

COMMERCIAL SUMMARY

Environmental Concern
Transparency
Traceability
People

2019



J.LINDEBERG



CORPORATE RESPONSIBILITY

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We welcome you to take part of this summary of j.Lindeberg's Corporate responsibility work of 2019. It is our ambition that this information will bring a new perspective to our company and brand; how we develop towards sustainability and contribute to positive change.

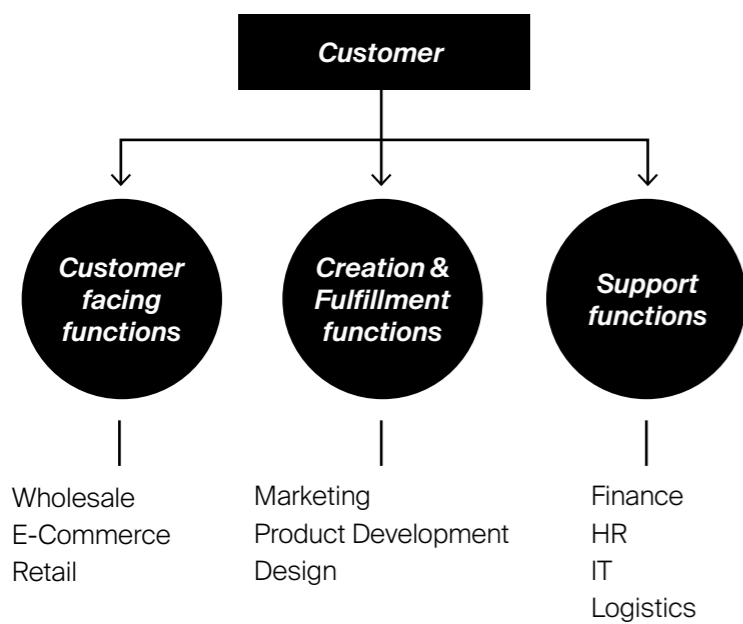
We act in a global world and need to take global responsibility.

J.LINDEBERG

The Scandinavian Fashion House J.Lindeberg was founded in Stockholm 1996 with a vision to build an international brand for the modern, aware and active consumer. The company caters to a fast-paced lifestyle, looking into future needs and greatly emphasizing quality, fashion and functionality. The collections consist of menswear and womenswear offering fashion, tailoring, active wear, golf and skiwear. The fashion collections are found at prestigious international fashion weeks across the world and the sportswear collections are worn by some of the world's best athletes.

Today, distribution covers more than 35 countries and there are 10 J.Lindeberg stores, 3 outlets and 15 concessions in Stockholm, Copenhagen, Oslo and Helsinki. The brand is currently sold in over 900 stores, including leading high-end department stores around the world. Our headquarter is located in Stockholm and during 2019 J.Lindeberg produced in 15 countries.

This Sustainability Report refers to J.Lindeberg AB. Covering the fiscal year 2019 and collections made in 2019, in accordance with stipulations in ÅRL 6th chapter.



SUMMARY 2019

J.Lindeberg's documented road to sustainability started in 2017, if 2017 was the year for understanding and documenting, 2018 was the year when actions has started moving and some of our efforts where visable to our community and customers.

2019 was the year for setting directions. We focused on our collections and target setting. Making sure we know where we are going and what we need to focus on from a product perspective.

Overall we have been working according to our commitments set in 2017 which are still as relevant as ever:

- A Traceable and Transparent Supply Chain
- Actions to reduce our climate impact
- Work for Equality & Diversity

In addition to these commitments we broke it down further in three focus areas for our products and collections:

- Recycled Manmade fiber
- Organic Cotton
- Becoming PFC-free



Targets towards 2023

100 % of Manmade fibers in our collections should be from recycled sources.
All Cotton in our collections should be organic or from more sustainable cotton sources.
All our collections, including Sport should be PFC-free.

The coming years we will show our development towards these targets in the yearly reports but we will also make an effort to make it more visable to our customers.



ENVIRONMENTAL POLICY

J.Lindeberg's environmental policy aims to clarify the ambition to reduce our company's environmental and climate impact in every part of our business.



