

A woman with long brown hair is crouching on a large, dark grey rock by a body of water. She is wearing a white, cable-knit sweater and tan, lace-up boots. She is looking off to the left, with her hand resting on her chin. The background shows a calm lake, a forested shoreline, and a clear blue sky.

Sustainability report 2023

LINDEX

Table of contents

We are Lindex	3	Our promise	24
CEO comment	4	Our goals	27
The company	5	Empower women	31
Our beginning	5	Achievements	32
Purpose	5	Female health and wellbeing	33
Lindex today	6	Gender inclusive workplaces	34
Governance	7	Respect the planet	37
Culture	8	Achievements	38
Equal opportunities	10	Climate and structural change	40
Due diligence	10	Climate	41
Supply chain management	11	Circularity	46
		Natural resources	51
		Ensure human rights	63
		Achievements	64
		Fair and decent work	65
		Diversity, equity and inclusion	72
Global context	15	Report background	75
Legislative landscape and policy engagement	16	GRI index	76
Sustainable Development Goals	17		
Transparency and traceability	18		
Disclosure	18		
How technology supports sustainability	19		
Collaboration for impact	20		



We are Lindex



When I try to characterise 2023, one of the first words that comes to mind is volatility. We see wars raging, and the implications are touching us all. This may be impacting some of us directly, and many more of us indirectly, as concern for the safety of our community members or through inflation which impacts one's financial situation. This past year was the hottest on record, and again we are all feeling the impact of the climate crisis. As biodiversity loss accelerates, experts expect the impact on our lives to accelerate as well.

But as the volatility and disruption becomes more widespread, touching each of our lives in different ways, but touching each of us nonetheless, I am heartened to see that it is inspiring action as well. Policy makers in countries around the world are responding with legislation that is either under implementation or underway. And some of this has the potential to spark a major shift in how companies take responsibility for the impacts of their operations.

We have a strong foundation to build on given our sustainability ambition over the years. We have been steadfast in following through on our sustainability promise to empower women, ensure human rights, and respect the planet. We have a lot of work to do and we welcome these new challenges and feel confident in our ability to embrace expanding stakeholder expectations and implement new requirements. Our success will require us to further leverage our higher purpose to empower and inspire women everywhere. Further, it will require us to continue prioritising sustainability as an integral part of our business, particularly during these challenging times.

This approach is embodied in our 2030 goals, which combine targets for company growth and profit with reducing our greenhouse gas emissions and dependency on natural resources, all

while seizing opportunities within the circular transformation. And our progress toward these goals continued to accelerate in 2023.

Here are just some of the concrete steps we have taken this past year in line with our sustainability promise:

- We have updated our already ambitious climate goal and formulated a new goal in line with science and submitted it to the Science Based Targets initiative for validation. Our SBT includes FLAG targets where we address the GHG emissions that come from land use and land management connected to our raw materials.
- We have continued exploring new services and circular business models that are part of our future growth and a key enabler for reaching our climate target and reducing our dependency on land and natural resources. These pilots are proving to be critical for gathering learnings that will enable successful future scaling.
- We have built exciting new partnerships that will help us to harness the power of collaboration, such as our new initiative with Infinited Fiber (see more on page 49).
- We are continuing our commitment to female health through new products, new community development projects, and new funding channels.

As you read through this report, I hope you are able to share in my feelings of confidence, encouragement, and progress. No matter how volatile the world may be, we will continue to respond with a firm commitment to our higher purpose and our promise, which we know will lead to our success as a company and as a member of this global community.

Susanne Ehnåge
CEO



The company

Our beginning

In 1954, Lindex started as a lingerie company in Alingsås, Sweden. Our journey towards better products, better design, and a better world continues to evolve, and the scope of our work continues to expand. Today we are a global fashion company with over 4.300 employees, all working together to find new and powerful ways to make a difference for future generations.

Purpose

At Lindex, we exist to empower and inspire women everywhere – this is our higher purpose. From field to fitting room and at every step in between, we are constantly seeking new ways to support, empower, and inspire the people and communities who are touched by our operations.

For us to better fulfil our higher purpose, in 2019 we launched our sustainability promise: to make a difference for future generations. The promise encompasses three core aspects: empower women, respect the planet, and ensure human rights. Our commitment to this promise has taken us to new and exciting spaces, particularly in the last couple of years. Throughout this report, we look forward to sharing our endeavours and our achievements in pursuit of our purpose and our promise.

Lindex at a glance

- Founded 1954 in Alingsås, Sweden
- Fashion for women and kids, lingerie and cosmetics
- Head office in Gothenburg, Sweden
- Part of the Stockmann Group since 2007
- Stockmann is listed on the Nasdaq Helsinki
- 439 stores in 18 countries (incl 36 franchises)
- Shop online in 34 countries and globally through third parties ASOS, Zalando, Boozt, About You, Manor and John Lewis.
- Turnover: 633.1 MEUR
- 4.373 employees
- 5 production offices



Lindex today

Today, Lindex is a global company with a presence around the world, and a growing focus on sustainable products and femtech.

Female Engineering

Lindex has brought together leading underwear experts, scientists, and material pioneers to create Female Engineering. Female Engineering offers innovative products with patented technology, designed to meet women's real needs through the various stages of life. See more on page 33.

Closely

Lindex now fully owns 100 per cent of Closely, a premium underwear and sportswear brand created in 2019 and launched in 2020. Closely's philosophy has sustainability at the centre. The ambition is to only make garments with perfect fit and function, becoming go-to items for every day that never end up at the bottom of the drawer. Inclusivity, durability, sustainability, and quality are defining features of Closely, whose garments are made to fit and flatter a range of body types, while adhering to strict sustainability criteria during manufacturing in a transparent supply chain. Each product is labelled with its own externally-calculated carbon footprint and all CO2 emissions are offset through hydropower projects in Sri Lanka, verified in accordance with The Clean Development Mechanism from the Kyoto Protocol. Products feature recycled fibres, and 70 per cent of the materials are bluesign approved.

As of the end of 2023 Lindex had 439 stores

Our 403 own stores were located in 9 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, and the United Kingdom. There were 36 franchise stores located in 9 countries: Bosnia Herzegovina, Serbia, Iceland, Kosovo, Albania, Qatar, Tunisia, Denmark and Malta.

Lindex online shops were available in 34 countries: Austria, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Tunisia, and the United Kingdom.

In addition, Lindex's products are sold in the online stores from ASOS, Zalando, Boozt, About You, Manor and John Lewis.

Governance: Embedding sustainability into our business

Embedding sustainability in our business plan and strategy is a team effort. It requires dedication, new mindsets, and new competencies. Bringing the consideration of planetary and human factors into all of our business decisions has been a central part of our recent transformation. We are making progress in ownership across the organisation and this continuously brings us forward on the journey.

Lindex's sustainability work is governed from the head office in Gothenburg. The Chair of Lindex's Board of Directors is responsible for all sustainability-related impacts. Our Director of Sustainability is part of the group management team and reports directly to the CEO.

Supported by a team, the Director of Sustainability is responsible for the overall sustainability direction and strategy. The corporate sustainability team ensures that targets are in line with science and that the strategy is based on Lindex's materiality. The team supports the entire organisation on the implementation of our sustainability strategy across the organisation and goals are set and followed up on within teams, departments and strategic initiatives.

In our production offices, we have local sustainability teams that develop and implement the strategy in our supply chain and report progress to both business owners and our Director of Sustainability.



Culture

We see power in collaboration, and we know that together we can make a greater impact. In 2019 we developed our employee promise: Together for a greater impact. See more on our [website](#).

Values

Our culture is shaped in many ways by our values. These values are:

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

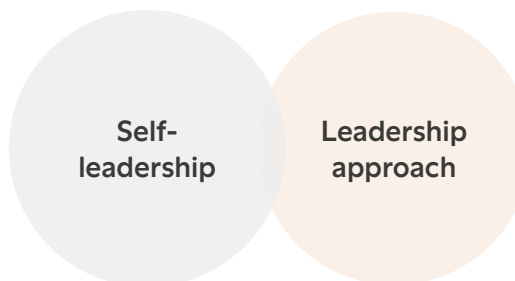
Work/life balance

At Lindex's headquarters 99,5 per cent of all permanent positions are full-time positions. In 2023, 5,6 per cent of our female employees and 1,5 per cent of our male employees chose to work part-time, mainly due to parental leave. The majority were scheduled between 70–90 per cent.

Leadership the Lindex way

We are all part of a transformational journey at Lindex, and this requires different types of leadership, to better lead ourselves and others.

'Leadership the Lindex way' is our holistic umbrella that includes two parts: self-leadership and our leadership approach.



Self-leadership

Being able to lead ourselves – feeling comfortable with decisions, prioritisations and responsibilities – is the foundation for becoming more agile, cross functional and succeeding with our strategy. It gives us more clarity and can serve as a compass that is effective in an everchanging environment. With self-leadership, we get a deeper understanding of our own personal values and how to use them to motivate and guide ourselves, so we can feel confident in making priorities and decisions in our everyday work. It is also about everyone's responsibility – being active employees who take accountability for our own performance and sustainability.

Self-leadership at Lindex is defined by the following:

- **I FEEL CONFIDENT** in who I am, what I can do, what I want and how I apply this in my communication and collaboration with others.
- **I AM ACCOUNTABLE** for my own performance and my own sustainability.
- **LINDEX TRUSTS IN MY ABILITY** to practice self-leadership and support me if needed.

Leadership approach: We unleash full potential

The leadership approach at Lindex has been developed from within, and it builds upon our high level of engagement and positive culture. The approach gives guidance on everyday behaviours and decisions for our leaders, to make sure we move in the right direction together.

We believe in a leadership behaviour and mindset defined by:

- **BUILDING TRUST** by encouraging self-leadership, seeing the individual and believing in the abilities of your team.
- **BEING INCLUSIVE** by building diversity, belonging, and togetherness and actively inviting perspectives and ideas different from your own.
- **BEING BUSINESS AND CUSTOMER FOCUSED** by taking actions based on insights, data and customer value, with an understanding of the business impact of every decision.
- **CREATING CLARITY** by communicating the business direction, goals and priorities in a way that engages and guides the team.
- **ENABLING CHANGE** by having the courage to make decisions, test, fail and learn through feedback.

A culture of diversity, equity and inclusion

We are intentional about building a culture of inclusion and diversity. We believe the power of diversity is in bringing new ideas and new perspectives together, and our focus on DEI will enable and strengthen Lindex's transformation for the future. As we bring together more diverse teams, we will expand our ability to think differently, leading to creative, powerful, and sustainable solutions, as well as improved performance and relationships.

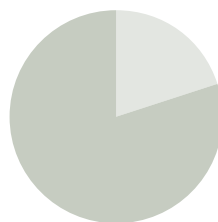
We also know that the more we pay attention to diversity, equity and inclusion, the better we will understand our customers of today and tomorrow. Overall, a work environment where diversity, equity and inclusion all thrive will enable our company and our culture to succeed.

In order to bring these values to the forefront even more, we have created a diversity, equity, and inclusion (DEI) strategy for Lindex. It helps each Lindex leader to become aware of how to build inclusive and diverse teams—and the benefits doing this—as well as making it a natural part of the long-term strategy of Lindex. Learn more about our DEI strategy on page 72, and read more about employee engagement related to DEI in the next section.

Gender diversity

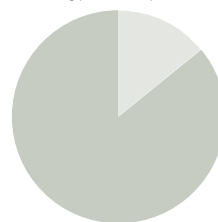
Gender is one lens on diversity that we have been monitoring for years. We are proud to have many women in leadership positions among our management team and our Board of Directors.

Management team



80% women 20% men

Board of Directors
*including personnel representatives



86% women 14% men

Looking to the future, we strive for a gender balance where those with the best competence are on board and welcomed to support Lindex in our journey toward greater diversity, equity, inclusion, toward fulfilling our promise, and toward business success.

Diversity beyond gender

We are well aware that the journey of diversity does not begin or end with gender. For example, in our visual material we work with diversity in age, looks and body types with the goal that everyone should be able to recognise themselves in our pictures. We want to work towards more inclusivity across the whole company using the entire spectra of diversity to enrich our organisation. We set ambitions, activities and targets so we can work intentionally and follow up on our progress within the organisation.

Employee engagement

Employee engagement at Lindex is about keeping our attitudes positive and our behaviours constructive. This helps us all feel a sense of pride and commitment to our work and lets everyone be part of creating the Lindex we want to work for. In 2021 we launched a digital engagement platform enabling us to check in with our team frequently and easily to strengthen engagement. It's also a fantastic way for our employees to share their thoughts with us, both the things we are doing well and what we can do better.



Collective bargaining

All employees in Sweden and Norway are covered by collective bargaining agreements (excluding managerial staff). In Finland all employees except office personnel are covered by collective bargaining agreements.

Employee engagement on DEI

In alignment with our DEI strategy, we added six DEI-focused questions to our employee survey.

Our overall result on our 'Diversity & inclusion dashboard' is based on the statement "I'm satisfied with Lindex's efforts to support diversity and inclusion (for example, in terms of gender, ethnicity, socio-economic status)" and we score 8,7 which positions us in the top 25 per cent of the consumer industry among users of this data-gathering platform. This is compared to 8,6, which was our score during the previous data-gathering round.

Our strength lies within 'Inclusiveness' where we score 9,1 on the statement:

“ At Lindex, people of all backgrounds are accepted for who they are”.

Our priorities for improvement are summarised under the category 'Diversity' and include three statements:

- "A diverse workforce is a clear priority at Lindex (for example, in terms of gender, ethnicity, disability, socio-economic status)",
- "Recruitment processes at Lindex attract and select a diverse workforce (for example, in terms of gender, ethnicity, disability, socio-economic status)," and
- "I believe Lindex is a diverse workplace (for example, in terms of gender, ethnicity, disability, socio-economic status)".

Here we score overall 8,0.

These outcomes continue to inform our new DEI strategy, and they are reflected in the actions and activities we are currently rolling out. Read more about our DEI strategy on page 72.

Equal opportunities

Providing equal opportunities is part of our promise to future generations. Our work on diversity includes ensuring that all employees at Lindex are treated with respect, with equal opportunities and a positive working environment. Through questions we recently asked via our employee engagement platform, we can see that the majority of our employees feel that we provide equal opportunities and treat people from different backgrounds fairly.

Although this a good indication that our company values and our culture are on the right track, we recognise that we are on a journey to constantly improve. This means we ask for feedback and when that feedback is critical, we take the opportunity to learn and improve.

We continue to gather data on our employees' perceptions and experiences related to harassment and discrimination through our employee engagement platform. Among other questions, our employees were asked to respond to this statement: "If I experienced serious misconduct at work, I'm confident Lindex would take action to rectify the situation".

The result showed less confidence than we would hope, meaning that this is an area that we must focus on improving.

During 2023, there were no discrimination cases that came to our attention via the whistleblowing system.

Lindex condemns all forms of discrimination and works actively to provide an inclusive and welcoming working environment to everyone. Our goal is that no employee experiences discrimination or harassment and that all leaders act when misconduct happens at work.

Due Diligence

Lindex has a due diligence process in place, and this is now being revised and extended to the full value chain. We continuously assess our partners, our supply chain and our own processes in order to address risks towards human rights, the environment, communities or our operations.

Supply chain due diligence is a continuous process, and this is ongoing for each production market. Every other year we conduct desktop research to identify any new or emerging risks that need to be added to the ongoing monitoring process. We also have a strong on-the-ground presence through the local production offices we maintain in each market. This enables close dialogue with suppliers, facilitates visits and audits in our supply chain, and helps us stay updated on events in the market and the industry that could involve material risks.

We engage in robust stakeholder dialogue through memberships, partnerships, presence in our supply chain, discussions with media and NGOs, participation in industry surveys and other channels in order to ensure we are constantly up to date and alert towards certain risks that we can address as they materialise.

Read more about our human rights due diligence on page 68.



Supply chain management

Lindex supply chain management system

Our business success relies on being able to find the right supply chain partners who share our values, and working together to maintain both strong relationships and high ethical standards. We have a management system structure in place which helps us to find potential long-term partners who:

- Share our vision for a transparent and sustainable fashion industry,
- Have the aspiration to move beyond compliance and focus on continuous improvement, and
- Commit (alongside us) to empowering women, respecting the planet and ensuring human rights.

The main tools within our supply chain management system are our:

- Human rights policy
- Code of conduct (with embedded gender equality expectations)
- Sustainability commitment
- Instructions for suppliers
- Business scorecard
- Business calendar/handbook (a guide for purchasing practices and design development)
- WE Women Management System (read more on page 35)

All suppliers and business partners supplying to or acting on behalf of Lindex are required to sign our sustainability commitment, code of ethics and code of conduct. Together, these outline our expectations for suppliers and business partners. In 2023 we worked with 104 suppliers and a total of 159 factories. One hundred per cent were covered by our code of conduct.

Through a pre-assessment we first confirm compliance with our code of conduct and we assess performance against our zero tolerance issues.

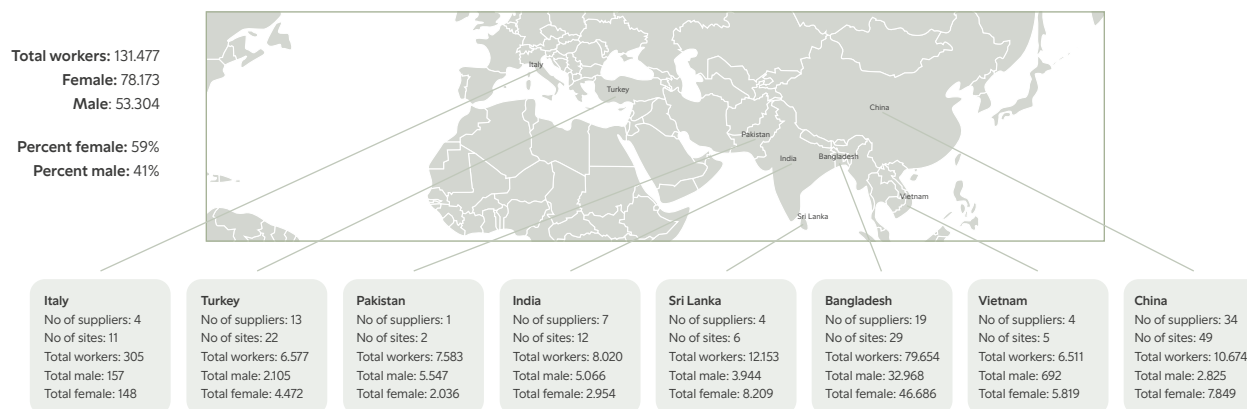
Once a relationship is established, the business scorecard is used to recognise and reward high performing suppliers based on business criteria as well as social and environmental performance.

We have around 30 key suppliers who manufacture 80 per cent of our production, and this is the process we use with each of those key suppliers.

Other suppliers that we may use from time to time, or for smaller quantities, will generally be audited and monitored by our third-party auditing partners.

As part of our commitment to transparency, we publish contact information for garment factories, processing units and fabric suppliers [here](#).

Our tier 1 suppliers around the world who are Sedex members





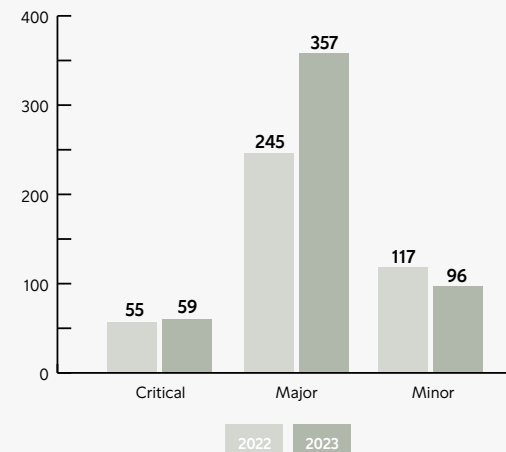
Zero tolerance

We consider violations against our code of conduct to be a very serious issue. This goes beyond our tier 1 direct relationships to include any production site under any supplier that produces goods for Lindex.

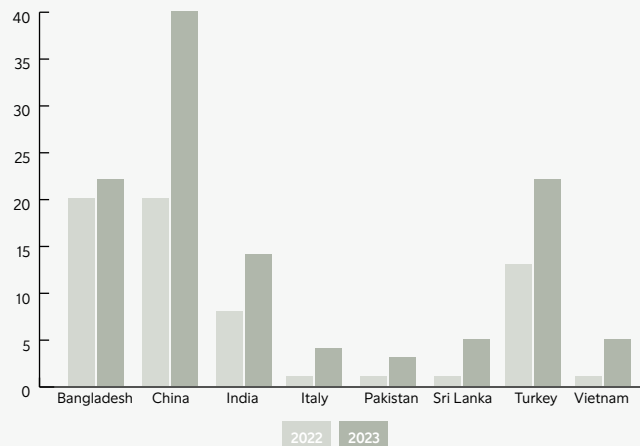
Below is a list of issues that are considered to be zero tolerance. Lindex reserves the rights to immediately and permanently discontinue business with any production site under any supplier that is found to be breaching requirements related to these zero-tolerance issues.

- Child labour
- Forced labour
- Failure to meet minimum wage requirements
- Harassment
- Discrimination
- Lack of transparency and denial of access to facilities and documents
- Use of banned chemicals
- Lack of proper business license
- Insufficient building and fire safety practices
- Environmental non-compliances
- Unauthorized subcontracting

SMETA non-compliance findings 2022 vs 2023



Non-compliance findings 2022 vs 2023



Audits and audit statistics

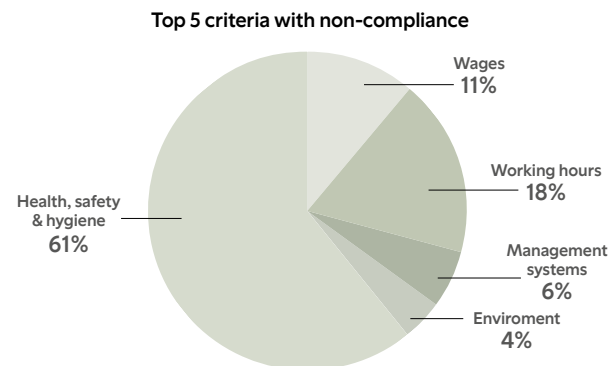
We are members of Sedex and use the SMETA audit approach; SMETA stands for Sedex Members Ethical Trade Audit, and we selected this system because of the embedded focus on gender equality. These audits lead to the development of an audit report, and where any areas for improvement are found, a corrective action plan (or CAP) is established. Our teams then monitor progress on deadlines and provide support as needed to resolve all corrective actions.

