



SUSTAINABILITY

REPORT 2016

LINDEX

we make fashion feel good

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WORKING FOR

A SUSTAINABLE

FUTURE

TAKING RESPONSIBILITY FOR THE ENVIRONMENT AND THE PEOPLE THAT ARE AFFECTED BY OUR BUSINESS IS OF GREAT IMPORTANCE TO LINDE AND WE STRIVE FOR CONSTANT IMPROVEMENT.



“I AM PROUD TO PRESENT OUR 12TH SUSTAINABILITY REPORT.”



Lindex has been around for more than 60 years and for us to continue to grow and be profitable, it is essential that sustainability is part of our daily business. Our customers come first; we are dedicated to meeting their expectations and making fashion feel good by offering fashion that is inspiring, affordable and made responsibly. At Lindex we are on a sustainability journey and we face many opportunities and challenges, which is why I am proud of the dedication of Lindex employees as well as our suppliers and partners who drive change and improvement every day.

In line with the Sustainable Development Goals and UN Global Compact, we are driving change towards a more sustainable future by operating with consideration of the environment, safeguarding human rights and ensuring ethical business practices. For us to make progress within sustainability and have a positive impact, we can achieve the most when we join forces with partners, suppliers, peers and customers. Networks such as Swedish Leadership for Sustainable Development as well as partnerships in supply chain, e.g. water management projects PaCT and STWI, are very important.

We are dedicated to achieving our 2020 goal of making 80 per cent of our garments from more sustainable sources and 2016 was a year with great progress. We reached 51 per cent more sustainable fibres and made significant progress with our cotton, with 91 per cent now coming from more sustainable sources. We continued to develop our processes and 22 per cent of our garments has now been touched by more sustainable processes saving water, energy and chemicals. We will continue our dedicated work to make factories cleaner and better for workers.

During 2016 we developed our Better Denim assortment even further and today 100 per cent of our entire denim assortment is more sustainable. I am personally very proud of our ongoing denim journey and the dedication to developing more sustainable denim. We are far from finished, instead we will continue on our journey towards even more sustainable denim.

For a sustainable future it is important that we take actions on the many challenges for both Lindex and the industry as a whole. In 2017 and onwards we will continue to develop all aspects of our ongoing sustainability work, such as responsible water management in production and transparency in the supply chain. In line with the Paris agreement and the Sustainable Development Goals, we will work to reduce our climate impact.

Women are essential for our business and we will continue to support initiatives that work with strengthening women around the world. We will deepen our commitment to the training programs for female textile workers within HERproject. We will also take action on equal opportunity issues in the supply chain by integrating these aspects into factory management systems and connecting the performance on gender issues with business incentives in a clearer way.

We have come a long way, but there is still a lot more to be done going forward. I want to thank all of our customers, employees and partners for joining our sustainability journey.

Ingvar Larsson
CEO Lindex

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
- 475 STORES IN 16 COUNTRIES
- LINDEX SHOP ONLINE IN EU AND NORWAY
- 633.2 MEUR IN TURNOVER 2016
- 4427 EMPLOYEES
- 6 PRODUCTION OFFICES
- 51% OF THE GARMENTS WAS MADE FROM MORE SUSTAINABLE MATERIAL IN 2016

A FEW WORDS FROM OUR SUSTAINABILITY MANAGER

I have been working with sustainability in the textile industry for more than ten years and it is a never ending, challenging and exciting journey. And also a privilege. The more you know, the more you do and the further back in the supply chain you work, the more complex things get. Transparency, collaboration and innovation are key to becoming more sustainable. We share our ambition of a more sustainable fashion industry with many others and we are committed to working hard to achieve this. On our journey to become more sustainable we focus on becoming even more resource efficient, exploring more circular ways of working and reducing our climate impact. Making more sustainable choices and finding better solutions is central to our constant improvement within sustainability. You need to constantly make active choices, and through innovation and new technologies, there will always be even better options in the future. We want to make fashion feel good and make a sustainable difference. And we are on our way.

Sara Winroth
Sustainability Manager Lindex



OUR AMBITION AND GOAL

Our ambition is that Lindex will be recognised as a leading fashion retailer, known as one of the most sustainable, open and trusted companies in the industry. We want to be the company that has gone beyond business as usual and sought to drive change. By being innovative, transparent and acting to create a positive impact, we will create a sustainable difference together with our suppliers, partners and customers.

We are committed to making 80 per cent of our garments from more sustainable sources by 2020, which includes more sustainable fibres, more sustainable processes and more sustainable production units.

SUSTAINABLE DEVELOPMENT GOALS

In 2015 world leaders committed to the Sustainable Development Goals (SDG). They are 17 goals to make our world a better place by 2030 and achieve extraordinary things; ending world poverty, fighting inequality and tackling climate change. The SDGs have been agreed upon by governments, demanding action from all countries. However, achieving these goals is heavily dependent on support from everyone, whether they are acting as

part of society or as part of a business. Companies such as Lindex have an important role to play. By working together we can drive change towards a more sustainable future for both people and the planet, while at the same time increasing profit and improving cost efficiency and productivity. At Lindex we are committed to supporting the SDGs and, out of the 17 goals, there are seven goals to which our business can make significant contributions.



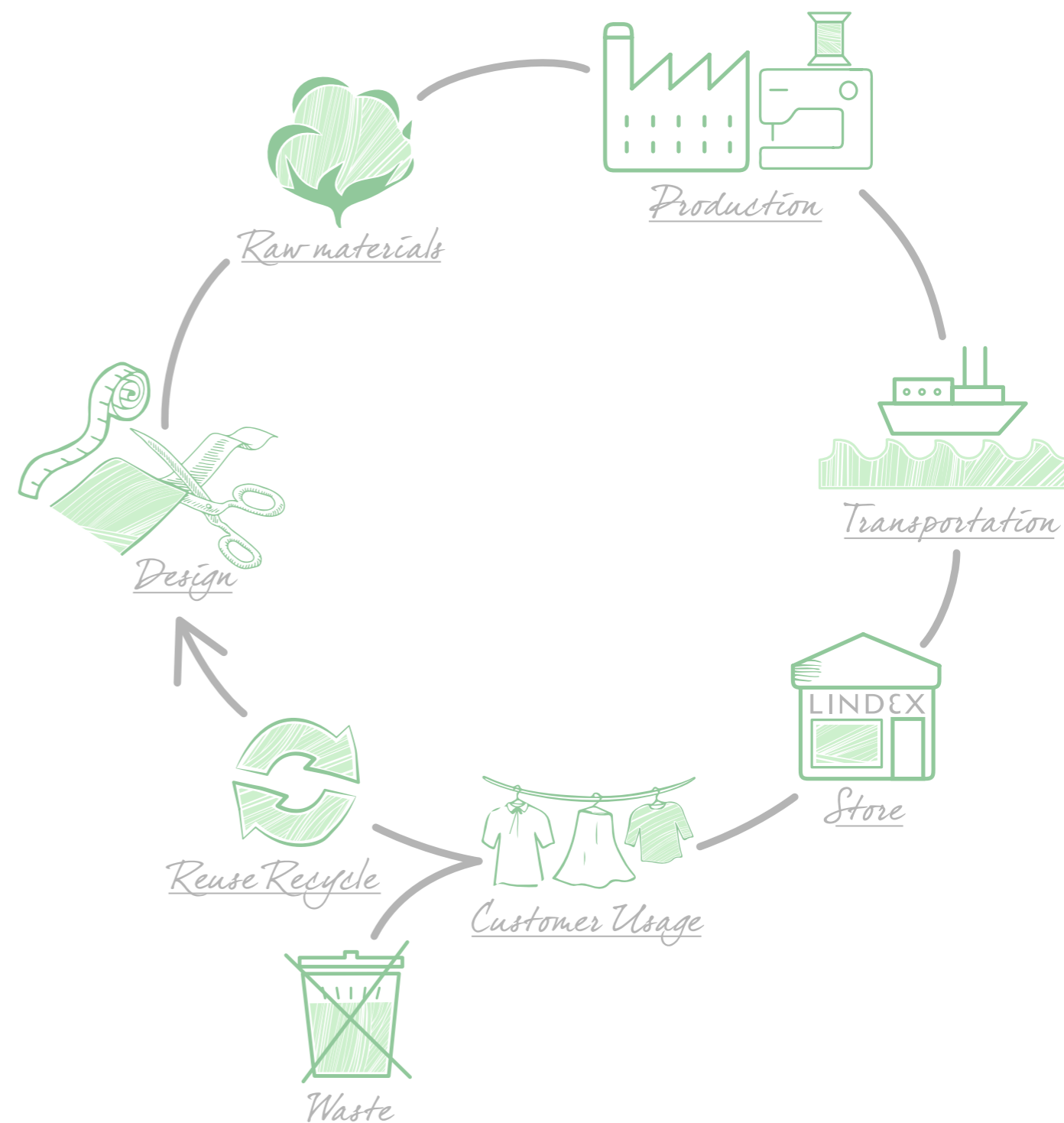
UN GLOBAL COMPACT

UN Global Compact is the United Nations' initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies based on ten principles. Lindex signed the UN Global Compact in 2003 and, in 2011, the Stockmann

Group signed on behalf of the Group including Lindex. Lindex has thereby committed to operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

SUSTAINABILITY FROM A LIFECYCLE PERSPECTIVE

At Lindex we work with sustainability from a lifecycle perspective, from design to reuse and recycling. In this report, the description of our sustainability progress is based on this lifecycle.



HIGHLIGHTS 2016

91 % OF OUR COTTON COMES FROM MORE SUSTAINABLE SOURCES



100 % OF OUR DENIM ASSORTMENT IS **BETTER DENIM**: MADE FROM MORE SUSTAINABLE MATERIAL AND WITH LOW IMPACT WASHES

90 % OF THE ASSORTMENT IS ALSO DYED WITH THE CLEANEST INDIGO DYE ON THE MARKET



51 % OF OUR GARMENTS ARE MADE FROM MORE SUSTAINABLE MATERIALS



SUPPLY CHAIN PROJECT STWI RESULTS IN **REDUCED WATER CONSUMPTION** IN LINEX PRODUCTION THAT EQUALS THE DAILY NEED FOR 13 MILLION PEOPLE



WE LAUNCH **EVEN BETTER DENIM** STYLES CONTAINING POST-CONSUMER RECYCLED COTTON



1.2 MEUR

WE DONATE TO CANCER RESEARCH THROUGH SALES ACTIVITIES AND TOGETHER WITH OUR CUSTOMERS WE HAVE **CONTRIBUTED WITH OVER 12 MEUR** TO THE FIGHT AGAINST BREAST CANCER SINCE 2003

ABOUT *THIS REPORT*

THIS IS LINDEX 12TH SUSTAINABILITY REPORT AND IT SUMMARISES OUR SUSTAINABILITY PERFORMANCE FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2016. THE LAST REPORT, COVERING THE YEAR 2015, WAS PUBLISHED ON 25 APRIL 2016.

Lindex sustainability report is in compliance with the Global Reporting Initiative (GRI) G4 Guidelines, and in accordance with the Core option of the guidelines. The report has not been reviewed in full by a third party.

Additional information about our ownership structure and organisational changes, as well as the Stockmann Group's report 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.

MATERIALITY *ASSESSMENT*

Our work within sustainability is based on our ambition, goals and strategies and we focus on the most significant areas across our value chain. Stakeholder engagement is key and we commit to areas where we can have a positive impact and make a difference. The materiality assessment for this report is based on the Stockmann Group materiality assessment as well as a Lindex additional assessment.

STOCKMANN GROUP MATERIALITY ASSESSMENT

During the period from 2012 to 2014, the Stockmann Group defined its material sustainability aspects for reporting according to the requirements in the GRI G4 reporting guidelines. The materiality assessment process consisted of the following phases: identification, prioritisation, validation and review. A description of the process can be found at the Stockmann Group's website.

LINDEX ADDITIONAL ASSESSMENT

The Stockmann Group's materiality assessment is an important foundation and all aspects that have been found material in it are covered in this report. In addition to the group assessment, Lindex has made its own additional assessment that focuses on areas specific to Lindex business. For our additional assessment, we collected

insights within the organisation regarding our key stakeholders and their perspectives on Lindex material aspects. Our continuous stakeholder engagement as well as feedback and topics raised by our stakeholders served as input to this assessment. We also reviewed the material aspects covered in our 2015 Sustainability Report.

The collection of insights showed that the perspective on Lindex material aspects differs between and within stakeholder groups. For example, organisations value different aspects depending on their own business area, and the valued aspects among employees vary. However, the assessment showed that all stakeholders place greater importance on aspects that are closely connected to our products such as material, product safety and social conditions in production. We concluded that our work on sustainability based on our ambition, goals and strategies would be best described in relation to our products. We have therefore reported on our sustainability performance by following the structure of our products' lifecycle, to the greatest extent possible.

During 2017 we plan to design and secure a more long-term model for the described materiality assessment.

STAKEHOLDER *ENGAGEMENT*

At Lindex we engage in an active and regular dialogue with our stakeholders to strengthen our relationships and understand their expectations. In our sustainability strategy work we have identified six key stakeholder groups who are the most affected by and affective of our business.

CUSTOMERS

We meet and interact with our customers on a daily basis through our stores, social media and customer service. We provide our customers with information via Lindex website, our loyalty programme 'More at Lindex', social media, newsletters and printed material.

STUDENTS

We are in contact with many students, mostly because they are researching or studying us for essays and theses. We encourage students to take an interest in our company and work to provide information and contact as much as possible. Information is provided via Lindex annual sustainability report, website, social media, newsletters and printed material. We also have a direct dialogue between students and the department responsible for the area students show interest in.

EMPLOYEES

We have a continuous dialogue with our employees, and all Lindex employees can find information on our intranet and through work meetings, workshops and seminars.

OWNERS

The dialogue with shareholders is mainly carried out by the Stockmann Group's shared functions. Stockmann provides shareholder and investor

information as required for listed companies through stock exchange announcements, financial reports and the annual reporting, the Group's website, audio webcasts and regular investor relations meetings. The Annual General Meeting of shareholders is normally held in March.