TRANSPARENCY & PRODUCTION

Transparency is the precondition for any change and positive development, if we don't know what we are doing we have no possibility to change. J.Lindeberg work with handpicked fabric and trim suppliers who we have established relationships with, chosen by our design and product development teams in Stockholm. We are steering our sourcing to suppliers who are certified according to industry-standards.

In the Fashion concepts of our business we are focusing on Ökotex-certified fabric suppliers. Ökotex is a health standard that sets requirements of chemicals used in the processes.

In our Sports concepts we are focusing on fabric suppliers who are Bluesign certified, a global standard for sustainability in production processes.

During 2019 the figures have developed in the following way:

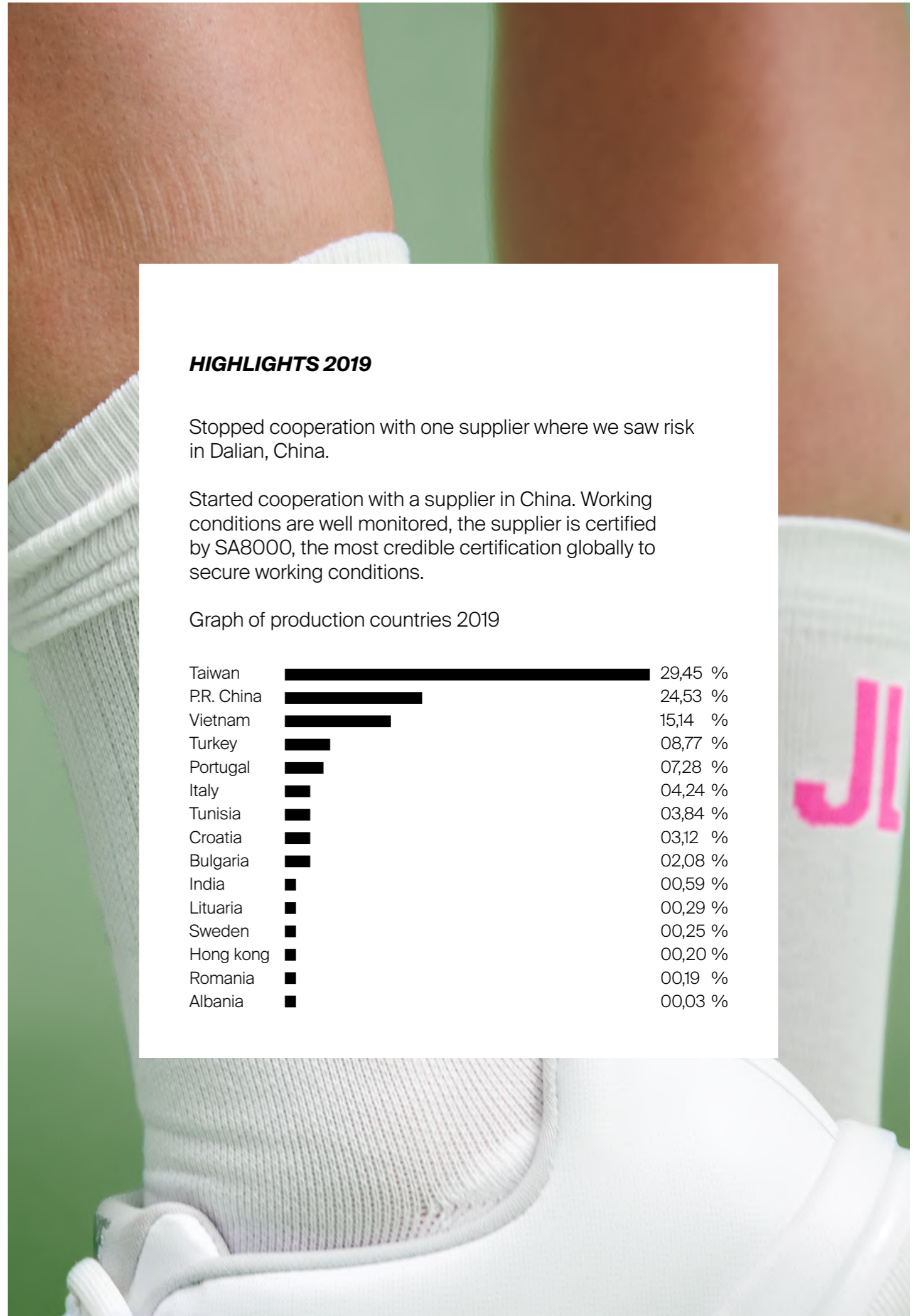
Share of Bluesign certified suppliers 2019: 9%

Share of Ökotex certified suppliers 2019: 23%



Suppliers and working conditions

It is important to highlight that we actively choose not to work with certain countries where we do not have the capacity to secure working conditions. No country is risk-free, and it takes hard work to control all production, but we assess the risk to be manageable in the countries we are active, through regular visits and auditing.