In 2023 we included more tier 1 suppliers into our auditing scope. Additionally, there was an increase in production units onboarding Sedex (from 111 to 137) and an increase in facilities conducting SMETA audits (from 65 to 120). These changes all reflect our dedication to upholding ethical standards and ensuring transparency throughout our supply chain. However, it also means that the raw number of noncompliances found did increase along with the number of audits conducted, as shown in the charts. We continue to monitor the rate of noncompliances per audit. Comparing 2022 to 2023 in this way, the number of noncompliances went down meaning that there wasn't any deterioration of compliance during 2023.



Common compliance challenges

The most common non-compliance issues that we find in our supply chain are shown in the pie chart here.



We closely follow up on all corrective actions and we monitor and verify compliance status using 3rd party auditing.

Among the top five non-compliance findings, three of them are the main challenges in all of our sourcing markets, and they are interactive issues that impact each other. Each of these are explained more below.

1. Health, safety and hygiene

Sometimes the work environment is not safe, perhaps due to deficient fire/electrical systems or building standards, but also blocked exits. Use of PPE and following safety instructions and routines are requirements that are often not met. Workers may not understand the importance of this, which is why there must be a strong occupational health and safety management system in place. For 2023, there were 307 noncompliances found in this area; 192 have been closed with verified compliance, 30 are in progress, and 80 will be carried into 2024. See more on page 71.

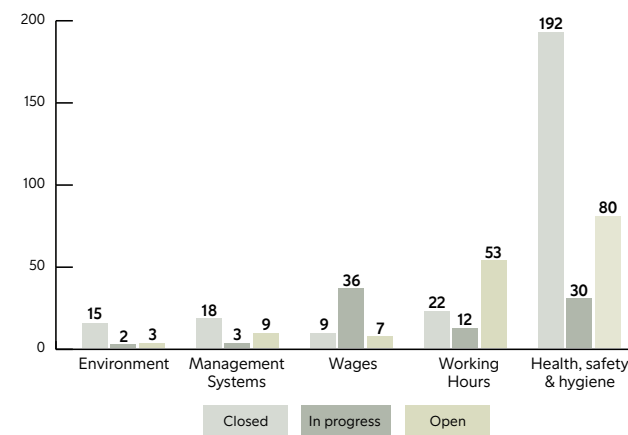
2. Working hours

Low wages (minimum wages determined by national law) may encourage an increase in working hours. This together with poor planning may lead to employer-mandated overtime and to excessive overtime. This can result in work-related injuries, and in a deterioration in health. For 2023, there were 87 noncompliances found in this area; 22 have been closed with verified compliance, 12 are in progress, and 53 will be carried into 2024. See more on page 69.

3. Wages

We know that there is a strong relationship between low wages, excessive overtime, and worker health and safety. The lower the wage, the more pressure workers feel to work more hours in order to support themselves and their families. More overtime hours come with an increased risk of accidents and occupational injury. Fatigue from overwork also leads to other health and wellbeing concerns such as heart disease and increased absenteeism, along with decreased productivity and quality. For 2023, there were 52 noncompliances found in this area; 9 have been closed with verified compliance, 36 are in progress, and 7 will be carried into 2024. See more on pages 65 and 69.

Status of top non-compliance findings at year-end



Self-assessments

We want to go beyond audits and therefore we work with a range of different capacity-building initiatives, including self-assessments. Self-assessments, which are done in parallel with auditing, help to move the responsibility and ownership to the supplier and develop their skills to improve conditions without constant external pressure. This type of self-reliance is part of our definition of a more sustainable supplier, which is monitored as part of our supplier scorecard system. For the past couple of years we have been working with our top 30 suppliers to equip them to be able to conduct self-assessments. Of this group:

- During 2021, 40 per cent were able to perform self-assessments.
- During 2022, 86 per cent were able to perform self-assessments.

Now, as of the end of 2023, suppliers representing 74 per cent of the total Lindex volume were able to perform self-assessments.



Termination

Abruptly stopping work with a supplier can have a negative impact on the workers. This is what we want to avoid. So, we do not have a termination policy, but we have a responsible exit strategy, and we emphasise dialogue in our partnerships. If we stop working with a factory for business reasons, this is always preceded by feedback on any issues we are encountering. When termination of a partnership is the necessary course, we communicate this to the supplier and slowly phase out of the factory. This means that the workers do not face rapid consequences, and that management has a chance to ensure continuity through new business relationships.

The International Accord

Following the tragic Rana Plaza factory collapse in 2013, we at Lindex were early signatories to The Bangladesh Accord on Fire and Building Safety.

Then in 2021, The International Accord for Health and Safety in the Textile and Garment Industry was launched, with the intention to replicate the success of the Bangladesh Accord to other countries. The new agreement is a legally binding agreement between brands and trade unions to build a credible industry-wide compliance and accountability mechanism.

We signed on to this initiative, which ran from September 2021 through October 2023, because we are committed to the global expansion of additional country-specific health and safety measures.

Lindex signed the Pakistan Accord on Health and Safety in the Textile and Garment industry on 8 May. The agreement will expire on 31 December 2025. The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), home textile, fabric and knit accessories suppliers, producing for the signatory companies. Furthermore, fabric mills in Pakistan that are within the supply chains of the signatories are covered.

Regarding Accord activities in Bangladesh for 2023, we conducted 55 inspections and achieved a remediation rate of 96 per cent.

Sustainability commitment

Our suppliers must indicate that they share our commitment to sustainability. To formalise this shared set of values, we have a written sustainability commitment that our suppliers must review and sign. This then sets a clear baseline for our work together. This document is publicly available [here](#).



Global context

Legislative landscape and policy engagement

We have been encouraged to see that the response to many of the challenges facing countries and companies around the world has come in the form of stricter regulations on environmental impact as well as human rights. Achieving a fully circular apparel and textiles industry will depend on policy developments across the globe and the alignment of reporting requirements governing sales markets and supply chain regions.

In Europe, the EU Commission has set out the green transition pathway under the umbrella name 'The green deal'. The transition to a green economy will be accelerated by a significant set of new directives and legislation for the member states. The regulations include taxonomy and sustainability reporting, corporate responsibility due diligence, directives on empowering consumers and sustainable products, and much more. The fashion and textiles industry has been identified as one of the most critical industries to transform.

We welcome these developments and the levelling of the playing field that this will bring, even though the patchwork approach we are seeing now presents a significant challenge in the short term. We see this as part of the process, and looking to the future we are vocally supporting harmonised legislation and working to shape the next iteration of regulation based on the outcomes of our own pilots on innovation and alternative business models.

We also know that when more companies like Lindex publicly take a stand on issues such as climate change, pollution, and biodiversity, we are stronger when we stand together. The leverage we can create in cooperation with one another goes far beyond what any of us could do individually. We already work extensively with our industry peers and other stakeholders to push for structural and legislative change.

How do we engage with policymakers?

- Within the framework of the European green deal, we are contributing to dialogue that is shaping the EU textile strategy, such as through the platform of the Sustainable Fashion Academy (see page 21 for more details).
- We have joined several open dialogue meetings with relevant stakeholders from both Sweden and EU to give input on what we see is needed from a legislative perspective.
- In terms of the approach, we are pushing for both 'carrot' and 'stick' approaches, combining incentives with taxes and tariffs that make new circular business models a clear winner over the old linear model.

- We are heavily engaged in the discussions around extended producer responsibility (EPR), and we were part of the steering group for a pre-study on how an EPR system can best be shaped.
- We have made it clear that we welcome legislation in support of the EU's climate ambition.
- We also engage in policy dialogue in Bangladesh through the Sustainable Fashion by Sweden platform where brands come together with the Swedish embassy and Swedish businesses for high level meetings with the Bangladeshi government and other stakeholders such as UNDP to push for renewable energy and circular systems on a national level.

What else is needed?

One company cannot transform the current system of global supply chains on its own. We are in need of policy support around the globe when it comes to creating the new business models and evolved supply chains that our future industry will rely upon. This will involve garment collection within the EU EPR framework, which must be aligned with existing and next-generation recycling infrastructures closer to our existing supply chain. We call on policymakers to engage with us to address this challenge, and pave the way for a circular fashion industry.



Sustainable Development Goals

A robust framework is crucial to achieving complex goals, and in 2015 world leaders developed and committed to the Sustainable Development Goals (SDGs) as a guiding framework to end world poverty, fight inequality and tackle climate change by 2030. The seventeen Sustainable Development Goals and their related targets require action at every level, from consumers to governments, and companies such as Lindex have an important role to play.

We have identified six of the SDGs to which our business can make significant contributions. We have developed our sustainability promise and focus our efforts on projects and initiatives to support these goals. The six goals we are focusing on are:





Transparency and traceability

Transparency is a requirement for accountability, and a key step toward open, honest communication about how to improve. Traceability also relies on transparency, and in 2021 we launched products that for the first time were traceable all the way back to the cotton field. We continue to expand on this programme (see more on our website [here](#)) as we work toward our goal of ensuring that all our cotton will be sustainable and traceable in 2025.

For Female Engineering, our femtech brand, the products were launched with an industry-leading level of transparency and traceability. We are publishing the factory name and address as well as the carbon footprint as part of the information available about each product. For example, see the product information presented [here](#).

Disclosure

An important component of transparency is disclosure, and so each year we complete the Fashion Transparency Index questionnaire, which feeds into the annual ranking by Fashion Revolution. While our score is 44 per cent compared to an industry average of 26 per cent, we believe we can do better and we continue working to increase this score. We have also published our supplier list on [OAR](#) through the [Open Supply Hub](#) and we have taken steps in publishing a big part of our raw material suppliers [here](#).

In accordance with the Transparency Pledge, we publish our garment factories and fabric mills in a searchable file. See more [here](#).



How technology supports sustainability

Technology is evolving rapidly in society at large and also in the fashion industry. It is a key factor for enabling transparency and product traceability; technology will enable greater accuracy in data gathering, in data validation, and it will help us to capture more granular details.

We have initiated an exploration into how to improve our forecasting processes by using AI and machine learning. The aim is to reduce cutting waste in the supply chain and to minimise overproduction.

A few of the ongoing technology initiatives we want to highlight include:

- **3D design:** Our kids department is now designing in 3D at various stages of maturity, with the highest maturity designing only in 3D. For our baby team this has contributed to a reduction of physical samples by 15 per cent between 2019 and 2022. For womenswear/lingerie some product groups are already working in 3D and we are increasing the use of 3D design into more product groups as we go forward. This will enable us to elaborate more on the design in a digital stage to reduce the number of physical samples. In addition to the in-house implementation we are engaging with suppliers that work with 3D design to develop the working methods together.
- **Sustainability data reporting platform:** In 2022 we implemented a sustainability reporting platform where data for reporting can be collected, stored and visualised for more efficient reporting processes.
- **Digital collaboration:** We have developed an application where our partners share climate related data on a more frequent basis allowing us to collaborate more efficiently and track progress in a better way.
- **We have initiated a pilot to gather more insights and learnings about product transparency in preparation for digital product passports.** Our main objective is to go deeper into our supply chain and start collecting more data about our products and their key components with a focus on environmental impact.
- **The BHive®:** We continued to work with The BHive®, a smartphone enabled platform for chemicals management. See more on page 59.
- **Product lifecycle management system :** We have implemented a new PLM tool with majority of our business teams and we see this as a great enabler for further enhancing our processes and how we collaborate.
- **Digital supply chain:** We see our supply chain as a core strength and to be able to utilise its value fully we are increasing our focus on digitalising it further. One of our first steps is to integrate even more closely with our suppliers to make information exchange both ways as efficient as possible.

Collaboration for impact

With transparency as the foundation, collaboration is the next precondition for achieving the structural change we are striving for. Collaboration between Lindex and our suppliers, as well as among industry peers and stakeholders, is a must considering the complex, global and intertwined nature of the fashion industry. Systemic change cannot be achieved without collaboration, which increases leverage and allows for sharing knowledge and creating a common agenda among peers. Collaboration is also paving the way for a harmonisation among industry players, such as a common language and way of reporting, and common expectations about actions



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



Cancer Foundation

Every year Lindex dedicates October, International Breast Cancer Awareness Month, to supporting the fight against cancer and contributing to cancer research, which—despite the many advances already made—is a field that is in constant need of financial support.

Since Lindex began supporting the Pink Ribbon campaign in 2003, our programmes, in collaboration with our customers, have contributed over 20,9 MEUR to cancer research.



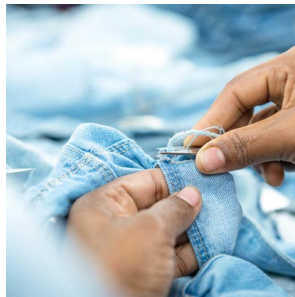
CanopyStyle

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



Diversity Charter Sweden

Lindex is a member of this initiative which aims to help organisations increase creativity and competitiveness through an emphasis on diversity. As a signatory, we are making a commitment to establishing and maintaining a working environment that is inclusive to all, and free from discrimination based on gender, racial or ethnic origin, religion, age, disability or sexual orientation.



ETI

Lindex is a member of The Ethical Trading Initiative (ETI), which is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.



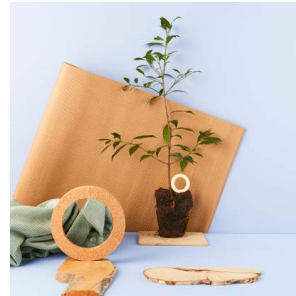
GIZ

Through a public/private partnership also including Bestseller, Deltex and Orsay, Lindex is working with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) to improve chemical management in 600 factories across the globe with the support of GoBlu International Ltd.'s digital chemical management tool The BHive®. Read more about the project and results to date on page 59.



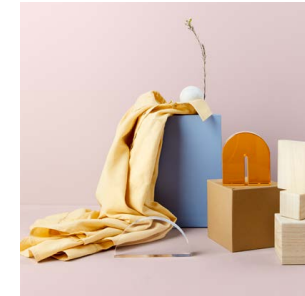
MAS Femtech innovation hub

Through our strategic partnership with Femography, the femtech division of the MAS Group, dedicated to pioneering women's health through advanced technology solutions, we have seamlessly integrated sustainable practices. Our combined efforts to shift from disposable to reusable feminine apparel underscore our shared commitment to minimising environmental impact. This collaborative venture empowers us to provide sustainable lifestyle solutions that prioritise well-being and environmental awareness.



IPE

The Institute of Public and Environmental Affairs (IPE) is a non-profit environmental research organisation based in Beijing since 2006. Lindex works with IPE to monitor environmental performance of direct suppliers and significant upstream suppliers in China through the PRTR (Pollutant Release and Transfer Registry) system. Lindex is one of the few brands in China that incorporates PRTR into our supply chain management requirements. In 2023, we have continued the partnership with IPE to address sustainable development issues in China, and we are listed on the IPE Green supply chain map. IPE publishes an annual ranking of brand engagement through CITI for general environmental management and through CATI for climate governance. In 2023, Lindex was ranked [No.17](#) and [No.21](#) respectively among all industries with operations in China.



Sedex

Sedex is a leading ethical trade membership organisation that provides its members, including Lindex, with tools, services, and local networks to help improve working conditions in global supply chains. SMETA (Sedex Members Ethical Trade Audit) is Sedex's social auditing methodology.



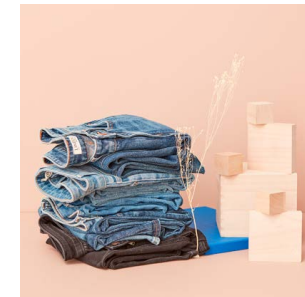
SFA Learning & Innovation Network

The SFA Learning & Innovation Network is a collaborative effort bringing EU apparel and textile leaders together to prepare for upcoming legislative changes, and ultimately to improve the social and environmental performance of their companies. The Learning & Innovation Network offers webinars and discussions with an emphasis on emerging legislation and policy, integrating sustainability into the core business, and cutting-edge practices.



STICA

Lindex is a member of STICA, the Swedish Textile Initiative for Climate Action, where brands are coming together to reduce the climate impact of the textile industry. Within STICA, we work together to set science-based targets and plans for GHG reductions in line with limiting global warming to 1,5 degrees Celsius, and we report on our progress on a regular basis.



Sustainable Fashion by Sweden Platform

The Sustainable Fashion by Sweden Platform in Bangladesh was established by the Embassy of Sweden in Dhaka and Business Sweden. The aim is to find synergies and reinforce messaging when it comes to sustainability within the RMG sector as well as to convene key stakeholders to further promote and drive Sweden's commitment to sustainability. The aim is to match suppliers and factories with solution providers for sustainable development with a focus on climate action and water management. Key stakeholders include Swedish technology companies, finance and development organisations, the government of Bangladesh, and brands including Lindex, IKEA and H&M, as well as their suppliers.



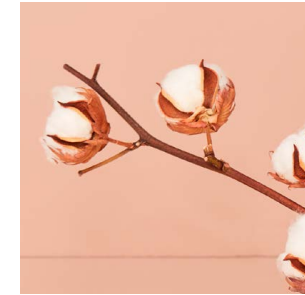
Swedish Chemicals Group at RISE

The Research Institute of Sweden, or RISE, works to ensure business competitiveness and contribute to a sustainable society through international collaboration with industry, academia and the public sector. Lindex is a member of the Swedish Chemical Group organised by RISE, which aims to spread the latest knowledge on chemical and environmental issues to member companies in the textile and electronics industry. The intention is to prevent the occurrence of unwanted chemicals in products such as textiles, footwear and electric and electronic equipment.



Textile Exchange

Lindex is a member of Textile Exchange, a global non-profit organisation that works with a community of stakeholders, from brands and retailers to manufacturers and farmers, to achieve positive climate action and more purposeful production.



The 2025 Sustainable Cotton Challenge

The 2025 Sustainable Cotton Challenge was initiated by The Prince of Wales' International Sustainability Unit and Lindex was one of the first companies to join. Signatories come together and commit to ensuring that 100 per cent of the cotton they use comes from more sustainable sources by 2025.



The Global Deal

The Global Deal for Decent Work and Inclusive Growth was launched by the former Swedish Prime Minister Stefan Löfvén in cooperation with OECD and ILO in 2016. The Global Deal aims to encourage governments, businesses, unions, and other organisations to enhance social dialogue.



The International Accord for Health and Safety in the Garment and Textile Industry

Lindex was part of the original five-year Bangladesh Accord on Fire and Building Safety, which has made workplaces safer for millions of garment workers since its launch in 2013. Lindex was among the first signatories to the next iteration of this initiative, which seeks to expand the original improvements to factories around the globe.



The Private Sector Action for Women's Health and Empowerment Initiative

The Private Sector Action for Women's Health and Empowerment Initiative was launched by the United Nations Foundation, the Bill & Melinda Gates Foundation, the UK's Department for International Development, and Merck for Mothers. Together with other brands from the private sector, we have made a commitment in line with this initiative. This aligns with our sustainability promise of investing and using our business power to improve women's health and wellbeing in markets and communities where we operate.



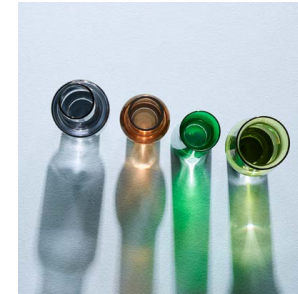
The Swedish School of Textiles – Borås

As part of the University of Borås, the Swedish School of Textiles educates undergraduates and graduate students across seven departments each, focusing on design, engineering, and management, with an overall commitment to sustainability. Our engagement with the school involves innovation, programme advisory, exchange of knowledge, and more.



Transparency Pledge

While transparency is a major challenge in the fashion industry, it is the key to making progress within all areas of sustainability. We first committed to the Transparency Pledge in 2017. The Apparel and Footwear Supply Chain Transparency Pledge is an initiative by nine global trade unions and human rights organisations. The initiative was developed to promote deeper and wider transparency in supply chains by getting companies to publish information about the factories in the manufacturing phase of their supply chains.



United Nations Global Compact

The United Nations Global Compact is a global platform for business and non-business entities to proactively network and engage in areas of human rights, labour, environment, and anti-corruption. Participation in the UN Global Compact is a widely visible commitment to the implementation, disclosure, and promotion of its ten universal principles. Lindex is a member of the UN Global compact through Stockmann group but also carry a membership of our own.



WaterAid

As part of our promise to future generations that we are striving to be a water responsible company and we collaborate with WaterAid to improve access to clean water and sanitation around the world. This partnership also supports our promise to empower women and our commitment to female health. See more on page 33.



Our promise



Our promise

Companies do not just exist to provide goods and services to one group of people: customers. Companies are also made up of people—people with families, communities, and multi-dimensional lives. At Lindex, we are well aware of the many people who make our company possible, from those who grow and pick cotton, to those who sew our garments, to the people working in our offices and shops, all the way through to the people wearing our designs as they take on the challenges of the world. And we feel a responsibility to every single one of them.

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

Our promise is divided into three areas:

- Empower women
- Ensure human rights
- Respect the planet

In some areas, we have already made a tangible impact. In other areas, we are setting progress into motion. And there are some areas where we are still working to understand the best path forward. But even if we don't have all the answers yet, we know that transparency, inclusivity, innovation, dedication and, above all, collaboration will get us where we need to be. Read on to learn more about our achievements and our goals in each area.

