm belief that collaboration is key to success, in 2017 we signed on to 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 has been to accelerate the transition to a circular fashion system, and we took on three goals as part of our commitment to this initiative.

Overall, our participation in the Circular Fashion System Commitment has helped us make concrete progress towards circularity, and it has led to our current expanded targets which will guide our actions for the next five years and more.

Goal	How did we do?	See progress and next steps here:
1. By 2020, all designers, buyers and production teams will be trained in circular design and the training will be part of the introduction package for new staff as a basic requirement.	Target fully achieved; training implemented in Lindex's onboarding and learning processes.	'Design for circularity and longevity: Building knowledge on circularity' on page 45.
2. By 2020, functional durability and ease of repair will be part of the design strategy for selected product groups and will add up to 10 per cent of our assortment.	Target has expanded; our design strategy is being broadened to incorporate additional criteria on longevity and circularity as well as durability and ease of repair.	'Design for circularity and longevity: Launching a strategy for product durability and longevity' on page 45.
3. By 2020, we commit to offer textile collection in all of our own Lindex stores and to have established a partnership with charity, textile recycler or second-hand market place in these sales markets.	Target nearly achieved; collection is currently available in 85 per cent of stores and still expanding.	'Design for circularity and longevity: Closing the loop through textile collection' on page 46.





### Design for circularity and longevity

Circular products begin with a circular design approach, where longevity, durability, and end-of-life impacts are all considered alongside fibre choice and manufacturing processes. We have made progress in each of these areas.

#### Building knowledge on circularity

Previously, we were working towards the goal of ensuring that all designers, buyers, production teams, and new hires are trained in circular design by 2020. This has been achieved, along with the development and roll-out of our own interactive digital design tool to support design and purchasing teams in developing circular and sustainable solutions. We have also conducted several workshops featuring both internal speakers as well as industry specialists, including circular design expert Rebecca Earley.

Going forward, we are working towards our new goal that 'by 2025, all products are designed for longevity and/or circularity'. We will continue to train and guide designers and purchasing teams based on the criteria and guidelines we have already established, building their skills and developing ownership of our circularity goals. Specifically, we will focus on strategies tailored for individual product types next year.

#### Launching a strategy for product durability and longevity

We had set a goal for ourselves that by 2020, functional durability and ease of repair would be part of the design strategy for selected product groups adding up to 10 per cent of our assortment.

At the 2020 mark, we have successfully raised the bar in terms of our teams' overall understanding of design for longevity. This has required a fundamental shift in how we approach product design, and our teams have learned how to reverse their thinking to begin with considerations such as physical and emotional durability, consumer wear and care behaviours, recyclability, or preparation for a second or third life, depending on the product.

We are now ready to level-up our design strategy to include both longevity and circularity of products and materials. This has required

a product-specific approach, considering the function, purpose, and typical care for each type of garment we create. As we work towards our new goal that 'by 2025, all products are designed for longevity and/or circularity', we will begin by implementing product-specific criteria and guidelines.

Our circular strategy doesn't stop with our products: we are also applying this thinking to our paper and plastic packaging material streams. See more on page 47.

### Design for longevity v. design for circularity

Some products lend themselves to a long life, potentially with multiple users. Other products are better suited for a shorter life, and can be created to easily re-enter the fashion lifecycle as inputs for new items. And while there are products that can be designed for both longevity and circularity, designers must sometimes prioritise one approach over the other based on the product in question.

For example, the durability and longevity strategy for our baby assortment is centred around using seasonless colours and prints as well as enhanced quality and functionality to extend the lifetime of our products. In this case, we envision items that are handed down to younger children or shared among families. This is different from the approach we would take with a product like stockings, where we would prioritise design for circularity, meaning using components and materials that are easy to separate and recycle at the end of the item's life.



### Closing the loop through textile collection

As 2020 comes to a close, we are in the final phase of achieving our goal that by 2020, we offer textile collection in all of our own Lindex stores and have established a partnership with a charity, textile recycler or second-hand marketplace in each sales market. Textile collection is available in 370 out of a total of around 430 stores, including all of our stores in Sweden, Norway, Finland and Lithuania. In 2020 we collected over 123 tons of garments in our stores. This is a decrease compared to 2019, which is because of limited opening hours and closed stores due to COVID-19. For the remaining markets, we are seeking the right partners who can appropriately manage the collected garments according to our waste hierarchy, and who can fulfil our Code of Conduct and reporting expectations. In parallel, we are also exploring new circular business models such as rental and re-commerce. See more on these initiatives on page 47.

### What is the 'waste hierarchy'?

Our top priority is to minimise waste before it is even created. This means we prioritise our actions based on the following steps:







### Pack4Good

Circularity at Lindex includes our paper packaging, and as part of our strategy. We are one of the 22 members of Canopy's Pack4Good commitment. Canopy is an independent environmental organisation working to protect the world's forests, and as part of our commitment to Pack4Good, we ensure that by 2022, all of our packaging is:

- 'Free of inputs sourced from ancient and endangered forests,
- designed to reduce material use,
- maximising recycled and alternative Next Generation fibres (such as agricultural residues), and
- using FSC-certified paper when virgin forest fibre continues to be used.

Read our full position statement [here](#).

### Alternative business models

One example of our work towards circularity is our participation in the 'Switching gear' project, a two-year initiative managed by the Dutch organisation Circle Economy and funded by the Laudes Foundation. Within this project, Lindex is one of four brands working with a team of circular business experts to pilot a scalable new circular business model based

on re-commerce or rental. We decided to take part because new circular business models have proven they have the momentum to grow quickly, without increasing demand for natural resources, and this provides us with an opportunity to learn and ultimately apply our lessons to our core business.

In parallel with four preparatory Masterclasses, we are developing the initial concept for our circular pilot for autumn of 2021. During the fall of 2020, we tested our initial idea with a secondhand collection sold in two shops. We focused on re-commerce for kids' outerwear since these are durable and long-lasting products. Used products are collected online and in selected shops, examined for quality, restored if necessary, and offered at a discount to our customers. The response was overwhelmingly positive, with our customers showing enthusiasm for the concept as well as the products.

We have gained important insights from the pilot that will inform our next steps as we fulfil our commitments to have a circular business approach and to support a sustainable lifestyle.

