



Sustainability report 2021.

L I N D E X

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We are Lindex.



We are in the middle of a major transformation at Linde X. Transformation is no small undertaking. It is not a goal we can accomplish in one quarter or in one year. It is not neat or easy or straightforward. But it is a commitment we are making each and every day. We have made a promise to make a difference for future generations, and so we have a responsibility to choose over and over again to embrace this aim of transformation, with both courage and creativity.

One of the many challenges over the past year has been the feeling that a “return to normal” would be just around the corner. But a “return to normal” remains out of reach. I think there is a lesson here. Instead of learning to endure a crisis, it seems the bigger lesson is that our “old normal” cannot become our new goal. Alongside the impact of the global corona situation, over the past year we have seen increasingly common fires and floods impacting families and communities everywhere. As many of us have done, I have allowed myself to imagine the possible climate futures outlined by the IPCC, and how they might look and feel. And as many of us have concluded, I know that business as usual is no longer an option. We must find a new way of doing business, and a new baseline for what our “new normal” can and should be.

The combined impacts of societal unrest, political instability, environmental degradation, and the pandemic can feel overwhelming. But this is why I am so proud of the resilience and commitment I see around me from my colleagues. Together, we hold on to the potential for change that is unique in this moment. We remind ourselves that—without the idea of an “old normal” to constrain us—we are free to envision and create a future that reflects our highest wishes for each other and our environment. Our commitment to transformation opens us up to entirely new ways of being, and it is the best chance we have to create an industry where all of us—from the cotton farmers in our supply chain to our customers—can thrive.

Throughout the challenges of this past year, I have also been reminded that we are not the only ones working towards transformation. We see

our customers re-examining their choices. We see our industry peers and partners combining their efforts to create greater momentum. We see innovations that have the power to change how we design, manufacture, transport, trace, and purchase fashion. We see that transformation in the fashion industry is not only possible—it is happening. Right now. And we are proud to be part of it.

We anticipate that the pandemic will continue to cause periodic disruption across the globe. We expect to increasingly feel the impact of climate change on our business. But as long as these challenges continue to test us, we will continue to respond transparently and in ways that reflect our promise to make a difference for future generations.

And with future generations in mind, we are going about the business of transformation. Right now. Every day. This means we are increasing our collaborations to build momentum for critical issues like worker health and safety, and living wages. This means we are exploring how innovative technology can help reduce our climate impact, and support our people. This means we are learning from our experiences with the pandemic to prepare for future social, environmental, and societal disruptions. And this means we are using our voice to support policies that put women, human rights, and the environment first.

Throughout this report we will share more about our goals, and we will be transparent about our progress on this path towards transformation. We invite you to bring your own courage and creativity and to join us by choosing—each and every day—to accept this challenge. And while the process of transformation can be hard, we believe that it is the only way forward.

Susanne Ehnköping
CEO

The company

Who we are

More than 65 years ago, Lindex started as a lingerie company in Alingsås, Sweden.

Since the beginning, we have been on a journey. A journey towards better products. Towards better design. Towards a better world. We are far from perfect, but we are also far from finished.

Today we are a global fashion company with over 4.000 employees, all working together to make a difference for future generations

Purpose

At Lindex, we exist to empower and inspire women, regardless of their relationship to us. It is our higher purpose.

From field to fitting room and at every step between, women are central to everything we do. And so we are focused on finding ways to support women and all the powerful, world-changing things they do.

In 2019 we launched our sustainability promise, which we believe reflects a common goal of women everywhere: to make a difference for future generations. Within that promise, we see three core focus areas: Empower women, Respect the planet, and Ensure human rights. Throughout this report, we look forward to sharing the details of our work in support of our purpose and our promise.

Closely brand

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

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

On the way to Closely's goal of reaching zero emissions, each product is labelled with its own externally calculated carbon footprint and all

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
- 441 stores in 19 countries (incl 32 franchises)
- Shop online in 34 countries and globally through third parties ASOS, Boozt, Nelly, Next and Zalando
- 607.4 MEUR turnover in 2021
- 4.129 employees
- 6 production offices
- 78 per cent of Lindex garments were made from more sustainable material in 2021 (based on dominant fibre)

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.

Spacerpad AB

In December 2021, Lindex acquired 50,1 per cent of the shares of Spacerpad AB, a start-up company that exists to fight menstrual poverty and promote sustainable consumption. Read more about Spacerpad under our 'Empower women' chapter on page 40.



Our structure

Sustainability is a team effort, and we are fortunate to be a company filled with and surrounded by dedicated people who are part of our journey. Lindex's sustainability work is governed from the head office in Gothenburg. The Chair of Lindex's Board of Directors is responsible for our Human Rights reporting. Our Director of Sustainability is part of the management group and, supported by a team, is responsible for the overall sustainability direction and strategy. All members of the management group are also part of our sustainability council, which holds quarterly meetings. Focus areas for these meetings include our sustainability challenges as well as our progress. 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, and each department and country organisation is responsible for reaching their set goals. In our production offices, we have local sustainability teams that develop and implement the strategy in our supply chain and report progress to both business owners and our Director of Sustainability.

As of the end of 2021 Lindex had 441 stores. Our 409 own stores were located in 9 countries in Europe: Sweden, Norway, Finland, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, and the United Kingdom. There were 32 franchise stores located in 10 countries: Saudi Arabia, 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, Boozt, Nelly, Next and Zalando.





Culture

It's the people who make the difference and at Lindex, we see power in collaboration. Together we can make a greater impact. We treat one another like family, always providing support and encouragement, but also keeping one another accountable, and pushing ourselves to achieve our goals.

