

# Sustainability Report 2020

Environmental Concern  
Transparency  
Traceability  
People

2020



**J.LINDBERG**  
JL



## **CORPORATE RESPONSIBILITY**

4	J.Lindeberg
6	Summary 2020
8	Environmental Policy
10	Transparency & Production
12	It's all in the details
14	Traceability, Raw materials & Treatments
20	Transportation & Packaging
22	People
24	An inclusive world
26	Why Policies?
28	Risks related to sustainability



We welcome you to take part of this summary of J.Lindeberg's Corporate responsibility work of 2020. 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.

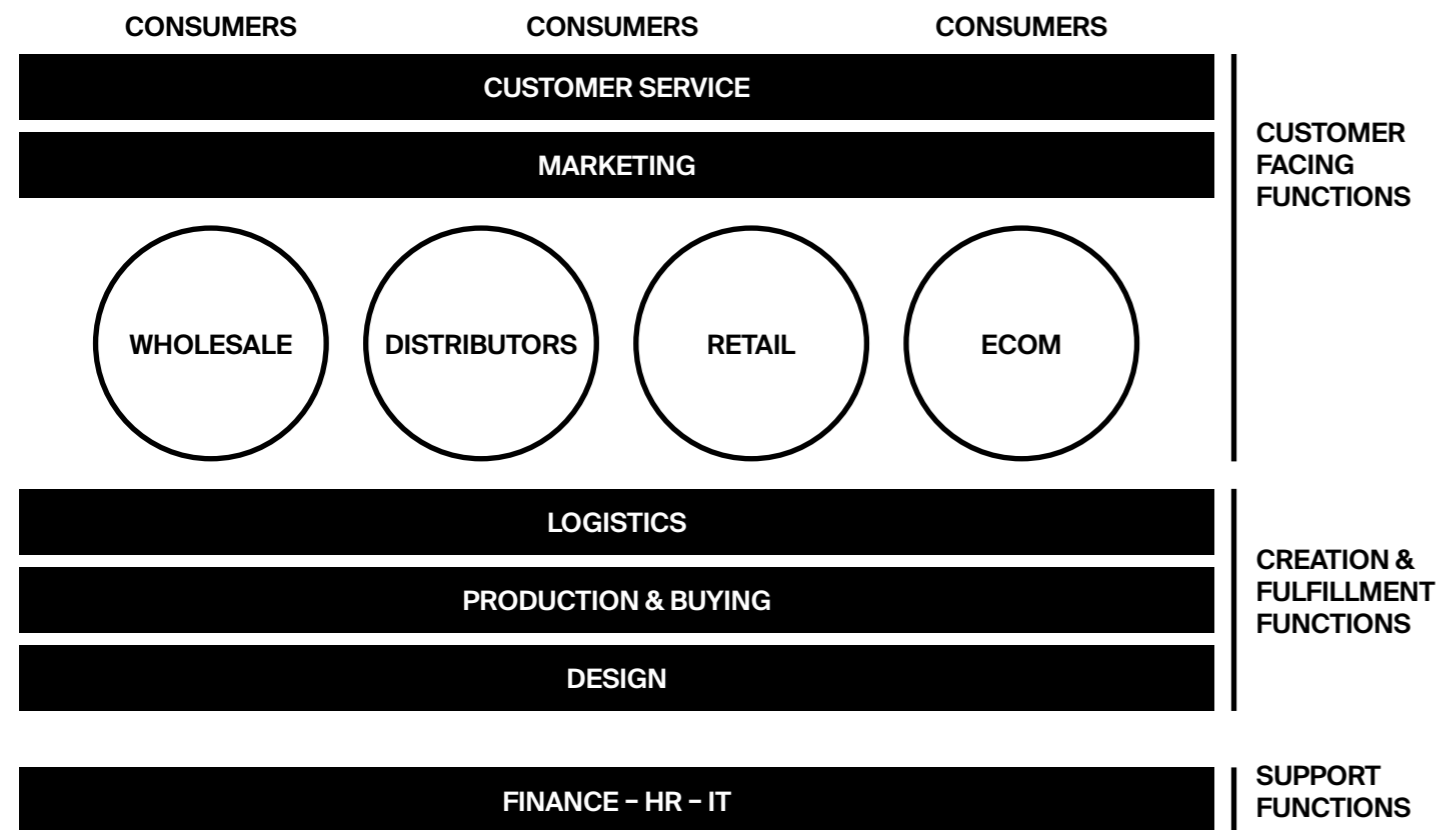
We act in a global world and need to take global responsibility.