SUPPLIERS AND FACTORY WORKERS

With suppliers and factory workers, we have a direct dialogue through regular meetings and workshops, and with regular visits to suppliers in conjunction with inspections of factories and production units. We provide general information via the website as well as targeted information to suppliers, production units and factory workers.

TRADE ASSOCIATIONS AND COOPERATION PARTNERS

We provide general information via the website and have a direct dialogue regularly through networks, collaboration forums and information meetings.

AUTHORITIES

We provide general information via the website, as well as targeted, specific information and reporting. At national and international levels dialogue also occurs through trade associations, via networks and in conjunction with improvement work and development projects.

NON-GOVERNMENTAL ORGANISATIONS, INTEREST GROUPS AND OTHER PARTNERS FROM THE LOCAL COMMUNITY

We provide general information via the website, as well as targeted, specific information and reporting. We have a direct dialogue regularly through networks, collaboration forums, workshops, lectures and information meetings.

REPORT *BOUNDARIES*

This report covers the global activities of the Lindex group, i.e. 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 Lindex share of the Stockmann Group's shared production activities in Asia.

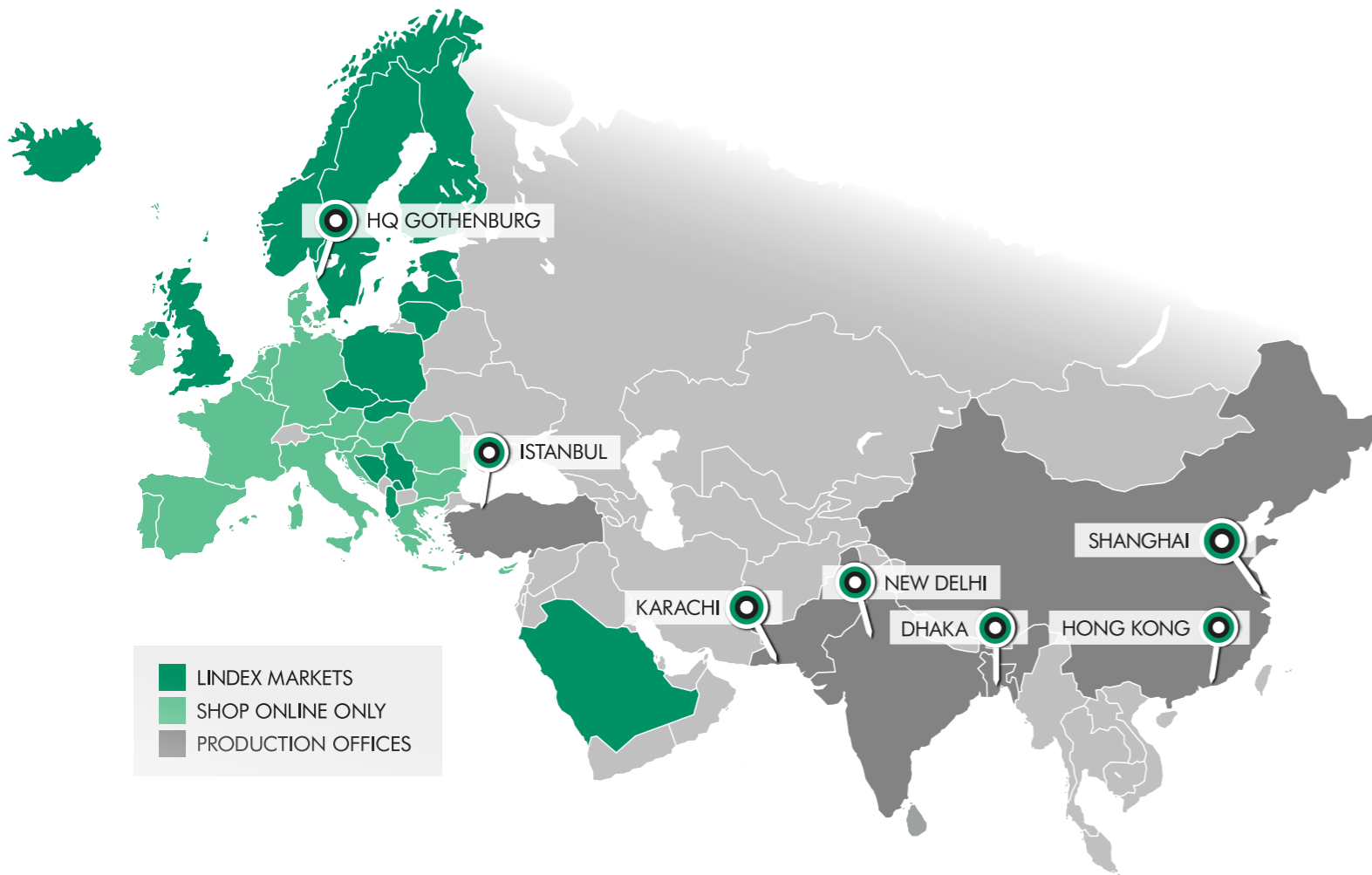
The report does not include information about Lindex franchising stores, a total of 39 stores in six countries managed by five franchising partners. Nor does it cover outsourced distribution centre services.



THE

COMPANY

LINDEX IS A VISION AND VALUE DRIVEN COMPANY AND WE HAVE BEEN CREATING FASHION FOR MORE THAN 60 YEARS. FOR LINDEX TO GROW AND MAINTAIN A GOOD LEVEL OF PROFITABILITY IT IS ESSENTIAL THAT WE WORK WITH SUSTAINABILITY AS PART OF OUR DAILY BUSINESS.



During 2016 our Strategic Management Group as well as key persons within the organisation received training within the field of sustainability. This training is part of a competence development within sustainability that will continue during 2017.

OUR VISION AND VALUES

Our values are the foundation for building a successful business culture and they guide us in everything we do, how we act and the decisions we make. Lindex values are designed to help each employee to be a Lindex brand ambassador and to take Lindex towards our vision: a world-class fashion experience.

PERFORMANCE CULTURE

The success factor at Lindex is that our employees show passion and commitment to their jobs every day. We believe in a performance culture where all employees take responsibility for developing themselves and their roles together with Lindex. To encourage high performance we outline clear areas of responsibility, communicate expectations and set yearly individual goals based on Lindex overall goals. During 2016 we implemented a new way of working with Performance Management to better follow up and support our employees in working towards their goals and see their contribution to Lindex overall strategies and goals.

LEADERSHIP THE LINDEX WAY

During 2016 we developed our leadership view: 'Leadership the Lindex way'. Through internal surveys, interviews and workshops as well as studying the values of the next generation, we have created a leadership view that comes from within and is relevant to our future employees.

FASHION IS FUN

As a team we strive to make the customer experience outstanding

- EMPOWER YOURSELF AND EACH OTHER
- SEEK CONSTANT IMPROVEMENT
- MAKE BUSINESS ORIENTED DECISIONS
- ACT SUSTAINABLE
- MAKE IT SIMPLE

... always with passion and commitment

INTERNAL ROTATION

At Lindex we believe in internal rotation and we encourage our employees to explore the organisation beyond their specific roles. Exploring and moving into new roles within the company brings with it new experiences, perspectives and insights. Not only does this develop our employees and leaders, but it also stimulates innovation and networking within the organisation. Internal rotation increases Lindex ability to develop and adapt in an ever-changing retail industry.

FINANCIAL PROFITABILITY

Lindex full-year revenue was down by 2.9 per cent to EUR 633.2 million (EUR 652.3 million). Revenue at comparable exchange rates was down by 1.4 per cent, or 0.5 per cent in comparable stores. Sales increased during the first half of the year, but decreased after the summer due to lower traffic in stores.

Lindex gross margin was 63.8 per cent (62.3 per cent). The gross margin was mainly up due to a

redefined treatment of inventory obsolescence, and as a positive effect of increased prices. Operating costs were down by EUR 10.5 million as a result of closing stores in Russia and lower store costs in other markets.

Lindex operating profit in 2016 was EUR 54.9 million (EUR 44.6 million).

WORKING AT LINDEX

At Lindex we value our employees and it is important to us to treat them fairly and equally. Employees are paid fair compensation for their work and we encourage their personal and professional development. We provide our employees with safe working conditions and support their well-being and success as individuals. Our aim is to be an attractive employer in the labour market.

Our human resource (HR) policies are based upon the company values, the HR strategy and the group Code of Conduct. The implementation of HR policies is monitored through personnel surveys, performance appraisal discussions and other feedback channels. The Director of Business Development and Support, who is a member of the Lindex Management Group, is responsible for HR governance at Lindex.

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 OUT CUSTOMER TODAY AND TOMORROW



EMPLOYEE INFORMATION

31/12 2016:

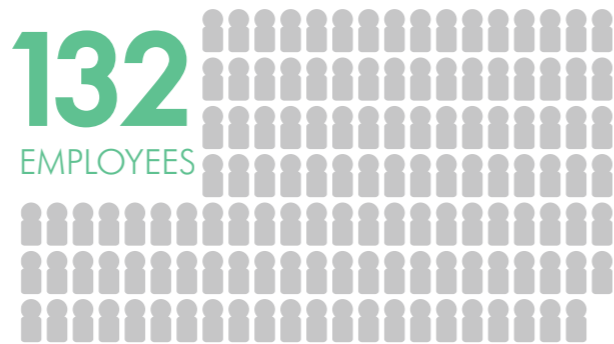
4.427 EMPLOYEES



IN **16** SALES MARKETS INCLUDING HEAD OFFICE...

132

EMPLOYEES

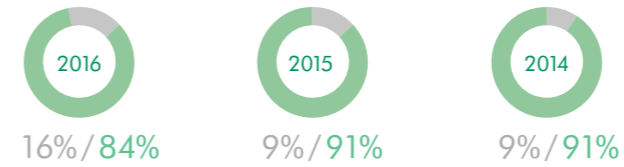


AT THE PRODUCTION OFFICES IN CHINA, INDIA, PAKISTAN, TURKEY & BANGLADESH

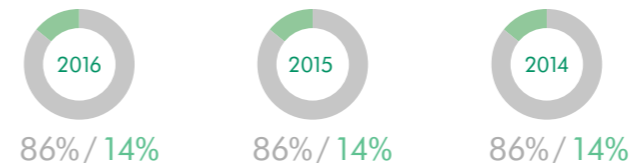
FULL-/PART-TIME

- PART-TIME
 - FULL-TIME
- The primary reason for part-time positions is that Lindex prioritises being able to give customers the best service during the stores' most attractive opening hours.

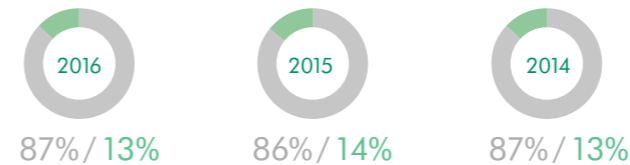
AB LINDEX



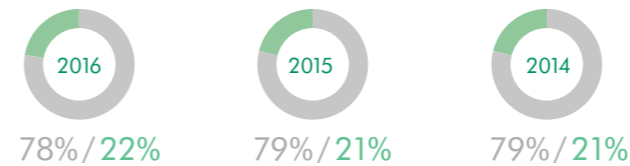
LINDEX SWEDEN



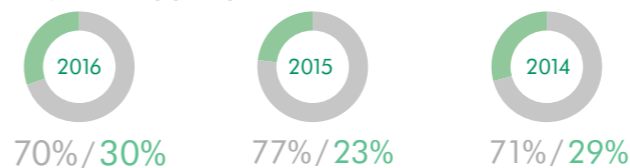
LINDEX NORWAY



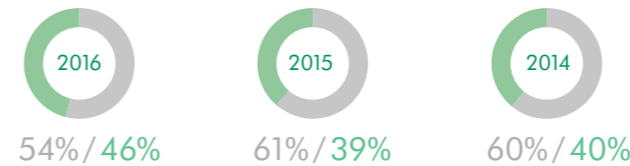
LINDEX FINLAND



LINDEX BALTIC STATES



LINDEX CENTRAL EUROPE



LINDEX UK



SICKNESS ABSENCE PER MARKET 2016:

Lindex takes conscious preventive measures for employees' health and actively works to keep absence at a reasonable level.

AB LINDEX

5.1%

LINDEX SWEDEN

5.2%

LINDEX NORWAY

5.8%

LINDEX FINLAND

5.2%

LINDEX UK

3%

LINDEX BALTIC STATES

2.4%

LINDEX CENTRAL EUROPE

2%

5 CASES

of discrimination were reported within the organisation during 2016; two in Norway and three in Finland. The cases have been handled by HR, through unions and relevant authorities. Four out of five have been resolved so far and were considered to have no grounds.



DIVERSITY POLICY

Lindex Board of Directors has a representative composition in terms of age, competence and gender. We have no formal policy regarding diversity in the Board of Directors today, but this is being developed during 2017. We have asked our Chairman of the Board, Per Sjödel, for his thoughts on the composition.

"It is very important to put the board together in a way that reflects Lindex customers and the company's challenges. We have a good team for Lindex, with business and international competence that understands fashion and can represent the target group. I want us to have competences that complement each other so that we as a team can give the management group advice on complex questions."





SUSTAINABILITY ORGANISATION

Lindex sustainability work is governed by the Head Office. The Lindex Management Group is responsible for the overall sustainability direction, goals and strategies. The Global Sustainability Team supports the Management Group in their work. The Production Support Team is responsible for developing sustainability in terms of product and production, and the team works closely together with our suppliers and production offices. Each department and country organisation develops their sustainability work in alignment with the direction, goals and strategies decided by the Management Group, and report to Lindex Global Sustainability Team. Lindex Corporate Communication Team is responsible for sustainability communication and reporting.

PRODUCTION OFFICES

At Lindex we develop the concept and design but we do not own any production facilities. Instead we collaborate with independent suppliers in the manufacturing of our products. Our local production offices in Bangladesh, China, India, Pakistan and Turkey play a key role in developing Lindex

sustainability work in the areas of product and production. The production office employees are our local sustainability specialists that work with the supplier management and around 89 per cent of our garments are purchased through our production offices. The production office employees work closely together with our suppliers to implement Lindex sustainability work and initiatives in production and they direct the Lindex orders towards the suppliers that offer the most sustainable production.