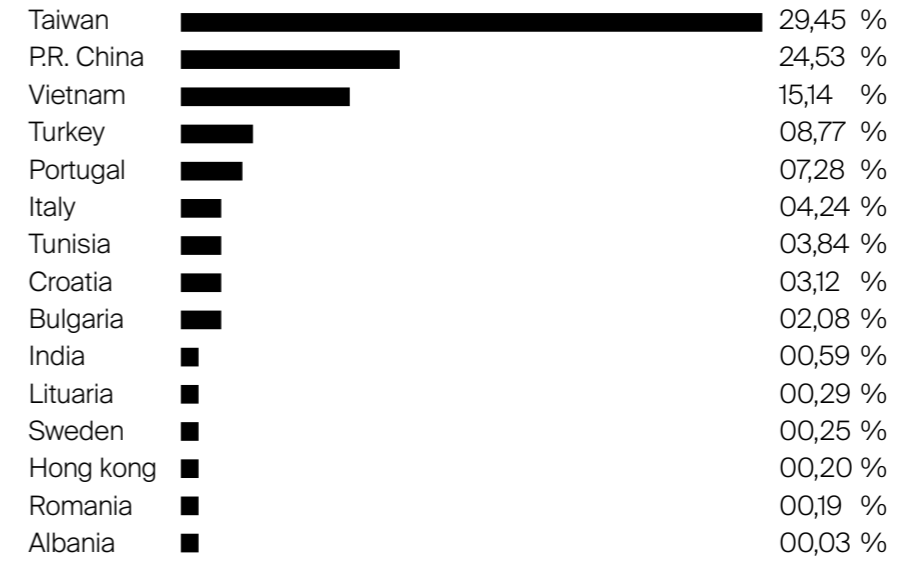


HIGHLIGHTS 2019

Stopped cooperation with one supplier where we saw risk in Dalian, China.

Started cooperation with a supplier in China. Working conditions are well monitored, the supplier is certified by SA8000, the most credible certification globally to secure working conditions.

Graph of production countries 2019



TRACEABILITY

Sowing factories

JL implemented a mid code system beginning of 2018, where each sowing unit has a unique code. This code follows the goods from sowing through distribution chain via invoices and our own IT-system. This has increased our control over where products are produced, although that can never be enough checked.

Fibres

For Animal Welfare reasons, animal fibres has been the first priority when it comes to full traceability.

Merino wool

All Merino wool in knitwear is certified mulesing free.

Leather

Our leather is traceable to the tannery, in special cases we have longer traceability.

Down

100 % of our down is traceable to the farm and made visible to our consumers. We only use one supplier of down.

Mohair

a lot of work has been put into securing the mohair chain as much as we possibly can. We have taken great steps in the right direction by working together with other brands, yarn suppliers and mohair associations. We don't have full traceability yet but we have narrowed down the number of farms where our yarn suppliers buy the mohair in order to reduce risk that animals are not treated according to international legislation. Work is ongoing and we are in many cases choosing other fibres instead of Mohair with better traceability, but we want to be part of solving the mohair traceability issue.

Cashmere

During 2019 we have focused on the cashmere origin and traceability. The efforts of the work will be visible in the 2020 collections.

Fur

In 2019 J.Lindeberg stopped using exotic fur.

**2019
J.Lindeberg
stopped using
exotic fur**



Raw materials & Treatments

What is a more sustainable fabric? Our fabric strategy is based on where we can make the biggest difference in terms of chemical use in the process, reduce the use of virgin manmade fibers in favor of recycled fibers and increased traceability. We teamed up with our biggest customers in order to make sure we were going in the same direction for maximum effect and impact.