## J.LINDBERG

Founded in Stockholm 1996, J.Lindeberg inspires unconventional thinkers to live life to the fullest. The international fashion house bridges fashion and sport, offering sophisticated, edgy and comfortable products for a modern active lifestyle. The collections bring together creativity and Scandinavian progressiveness – for innovative fashion and outdoor lifestyle wear that is sustainable and delivered through a customer-focused, seamless experience.

With headquarters in Stockholm, Sweden, the distribution covers more than 35 countries. There are 157 J.Lindeberg stores in several of the major fashion capitals of the world, such as Copenhagen, New York, Tokyo, Hong Kong and Shanghai. The wholesale distribution features close to 2000 stores, including the leading high-end department and specialty stores around the world.

This Sustainability Report refers to J.Lindeberg AB. Covering the fiscal year 2020 and collections made in 2020, in accordance with stipulations in ÅRL 6th chapter.



## Summary 2020

2020 was a year when focus turned to our individual and global health and a global pandemic, a global humanitarian crisis. A completely new situation for all of us, adding an additional layer of complexity to everything we normally do as individuals, families, team-members and in how we run our businesses and lives. Questioning status quo was inevitable.

J.Lindeberg still managed to keep focus on sustainability and in certain areas rapid development was forced through as a consequence of the “new normal”. We realized perhaps we don’t need to travel as we have done in the past. We realized it wasn’t that difficult to implement a more digital work environment. In other areas we didn’t quite reach the ambitious goals we had set.

In 2020 we also realized that our focus area within sustainability; Work for Equality & Diversity was to slim. The scope of our People is much wider, why our commitment to People developed into; A Global Work environment where everyone can thrive.

The sustainability focus for the year has not changed; we continued to work according to our commitments set in 2017 and which are still as relevant as ever:

- A Traceable and Transparent Supply Chain
- Actions to reduce our climate impact
- Work for a Global Work environment where everyone can thrive

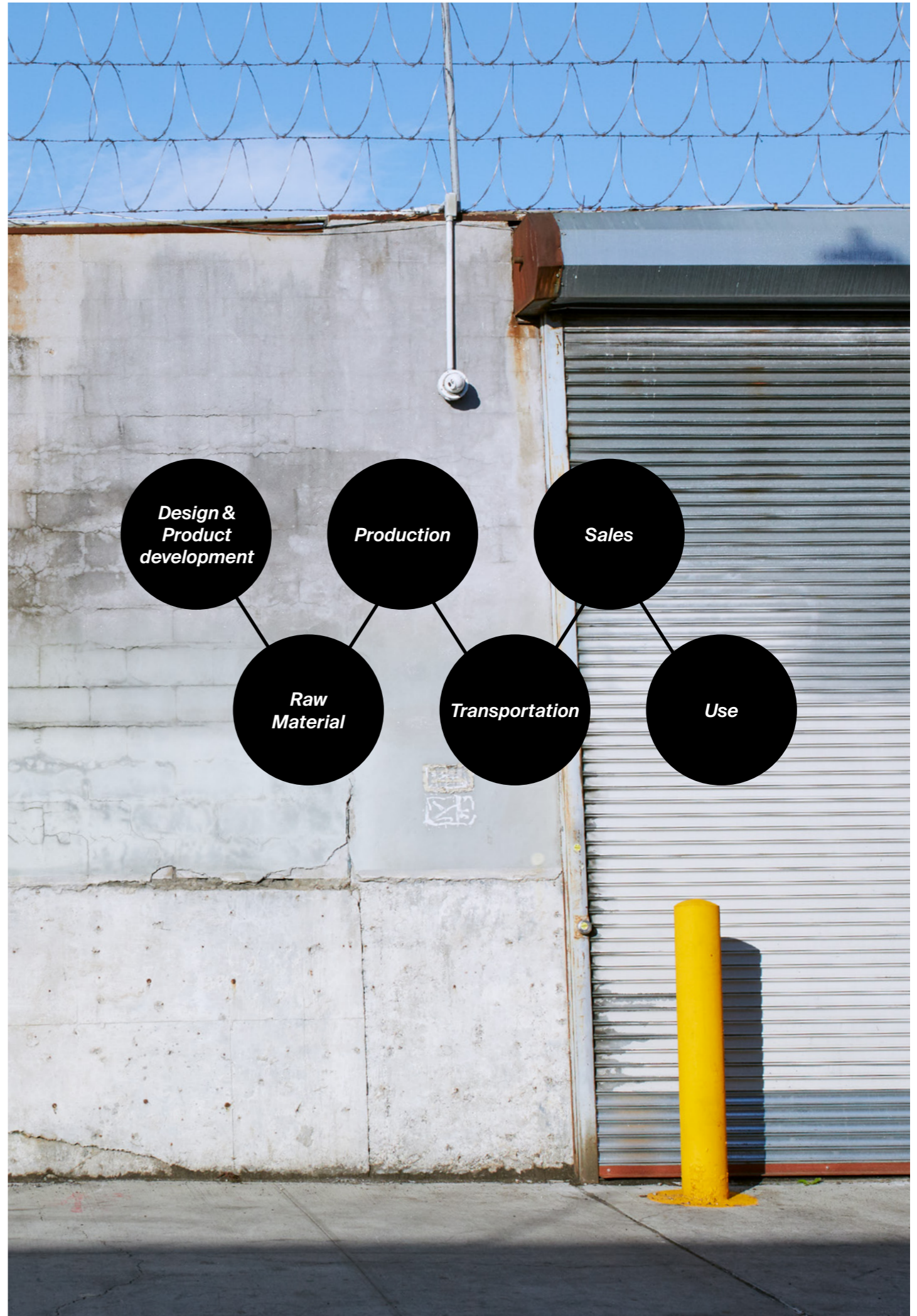
In addition to these commitments we broke it down further in three focus areas for our products and collections:

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



Our targets are: 100 % of Manmade fibers in our collections should be from recycled sources in 2023. All Cotton in our collections should be organic or from more sustainable sources in 2023. All our collections, including Sport should be PFC-free in 2023.

The coming years we will continue to show our development towards these targets in the yearly reports but we will also make an effort to make it more visible to our customers. We are making many choices apart from these three that are better from an environmental and ethical standpoint but these three our customers can be sure to see a steady development of and which will be communicated consistently through all channels.



## **ENVIRONMENTAL POLICY**

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



## **TRANSPARENCY**

Transparency is the pre-condition 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 trims 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 Blue sign certified, a global standard for sustainability in production processes.

During 2020 the figures have developed in the following way:

Share of Bluesign certified suppliers 2019: 9 %

Share of Bluesign certified fabric suppliers  
(Sports Collection) 2020: 64 %

Share of Ökotex certified suppliers  
(Fashion Collection) 2020: 25 %



## **IT'S ALL IN THE DETAILS**

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

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

53 % of our labels during 2020 are made with recycled polyester.

### **Hangtags**

2019 we started developing hangtags with Recycled paper.

2020 48 % of our hangtags are with 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 choose a nominated supplier for threads that helps us 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, reason why is that production might be too far way from the sowing factory, or in functional wear where we have developed our own thread for maximum functionality

## **TRACEABILITY**

Traceability can be divided into two main areas for us; Fibres and Suppliers and working conditions.

### ***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***

During 2020 we stopped the use of Mohair.

### ***Cashmere***

During 2020 we have continued our work to focus on the cashmere origin and traceability.