We promise to make a difference for future generations

Empower women

Female health and well being

Investing and using our business power to improve women's health and well being in markets and communities where we operate.

Gender inclusive workplaces

Taking the lead in strengthening women's positions and equal rights across our entire value chain, closing gender pay gaps and making sure women have the same opportunities to fulfil their potential as men have.

Respect the planet

Climate

Accelerating energy efficiency and transition to renewable energy, to reduce our climate impact in line with science in our entire value chain.

Circularity

Transforming our business to create value and growth while decreasing our climate impact, minimising our use of natural resources and impacting consumer behaviour to reduce overconsumption.

Natural resources

Minimising our impact on ecosystems and biodiversity with a responsible and regenerative approach to natural resources.

Ensure human rights

Fair and decent work

Enabling safe and healthy workplaces where labour rights are respected and making sure our whole value chain is progressing within living wage.

Diversity, equity and inclusion

Making sure our whole value chain is free from discrimination and has an inclusive environment where all individuals are treated fairly, with respect and have equal access to opportunities and resources.

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



Our goals

Our goals are aligned with our promise, and the three focus areas of empower women, respect the planet and ensure human rights. These goals demonstrate our commitment to encouraging structural change that elevates women. Through them, we model responsible corporate behaviour that respects people as well as the environment. The ambitious goals we have set for ourselves require a structured and organised approach, with

clear definitions and proper monitoring. While our actions towards each goal will look quite different, we have applied a consistent methodology to our approach, which is:

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

Empower women

Topic	Goal	Definition & monitoring framework in place	Supplemental KPIs	Progress 2019	Progress 2020	Progress 2021	Progress 2022	Progress 2023	Notes
Gender inclusive workplaces	By 2025, Lindex's suppliers who stand for 80% of our production have completed our Women Empowerment programme and sustained the learnings	Yes		Suppliers standing for 38% of order quantity	Suppliers standing for 51% of order quantity; not rolled out further in 2020 due to COVID-19	Suppliers standing for 51% of order quantity	Suppliers standing for 57% of order quantity	Suppliers standing for 59% of order quantity	The calculation method was adjusted in 2023 and now looks at the volume of suppliers that have onboarded WE Women / full Lindex volume.
			Number of factories that provided skills trainings in management and leadership for female workers				Bangladesh: 14 factories (51% of our suppliers), India: 2 factories (28% of our suppliers)	Bangladesh: 22 factories (88% of our suppliers) India: 4 factories (57% of our suppliers)	
			Number of female supervisors				Baseline in Bangladesh is 546 (10.7% of supervisors), Baseline in India is 62 (8.4% of supervisors)	Bangladesh: 15% of supervisors India: 12% of supervisors	

Respect the planet

Topic	Goal	Definition & monitoring framework in place	Supplemental KPIs	Progress 2019	Progress 2020	Progress 2021	Progress 2022	Progress 2023	Notes	
Climate	By 2023, we are climate neutral in Lindex's own operations	Yes		Emissions decreased by 22%	Emissions decreased by 23%	Emissions decreased by 58%	Emissions decreased by 58%	Emissions decreased by 50%	This is compared to a 2017 baseline year, and initially incorporated offsetting, which is no longer part of our strategy. Going forward, we have updated this goal to be more ambitious and aligned with the SBTi. See more on page 41.	
	By 2030, we have achieved 50% reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline)	Yes				Emissions decreased by 25%	Emissions decreased by 25%	Emissions decreased by 42%	Excludes customer use phase. In addition to laundry and care, emissions from the customer use phase also includes assumptions on customer transport to and from stores.	
Circularity	By 2026, 100% of Lindex's materials are recycled or sustainably sourced	Yes		65%	68%	78%	80%	78%	A garment is counted toward our 100% goal if it contains 50% or more "more sustainable materials." We have designated "more sustainable materials" to mean raw material comes from a renewable or recyclable source, and that the fibre is cultivated or produced using methods that have less of a negative impact on nature's resources compared to conventional alternatives.	
	By 2026, 70% of all products include a minimum of 15% recycled content	Yes				16%	27%	42%	We now have a goal specific to recycled fibres uptake and with that extended our commitment until 2026 compared to our previous 2025 goal.	
	By 2025, our entire assortment will be designed for longevity and/or circularity	Yes					61% of teams started designing according to our circular design principles		Going forward, we will align this goal with the emerging EU regulations on eco-design.	
	By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams	Yes				89%	92%	96%	96%	
	By 2025, all paper and plastic packaging follow our circular materials strategy	Yes					All transport packaging and stockings packaging plastic is shifted to 100% recycled content	98% of all plastic packaging made with 100% recycled content	This includes our transport business packaging, e-com consumer packaging, plastic bags and sales packaging.	

Respect the planet

Topic	Goal	Definition & monitoring framework in place	Supplemental KPIs	Progress 2019	Progress 2020	Progress 2021	Progress 2022	Progress 2023	Notes	
Natural resources	By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse and recycling of wastewater in the environmental management systems	Yes		Mapping and verification ongoing.	Thorough water risk mapping in tier 1 and 2 complete. We have also developed an action plan per market to take us towards our goals.		79%	72%	Scoring methodology is changing as we work toward a more granular scoring system for 2024. Currently this score is a higher level environmental score encompassing water, climate, and other areas. See further information about our water strategy on page 54.	
	By 2025, we have removed the release of all hazardous and toxic substances from Lindex's supply chain and promote transparency and more sustainable chemistry	Yes		Mapping and verification ongoing.	The focus has been expanding our mapping and verification. Read more about The BHive® chemical management platform and our new PPP on page 59.		79%	72%	Scoring methodology is changing as we work toward a more granular scoring system for 2024. Currently this score is a higher level environmental score encompassing water, climate, and other areas. See further information about our chemical strategy on page 58.	
			Percentage of vertical suppliers in Bangladesh, India, Turkey and Pakistan, and Sri Lanka complying with local national requirements or above standard (ZDHC) on Wastewater Discharge.					100%	100%	
			Percentage of tier 1 suppliers granting access to clean water and sanitation for workers, as verified by social audit.					100%	100%	

Ensure human rights

Topic	Goal	Definition & monitoring framework in place	Supplemental KPIs	Progress 2019	Progress 2020	Progress 2021	Progress 2022	Progress 2023	Notes	
Fair and decent work	By 2025, Lindex's suppliers who stand for 80% of our production show total supply chain transparency.	In progress							While we have already mapped big parts of our supply chain, currently the IT infrastructure needed to enable SC transparency and product traceability is still in development.	
	By 2025, Lindex's suppliers who stand for 80% of our production show commitment to improving working conditions.	Yes			77% (out of top 30 suppliers)	70% (out of top 30 suppliers)	72% (out of top 30 suppliers)	78% (of total Lindex volume)	The calculation method was adjusted in 2023 and now looks at the volume of suppliers that show commitment to improving working conditions / Lindex total volume.	
	By 2025, Lindex's suppliers who stand for 80% of our production work actively with a living wage programme.	Yes				40%	83% (goal exceeded)	83%		
			Percentage of tier 1 suppliers providing digital payment of wages.					98%	100%	
			Among Lindex's 100% volume, the percentage of business volume verified as satisfactory on self-assessment.				40% (out of top 30 suppliers)	86% (out of top 30 suppliers)	74% (of total Lindex volume)	The KPI was adjusted in 2023 and now looks at the volume of suppliers that are verified as satisfactory on self-assessment / full Lindex volume. This is also the reason why we see a decrease from last year.
			Among Lindex's 100% volume, the percentage of business volume who are calculating living wage.				40% (out of top 30 suppliers)	83% (out of top 30 suppliers)	83% (of total Lindex volume)	The KPI was adjusted in 2023 and now looks at the volume of suppliers that are calculating living wage / full Lindex volume.
			Cases of discrimination and harassment that occur in Lindex's own operations.	Head office has received training about workplace harassment and discrimination.	Progress not measured in 2020 due to focus on COVID-19	During 2021, there was one case of discrimination in Norway and one case of harassment in Sweden reported to HR; both were resolved during the year.	During 2022 there was one case that came in through our whistle-blowing system. It was resolved during the year.	There were no cases in 2023.		
Diversity, equity and inclusion	Inclusive workplace	In progress					Lindex has set the ambition and made a decision to educate all managers and teams in DEI. Trainings for HQ managers were launched in the second quarter of 2022.	All staff except for retail store staff completed training	This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific questions in Lindex Voice.	
	Increased diversity	In progress					Lindex has set the ambition and made a decision to work with communication, awareness and more of a focus on gender balance. A well-organised onboarding process is being developed.	Communication internally and externally about DEI enforced. Onboarding process is according to plan. Recruitment training updated.	This area will be under continuous development and goals will be updated as we move further in the process. The progress is followed via specific DEI questions in Lindex Voice.	



Empower women

One very important aspect of women's empowerment is to ensure that men and women have equal opportunities. Since women perform so much of the work that goes into our products and our business, we are investing in new business ventures and innovations that put women's health and wellbeing front and centre. This is also why we are working to create gender inclusive workplaces across our value chain.

Achievements

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



We started yet another project with WaterAid in a new area in Dhaka called Savar which will impact another 8.700 people through WASH.

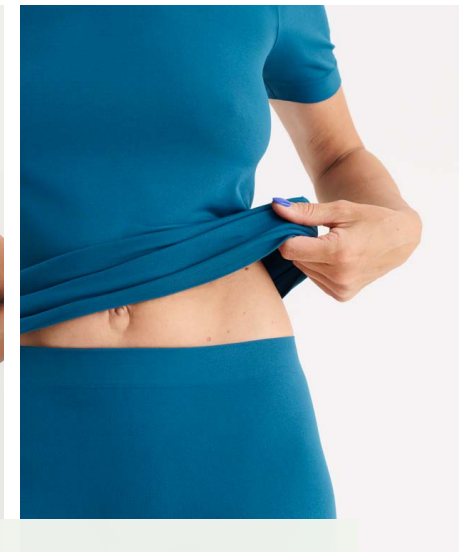
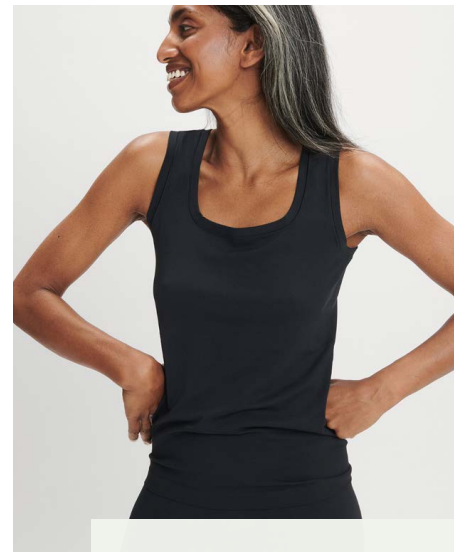
2 per cent of each Female Engineering period panty we sold was donated to our WaterAid projects in 2023.



We initiated our women empowerment programme to China.



PINK donation: Lindex donated 1,61 MEUR for cancer research.



We launched a new menopause collection, especially designed for a female body in change.



Female health and wellbeing

We believe that nothing is more valuable than health. Health is the critical precondition that must exist before any other meaningful work can be done in terms of economic or social empowerment. This is why women's health is at the core of Lindex's activities that aim to support and empower women. Many of our activities align with SDG #5, gender equality and SDG #6, clean water and sanitation, and we use our position and our business power at the intersection of these topics to make a tangible difference to women's health and wellbeing. This may take the form of our WASH programmes, providing access to water and sanitation facilities in underdeveloped communities where women and girls are disproportionately impacted by the lack of these services. Or it may take the form of products and services to ensure the continuity of women's achievements at home, at school, and at work during menstruation, a time that can present social, physical, and logistical challenges for many women and girls around the world. Whether through femtech or facilities, we are investing in women, and using our platform to improve women's health and wellbeing across the markets and the communities in which we operate.

Femtech

Femtech is the use of technology and engineering with the aim to make products and services to improve women's wellbeing and health. Investing in femtech is a very natural move for Lindex and is in line with our higher purpose and our promise.

Female Engineering

We have channelled our investment in femtech into the creation of our new brand called Female Engineering, whose innovative products with

patented technology improve women's well-being throughout all the various stages of life.

The Absorbent Hygiene Product Manufacturers Association in the UK estimates that a woman uses around 11,000 sanitary products during a lifetime. With Female Engineering, we believe there is a better way. We created Female Engineering to address women's wants and needs, as well as their comfort, while also promoting sustainable consumption and replacing disposable products.

Environmental and social sustainability form the core of Female Engineering, which offers top-performing, innovative, reusable period underwear, crafted by carefully selected manufacturing partners.

Female Engineering prioritises recycled and organic materials, and certifications from RCS Global Recycling Standard, OEKO-TEX Standard 100, Bluesign®, and OCS Global Recycling Standard are represented throughout the collection. All products are free from PFAS (see more on page 60), and we publish supplier information as well as the carbon footprint for each product.

Above all, Female Engineering's products bring together the best of innovation, science and engineering to reinvent female freedom. Through our scientists, creators and innovative partners, we play a crucial role in improving everyday life for each and every person with a female body.

Spacerpad AB

Spacerpad AB is a start-up company in which Lindex owned 50,1 per cent of the shares since 2021. It was founded by Lena Beglin (PhD Interactive textiles) and Karin Högberg (PhD Nursing Science) with a

mission to fight menstrual poverty and promote sustainable consumption. They have developed an innovative reusable sanitary pad inspired by the menstrual cup which also is patent pending.

During 2023 Lindex settled an agreement with Karin Högberg in which Högberg acquired 100 per cent of the company and Lindex acquired full rights to the pending patent. The patent is now part of Lindex's patent portfolio, aiming to continuously improve the quality of life for women. It is our ambition to fulfil the mission of Spacerpad in the coming years.

WaterAid

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

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

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This is why we have partnered with WaterAid to deliver a programme in Bangladesh delivers both physical means to improve sanitation like stations for handwashing, toilets and showers as well as awareness raising and training both in factories and communities.

The programme is incredibly powerful for young women particularly. It helps to:

- Build their confidence,
- Protect their health,
- Increase their knowledge,
- Keep them engaged with school, and
- Develop a stronger voice within their communities.

Specifically, through this programme we are able to improve sanitation facilities, with a special focus on women and girls, and their specific needs in menstruation hygiene management. At the time of reporting, we have been able to renovate or construct 100 improved sanitation facilities in communities of RMG workers and their families in Dhaka and Yangon. These facilities have so far reached 13,400 people with

increased access to improved toilet and shower facilities, segregated for women and men. These facilities also ensured space for menstrual hygiene management (MHM) in at least one of the female chambers in each community, enabling women and adolescent girls to manage their menstruation and hygiene in privacy and with dignity. In addition to improving the facilities, this programme has increased the number of toilet chambers where possible.

As part of WaterAid's standard practice to ensure local ownership and sustainability, the communities have been mobilised to contribute financially towards the construction of WASH facilities. To further ensure local ownership, WaterAid includes the users of the facilities, especially women, during the planning for them, considering their needs, comfort, and safety.

One hundred and fifty women and girls have been trained to become hygiene behaviour change agents. We have covered two communities in Dhaka (Mirpur and Gazipur) and one in Myanmar (before the military coup) through this partnership. In October 2023 we kicked off the next project in Savar, Dhaka with a similar project that is expected to reach another 8,700 people.

Cancer Foundation

Together with our customers, we have contributed 20,9 MEUR for cancer research through our partnership with the Pink Ribbon Campaign and the Cancer Foundation. We are also working to raise awareness about

prevention and breast health, and we are giving a voice to survivors who want to share their journeys. From getting diagnosed with breast cancer to getting a new perspective on life. Our 'Real talks' platform is a place to learn the intimate stories from women who know what it's like. Learn more [here](#).

Gender inclusive workplaces

Women deserve the same opportunities to develop their potential as men and this is why we work with our suppliers try to create a work environment that is as supportive to women as it is to men. However, there is still a long way to go; while most garment workers are women, the majority of the leadership roles are held by men. The concern is that these men in leadership roles may create an atmosphere that reflects their worldview, which may reinforce gender inequities. Our goal is that the gender breakdown of leadership positions within factories reflects the gender breakdown of the industry overall. We want to see more women in positions of leadership, creating an atmosphere that supports their predominantly female colleagues. And we want them to be able to see themselves progressing in a career in the RMG sector.



WE Women management system programme

Together with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), we created the WE Women Management System Programme in 2017 as a public-private partnership. The goal of WE Women has been to reduce the gender gap in management positions by giving women opportunities for skills training and mentorship. At the same time, we are raising the level of gender-issues awareness and knowledge among management, with a focus on women’s health and closing wage gaps. This is how we are shifting cultural norms and improving gender equality.

77% Workers covered by WE Women in tier 1.

Impact of WE Women

KPI	What it means	Baseline figures*		Status 9/23		Means of verification
		Bangladesh (2018)	India (2019)	Bangladesh	India	
Workplace is safe for women	This KPI measures the % of women who believe that their factory is safe for them to work and grow.	40%	30%	70%	60%	WE Women self-assessment data.
Workplace is women-friendly	This KPI measures the % of women who believe that their factory has a women-friendly environment (e.g. good toilet facilities with menstruation hygiene, functional childcare, facility, etc.)	50%	30%	80%	60%	WE Women self-assessment data

*Note that the means of verification is coming from our suppliers and the data has not been verified by Lindex.

Goals

By 2025, Lindex’s suppliers who stand for 80 per cent of our production have completed our Women Empowerment programme and sustained the learnings

This management system will be rolled out to our entire global supply chain, and so far we have introduced it in Bangladesh, India and Turkey. China was initiated 2023 and will be implemented during 2024. The table below summarises some of the impacts of the programme over the last five years in India and Bangladesh. We can see a tendency for an increased number of women taking part in decision-making, an increased number of women in leadership roles, and an increased interest in career progression. The female leaders also stay for a longer time in their new roles. However, what is most important for us is that the workplace is safe and inclusive for women and here we see the biggest improvements.

Women’s café

As a community outreach component of the WE Women Management System Programme in Gazipur, in 2019 Lindex started running Women’s Café together with a local, female-led women’s rights organisation called KarmojibiNari.

Women who come to the café have shaped the activities and services offered there, and at their request the café provides training on literacy, sewing, and a space for peer education focused on computer skills.

The café also works as a grievance channel – for both work-related concerns and broader social problems. The Lindex Women Empowerment Manager and our social team will follow up on factory-related problems by approaching and talking to the factory management until the problem has been solved. Typical problems to solve in the factory relate to leave and compensation. For problems outside of the factory, there is legal counselling to be had in the café.

Impact summary

Project	Country	Number of factories	Implementing partners	Number of people
WE Women 2017–2021	Bangladesh	42 (31 Lindex + 11 GIZ)	GIZ, NRT, BSR	100.000 (59.000 women)
WE Women 2019	Myanmar	5	Sequa, BSR	5.000 (4.000 women)
WE Women 2019–2021	India	9	Swasti	11.000 (7.000 women)
WE Women 2022	Turkey	8	Müdderis	3.000 (2.000 women)
HERhealth 2012–2018	Bangladesh, Pakistan, India, Myanmar, China, Cambodia	20	BSR, Change Associated	42.000 (20.000 women)
HERfinance 2016–2019	Bangladesh	7	BSR, Swiss Contact, Sarathi	18.000 (11.000 women)
Women's Café	Bangladesh	1 café	Karmojibi Nari	1.670 (1.400 women)
CottonConnect 2019–2021	India		CottonConnect	350
WaterAid 2019–2022	Bangladesh		WaterAid	7.000
WaterAid 2019–2022	Myanmar*		WaterAid	4.000
WaterAid 2022	Bangladesh		WaterAid	3.500
Bangladesh Accord on Fire and Building Safety	Bangladesh	31 (all)	Accord, RSC	42.000

*This project ended prematurely because of the military coup in Myanmar



Respect the planet

Climate change represents the biggest environmental crisis of our time, and we are adding our voice and our actions to the momentum for a transformation of the fashion industry. Above all, this must be a circular transformation, and we are working within our own operations as well as within our supply chain to transition to renewable fuel sources, to push for innovative and resource-efficient processes, to eliminate hazardous chemical use, to safeguard our waterways and to extend the life of our products. We continue to make progress against our goals, which were updated in 2022 to reflect our clear prioritisation of addressing the climate crisis, transforming our business to a circular model, and protecting our natural resources.

Achievements

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

We expanded our kidswear recommerce offer to Finland.



We tested several innovative projects in support of circularity, for example re-purposing worn-out pyjamas into new baby hats, our new collaboration with Bioestore, and our new rental project with Hyber.

We have accelerated our commitment to circularity through a long-term agreement with Finnish Infinited Fiber Company and its patented fibre Infinna™, made from 100 per cent post-consumer textile waste.