Employee promise:

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

Values

Our culture is founded on our values, and these values guide us in all of our actions. They are the foundation supporting Lindex as a whole, as well as each of us individually, encouraging us to take initiative and make our own decisions. This is even more important in difficult times. Throughout the pandemic, our values have been our guiding star, helping us to find our way through new challenges while always keeping our priorities clear. This clarity and shared sense of purpose among the team has helped us to stay positive, turn setbacks into opportunities, and continue to learn and support one another no matter what each day brings.

This is more than an aspiration; it is how we engage with one another and with our work at Lindex. The latest employee engagement survey in October 2021 showed that employees at Lindex genuinely believe that our values align with what they think is important in life. And that's the idea; to have values that really provide a purpose.

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 headquarters, all permanent positions are full time positions. 9,5 per cent of our female employees and 4,4 per cent of our male employees have chosen to work less hours than full time, mainly due to parental leave. Most of them work 80 per cent or 90 per cent schedules.

Diversity, equity and inclusion

We are intentional about creating a global culture of inclusivity. We believe the power of diversity is in bringing new ideas, new energy, and new perspectives together. Teams that consist of people with different experiences and perspectives are more effective, creative, and dynamic. We also know that the more we pay attention to diversity and inclusion, the better we will understand our customers. Overall, a work environment where diversity, equity and inclusion flourishes will enable our company and culture to thrive. In order to bring these values to the forefront even more, we are creating a new Diversity, Equity, and Inclusion (DEI) strategy for Lindex.

This structured approach will help us continue to grow into the strong and diverse company we must be as we head into the future. As we bring together more diverse backgrounds, diverse roles, and diverse perspectives, we will expand our ability to think differently, leading to creative, powerful, and sustainable solutions, as well as improved performance and relationships.

Lindex' efforts to promote diversity and equal opportunities will be crucial to continue to attract, recruit, and retain the right talent, build employee engagement and create a positive work environment for everyone. To promote diversity, we will work actively in all parts of our organisation and set measurable targets to follow up on progress. This new strategy will guide and support us to reach a more diverse team composition. It will help each Lindex leader make sure that they have a diverse team, and that diversity becomes a natural part of the long-term competence plan.

What are we doing right now?

Even though our new DEI strategy is under development, we still have a process in place that aims to ensure there is no discrimination in the Lindex Group and that we have an organisation that takes advantage of diversity.

We work according to legislation to continuously conduct analyses and follow-ups in five different areas:

- Working conditions
- Salaries & terms of employment
- Recruitment and promotion
- Education and training
- Parenthood and work

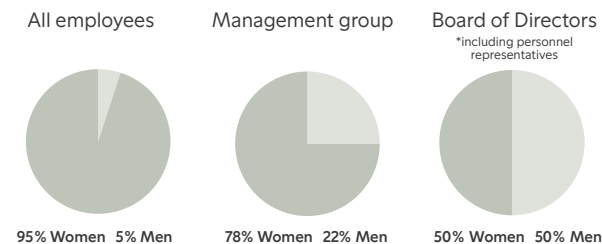
To ensure that we meet the requirements of the markets where we operate, we apply a four-step approach:

- Investigate
- Analyse
- Act
- Follow up

Any cases of discrimination or harassment are handled by HR, through unions and relevant authorities.

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.



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.

During 2022 we will set targets based on the new DEI strategy so we can work intentionally and follow up on our progress within the organisation.

Equal opportunities at Lindex

We think that 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. From our recent engagement survey, 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.

In October 2021, we gathered data on our employees' perceptions and experiences related to harassment and discrimination through our employee survey. Among other questions, our employees were asked about their level of confidence in Lindex's ability to properly address situations involving misconduct. The result showed less confidence than we would hope, meaning that this is an area that we must focus on improving.

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.

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.

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.

Feature: 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, using a new online engagement platform, we are able 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.

Our latest engagement survey was in October 2021, and the result shows a very high engagement score of 8.6 out of a possible high score of 10. This places us well above the top 25 per cent of our industry peers. Other results are shown below:

Prompt	Lindex's score on a scale from 0-10
I can count on my peers to help out when needed	9.0
How likely is it you would recommend Lindex's products or services to friends and family?	9.3
Lindex values provide a good fit with the things that I consider important in life	8.7
How likely is it that you would stay with Lindex if you were offered the same job at another organisation?	8.0
How likely is it you would recommend Lindex as a place to work?	8.5
People from all backgrounds are treated fairly at Lindex	9.1

Leadership

The goal of our leadership style is to empower our colleagues, discover and enhance one another's strengths, and help one another achieve our own unique goals for the future. We are so proud to see that this is working. We can see from our engagement survey that our employees love working at Lindex; they are passionate, they are loyal, and they know that their voices count. Leadership matters and Lindex is about to embark on a new leadership journey to be able to support our employees even more.

Self-leadership rollout

'Self-leadership' is an approach to personal and professional growth that encourages team members to connect their personal goals with our collective goals. We first brought the approach to our employees in 2019 because we saw a clear connection between this approach and our culture of empowerment, as well as our goal of being a purpose-driven company.

We continued the rollout to the leaders in our sales countries during 2021 and we now know this is both a relevant and a timely tool. Our self-leadership approach has been a valuable resource that helped our employees to stay engaged and positive during the pandemic, even as interaction with colleagues and managers was limited and the ability to self-motivate and self-lead became crucial.

During 2021, our self-leadership concept became available to almost all our employees in sales countries and in our production offices. This step-wise roll out will continue during 2022 to all employees within Lindex.

Leadership the Lindex way

- I'm a Lindex role model in my words and actions
- I always act and make decisions according to our values
- I create conditions to deliver good results
- I guide the team through challenges and I'm confident in making decisions
- I'm clear in my communication and open to dialogue
- I delegate and take our business forward by developing both team and individuals
- I'm open to change and innovation to meet our customer today and tomorrow

Health and safety in our own operations

Ensuring the health, safety, and wellbeing of our staff and customers is our topmost priority. We learned a lot during the pandemic, and we are continuing to take measures to ensure everyone's safety. We are still closely monitoring the guidelines from local authorities in all countries where we are present, and we have a structure for how to handle any changes that might come from authorities. Some of the health and safety practices we are continuing include:

- Implementing and communicating internal guidelines and guidelines from local authorities

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

Absences for sickness

We are proud of the internal initiatives at Lindex that help us to create a positive, healthy, and safe workplace for our employees. We emphasise prevention as we aim to keep the absence rate at our head office under 5 per cent.