### ***Fur***

J.Lindeberg has a ban on use of exotic fur

**2020  
J.Lindeberg  
stopped the use  
of Mohair**







**Suppliers and working conditions**

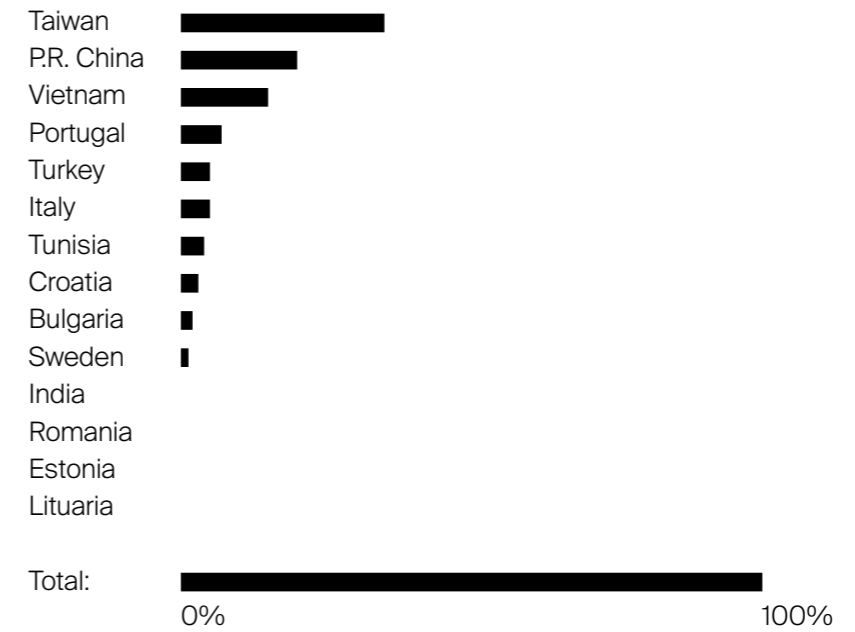
It is important to highlight that we actively choose not to work with certain countries where we do not have the capacity to secure working conditions. No country is risk-free, and it takes hard work to control all production, but we assess the risk to be manageable in the countries we are active through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



**2020 HIGHLIGHTS**

We have reduced our sport supplier base by 57 %, from 33 to 19 active suppliers. This enables a tighter co-operation, increased quality control and enables increased focus on follow up on working conditions.

Production countries 2020



**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 man-made fibers in favor for recycled fibers and increased traceability. We also 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 supplier 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 changed to Organic Cotton in our best-selling Denim program and we have continued to extend the offer in 2020 by adding more denim styles in organic and also being able to present 13 % of our Jersey collection in Organic Cotton.



**75 % of all padding in our Ski Outerwear contains 100% recycled polyester post consumer PET bottles.**

**14 % of our Outerwear program in wool comes from certified recycled wool.**

**21 % of our denim is organic 2020**



**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. 14 % of our Outerwear program in wool comes from certified recycled wool.

**Recycled Man Made Fibers, Ski:**

2020: 75 % of all padding contains 100% recycled polyester post consumer PET bottles.  
2019: 50% of all padding contains 100% recycled polyester post consumer PET bottles.  
2018: 22% of all padding contains 100% recycled polyester post consumer PET bottles.  
2017: 15% of all padding contains 100% recycled polyester post consumer PET bottles.

**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 bad for 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.

## TRANSPORTATION & PACKAGING

In 2020 we are proud to show our air freight decreased, which is a big part of our CO2 footprint. Due to the pandemic we took the decision not to air anything for FW20 which is the reason for the very low % on Air for 2020. Going forward we will continue to work with options to Air such as Sea/Air and train but a more realistic % of Air would be around 10%.

### E-Commerce - Environmental friendly shipping supply

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

### Packaging

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

They are all part of Återbära which means they are 100 % Climate neutral, the amount of emissions generated throughout the entire process, then offset the carbon emissions by supporting certified tree planting in South America. E-commerce packaging was changed from virgin plastic to recycled plastic with European origin as of 2018.

Since 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 e-invoicing only option since 2018.