Organic Cotton

Our organic cotton is certified organic. One of the fabric suppliers we are buying from is using 3% organic cotton in all denim fabric without adding extra cost to help increase the use and awareness of organic cotton. Minimums of Organic cotton are often high which can make it difficult to fully switch if volumes don't match. In 2018 we switched to Organic Cotton in our best-selling Denim program and in 2019 we continued to extend the offer. 21% of our denim is organic 2019.



**21 %
of our denim
is organic
2019**

**50 % of all
Insulation and
padding in Outerwear
comes from certified
recycled sources**

**29 % of our
Outerwear program
in wool comes from
Post production
Cardato certified
recycled wool**



Recycled wool

We are increasing our post production recycled wool from Italy in our outerwear collection. The fabric has been a fundamental part of our iconic styles for many years and we continue to build on it.

29% of our Outerwear program in wool comes from Post production Cardato certified recycled wool.

Recycled Man Made Fibers

50% of all Insulation and padding in Outerwear comes from certified recycled sources.

Flourocarbons

have been used for a long time in performance and active wear due to their ability to resist water and dirt. Unfortunately these substances are harmful to the environment and organisms. Therefore we have made a commitment to phase out all fluorocarbon treatments until 2023.

No Flourocarbons are used in our Fashion Collections.

In our Golf and Ski collections we are gradually phasing out the treatment as we find fabrics that don't compromise too much on functionality and quality.



IT'S ALL IN THE DETAILS

It is not only the main fabrics that are of importance to J.Lindeberg, we also care much about the details and trims that are an essential part of the product.

Labels

are an important part of the brand identity, we have chosen to gradually switch to labels made with 50 % recycled polyester.

20 % percent of our labels during 2018 are made with recycled polyester.

24 % percent of our labels during 2019 are made with recycled polyester.

Hangtags

During 2019 we started developing hangtags with 100 % Recycled paper.

Stickers

Our stickers are FSC Mix which is a mix of recycled paper and paper from FSC certified forestry.

Threads

If a product breaks at the seam it is very likely that the wrong thread has been used. Threads might be the smallest part of a product but if they are bad it has a big impact. JL chose a nominated supplier for threads that helps us in choosing the right one for the right product and fabric. At the same time the thread is chemically sound, the production and product is Ökotex 100 certified and the production and working conditions well controlled to ensure wages are fair and production is safe.

There are products where we are not using the nominated supplier, the reason being that production might be too far way from the sowing factory, or for our functional wear where we have developed our own thread for maximum functionality.

TRANSPORTATION & PACKAGING

In 2019 we are proud to show our air freight decreased, which is a big part of our CO2 footprint. We introduced a new ship mode from Asia; a combination of sea freight and air freight which has made this decrease possible without sacrificing our promise of on time deliveries to our customers.

E-Commerce - Environmental friendly shipping supply

- Increased focus on customer support to help decrease returns and orders with multiple sizes.
- Centralized return hub to minimize and coordinate return shipments.

Retail packaging

We use paper bags in stores since April 2018, JL plastic bags are used for outlets and sales and are made from recycled plastic with European origin.

We are choosing retail packaging labelled with ÅterBära™, a product label for 100% climate neutral packaging. We offset for the carbon emissions generated throughout the life cycle of our bags, boxes, stickers and tissue paper. From raw material, transport, production until the product is delivered to our stores. The emissions are offset by tree planting in Colombia, which contributes to a more sustainable local community and less poverty in the village of Vegachi. The tree planting project is Gold Standard-certified and improves farmers' production and family providing – the trees provide firewood, timber, feed for the animals and fruit for food and sale.

E-commerce packaging

Ecommerce packaging was changed from virgin plastic to recycled plastic with European origin as of 2018. In 2019 boxes were changed, with the

following result:

- Sizes of boxes are optimized to make the best use of the space on a pallet = efficient shipping
- Closing without glue
- Boxes made of 95% recycled material
- The virgin material used in the boxes comes from responsible sources with FSC certificate
- We don't print on the boxes to save energy and minimize CO2 footprint

Behind the scenes

Even if most of our brands footprint and responsibility lies within the production and distribution of our products, we take steps in other departments as well. In one way it is easier since we control it ourselves, on the other hand it is more difficult as it might force us to change behavior. But that is the core of sustainability given where we are today. We need to change – even if it is only tiny steps in the right direction of being careful about resources and changing the given way to act.