### Re-designing a 'liability' into a win-win

The pandemic has given us an opportunity to learn and to re-examine our own default ways of working. One powerful example of this is that we learned a

new way to work strategically with materials. Typically, our design process begins with a vision and a sketch, and fabric is then sourced or developed accordingly. As the pandemic began to impact our business, we found ourselves with fabric on hand that could no longer be used for the original products we had intended to create—time had moved along, seasons changed, and our customers' needs changed as well. But we knew the responsible thing to do—for both the environment and for our suppliers—would be to figure out how to refashion this 'fabric liability' into useful and desirable products. We had to flip our default design process upside down, and use the fabric as a starting point for design. We knew that this approach would limit overproduction and limit waste while taking responsibility for the fabric that had already been sourced. It also enabled us to give our customer what she was looking for while quickly reinitiating much-needed work for our partner factories.

We transformed our 'liability' into cosy wool baby pyjamas and new premium knit loungewear for women; by the end of the year, we repurposed 100 per cent of this fabric, creating 700.000 pieces. We also practiced a new way to approach design that will support the work towards our goal of 100 per cent recycled and/or sustainably sourced materials by 2025.

## World Circular Textiles Day

Lindex is a founding member of World Circular Textiles Day, an initiative launched in October 2020 that aims to see a 100 per cent circular textile industry by 2050. World Circular Textiles Day is an online celebration held every October 8th to:

- Amplify the efforts of a growing community of companies, organisations and individuals actively working towards a circular textiles future.

- Imagine what 'full circularity' could look like in 2050 and the stepping-stones for getting there over the next 30 years.
- Provide a framework for a collaborative road map to be developed and revised over the next 30 years, until the vision is achieved.

We see ourselves now in Phase 1 of this plan, where the focus is on R&D and innovation. We invite other stakeholders to join us achieving WCTD's vision of 'a time when there is dignity, equity and equality'.

*'With a growing population and unsustainable consumption patterns, we as a fashion industry use up more natural resources than our planet can handle. In order for us to enjoy fashion in the future, our industry needs to transform. This transformation can only come from collaboration with one another toward shared goals and a shared vision of a circular industry.'*

Susanne Ehnåge  
CEO Lindex

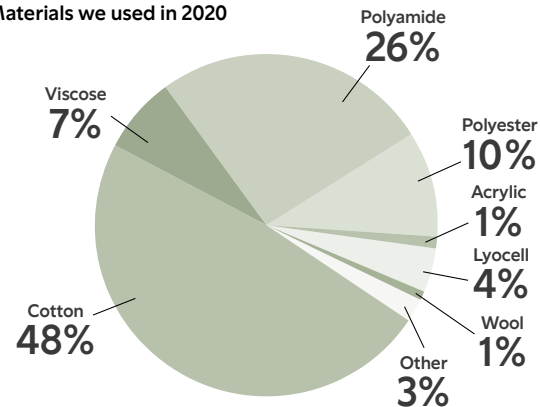
## Materials

Our commitment to circularity includes our materials. The choices we make for our materials can have a huge impact in terms of appearance, function, fit, and feel. But that is not all. These choices also impact human health and wellbeing, waterways, the climate, and our ability to create high-quality products that lend themselves to a long useful life. With our sustainability promise - to make a difference for future generations - we have set the ambitious target that by 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced.

## Materials we use in our collections

All materials we use require natural resources, and they each must be considered carefully to fully understand their positive and negative impacts on our social, environmental, and economic ecosystems. We do know, however, that it is possible to choose materials that have a less negative impact on people and the environment. We have designated these materials 'more sustainable' and by that we mean that the raw material comes from a renewable or recyclable source, and that the fibre is cultivated and produced using methods that have less negative impact on nature's resources compared to conventional alternatives.

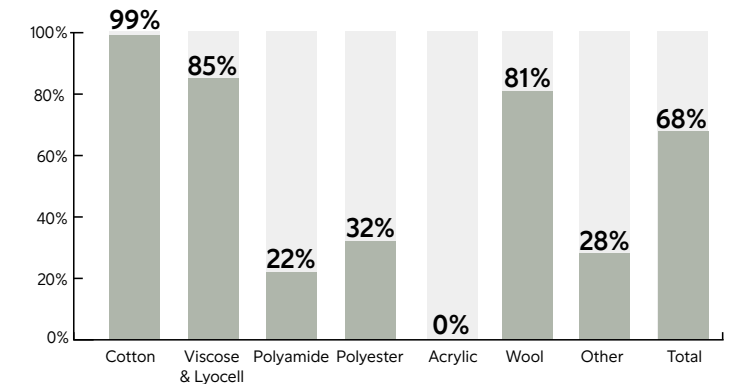
## Materials we used in 2020



68 per cent of our garments were made from more sustainable material in 2020.

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

Total - Sustainable share per fibre



## 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) programme. The CFMB tracks the textile sector's progress toward more sustainable materials sourcing, as well as its alignment with global efforts like the Sustainable Development Goals (SDGs) and the transition to a circular economy.'

Lindex was a participant in the [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.

We again participated in 2020; however, results were not available prior to publishing this report.

## Leading the way towards sustainable cotton

Cotton is our most important fibre, and we have been focusing on increasing our use of sustainable (organic, recycled, or BCI) cotton for many years. 80 per cent of our cotton is organic as of 2020. Read more about our use of GOTS-certified cotton for babywear, and our overall commitments related to cotton, [here](#). We have also increased our use of both pre- and post-consumer recycled cotton. This is cotton that would otherwise enter a waste stream, and instead is incorporated back into useful and beautiful garments. Most of our denim now includes recycled cotton.



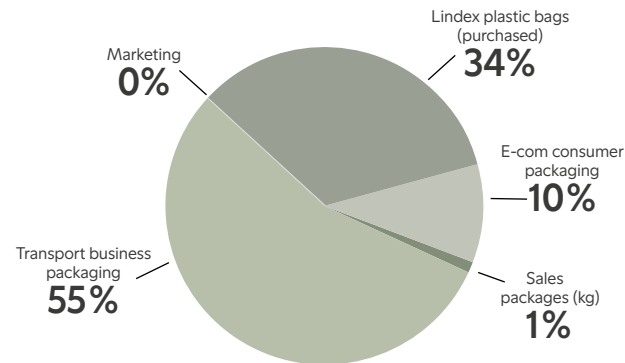
## More on our key fibres

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.	As of 2020, 80 per cent of our cotton is organic and our entire cotton baby assortment is made of GOTS-certified organic cotton.	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: As of the 2018-19 season, about 22 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 over 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.					
	Microplastic 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.	