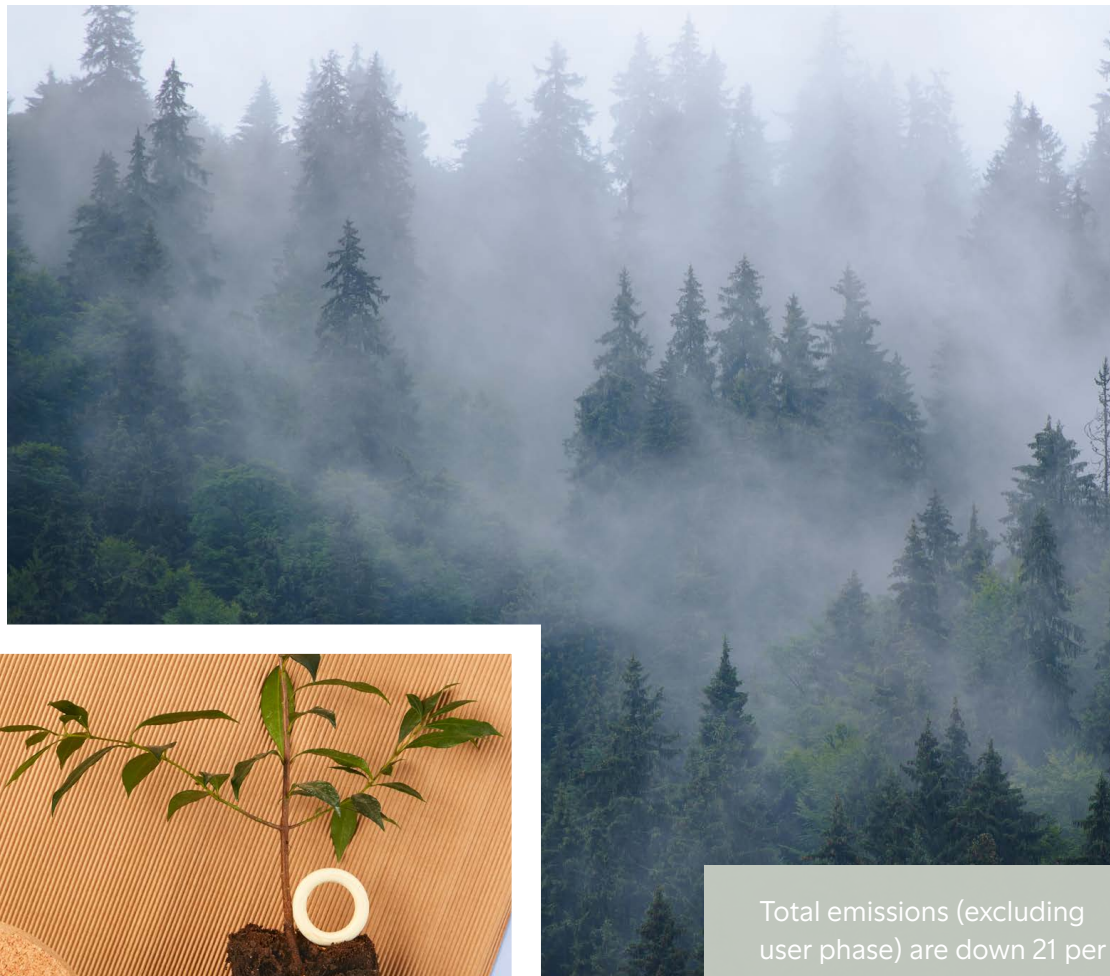
42 per cent of our assortment has at least 15 per cent recycled content.



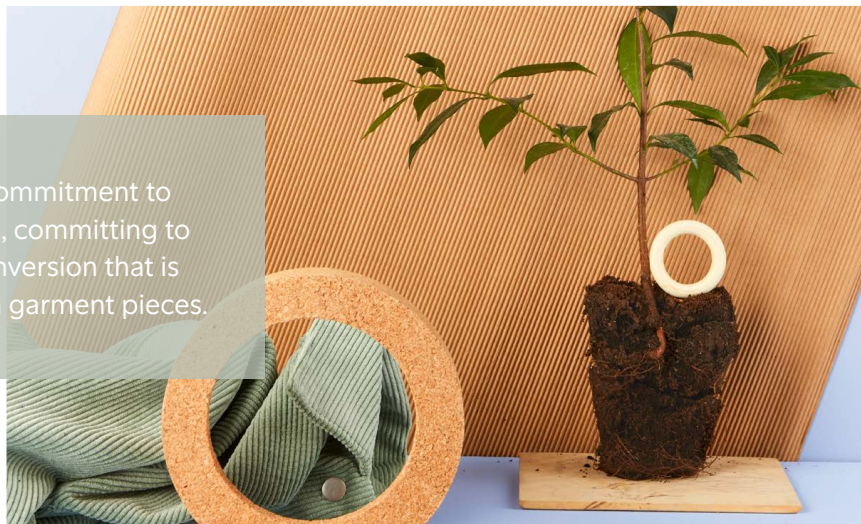
Tier 1 suppliers who produce 25 per cent of Lindex's garments have converted between 20 and 100 per cent of their electricity to renewable sources.



We have submitted revised climate targets to Science Based Targets initiative for validation.



We kicked off our commitment to regenerative cotton, committing to source cotton in conversion that is enough for 3 million garment pieces.



Total emissions (excluding user phase) are down 21 per cent compared to last year.



Climate and structural change

We are facing a climate crisis along with biodiversity loss at an alarming rate. We know that global warming beyond the limit of 1,5 degrees Celsius will put humanity's core needs at risk, and that women will bear much of the burden of these challenges.

The only way to address the crisis is through transformational change; business as usual with sustainability on the side is no longer an option. While we have spent nearly 70 years optimising our current business strategy, we must now gather the courage and creativity to set this aside and challenge ourselves to design a new approach that places our purpose, our promise, and the realities of the climate crisis front and centre.

Lindex has set the climate goal to achieve a 50 per cent reduction of CO2 emissions by 2030. Being successful will require that we integrate this goal, and all the necessary steps to achieve it, within the overall Lindex business strategy. While we will be taking action in nearly every aspect of our business, there are a few cornerstones this strategy will build upon that will have the greatest impact on our emissions reductions. For example:

- We are addressing energy efficiency in our supply chain (see page 45),
- We are incorporating renewable energy in our supply chain (see page 45),
- We are exploring and scaling circular business models (see page 50),
- We are prolonging the lifetime of the garments we sell (see page 47), and
- We are integrating our climate goal into our strategic sales plan as well as our growth strategy.

We have already learned that producing less, decreasing our sales promotions, and increasing full price sales will be key components in our approach. And next year we are adding a new KPI to monitor our progress in this area. This is “reduction of end of season clearance”. We are confident that the combination of our preparation, our out-of-the-box thinking, our data-based modelling, and our commitment to our promise will enable us to reach our climate goal while growing, staying profitable, and continuing to create opportunities for the people within our value chain.

Goals

- By 2023, we are climate neutral in Lindex's own operations
- By 2030, we have achieved 50 per cent reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline)

Climate

Taking climate action

In practice, reducing our climate footprint means we must examine our impacts from every angle. This includes our material choices, our suppliers' production processes and energy sources, our transportation systems, and our customers' use and disposal habits.

Our approach to taking climate action starts with looking at our own operations to see how to minimise greenhouse gas emissions in our day-to-day activities in scopes 1 and 2.

But our efforts don't stop with our own operations; our greatest opportunity for creating positive change is to reduce the climate impact of our value chain, from raw materials to garment production. This is where about 62 per cent of Lindex's carbon footprint is determined (excluding transportation).

Data collection and measuring impact

Our approach to reducing climate impact is based on data collection and measurement. Collecting and verifying data throughout our value chain is a real challenge, and climate data collection requires an extra critical eye: we need to remain critical of the data we receive, and we must conduct constant verification and assessment.

Throughout the value chain we rely on data that we get from partners such as travel agencies, transport providers, suppliers, and other partners.

Our current calculations are based on a mix between generic data and real data, and we are committed to continually increasing the share of real data as we improve our access and our verification processes.

This is an ongoing journey, and as we replace generic data with actual figures, we must also re-calculate our baseline figures. So far, we have replaced generic data with real data from tier 1 suppliers that cover 80 per cent of our order quantity. This is up 10 per cent from last year. Of these, 30 per cent are vertical operations, so here we include wet processes such as printing and colouration, and/or knitting.

Climate action Scope 1 and 2

Own operations

We have taken several major steps over the past year in our own operation. For example, we are now sourcing renewable energy with 'guarantees of origin' for all of our electricity needs within our own operations, including our stores, offices, and warehouses globally.

Science Based Targets initiative (SBTi)

Lindex's owner, Stockmann Group, has committed to the Science Based Targets initiative, and in 2023 we submitted our science based targets on a group level. We expect to have them validated in the first half of 2024. Our SBT includes FLAG targets that address GHG emissions coming from land use and land management related to our raw materials.

We are investing in transitioning the lighting in our stores around the world from halogen to LED lights. This will lower energy consumption in each of our stores by an average of 30 per cent. We work through 50 to 60 stores per year, and at the end of 2023 we had only 27 left out of our total of 439 stores.

The other major emissions in our own operations to address come from heating. The emissions that come from heating have been calculated based on area (m²) and a generic emissions factor which is based on the national heating system in each country where we lease our stores and offices. We are currently mapping out the actual heating per store to understand the real climate impact and to take appropriate action per store and office.

Looking more broadly, Lindex previously set the ambition to be climate neutral in our own operations by 2023. This goal was always intended to be achieved through offsetting any heating impacts that we were not able to address directly. When we initially set this goal, offsetting was an accepted solution. However, we are now in a situation where the climate crisis is increasing in severity, and a different approach is needed. Our own expectations, along with those of our stakeholders and regulators, have increased to meet this challenge.

Offsetting is no longer part of our strategy, and instead we are now accepting only real emissions reductions on the 1.5 degree trajectory. This is why we have submitted Science Based Targets to further expand our ambition. We are now aiming to replace the heating in our own operations with greener solutions over the next few years. We invite you to follow our progress towards our Science Based Targets in our coming reports where we will also outline our climate roadmap for scopes 1, 2 and 3.

Climate action in scope 3

Transport

Fashion is a global industry, and transporting our products represents a significant part of our total carbon footprint. We know that air freight has a negative climate impact and so we only use this mode of transport in exceptional cases. In 2023 this was 0,3 per cent.

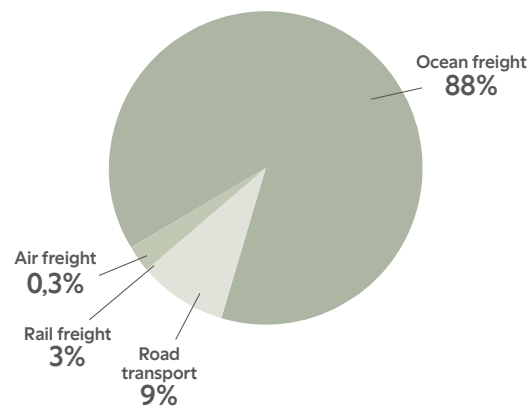
Compared to the major impact of air freight, sea freight has a much smaller footprint, so this is our preferred and most commonly used route. As of July 2021, we switched to 100 per cent biofuels for all of our transportation by boat through DHL Global Forwarding's GoGreen Plus service.

For 2023, we fuelled the majority of our outbound transportation with hydrotreated vegetable oil (HVO) biofuel—this is a repurposed waste product from the agricultural and food service industries, and it is a renewable alternative to diesel fuel.

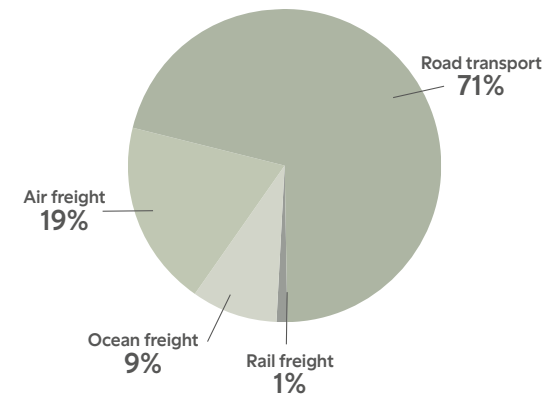
How we achieve efficient transport at every step

1. Smart product distribution to avoid additional transport among stores.
2. Combine transport with other companies in the same shopping centre or area.
3. Fully load all shipments: We regularly measure and follow up on the loading efficiency in containers and filling degree in the boxes for shipments from production to our distribution centres, and at our distribution centres.
4. Customer returns connected to our e-commerce can be made in our stores; about 61 per cent of all returns are made in our stores and not sent back to our warehouse.

Share of transport mode by order volume



Share of transport mode by emissions





Supply chain and production

In order to improve the climate footprint of our business, we must take a variety of different approaches across the lifecycle of each product. Shifting toward more recycled and more sustainable fibre is just one part of the puzzle. As the “Average emissions in garment manufacturing per stage” chart shows, we need to focus on the production and wet processing of fabrics (tier 2) as well as the production of garments in order to efficiently reduce emissions in supply chain. This includes both reducing energy (especially from thermal energy for processes such as generation of steam and heating or cooling water for wet processing) and shifting the source of energy used for electricity and thermal energy to renewable sources instead of fossil fuels.

For us to move forward it is important that suppliers are engaged and motivated. It is essential that they have an ambitious target in line with science as well as our own goal to keep below the 1,5 degree trajectory. It is also important that they develop an accurate action plan and roadmap for how to reach the target, and we expect this will include a drastic shift toward renewable energy.

Many of our suppliers are long-term partners and we have worked to develop sustainability projects together for many years. We are continuing to build on these relationships, supporting suppliers with trainings and collaborating on pilot project. For example we are engaging suppliers in an online course developed by GIZ and the UNFCCC where manufacturers can learn about the impact of climate change, how to set a target, how to measure and account for greenhouse gas emissions, and how to implement actions to cut emissions.

Through our engagement with STICA we have had larger training sessions for a broader network of STICA members’ suppliers. We have also done hands-on projects engaging consultants to develop accurate action plans for selected suppliers (see the project on page 56). And we are happy to see that many of our key suppliers are now investing in solutions for energy efficiency and renewable energy such as heat recovery systems, onsite solar PV systems and new technology for steam generation.

However, with some suppliers where our relationship is indirect or where they sit further down the supply chain, we do not have the business leverage to demand drastic changes. In these cases we need to understand their intrinsic drive, their goals and their roadmaps to make sure they are keeping the pace we need to reach our goal.

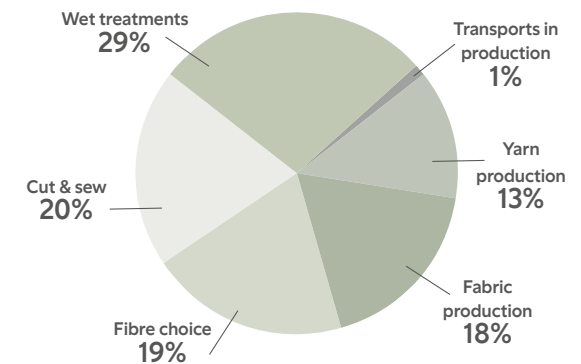
Through our environmental scorecard we are measuring the performance of our suppliers in terms of target setting, development of action plans, and shifting to renewable energy as a source. So far we have included tier 1 and vertical suppliers in this follow-up but we are increasingly including tier 2 suppliers in our scoring. For 2023 we have audited 90 per cent of the dyeing mills and 87 per cent of the printing mills in our tier 2.

Collaborating for climate impact

Using the UN Sustainable Development Goals as our guiding framework, we have aligned our strategy with Goal 13, climate action.

Lindex is a member of STICA, the Swedish Textile Initiative for Climate Action, where brands are coming together to reduce the climate impact of the textile industry. Within STICA, we work together to set science-based targets and plans for GHG reductions in line with limiting global warming to 1,5 degrees Celsius, and we report on our progress on a regular basis. Learn more about STICA [here](#). The network report is available [here](#).

Average emissions in garment manufacturing per stage



2023 analysis

In October 2023, the Stockmann group, which includes Lindex as well as Stockmann department stores divisions, sent our Science Based Targets to SBTi for evaluation and approval. We expect to have them approved during the first half of 2024. Along with this change, from 2024 onwards we will report on our Science Based Targets.

However, for 2023 we are still reporting on progress towards our current goal to reduce our GHG emissions by 50 per cent by 2030, compared to our baseline year of 2017. The calculation method and the included categories are comparable to previous years. The analysis behind the figures in the table is as follows;

Scope 1 and 2

Compared to our base year of 2017, emissions in scope 1 are down by 34 per cent and compared to 2022 they are down by 26 per cent. This is due to a transition of company cars to electric and hybrid vehicles.

Overall scope 2 emissions are down by 51 per cent compared to our base year. This is largely due to electricity for all own operations now coming from renewable sources based on guarantees of origin.

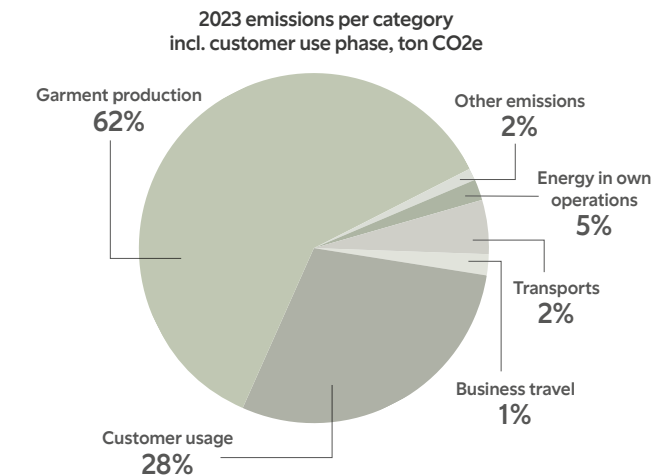
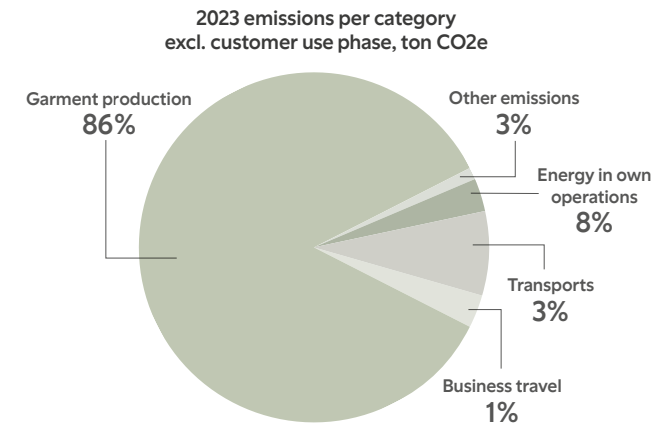
Comparing to 2022, scope 2 emissions did have an increase of 20 per cent. This is due to a reduction in renewable energy for heating in the residual mix in Finland and Norway.

Scope 3

The biggest source of emissions is scope 3, specifically the raw material and production of our garments. Here, the emissions are down by 23 per cent compared to 2022 due to a few main actions:

- In 2023, the number of garments produced decreased by 16 per cent, despite achieving our highest turnover and operating result ever (in SEK). Selling more garments at full price, reducing the number of marked down pieces and thus reducing our volumes is an intended part of our transformation.
- We have increased our conversion to more recycled materials – read more about this on page 52.
- Our tier 1 suppliers who produce 25 per cent of Lindex’s garments have converted between 20 and 100 per cent of their electricity to renewable sources and we are collecting actual data from them.

The transportation emissions are also down due to fewer pieces being shipped as well as a reduction in air freight. Only 0,3 per cent of Lindex’s total order volume was shipped by air in 2023.



Ton CO2e (market based)	2017	2018	2019	2020*	2021*	2022	2023	Change 2023–2022	Change 2023–2017
Scope 1	211	No calculation of ton CO2 was made for 2018–outcome	219	197	136	188	139	-26%	-34%
Scope 2	13.861		10.926	10.605	5.764	5.725	6.859	20%	-51%
Own operations	14.072		11.181	10.802	5.899	5.913	6.998	18%	-50%
Scope 3**	158.000		138.108	116.379	122.868	122.641	93.987	-23%	-41%
Total emissions excluding customer use phase	172.072		149.289	127.181	128.767	128.554	100.985	-21%	-41%
Total emissions including customer use phase	218.243		183.798	157.676	169.826	171.233	141.180	-18%	-35%

*2020 and 2021 have been recalculated in 2022 due to improved data quality.



Supply chain project

In line with the approach described above, we ran an assessment with five of our key tier 1 and 2 suppliers in Bangladesh to support them in creating action plans to move us toward our goal of a 50 per cent emissions reduction in a cost-effective way. Another aim was to start building a library of these actions so we can share the learning throughout our supply chain. Furthermore, this helped us to better understand which suppliers are on the trajectory of drastically reducing emissions at the pace needed.

Consultants were engaged to calculate baseline performance, support goal-setting, create a roadmap with actions, identify relevant costs and ROI and determine the timeline and roll-out plan. Dialogue in support of this project also included other brands working with these same suppliers to enable broader collaboration.

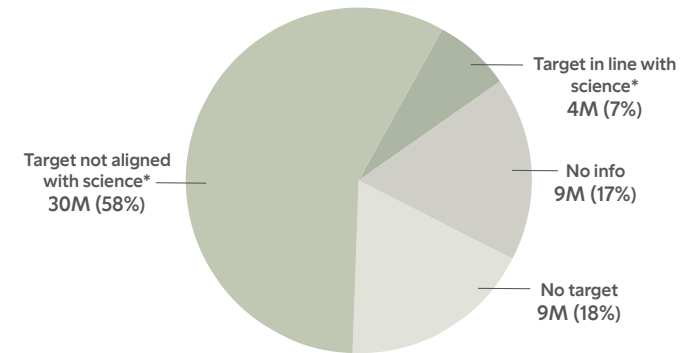
This project allowed us to discover that we can cost-effectively reduce up to 20-30 per cent of emissions over just a couple of years. And we are happy to see suppliers now investing in some of the solutions identified such as heat recovery, new technology such as exhaust gas boilers, as well as investments in onsite solar photovoltaic cells. We are also understanding that the gap to reach 50 per cent is mainly due to access to renewable energy sources across the country.

To overcome these structural challenges, we are engaging in a partnership with the embassy of Sweden in Bangladesh, together with Swedish brands H&M and IKEA, along with the Nordic Chamber of Commerce and Industry and the Sweden-Bangladesh Business council in an initiative called “Sustainable Fashion Platform”. In the initiative we work both on technology solutions matchmaking as well as policy dialogue to tackle issues such as the infrastructure for renewable energy.

Based on the learnings we are now creating the roadmaps needed for tier 1 and 2 suppliers in Bangladesh and India and we are continuing to build on the project experience for our other production areas, taking into account each country’s individual challenges.

The results of this project will also feed back into Lindex’s overall climate roadmap and our short- and long-term goals.