The overall sickness absence during 2021 was 5,5 per cent. At the head office it was 5 per cent.



Supply chains and purchasing

Selecting and working with suppliers

Lindex does not own any factories. Our approach to sourcing is to partner with suppliers in Asia and Europe who manufacture our products. And when it comes to choosing suppliers, we are very selective. We want to work with supply chain partners who share our vision for a transparent and sustainable fashion industry.

Our Lindex Management System sets a structure to help us find the right partners, and ensure we are aligned in our efforts toward a more sustainable way of working. The main tools we use are:

- Our human rights policy,
- Our code of conduct,
- Our sustainability commitment, and
- The Lindex business scorecard.

All of our business partners must sign and adhere to our sustainability commitment and our code of conduct, which outline our expectations for suppliers and business partners. This includes compliance with minimum requirements and international standards, and the aspiration to move beyond compliance and focus on continuous improvement.

We also believe that a good relationship must go both ways; we are committed to working with our supply chain partners in a transparent way, and we are committed to ensuring our own business activities, such as our purchasing practices, are aligned with our commitment to respect human rights and the planet.

Due diligence: social and environmental

We work proactively to identify, prevent, and minimise any negative impact our business activities may have on the environment as well as on human and labour rights in our production countries. We perform desk-based 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 and SWOT analysis 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.

Supplier audits

Once our due diligence process confirms that we are able to work in a particular region, we must identify suppliers who share our approach to business and our commitments to empowering women, respecting the planet, and ensuring human rights. We mainly do this through site visits and audits.

The first step, before any work together can take place, is an on-site pre-assessment. This pre-assessment can be conducted by our internal team, or by one of our third-party auditors; it serves as a preliminary evaluation of potential suppliers and factories based on business factors alongside social and environmental criteria. All requirements must be passed to become a supplier for Lindex. This is how we first confirm compliance with our code of conduct as well as our global minimum requirements and our zero tolerance issues.

There are 13 global minimum requirements: 5 are zero-tolerance issues, and 8 are crucial. If any zero-tolerance issues are uncovered, we will not work with that factory, and we document this on our 'Lindex stop list'. In 2021, there were 11 factories that were initially considered potential partners, but when audited they did not reach our minimum requirements.

13 global minimum requirements

Zero-tolerance issues

Forced labour
Un-authorized subcontracting
Nontransparency
Child labour
Minimum wage

Crucial issues

Fire, electrical and structural safety
Overtime
One-day rest within 7 days
Waste water treatment if applicable
No use of banned chemicals
Legal wage system
Freedom of association
Documented management system

Once a new supplier is approved to become part of our supply chain, we begin auditing on a regular basis. This includes both announced or unannounced audits, and these might be performed by our teams or by our auditing partners.



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 imbedded 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.

We have 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 on [about.lindex.com](https://www.lindex.com/about).

We are still in the process of switching to the new SMETA auditing system. This transition was underway as the global corona situation

first interrupted our ability to visit factories on site, and this is why we do not have a full set of audits and self-assessments for 2021. So far, we have been able to determine that the most common issues that arise during the SMETA audits are not those that would be classified as 'critical'. Generally, they are considered 'major' and stem from a lack of transparency or a problem within a management system, or they are 'minor', meaning they are occasional or unintentional issues that are quickly resolved.

Zero-tolerance issues

We have zero tolerance for child or forced labour at any of our suppliers' facilities or any production units that produce goods for us. We would consider it a very serious matter if this were to arise. The risk that child or forced labour occurs is low in tier 1, but the risk is higher deeper into the supply chain. We work in different ways to counteract this, such as by increasing our supply chain transparency. Working with external programmes such as GOTS certification on garments is another example of how we counteract the occurrence of child or forced labour, as there are social requirements included in those guidelines and certifications.

In case of a human rights violation, we work together with the supplier on remediation for the victim.

Overview of audit statistics: 2021

Number of suppliers (active):	97
Number of factories used by our suppliers (active):	152
Percentage of Lindex suppliers covered by the code of conduct:	100%
Number of factory inspections (external) during 2021 year:	77
Audit results - % Minor:	44%
Audit results - % Major:	49%
Audit results - % Critical:	5%
Audit results - % Business critical:	2%
Number of factory inspections (internal) during 2021 year:	18
Number of rejected factories due to zero tolerance issues:	11
Number of Accord inspections:	34
Accord total % progress rate:	93%



Purchasing practices and long-term relationships

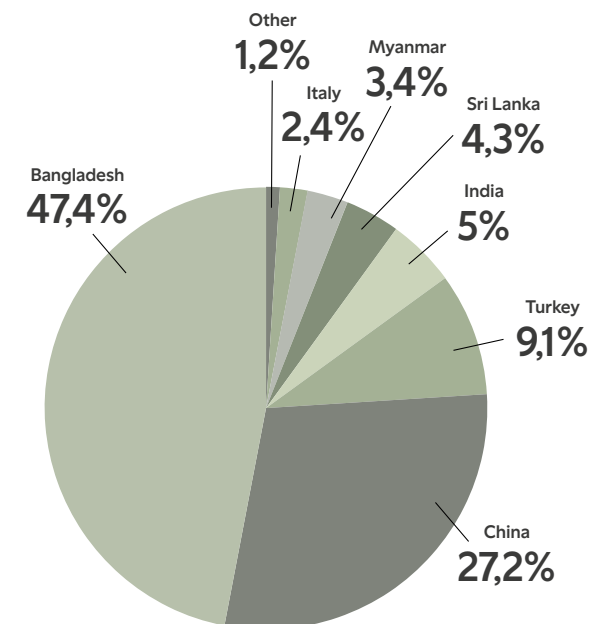
We want to work with partners who take responsibility for their own social and environmental sustainability. We also want partners who share our working style, which is built on open and collaborative relationships. So we work hard to find and keep good partners. We keep this group of key supply chain partners small so that we can build close working relationships; there are 30 key suppliers who manufacture 80 per cent of our order quantity.