As our production is mostly located in countries classified as 'high risk' by BSCI (Business Social Compliance Initiative), being present in our production countries is of high importance for identifying risks and preventing violations of human rights, labour rights and Lindex environmental requirements. Our production offices perform announced and unannounced audits as well as offering training and support for our suppliers and factory owners in order to make necessary improvements. The Production Office Managers report sustainability issues to the Production Support Manager.

SUSTAINABILITY POLICIES AND REQUIREMENTS



HUMAN RIGHTS POLICY

We are committed to ensuring that human rights are respected in our operations, our supply chain and in the communities where we operate. Lindex do not tolerate or condone abuse of human rights within any part of our business or supply chain and we take seriously any allegations of human rights not being respected. We have a Lindex Human Rights policy that is based on several international human rights principles. Read more on how we work with human rights in production on page 32.



ENVIRONMENTAL REQUIREMENTS

Lindex environmental requirements focus on energy, climate impact, circularity as well as wet processes and set requirements regarding waste water treatment, handling of chemicals and waste treatment. Assessments and follow-ups in production are conducted by Lindex own sustainability experts based in our production offices. Read more on how we work with our environmental requirements in production on page 32.



ANTI-CORRUPTION POLICY

At Lindex we operate in an ethical manner, complying with international and national laws as well as regulations valid in our operating countries. We work to counteract all forms of corruption and bribery within Lindex. We have a Lindex Ethical Policy which is our foundation for counteracting all forms of corruption. It has been implemented in all operational countries and all suppliers are informed of it before entering into a collaboration. We are also committed to the Stockmann Group Anti-Corruption policy which is available at the Stockmann Group website.



COMPLAINTS AND WHISTLEBLOWING

Lindex employees are entitled to report any violations or suspected abuse of the Code

of Conduct or other corporate policies to their supervisor, their unit's security manager, the company management, the legal department or the Stockmann Group's Internal Audit Team.

In 2015, Stockmann introduced a group-wide whistleblowing reporting channel, which is provided by an external partner. The channel is a tool for the Stockmann Group's own employees, as well as for business partners and other stakeholders, to report suspected or detected violations of the Code of Conduct or other corporate policies. All whistleblowing reports and discussions are treated seriously and handled confidentially. All incidents are reported to the Director of Internal Audit and to the Director of Legal Affairs at Stockmann.



THE LIFECYCLE:

DESIGN

EVERYTHING STARTS IN THE DESIGN PHASE. CHOICES ARE MADE THAT AFFECT THE ENTIRE PROCESS. JENNY ANDSBERG IS A DESIGNER FOR OUR KIDS' WEAR. WE ASKED HER SOME QUESTIONS ABOUT DESIGNING FOR SUSTAINABILITY.

“THERE ARE SO MANY SMALL THINGS THAT CAN HAVE AN EFFECT AND MAKE A DIFFERENCE.”

IN YOUR EXPERIENCE, HOW CAN YOU AFFECT A GARMENT'S SUSTAINABILITY IN THE DESIGN PHASE?

I have every opportunity to influence the sustainability aspect of a garment, since everything starts with me as a designer. It is in the design phase that you choose the fit, material, colour, prints and trims. Working closely together with the buyer, we determine the whole production of the garment and the suppliers we use.

WHAT DO YOU NEED TO BE ABLE TO DESIGN FOR SUSTAINABILITY?

Knowledge, knowledge and more knowledge. There are so many small things that can have an effect and make a difference. A sustainable garment is produced with the least possible impact on people and the environment. It is designed for minimal washing in the use phase and with the garment's end of life in mind. It is also a garment that you can and want to use for a long time. So if I design reinforced knees on our jeans, they will last longer. Or if I make the hole for the armpit deeper, it will not be as tight, which makes the garment feel fresh and last longer for the customer. It is important to keep

all these little things in mind, and there is always much more to learn! Since a garment needs to be used for a long time to be truly sustainable, it is also very important that I know who my customer is. I need to choose a great fit that I know the customer will appreciate for a long time. And I think that the upcoming generations will demand sustainability in another way than we have seen before.

WHAT CHALLENGES ARE THERE IN DESIGNING FOR SUSTAINABILITY?

For me the challenge lies in finding the right balance in the choices we sometimes need to make. For example, it can be challenging to design for the end of life and recycling if a mixed material has a more suitable comfort for that particular garment, but will be more difficult to recycle. Another example would be choosing threads. More sustainable options are not always the best options since they are not as durable as the conventional ones. Then we need to choose the durability, because if the garment does not last then ultimately it cannot be sustainable. These kinds of things can be tricky but, at the same time, there are so many possibilities!



During 2017 we will launch an internal design tool with focus on sustainability.

A close-up photograph of cotton bolls on a branch. The cotton is bright white and fluffy, contrasting with the brown, dried husks. The background is a soft, out-of-focus blue sky. The text is overlaid on the left side of the image.

THE LIFECYCLE:

FIBRES &

RAW MATERIALS

THE PRODUCTION OF FIBRES AND RAW MATERIALS IS RESOURCE INTENSIVE AND CAN HAVE A SIGNIFICANT EFFECT ON PEOPLE AND THE ENVIRONMENT. TO MINIMISE THE IMPACT, WE ARE CONTINUOUSLY WORKING TOWARDS INCREASING OUR USE OF MORE SUSTAINABLE MATERIALS.

MORE SUSTAINABLE FIBRES & MATERIAL

We are committed to making 80 per cent of our garments from more sustainable fibres by 2020. In 2016 we reached 51 per cent. 90 per cent of our women's basic assortment and 100 per cent

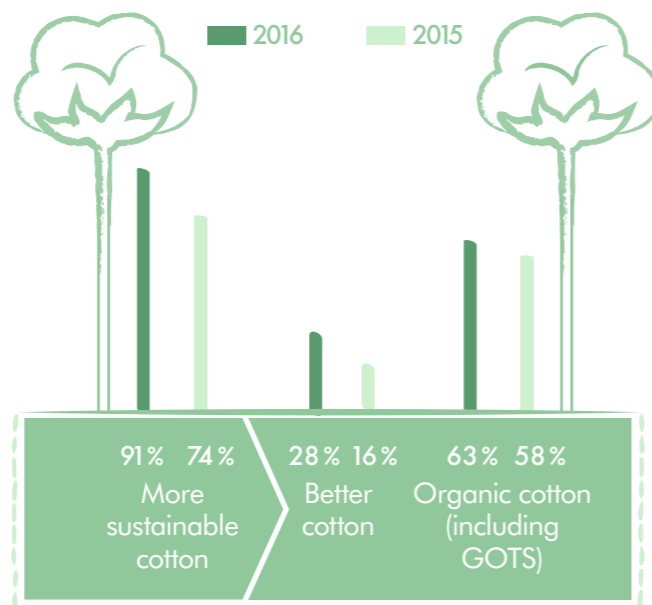
of our kids' basic assortment is made from more sustainable materials. 100 per cent of our newborn assortment is made from more sustainable materials.

COTTON



Cotton is Lindex most commonly used fibre and, in

2016, 49 per cent of our garments were made from cotton. Cotton is a resource-intensive crop and most of the world's cotton is still grown conventionally, which requires a lot of water, energy and chemicals. This affects the environment as well as the people who work with it. We want to contribute to a more sustainable cotton production by choosing more sustainable alternatives such as Better Cotton, organic cotton and recycled cotton. In 2016 our share of more sustainable cotton was 91 per cent, an increase from the 74 per cent we had in 2015.



BETTER COTTON

Better Cotton Initiative (BCI) is a non-profit organisation that aims to make global

cotton production better for the people who produce it, and for the environment. The initiative focuses on a worldwide transformation of conventionally grown cotton, which will have a major effect on our environment. Better Cotton is grown in a more sustainable way than conventional cotton. Better Cotton farmers are educated in how to treat the soil and use fertilizers and pesticides in a more sustainable way. Better Cotton farming is better for the environment as it uses less water and chemicals. It is also better for the farmer, who is subject to less chemical exposure and saves money by spending less on chemical fertilizers and pesticides. Lindex has been part of BCI since 2010 in order to contribute to improving conventionally grown cotton. Through the Better Cotton Initiative, Lindex has supported the education of 5100 farmers in growing cotton in a more sustainable way.

During 2016 we started labelling our Better Cotton garments. In 2016, 28 per cent of our cotton came from the Better Cotton Initiative, which is an increase to the 16 per cent we had in 2015.

ORGANIC COTTON

Organic cotton is grown with consideration for the people who produce it and for the environment. The production of organic cotton has a lower negative impact on the environment because it sustains soil health and uses natural processes rather than artificial inputs, which is beneficial to both people and ecosystems. No genetically modified crops or toxic chemicals such as chemical pesticides and fertilizers are used in the cultivation of organic cotton. Organic cotton requires less water, less energy and improves the health of cotton farmers and their families as they are not exposed to toxic chemicals.

Many of our organic cotton garments are certified according to the Global Organic Textile Standard (GOTS), a standard that certifies the organic

status of textiles. This standard includes social and environmental requirements for all stages of production, from fibre to finished product.



Lindex is one of the top ten users of organic cotton worldwide. In 2016, 63 per cent of our cotton was organic, including 28 per cent organic cotton in GOTS-certified garments. This is an increase from the 58 per cent we had in 2015. All organic cotton purchased by Lindex is certified according to Textile Exchange Organic Content Standard.

In 2016 we conducted a pilot with the Chetna Coalition. This organisation works with small cotton farmers to improve their livelihood and support them in making their cotton farming a sustainable and profitable occupation. By purchasing organic cotton through Chetna, we were able to work directly with the coalition that represents the farmers. With fewer middlemen we get better insight in the cotton supply chain; we get closer to the cotton farmers and can better understand their challenges.

FEMALE COTTON FARMERS

Women play a big role in keeping our business moving, and we are committed to improving the lives of women in our supply chain. Women play a key role in global cotton production. In India, the world's second largest producer of cotton, women account for the majority of planting and hand-picking and yet have few opportunities to improve their livelihoods.



During 2016 we worked together with CottonConnect on a project for female cotton farmers in Maharashtra, India. In this project the female cotton farmers are educated in cultivating cotton in a more sustainable way according to the Better Cotton principles. So far we have reached almost 1600 female cotton farmers. Supporting female cotton farmers not only helps to strengthen women and improve their income, but also contributes to more sustainable cotton production.

MAN-MADE CELLULOSIC FIBRES



Man-made cellulosic fibres such as viscose are made from cellulose, produced

from wood, for example. In 2016 about 5.5 per cent of our garments were made from viscose. Viscose is a material that can have a negative environmental impact in both the sourcing of wood pulp and the production process which requires a vast amount of chemicals. Since 2015 we have had a policy for man-made cellulosic fibres such as viscose and lyocell. This commitment is in line with, and builds on, the work of non-profit organisation Canopy, who collaborates with brands and retailers to ensure that, by 2017, their supply chains are

no longer affecting ancient and endangered forests. This is part of the CanopyStyle Initiative.

As a more sustainable option to viscose we use lyocell. In 2016 approximately 3.5 per cent of our garments were made from lyocell. Lyocell is a natural fibre made from the pulp of fast-growing trees such as the eucalyptus tree. The production of the lyocell fibre has a reduced environmental impact since it consumes less water, energy and chemicals. The wood pulp is processed with non-toxic organic chemicals in a closed loop that reuses 99.5 per cent of all process chemicals. We use two types of lyocell; Birla Excel© and Tencel©.

Our goal is for 100 per cent of our cotton to come from more sustainable sources by 2020. In 2016 we reached 91 per cent.



RE-USED AND RECYCLED FIBRES



Access to textile fibres is and will remain a challenge for the fashion industry.

Lindex cooperates with partners and suppliers to find new ways of reusing and recycling fibres to be more resource efficient. Today at Lindex we use recycled cotton, polyester and polyamide.

Recycled cotton is either leftover material from production or used textiles that have been given new life by being torn, re-spun and knitted or woven into new material. Recycled polyester is recycled from used materials and the most common source is old PET bottles. Recycled polyamide is recycled from waste and the most common source of raw material is waste from the manufacturing industry.

All recycled material purchased by Lindex is certified according to Textile Exchange Global Recycling Standard, Textile Exchange Recycled Claim Standard or SCS Recycled Content Standard. Using recycled material saves virgin raw material and therefore requires less chemicals, water and energy in production. In order to retain the quality, recycled material must sometimes be blended with virgin or other materials.

In spring 2016 we introduced our very first upcycled item and in October 2016 we launched our new 'Even Better Denim styles' containing post-consumer recycled cotton. Read more about this on page 42.

FINDING NEW WAYS TO PRODUCE TEXTILE FIBRES



The need for textile fibres is constantly growing. The production of petroleum-based textile fibres and cotton fibres has already peaked and impacts the environment in various ways. Apart from using and creating demand for the more sustainable fibre options available on the market, we are also engaged in development projects that work to find new and resource-efficient ways to produce textile fibres.

Lindex is participating in the Bioinnovation research initiative on the production of textile fibres from wood, raw materials or recycled bio-based textiles. The initiative is financed by VINNOVA, the Swedish Energy Agency, and Formas, as well as stakeholders from the industry, academia, institutes and public sector organisations.

Since 2016 we have been using post-consumer recycled materials in some of our products. In order to increase and mainstream the use of post-consumer recycled cellulosic fibres to a greater extent than is currently possible, we are exploring possibilities for the future use of chemically recycled cellulosic materials. In collaboration with Smart Textiles and with technique patented by re:newcell, we have developed a prototype t-shirt made of post-consumer chemically recycled cotton and raw material from Swedish forests.



Prototype t-shirt made of post-consumer chemically recycled cotton and raw material from Swedish forests.

ANIMAL FIBRES AND LEATHER



In 2016 approximately 1 per cent of Lindex garments were made of animal fibres, including wool and leather. All of our suppliers are required to follow Lindex Animal Welfare Policy, which states that animal rights shall be respected in all stages of producing our garments. Lindex is part of the Swedish Trade Federation network on animal welfare that advocates for animal rights in the fashion industry.