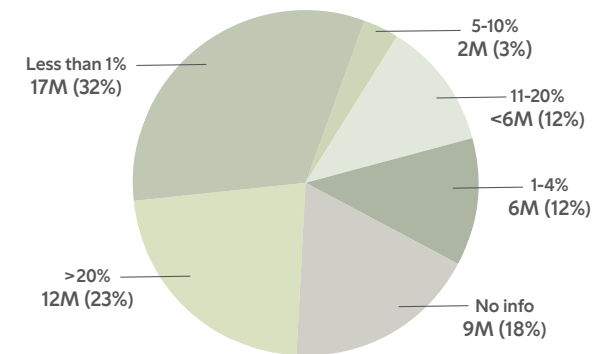
Share of order quantity by suppliers’ emission reduction



This includes all the tier 1 and vertical suppliers we have worked with 2023.

*Scientists tell us we need to halve our emissions every decade in order to limit warming to no more than 1.5 degrees. Source: IPCC.

Share of onsite renewable energy based on order quantity



This includes all the tier 1 and vertical suppliers we have worked with 2023.



Circularity

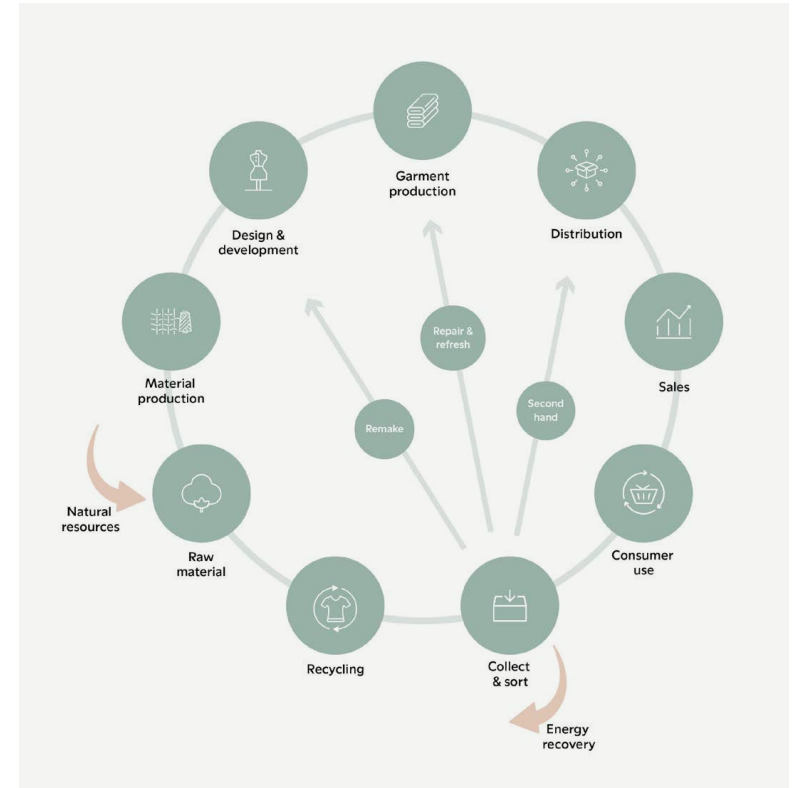
Over the past year, we have undergone a transformational change as we continue to become a business that creates value and growth while decreasing our climate impact and our use of natural resources, while working in parallel to impact consumer behaviour to reduce over consumption.

This change is important because transforming to a circular economy is a necessary strategic response to planetary pressure; it also presents new business and economic opportunities. Our aim is to minimise impact as well as maximising value and growth for every product produced. Examples of this approach would be focusing on full price sales and offering resale items to keep products moving through multiple second-hand loops.

Moving forward, we have updated our sustainability promise to reflect this more specific and more ambitious target.

Beyond our own business model, we are working to cultivate an economy that is restorative and regenerative by design. This means finding ways to keep products and materials constantly at their highest value. And this system change requires us to examine circularity from multiple angles: circular products, circular supply chain and circular customer journeys.

- Circular products: Lindex products will be designed for a maximised lifetime, to be sold several times and made from recycled and regenerative materials that can be recycled back into the system.
- Circular supply chain: Lindex's supply chain will keep products and materials in circulation. Suppliers will use resource-efficient production processes, they will be powered by renewable energy, their operations will be free of hazardous chemicals to ensure safe products and materials, and they will partner with us to enable re-use and recycling of our products.
- Circular customer journeys: Lindex will increase the use, active wear and lifetime of every product with extended offerings such as care, repair and re-commerce, as well as empowering and transparent communication to support sustainable consumption and lifestyle.



Circular products

Decisions made at the product level set the preconditions for both a circular supply chain and a circular customer journey. Design choices impact materials, production processes, product lifetime, use patterns, and end-of-life opportunities. Our focus is on creating products that are made from recycled or regenerative materials, designed for longevity where they can have a long lifetime in a customer's wardrobe before being resold and then ultimately being recycled back into the system.



10 design principles

In 2021 we introduced our ten design principles and since then we have been focused on imbedding these principles into our systems and ways of working and on getting all design and purchasing teams involved. During 2023 we facilitated circular design webinars to inspire and engage everyone even further. The webinars focused on our circular transformation and circular design and features the expertise and experience of internal as well as external speakers.

In 2022 we showed that 61 per cent of our teams had started and in 2023 we reached a tipping point where the majority of all our teams are now working to different degree with the principles in different ways.

Below are some examples:

- We are conducting wear testing on our most popular styles to ensure physical durability.
- We are intentionally designing more timeless styles that can last several seasons.
- We have improved the process for identifying weak spots identified in our seconhand and take-back products.
- We have switched to new superior performance materials, as shown through tear strength, in our kids outdoor wear.
- We have phased out the use of PP (potassium permanganate) spray for all denim.

Design for longevity

The product is designed to maximise the use and active life of that product.

Principle:

1. Timeless design
2. Physical durability
3. Fit and functions
4. Design for recommerce, rental or repair
5. User data

Design for circularity

Our products use recycled or more sustainable materials and our products and materials are able to be recycled back into new materials.

Principle:

6. Reused or recycled materials
7. Recyclable materials
8. Align with recyclers
9. Easy disassembly
10. Traceability and transparency

Goals

- By 2025, 100 per cent of Lindex's materials are recycled or sustainably sourced
- By 2026, 70 per cent of all products include a minimum of 15 per cent recycled content
- By 2025, our entire assortment will be designed for longevity and/or circularity
- By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams
- By 2025, all paper and plastic packaging follow our circular materials strategy



Circular supply chain

Circular supply chains are both about developing our existing supply chains as well as developing new partnerships, logistics solutions and systems to enable resource optimisation and circulation of products and materials. To keep the value of resources at their highest level we are following the waste hierarchy rules of reduce, reuse and as a final stage recycle. There are three key ways we are doing this:

1. Resource optimisation:
We prevent unnecessary production and reduce overproduction.
2. Product-level resource circulation:
We re-circulate products to enable re-use.
3. Materials-level resource circulation:
This is the final stage after options 1 and 2 have been employed.
This refers to recycling of materials, which often requires new infrastructure, collaboration, and partnerships.

The sustainable supply chain vision is built on maximising the value of every product while at the same time minimising the environmental impact as we reduce overproduction and waste while increasing resource efficiency.

See some examples of these actions below:

Collaboration for circularity of materials

To learn more about how to make our products more recyclable we need cross-industry collaborations. We are part of a research project for defining recyclability standards initiated by RISE research institute of Sweden. This year we also made a new collaboration and project with [Rester Oy](#), a recycling company currently working together with our partners. Together, we sorted and sent back clothes from our recommerce take-back system in order to see what can and what cannot be recycled out of our kidswear garments. The information will guide us going forward in design for recyclability.

Action	Resource optimisation	Resource circulation
We are building a new state-of-the-art omnichannel distribution centre in Alingsås that will support our ambition to simultaneously optimise supply and reduce overproduction.	x	
We are developing our nearshore production sites and improving our operations across all markets to add flexibility in our supply chain and reduce overproduction	x	
We are implementing RFID tags for the majority of our products which will be an important enabler for our circular transformation and optimisation of supplies, as well as traceability and transparency.	x	x
We have initiated work to explore how to improve our forecasting and related processes by utilising AI and machine learning. The aim is to see results of cut waste in the supply chain and minimise overproduction.	x	
We are collaborating with new partners such as Södra Skogsägarna, Infinited Fiber and Rester Oy to close the loop and scale up recycling of postconsumer textile waste (see more on page 49).		x
From Lindex's own take-back collection scheme, we managed to repurpose the material from unsellable baby pyjamas (stains or worn-out parts) into new unique baby hats sold in selected stores. See more online here .		x

Feature: New partnership with Infinited Fiber

The circular transformation cannot be achieved alone, we must work together with multiple stakeholders to achieve this system-level change.

To scale post-consumer recycled input, we continue to work together with the existing solution providers for textile-to-textile recycling.

Our new commitment with Infinited Fiber has the potential to replace virgin cotton and other man-made cellulosic fibres.

Infinited Fiber's Infinna™ is a unique cotton-like regenerated textile fibre sourced from cotton-rich post-consumer textile waste which is transformed into high-quality premium fibres. Infinna™ is made from 100 per cent recycled textile waste.

Lindex's partnership with Infinited Fiber is a long-term offtake agreement to secure access to post-consumer textile material through the Infinna™ Fibre, once the commercial-scale factory starts operations in 2026. Already next year, in 2024, Lindex will start to innovate and test the new raw material in preparation for scaling up the production.

Cotton is Lindex's main material and stands for almost half of our materials. The commitment amount means that around 10 per cent of all our cotton products will most likely have the Infinna™ fibre in their composition.

“ With only a fraction of all textile waste in the world being recycled there must be a change and we are happy to see players like Infinited Fiber enabling this. Infinited Fiber has the technology and opportunity to close the loop and turn post-consumer textile waste into new high-quality cotton like raw material. This is a great opportunity, not only for Lindex but for the entire textile industry. Together we can drive positive change in the textile industry all while continuing our circular journey and minimising our environmental impact.”

Annette Tenstam,
Strategic Lead Circularity & Environmental Sustainability

Does Lindex incinerate garments?

Only garments that do not fulfil our health and safety requirements shall be sent for incineration. It is our obligation to ensure that those types of garments do not enter the market.

Where items can be safely salvaged, we choose to send them to a unit using ozone to sanitize the clothes. The ozone cleaning method can save up to 20-40 per cent of the water and up to 30 per cent of the chemicals and energy needed for conventional laundering.

Ozone must be carefully monitored and used in the right conditions for safety, which is why this is not a method recommended for home use.

However, the treatment of our products takes place in closed systems and residues of the ozone cannot remain in the product after treatment.

Prior to sale we have the items checked by a third party to ensure safety, and then we have them re-packed so they can be sold through our e-commerce channels. In 2023, we rescued 1,383 garments from incineration due to mould. In total, 666 garments were sent for incineration in 2023.

Circular customer journeys

At Lindex, we are working to expand our offer beyond products to include new circular business models and services. This will complement the communication and education that will enable our customers to take part in our circular fashion transformation and maximise the lifetime of products and materials.

Circular business models and services

As a strategic part of our long-term growth plan, we are aiming to extend our current circular customer offerings into scalable and profitable new business models. We are carefully considering the business and sustainability implications of this shift, as well as our customers' experience, so we are taking a 'pilot and test' approach, where we are constantly learning and improving how we work.

Building on our previous recommerce offer for kidswear in Sweden and womenswear in Norway, in 2023 we expanded our kids recommerce offer to Finland. We have also initiated a collaboration with online recommerce retailer "Tradera" to further enable Lindex secondhand products online.

In 2023 we also expanded our rental offerings with new pilots and collaborations. In January we announced a new collaboration with ski resort Järvsöbacken where we offered Lindex children's ski clothes for rent during customer stays. Another collaboration was made with rental company "Hyber" where we piloted Lindex baby pyjamas. The pilots have given us valuable insights on how we can develop our total offer to ensure that we create services that provide both customer and environmental benefit.

During 2023 we also piloted a new service to our customers where we supported them to activate their wardrobe, finding their unique style and building on products that will be used the most. Through a six week digital programme, guided by a team of experts, we helped our customers change their perspective on their own wardrobes and clothing choices.

Care and repair

Proper care habits and opportunities for repair can go a long way to extend the useful life of a garment. We have updated our [guidelines for care and repair](#) to further support our customers. Over the past year we have established a new collaboration with innovator "Biorestore" of which we own a share. This is a new detergent that recovers worn out cotton jersey, restoring the colour and removing pilling, which makes the fabric look refreshed. Biorestore is used on our own secondhand products as well as offered to our customers. During the year we have also engaged in repair and remake of worn-out and non-sellable baby clothes coming in through our secondhand take-back programme. Baby garments that are partially broken or with stains that can't be removed have been upcycled into baby hats through a collaboration with a local garment producer. Another project is remaking stained baby garments with plant-based overdyer in collaboration with brand "byLisa" to repurpose the items and enable resale.

About in store garment collection

Every year, about 8 kg of textiles per person are thrown away in household waste, which is why we are working to enable reuse and recyclability of these garments instead.

To address this challenge, we keep the waste hierarchy in mind and collaborate with organisations in order to first extend the lifetime of garments, and then to enable simple collection and reuse.

At present, our customers can hand in garments in all Lindex stores in Sweden, Norway, Finland and Lithuania. From there, the textiles go to our respective partners: We work with Myrorna and Fretex in Sweden, Norway, and Lithuania and we work with Recci in Finland.

These partners sort all collected textiles, sometimes in multiple rounds, and circulate as much as possible such as through secondhand-shops in local markets. Sometimes repair services are engaged. Our partners share our values, and one of the reasons we work with Fretex, for example, is that it was one of the first organisations in the industry to implement a code of conduct that sets requirements for customers, as well as its customers' customers. Fretex works in long-term partnerships, with a select number of customers that understand and comply with its code of conduct. Fretex works in a similar way to Lindex, emphasising quality and initiating inspections and visits, as well as conducting third-party inspections at a number of customers each year.

The textiles that for various reasons cannot be sold in local markets may instead be exported for resale and reuse in a foreign market. A small share is recycled into new products, such as industrial cleaning cloths or insulation materials, but currently only a fraction can be recycled into new textiles fibres. If the textile can be neither reused or recycled, it may be sent to energy incineration – but this is a very small share of all textiles collected. A top priority is to ensure that our products do not contribute to environmental pollution and waste.

We are focused on making it easier for our customers to extend the life of their garments and contribute to increased reuse and recycling. Unfortunately, since the global trade in textile waste lacks full transparency and traceability, especially in a second or third loop, we can still not ensure that the garments we collect do not end up in certain countries, despite careful selection of partners and close dialogue. Fretex International does not export any textiles to Africa. However, they have a few customers in Poland and the Baltics who export a small percentage of clothes to the African secondhand market. These clothes are of good quality and have been sorted into 105 different categories based on garment type to make sure it really fits the demand of the recipient market.

Collaboration for circularity of materials

Our partnerships with recyclers are an important step to scale the uptake of recycled fibres. But we also need to collaborate to increase the level of recyclability of the garments we make to facilitate this recycling later on.

Looking ahead, we also know that technology and solutions for recyclability are constantly improving and we need to understand what can be recycled in the short, medium, and long term to make the correct action plans. This is why we are also engaging in other cross industry collaborations and pilot projects.

One example is our participation in a research project called “Framework for circular textiles” initiated by RISE research institute of Sweden. This project works on the classification of recycled textile materials and assessment of recyclability/circularity for increased implementation of secondary raw materials in textile value chains. This will help to address one major known challenge of recycling, which is the lack of raw material in sufficiently large volumes.

Additionally, this year we also made a new collaboration and project with recycler Rester Oy where we sorted and sent back clothes from our recommerce take-back system in order to see what can and what cannot be recycled out of our kidswear garments. The learnings from this project are guiding us going forward in creating action plans and guidelines in design for recyclability.

Natural resources

Our approach to materials, packaging, water, and chemicals is governed by our new commitment to minimise our impact on ecosystems and biodiversity with a responsible and regenerative approach to natural resources. This year we are taking new steps in our circular materials transformation and we have formed a new partnership and long-term commitment with Infinited Fiber as a compliment to Södra and “Once More”. Through this partnership we will secure a significant share of replacement of virgin cellulosic fibres with post-consumer recycled materials to reach our goals. The new fibre will be a replacement for cotton and other manmade cellulosic fibres. Read more about this initiative [here](#).

Materials strategy

Our materials strategy is built around three pillars: sustainable, recycled, and regenerative materials.

When it comes to sustainable materials, the solutions and the next steps are clear, and we have a concrete roadmap for achieving our goal of 100 per cent sustainably sourced or recycled materials by 2026. As of the end of 2023 we reached 78 per cent sustainably sourced materials. This means that 78 per cent of our garments are composed of at least 50 per cent more sustainable materials.

Recycled materials present more of a challenging picture. Some solutions currently exist, enabling us to source materials made from recycled pre-consumer waste or upcycled PET. The roadmap for these existing solutions has been prepared and we have also added a new goal:

70 per cent of all products must include a minimum of 15 per cent recycled content by 2026.

In order to scale post-consumer recycled input we have to work together with the existing solution providers for textile-to-textile recycling. Read more about our new partnership with Infinited Fiber on page 49. These types of commitments are an important way for us to get access to post-consumer recycled materials and live up to our commitment of shifting into recycled and regenerative materials. As of the end of 2023, our textile products containing at least 15 per cent recycled material stood at 42 per cent, compared to 27 per cent in 2022.

Our newest focus area going forward is regenerative materials. A regenerative approach means ensuring we are a positive force in building soil health, enabling carbon capture and storage, and improving biodiversity and natural ecosystems. It is both a planet- and people-centred approach, emphasising the way land is used to produce renewable materials and promote a healthy natural ecosystem, while enabling people to have a healthy and sustaining livelihood. The regenerative farming concept is still under development, and our initial focus is investigating emerging and existing options. One thing we do know is that brands need to support cotton farmers by buying the cotton from the ‘in conversion’ stage. We have now booked our first lot of regenerative cotton as well as drawn up the cotton roadmap that will take us towards our 2030 goal of only procuring cotton coming from regenerative farming as well as recycled cotton.

Sustainable/renewable materials

All materials we use require natural resources, but it is possible to choose materials with a minimal impact on people and the environment.

We have designated these materials ‘more sustainable’ and by that we mean that the raw material comes from a renewable or recyclable source, and that the fibre is cultivated or produced using methods that have less of a negative impact on people, animals, and the planet compared to conventional alternatives.

Material Change Index

As stated by Textile Exchange: ‘Textile Exchange’s Material Change Index (MCI) and wider family of indices are the product of the Corporate Fiber & Materials Benchmark (CFMB) programme. The CFMB tracks the textile sector’s progress toward more sustainable materials sourcing, as well as its alignment with global efforts like the Sustainable Development Goals (SDGs) and the transition to a circular economy.’

Lindex has been a participant in the MCI for the last 4 years. In the 2023 scorecard (based on the 2022 data) we received a level 3 “scaling” score.

Scaling
(51–75)

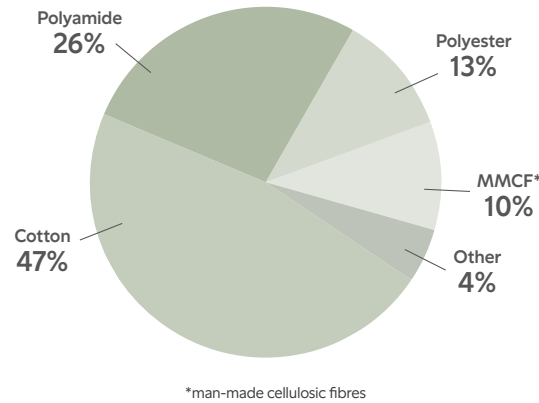
Your company has a materials strategy, integrated and well resourced, with clear evidence of acceleration and scale. Aligned with Global Goals, and Climate+ goals and targets set.

In order to accelerate the transition in the industry, Textile Exchange increases requirements each year. In the most recent survey, we did not level up in alignment with the survey requirements. This is why we slipped down one step from 4 “leader” in 2022 to 3 “scaling” in 2023. We welcome the levelling up as we learn from filling in the Benchmark survey and we can adjust our strategy according to materiality. Read more about the MCI [here](#).

Recycled materials

Using recycled materials is part of our 2030 circularity strategy, where our aim is to eliminate all waste. Using recycled synthetic materials wherever possible means that we can significantly cut the footprint of our synthetic fibres, such as polyester and polyamide. This reduces the pressure on natural resources and reduces our climate impact. With our new partnership with Södra, as well as our focus on mechanically recycled content, we see great progress in recycled viscose and cotton materials. All recycled cotton we buy is certified according to the Textile

Materials we used in 2023



Exchange Global Recycling Standard or Textile Exchange Recycled Claim Standard. All recycled cotton we buy is certified according to the Textile Exchange Global Recycling Standard or Textile Exchange Recycled Claim Standard.

Leading the way on cotton

In order to decrease our dependence on both land and water use, part of our strategy involves shifting to recycled materials, as described above. While there is an important role in this strategy for recycled cotton, we still use a significant amount of virgin cotton in our portfolio.

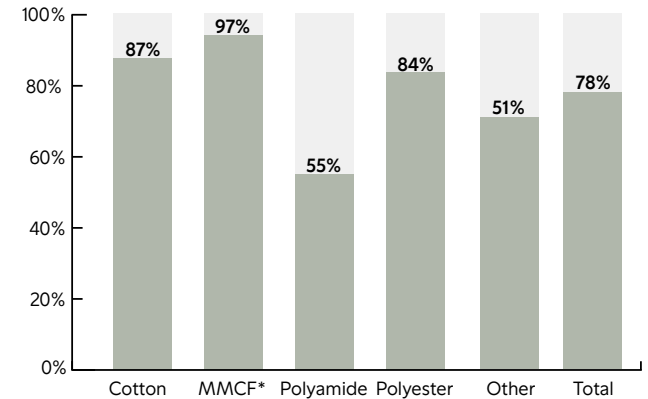
Our priority is using traceable cotton, and we are aiming for 100 per cent traceable cotton by 2025. So, we are streamlining our cotton engagements in support of this goal. Seeing that as of 2021 the share of Better Cotton in Lindex’s cotton portfolio decreased to around 15 per cent, we made the decision at that time to no longer focus on BCI and instead to focus on traceable forms of organic cotton, cotton in conversion or regenerative cotton.