Working in close and long-term collaborations with our suppliers enables us to commit to one another, and think longer-term. We can work together to implement new processes, or invest together in improvement projects. Working with a smaller group of key suppliers also enables us to be a better partner. We are able to better understand each supplier's challenges, as well as support and then reward their improvements. We use a business scorecard to measure our suppliers on social and environmental sustainability alongside more traditional factors such as price, quality, and lead time. This makes sustainability part of our formal decision-making process when determining where to place our orders; a good score is rewarded with more orders.

Much of the cooperation between Lindex and our suppliers goes through our regional production offices, which we have established in our major sourcing and production regions: China, Hong Kong, Bangladesh, India, Myanmar (due to be closed in 2022), and Turkey. Our local presence in these markets enables us to cooperate closely, and to have a Lindex presence on-site as needed.

We are also well aware that partnership goes both ways. We want our suppliers to see us as a good partner, too, and so our regional sustainability managers conduct trainings in our local production offices on what responsible purchasing looks like, and how Lindex's purchasing decision can impact workers. For example, the timing of our purchases can impact overtime for workers. In order to facilitate planning and help our suppliers avoid excessive overtime, each supplier is given a projection for how many orders they will receive during the year.

Production countries by quantity



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.

We are working with our top 30 suppliers to equip them to be able to conduct self-assessments. During 2021, 40 per cent of our top 30 suppliers 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.

Supporting our suppliers through the pandemic

The global coronavirus pandemic has continued to cause periodic disruption across our global operations. Along with the waves of the virus, nearly all of our production and sales countries have been flowing in and out of lockdowns of varying severity since the end of March 2020.

We have maintained our open communication with our suppliers, and our focus on both protecting health and maintaining income for workers. We have held fast to our values, our purchasing practices, and our sustainability commitments.

How did we support our suppliers through the COVID-19 pandemic?

No harsh cancellations: We did not cancel any orders for products that had been delivered or prepared. We did not ask for retroactive discounts.

We temporarily prolonged our payment terms in 2020, and then we closely monitored the situation among our suppliers so that payments could be released quickly for partners that found themselves in a critical situation.

Health and safety protocols: As workers were able to return to factories, we worked with our suppliers to implement hygiene and safety measures and monitored the treatment of workers who were sick or quarantined to ensure they had proper medical support as well as their leave benefits and salary. We have kept abreast of recommendations from leading organisations such as the ILO, the Accord, ETI, FairWear Foundation, and governments, and shared emerging information and best practices with our partners. Our factories have shared with us videos and presentations showing how they have implemented recommendations.

Job security and salary continuity: Where layoffs occurred, we established a protocol to support workers who might lose their job. However, during 2020 and 2021 there have been no factory closures or worker dismissals due to COVID-19 in our supply chain. This is a testament to the support, communication, and collaboration we maintained with our partners.

Tools and guidelines: We have continued to work with the Global Guideline for Lindex on Ethical Buying Practice, created in February 2020. The guideline focuses on strategies to minimise the business impact of the global corona situation in supplier factories so we can make sure our actions avoid order cancellations and price-changes. We have also created and worked with guidelines on how to use existing fabric stock. Our Bangladeshi office has also produced a safety guideline for suppliers, with strategy recommendations for suppliers during an outbreak, and information about social compliance requirements and audits. We also published a global Health and Safety Precaution document, as well as a COVID-19 Checklist; these tools are intended to help our suppliers assess and understand current events related to the global corona situation.

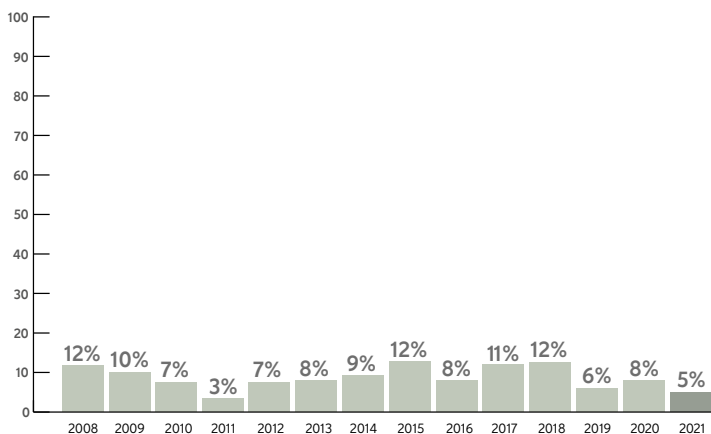
Maintaining a supportive presence: In addition to keeping all communication lines open and active during and after lockdowns, we also conducted digital visits to factories using video streaming platforms when in-person visits were not possible. During 2020 we did see an overall drop in compliance when looking at the various issues in our code of conduct; the prioritisation of health and safety for workers took precedence, and we stand by that short-term shift in focus. Over the past year, we have transitioned back to our broader view on compliance—and our stricter overall expectations—as workers in the supply chain are largely vaccinated and more typical work schedules have resumed. Site-visits have also largely resumed in 2021.

Products

Product safety and quality

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 a typical year, testing is done by our own testing facilities as well as at external independent laboratories, and tests are done during production as well as on final products: we do not permit any animal testing of our products.