WOOL

In accordance with our Animal Welfare policy, we do not tolerate the use of wool that has been plucked or shaved from live animals in such a way that it causes the animal harm or suffering. In 2013 we banned the use of angora wool in our products as we could

not guarantee that the production of angora wool was in compliance with our Animal Welfare Policy.

LEATHER

Leather used in Lindex products must only originate from animals that are bred for the food industry. Since 2012 most Lindex leather belts have been produced in Sweden using leather originating from the EU. The leather in our belts is vegetable-tanned in Italy, which means that no chrome is used in the tanning process.

FUR

At Lindex we do not use genuine fur, we are a Fur Free Alliance listed retailer.



TRACEABILITY CHALLENGES



Supply chains in the textile industry are complex and traceability is one of our biggest challenges. Today we use organic cotton and recycled fibres, which are certified by externally approved traceability systems.

Some of the largest countries in cotton production are China, India, USA and Pakistan. There is however a challenge regarding the traceability of conventionally grown cotton, because the cotton is often mixed at the trading point and there is no established method to trace its exact origin in a reliable way on a large scale.

Our Better Cotton garments are labelled with the Better Cotton logo, which indicates that the

garment is within the Better Cotton system. Today Better Cotton is not traceable and it is not possible to define the exact percentage of Better Cotton that a garment contains, since the system allows Better Cotton to be mixed with conventionally grown cotton. However, buying a Better Cotton garment supports the initiative and its long-term commitment to worldwide transformation.

Through our CanopyStyle commitment we are able to improve the traceability of our man-made cellulosic raw material, as it gives us more insight into where the tree pulp is sourced and which suppliers we should use to ensure responsible sourcing.

A woman with dark hair styled in a bun, wearing a purple sari with a yellow border and gold jewelry, is focused on operating a sewing machine in a factory setting. The background shows other workers and industrial equipment under bright lights.

THE LIFECYCLE: *PRODUCTION*

THE PRODUCTION OF OUR GARMENTS STAND FOR A MAJOR PART OF OUR IMPACT ON PEOPLE AND THE ENVIRONMENT. TOGETHER WITH PARTNERS AND OUR SUPPLIERS WE WORK TOWARDS A MORE SUSTAINABLE PRODUCTION.

LONG-TERM SUPPLIER PARTNERSHIPS



We do not own any factories, instead we cooperate with independent suppliers. In

2016 we worked with about 153 suppliers, who worked with 258 factories. To increase progress in our supply chain and to work more closely with our suppliers, in recent years we have heavily consolidated our supply chain and today we work with fewer suppliers in long-term partnerships. This has been a crucial part of our sustainability work as it has brought us closer to our suppliers and enabled us to commit to one another in terms of support, investment and long-term improvement projects. Today 40 of our suppliers stand for 80 per cent of our production. To accelerate the

development of sustainability in production, we have created a score card that enhances the business incentive for developing sustainability. With the sustainability score card, we score our suppliers on their sustainability performance on a scale of 1–5, with 5 being the highest. It is built on six criteria which reflect the suppliers' environmental and social performance as well as their level of transparency. The sustainability score is added to the business score card, which is our supplier management tool. Our goal for 80 per cent of our garments to be made in more sustainable production units by 2020 means that they will be scored as at least '4 – Best Industry Practice' in the score card.



COMPLIANCE WITH POLICIES AND REQUIREMENTS



To ensure that our production is in compliance with

our Human Rights Policy and environmental requirements, our Code of Conduct is an important tool. Lindex has had a code of conduct since 1997 and since 2005 we have been a member of the Business Social Compliance Initiative (BSCI), and we use the BSCI Code of Conduct. BSCI is a business-driven initiative for companies committed to improving working conditions in factories worldwide. The BSCI code of conduct sets requirements for freedom of association and collective bargaining, fair remuneration, decent working hours, occupational health and safety, special protection for young workers, protection of the environment and ethical business behavior, and prohibits discrimination, child labor, bonded labor and precarious employment. The BSCI Code of Conduct is essential to our procurement process and all suppliers are required

to follow the BSCI Code of Conduct. A significant share of our products is however manufactured in areas classified as 'high risk' countries by BSCI. We are aware that there is a risk of violation of the Code of Conduct and therefore we work actively to ensure compliance. Our presence in our production countries through our production offices is crucial to this work. Using mitigation processes and observing due diligence, we work 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 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 and the victim has been compensated.

In China, Lindex also has a close engagement with IPE to monitor suppliers' environmental status and ensure their legal compliance.

FACTORY AUDITS



To ensure compliance with the Code of Conduct we conduct with regular factory

audits, among other measures. We have internal audits performed by our production offices as well as third party BSCI audits performed by internationally accredited independent auditors. Our audits are performed both announced and unannounced.

Before we start working with a new supplier or factory we perform a due diligence process whereby all BSCI Code of Conduct aspects are controlled to make sure that the supplier follows our requirements. We also look at other factors in the due diligence process, such as the ability to deliver, supplier know-how and the overall fit with our needs.

All factories are audited before they receive their first Lindex order. Factory audits have a number of set elements: meeting with factory management, review of documentation, visual inspection of the factory premises, interviews with the factory workers, and a concluding meeting with factory management.

In accordance with Lindex commitment to the Accord on Fire and Building Safety in Bangladesh, we are also having our factories in Bangladesh audited for fire safety as well as electrical and structural issues. These inspections also include calculations on the load-bearing capacity of the building. Read more about our commitment to the Accord on page 35.

During 2016 a total of 190 audits were performed, both internal and third party BSCI audits. 12 per cent of the factories were scored as 'outstanding' or 'good', 48 per cent were scored as 'acceptable' and 40 per cent were scored as 'insufficient'. No factories were scored as 'unacceptable'. The findings from the audits were mainly issues within occupational health & safety, working hours, remuneration and social management systems.

During 2016 a total of 253 Accord inspections were conducted and 71 per cent of the issues found in factories producing for Lindex were remediated.

After each audit, whether it is a BSCI audit, internal audit or an Accord inspection, an audit report with a CAP (corrective action plan) is put together. Each task on the CAP is given a deadline and the progress is followed up.

SELF-ASSESSMENT

In recent years our relationship with our suppliers



has developed. Parallel to our regular compliance work we are developing self-assessment to move the responsibility for being legally compliant and following our requirements to our suppliers. This shift is aimed at developing the skills of suppliers to a point where they are motivated to improve conditions without constant external pressure. This type of self-reliance is part of our definition of a more sustainable supplier and a self-reliant supplier will score higher in our sustainable score card. Commitment from our suppliers is crucial in reaching our goal of making 80 per cent of our garments from more sustainable sources.

During 2016 we rolled out a self-assessment program for social compliance with our core suppliers. Through self-assessment, the suppliers are trained to audit themselves and report to us. It is not only a program that builds on a high level of trust and transparency, but also a program with many challenges. Self-audits require a higher level of knowledge within social compliance as well as HR and need to be performed by someone in the factory who has a mandate. The fact that many suppliers lack a proper HR or sustainability department with a proper mandate is therefore a big challenge today.

To support our suppliers in Myanmar, during 2016 we collaborated with SMART. SMART is a four-year project (2016–2019) funded by the European Union. The project provides local sustainability experts that train and support management functions in factories for addressing international standards, ensuring improved working conditions and efficiency on a long-term basis.

SUSTAINABILITY FOCUS AREAS IN PRODUCTION

In order to work towards improving sustainability in the fashion industry and responsible production,

we have identified some areas that are essential in our sustainability work in production.



TRANSPARENCY

Transparency is a major challenge for us and the entire industry, since the supply chains are complex. Transparency is a challenge that affects our entire sustainability work in general and our focus areas in particular.

SUPPLY CHAIN TRANSPARENCY

Even though we have come a long way, transparency in the supply chain is a big challenge in ensuring sustainable production. Besides the fact that we have started working with tier 2 in water and chemical projects, the actions we perform today are mainly in tier 1 as that is where we have managed to develop transparency over the years. Our work over the coming years will focus on developing transparency past tier 1 in the supply chain.

An area of risk connected to supply chain transparency is unauthorised subcontracting, since that enables production that does not necessarily adhere to the requirements laid out by the Code of Conduct. Suppliers using unauthorised subcontracting complicate the process of ensuring that our production is carried out in line with the Code of Conduct. Based on our risk analysis, we have banned the use of unauthorised sub-contractors altogether and there is zero tolerance on violations.

SUPPLIER TRANSPARENCY

The other part of the transparency challenge is supplier transparency. Since we do not own any factories, we have to rely on information from our suppliers. To achieve supplier transparency we need to develop relationships and mutual trust so our suppliers can be open about their challenges and we can work together to make a difference. We believe that our presence in production countries enables close dialogue and, through the consolidation of our supply chain, we are developing long-term partnerships which also help to increase transparency.

One aspect of supplier transparency that we consider a risk is documentation. Proper documentation is a requirement of the Code of Conduct, but shortcomings regarding employee identification and wage lists, for example, are a common problem in the textile industry. Lack of proper documentation complicates the process of ensuring compliance with the Code of Conduct within areas such as wages and overtime. We are working to make suppliers aware of the importance of good documentation through seminars and workshops, and by providing training for responsible persons at the factories. If the documentation is insufficient, the supplier is considered to be non-compliant with our requirements.

WORKING CONDITIONS



Good working conditions should be a given, but this is a challenging

area in the textile industry with a risk of violation of the BSCI Code of Conduct. We have identified three significant aspects of this area, namely wages and compensation, working hours and safe working environments.

WAGES AND COMPENSATION

In compliance with BSCI Code of Conduct and local law, our suppliers are required to pay at least the country's statutory minimum wage to their employees. However, minimum wage is often at a level that only provides a small income and does not cover the workers' basic needs. It is also a common problem that incorrect wages are paid by suppliers. At Lindex we recognise the wage issue and participate in networks that aim to create a shift in the industry.

In Bangladesh, together with other companies we have taken part in appeals to the Bangladeshi government concerning labour unrest, of which raising the statutory minimum wage is one important aspect. Together with Solidaridad and the Fair Wage Network, we are working with factories in China to improve wage practices and pay systems to work towards fair wages. We are implementing and testing the Fair Wage Methodology in these factories and provide guidance and training on how to integrate key dimensions into their HR systems. The project also focuses on our own buying practices and what impact we have on the workers' conditions when it comes to overtime and wages.

Together with our suppliers, we are also working on providing access to non-monetary compensations such as childcare, food subsidies, transport, as well as education and training.

WORKING HOURS

Overtime that exceeds the limits set out in the BSCI Code of Conduct is a widespread problem in most of our production countries. It is a challenging area to address since there are many different reasons as to why excessive overtime occurs and it is often a structural issue.

The lead time in Lindex production contributes to the risk of excessive overtime. We work together with our suppliers to develop our internal routines and buying practices and find solutions that can decrease the risk. A production capacity



assessment is always conducted prior to placing orders. We work continuously to maintain the awareness internally of how we can avoid contributing to the risk of excessive overtime.

We also have a number of overtime projects where we work together with our supplier to understand what causes overtime and how routines can be improved to reduce the number of overtime hours. The approach differs depending on each factory's needs but it often comes down to making sure that their own supplier for zippers, fabric, etc. deliver to them on time. Also, workflows can be made more efficient through re-organisation.

SAFE WORKING ENVIRONMENT

A safe working environment is essential to responsibly managed production. BSCI Code of Conduct inspections include safety checks of the nearby working environment such as sewing machines and electrical cabinets. However, they do not include safety aspects such as the factory building, its load-bearing capacity and electrical wiring. Since 2013 Lindex and the Stockmann Group have been part of The Accord on Fire and Building Safety in Bangladesh. This agreement was initiated by the two global unions IndustryAll



We do not condone child labour at any of our suppliers or production units that produce goods for us. For many years we have worked to counteract the occurrence of child labour in our production, and we consider it a very serious matter if this should arise. In order to determine if minors are working in the factories, Lindex own inspectors check the employees' documentation.

Global and UNI Global Union and aims to develop safe working conditions for textile industry workers in Bangladesh. By signing the Accord on Fire and Building Safety in Bangladesh, Lindex are committed to having all of the factories in Bangladesh that produce garments for us audited on the basis of three different inspections: fire safety, electrical and structural issues. Since the start, more than 1600 inspections have been performed in Bangladesh within the Accord. 253 inspections were conducted

during 2016 and 71 per cent of the issues found in factories that produce for Lindex were remediated. The agreement is intended to be active until 2018.

In 2016 Lindex implemented basic safety training in factories in Myanmar, held by our local employees. The training included areas such as keeping exits clear, wearing safety equipment, evacuating when there is smoke and fire, keeping the working area clean, and so on.

WORKERS' *EMPOWERMENT*



The social sustainability aspects of production have several challenging areas and the compliance work is crucial to achieving an acceptable base level. In addition to ensuring compliance, we want to go beyond the requirements to actually have a positive impact. We believe this starts with workers' empowerment.

HEALTH AND WELLBEING

One important aspect of workers' empowerment is to support their health and wellbeing, an area where we see great opportunities for Lindex to have a positive impact. The majority of textile workers are women and since 2012 we have been working together with HERproject. HERproject is a factory-based training program initiated by BSR (Business for Social Responsibility) focusing on improving the situation for female textile workers.

HERproject is based on peer education and training in which the participating workers become 'peer

educators' who share their knowledge with other workers at the factories. HERproject reaches many people at once, as the workers share their knowledge with their families, friends and neighbours. We work with two types of programs within the project: HERhealth and HERfinance.

HERhealth provides health education and training for female textile workers to increase their awareness and access to health services. The participants choose which topic they need training on such as health, safety, hygiene, safe motherhood, food and nutrition, or diseases. Since Lindex started working with HERhealth, we have reached about 13,000 women in Bangladesh, India and Pakistan with health education and training.