As we manage this transition, we expect to increase the volume of conventional cotton in our collections until we have managed to fill the gap with any of above-mentioned alternatives.

Our goal for 2030 is to only use recycled cotton or cotton from regenerative sources.

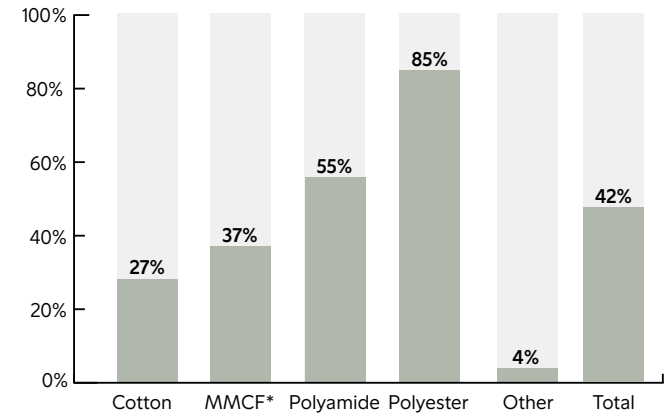
How far we have come in switching to more sustainable options

Total - Sustainable share per fibre



Products containing at least 50 per cent sustainable materials are counted toward the sustainable share total.
*man-made cellulosic fibres

Share of products with at least 15 per cent recycled content



*man-made cellulosic fibres



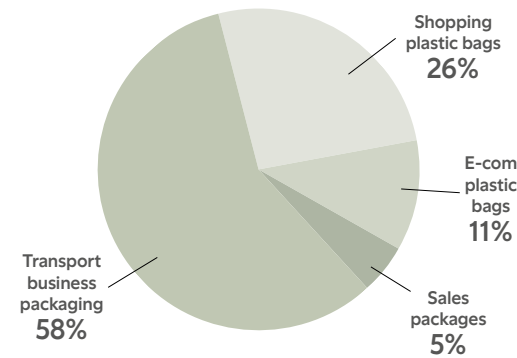
Circular packaging strategy

When it comes to packaging, we apply the same lifecycle impact thinking as we do for textile products, including raw material input, production and end-of-life solutions.

We are committed to eliminating unnecessary packaging, to designing for recycling and to moving towards recycled content in our packaging.

The majority of our packaging materials end up in our leading sales countries (for example, Nordic countries), which are regions of the world where both awareness and infrastructure for recycling are established. As circularity is our focus, we want to make sure the materials are recovered and recycled as a first approach, as this enables us to recover the value of the materials. We also ensure that all packaging includes information about how to recycle.

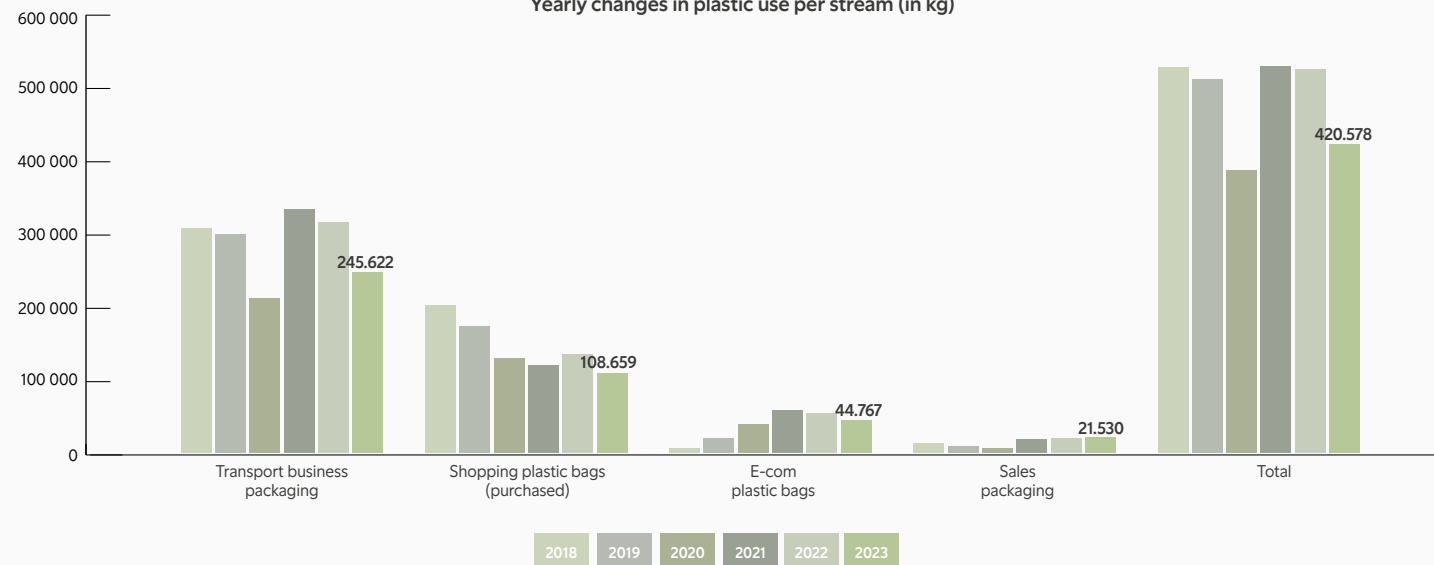
Plastic share per stream 2023



Over the past several years, we have worked to eliminate as much single-use plastic as possible in transport packaging, which is the majority of our plastic volume.

We are now only using single-use plastic for delicate and sensitive items. 98 per cent of our plastic packaging is made with 100 per cent recycled and recyclable content.

Yearly changes in plastic use per stream (in kg)



Selected figures from previous years have been recalculated in 2022 based on improvements in data quality for shopping and e-commerce bags. Cosmetics packaging has been added into the total sales packaging figure for 2021 and 2022.

Responsible water strategy

At Lindex, we think about water from both a quantity lens, and a quality lens. In terms of quantity, we must consider the amount of water that is available and prioritise access to water in farming and manufacturing communities for other purposes, such as drinking, fishing, or other forms of agriculture. We also must ensure that any water used during the creation of our products is clean and safe to be returned to the environment, which means carefully considering all chemicals, equipment, and processes used to create our products. We have taken specific actions to address both the quantity and the quality of the water that flows through

our supply chain so that we can be water efficient, reduce the risk of water scarcity in areas connected to our operations, safeguard the environment and human health, and together with business partners provide access to water and sanitation in factories and nearby communities.

Over the past year, we have accelerated our work on water. We now have a comprehensive water strategy and a framework we use to guide our water-related activities. This framework illustrates what responsible water management involves, and covers topics ranging from advocacy to raw materials, processing, design, and sanitation.

	Focus areas	Examples of actions
Responsible water management by Lindex	Better raw materials and recycled fibres	Circular and regenerative fibre strategy, see page 51.
	Design for longevity and circularity	See page 47
	Prioritise suppliers with low water footprints	See tracking of our goal "By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse, and recycling of wastewater in the environmental management systems", pages 29 and 55.
	Mitigate water risk	"Water risk mapping", page 56.
	Ensure clean water and sanitation for all	"WaterAid" project, page 33.
	Advocacy in water management	Refer to our engagement in the Sweden Platform in Bangladesh, see page 21.

Product and supply chain water actions

Lindex's commitment to responsible water management extends beyond our own operations to encompass our global network of suppliers. We understand the vital importance of proper wastewater treatment and the need to reduce our collective reliance on conventional fresh water sources. By working collaboratively with our suppliers, we are not only improving the sustainability of our individual operations but also influencing the entire industry.

Translating our commitment into actions, these are the measures we have taken together with our business partners:

- Closely collaborating with our suppliers on a global scale to ensure that wastewater is effectively and responsibly treated before it is discharged.
- Actively engaging with our supplier network to reduce their reliance on conventional sources of fresh water, such as groundwater, and encouraging the utilisation of alternative water sources, including recycled water and harvested rainwater.
- Endorsing innovative practices, such as the recovery of condensate from the steam generation process and the use of treated effluent for non-process purposes, such as production floor cleaning and the irrigation of ornamental plants, like flower gardens within factory premises.
- Piloting water reuse in our production countries, which means adopting an innovative approach by using the same water multiple times, for instance, in a series of washing cycles during the laundry process.
- Addressing our denim garment washing process by using Jeanologia's EIM system, which is software to measure and reduce the environmental impacts of this operation. The Jeanologia EIM software is an innovative tool that enables us to closely monitor the usage of water, chemicals, and energy for each individual garment throughout the denim washing process. By doing so, it categorises these impacts into three distinct categories: "Low Impact," "Medium Impact," and "High Impact." Our ambitious objective is to ensure that 100 per cent of our denim products fall under the "Low Impact" category. We have made significant progress in this regard, with approximately 70 per cent of our denim currently meeting this criterion. However, we remain dedicated to improving these figures further.
- Addressing our knit fabric dyeing by implementing more environmentally friendly dyeing processes, namely Avitera High Fixation Reactive Dye and KISCO High Fixation Dyes. Both technologies require less water and energy, resulting in wastewater with reduced chemical residue.
- Research and development investments to stay at the forefront of sustainability and innovation. Our commitment to finding and implementing new technologies and techniques is a testament to our dedication to minimising our environmental impact.
- Regularly monitoring and assessing the environmental performance of our processes to identify areas where further improvement is needed. This proactive approach ensures that we remain responsive to changing circumstances and challenges.

Lindex water achievements

1. 100 per cent of tier 1 suppliers receive basic training on incorporating techniques to reduce, reuse and recycle water and wastewater in their environmental management system.
2. 100 per cent of our vertical suppliers in Bangladesh, India, Turkey, Pakistan and Sri Lanka comply with local/national requirements or go beyond this to comply with a higher standard such as the ZDHC requirements on wastewater discharge.
3. 100 per cent of tier 1 suppliers grant access to clean water and sanitation for workers as verified by social audit (SMETA).

Goals

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

Rain water harvesting project

As part of our current project with WaterAid, we have been working to establish a rain water harvesting mechanism in one of our partner factories in Bangladesh, Incredible Fashion. We hope that this project will enable us to learn new information that we can help other factories apply going forward.

As the water table of Dhaka and the surrounding area is going down every year, we must find ways to recharge the groundwater. This help address surface drainage issues, such as water logging and flooding during the monsoon, as well as groundwater table depletion.

Together with WaterAid, we recently created and successfully trialed a rain water harvesting plant at Incredible Fashions Ltd.

The total water demand for the factory during normal operations is approximately 100.000 litres/day. This includes the water for drinking, toilet and kitchen use as well as water for steam generation.

Looking ahead, and planning for the impact of annual monsoon seasons, we expect the rain water harvesting facility to achieve the following outcomes:

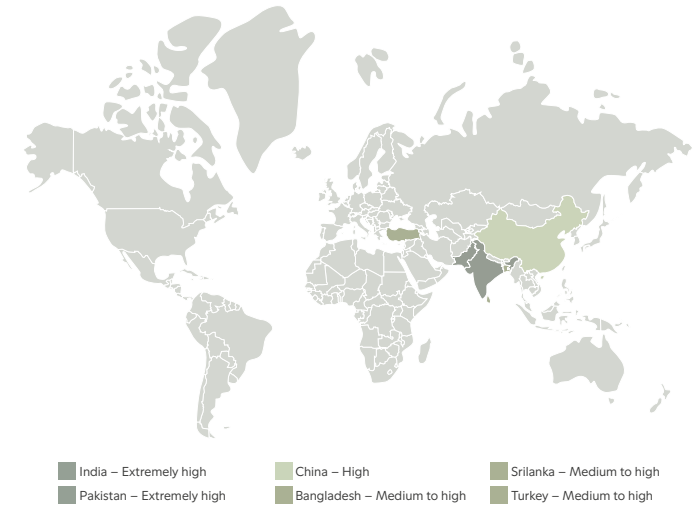
1. Based on the rooftop area of the factory building, Incredible Fashion Ltd. will be able to collect approximately 300.000 litres of rain water every day during the main monsoon period: this is triple their daily demand.
2. Based on the rain profile of Bangladesh, the factory will be able to meet 100 per cent of its water demand from rain water for approximately 150 days a year.
3. Excess harvested water during the rainy season will be diverted to a borehole for ground water recharge.
4. Approximately 12 MWh electricity will be saved in a year, which will ultimately save 9 tons of CO₂e GHG emissions every year.
5. The amount of groundwater saved per day can meet the water demand for approximately 2.500 local community members every day.

Additionally, through our new project with WaterAid in Savar, we are adding one more supplier with 3 factories to install rain water harvesting, learning from the experience with Incredible Fashions.

Water risk mapping

We conduct water risk mapping using WRI's [Aqueduct Water Risk Atlas](#) tool. This informs our country-specific approach to water, and depending on what we find in each production market, we adjust our action plan to those specific risks.

Water risks in Lindex production countries



Who is Incredible Fashions Ltd?

- Incredible Fashions Ltd. is located in Mouchak, Kaliakoir, which is part of the Gazipur District in Bangladesh.
- The factory manufactures about 650.000 pieces per month, mainly jersey products for women and children.
- This is a vertically integrated factory, managing knitting, cutting, sewing, finishing and printing.
- Lindex has been working with Incredible Fashions Ltd. since 2015.
- Incredible Fashions Ltd. employs 1.250 people; the gender breakdown is 687 men and 563 women.

Microfibres

While we tend to think of microfibre loss as an aquatic problem, microplastics are actually released at all stages of the product life span.

There is significant research happening now to add to our understanding of this issue. For example, the European Commission's initiative on microplastics pollution aims to tackle microplastics unintentionally released into the environment. It will focus on labelling, standardisation, certification and regulatory measures to reduce environmental pollution and potential health risks.

But at the moment, our knowledge about the full extent of plastic pollution is still limited. For example, we are still not certain about the origin of plastics in the ocean, inland waters and soils, or their effects on humans and the environment. The toxicology of textile microplastics is an area in which relatively little research has been conducted to date. Initial studies provide an idea of the concentration of PET at which negative effects could be expected for living organisms, but research beyond this is still forthcoming. It should also be noted that some microplastic particles may be potential carriers for pollutants that accumulate on them.

The absorption of these pollutants and the ability to transfer them to organisms has not yet been well studied and requires further research.

As we await more data, we still aim to be proactive in this area. While the product life cycle stage that often gets attention is household laundry, major areas we can help to shape include surface construction of products and the fabrication of the end product. We suspect that methods of joining pieces of material together can impact fibre release, and so a couple of mitigation strategies we are already working with include using laser cutting, and providing additional edge protection with bonded tapes.

Our goal for the present is to implement mitigation strategies where possible while we continue to gain knowledge about Lindex's contribution to microfibre release.

Glitter is a microplastic

One type of microplastic that is already being restricted is glitter, both on its own and where it may be intentionally added on purely decorative products, resulting in detachment during normal use.

A sales ban on microplastics in the form of glitter came into force with immediate effect in October 2023, and Lindex will phase out the use of glitter that may detach during normal use on all products.

The current ban does not apply to glitter on garments but it is expected that unintentional microplastic release from garments will be addressed by the EU Textile Strategy.

The ban on sales of cosmetic products with intentionally added microplastics will have transitional periods from 3-12 years.



Responsible chemistry strategy

The fashion industry relies heavily on chemical use during manufacturing. For example, chemicals are used for dyeing, for enhancing certain properties such as softness, and to enable better performance, such as for waterproofing. In many cases, chemical use goes hand-in-hand with water use, as water is used to bring the products and the chemicals together. This water must then be cleaned and treated. This is why responsible chemicals management in our supply chain is an essential part of our commitment to be a water responsible company. We have continued to expand upon our chemical strategy, which was launched in 2019. Embedded in this strategy is our shift from a product-safety focus to a full lifecycle focus. In practice, this means we not only looking at the chemicals used to create our products, but we are working with our suppliers to shift to better chemical use across all their activities. By closely monitoring chemical use, we step up our own accountability, we signal to our customers that this is a priority area for us, and we stay true to our purpose. As with our approach to water, we think about chemicals from several perspectives.

We ask ourselves:

- Are our products safe?
- Are our workers and their communities protected?
- How can we support innovation and transparency to achieve better chemical practices throughout the industry?

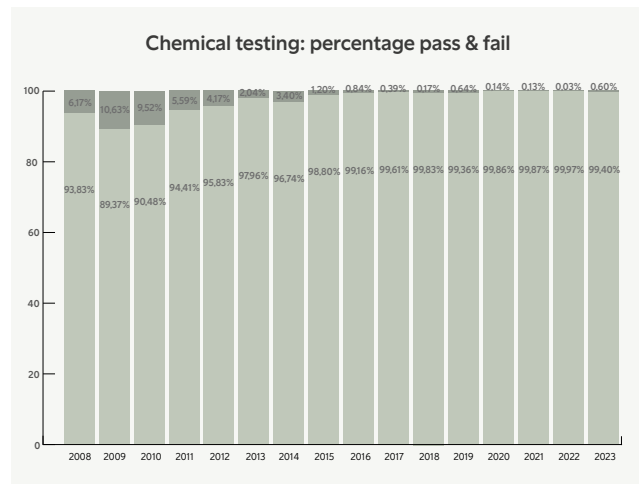
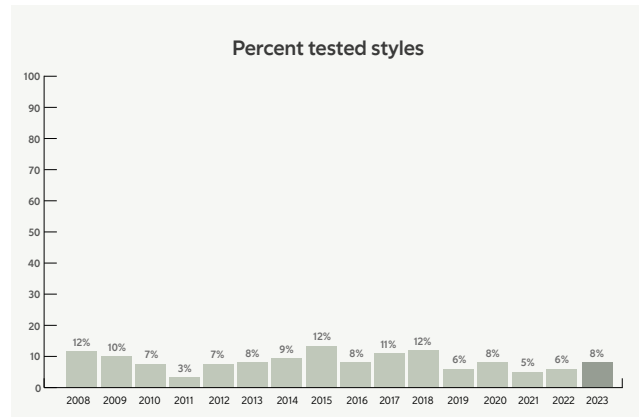
Product safety: product level testing

We conduct thousands of quality, chemical, and safety spot checks each year, across all product groups. This is how we ensure our products fulfil all legal requirements, and our own stricter requirements.

In 2023, 8 per cent of our products underwent chemical testing, which is in line with a typical percentage. Of those styles tested, 99,4 per cent passed testing, and 0,6 per cent failed.

The 0,6% fails in 2023 corresponds to seven failed tests; two bisphenol, two disperse dyes, one lead and one PAH. Styles which have failed are not delivered to stores and corrective action plans are drawn up to remove and replace non-compliant chemicals.

In addition to the random chemical testing, 93 wet processing units have scanned and shared their chemical inventory with us. This demonstrates an increase in transparency. See more about this initiative on page 59, under ‘Expanding digital chemical management’.





New chemicals to RSL

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

We have updated the RSL twice in 2023, including strengthening limit levels, expanding requirements for more materials and updated test methods.

New chemicals added:

- Chlorocresol
- Ethylenediamine (EDA)
- Cadmium salts
- 1-bromopropane; n-propyl bromide
- o, p, m-cresol
- Several PFAS, PFOA and PFOS-related substances specified
- Five phthalate esters added
- Six organotin compounds specified

Beyond our products themselves, we consider the impact of textile chemicals on the health and safety of people who work in our supply chain or live in nearby communities.

Our MRSL (Manufacturing Restricted Substance List) aligns with the ZDHC MRSL. The ZDHC MRSL offers brands and suppliers a single, harmonised list of chemical substances banned from intentional use during manufacturing and related processes in supply chains of the textile, apparel, and footwear (including leather and rubber) industries.

In order to increase transparency and accountability, our MRSL is publicly available on our website, [here](#).

develoPPP

In 2020, Lindex partnered with three other European brands and retailers – Bestseller, Deltex and The Fashion Cube – and the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH in a develoPPP.de project. Together with the partners we were active in:

- 6 countries, and
- 553 wet processing units, in which
- 36.430 chemical products were logged.

In July 2023, the project came to a successful end.

Expanding digital chemical management

Based on the success of the develoPPP project, Lindex decided to continue rolling out The BHive® to our supply chain. The BHive® is the

system we have selected to work toward full traceability through digital chemical management. Learn more at <https://thebhive.net>.

We launched a joint roadmap with The BHive® to further expand the collaboration. Regular meetings to monitor the progress on supplier activities and work towards Lindex's chemical sustainability goals were established. Furthermore, we are currently in the process of defining concrete goals for 2025-2030.

Current Status

93 connected factories globally
Chemicals uploaded in 2023: 9.350

- 5.186 verified (in compliance with the Lindex MRSL)
- 4.164 unverified

Compliance level per country for 2023:

- Bangladesh: 77 per cent
- China: 42 per cent
- India: 97 per cent
- Pakistan: 91 per cent
- Sri Lanka: 79 per cent
- Turkey: 80 per cent
- Vietnam: 57 per cent



PFAS movement

PFAS, short for per- and polyfluoroalkyl substances, and are often referred to as 'forever chemicals' since they don't degrade naturally. These man-made compounds are also bio-accumulative and linked to a number of health issues including cancer, infertility, lowered birth weights and negative effects on the immune system.

Despite having long been used in clothing and shoes, detergents, paper packaging and cosmetics, as well as other products, the close to 5.000 man-made PFAS chemicals are on the EU's list of particularly dangerous substances.

The highly fluorinated substances are nearly impossible to break down, which has resulted in them polluting our immediate environment, including food, groundwater and drinking water.