IT & Finance

Recycling of technical equipment and implementation of e-invoicing globally during 2018 .

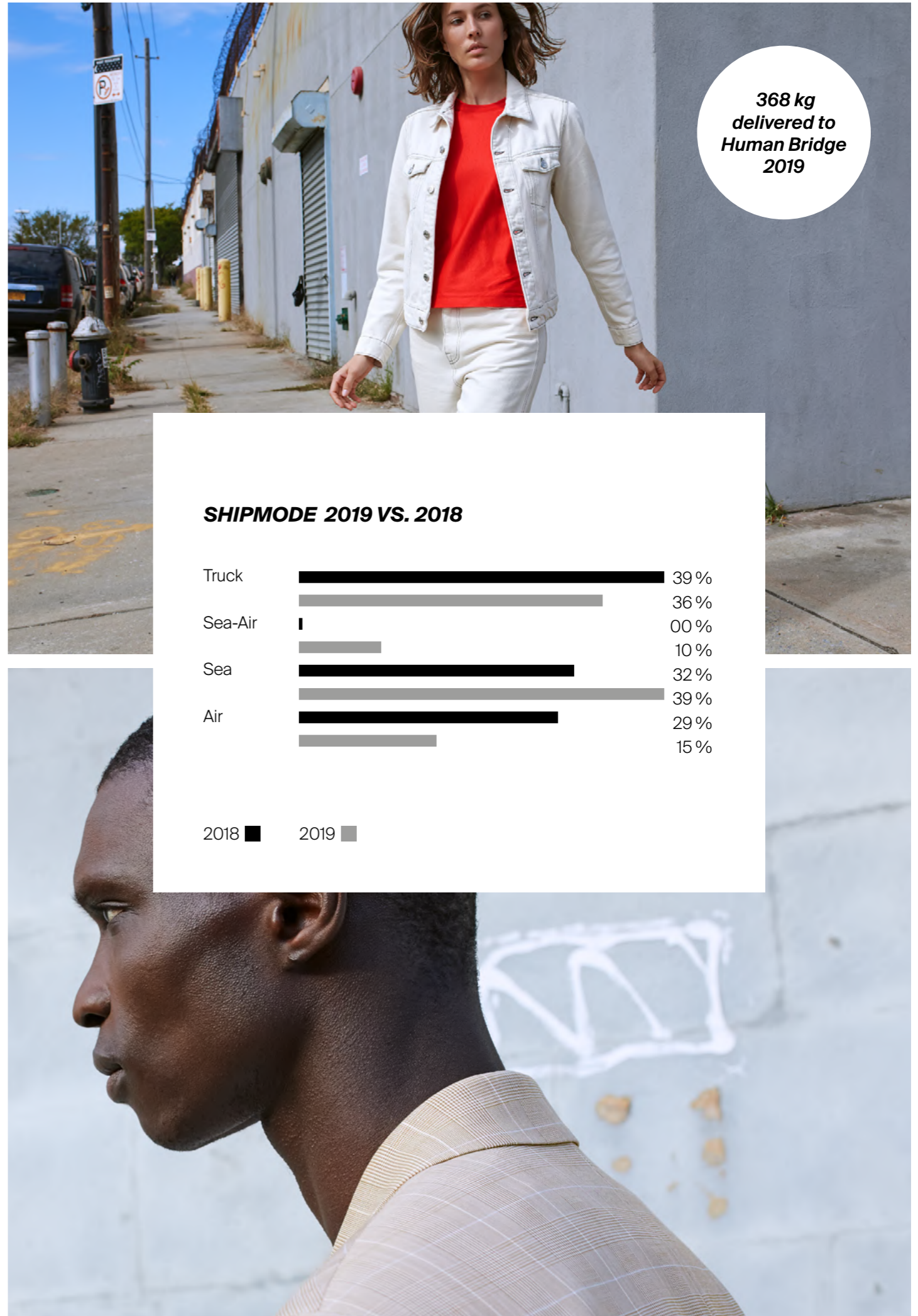
Renewable energy

We run on renewable energy in our office and own stores. Elkraft is our supplier and we run on hydropower.