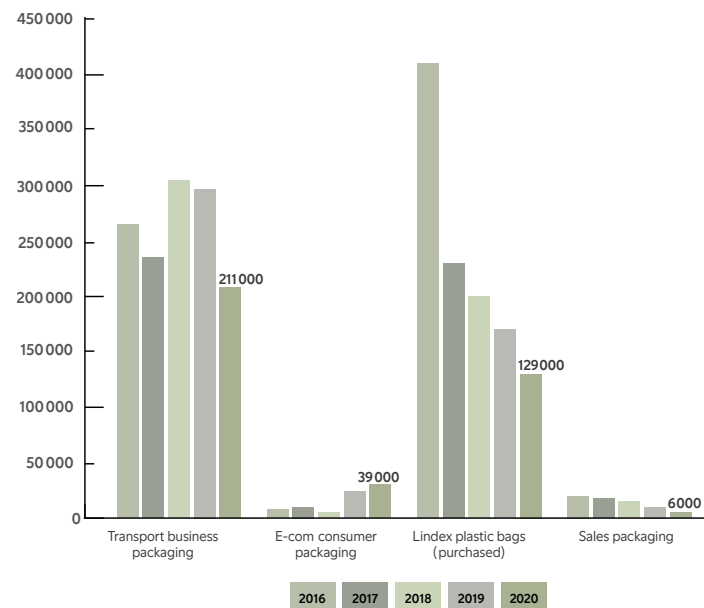
Conventional material	Challenges	Alternative	Why do we prefer this option?	How we use it	Did you know...	Goals
<b>Viscose &amp; lyocell</b>	These fibres are made from wood pulp using a chemical process. The biggest challenge with materials made from trees is to ensure that the forestry is sustainable 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 Tencel™, EcoVero™ 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.	Tencel™ and Excel can be found in, for example, underwear, pants and tops. Tencel™ and EcoVero™ are manufactured in factories that are evaluated and certified according to the EU Eco-label and currently make up 81 per cent of all our viscose and lyocell.	<p>Lindex has achieved a 'Level 4 – Leading' rating for MMCF, based on use and strategy.</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 natural 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 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.	You can read more about our Animal welfare policy <a href="#">here</a> .	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.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced.
<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.



Plastic share per stream 2020



Total kg plastics



### Reducing our use of plastic

Part of respecting the planet means shifting away from petroleum-based inputs, and phasing out single-use plastics. We've mapped our plastic usage to understand where we can have the biggest impact, and that has guided us to focus on plastic use during inbound transportation, which is the source of 55 per cent of our plastic waste. We have made a deliberate shift to single packed garments without plastic for transport during 2020 to address this issue.

The second largest source of plastic waste is shopping bags; we have seen this number go down over the past year due to reduced in-store shopping, as well as an increase in the plastic bag tax in place in Sweden. The pandemic has also led to a decrease in sales of stockings—our most plastic-heavy product. Despite an increase in e-commerce orders and the packaging that entails, we have managed to decrease our total plastic waste by 25 per cent compared to 2019. We continue to focus on transport packaging – which is consistently our largest source of plastic waste – to find innovative solutions that respect the planet and model our commitment to circularity and to future generations. We are proud of the success we've seen over the past three years, with a steady decrease in the average volume of purchased plastic we use in relation to our volume of products. This holds true for plastics overall, as well as transport plastics and plastic bags.

### Does Lindex incinerate garments?

Our ambition is zero goods incinerated. Our policies and routines state that textiles from our collection in store, as well as garments with complaints and unsold garments, shall be sent for reuse and recycling. Sending garments for incineration is something we avoid to the greatest extent possible. Only garments that do not fulfil our health and safety requirements shall be sent for incineration. This could be due, for example, to mould 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.

### Every step counts

We have been even rethinking our woven product labels and we have converted all labels to recycled polyester. Through this change, we have repurposed 806,982 plastic bottles to create Lindex's recycled care labels.

## Being a water responsible company

Water is needed at every stage in the lifecycle of a garment, from the cotton field to the home washing machine. As we think about being a water responsible company, there are several angles we are examining. One is related to the amount of water that is available, and ensuring access to water in farming and manufacturing communities for other purposes, such as drinking, fishing, or agriculture. Another angle is ensuring that any water used during the creation of our products is clean and safe to be returned to the environment, which means carefully considering all chemicals, equipment, and processes used to create our products. We have taken specific actions to address both the quantity and the quality of the water that flows through our supply chain so that we can be water efficient, reduce the risk of water scarcity in areas connected to our operations, safeguard the environment and human health, and together with business partners provide access to water and sanitation in factories and nearby communities.

Over the past year, we have conducted a global water risk assessment based on the location of our tier 1 and 2 factories, which was used as the basis of an action plan we created. We have also updated our assessment tools for suppliers regarding water risk mitigation. In order to build awareness and understanding among our own team, we have developed water-specific training material for all employees, which will be rolled out in 2021.

## Goals

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



## Responsible chemistry strategy

The fashion industry relies heavily on chemical use during manufacturing. For example, chemicals are used for dyeing, for enhancing certain properties such as softness, and to enable better performance, such as for water-proofing. In many cases, chemical use goes hand-in-hand with water use, as water is used to bring the products and the chemicals together, and then the water must be cleaned and treated. 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.

This past year, we have expanded upon the chemical strategy launched in 2019 that codified our shift from a product-safety focus on chemicals to a full lifecycle focus. In practice, this means we not only looking at the chemicals used to create our products, but we are working with our suppliers to shift to better chemical use across all their activities. By closely monitoring chemical use, we step up our own accountability, we signal to our customers that this is a priority area for us, and stay true to our purpose.

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 and transparency to achieve better chemical practices throughout the industry?

### Products

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

tories conduct product tests to confirm compliance. This list is constantly updated based on new developments in research and legislation. In 2020, we added several new chemicals to our RSL. See more on page 18.

Our Better Denim is an example of how our focus on water, chemicals, and product innovation come together. All Lindex denim is now manufactured according to our Better Denim requirements for sustainable materials, cleaner dyeing, and more sustainable washing, using on average 85 per cent less water, 70 per cent less energy, and 45 per cent fewer chemicals. See more [here](#).