NGOs such as Chemsec as well as authorities (ECHA) describe PFAS production as having led to a planetary crisis, both from an environmental perspective as well as a health perspective.

Researchers have determined high concentrations of PFAS in the blood of teenagers, and even rainwater has been shown to contain concentra-

tions PFAS that are above the safe levels. There are over 17.000 contaminated sites according to a conservative estimation. Scientists imply that the planetary boundaries have been surpassed.

Lindex phased out the use of PFAS-related substances in DWR (durable water repellent) finishes back in 2014. Since then, we have used only one nominated supplier of the DWR-finish who does not use PFAS-related substances in the finish treatment.

Joining the PFAS Movement through ChemSec has been an important step in our efforts to protect the health of our customers, staff and suppliers, as well as to safeguard the environment from these harmful 'forever chemicals'. By joining the PFAS Movement, Lindex has become part of an initiative involving several well-known companies from various industries. The network is growing rapidly, and it now includes 108 companies supporting a ban on PFAS. Members of this group recognize that, given the vast number of PFAS options out there, the only way to regulate PFAS is as a group of substances, which is part of the ChemSec Chemicals Strategy for Sustainability.

"Hidden" PFAS chemicals investigation

With new regulations coming into force restricting PFAS in consumer products, one of our nominated zipper brands has been conducting testing of items where PFAS might be detected.

The proposed test method is based on detection of total fluorine. Content of organic fluorine may indicate the occurrence of PFAS-related substances.

The investigation suggested that some of their items would be considered non-compliant if the proposed limit values were applied.

Products containing less than 50 ppm of organic fluorine would be considered 'PFAS compliant' whereas products containing 50 ppm or more of organic fluorine would be considered 'PFAS non-compliant'.

To ensure compliance with current regulation and Lindex's own strict requirements, we carried out an additional step to cross-check for specific PFAS substances. No content of specific PFAS were detected.

The content of organic fluorine may originate from naturally occurring fluorine in dye-stuffs or auxiliaries.



Antimicrobial finishes

Our leakproof menstrual underwear is treated with an anti-bacterial and odour-preventing treatment in the absorbent gusset. This treatment, called Agion Active XL, contains the antimicrobial substances silver copper zeolite and silver zeolite, and it is one of the best currently available. The purpose of the treatment is to prevent bacterial growth that can lead to odours, which is the biggest concern we have identified in our customer surveys regarding period-proof underwear.

Antimicrobial substances are strictly regulated in EU law and the substances used, silver copper zeolite and silver zeolite, have been approved for use in textile products.

Our period underwear is certified by OEKO-TEX®, which means that the products have been evaluated for the content of substances harmful to health.

However, we are also aware that these treatments can have a negative environmental impact – specifically, they can be toxic to a broader range of organisms than the ones we intend to target. If biocides build up in waste or in water, this could create problems for the natural ecosystem, and potentially indirectly for humans.

Additionally, the overuse of antimicrobial and biocidal treatments may encourage bacteria to become resistant to products that are essential to hygiene and health in other contexts. There are suspicions that certain biocides may render antibiotics inactive, which would make it harder to cure infectious illnesses.

Because of the strict oversight on these types of treatments, Female Engineering's leakproof menstrual underwear were subject to authority surveillance during 2022/23.

The treatment used in leakproof menstrual underwear consists of a combination of anti-microbial substances and a purely anti-odour substance.

The reason for the authority request is that the most common cause of odour in clothes is the growth of bacteria; thus, most textile treatments that claim to reduce bad odours usually also have antibacterial properties.

Products treated with biocides must be labelled according to Regulation (EU) No 528/2012 on the marketing and use of biocidal products (BPR), and active substances used must be approved for the right product type and use.

The anti-odour treatment used in FE leakproof underwear is not considered a biocide and does not have biocidal properties. However, to show compliance with the Regulation on the marketing and labelling biocidal products (BPR), we were requested to prove that the anti-odour treatment does not have any biocidal effect.

This was done with support from the chemical supplier and a third-party laboratory. Testing confirmed that the anti-odour treatment does not have any biocidal property.

Female engineering leakproof nursing pads

It was brought to our attention that one of the biocides (silver copper zeolite) that is used in our nursing pads would be banned in PT 4 (Product Type 4, Regulation (EU) 528/2012, BPR), i.e. for the disinfection of goods used in contact with food.

The reason for the ban is that it has not been possible to demonstrate effectiveness of the substance in that context and that risks to human health have been established upon consumption of foodstuffs that have come into contact with treated materials. In light of this information, it was decided that the nursing pads should be withdrawn from the market in order to avoid potential negative publicity around the product and Lindex brand.



Treatments on menopause products: Q&A

Q: Is the Female Engineering menopause clothing treated with anything?

A: When we produce our menopause clothing, we use an anti-bacterial and odour-preventing treatment called HeiQ Pure TAG that contains an antimicrobial substance (silver chloride). The treatment is one of the best currently available. Our products are certified by OEKO-TEX® STANDARD 100, which means that the products have been evaluated for the content of substances harmful to health.

Q: Why do we use this treatment?

A: We use this treatment in order to reduce the growth of bacteria and reduce odour from recurring hot flashes and sweat.

Antimicrobial substances are strictly regulated in EU law and the substance used, silver chloride, has been approved for use in textile products.

To prevent bacterial growth and odour, the products are treated anti-bacterial and odour-preventing treatments.

The treatments we use follow the strict regulations laid out in the EU legislation and have been approved according to OEKO-TEX® and bluesign®.

Thanks to our OEKO-TEX® certification we know that our products are not harmful to human health and that the material is safe.

However, we never settle. Together with our partner Bodyline, we are on a quest for alternative ways to prevent or inhibit bacterial growth. MAS and Bodyline are leaders in this area. We are phasing out anti-bacterial treatments and in 2025 the use of anti-bacterial treatments will be replaced step by step.

Cosmetics

Even though our focus is fashion, we apply the same level of care to the cosmetics we sell in our shops, as well. There are two remaining products from an external brand that we sell in our stores that previously contained PFAS chemicals. These have now been reformulated, and the new formulations became available during Q2 2023.

Precautionary principle

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

Ensure human rights

We seek to lift up the people whose hands, skills, and dedication make Lindex possible. Above all, we acknowledge that each and every person has rights, and must be treated with dignity and respect. It is our responsibility to make sure that fundamental human rights are respected throughout our entire value chain and our own operations. We advocate for health and safety, but also more broadly for human rights, which includes holistic wellness, empowering women, and fair wages.

Freedom of association, rights to unionisation, worker representation and collective bargaining are each under pressure in many countries. We have identified significant risks to workers' rights and freedom of association in Bangladesh, China, India, Pakistan and Turkey. We have mapped our supply chain and know where there is unionisation, which is a first step to establish a fair worker representation in our supply chain.

Region	Production units without trade union	Production units with trade union
Bangladesh	25	4
India	12	0
Pakistan	2	0
Sri Lanka	6	0
China	40	9
Vietnam	0	5
Turkey	20	2
Italy	6	5

And finally, we are working to advance diversity, equity and inclusion, in our own operations and as well as within our value chain.

Achievements

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

100 per cent of our tier 1 suppliers have implemented digital wage payments.



Suppliers representing 83 per cent of our total volume now calculate living wages.

We have formed an internal Human Rights Council to oversee human rights due diligence work.



Suppliers representing 74 per cent of our total volume now have a 'satisfactory' or higher verified self-assessment score.



Fair and decent work

When we talk about fair and decent work, we mean enabling safe and healthy workplaces where labour rights are respected and making sure our whole value chain is progressing within living wage.

Lindex is a member of ETI, the Ethical Trading Initiative, which is a UK-based independent body that has been bringing together companies, trade unions and non-governmental organisations (NGOs) since 1998 to ensure compliance with international labour standards in the global supply chains of member companies.

Lindex has been a member since 2018 and we work with ETI to progress our approach to human rights and workers' rights.

Some of the other tools we use to promote fair and decent work include our wage strategy, our own purchasing practices, our WE Women management system, and our due diligence approach.

Wage strategy

We outsource production to independent manufacturers. This means we don't pay garment workers' salaries, nor can we decide how much they are paid. But we need to have a transparent overview of the wage situation in our supply chain. And that means each of our suppliers needs to be clear and transparent about their own practices.

This is why we train our suppliers on how to calculate the local living wage according to the Global Wage Coalition and the Anker & Anker methodology. This methodology is a practical compromise between separately estimating the cost of each and every expense families have, and the most common approach currently used for estimating living wage in developing countries, which uses just two expense groups. In 2022 and 2023 our focus is on this calculation. The next step will be to analyse the gap between current wages and the calculated living wage, and have a discussion with our suppliers about how we can bridge that gap.

We also train our suppliers in setting job descriptions and establishing a wage grid; both of these things increase transparency and accountability.

Goals

- By 2025, Lindex's suppliers who stand for 80 per cent of our production show total supply chain transparency.
- By 2025, Lindex's suppliers who stand for 80 per cent of our production show commitment to improving working conditions.
- By 2025, Lindex's suppliers who stand for 80 per cent of our production work actively with a living wage programme.

Our commitment to respect labour rights in our supply chain

The [ILO Declaration on Fundamental Principles and Rights at Work](#), adopted in 1998 and amended in 2022, is an expression of commitment by governments, employers' and workers' organisations to uphold basic human values – values that are vital to our social and economic lives.

We commit to decent working conditions in our value chains and to cooperate with others where infringements on workers' right are identified. We, however, think that it is the different parties on the labour market (employer, employee, workers, governments and authorities, workers' organisations and unions) that are in the best position to improve working conditions through collaboration.



Other actions we take to enhance transparency include:

- Setting clear standards and expectations for every supplier that makes our products, as well as taking action if the standards are not met, as is clearly stated in the sustainability commitment each supplier must agree to abide by (see more on page 14).
- Ensuring that our purchasing practices—the way we place our orders and the prices we pay—enable the payment of correct wages (see more on page 67).
- Helping suppliers implement effective wage management systems that classify jobs according to skill level and pay workers according to their competence.

We have also set a living wage roadmap goal for 2025:

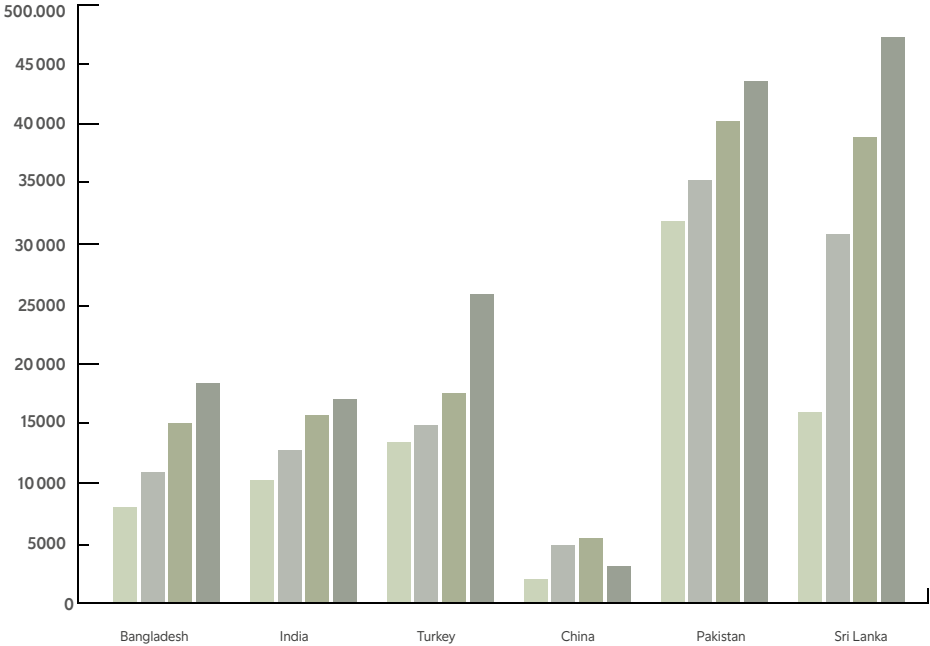
- Lindex suppliers who stand for 80 per cent of our production should work actively with a living wage programme.

Wages per country compared to living wage (in local currency)

This chart illustrates the local living wage calculations done by suppliers representing 83 per cent of Lindex total business volume. Calculations are done according to the Global Living Wage Coalition and their selected Anker & Anker methodology. All cost calculations are taken from the local area around the factory premises and where the workers live and shop, and workers have been interviewed to verify the figures.

This calculation has been made in order to make both suppliers and Lindex aware of any differences when comparing wages actually paid (both with and without overtime and benefits included) to the local living wage. These insights will lay the groundwork for further steps towards our goal that by 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme.

- Minimum wage
- Average wage without OT and benefits
- Average wage with OT and benefits
- Anker & Anker living wage





Lindex purchasing practices

Responsible purchasing practices can support and enable improved working conditions at our supplier facilities. We work hard to build strong, long-term relationships with our key suppliers, and that can only work if our suppliers see us as a good partner. These close relationships enable us to work together to tackle the big issues such as living wages, and sustainable production. We focus on our key suppliers that produce 80 per cent of our production volume, to be the best partner we can be to this strategic group.

The first part of ensuring that we are responsible business partners is ensuring that our own commitment to sustainability is embedded in our business practices at every level. The chair of our board of directors is responsible for sustainability-related risks at Lindex, which ensures top-level commitment to our sustainability targets. Additionally, our Sustainability Director is part of the management group.

This top-level buy-in has streamlined the process of integrating responsible purchasing practices into our overall strategy and decision-making process.

Key provisions are imbedded with our:

- Human rights policy,
- Sustainability commitment,
- Instructions for suppliers,
- Code of conduct, and
- Due diligence methodology.

Additionally, our human rights due diligence approach is central to both our planning and our reporting. Specifically, these outcomes impact our 5-year strategy and sourcing plan. This also shapes our placement strategy, which goes hand in hand with our supplier strategy.

Each of this is informed by and helps to shape:

- Our 2025 goals (with roadmaps and action plans).
- Our annual reporting, including our sustainability report, specific ETI reporting, and stakeholder dialogue.
- Our work toward the Norwegian Transparency Act and EU directive reporting.

Being a good partner to our suppliers means aiming for win-win situations, and supporting our suppliers to become proactive and self-reliant promoters of sustainability. It also means sharing responsibility for the well-being of workers. This requires that we understand how our business decisions—such as choices related to payment terms or the timing of purchases—can impact people working within our partner factories. We have local production offices with local staff in each of our key markets. Our regional sustainability managers conduct trainings in these local production offices on what responsible purchasing looks like, and how Lindex's purchasing decision can impact workers.

In order to facilitate planning and help our suppliers avoid excessive overtime, in collaboration with our suppliers Lindex has created a working process where responsibility is clearly identified throughout every stage. We have also worked together with them to create a number of tools to support planning and forecasting.

These include:

- Buying handbook
- Forecasting and capacity booking tools
- Fabric booking tools
- Product workflow tools

Payment terms are another area where our decision-making can have a significant impact on worker experience. We ensure that our payment terms are transparent, and that our standard 60-day terms are met in full and on time. We opt for mutual decision-making when unforeseen circumstances arise, such as delays or other claims.

WE Women Management System (2017 – 2025)

Through our WE Women Management System we are aiming to provide a healthy and inclusive working environment especially for female workers free from harassment and gender-based violence. We also work within this system to help give female workers the same possibilities as male workers regarding access to skills training and promotion. We have rolled out WE Women in Bangladesh, India, and Turkey. Next, we are looking toward implementing the programme in China. Read more about the WE Women management system on page 35.



Human rights due diligence

We work proactively to identify, prevent, and minimise any negative impact our business activities may have on the environment as well as on human and labour rights in our production countries. In addition to developing and implementing our code of conduct, we adhere to the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

We perform due diligence on our production countries every other year, or more frequently if needed based on current events and the recommendations of our stakeholders. Our due diligence process involves a risk assessment of each production market from a social and an environmental perspective. We also consider broad local, national, and global political factors. For new markets, we use external organisations who are able to bring a deep level of regional expertise.

As part of our commitment to uphold human rights and set sustainability standards in the fashion industry, Lindex is proactively ahead of these guidelines, actively working to implement a due diligence process in both our own operations and throughout our value chain. Most of the actions we are taking are primarily in tier 1, though we are now expanding that same work to the whole supply chain where relevant. Read more about our systematic approach to supply chain management on page 11, and our WE Women management system on page 35.

Assessment of Lindex’s Salient Issues

In 2022, together with a Swedish external partner with specific expertise on business and human rights, we identified and assessed actual and potential human rights impacts in our own operations and supply chain. The assessment was conducted in alignment with international standards on business and human rights, namely the UNGPs and OECD Guidelines for Multinational Enterprises. The assessment highlighted risks for adverse human rights impacts and provided the basis for our salient human rights issues.

The report also highlighted gaps in Lindex’s processes in relation to managing human rights, and suggested ways to close such gaps. During 2023 we formed a human rights council with the purpose of managing human rights and overseeing the implementation of human rights due diligence.

We also conducted a risk assessment on own operations as part of this process. This includes having each of our business functions assess their sustainability risks, including risks to human rights, on a regular basis.

The major result of this assessment is that all major production markets now have established heatmaps of human rights-related issues based on severity and likelihood. We use these results to determine where extra attention is needed, and the outcomes have been critically important in informing our country strategies and our goal setting process.

The intention of this process is to ensure the existence and adequacy of prevention and mitigation plans. Because of the human rights due diligence performed, we are transitioning from a reactive approach to an active one in identifying and addressing significant issues.

Salient issues	Additional detail available on page
Forced labour	69
Child labour	69
Promoting living wage	69
Social dialogue, freedom of association & collective bargaining	70
Diversity & non-discrimination	70
Health & safety	71
Access to clean water	71



Salient issue #1: Forced labour

Lindex strictly condemns and prohibits all forms of modern-day slavery, including forced, bonded, compulsory, illegal, prison labour and human trafficking. Unfortunately, forced labour remains an unresolved issue today, with 27.6 million people being in forced labour in 2021 (source ILO). Forced labour can manifest itself through practices of, e.g. withholding passports, coercion, unpaid wages, debt-bondage resulting from high recruitment fees, etc.

We work to ensure that forced labour does not occur in our value chains and have a Modern Slavery Act statement that defines our approach to prevent, identify and mitigate the risk of modern slavery in our business and our value chains.

All forms of forced labour, child labour, slavery and human trafficking are included in our minimum requirements as “zero tolerance” issues and all our business partners sign the sustainability commitment. When we receive information on allegation of the above, we follow our Forced labour action plan, a seven-step process which includes identifying accountable individuals and possible remediation, as appropriate.

In 2023 we identified possible linkages to forced labour in our tier 2 supply base in Asia. Further investigation showed that we were not directly linked to the case of forced labour, and the case was closed. In 2023, a whistleblower disclosed concerns of forced labour in our supply chain in Asia, tier 1. The matter was investigated by a local NGO.

Action plans were put in place to remediate the identified issue and the supplier has implemented the recommended action plans.

Salient issue #2: Child labour

Lindex strictly condemns and prohibits all forms of child labour. Child labour deprives children of their childhood and interferes with their schooling. Current estimates are that 160 million (UNICEF 2021) children, that is one in ten globally, are involved in child labour. About half of them are involved in hazardous work, defined as work performed by children in dangerous and unhealthy conditions that can lead to a child being killed, injured or made ill as a result of poor safety and health standards or employment conditions. Such work can result in permanent disability, ill health and psychological damage.

We are committed to preventing child labour taking place in our value chain and we work to anticipate, prevent and address child labour in all forms. It is clearly stated in our code of conduct that there shall be no recruitment of child labour, and verification processes shall be in place to ensure this.

All forms of forced labour, child labour, slavery and human trafficking are included in our minimum requirements as “zero tolerance” issues. When receiving information on allegations of the above, we follow our child labour action plan, a five-step process which includes identifying accountable individuals and possible remediation, as appropriate. We have not received any reports regarding cases of child labour in recent years.

Salient issue #3: Promoting living wages

We know that addressing minimum wage levels in global textile and retail value chains is challenging considering national labour laws and local agreements. It is a human right to have a wage that can provide a decent living. Poor wages contribute to poverty and issues with overall health and wellbeing. Wages are set by national or local laws; individual efforts are limited to exercising influence over local suppliers. Therefore, fair wages will be a result of dialogue between governments, unions, employees and employers. It is therefore an issue which must be solved by collaboration between governments, unions, employees and employers, where social dialogue is the foundation. We have developed a 2025 living wage roadmap. The goal is that Lindex suppliers who stand for 80 per cent of our production work actively with a living wage program by 2025.

Although many of our business partners have wages that surpass minimum levels, we continue to strive for fair payments throughout our value chains; in the production as well as in our stores. There is a strong connection between regular employment, wages, overtime and purchasing practices, primarily in the manufacturing supply chains.

In our supplier code of conduct, we define our commitment to living wage in the following way: “wages should always be enough to meet basic needs for workers and their families, as well as providing some discretionary income”.



We are committed to working together with our business partners and stakeholders to achieve a wage that can support decent living standards for the workers in our value chains. In the supply chains, we work together with our manufacturing business partners to perform periodic reviews of employees' wages against local calculated living wages (Anker & Anker) and we have performed a wage review between local living wage and wage paid. Read more about wages in our supply chain on page 65.

We also seek to ensure that our purchasing practices enable the payment of correct wages and does not drive overtime. We support our suppliers in implementing effective wage management system that classifies jobs according to skill level and pays workers according to their competence. Read more about our purchasing practices on page 67.

Salient issue #4: Social dialogue, freedom of association & collective bargaining.

The right to freedom of association and collective bargaining is a challenge in many countries, including due to restrictive legislation and weak governance. For example, in Bangladesh and India, the power of some small unions is compromised by their weak financial position and further undermined by allegations of corruption. In some instances, it is difficult for the unions to make an impact.