Due to the COVID-19 pandemic, many testing labs were closed down, and they resumed operation much later than other parts of the supply chain, and with very small teams. However, despite the challenging situation, we are keeping up with the testing frequency compared with previous years, both in terms of physical testing and random chemical testing. In 2021, 5,5 per cent of our products underwent chemical testing, which is in line with a typical percentage.



Percent tested styles

In addition to the random chemical testing, 52 wet processing units have scanned and shared their chemical inventory with us, and more than 76 per cent of the scanned chemicals used throughout their operations were compliant with our requirements. This means our wet processing partners are showing good compliance levels, which impacts their manufacturing of all products, not just Lindex's products. This also demonstrates an increase in transparency.

We are also careful to cover the most critical chemicals relevant for each product and material type, taking into consideration the different conditions within each production market. What does that mean in practice? See how we have considered the context for two different examples, Bangladesh and Shanghai/Hong Kong:

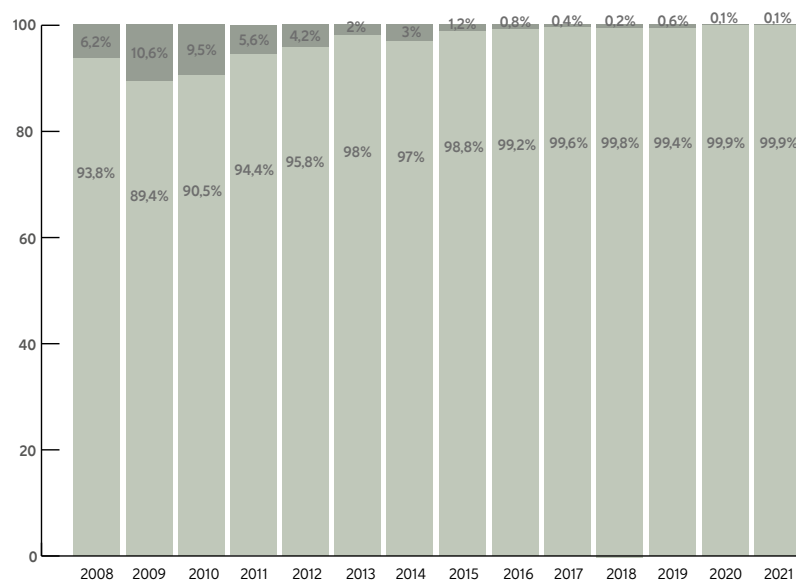
- **Our partners in Bangladesh** are largely vertically integrated facilities, meaning we have greater visibility into the processes. Additionally, many of these suppliers have implemented good practices already: Some are certified according to the Global Organic Textile Standard (GOTS), others use bluesign-approved chemicals. Since rolling out The BHive®, a digital chemical management tool, 12 of our Bangladesh-based suppliers have also scanned the chemicals in their storage facilities, meaning we can compare them in real-time to the Lindex MRSL (see more on The BHive® on page 66).
- **Shanghai and Hong Kong**, however, represent a different picture. Few suppliers are vertically integrated, and there is a more complex mix of product types, a wider variety of materials, and therefore a more complex and riskier chemical situation. However, we did manage to implement The BHive® chemical management system with 29 facilities in China.

New chemicals added to our RSL

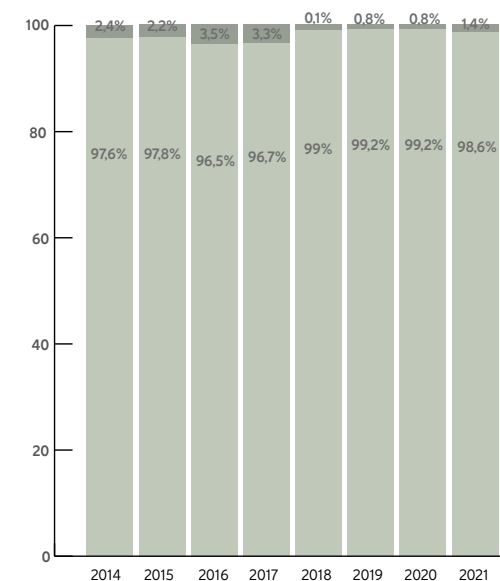
Our Restricted Substances List (RSL) addresses chemicals that could be present on our final products. As the body of knowledge related to chemical safety is always growing, we have updated our RSL to reflect the latest information. We added new chemicals to our RSL in 2021 including:

- One polycyclic aromatic hydrocarbon PAH: Indeno {1,2,3-cd} pyrene
- One phthalate ester Diisohexyl phthalate

In 2021, there were no product withdrawals or recalls. Customer claims remain at a low and stable level, meaning that there were no general quality defects. The quality claim rate for 2021 remained steady compared to the last two years, at around 0,10 per cent returns.



Chemical testing: percentage pass & fail



Physical testing: percentage pass & fail

Special care for kidswear

Kids are experts at playing; this is their most important job. And that means our most important job is to make sure their clothes support them as they crawl, walk, run, climb, jump, explore and play. We never want their clothing to pose a safety concern, so we work actively to make our kidswear safe through risk assessments and precautions as well as established routines, guidelines, and checklists that are used during the entire process.

Within the scope of the Swedish Institute for Standards (SIS) Lindex has participated in the development of a test method for quick detachment of hoods from kidswear in case of entanglement. Lindex also participated in the revision of EN 14682 regarding cords and drawstrings on kidswear, as well as other standard revisions and developments in SIS's committees. Additionally, Lindex has participated in the development of three test methods to ensure attachment of decorative components, buttons, and press fasteners on kidswear.



Global context.



Lindex: a global company in a changing world

In 2021, we have felt more than ever that we are a global company in every sense. The broader global context surrounding us is shaping business conditions and putting our creativity and innovation to the test.