In 2014 we extended the HERhealth program at one of our Indian suppliers to also include men. We saw very positive results from this project as it developed the communication between men and women on sensitive issues. During 2016 we continued with another project in India that included both men and women.

HERfinance provides textile workers with financial education on topics such as financial planning and budgeting as well as saving and borrowing responsibly. This program reaches both men and women, but has a particular impact on women's financial situation since women often lack access to and control over the household finances. In 2015 Wage Digitization was added to the program, which educates both workers and management in the digitisation of payroll services and connects workers with financial services. The digitisation of payments means that workers can have their salaries transferred to their mobile phones, which can also be used to make payments. Transitioning from cash-based payrolls to digital payrolls has many benefits such as increased security, resource efficiency and increased factory productivity. The addition Wage Digitization is a pilot that was initiated in 2015



Photo: BSR

through a partnership between BSR and the Bill and Melinda Gates Foundation. Since Lindex started working with HERfinance Wage Digitization, we have reached about 11,000 workers in Bangladesh.

Working with HERproject has improved workers' wellbeing in regards to health and financial strength. There is also a commercial value to HERproject since the quality and efficiency of the factories increases when the workers feel better. This commercial value gives an incentive to factory owners to participate in the projects. Working with HERproject has improved relationships between workers and factory management, as the workers have increased confidence in the management and the management view the workers more as individuals.

TRAINING AND EDUCATION

For workers to be able to drive improvement for themselves, it is crucial that they have the knowledge needed. There is often a lack of awareness among workers as well as a lack of tools for maintaining knowledge and platforms for dialogue. This is an area where we see an opportunity for us to have a positive impact.

Since 2015 we have worked with QuizRR, a digital training tool for educating factory workers on rights, responsibilities and safe workplaces. The tool is developed by QuizRR in close collaboration with Lindex and several other Swedish brands. The digital tool covers four areas: Workplace Policies, Health and Safety, Fire and Building Safety and Workplace Dialogue. The content is based on international conventions, codes of conduct from global companies and industry associations, as well as local legal requirements and regulations.

In 2015, Lindex participated in the QuizRR pilot in China. During 2016 we have continued with five factories in China that produce for Lindex. Since its introduction, we have reached about 1400 workers with education on rights, responsibilities and safe workplaces.

RIGHT TO ORGANISE

The right to join a trade union and to engage in collective bargaining is a basic right and a precondition for workers' empowerment. In many of our production countries the trade unions are weak, with underlying causes that are complex and often multifaceted. Establishing trade unions and engaging in collective bargaining is ultimately the workers' responsibility and right. However, Lindex acknowledge the issues and we put pressure on the supplier to ensure that the workers' right to organise is not violated.

We monitor that workers are able to join trade unions if they wish and that there are no repercussions if they do. Factory employees are informed of their rights through the BSCI information displayed in the workplace. We encourage factory managers to take part in BSCI training related to the freedom of association and collective bargaining.

In many of the factories that we use, there are workers' committees that give the employees the opportunity to engage in dialogue with the factory management. We work to ensure that these committees are run according to the law and check that the members have been elected by the workers. These committees are not equivalent to a functioning trade union and are not seen as a replacement.



Photo: BSR

PRODUCTION PROCESSES



In our production there are several processes, such as washing, printing, dyeing and finishing, that require a lot of water, energy and chemicals. Reducing the consumption of resources in production processes can have a major effect on the total environmental impact of a garment. Our environmental requirements state that all Lindex suppliers must be legally compliant from an environmental perspective. With our requirements we aim to raise awareness on environmental issues within our supply chain and to improve processes in order to minimise any negative environmental effects. However, being legally compliant is not enough for us to create a positive impact. This is why we, together with our suppliers, are working towards having our garments manufactured in best industry practices with more sustainable processes. A more sustainable process is one that saves water and energy in comparison with the conventional method. It also saves chemicals and/or uses better chemical techniques with less environmental impact. Today 22 per cent of our garments have been touched by a more sustainable process, including GOTS. Our most significant progress with more sustainable processes has been made with our denim assortment. Read more about our denim at page 42.

WATER

The water issue is important to Lindex and part of our long-term sustainability commitment. Textile production consumes large quantities of water which makes responsible water management an

essential part of sustainable production. Access to clean water is a precondition for human life and our ambition is that our business should not compete or compromise access to clean water in the local communities where we operate. Even though cultivation of cotton and washing by the consumer requires a lot of water, our production processes stand for the largest water impact of our products.

Through long-term co-operation projects within the industry, we work to minimise the water impact of our production. For many years we have been involved in sustainability projects to reduce water consumption in the textile production. The projects extend beyond legal requirements and these kinds of actions are necessary if we are to have a positive impact together with our suppliers. Projects such as PaCT and STWI are part of our goal for 80 per cent of our garments to be made with more sustainable processes and in more sustainable production units by 2020. In 2016, 25 per cent of all our garments were made by production units, in tier 1 or 2, that have participated in STWI or PaCT projects.

Since it began in 2013, we have been part of The Partnership for Cleaner Textile (PaCT). PaCT is a collaborative partnership between eight international fashion companies that aims primarily to reduce groundwater consumption and surface water pollution associated with textile wet processing in Bangladesh. The aim of the PaCT program is to raise awareness about cleaner production methods and increase resource efficiency in textile production. In total, 13 of Lindex suppliers in Bangladesh have

participated in the program and completed the first step of Cleaner Production. These 13 suppliers represent 80 per cent of Lindex production capacity in Bangladesh and 100 per cent of our Bangladesh suppliers who have in-house wet process operations. All participating factories have implemented at least four recommended water and energy-saving measures from the program. All our core suppliers with in-house wet process operations in Bangladesh have agreed to participate in the next level of resource efficiency measures, which will cover almost 65 per cent of Lindex total capacity in Bangladesh. The factories will complete at least two recommended measures by the end of 2017.

Lindex is one of the founders of and an active participant in STWI, a partnership project for textile and leather retail companies in Sweden, Stockholm International Water Institute (SIWI) and SIDA. The STWI network was started in 2010, the SWAR pilot was conducted in India in 2014 and in 2015 the pilot was scaled up to become the STWI projects. The project aims to develop water management in production. The goal is not only to reduce the water consumption but also to raise awareness, build capacity and educate our suppliers on how to become more sustainable in the long term. In 2016 we participated with nine of our production units in Bangladesh, China and Turkey. The resulting reduction in water consumption is equivalent to the amount of water needed daily to sustain 13 million people.

CHEMICALS

Chemicals are used in processes such as dyeing, printing and washing. We actively work to limit the use of harmful chemicals in production for the sake of the environment, workers' health and our customers' health and safety. We participate in different networks that share information and knowledge about chemical risks in order to reduce the negative effects of using chemicals in production and to find substitutes for harmful and undesirable chemicals. For example, we are members of the Swedish Chemicals Group and participate in the industry dialogue with Keml.

In 2015 we started working with international chemical suppliers who are Bluesign® system partners to promote Bluesign® approved chemicals among our supply chain partners. Bluesign is an organisation that certifies chemicals for more environmentally friendly and safe production. From the start we achieved encouraging results and received positive feedback from our suppliers. We set goals for each production office to drive the use of Bluesign® approved chemicals in our supply chain. In 2016, a total




of 2.2 million pieces sourced from Bangladesh were made with Bluesign® approved chemicals.

In 2016 we started using Avitera, a dye produced by Huntsman, in the dyeing of selected basic garments in our kids' wear assortment. Using Avitera cut down water consumption in the dyeing process by 30 per cent and also reduced the consumption of chemicals and energy.

During 2016 we started dyeing our denim with DyStar Indigo Vat 40% Solution and, by the end of the year, 90 per cent of our denim assortment was being dyed with this solution. Using DyStar Indigo Vat 40% Solution is better for the people working in the factory as well as for the environment. The dyeing process has a lower environmental impact, saving water, energy and chemicals. The indigo dye is liquid which eliminates all dust in production. The process occurs in a closed system, which significantly reduces the factory workers contact with chemicals.

All of our suppliers undertake by written agreement to follow Lindex 'Limitation of Chemicals' list, which lists chemicals that are not permitted in our production or finished products because they present health or environmental hazards. Chemicals that are banned for the production of our garments, and in the finished garments, include PVC, phthalates, PFAS and APEO. The 'Limitation of Chemicals' list is available at lindex.com. During 2017 we will complement our list with a 'Manufacturing Restricted Substances List' (MRSL).

Chemical tests are carried out at our request on a regular basis by independent laboratories. Comprehensive risk and safety assessments are made on every product and regular testing is carried out. We cancel orders if a product tests negatively. No products rejected during the chemical test phase are available for sale.

 Our goal is for 80 per cent of our garments to be made with more sustainable processes by 2020. In 2016 we reached 22 per cent.



A woman with curly brown hair, wearing a light blue long-sleeved shirt and blue jeans, is looking at a rack of denim jeans. She is holding a pair of light blue jeans. The rack is made of a wooden bar with black hangers. The background is a light-colored wall with a cactus on the left.

CASE:

BETTER DENIM

PRODUCING DENIM IS ONE OF THE MOST RESOURCE INTENSIVE TEXTILE PROCESSES DUE TO INTENSIVE WASHING. IN RECENT YEARS WE HAVE BEEN ON A JOURNEY TOWARDS PRODUCING MORE SUSTAINABLE DENIM. WITH SIGNIFICANT PROGRESS IN MATERIAL AND TRIMS AS WELL AS PROCESSES, OUR DENIM ASSORTMENT IS AT THE FOREFRONT OF OUR SUSTAINABILITY WORK.

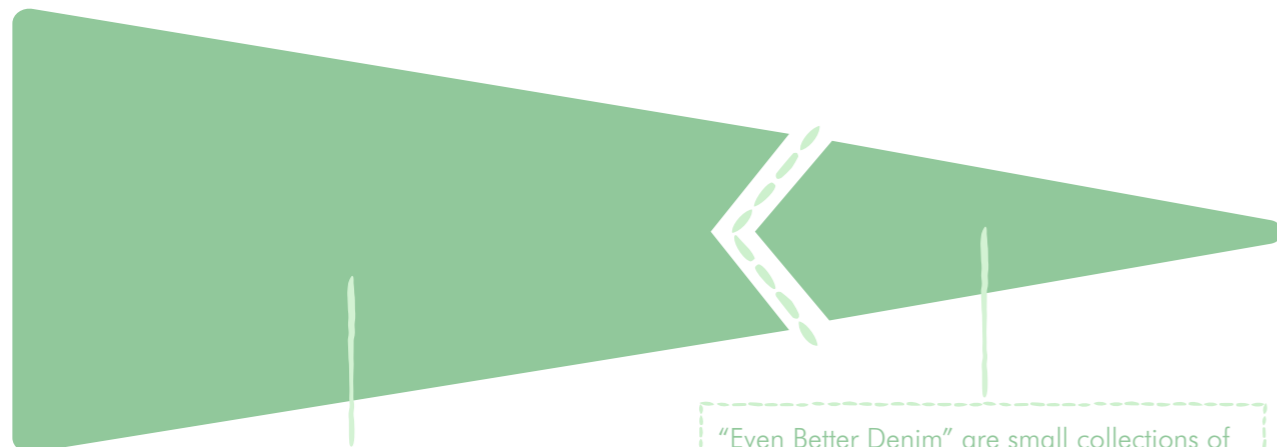
OUR DENIM JOURNEY



Our denim journey began in 2014 when, together

with our suppliers, we started out by screening our denim production to grade the environmental impact of our denim styles. The screening process was supported with expertise from Spanish denim consultants Jeanologia and Environmental Impact Measuring (EIM) software. Using the EIM

Software, production is scored as low, medium or high in terms of environmental impact and the tool helps producers control water, energy and chemical consumption in production. Once we had screened our denim production, we started tweaking every part of our process to make it more sustainable. Washing methods were optimised, some actions such as extra rinses were dropped and other washes were combined.



"Better Denim" is our entire denim assortment that is made from more sustainable material and with more sustainable processes.

"Even Better Denim" are small collections of styles where we explore innovations and solutions to develop even more sustainable denim with the ambition to implement the improvements in our entire denim assortment.

BETTER DENIM

WASHING

100 per cent of our denim is produced with low impact washes using up to 45 per cent less water, 27 per cent less energy as well as less and better chemicals than conventional methods.

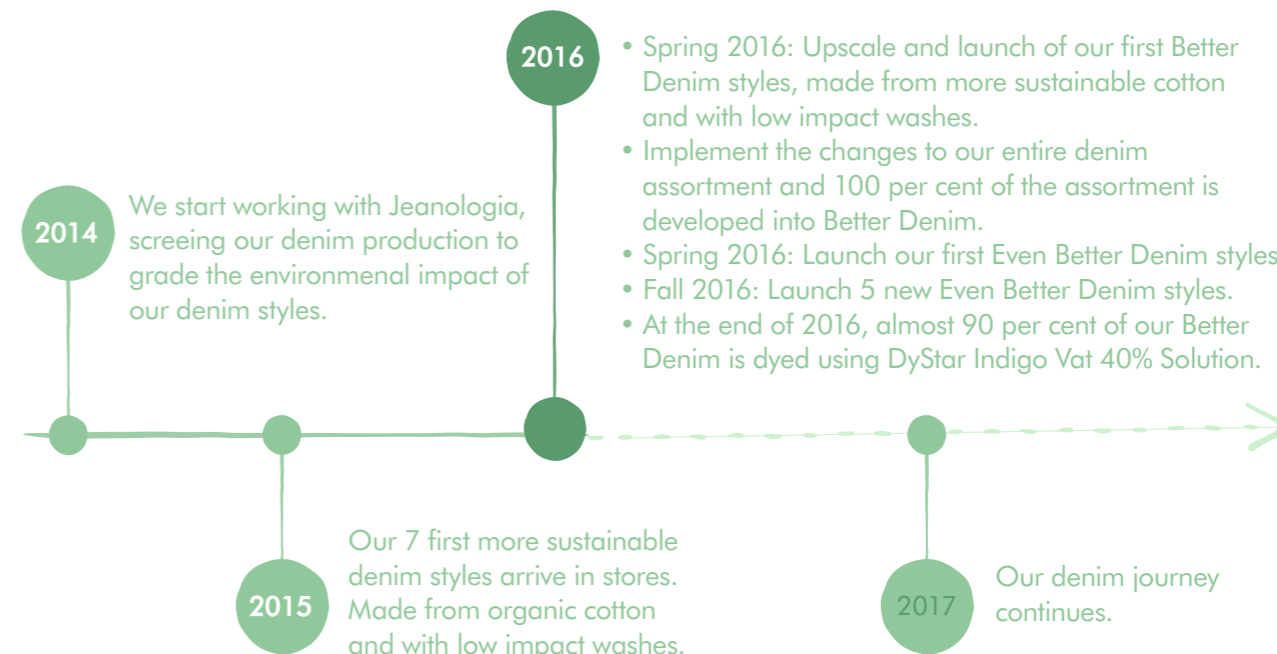
MATERIAL

100 per cent of the cotton in our denim comes from more sustainable sources; Better Cotton, organic or recycled cotton.