### 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 and aligns with several chemical manufacturing standards on the market, lists the chemicals that are not permitted at any point during the making of our products. With our MRSL, we can eliminate harmful substances from the beginning, so they do not enter the production cycle at all. Phasing out certain chemicals is a challenging task; we may need to look as far back into the supply chain as material manufacturing. For example, we took on the challenge of eliminating the use of DMFa (dimethylformamide), a solvent often used to create the polyurethane material that is used for bags, belts, and accessories. This is much more difficult to trace than the chemicals that may be used for dyeing or finishing.

The success of initiatives like this one depends on transparency, both in terms of our full supply chain, and in terms of chemical use by each partner.

## Innovation and transparency: The BHive®



The BHive®

In June 2019, we began a pilot in Bangladesh and Turkey for mapping our suppliers' chemical use with The BHive®. This tool encourages transparency, communication, and the use of safer chemicals through a smartphone app that generates chemical inventories and provides tailored dashboards for both facilities and brands. We've expanded the pilot to include 43 factories:

- 12 in Bangladesh
- 24 in China
- 2 in India
- 2 in Pakistan
- 3 in Turkey

Combined, our partners have used The BHive® to scan and record 13,527 chemicals, and more than 79 per cent of the connected factories' chemicals—across their full production (whether for us, or for another fashion company)—now comply with Lindex's requirements.

### develoPPP

In 2020, Lindex partnered with three other European brands and retailers – Bestseller, Deltex and Orsay (The Fashion Cube) – and the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH in a develoPPP.de project. Over the next three years, the project partners aim to improve the chemical management in 600 factories across the globe with the support of GoBlu International Ltd.'s digital chemical management tool The BHive®. In September 2020, the project was kicked off to implement The BHive® in over 200 factories in India, China, Bangladesh, Turkey and Pakistan over the course of the first year.

- Number of Countries: 5
- Number of wet processing units: 154
- Number of chemical products logged: 12,021 total



### 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:

- 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.





## Feature: WaterAid

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

Access to clean water and sanitation is a prerequisite for women to be able to fulfil their potential. These are crucial for both health and security, yet millions of women around the world dedicate a significant amount of their time and energy each and every day securing the water needed for their family. This can be an undertaking that takes many hours, leaving no time left for work, school or community engagement.

Our work with WaterAid focuses on a textile production community near Dhaka, Bangladesh called Mirpur. And never has the work of WaterAid been more important. The focus of the programme shifted to health and hygiene training, with a focus on strategies, such as hand washing, that could reduce the spread of COVID-19 and save lives.

By the time the project is complete, we anticipate that we will have achieved the following:

- We will surpass our goal of providing access to clean drinking water for 6.500 people
- We will surpass our goal of providing access to improved sanitation facilities for 6.500 people
- We will achieve our goal of distributing information on personal hygiene and sanitation to 7.000 people

Additionally, we will have trained 100 young women to act as change agents related to health and hygiene, and we will have supported them to organise 32 different campaigns on these live-saving topics—despite a pause in some activities during the pandemic.

Building on the success of the programme in Bangladesh, we have now also expanded this programme to Myanmar. As of the end of 2020, we have completed the necessary ground-work to prepare for the scaling of this project, including a technical assessment, and selecting the right local partners. Tangible results to date include ensuring access to safe water for 4.000 students for drinking, sanitation, and personal hygiene—which has been critical during the pandemic. Secure access to clean water is a first line of defence to prevent infection, and helps ensure children stay healthy, and are able to remain in school. The installation of a community water tower was accompanied by targeted actions to reinforce good hygiene practices among students and teachers.

The initiative has as a whole been welcomed by authorities, and local and national partners alike. Although implementation has been a challenge due to pandemic restrictions, the emerging recognition and engagement among local stakeholders has set the initiative down a very promising path.

### The importance of clean water and sanitation

Diseases caused by dirty water kill more people than all forms of violence, including war, each and every year. Over 840 million people lack access to clean water and almost 2.3 billion people lack access to decent toilets.

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



## Ensure human rights

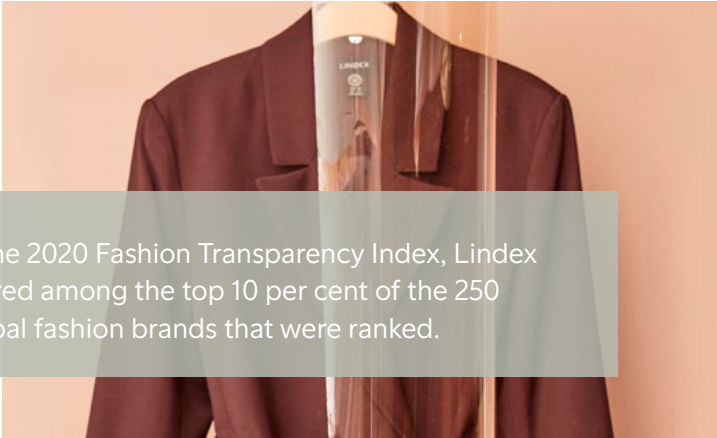
We see and we acknowledge the people behind our products. Without their hands, their skills, and their dedication, Lindex would not be possible. Above all, we acknowledge that each and every person has rights, and must be treated with dignity and respect. It is our responsibility to make sure that fundamental human rights are respected throughout our entire value chain and our own operations. We advocate for health and safety, but also more broadly for human rights, which includes holistic wellness, empowering women, and fair wages. We continuously work on risk mitigation and remediation in our daily work with audits, visits and dialogue with workers. What we find, we investigate and remediate in cooperation with workers, suppliers and local NGOs.

While globalisation has contributed to both benefits and challenges related to human rights, particularly in the developing world, the pandemic has further underscored the work that needs to be done to respect human rights in the fashion industry. We are part of the system, with all its flaws, and we commit to being part of the solution.



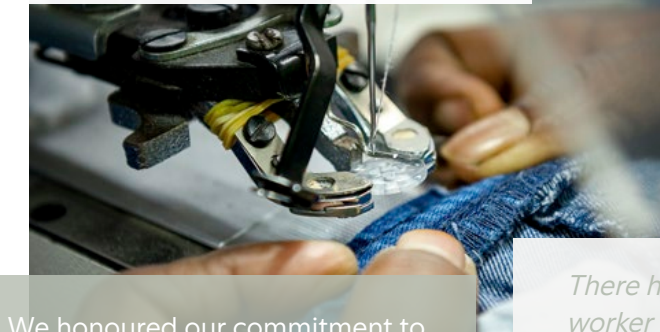
## Achievements

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




In the 2020 Fashion Transparency Index, Lindex scored among the top 10 per cent of the 250 global fashion brands that were ranked.