The global corona situation has continued with varied severity in different parts of the world, occasionally closing stores and causing unpredictable disruptions in production. The pandemic added to the global logistics and transportation challenges that plagued nearly every industry and every region throughout the year.

In February, the military coup in Myanmar upended what was becoming a major sourcing region for Lindex, and the outcome of that situation continues to unfold. We learned to quickly switch gears from building up a production hub to supporting access to clean water for communities impacted by the political instability.

August saw the release of the IPCC report, in which scientists proclaimed 'code red for humanity' due to climate change. This set the stage for

COP26, and all eyes turned to Glasgow in November. The commitments made by participating countries which are home to Lindex stores or production sites will play a major role in determining our actions going forward as we address our climate impact and seek a more regenerative way of doing business.

In addition to the climate urgency that has been underscored this past year, human rights issues persist in our industry, and issues have increased in certain regions over the past year. This has both ethical and business implications: for example, we have seen less availability of organic cotton in India due to human rights violations in other parts of the world connected to raw material.

In general, we have been encouraged by the response to these challenges in many regions, which is translating to stricter regulations on environmental impact as well as human rights. We welcome these developments, even though the spread of piecemeal legislation across

different countries that we are seeing now presents a significant challenge in the short term. We are vocally supporting harmonised legislation and working to shape the next iteration of regulation based on our own successes and challenges as we pilot innovative approaches and alternative business models.

We believe that going forward we need to pay even more attention to risk mitigation as we navigate our way through the human rights, environmental, and business-related risks within this complex global context. Being successful in this 'new normal' will require a clear purpose. We continue to let our promise to future generations guide us as we engage in the global conversation and collaborate with our peers to build a more transparent and innovative industry that empowers women, respects the planet, and ensures human rights.

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

Our values of transparency and collaboration are the foundation of all our efforts to build a more sustainable fashion industry, and to fulfil our promise to future generations.

Transparency enables accountability, for example by publicly linking our company with our supply chain partners so that we share in one another's successes and challenges. It also enables honest communication among stakeholders about our challenges and enables us to focus our efforts in the most impactful ways. And transparency is what enables consumers to make fact-based buying decisions which can accelerate the journey towards a sustainable fashion industry.

During 2021 we started working in a way that we see as the future; sourcing directly from the cotton field (read more on this in the section about Cotton Connect on page 41 and pushing that certified cotton up the supply chain in a way that makes it fully traceable. This is a sourcing method that we will scale going forward. We have set a goal that all our cotton will be sustainable and traceable in 2025. This will eventually expand to other fibre types and product groups. This approach will also allow us to communicate the story of a product's full journey to our customers, which can enable a longer product life, or even a second life—two major priorities imbedded into our design strategy.

In accordance with the Transparency Pledge, we also publish our garment factories as well as fabric mills in a searchable file and we are aiming to publish more and more of our supply chain as we get more visibility. In the [2021 Fashion Transparency Index](#), Lindex scored 50 per cent, which puts us among the top 26 brands out of the 250 global fashion brands that were ranked. See the full report [here](#).



Digital innovation

The increasing role of technology and digital innovation in our society cannot be overstated. And this is true for the fashion industry as well. Technology will play a role in enabling us to achieve greater transparency and product traceability; it will enable greater accuracy in data gathering, and it will help us to capture more granular details.

We envision a not-too-distant future where production on demand and real-time forecasting allows us to cut waste in the supply chain and minimise overproduction. We foresee the gamification of customer engagement. Even product creation will be impacted. We are learning how to use technology to become more strategic in how we select materials and how we work with our suppliers. This will continue to expand with the implementation of a new product lifecycle management platform, which will happen in 2022. And we already see how digital innovation is having a significant impact on our day-to-day work. See page 66 to learn more about our use of The BHive®, a smartphone enabled platform for chemicals management. We've implemented 3D design across our product teams which enables designers and buyers to make decisions without asking for physical samples. Strike-offs, which are used to test print and colouration choices on selected fabrics, are already down by 50 per cent from our babywear team. Overall, we project that samples and strike offs will be reduced by 30-50 per cent, which ultimately minimises waste as well as development time and transportation resources.

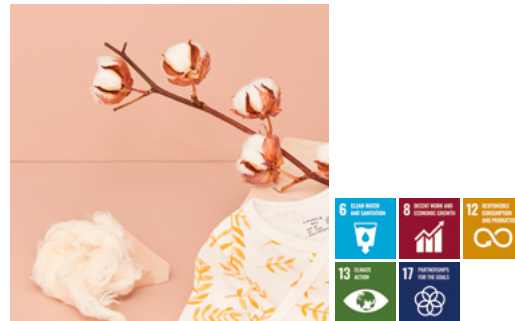
Looking ahead, we are preparing for the EU digital product passport. It won't be long before legislation will require verifiable data to support certain product claims, and prove human rights due diligence. And we also know that verifiable data will enable faster progress on reducing our carbon footprint. This is the future we are preparing for now, so we are continually seeking and applying digital and technological innovations that help us achieve greater transparency and more robust data collection.

Sustainability metrics group

While digital innovation can enable powerful change, we also know that good, solid data is the necessary basis for each innovative approach. In order to be able to correctly calculate our climate impact, report on our goals, demonstrate full transparency towards our customers, and comply with upcoming legal requirements, we need to strengthen internal systems and make data gathering more efficient. This is why we have put together a sustainability metrics team, which is a cross-functional group including sustainability, controlling, and IT. This group works to align on data gathering and to find the best way forward, beginning with climate impact measurement. Going forward, this group will also focus on environmental and social data collection beyond tier 1 and greater supply chain transparency.

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 is needed and 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.



Better Cotton Initiative

Cotton is Lindex's most commonly used fibre, and we are a member of Better Cotton Initiative (BCI). BCI educates farmers to use more environmentally-friendly and socially- and economically-sustainable cultivation methods.