### Renewable energy

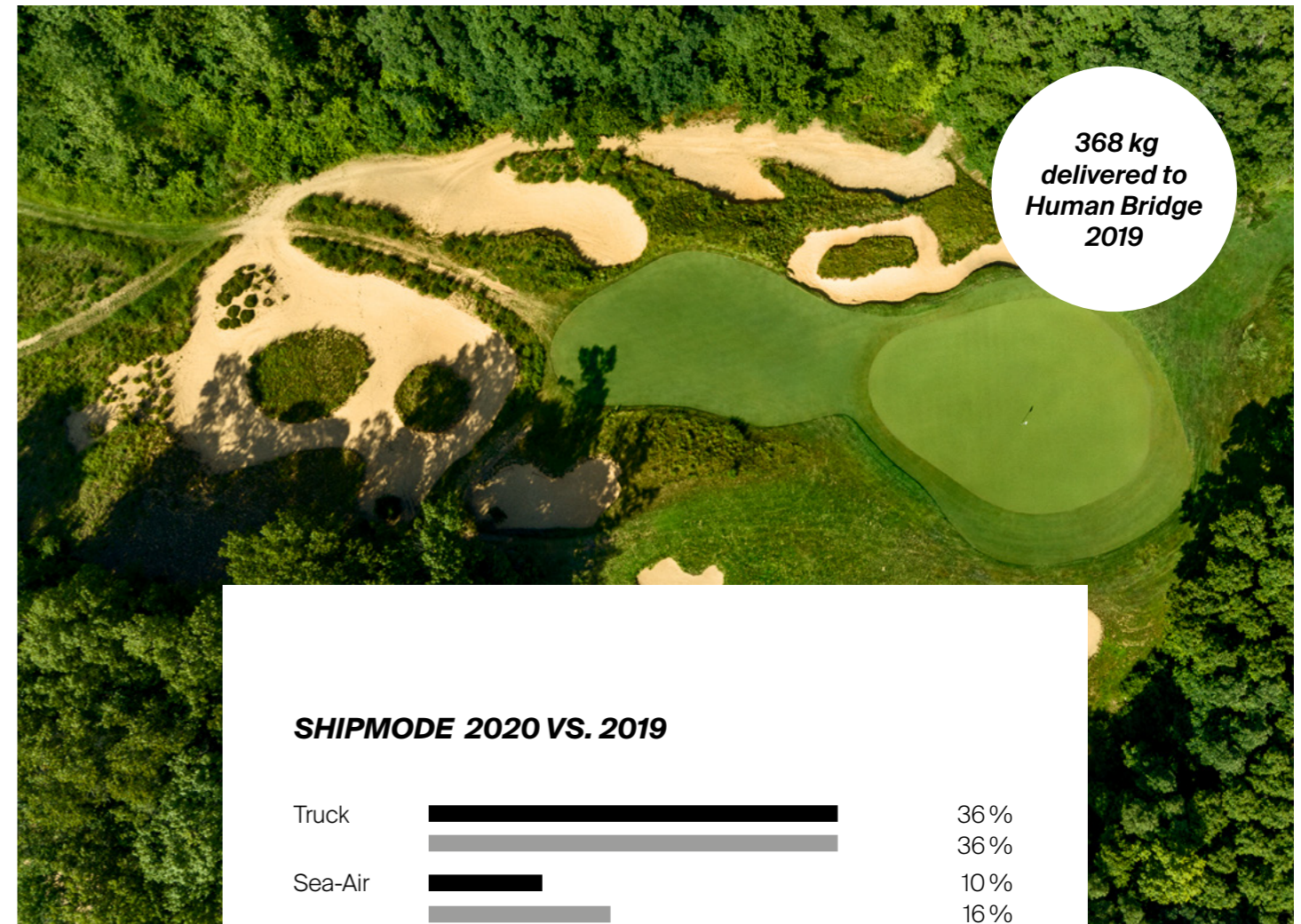
We run on renewable energy in office and own stores. Elkraft is our supplier and we run on hydropower.

### Waste

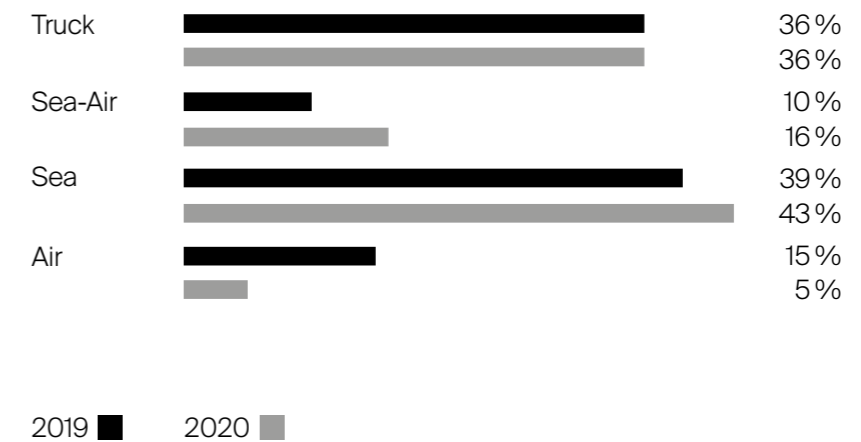
We are concerned about how much our industry produces that is not used for different reasons. One action from J.Lindebergs side is to make sure returns and garments we can't sell doesn't go to waste is to co-operate with Human Bridge an organization which collects shoes, textiles and clothing in favour of people in need.