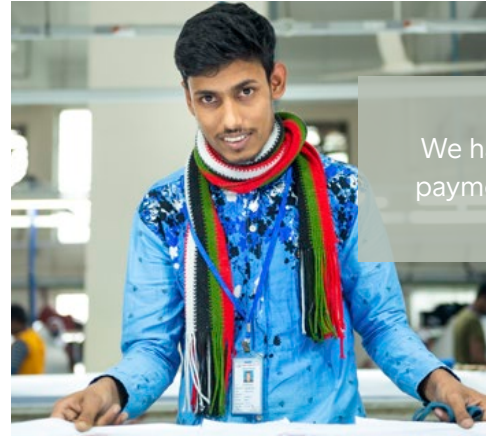
Lindex has joined forces with Sedex for auditing; Sedex has integrated gender indicators within their tools and systems.



We honoured our commitment to responsible buying practices, with no harsh cancellation of orders during the pandemic.



*There have been no factory closures or worker dismissals due to COVID-19 in our supply chain in 2020.*



We have successfully implemented digital wage payments for all factories in Bangladesh.

*We secured wage payments as well as maintaining health and safety for the people in our own operations, as well as people working in our supply chain.*




In February, we launched our Global Guideline for Lindex on Ethical Buying Practices, informed by early experiences during the pandemic.

## Moving ahead

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

- Social dialogue
- Living wages
- Transparency
- Safe and healthy workplaces, and
- Working to address systemic industry challenges so that we can fulfill our promise.



## Advocating respect for human rights

Social dialogue refers to a collaborative, discussion-based process including representatives of employee groups and governments that aims to improve conditions for workers. The ILO defines social dialogue more broadly 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 see social dialogue as our best tool for advocating respect for human rights, and it aligns with our values by promoting collaboration and transparency, and by having the potential to create holistic and systemic change. While the global corona situation has strained our industry in many ways, it has also presented opportunities for improvement, and this is an area where we see an opportunity to rebuild in a more sustainable way, with stronger collaborations between the private and public sector.

**Key topics** that can be successfully addressed through social dialogue and collaboration between the private and public sectors include:

- Establishing functioning social security systems for workers, including unemployment benefits,
- Protecting the right to collective bargaining and encouraging negotiations between the different parts of the labour market,
- Ensuring workers are aware of their rights,
- Promoting gender equality,
- Implementing digitised wage payments and expanding access to financial education, especially for women, and certainly
- Establishing living wages.

And while we believe in the power of social dialogue, we also know that we can't just talk, we need to act. It is time to go beyond audits and discussions to match the conversation with action. We must focus on real improvements that make a tangible difference in the lives of workers by applying what we know about the root causes of the problem to creating solutions.

## Goals

- By 2021, all Lindex business partners have signed the Lindex Sustainability Commitment.
- By 2025, Lindex's 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, year by year.

Since women are central to the purpose and the success of Lindex, we have focused our work on social dialogue through our WE Women Management System Programme. Through this approach we are working actively with both management and workers. Through awareness raising and trainings about rights and responsibilities, together with gender equality, we are tackling discrimination and harassment in the workplace together.

Reaching beyond the workplace, through our collaborations with CottonConnect and WaterAid we strive to improve the health situation outside of the factory for the workers. And through our Women's Café we are training women on gender equality, what their rights are, and how to use and protect them. This is alongside training we provide in areas such as sewing, computer use, and literacy, which helps women become independent and successful.

Ultimately, advocating respect for human rights, and creating better opportunities for women, requires all of these components working together; social dialogue, action, and policy.



## Living wage

Our suppliers are required to comply with local statutory minimum wages. However, the minimum wage is often not at a level that fully covers the workers' basic needs; what is really needed is a living wage. We must work with other brands and stakeholders to address this systemic problem in a collaborative, data-based, and incremental way based on promoting and protecting collective bargaining among employers, employees, governments, and unions.

We have established a living wage strategy with a time bound and measurable goal that, by 2025, Lindex's suppliers who stand for 80 per cent of our production work actively with a living wage programme. In 2020 we began to work with the Anker Methodology, an approach to living wage calculation adopted by the Global Living Wage Coalition. This is something that none of our suppliers have been able to do independently to date, and we will focus on training them to work with this methodology moving forward into 2021. However, we expect data to be available next year which we will use to analyse the gap between the actual wage and living wage amounts.

In terms of closing this wage gap, and the gap between wages paid to male and female workers, the approach we used through the WE Women by Lindex programme has been quite successful already. We envision expanding this management system approach, and

continuing to provide financial incentives to suppliers who pay a living wage by connecting compliance with maintaining our business.

Beyond our own company, support from governments will also be a key factor in successfully implementing living wages. We have joined the Global Deal for exactly this reason, and we continue to consider additional initiatives that are collaboratively addressing living wages.

## Case Study: Digitised wage payments in Bangladesh

The government-sponsored COVID-19 support package for the garment sector in Bangladesh was only available for employers paying wages digitally. Lindex, together with BSR (Business for Social Responsibility) and the UN, had been working with nine of our suppliers for five years to move from cash to digitised wages with very little success. In the midst of the crisis, when financial support was on the line, 800 factories in Bangladesh managed to complete this transition in 2 weeks.

Conclusion: scaling of digital financial services requires collaboration between private and public sectors.