DYEING

Almost 90 per cent of our denim is dyed with the cleanest liquid indigo dye on the market today, DyStar Indigo Vat 40% Solution. Using this indigo dye is better for the people working in the factory as well as for the environment. The dyeing process has a lower environmental impact saving water, energy and chemicals. The process occurs in a closed system which significantly reduces the factory workers contact with chemicals and the indigo dye is liquid which eliminates all dust in production.



EVEN BETTER DENIM

In spring 2016 we launched our first Even Better Denim styles. The styles contained organic cotton, was made with low impact washes and had more sustainable trims.

In October 2016 we launched five new Even Better Denim styles containing post-consumer recycled

cotton sourced through the production flow by our suppliers. By using post-consumer recycled cotton, old garments that would normally have gone to waste were able to become part of new garments. The Even Better Denim styles were made with low impact washes, had sustainable trims and were dyed with DyStar Indigo Vat 40% Solution.

FROM AN OLD PAIR OF JEANS TO A NEW PAIR OF SHOES

In spring 2016 we introduced our very first upcycled item – a sneaker made from re-used denim fabric collected by Myrorna, partially from Lindex Reuse and Recycling initiative in Swedish stores. The denim sneaker was made in collaboration with the Swedish second hand store Myrorna and Fair Unlimited. Not only was the denim fabric re-used, but all parts of the sneakers were sustainable.

- The preparation of the jeans, which is the process where the legs of the jeans are cut off, was done by Sigtuna Hantverkshus, a social business centre for women.
- The lining and inner sock were made from Fairtrade-certified organic cotton.
- The soles were made from 100 per cent natural rubber sourced from responsibly managed forests.
- The rubber was also fairly traded; a premium was paid on each kilo of rubber purchased which paid for welfare schemes that benefit rubber tappers and their families.
- The factory in Pakistan where the shoes were finally put together also got the Fair Trade premiums that went to projects which benefits employees and their families.





THE LIFECYCLE:
TRANSPORTATION

TRANSPORT OF GOODS AFFECTS THE ENVIRONMENT AND WE WORK WITHIN SEVERAL AREAS TO MINIMISE THE IMPACT ASSOCIATED WITH TRANSPORT OF LINEX PRODUCTS.



CHOOSING MORE SUSTAINABLE TRANSPORT

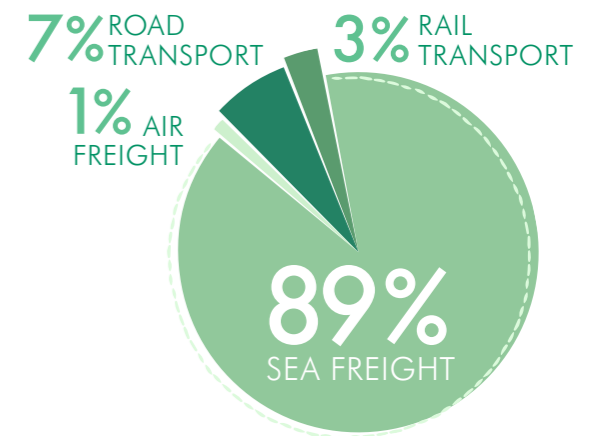


Transporting goods by air freight has a major negative impact on the environment. We therefore only use it in exceptional cases and our goal is to always keep our use of air freight below 4 per cent. In 2016 only 1 per cent of our goods were transported by air freight.

Sea freight is a more sustainable option than air freight because it has less negative impact on the environment. Sea freight stands for a major part of the transportation of goods from our production countries to distribution. In 2016, 89 per cent of Lindex goods were transported by sea freight.

We always try to maximise the share of sea freight as it is the most environmentally friendly option for transport. However, sometimes there is a need for faster delivery. In order to meet the need for

occasional fast deliveries in a more environment friendly and cost-efficient way, we use rail transport from Italy as well as intermodal transport including rail from Turkey. In 2015 we also introduced rail transport from China to our Distribution centre in Sweden. Our calculations show that shipping by rail instead of by air freight saves approximately 28 tonnes of CO₂ per container. In 2016, 3 per cent of our goods were transported by rail. Our goal is to increase our share of rail transport.



CLEAN SHIPPING



Lindex has been part of the Clean Shipping Network since 2008, a network where global actors in sea freight procurement come together with the shared goal of minimising the negative environmental impact of shipping.

As a member of the network, Lindex uses the Clean Shipping Index, a tool that registers different shipping companies and their environmental impact. The index provides environmental ranking for ships and entire carriers based on their performance in five different areas:

- Carbon dioxide emissions
- Nitrous oxide
- Sulphur dioxide and particulates
- Chemical products and fuel
- Water and waste control

The Clean Shipping Index supports our decision-making in the buying of sea freight. By being a part of this network we can act to minimise the negative environmental impact related to our products. In Lindex shipment procurement we require that 80 per cent of the ships are Clean Shipping registered.

EFFECTIVE TRANSPORT



We are working to optimise the efficiency of our transport in several ways, not only for the financial benefits, but also to decrease our impact on the environment. We strive to distribute our products in the best way possible and our efforts result in a low level of redeployment of products between our stores.

For us it is essential to use space as efficiently as possible. We aim to fully load the containers in shipments from production to our distribution centers as well as for transport from our distribution

centers to stores. At the distribution centres, filling up the boxes to the last centimetre is kept top of mind. The boxes have been designed so that two shipping pallets can be stacked on top of one another and fit perfectly into the trucks. We regularly measure and follow up on the loading efficiency in containers and filling degree in the boxes.

In the procurement of transport to stores we prioritise suppliers who work with similar clients. This enables combined transport for us and other brands that operate in the same mall or shopping area.

ROAD TRANSPORT REQUIREMENTS



Road transport stood for 7 per cent of Lindex transports in 2016.

When we choose road transport suppliers we work with a requirement platform that was developed together with other companies in the retail and grocery trade and in cooperation with the Swedish Transport Administration. The platform includes requirements for:

- Business management – the environment and traffic safety
- Compliance with legislation
- Alcohol and drugs
- Greenhouse gas emissions
- Speed
- Emissions of substances harmful to health
- Follow-up

A woman with blonde hair, wearing a dark blue ribbed top and a measuring tape around her neck, is smiling and talking to a customer. She is holding a rack of clothes. In the background, another woman is visible, and the setting appears to be a clothing store.

THE LIFECYCLE:

STORE

WE WANT ALL OUR CUSTOMERS TO HAVE A WORLD-CLASS FASHION EXPERIENCE BY GIVING A WELCOMING AND INSPIRING SHOPPING EXPERIENCE. WITH RESPONSIBLE MARKETING, MORE INCLUDING FASHION AND MORE SUSTAINABLE LABELS AND SHOPPING BAGS WE WORK TO HAVE A POSITIVE IMPACT.

CUSTOMER EXPERIENCE

Lindex customers are our most important stakeholders. At Lindex we have a vision that we work towards every day; to give our customers a world-class fashion experience. As an omni-channel fashion retailer we strive to create the same experience for the customer through all

Lindex channels, be it in our stores, on the web, via phone, e-mail, social media, and so on. We keep our vision in mind in everything we do and, with help from our company values to make the right decisions, we believe that we will achieve it.



FASHION IN MORE SIZES

In autumn 2016, we removed our Generous concept and integrated plus sizes into all our fashion concepts. The objective of the integration was to make women of all sizes and shapes feel included and be able to shop from all areas in our

stores. Our autumn campaign featured plus size models Ashley Graham and Candice Huffine. During the autumn we received a lot of attention and very positive feedback from our customers for our new way of offering fashion in more sizes.

MARKETING COMMUNICATIONS

Lindex engage in responsible marketing and our marketing communications are carried out according to the Consolidated ICC Code on Advertising and Marketing Communication Practice, the Consumer Protection Act and our marketing strategy. Our marketing communications do not involve misleading practices, such as false

or deceptive messages or leaving out important information. Our marketing is never inappropriate or offensive. Our approach and requirements are thoroughly anchored within the organisation, followed by all marketing planners and answered for by the Marketing Director. We use brand tracking to follow up brand perception. Feedback is always

listened to and adjustments are made when needed. Our brand strategy and marketing guidelines cover, among other things, images, tonality, choice of models, retouch management and social media.

Lindex is a member of the self-regulatory organisation Swedish Advertising Ombudsman (RO), founded by the industry to review and maintain standards for responsible marketing. RO is a recipient for advertising complaints and assesses whether advertising is following

the Consolidated ICC Code. RO also provides information, guidance and training on responsible marketing. Lindex has never received any reprimands or been convicted by RO.

In spring 2016, we launched our new communication concept We Make Fashion Feel Good, which is our way of clearly expressing the Lindex brand, what we stand for and what we offer to our customers. We launched the concept with the Lindex manifesto, focusing on the different aspects of our brand.

LABELS AND TAGS

 The labels and tags on our garments are one part of our environmental impact which is why we are working for more sustainable solutions, and we have made significant progress in recent years. We have a policy stating that labels and tags must cause the least possible impact on the environment during production, use and disposal. The policy also states that we must use a minimum amount of material for our labels and tags and that we should make it easy to recycle labels by avoiding mixed materials where possible. The requirements regarding labels and tags are in accordance with the EU packaging directive. To take responsibility for the disposal, we pay annual fees to the European recycling systems in accordance with the law.

All textile labels follow our quality and chemical requirements. Our price tags are made from post-consumer recycled paper and the transition is estimated to save 55 tonnes of trees each year. From 2016, the labels in our entire assortment (excluding Holly & Whyte, nightwear and lingerie) have been made from recycled polyester, which estimates to have reduced water consumption in production by 50 per cent.


During 2016 we reduced the size of our sustainable choice hangtags and we use Invercote paper, which is a more sustainable choice made with pulp from more sustainable forestry. We are working to reduce the amount of hangtags by combining



the different symbols on the same hangtags. We have also removed all sustainable choice stickers on tights and socks and instead added the symbol on the packaging. The material in our accessory riders has been changed from plastic to paper.

For the production of our labels and tags, we use a small number of suppliers. We drive the development and progress for our labels and tags and set requirements for our supplier, e.g. about which paper to use and more. The suppliers are required to follow the same requirements as all of our suppliers and are audited both internally and externally. Read more about our audits on page 33.

SHOPPING BAGS

 As part of Lindex work to minimise our environmental impact, we changed the materials used in our plastic bags in 2015. Since then, the bags have been made of renewable chalk from oyster shells mixed with industrial recycled and post-consumer recycled

polyethylene. The oyster shells are a biological and renewable resource and a waste product from the food industry. In 2016 we altered the proportions and increased the share of post-consumer recycled polyethylene for a more sustainable material that makes even more use of previously produced plastic.



THE LIFECYCLE:

CUSTOMER USAGE

LINDEX CUSTOMERS ARE OUR MOST IMPORTANT STAKEHOLDERS. IT IS CRUCIAL THAT WE MEET OUR CUSTOMERS' EXPECTATIONS, SUPPORT THEIR NEEDS AND ENABLE THEM TO MAKE MORE SUSTAINABLE CHOICES.



PRODUCT SAFETY

We ensure that the products sold in our stores are safe, of good quality and do not contain any unwanted chemicals. All of our suppliers sign agreements that the products shall meet the quality and chemical requirements based on legal demands and recommendations in our sales markets. We apply the strictest requirements in all of our sales countries. We also have a 'Limitation of Chemicals' list that all suppliers are required to follow. Read more about this on page 39. We have a high awareness of products and risks and we make comprehensive risk assessments throughout our production.

TESTS

All product groups are tested through spot checks and the testing ensures that the products fulfil all quality and safety requirements set by legislation, and any stricter requirements set by Lindex. Each year we conduct thousands of quality, chemical and safety tests at our own testing facilities as well as at external independent laboratories. The tests are carried out both in the production process and on the finished product. We do not permit any animal testing of our products. In 2016 almost 85,000 quality and chemical tests were carried out on Lindex initiative. The number of failed tests has decreased significantly over the last few years due to active and purposeful quality assurance work. Today approximately 1–2 per cent of the quality and chemical tests fail. Quality

tests that fail are corrected or rejected before delivery. Products that fail our chemical tests are rejected.

SAFE KIDS' WEAR

Children crawl, climb, cling on and jump about, and no child must ever come to any harm when wearing Lindex clothes. Our kids' wear follows the requirements of the European standard regarding children's safety, EN 14682. We work actively to make our kids' wear safe to use with established routines and checklists that are used during the entire process. We have an established routine to ensure that fastenings on garments for very small children are securely attached and do not pose a risk of loosening. No sequins, stones or other small decorations are allowed to be glued onto the garments, and buttons must be sewn on with special sewing machine on the smallest sizes. Moreover, the hoods on outerwear are always removable in order to minimise the risk of accidents. The length of cords, placement of reflectors and design of hoods are regulated in the checklist.

PRODUCT RECALLS

If we have to recall a product, we inform our customers through the website, in stores and via announcements to the members of More at Lindex in order to reach as many customers as quickly as possible. During 2016 no products were recalled.