BCI aims to represent 30 per cent of the global cotton production.



CanopyStyle

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



Clean Cargo

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



CottonConnect

Lindex partners with CottonConnect, an organisation with a mission to transform the cotton industry for good by enabling brands and retailers to develop a more robust and resilient cotton supply chain. Through their 'Women in Cotton' programme, female cotton farmers learn to improve their livelihood by using organic cotton farming practices. Through the programme, they are also able to hone their management skills, and learn about labour rights, health, and education. See more on page 41.



ETI

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



Global Compact

Lindex is committed to the UN Global Compact, an initiative developed by the United Nations to encourage businesses worldwide to adopt more sustainable and socially responsible policies. We have committed to operate in alignment with the UN Global Compact's ten principles, addressing areas including human rights, labour, environment, and anti-corruption. Lindex signed the UN Global Compact in 2003, and in 2011 the Stockmann Group signed on behalf of the group including Lindex.



Pink Ribbon

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

Since Lindex began supporting the Pink Ribbon campaign in 2003, our programmes, in collaboration with our customers, have contributed over 17,7 MEUR to cancer research.



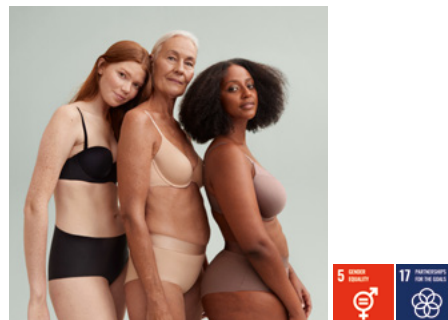
Sedex

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. Sedex is our main social auditing partner through the SMETA (Sedex Members Ethical Trade Audit) methodology.



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.



Swedish Fashion Ethical Charter

We are part of the Swedish Fashion Ethical Charter, an initiative developed by the Swedish Fashion Council and Association of Swedish Fashion Brands. The initiative drives common guidelines of social sustainability for those who work in the fashion industry, including areas such as inclusiveness and body positivity.



Swedish Leadership for Sustainable Development

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



Switching Gear - Enabling Network

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



Textile Exchange

Lindex is a member of Textile Exchange, a global non-profit organisation that provides knowledge and tools to its members to make significant improvements in three core areas: Fibre and Materials, Integrity and Standards, and Supply Network.

The overall goal shared by over 200 members is to create positive impacts on water, soil, air, animals, and the human population through increased uptake of more sustainable fibres and materials.



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 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. By 2025 we will ensure that suppliers that stand for 80 per cent of our production have implemented WE Women and HERhealth.



Transparency Pledge

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

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



WaterAid

As part of our promise to future generations that we will be a water responsible company, we collaborate with WaterAid to improve access to clean water and sanitation around the world. This also supports our promise to empower women. See more on page 64.

Feature: Creating leverage

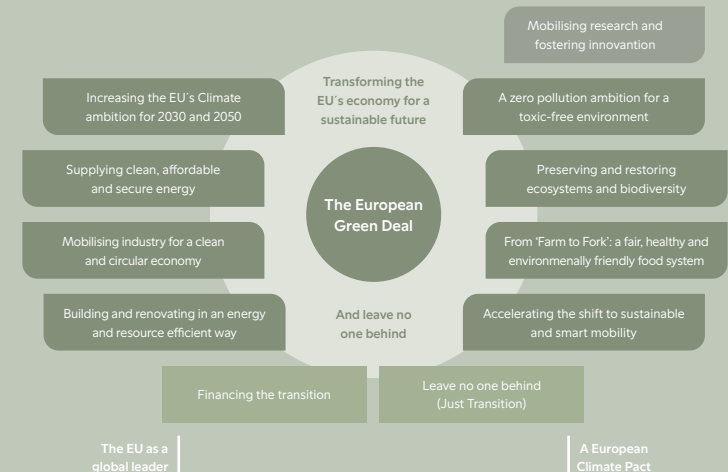
As more companies like Lindex publicly take a stand on issues such as climate change, pollution, and biodiversity, we find that we are stronger when we stand together. The leverage we can create in cooperation with one another goes far beyond what any of us could do individually. We work extensively with our industry peers and other stakeholders to push for structural and legislative change. And we already see this approach having a tangible impact as the European Green Deal continues to develop.

Within the framework of the European Green Deal, we are also contributing to the dialogue that is shaping the EU Textile Strategy. 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. Based on our own

pilots and the direction we see the industry heading, 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. And we have also stressed the importance of supporting workers in developing countries, while protecting their human rights and continuing to push toward the achievement of the Sustainable Development Goals, and the ultimate goal of eradicating poverty.

The European Green Deal



A photograph showing four hands of different skin tones reaching upwards against a light blue background. The hands are holding various items: a purple grape, a pink flower, a red tomato, and an orange. The text "Our promise." is overlaid in white in the center of the image.

Our promise.



Our promise

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

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

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

- Empower women
- 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 understanding how the path ahead will look. But even if we don't have all the answers yet, we know that transparency, inclusivity, innovation, dedication and, above all, collaboration will get us where we need to be.

We invite everyone to join us on this journey, including our customers. We want to empower and inspire those we connect with to live more sustainably, through everything from small nudges towards sustainable choices, to creating ambassadors for sustainable lifestyles. Together - as suppliers, partners, employees, and customers - we will make a difference for future generations. Join us on this journey.

We promise to make a difference for future generations

Empower women

Taking the lead in creating fair and equal workplaces for women

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

Advocating inclusiveness and body positivity

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

Supporting a sustainable lifestyle

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

Respect the planet

Taking climate action

We will make sure that our own operations are climate neutral and that we reduce the negative climate impact in our value chain.

Having a circular business approach

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

Being a water responsible company

We will be water efficient throughout the whole value chain, reduce the risk of water scarcity in areas connected to our operations and together with business partners provide access to water and sanitation in factories and nearby communities.