## Impact summary

Project	Country	Number of factories	Implementing partners	Number of people
WE Women 2017–2021	Bangladesh	42 (31 Lindex + 11 GIZ)	GIZ, NRT, BSR	100.000 (59.000 women)
WE Women 2019	Myanmar	5	Sequa, BSR	5.000 (4.000 women)
WE Women 2019–2021	India	11	Swasti	14.000 (7.000 women)
HERhealth 2012–2018	Bangladesh, Pakistan, India, Myanmar, China, Cambodia	20	BSR, Change	42.000 (20.000 women)
HERfinance 2016–2019	Bangladesh	7	BSR, Swiss Contact, Sarathi	18.000 (11.000 women)
Women's Café	Bangladesh	1 café	Karmojibi Nari	No figure for 2020 since it was closed for most of the year.
CottonConnect 2019–2021	India		CottonConnect	350
WaterAid 2019–2022	Bangladesh		WaterAid	7.000
WaterAid 2019–2022	Myanmar		WaterAid	4.000
Bangladesh Accord on Fire and Building Safety	Bangladesh	31 (all)	Accord, RSC	42.000

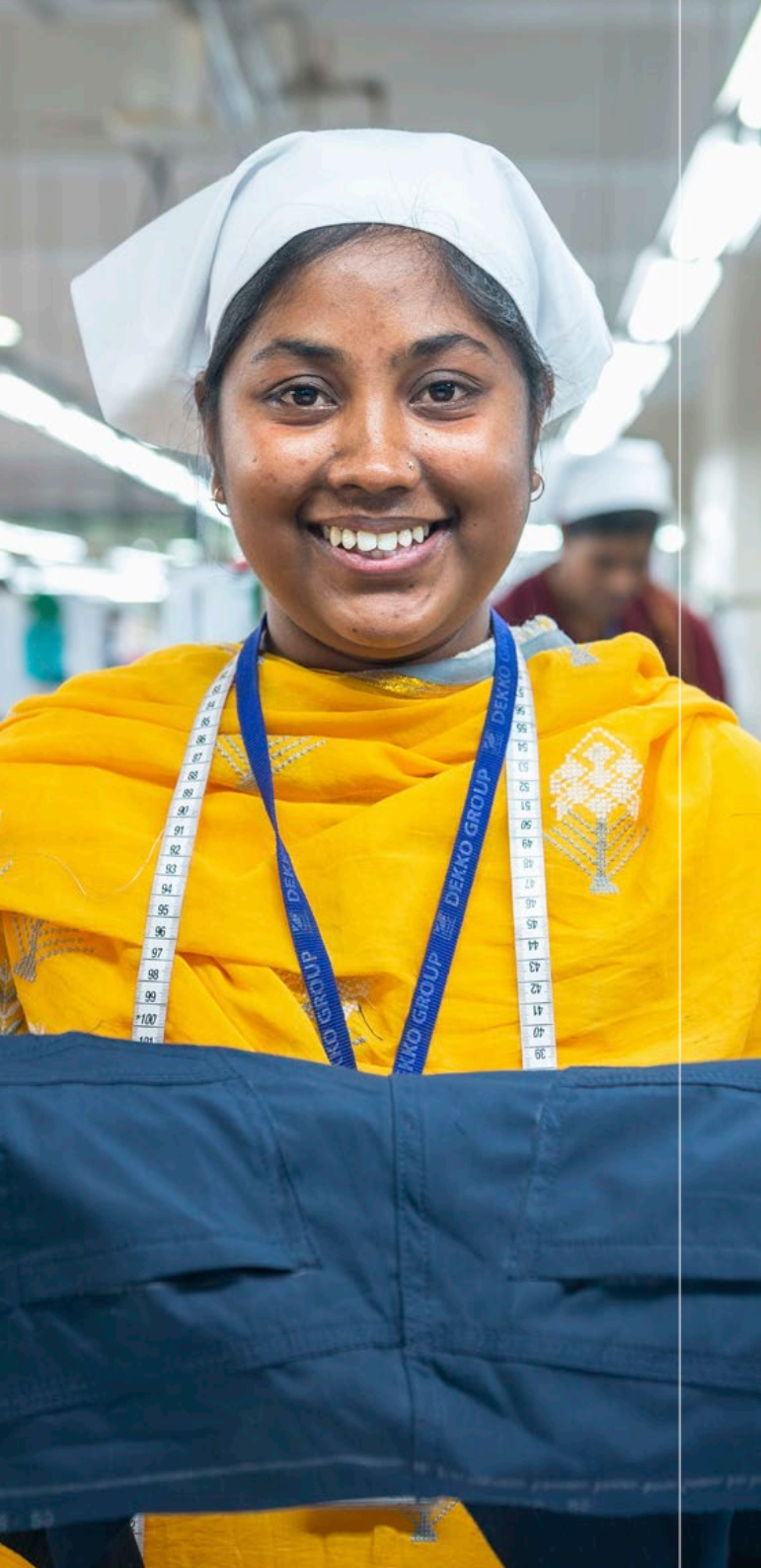
## Challenges

We feel it is important to be transparent about our challenges related to human rights. Many of these are structural issues, 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. Because our priority during 2020 has been health and safety and economic security for our employees and our supply chain partners in the context of COVID-19, we are not able to show progress in some areas—which may be because we did not focus on that area, or it may be that we were unable to properly measure our progress in that area.

Challenges		Our approach for change	Results to date
<b>Forced labour</b>	People can be coerced into performing a job or a service, and groups considered to be most vulnerable to forced labour (or modern-day slavery) include migrants, children, those from minority or socially-excluded groups, and people experiencing poverty.	Training and awareness raising.  Minimum requirements. Lindex Code of Conduct. Focus on migrant workers.	In 2020, we created a Lindex Global Guideline for Forced Labour.
<b>Excessive overtime</b>	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.  In China we have a systemic challenge as wages are often paid on a piece rate basis, which complicates overtime payments.	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 are constantly reviewing our purchasing routines and during 2018 we started to train our buying teams on buying practises	We launched our first overtime project in 2015, and as of the end of 2019, we engaged 8 suppliers in China and 13 in Bangladesh.  We have seen improvements from time to time in Bangladesh, but consistency over time is a challenge.  Due to COVID-19, we have not been able to monitor this issue: we do believe the issue has escalated due to the pandemic, and this is a priority for our site visits when they are able to resume.
<b>Transparency</b>	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.  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 aim to build strong relationships, based on trust, with a consolidated group of suppliers.  We maintain a presence in the factories through our local production offices.  We work with self-assessments with our most important partners in order to build internal capacity and ownership with them.	In 2019, we consolidated our supply chain to 119 suppliers and 174 factories.  We have a strong local presence in our production markets that enables close dialogue and insight in our supply chain.  We signed the Transparency Pledge in 2017.  Aligned with our commitment to the Transparency Pledge, we have published 100 per cent of our 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 33 and page 58.  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 58 facilities and 119,000 people (including 70,000 women) in Bangladesh, Myanmar, and India. See additional details on page 59.
<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 wage management systems which are 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.	WE Women management system has been developed and implemented. The impact of this has reached 58 facilities and 119,000 people (including 70,000 women) in Bangladesh, Myanmar, and India. See additional details on page 59.  Up till now we have covered 20 factories and 20,000 women (42,000 people in total) globally through HERhealth projects.
<b>Freedom of Association</b>	Freedom of association and collective bargaining are basic rights, and a precondition for workers' empowerment. This is particularly relevant for topics such as living wages.	In several of our production countries, it is a challenge to support the right of workers and employees to freely form trade unions because of labour laws and procedures. A union or other worker organisation is required in order to promote collective bargaining.	Through formal and informal audits and visits we make sure each supplier is aware of their workers' right to Freedom of Association, and we look for signs that would indicate whether this right is being supported, or violated.