Lindex strongly supports the right to freedom of association involving the right of individuals to interact and organise among themselves to

collectively promote, pursue and defend common interests. Social dialogue, freedom of expression, and unions are important to ensure that workers can express their concerns and views, as well as to enable fundamental principles and rights at work. Lindex believes that decent working conditions are best promoted where there is social dialogue between employer and employee representatives, and unions/worker committees work together. This is included in our code of conduct.

We have identified a risk for significant adverse impacts on workers' rights and freedom of association in our production countries. We have mapped our supply chain and know where there is unionisation, which is a first step for us to establish a fair worker representation in our supply chains. Therefore, we have updated our human rights policy in relation to workers' rights to reinforce our commitment to ensuring that workers' freedom is respected in our value chain. To this end, we require our suppliers to follow our policy so that our standards are mirrored in production countries. Read more about unionisation in our supply chain on page 63.

In Bangladesh, the International Accord – of which we are a member – has been very successful in their work with occupational health and safety committees. Lindex is working proactively to support and advance social dialogue and working committees in our supply chain in Bangladesh, a process which is in development phase but will be expanded to other production countries in the future.

Salient issue #5: Diversity & non-discrimination

Discrimination is any kind of treatment that directly or indirectly disfavours or limits individuals' / groups' acting space and options. Diversity means the inclusion of individuals of different identities (ex: ethnicity, gender, age) in the workforce.

Lindex condemns all forms of discrimination and works actively to provide an inclusive and welcoming working environment for everyone. We are committed to ensure that no worker experiences discrimination or harassment and that all leaders immediately address any incidents of discrimination or harassment.

Our work on diversity includes ensuring that all employees at Lindex are treated with respect, granted equal opportunities and a positive working environment. To promote diversity, we have rolled out a number of activities linked to these ambitions, beginning with awareness trainings. We measure employee satisfaction globally through an online engagement platform which also enables our employees to share their thoughts. Read more about our DEI strategy on page 72.

In the supply chain, we have rolled out the WE Women management system, aimed at creating more inclusive workplaces for women, free of discrimination and harassment, and giving women the same opportunities as men in career progression. Read more about WE Women on page 35.



Salient issue #6: Health & safety

Health and safety of employees, workers and customers in the global value chain are critical pre-conditions to economic and social empowerment, and as such are very important to Lindex.

Our commitment is to ensure safe working conditions, store safety, product safety and chemical safety in working environments both in our own operations, and in our global value chains.

When it comes to health, we have reframed our efforts in this area into two new core aims, which are female health and wellbeing and gender inclusive workplaces. As a company that is focused on women (as consumers and co-workers), we are stepping up to lead the way in femtech, which offers digital products and services that will improve women's wellbeing and health. Read more about our work in femtech on page 33.

Regarding safety in our production countries, we monitor the situation in the factories through external audits while we follow up on corrective action plans and ensure that remediation is taking place. Our self-assessment program has been supporting the participating production units to reinforce their management systems, as well as raising the competence of production staff. This approach guides them to change their mindset and look into health and safety issues systematically from a management sys-

tem angle and to carry out root cause analyses, all in support of maintaining higher performance.

In Bangladesh, we are members of the International Accord which promotes safe workplaces through independent safety inspections, training programmes, and a complaint mechanism to safeguard workers against occupational health and safety risks. Lindex signed the Pakistan Accord on Health and Safety in the Textile and Garment industry. The agreement will expire on 31 December 2025. The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), home textile, fabric and knit accessories suppliers, producing for the signatory companies. Furthermore, fabric mills in Pakistan that are within the supply chains of the signatories are covered. Read more about the International Accord on page 14.

Going beyond audits and existing monitoring channels, we wanted to create a sound mechanism to support workers in getting their voices heard by management. During 2023 we mapped our existing tier 1 supply chain to see where Lindex stands, and we are now looking into OLGMs (operational-level grievance mechanisms).

For more on how Lindex monitors compliance, see page 11.

Salient issue #7: Access to clean water

As a water-responsible company, Lindex approaches water resources from both quantitative and qualitative perspectives. Water is a finite and vital resource, and Lindex is acutely aware of the potential risks associated with its mismanagement. Our supply chain relies on water for various processes, from fabric production to garment washing. Therefore, to address the impact that our operations have on water, we have established the following priority goals: promoting water efficiency, reducing the risk of water scarcity in regions associated with our operations, and collaborating with our partners to protect the environment and the health of both factory workers and nearby communities.

Read more about our responsible water strategy on page 54 and WaterAid on page 33.

Diversity, equity and inclusion

In 2022 we began setting a diversity, equity and inclusion (DEI) strategy for our more than 4,000 employees. DEI means making sure our whole value chain is free from discrimination and has an inclusive environment where all individuals are treated fairly, with respect and have equal access to opportunities and resources.

We have set some goals to increase the gender balance and also to improve perceptions on how included our employees feel, and how inclusive of a workplace they feel that Lindex is overall.

Since DEI is about people, and including all perspectives, we started by doing just that: we began gathering information from within the company using surveys, doing deep dive interviews and workshops, and collecting data. This has made it possible to set concrete ambitions that reflect the specific needs, perspectives, and values at Lindex, and to identify specific activities that will enable us to reach these ambitions. We also recognise that the changes we are working to achieve are not shifts that happen overnight. These are changes that require time and persistence to become a natural part of Lindex's way of working.

We began with awareness raising, to ensure that all of us are on board and we can see the possibilities and challenges moving forward.

Ambitions

- **Inclusive workplace:** Lindex has set the ambition and made a decision to educate all managers and teams in DEI.
- **Increased diversity:** Lindex has set the ambition and made a decision to work with communication, awareness and more of a focus on gender balance. A well-organised onboarding process is being developed.

Then, we began working to inspire, engage and include our employees through trainings, discussions and setting shared goals together, which have been informed by dialogue and reflection. Starting in 2024, this approach will be rolled out to store staff as well. Overall, we know that we must engage 'the people it's about' to define what diversity, equity, belonging, and inclusion mean to them.

What do we mean by DEI?



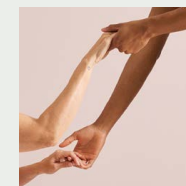
Diversity: the mix of all of us

Diversity is about having a mix of people with different visible and invisible traits, such as gender, physical abilities, age, body type, origin, background, sexual orientation, religion, socio-economic status, education and parental status, among other things.



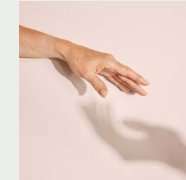
Equity: fairness for everyone in the mix

Equity is about making sure everyone in the mix of people is being treated fairly, with respect and have equal access to opportunities and resources.



Inclusion: welcoming and embracing the mix

Inclusion is diversity and equity in action. Making the mix of people work by having an environment with a culture, behaviour and mindset that embraces all people and where everyone feels welcome.



Belonging: feeling valued as a part of the mix

Belonging is an emotional outcome of inclusion. It is about feeling secure and able to bring your authentic self to work and feel accepted for who you are.





Why DEI matters to Lindex

Diverse teams are smarter, and they solve problems more effectively than less-diverse teams. Diverse organisations perform better financially, have higher levels of customer satisfaction and are more capable of reaching strategic goals. We are prioritising DEI because we want to build a strong brand and a strong company that mirrors our customers and the customers we seek to attract. We also want to attract and retain the right talent among our employees, and to engage wider perspectives to become more innovative and sustainable.

What research says:

- “Inclusive teams outperform their peers in team-based assessments”
- “Gender-diverse companies are more likely to outperform their peers over time”

Beyond the business benefits highlighted above, we believe that being included and accepted for who you are is a basic human right, and that advancing diversity, equity and inclusion is a moral imperative.

Ambitions and focus areas

Our strategic approach to DEI at this stage is based on two specific ambitions:

1. Inclusive workplace
2. Increase diversity

Our ‘inclusive workplace’ ambition is targeted at increasing both performance and wellbeing, as measured through our ‘Lindex voice’ employee survey. Activities we are undertaking to achieve this include:

- Leadership trainings on inclusion and unconscious bias
- Employee trainings and inspirational lectures on inclusion and unconscious bias
- Rolling out new employee on-boarding practices that address inclusivity
- Educating our full team on Lindex’s existing policies, for example those related to discrimination, equal treatment, and whistleblowing

Our ‘increase diversity’ ambition is aimed at increasing innovation and performance as well as strengthening our brand. We will measure our progress in these areas through our internal Lindex Voice survey, our external branding surveys, and our gender balance KPIs. Strategic activities we have identified for this ambition include:

- Updating both internal and external communications
- Launching recruitment trainings on unconscious bias and gender de-coding
- Setting research-backed goals to increase the multicultural and gender-balanced makeup of our teams
- Succession planning
- Engaging with networking programmes

What success looks like

We are clear about what our successful DEI strategy will unlock for our leaders, our employees, our customers, and our other stakeholders. Quite simply, we want each of them to:

Know	Why DEI is important and what steps we aim to take to reach our ambitions.
Feel	Lindex is a workplace where everyone is included and welcomed to contribute.
Do	Focus on creating an inclusive environment, and recruiting/upskilling a diverse workforce that is sustainable for today and tomorrow.

This is aligned with our promise to make a difference for future generations, and we are proud of the progress we have already made toward building a more diverse, equitable, and inclusive Lindex.

A person with long blonde hair, wearing a white sweater with black horizontal stripes and blue jeans, stands on a rocky shore. Their arms are outstretched horizontally, and their right leg is raised and balanced on a rock. The background features a calm blue sea, a rocky coastline with greenery, and a clear blue sky with a few clouds. The text "Report background" is overlaid in the center of the image.

Report background

Report background

The report has been produced by GoBlu International in collaboration with the sustainability, controlling and corporate communications teams at Lindex. Lindex's board and management group has been involved in the process. The report has not been reviewed in full by any third party.

The previous report was published on 28 March 2023.

Questions relating to this report can be directed to anna-karin.dahlberg@lindex.com

Lindex has reported the information cited in this GRI content index for the period January 1, 2023 through December 31, 2023 with reference to the GRI Standards. Additional information about our ownership structure and organisational changes, as well as the Stockmann Group's annual reporting that covers integrated reviews of business operations, financials, governance, and sustainability, can be found in Swedish, Finnish, and English on the Stockmann Group's website.

Boundaries

This report covers the global activities of the Lindex group; that is AB Lindex and its wholly owned subsidiaries, five production offices and five country offices in Europe, Lindex stores and the Lindex-owned distribution centre in Sweden. The report also covers the Lindex share of the Stockmann Group's shared production activities in Asia. The report does not cover Lindex franchised stores, which total 36 stores in nine countries. Nor does it cover outsourced distribution centre services.

Materiality

Our work towards sustainability is embedded in all of our activities and aligned with our promise: to make a difference for future generations. Within this promise, we have focused on three key areas we feel we can most impact:

- Empower women
- Respect the planet
- Ensure human rights

However, we also want to ensure that this approach takes our stakeholders' priorities into consideration. This is why Lindex conducted a comprehensive stakeholder materiality consultation in 2021. The goal of this process was to gather stakeholder feedback on ESG priorities to inform Lindex's approach to both reporting and strategic engagement with key issues. Representatives of 21 different stakeholder groups, plus an additional 500-plus customers, took part in the feedback process via survey, interview, or qualitative feedback channel.

These stakeholder groups included:

Lindex board members, franchisees, suppliers, the Lindex management group, customers, researchers, and representatives from 16 organisations ranging from advocacy groups to industry watchdogs, government agencies, financing firms and unions. The outcomes of the stakeholder materiality consultation have been discussed among the teams at Lindex, and the table below summarises the major findings.

The topics in the top right quadrant, indicating high priority areas for our stakeholders, are detailed throughout this report. The areas in the top left and bottom right boxes will be included in the report as well, but with less prominence.

In order to prioritise the most material areas in the report, the areas in the bottom left box will not be emphasised in the reporting. However, there are exceptions to this where we felt certain topics were either extremely relevant to our strategy (for example, sustainable design), or we felt topics needed to be covered due to the global context this year (for example, transportation). We also included the topic of 'digital innovation' as this is of increasing strategic importance due to the

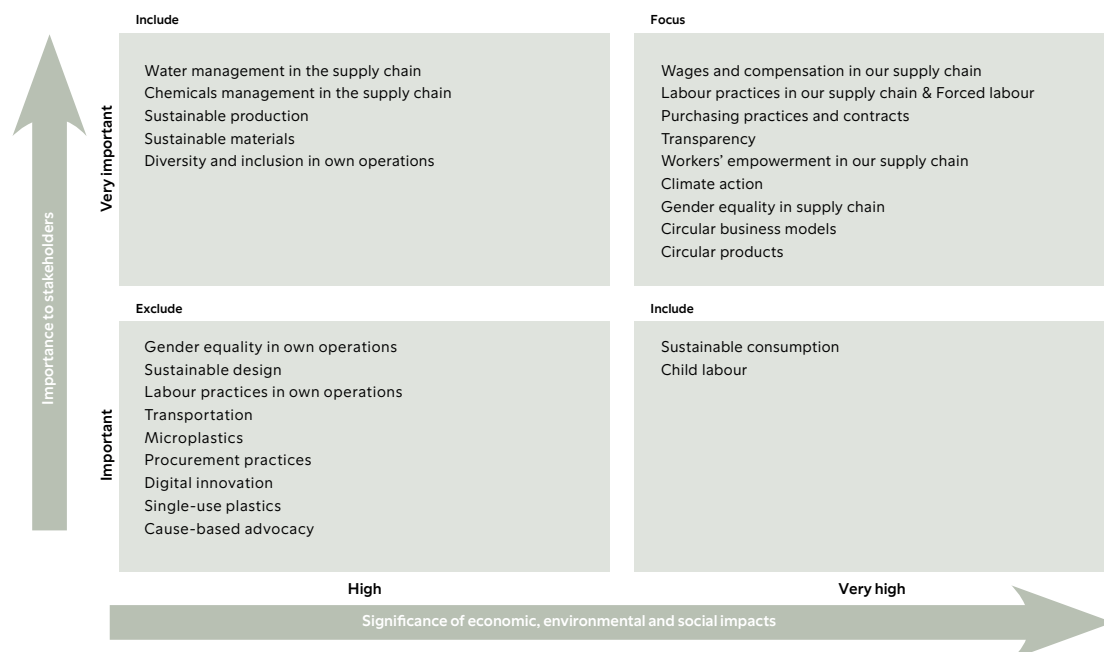
changing digital landscape, and our stakeholders felt this would be a relevant topic over the next several years. All findings, however, are being considered in ongoing strategy formulation.

Policies

Lindex has a set of policies in place to serve as the foundation for our business activities and has set clear expectations for our employees. These policies reflect our core values and align with our code of conduct and our overall strategy, as well as applicable laws. These include:

- Lindex human rights policy
- Lindex discrimination policy
- Lindex homeworking policy
- Lindex offence and harassment policy
- Lindex reuse recycling and donation policy
- Child labour action plan
- Forced labour action plan

The full policies are publicly available on our website [here](#).



GRI index

Lindex has reported the information cited in this GRI content index for the period January 1, 2023 through December 31, 2023 with reference to the GRI Standards (2021).

GRI Standard	Disclosure number	Disclosure title	Location of disclosure	Comments
GRI 2: General disclosures (2021)	2-1	Organizational details	Pg. 5 (The company), pg 6 (location of operation), Pg. 5 (Lindex at a glance)	
	2-2	Entities included in the organization's sustainability reporting	Pg. 75 (Boundaries)	See also "Stockmann Group 2023 Financial Review"
	2-3	Reporting period, frequency and contact point	Pg. 75 (Report background)	
	2-4	Restatements of information		In case of occurrence, this is reported in connection with relevant topic.
	2-5	External assurance	Pg. 75 (Report background)	
	2-6	Activities, value chain and other business relationships	Pg. 5 (Lindex at a glance), Pg. 6 (Lindex today), Pg. 8 (Work/life balance), Pg. 11 (Supply chain management), Pg. 20 (Collaboration for impact), Pg. 65 (Fair and decent work), Pg. 67 (Lindex purchasing practices), Pg. 68 (Human rights due diligence)	
	2-7	Employees	Pg. 5 (Lindex at a glance), Pg. 8 (Culture)	
	2-9	Governance structure and composition	Pg. 7 (Governance: Embedding sustainability into our business)	
	2-22	Statement on sustainable development strategy	Pg. 4 (CEO comment), Pg. 7 (Governance: Embedding sustainability into our business), Pg. 25 (Our promise), Pg. 27 (Our goals)	
	2-23	Policy commitments	Pg. 8 (Culture), Pg. 11 (Supply chain management), Pg. 75 (Policies)	
	2-27	Compliance with laws and regulations	Pg. 11 (Supply chain management), Pg. 68 (Human rights due diligence)	There were no legal actions or fines for anti-competitive behaviour, anti-trust, or monopoly practices or their outcomes in 2023.
	2-28	Membership associations	Pg. 20 (Collaboration for impact)	Additional detail available from Stockmann group website: Activities in organisations
	2-29	Approach to stakeholder engagement	Pg. 75 (Materiality)	
	2-30	Collective bargaining agreements	Pg. 10 (Collective bargaining)	

GRI Standard	Disclosure number	Disclosure title	Location of disclosure	Comments
GRI 3: Material Topics (2021)	3-1	Process to determine material topics	Pg. 75 (Materiality)	
	3-2	List of material topics	Pg. 75 (Materiality)	In case of occurrence, this is reported in connection with relevant topic.
	3-3	Management of material topics	Pg. 4 (CEO comment), Pg. 7 (Governance: Embedding sustainability into our business), Pg. 11 (Supply chain management), Pg. 20 (Collaboration for impact), Pg. 25 (Our promise), Pg. 27 (Our goals), Pg. 41 (Climate), Pg. 62 (Precautionary principle), Pg. 65 (Fair and decent work), Pg. 67 (Lindex purchasing practices), Pg. 68 (Human rights due diligence)	The management approach is presented in connection with each material topic.
Economics				
GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed		Additional detail available from Stockmann's 2023 Sustainability Report (Our ways of working, pg. 17-18)
GRI 203: Indirect economic impacts (2016)	203-1	Infrastructure investments and services supported	Pg. 6 (Lindex today), Pg. 33 (Female health and wellbeing, FemTech, WaterAid), Pg. 34 (Cancer Foundation), Pg. 35 (WE Women management system programme), Pg. 36 (Impact summary), Pg. 56 (Rain water harvesting project)	
Environmental				
GRI 301: Materials (2016)	Own indicator	Share of more sustainable materials used in our garments	Pg. 28 (Circularity goals), Pg. 52 (Materials we used in 2023, How far we've come in switching to more sustainable options)	
	301-2	Recycled input materials used	Pg. 28 (Circularity goals), Pg. 52 (Recycled materials, Share of products with at least 15 per cent recycled content), Pg. 53 (Circular packaging strategy).	
	Own indicator	Collected textile through Lindex stores	Pg. 50 (About in-store garment collection).	
GRI 302: Energy (2016)	302-4	Reduction of energy consumption	Pg. 41-45 (Climate)	
GRI 303: Water and Effluents (2018)	Own indicator	Initiatives for more sustainable water management	Pg. 33 (WaterAid), Pg. 54 (Responsible water strategy), Pg. 71 (Salient issue #7: Access to clean water)	
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	Pg. 44 (2023 analysis)	
	305-2	Energy indirect (Scope 2) GHG emissions	Pg. 44 (2023 analysis)	
	305-3	Other indirect (Scope 3) GHG emissions	Pg. 44 (2023 analysis)	

GRI Standard	Disclosure number	Disclosure title	Location of disclosure	Comments
GRI 306: Effluents and waste (2016)	Own indicator	Share of stores with recycling systems	Pg. 28 (Circularity goals)	
GRI 308: Supplier environmental assessment (2016)	308-1	New suppliers that were screened using environmental criteria	Pgs. 11-14 (Supply chain management), Pg. 59 (develoPPP, Expanding digital chemical management)	
Social				
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover		New employee hires: 24%. Employee turnover: 27%. The information has not been broken down by age group and gender due to limitations in the data.
GRI 403: Occupational health and safety (2018)	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	See comment	Due to limitations in the data we report on the total rate of sickness absence (5.5%). In total, there were 124 work-related injuries reported in 2023.
	Own indicator	Remediation rate of issues found through Accord inspections	Pg. 14 (The International Accord)	
GRI 404: Training and education (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	See comment	According to our latest employee survey in October 2023 (with a total participation rate of 76%) we received a score of 9.1 on the question 'At work, I know what I'm expected to deliver.' We received a score of 8.2 on the question 'I get enough feedback to understand if I'm doing my job well.'
	Own indicator	Number of women reached in HERhealth and workers reached in HERfinance	Pg. 36 (Impact summary)	
GRI 405: Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	Pg. 9 (A culture of diversity, equity and inclusion), Pg. 70 (Salient issue #5: Diversity & non-discrimination), Pg. 72 (Diversity, equity and inclusion)	Due to limitations in the data we focus the reporting on gender.
GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	Pg. 10 (Equal opportunities)	
GRI 407: Freedom of association and collective bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg. 10 (Collective bargaining), Pg. 63 (Ensure human rights), Pg. 70 (Salient issue #4: Social dialogue, freedom of association & collective bargaining)	
GRI 408: Child labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	Pg. 12 (Zero tolerance), Pg. 69 (Salient issue #2: Child labour)	
GRI 409: Forced and compulsory labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pg. 12 (Zero tolerance), Pg. 69 (Salient issue #1: Forced labour)	

GRI Standard	Disclosure number	Disclosure title	Location of disclosure	Comments
GRI 414: Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	Pg. 11 (Supply chain management system), Pg. 12. (Audits and audit statistics), Pg. 36 (Impact summary), Pg. 59 (Expanding digital chemical management), Pg. 65 (Fair and decent work), Pg. (Human rights due diligence)	
GRI 416: Customer health and safety (2016)	416-1	Assessment of the health and safety impacts of product and service categories	Pg. 58-60 (Responsible chemistry strategy)	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pg. 58 (Product safety: product level testing)	