Delivered to Human Bridge in 2019: 368 kg  
Delivered to Human Bridge in 2020: 1795 kg  
Delivered to Newlife Charity in 2020: 1460 kg

When we develop collections and products are samples and prototypes a part of the process. These products are donated to organizations such as Human Bridge and Newlife Charity. We also donate local charity, hospitals and other organizations that might have use of valuable material which we don't have use of.



### SHIPMODE 2020 VS. 2019



## PEOPLE

J.Lindeberg is all about being a team. Everyone makes a difference and are crucial for our performance as a company and a 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 JLAB (Retail & HQ)

Tot: 154

Men: 62

Women: 92

### **Gender Balance**

60 % women

40 % men

### **Gender Balance Management team**

23 % women

77 % men

### **Average age**

Average age HQ: 36 years

Average age retail: 26 years

Total Average age: 31 years

### **Non Swedish speakers**

5% 2020

### **Values & Working Principles**

In 2020 we developed and clarified Values and Working Principles. For J.Lindeberg as brand and employer it is of highest importance that we at an early stage with a possible new team-member are able to share our beliefs and explain our culture. When we are all aligned on expectations and agree on working methods we create a dynamic workplace where everyone can thrive.



### **Engagement surveys**

are an important tool to understand the organization. We conduct monthly surveys which is to be a tool for Team-leaders to develop the team and move forward.

In 2020 we changed focus of our survey, to using Gallup Q12, a methodology that aims to identify the 12 elements of good management. It tells you where you need to focus your effort as leader and team and it has a proven and well documented track record of building high-performing teams and positive, productive working environments.

## VALUES

### *Scandinavian progressiveness*

Our innovation and high standards, coupled with our drive to question the status quo create a uniquely Scandinavian point of view

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### *Customer focus*

Our tribe of customers receive a seamless customer experience designed around them.

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### *Sporting energy*

Customers can sense our sophisticated, sporting energy in every garment, interaction and image.

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### *Responsibility*

Customers confidently join the J.Lindeberg tribe because we are responsible and sustainable.

## WORKING PRINCIPLES

### *Courageous*

We are bold and we are unafraid to question what we are doing in our passion and determination to succeed.

### *Progressive*

We strive to be creative and innovative in our designs, our ways of working and our use of materials.

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### *Customer focused*

We work hard to understand our customers around the world, and we design fashion and experiences to inspire them.

### *Collaborative*

We work cross-functionally, building a non-hierarchical, inclusive environment where everyone can thrive.

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### *Agile*

In order to be competitive, we are flexible and ready to adapt quickly.

### *Entrepreneurial*

We are proactive and willing to succeed. Each individual is accountable and takes ownership of their part in making it happen.

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### *Ethical*

We are a responsible company, with strong business ethics. We care for our planet, our local communities and our people.

### *Sincere*

We are honest, dependable and trustworthy, driven by personal integrity and fairness.



## **J.LINDEBERG 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.

## **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 every day 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.

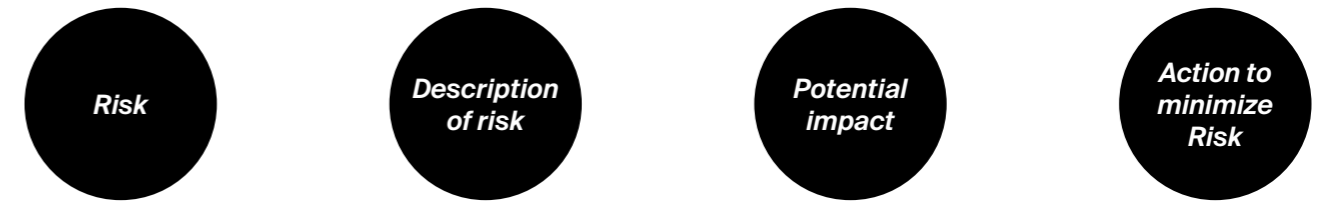
*Global Sustainability Goals:*

- Gender Equality
- Affordable and Clean Energy
- Climate Action
- Responsible Consumption & Production

Our policies are addressing above areas. Page 31 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 coming 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 weakened financial reputation.	Training, due diligence, improving processes related to suppliers, customers. Increase awareness of international trade regulations.
Discrimination & Harassments	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.LINDEBERG**