### 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.

### 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 under 'Purchasing practices and long term relationships' on page 16, 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. Additionally, in the 2020 Fashion Transparency index, Lindex scored 50 per cent which is among the top 25 brands out of 250 global fashion brands ranked. See the ranking [here](#).

### 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.

#### 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.

During 2020, there were two cases of discrimination reported to HR, and both were resolved.

We also gather data on our employees' perceptions and experiences related to harassment and discrimination through our employee survey. Our most recent survey, completed in November 2018, showed that this was an area where we could improve. Our goal is that no employee experiences discrimination or harassment, so we build awareness and knowledge among our teams through lectures, publications and leader engagement. Discrimination was one of the topics of the required reading for Lindex staff during the short term lay off education programme.

### Work/life balance

At AB Lindex, all permanent positions are full time positions. Eight and a half per cent of our female employees and 2 per cent of our 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 schedules.

### 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 32.

Read more about how we work with our suppliers under 'Purchasing practices and long term relationships' on page 16. See an overview of our impact under 'Advocating respect for human rights' on page 58.

## 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 representatives 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.



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 10 May 2020.

This report covers the calendar year from 1 January until 31 December 2020. Questions relating to this report can be directed to [annakarin.dahlberg@lindex.com](mailto:annakarin.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 franchised stores, which totals 38 stores in nine countries. 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:

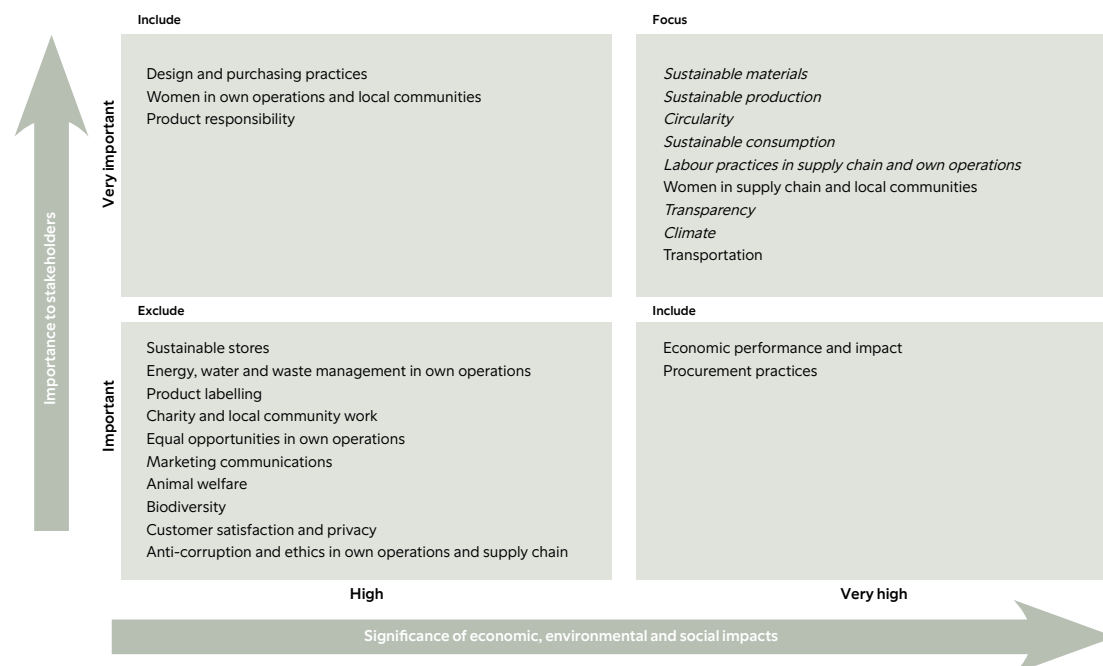
- Empower women
- Respect the planet
- Ensure human rights