ENABLE SUSTAINABLE CHOICES



We are working to provide our customers with more sustainable garments and today more than half of our garments are made from more sustainable fibres. However, for our customers to be able to make sustainable choices it is important that we also make it our responsibility to engage in dialogue and support them. We are always working to increase our communication on sustainability and to provide our customers with the information they need to make sustainable choices. In the dialogue with our customers in store as well

as through customer service and social media, we aim to inform our customers about our sustainability progress, guide them through their questions and be transparent with the challenges we face. To make it easier for our customers to find our more sustainable garments, we communicate which garments are more sustainable through our Sustainable Choice tags. The tags also explain in what way the garment is considered to be a more sustainable choice and if there are any certificates linked to the item. The same information is visible on our e-commerce.



CUSTOMER *SATISFACTION*

We always want to improve our dialogue with our customers and better understand their needs and expectations from Lindex. Customer satisfaction surveys as well as customer and employee feedback provide valuable information that guides us in developing our operations.

We arranged two customer surveys in Sweden, Norway and Finland during 2016. The response rate was 40 per cent, with more than 60,000 responses

for both surveys. The topics of our surveys related to in-store customer experience and customer service. The results showed that most customers were either satisfied or very satisfied with the overall experience. The survey showed that the level of satisfied customers had increased from the previous survey conducted in 2015. Based on the results from the survey we will continue the successful work in each market and will follow up and support our stores based on best practices and targets per market.

“MAKING SURE THAT WHAT YOU BUY IS RESPONSIBLY MADE *REQUIRES A LOT OF KNOWLEDGE AND INFORMATION.*”

THE GROUP OF CONSCIOUS CUSTOMERS IS GROWING AND IT IS IMPORTANT FOR US TO MEET THEIR EXPECTATIONS. SO WHAT IS THE CUSTOMER'S PERSPECTIVE ON SUSTAINABILITY? WE HAVE ASKED A LINDEX CUSTOMER FOR HER THOUGHTS. MEET ELISABET LIGHT, A TRUE CONSCIOUS CUSTOMER.

WHAT DOES SUSTAINABILITY MEAN TO YOU?

I think of sustainability as everything from the production to the consumer. For me, consuming in a sustainable way is a lot about reusing what already exists by buying second hand and doing clothes swaps. Reusing is not only very important, but it is a lot of fun because there are so many possibilities! And when I buy something new I want to make sure that it is responsibly made. I am very strategic in my shopping and I have built a wardrobe that I would call sustainable. It consists of a lot of classic garments that are really my style and that I know I am going to use for many years.

WHAT IS YOUR MOTIVATION TO MAKING MORE SUSTAINABLE CHOICES?

I want my six year old daughter to be able to grow up and have the same conditions as I have had

and I want the same for her children. To make this possible, we all need to be aware of what we do and how we consume, and we need to be willing to change our behaviour. The environment is collapsing and we need to take responsibility for it. We will not be able to stop consuming entirely. Instead we need to find ways to consume without affecting the environment, nature, people and the future.

WHAT CHALLENGES DO YOU EXPERIENCE IN MAKING MORE SUSTAINABLE CHOICES?

There are so many challenges! Making sure that what you buy is responsibly made requires a lot of knowledge and information. I also find it challenging that I feel a lack of trust towards companies. I have noticed that the companies I trust more are the companies where I know more about how they work and when it feels like I have some sort of relation to the company. I have strong principles

CUSTOMER *PRIVACY*

We protect our customers' privacy and we do not reveal or use customer information other than in accordance with Lindex customer privacy policy. At the end of 2016 Lindex loyalty programme 'More at Lindex' had approximately 4,000,000

members. We connect with our loyal customers on a regular basis and offer them exclusive deals and benefits with a monetary value. Lindex Privacy Policy can be found at lindex.com.



and I make active choices based on the trust I feel towards a company and if its values fit my own.

WHAT ARE YOUR EXPECTATIONS OF COMPANIES FOR A SUSTAINABLE FUTURE?

I think that companies and individuals need to collaborate, because we need each other and together we can find ways to consume that work not just now, but in twenty years as well. As a company you need to have a plan of how to meet the future and we, the customers, need to be able to believe

in what you do and share the same values. It feels like there is often a gap between what companies do and what they tell their customers. Companies need to really push out information and tell us what they are doing and how they are doing it in a genuine way. I also think it is important to help us customers understand the processes in which clothes are made and who is making them. You need to show us that you are really investing in sustainability, because that, for me, is the only way to go.



THE LIFECYCLE:

REUSE & RECYCLE

IN ORDER TO MEET THE CHALLENGES OF THE FUTURE RESOURCE EFFICIENCY MUST INCREASE. WE AIM TO ACT MORE CIRCULAR BY EXPLORING NEW WAYS OF WORKING AND CONTRIBUTE TO AN INCREASE OF REUSE AND RECYCLING.

CLOSING THE LOOP

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION**
 Production of textile fibres has tripled since 1980 and if it continues to increase at the same pace, 200 million tonnes of textile fibres will be produced in only one year by 2030. It can be hard to grasp the statistics, but it is clear that this development cannot continue in the same direction. To meet the challenges of the future we need to be more resource efficient and we need to ask ourselves how we can use resources and textiles that already exist in the best way. At Lindex we are constantly looking into new innovative and circular ways of working

and our ambition is to be as resource efficient as possible and enable the closing of material loops.

During 2016 we made several progresses within circularity alongside our continuous work to use recycled material in our garments. We increased the use of recycled material in our labels and tags (read more on page 51). We launched an upcycled denim sneaker as well as our new Even Better Denim styles containing post-consumer recycled cotton (read more on page 43).

SYSTEMATIC REUSE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION**
 We work to ensure that our buying and distribution matches the demand from our customers. We donate any unsold products to different charity organisations, in accordance with our clothes recycling and donation policy. The stores

themselves decide where to donate the garments. At the Head Office, product samples are sold at a garment sale every month, and leftover garments are donated to different charities. The production offices also donate garments to different charities.



WASTE MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION**
 Waste management systems differ between our sales countries in terms of waste legislation, the number of different waste fractions and final disposal of waste. The waste generated by Lindex operations is mainly packaging waste, such as cardboard and plastic. Our goal is to recycle 100 per cent of the waste in our own operations, and to reach our goal we are working towards easy sorting for all fractions. Lindex follow technical and legislative developments as well as developments in the packaging industry. We aim to use high-quality packaging and to reduce unnecessary use of packaging material.

We report on packaging materials used in accordance with the EU Packaging Directive. The materials reported include plastic bags and other materials used in stores to package goods for customers, and packaging materials unpacked at the distribution centres. We also report on use of packaging materials to the relevant authorities in the countries in which we operate.

In 2015 we initiated a project to reduce the amount of plastic bags used for replenishment to our stores,

WASTE MANAGEMENT STATISTICS 2014–2016 (t)			
RECYCLABLE WASTE	2016	2015	2014
Cardboard and paper	1 205	1 211	1 311
Combustible waste	25	94	110
Bio waste	1		476
Other (plastic film, metal, glass)	78	0.1	236
Mixed waste	5	5	3
HAZARDOUS WASTE	1	0	0
TOTAL	1 314	1 310	2 137

after requests from store employees who wanted less plastic to handle. By introducing guidelines for Lindex purchasing department, where the buyer has to make an active choice to have the replenishment items covered in plastic bags, significant reductions were achieved from the start. In 2015 the project was implemented in the kids' wear business area and resulted in a reduction of 62 per cent of plastic bags. During 2016 we implemented the project in parts of the women's wear and will continue to work in the same direction during 2017. Our goal is for only 30 per cent of our products to be delivered covered in plastic by 2020.

TEXTILE COLLECTION *IN STORE*




Each year about 8 kg of textiles per person are thrown into household

waste, in Sweden alone. Lindex collaborates with several organisations to contribute to an increase in textile reuse and recycling. We want to contribute to the collection of textiles with the greatest possible consideration for the environment and make it easy and convenient for the consumer. We also want the reused and recycled textile to be taken care of in the best way. That way material that has already been produced to become a garment can be used several times, which decreases the need for virgin material and resources. By the end of 2016, customers were able to hand in used textiles to any Lindex store in Sweden, Norway and Finland. In Sweden Lindex collaborates with Myrorna, in Norway with Fretex and with Suez in Finland. Textiles that are handed in are sorted and will either be reused or recycled, in which case they become part of a new product. Only approximately 2 per cent cannot be reused or recycled and are instead burned for energy.

Our long term ambition is to contribute to increased reuse and recycling on such a large scale that in the long run we can use closed loop fibres and material to a greater extent in our products. In order to close the loop we have a long way to go and there are



challenges in the recycling of textiles for new consumer products. A major part of textile consists of mixed material, which is harder to recycle. Identifying the source of material poses a traceability challenge, which means a risks of contamination by unwanted substances and chemicals in recycled material.

 27 tonnes of textiles were collected in Lindex stores during 2016.



“FASHION COMPANIES NEED TO BE A PLAYER IN PUSHING THE DEVELOPMENT IN THE RIGHT DIRECTION.”

MYRORNA IS OUR PARTNER IN SWEDEN THAT HANDLES THE TEXTILES COLLECTED IN OUR LINDEX STORES. WE ASKED EMMA ENEBOG, SUSTAINABILITY MANAGER AT MYRORNA, A FEW QUESTIONS ABOUT REUSE AND RECYCLING.

WHAT CHALLENGES DO YOU SEE IN TEXTILE REUSE AND RECYCLING CONTRIBUTING TO A CLOSED LOOP?

I would say that there are four main challenges. Collection of textiles must go up; we still throw away too much textile, which ends up in incineration. The use of textiles must be prolonged, which is still the easiest and most efficient way to decrease the effect on the environment. A closed loop demands better technique to be in place for recycling at a large scale. There is also a need for more transparency in the textile industry; transparency for the entire loop is an important tool in order for the industry to put the circular economy model in place.

HOW DO YOU THINK REUSE AND RECYCLING OF TEXTILES HAS DEVELOPED IN RECENT YEARS?

I would say that, in terms of both the collection, the reuse and the recycling, none of it has changed dramatically in terms of volume. There has however been a major increase in interest, collection initiatives from companies and research projects. The market for reuse and recycling has started to

become more transparent. There has also been an increase in understanding of the importance of reuse and recycling and especially of how reuse is an essential part of sustainable consumption. All activities and commitments from different actors are prerequisites for reaching our goal of closing the loop, so we are heading in the right direction.

WHAT ROLE DO FASHION COMPANIES' HAVE IN REUSE AND RECYCLING?

I think fashion companies play an important role and it is important that you are informative and give the customers insight into what happens with the collected textiles. It is important that the customer understands that most of the collected textiles go to reuse and the challenges in recycling. It is also important to acknowledge that the need for adjusted business models in the fashion industry will eventually be unavoidable. Fashion companies need to be a player in pushing the development in the right direction, as well as being active participants in the recycling industry and creating a demand for new technique on a larger scale.

CLIMATE

WE RECOGNISE THE ENVIRONMENTAL EFFECTS OF OUR BUSINESS OPERATIONS AND STRIVE TO MINIMISE OUR CLIMATE IMPACT.

CLIMATE CHANGE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION** Climate change concerns all regions of the world and all sectors of society, threatening global development and undermining the foundation

of the global economy. Businesses can only achieve sustainable growth by addressing both the direct impacts on climate change and securing the resources that are at risk of disturbance.

ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION** Lindex energy consumption mainly consists of electricity, heating and district heating. Energy is consumed for lighting, ventilation, heating and cooling systems in the stores, warehouses and offices, as well as for other equipment and machinery in these facilities, including lifts, escalators, refrigeration and IT equipment. Our overall aim is to be as energy efficient as possible, and the Lindex group is working systematically on keeping energy consumption as low as possible. All procured electricity comes from renewable sources in our offices and stores. Lindex stores follow an efficient energy consumption checklist as routine practice.

ENERGY AND WATER	2016	2015	2014
DIRECT CONSUMPTION	684	690	595
Stationary combustion (MWh)	410	414	298
Natural gas (MWh)	274	276	297
INDIRECT CONSUMPTION	95 868	98 849	100 194
Electricity (MWh)	42 104	44 107	43 100
Heating and cooling (MWh)	47 839	49 817	52 139
Water (m3)	4 925	4 924.5	4 955

Reporting on the consumption of fuels has been converted to megawatt hours (MWh). The data for natural gas has been converted to megawatt hours (MWh) and is based on estimations for Lindex. Electricity consumption covers all Lindex functions, excluding franchising operations.

Heating and cooling energy consumption covers all Lindex functions, excluding franchising operations. Due to the significant amount of estimations and extrapolation in heat consumption for Lindex, the data quality is considered fair. Reporting on water covers Lindex head office, distribution centre and the majority of Lindex production offices.

EMISSIONS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION **13 CLIMATE ACTION** Reporting on greenhouse gas emissions serves as a management tool and provides a basis for setting reduction targets and for identifying areas in which emissions should be reduced. We are constantly developing the way we calculate our carbon footprint. The calculation of Lindex carbon footprint in 2016 covers our operations in all sales markets, excluding franchising operations. The comparison figures are presented for 2014–2015,

and the changes in the scope of the calculation are explained in the comments column. Mitopro Oy consulted with us on the calculation of the carbon footprint in 2016. The calculation was carried out in accordance with the international Greenhouse Gas (GHG) Protocol reporting principles.

The entire Stockmann Group's calculation is published in the CSR Review available on Stockmann Group's website.

CATEGORY	tCO2 2016	tCO2 2015	tCO2 2014	CHANGE 2015–2016 IN %	COMMENTS
SCOPE 1	162	164	138	-1 %	
Stationary combustion	162	164	138	-1 %	No significant change.
SCOPE 2	9 284	11 374	13 049	-18 %	
Electricity	3 310	4 454	5 540	-26 %	Lindex Russia discontinued.
Heating	5 974	6 920	7 509	-14 %	Lindex Russia discontinued.
SCOPE 3	7 338	7 443	8 826	-1 %	
Internal logistics	1 205	1 242	1 272	-3 %	
External logistics	3 883	3 862	5 154	1 %	
Business travel	823	884	883	-7 %	
Vehicles	143	173	216	-17 %	Data for 2016 and 2015 not fully comparable due to differences in reporting scope.
Waste	1 284	1 282	1 301	0 %	
TOTAL	16 785	18 981	22 013	-12 %	

The 2015 figures for internal and external logistics and vehicles have been restated due to calculation errors. The reporting on greenhouse gas emissions excludes franchising operations. Lindex stores in Russia were closed during spring 2016 and they are not included in the 2016 figures. The figures presented in the table are rounded to the nearest hundred thousand.