Waste

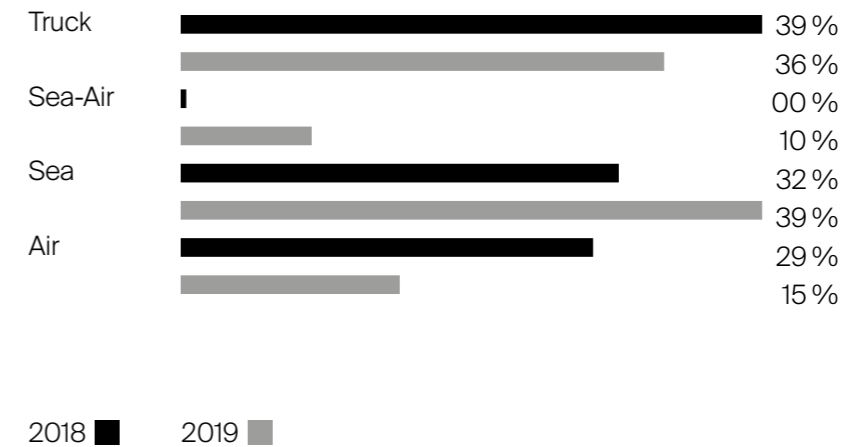
We are concerned about how much our industry produces that is not used for different reasons. One action to make sure returns and garments we can't sell don't go to waste is to cooperate with Human Bridge an organization which collects shoes, textiles and clothing in favor of people in need.

Delivered to Human Bridge in 2019: 368 kg



368 kg
delivered to
Human Bridge
2019

SHIPMODE 2019 VS. 2018



PEOPLE

J.Lindeberg is all about being a team. Everyone makes a difference and is crucial for our performance as a company and brand. All colleagues at J.Lindeberg should have excellent preconditions to make their own decisions; taking responsibility for our actions is essential.

JL People in figures

Number of employees at HQ: 84 (Nov 2019)

Number of employees in retail: 103 (Nov 2019)

In total: 187

Gender Balance

60 % women

40 % men

Gender Balance Management team

36 % women

64 % men

Average age: 30 years

Non Swedish speakers

7 % 2019



Engagement surveys

are an important tool to understand the organization. We conduct monthly surveys as a tool for Team-leaders to develop the team and move forward. One larger engagement survey is performed annually with the purpose of getting feedback and input on strategy, management and a whistleblower function related to harassment.

In 2019 no cases of harassment were reported. Preventive measures are taken to make sure our organization is equal and fair to everyone. There is a Safety Committee in place, the assignment for this group is to take preventive actions to give all employees same opportunities. The committee meets four times per year.

Compensation surveys

J.Lindeberg conduct a compensation survey yearly to map and work actively to ensure equal pay for equal work and close the gap if there is one.



Check out full videos on vimeo.



J.LINDBERG **AN INCLUSIVE WORLD**

We make conscious decisions when choosing how we present our brand and promote diverse casting. J.Lindeberg imagery should represent the world we live in and reflect the including mindset of our brand and heritage.

Diverse casting

JL signed the Swedish Fashion Councils Ethical Charter in 2017. We want to contribute to and establish our responsibility of a healthy body perspective, diversity and working conditions for our business when producing shoots and imagery.

Social Engagement – Urban Golf

This year J.Lindeberg teamed up with filmmaker, New York Nico, a true New Yorker, to help bring light to how the urbanisation of a largely misunderstood game can help bring diverse communities together on the streets rather than just the traditional golf course.

First stop, East Harlem Prides Girls Golf Team.



WHY POLICIES?

Our policies make up an essential part of the work towards sustainability. They are company statements, describing our standpoint in different areas and guiding us in our everyday work. The J.Lindeberg philosophy is to keep policies tangible and to the point.

To make sure the policies are really lived by, we follow up within defined areas that we can measure. For example, when saying we are increasing the co-operation with suppliers that are working to decrease their environmental footprint we count the share of total suppliers that are Bluesign certified or Ökotex certified and encourage that figure to grow.