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. Over the past three years, we have added three additional priorities based on stakeholder feedback: climate, sustainable consumption, and transparency. 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 of 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 publicly 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)	Additional information in note	In 2020, Lindex had 458 stores. Our 420 own stores were located in 9 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, and the United Kingdom. There were 38 franchise stores located in 9 countries: Saudi Arabia, Bosnia Herzegovina, Serbia, Iceland, Kosovo, Albania, Qatar, Tunisia, and Denmark. Lindex online shops were 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, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Sweden, Tunisia, and the United Kingdom. In addition, Lindex's products are sold in the online stores from ASOS, Boozt, Nelly, Next 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. 63 (Work/life balance)		See above 102-4.
	102-8	Information on employees and other workers		Pg. 5 (Lindex at a glance), Pg. 6 (Culture), Pg. 62 (Safe and healthy workplaces)		
	102-9	Supply chain		Pg. 16 (Purchasing practices and long term relationships) Pg. 17 (Due diligence), Pg. 60–61 (Challenges) Pg. 62 (Sustainability commitment and Transparency)	Additional information in note	Lindex publishes contact info for garment factories, processing units and fabric suppliers on <a href="https://www.lindex.com">Lindex.com</a> .
	102-10	Significant changes to the organisation and its supply chain			See note	No significant changes in Lindex's operations apart from the impact of the COVID-19 pandemic on business and overall operations.
	102-11	Precautionary Principle or approach		Pg. 54 (Responsible chemistry strategy)		
	102-12	External initiatives		Pg. 11–15 (Transparency and collaboration)		Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
	102-13	Membership of associations		Pg. 11–15 (Transparency and collaboration), Pg. 30 (How we handled COVID-19 in the supply chain)		Additional information available from the Stockmann Group <a href="https://www.stockmann.com">website</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
GRI 102: General disclosures 2016	102-16	Values, principles, standards, and norms of behavior		Pg. 5–7 (The company), Pg. 9–11 (Global context), 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. 32 (Lindex Code of Conduct empowers women), Pg. 58 (Advocating respect for human rights), Pg. 60–61 (Challenges), Pg. 62–63 (Safe and healthy workplaces), Pg. 65 (Policies)		
	102-18	Governance structure		Pg. 6 (Our structure)		
	102-40	List of stakeholder groups			See note	In our most recent materiality assessment, detailed in our 2017 report, the stakeholder groups were: customers, employees, media, NGOs/other organisations, board/management/owners, students/researchers, suppliers/factory workers, and trade associations/unions/collaboration partners. <a href="#">Link</a>
	102-41	Collective bargaining agreements			See note	All employees in Sweden and Norway are covered by collective bargaining agreements (excluding managerial staff). In Finland all employees except office personnel are covered by collective bargaining agreements. Additional detail available from Stockmann CSR Report - to be updated 5 March, 2021
	102-42	Identifying and selecting stakeholders		Pg. 65 (Report background)		Additional detail available from the Lindex 2017 Sustainability report. <a href="#">Link</a>
	102-43	Approach to stakeholder engagement		Pg. 65 (Report background)		Additional detail available from the Lindex 2017 Sustainability report. <a href="#">Link</a>
	102-44	Key topics and concerns raised		Pg. 9 (The COVID-19 pandemic), Pg. 30 (How we handled COVID-19 in the supply chain), Pg. 65 (Report background)		Along with the COVID-19 global pandemic, key topics and concerns noted in 2020 include women's empowerment, climate, transparency, and sustainable consumption.
	102-45	Entities included in the consolidated financial statements			See note	Stockmann Group Financial Review, Notes to the Consolidated Financial Statements. To be updated 5 March 2021.
	102-46	Defining report content and topic boundaries		Pg. 65 (Report background)		Additional detail available from the Lindex 2017 Sustainability report. <a href="#">Link</a>
	102-47	List of material topics		Pg. 65 (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. 65 (Report background)		
	102-51	Date of most recent report		Pg. 65 (Report background)		
	102-52	Reporting cycle		Pg. 65 (Report background)		

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 102: General disclosures 2016	102-53	Contact point for questions regarding the report		Pg. 65 (Report background)		
	102-54	Claims of reporting in accordance with the GRI Standards		Pg. 65 (Report background)		
	102-55	GRI content index		Pg. 66 (GRI index)		
	102-56	External assurance		Pg. 65 (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. To be updated 5 March 2021.
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. 55 (WaterAid), Pg. 58 (Advocating respect for human rights), Pg. 59 (Impact summary)		
<b>Environmental</b>						
GRI 301: Materials 2016	Own indicator	Share of more sustainable materials used in our garments	Outside the organisation	Pg. 48 (Materials we used in 2020, How far we've come in switching to more sustainable options)		
	301-2	Recycled input materials used	Outside the organisation	Pg. 48 (Materials we used in 2020, How far we've come in switching to more sustainable options), Pg. 49 (More on our key fibres)	Information unavailable, see note	9% of our garments have their main fibre share consisting of recycled polyester or polyamide (including recycled polyester and polyamide blends).
	Own indicator	Collected textile through LindeX stores	Inside and outside the organisation	Pg. 46 (Closing the loop through textile collection)		
GRI 302: Energy 2016	302-4	Reduction of energy consumption	Outside the organisation	Pg. 40–42 (Taking climate action)		
GRI 303: Water 2016	Own indicator	Initiatives for more sustainable water management	Outside the organisation	Pg. 34 (CottonConnect), Pg. 52–53 (Being a water responsible company) Pg. 55 (Feature: WaterAid)		



GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Inside and outside the organisation	Pg. 41 (Chart)	See note	Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
	305-2	Energy indirect (Scope 2) GHG emissions	Inside and outside the organisation	Pg. 41 (Chart)	See note	Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
	305-3	Other indirect (Scope 3) GHG emissions	Inside and outside the organisation	Pg. 41–42 (Chart, Focusing on scope 3, Climate in production)	See note	Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
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. 16–17 (Purchasing practices and long term relationships), Pg. 18 (product safety and quality), Pg. 52 (Being a water responsible company), Pg. 53 (Responsible chemistry strategy)		
<b>Social</b>						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inside the organisation		See note	New employee hires: 9%. Employee turnover: 12%. The information has not been broken down by age group and gender due to limitations in the data.
GRI 403: Occupational health and safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Inside the organisation	Pg. 7 (Health and safety in our own operations), Pg. 62 (Safe and healthy workplaces)	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. 63 (Health and safety in Bangladesh)		
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Inside the organisation		Information unavailable, see note	The information has not been broken down by age group, gender and region due to limitations in the data. According to our employee survey conducted in 2018, 81% had a performance dialogue; 11% did not have one and the rest has worked under 12 months so not expected to have had a discussion.
	Own indicator	Number of women reached in HERhealth and workers reached in HERfinance	Outside the organisation	Pg. 59 (Impact summary)		

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1	Diversity of governance bodies and employees	Inside the organisation	Pg. 6 (Culture/Diversity), Pg. 62-63 (How do we work with diversity?)	Information unavailable, see note	Due to limitations in the data we focus the reporting on gender.
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	Inside the organisation	Pg. 63 (Safe and healthy workplaces/ Equal opportunities at Lindex)		
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Outside the organisation	Pg. 61 (Challenges/Social dialogue/ Freedom of Association)		Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
<b>GRI 408: Child labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	Outside the organisation	Pg. 17 (Zero tolerance issues), Pg. 60 (Challenges/Transparency)		
<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 (Zero tolerance issues), Pg. 60 (Challenges/Forced labour)		
<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: 2020), Pg. 34 (WE Women by Lindex/Impact Assessment Results)		Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
<b>GRI 414: Supplier social assessment 2016</b>	414-1	New suppliers that were screened using social criteria	Outside the organisation	Pg. 16-17 (Purchasing practices and long term relationships)		Additional detail available from Stockmann CSR Report. To be updated 5 March 2021.
<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), Pg. 52 (Being a water responsible company), Pg. 53 (Responsible chemistry strategy)		
	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.