CHARITY

ALONGSIDE OUR WORK FOR MORE SUSTAINABLE FASHION, WE SUPPORT A NUMBER OF CHARITIES CONNECTED TO THE COMMUNITIES IN WHICH WE OPERATE.

CHILDREN'S EDUCATION IN BANGLADESH

SCHOOL OF HOPE – DHAKA, BANGLADESH

In Bangladesh, education is mandatory up to 5th grade but this does not mean that all children in Bangladesh are given the opportunity to go to school. As education can be a way out of poverty, we support this cause and are committed to the School of Hope, a school in a poor area of Dhaka, Bangladesh. The school offers education up to 5th grade and depends entirely on donations from individuals and organisations. The parents only pay a token amount of 200 taka per year, which is about 2.5 Euros. The school started out with 25–30 students, but today it educates 250 students.

Lindex supports the School of Hope through corporate donations and Lindex employee sponsorships, where employees donate an amount from their salary each month to the school. From our production office in Dhaka we also donate samples for the school to sell at their garment sales. Since 2010 Lindex has also been financing the teachers'

salaries to help the school to continue to provide a good education to its students. After the students have finished their education at the School of Hope, they can continue their education at Solmaid High School thanks to the Lindex employee sponsorships.

THRIVE – DHAKA, BANGLADESH

Since 2015 Lindex supports the volunteer-driven and non-profit organisation Thrive. They provide nutritious food and promote healthy, hygienic habits for school children living in the poorest areas of Dhaka. All food purchased goes directly to the kids. When Thrive started in 2012 they served 250 children one banana per week. Today Thrive reaches about 1000 kids, who are served food on a daily basis. The parents of these children are very poor and the food is often what makes the parents send their children to school. The food they get is: 1 banana, one boiled egg, a handful of nuts, one vegetable and a glass of milk.

WATERAID



Lack of access to safe water and sanitation has severe negative impacts on local communities.

As a result, people are trapped in a cycle of poverty and diminished opportunities. Since 2014 we have been in partnership with WaterAid to support their work in improving access to safe water, improved hygiene and sanitation in the world's poorest communities. We have a special baby collection where 10 per cent of the sales goes to WaterAid. During 2016 we donated 836,000 SEK from this collection.





SUSTAINABILITY REPORT 2016 CONTACT

If you have questions regarding our sustainability report, you can reach us at:

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You can follow us at lindex.com and see how our continued sustainability work is progressing.

THE FIGHT AGAINST *BREAST CANCER*

Women play a big role in keeping our business moving and the fight against breast cancer is an important commitment to us. Lindex has been a proud main partner of the Pink Ribbon campaign since 2003, a commitment that contributes to financing breast cancer research and raising awareness about the disease. Lindex has supported the Pink Ribbon campaign through various activities

throughout the years. In 2016 we designed a Pink Collection that was launched in October, where we donated 10 per cent of the price to the campaign. We also sold a pink leather bracelet and continued our annual sales of the Pink Ribbon. Together with our customers, we raised a total of 1.2 million Euros. Since 2003 we have donated 12 million Euros to this very important cause.

ROUND UP

Each year we run a number of activities that give our customers the opportunity to donate money to a specific cause by rounding up their purchase. The activities are managed both centrally and locally in the organisation. In Sweden, we had two round-up activities during 2016 where our customers donated approximately 2.2 million SEK to UNHCR in favour of refugee families.

GARMENT DONATIONS

Stockpiled garments from Lindex stores, head office, country offices and production offices are always donated to various charities, and the garments go directly to those in need such as orphanages and women's shelters. Before Christmas each year, Lindex head office in Gothenburg donates clothes and other products to Göteborgs Stadsmission. The donated products go to less fortunate families in Gothenburg.

MIN STORA DAG (MY BIG DAY)

In Sweden we sold products in favour of Min Stora Dag and donated almost 900,000 SEK to help children with serious illnesses to make their dreams come true.



MIN STORA DAG



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.




We welcome feedback on its contents.
























LINDEX
we make fashion feel good



















GRI









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Organisational Profile					
G4-3	Name of the organisation	14, The company			
G4-4	Primary brands, products and services	14, The company			
G4-5	Location of the organisation's headquarters	14, The company			
G4-6	The number of countries where the organisation operates, has significant operations or that are specifically relevant to the sustainability topics covered in the report	14, The company			
G4-7	Nature of ownership and legal form	14, The company			
G4-8	Markets served	14, The company			
G4-9	Scale of the organisation	14, The company			
G4-10	Total number of employees by employment contract, region and gender.	14, The company			
G4-11	Percentage of total employees covered by collective bargaining agreements		All Lindex employees in Sweden, Norway and Finland (excluding professional and managerial staff) are covered with collective bargaining agreement	Principles 3-6	
G4-12	Description of the organisation's supply chain	4, Working for a sustainable future 14, The company 30, Lifecycle: Production Supplier and factory list published at www.lindex.com			
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain	Stockmann Group Financial Review			
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation.	Stockmann Group Corporate Governance Review & Financial Review			
G4-15	Externally developed charters, principles or initiatives to which the organisation subscribes or which it endorses	4, Working for a sustainable future 24, Lifecycle: Fibre & raw materials 30, Lifecycle: Production 44, Lifecycle: Transport 66, Lifecycle: Charity			
G4-16	Memberships of associations and advocacy organisations.	Published at stockmanngroup.com			
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Entities included in the organisation's consolidated financial statements	Stockmann Group Financial Review			
G4-18	Process for defining the report content	12, About this report			
G4-19	Material aspects	12, About this report			
G4-20	Aspect boundary for each material aspect within the organisation	12, About this report			

Code	GRI Content	Page and section in report or other location	Further information	UN Global Compact Principle	SDG
G4-21	Aspect boundary for each material aspect outside the organisation	12, About this report			
G4-22	Restatements of information provided in previous reports.		Changes reported in connection with relevant performance indicators.		
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries		Changes reported in connection with relevant performance indicators.		
STAKEHOLDER ENGAGEMENT					
G4-24	List of stakeholder groups engaged in the organisation	12, About this report			
G4-25	Basis for identification and selection of stakeholders with whom to engage	12, About this report			
G4-26	The organisation's approach to stakeholder engagement	12, About this report			
G4-27	Report key topics and concerns that have been raised through stakeholder engagement	12, About this report			
REPORT PROFILE					
G4-28	Reporting period	12, About this report			
G4-29	Date of most recent previous report	12, About this report			
G4-30	Reporting cycle	12, About this report			
G4-31	Contact point for questions regarding the report or its contents	69, Contact			
G4-32	GRI Content Index	70, GRI Content Index			
G4-33	The organisation's policy and current practice with regard to external assurance	12, About this report			
GOVERNANCE					
G4-34	Governance structure of the organisation and committees	14, The company			
ETHICS AND INTEGRITY					
G4-56	Organisation's values, principles and codes	14, The company		Principle 10	
SPECIFIC STANDARD DISCLOSURE					
DISCLOSURE ON MANAGEMENT APPROACH					
	Disclosure on Management Approach (DMA)		The DMA for each material aspect is presented in relevant sections		
ECONOMIC IMPACT					
G4-EC1	Direct economic value generated and distributed	14, The company			
G4-EC4	Financial assistance received from government		Lindex did not receive financial assistance from the government during the reporting year.		
ENVIRONMENTAL IMPACT					
Materials					
G4-EN1	Materials used by weight or volume	Published at stockmanngroup.com	Information on the use of packaging materials by Lindex is published on Stockmann Group's website	Principles 7-9	
ENERGY					
G4-EN3	Energy consumption within the organisation	65, Climate		Principles 7-9	

Code	GRI Content	Page and section in report or other location	Further information	UN Global Compact Principle	SDG
WATER					
G4-EN8	Total water withdrawal by source	65, Climate	Reporting on water covers Lindex head office, distribution centre and the majority of Lindex production offices	Principles 7-9	 
EMISSIONS					
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	65, Climate		Principles 7-9	 
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	65, Climate		Principles 7-9	 
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	65, Climate		Principles 7-9	 
EFFLUENTS AND WASTE					
G4-EN23	Total weight of waste by type and disposal method	61, Lifecycle: Reuse & Recycle		Principles 7-9	 
G4-EN24	Total number and volume of significant spills		During 2016, there were no environmental accidents or breaches related to environmental aspects.	Principles 7-9	
PRODUCTS AND SERVICES					
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		The aspect is defined material but the GRI indicator is not suitable for Lindex operations. Information is presented throughout the report.	Principles 7-9	  
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		The aspect is defined material but the GRI indicator is not suitable for Lindex operations. Information about Lindex textile collection is presented in page 61, Lifecycle: Reuse, recycle	Principles 7-9	
COMPLIANCE					
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		There were no fines or sanctions during 2016.	Principles 7-9	
SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	30, Lifecycle: Production		Principles 7-9	 
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	24, Lifecycle: Fibre & raw materials 30, Lifecycle: Production 40, Case: Better Denim 44, Lifecycle: Transport 48, Lifecycle: Store		Principles 7-9	  
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms		There were no grievances about environmental impacts filed or addressed through formal grievance mechanism during 2016.	Principles 7-9	
SOCIAL IMPACTS					
LABOUR PRACTICES AND DECENT WORK					
EMPLOYMENT					
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		Lindex offers the employees benefits required by the local legislation in all of the countries where we operate. These benefits might include occupational health services, insurance against occupational injuries and diseases, parental leave and retirement benefits. Personnel benefits do not vary between part-time and full-time employees. Each year, all AB Lindex employees in Sweden receive a health care benefit that can be used for example to different health activities. The company also gives partial finance to a non-profit association at Lindex Head Office called "Lif" that arranges different activities and get-togethers for head office employees. AB Lindex in Sweden has its own reward scheme according to which employees are rewarded for 25 years of service. In addition, all units reward employees on their 50th birthdays. All Lindex employees can purchase products with employee discount in store.		

Code	GRI Content	Page and section in report or other location	Further information	UN Global Compact Principle	SDG
LABOR/MANAGEMENT RELATIONS					
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		Lindex operates according to the notice periods specified in local labor legislation in all its operating countries. Minimum notice periods regarding operational changes have not been defined in trading section collective bargaining agreements.	Principles 3-6	
OCCUPATIONAL HEALTH AND SAFETY					
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	14, The company	61 work related injuries were reported at AB Lindex and Lindex Sweden. Information on the distribution of gender is not available.		
TRAINING AND EDUCATION					
G4-LA9	Average hours of training per year per employee by gender, and by employee category	14, The company	Lindex Sweden had an average of 8,8 hours training per employee. At Lindex head office, a number of different trainings were offered within leadership, mindfulness, Office programs, working with goals, etc. Lindex give team building activities and workshops on a regular basis. Information on the training hours distributed by gender and/or employee category is not available.		
DIVERSITY AND EQUAL OPPORTUNITY					
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	14, The company		Principles 3-6	
EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.		The foundation of Lindex personnel policy is that salaries are market related and competitive as well as connected to the responsibility of the role and achieved results. Differences in salary because of gender, ethnicity, sexual orientation, religion, age, parental leave etc. cannot occur. The collective agreement sets the guidelines for the salary audit.	Principles 3-6	 
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES					
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	30, Lifecycle: Production		Principles 3-6	 
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	30, Lifecycle: Production		Principles 3-6	  
LABOUR PRACTICES GRIEVANCE MECHANISMS					
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms		There were no grievances about labour practices filed or addressed through formal grievance mechanism during 2016.	Principles 3-6	 
HUMAN RIGHTS					
NON-DISCRIMINATION					
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	14, The company		Principles 3-6	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	30, Lifecycle: Production	The freedom of association and right to collective bargaining of Lindex employees is reported in indicator G4-11.	Principles 3-6	 
HUMAN RIGHTS ASSESSMENT					
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	30, Lifecycle: Production	Most of Lindex own employees work in countries classified by the BSCI as low-risk countries for human rights violations. Therefore, no human rights assessment of our own operations has been conducted.	Principles 1-2	 

Code	GRI Content	Page and section in report or other location	Further information	UN Global Compact Principle	SDG
SUPPLIER HUMAN RIGHTS ASSESSMENT					
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	30, Lifecycle: Production		Principles 1-2	 
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	30, Lifecycle: Production		Principles 1-2	  
HUMAN RIGHTS GRIEVANCE MECHANISMS					
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.		There were no grievances about human rights impacts filed or addressed through formal grievance mechanism during 2016.	Principles 1-2	  
SOCIETY					
ANTI-CORRUPTION					
G4-SO4	Communication and training on anti-corruption policies and procedures.	14, The company		Principle 10	
G4-SO5	Confirmed incidents of corruption and actions taken.		In 2016, Lindex was not informed of any corruption-related lawsuits	Principle 10	
PUBLIC POLICY					
G4-SO6	Total value of political contributions by country and recipient/beneficiary		Lindex does not make political contributions or donations to any politician, political party or related organisation, either directly or indirectly.	Principle 10	
ANTI-COMPETITIVE BEHAVIOR					
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		No legal actions or fines in 2016.		
PRODUCT RESPONSIBILITY					
CUSTOMER HEALTH AND SAFETY					
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	52, Lifecycle: Customer usage			
PRODUCT AND SERVICE LABELLING					
G4-PR5	Results of surveys measuring customer satisfaction	52, Lifecycle: Customer usage			
MARKETING COMMUNICATION					
G4-PR6	Sale of banned or disputed products		Lindex does not sell any banned products.		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	48, Lifecycle: Store			
CUSTOMER PRIVACY					
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		In 2016, there were no complaints or cautions from the authorities on the loyal customer systems.		