Our policy's related to Corporate Responsibility:

Code of Conduct
Environmental Policy
Animal Welfare Policy
Anti-discrimination Policy
Diversity Policy



RISKS RELATED TO SUSTAINABILITY

We understand the negative and positive impact our business have and handle these efficiently. J.Lindebergs sustainability strategy supports 5 of the UN's Sustainability Goals.

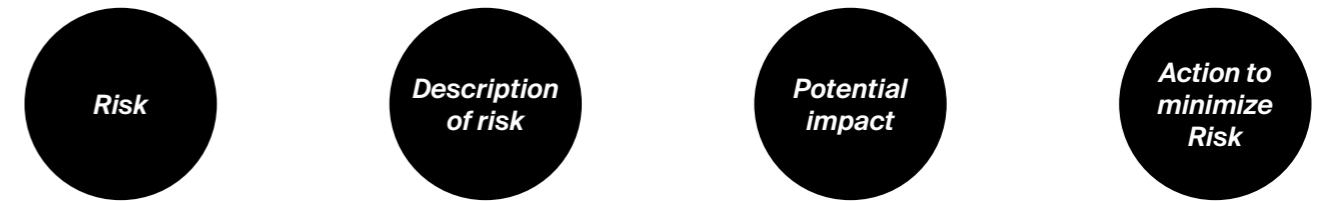
Global Sustainability Goals:

- Gender Equality
- Affordable and Clean Energy
- Climate Action
- Responsible Consumption and Production
- Decent work and economic growth

Our policies are addressing above areas. Page 29 contains an overview of the biggest risks related to sustainability.

UN sustainability goals





Risk	Description of risk	Potential impact	Action to minimize Risk
Environment	Inefficient use of energy, water and raw material and/or risk for pollution. Increased focus on products environmental impact and upcoming legal requirements.	Increased costs, negative impact on the environment and diminished reputation. Reduced access of raw material for future needs. Reduced access to water for J.Lindeberg production, people who live close to factories contracted by J.Lindeberg as well as customers. Disruption in the supply chain, including energy supply. Disruption related to extreme weather conditions.	Development of an environmental strategy and policy. Internal activities for increased efficiency of energy use. Sustainability focus in product development. Increased focus on suppliers environmental work and certifications.
Suppliers	Supplier's. including sub suppliers, fabric suppliers, agents and distributors who don't respect J.Lindeberg's supplier code of conduct and are weak in their sustainability performance. Unsustainable routines for buying and supplier management.	Diminished reputation and weaker financial position. Sudden disruption in the value chain. Less competitive purchase price. Increased turnover of suppliers and low efficiency in the value chain. Increased total costs for purchased goods.	Revised plan for supplier management, evaluation of supplier's risks related to sustainability, activities for approving and developing of suppliers. Increase awareness - training of employees and suppliers in the supplier code of conduct. Integrate suppliers' sustainability work and aspects in the buying process. Increase share of fabric with traceable supply chain and third-party certifications.
Lack of natural resources will potentially inhibit growth in the textile industry.	The supply of raw material we are used to work with in textile production might not cover the need for future growth.	Decreased supply of raw material i.e cotton, less competitive prices. Weakening sales.	Evaluate and implement alternative fabrics, adapt the design process to a circular model where the life of the product is prolonged. Adapt business model to secure future business.
Corruption	To bribe to receive orders. To receive bribe before order is placed. Internal or external fraud. Violation of international trade regulations.	Legal consequences. Diminished reputation and weakend financial reputation.	Training, due diligence, improving processes related to suppliers, customers. Increase awareness of international trade regulations
Discrimination & Harassements	Unequal handling of staff based on legal grounds for discrimination.	Weakened reputation which might have an impact on sales and the ability to attract and keep staff. Loose talent and perspectives to bring the company forward	Trainings related to the grounds for discrimination. Working group to address the issue internally. Requirements of diversity when recruiting, goals for diversity overall.
High staff turnover	The business might not be run with the expected quality and stability. Difficulties to reach set goals and the company vision.	Financially costly. Stress and illness amongst staff. Increased workload for managers and support functions. Decreased reputation as employer.	Engagement surveys, increased working environment, clarified objectives and targets, leadership training for managers. Build trust and credibility in the working processes. Engagement surveys, transparency and communication. Clarify responsibilities processes.



J.LINDBERG