Ensure human rights

Advocating respect for human rights

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

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



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 targets demonstrate our commitment to encouraging structural change that elevates women. Through these goals, we aim to 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

Goals 2020 and beyond	Definition & monitoring framework in place	Progress 2019	Progress 2020	Progress 2021	Notes	
Taking the lead in creating fair and equal workplaces for women	• By 2022, all Lindex employees agree that Lindex acts in line with our higher purpose - to empower and inspire women everywhere	Yes	Around 50%	Not measured in 2020	See note	In our October 2021 survey we tested the response to the statement "Lindex's values provide a good fit with the things that I consider important in life." and scored 8,6 on a scale from 0-10. Furthermore we score 8.3 on the statement "I'm inspired by the purpose and mission of our organisation." Overall participation rate in the survey was 69%.
	• By 2021, all our business partners are committed to Lindex's code of conduct that is progressive within gender equality	Yes	New code of conduct launched October 2019	Not measured with non-commercial suppliers (indirect purchasing) in 2020; new routines for HQ implementation in progress	All suppliers of commercial products — see note	In 2019, this was signed by all suppliers of commercial products. Implementation is the focus now.
	• By 2025, Lindex's suppliers who stand for 80 per cent of our production have completed our Women Empowerment programme and sustained the learnings	Yes	Suppliers standing for 38% of order quantity	Suppliers standing for 51% of order quantity; not rolled out further in 2020 due to COVID-19	Suppliers standing for 51% of order quantity	WE Women was completed in Bangladesh 2020 and in India 2021. Delays due to COVID. Planning for Turkey and China during 2021. WE Women will be launched in one of these production markets during 2022.
Advocating inclusiveness and body positivity	Ongoing			See page 42 for more information	This commitment is part of Lindex's promise, and is embedded in our culture, brand, and ongoing business activities.	
Supporting a sustainable lifestyle	Ongoing			See page 43 for more information	This commitment is part of Lindex's promise, and is embedded in our culture, brand, and ongoing business activities.	

Respect the planet

Goals 2020 and beyond	Definition & monitoring framework in place	Progress 2019	Progress 2020	Progress 2021	Notes	
Taking climate action	By 2023, we are climate neutral in Lindex's own operations	Yes	Emissions decreased by 22%	Emissions decreased by 23%	Emissions decreased by 58%.	2021 and 2017 baseline year calculations now include actual figures as well as generic industry data.
	By 2030, we have achieved 50 per cent reduction of CO2 emissions in Lindex's total value chain (with 2017 as baseline)	In progress				Excludes consumer use phase. Goal has been changed from 30 to 50% to align with the 1,5-degree Celsius global warming pathway.
Having a circular business approach	By 2025, 100 per cent of Lindex's materials are recycled or sustainably sourced	Yes	65%	68%	78%	
	By 2025, our entire assortment will be designed for longevity and/or circularity	Yes			See page 55 for more information	
	By 2025, all our own stores have functioning collection and recycling systems for paper and plastic waste streams	Yes		89%	92%	
	By 2020, all our own stores offer post- consumer textile collection	Yes	90% Lindex's own stores as of YE 2019	90% of Lindex's own stores as of YE 2020	85% of Lindex's own stores as of YE 2021. In 2021 we collected 154 tons of textiles through Lindex stores.	All stores in Sweden, Norway, Finland, and Lithuania. We are still working towards this goal but have been delayed due to Covid and difficulties in finding the right partners in the remaining markets. The decrease is due to changes in our store portfolio.
	By 2025, all paper and plastic packaging follow our circular materials strategy	Yes			See page 61 for more information	Strategy is rolled out in organisation; we have a system in place to reduce plastic and packaging in all steps and convert into recycled content.
Being a water responsible company	By 2025, all Lindex's business partners with water intensive operations measure their water use, have set reduction goals and incorporated reduction, reuse and recycling of wastewater in the environmental management systems	Yes	Mapping and verification ongoing	Thorough water risk mapping in tier 1 and 2 complete. We have also developed an action plan per market to take us towards our goals.	90%	Based on tier 1 suppliers with water intense operations (which is 39% of our total volume). See further information about our water strategy on page 62.
	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 66-67.	91%	Based on tier 1 suppliers with water intense operations (which is 39% of our total volume). See further information about our water strategy on page 62.

Ensure human rights

Goals 2020 and beyond	Definition & monitoring framework in place	Progress 2019	Progress 2020	Progress 2021	Notes	
Advocating respect for human rights	By 2021, all Lindex business partners have signed the Lindex Sustainability Commitment	Yes	100 per cent of suppliers of commercial products (assortment) have signed	100 per cent of suppliers of commercial products (assortment) have signed	80% of suppliers of non commercial goods and services have signed	As we have a broad mix of suppliers of services and non-commercial goods, we have decided to accept our business partners' sustainability framework in the cases where it aligns with ours.
	By 2025, Lindex's suppliers who stand for 80 per cent of our production show total supply chain transparency and commitment to improving working conditions	Yes		77%	70%	KPI measures share of Lindex's suppliers who stand for 80 per cent of our production that show commitment to improving working conditions. Total supply chain transparency is still a work in progress. The decrease in 2021 was due to increased overtime in production, which was an effect of COVID-19.
	By 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme	Yes		Suppliers are being trained on Anker & Anker Methodology for living wage calculation	40% of top 30 suppliers have calculated local living wage according to Anker & Anker	Additionally, 20% of top 30 suppliers have created wage grids. 11 of top 30 suppliers have calculated average wage paid and assessed the wage gap. See page 73 for details.
	Ensure that no discrimination and harassment occurs in Lindex's own operations, year by year	Yes	Lindex leaders at the head office have received training about 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	See page 9 on 'Equal opportunities at Lindex'.



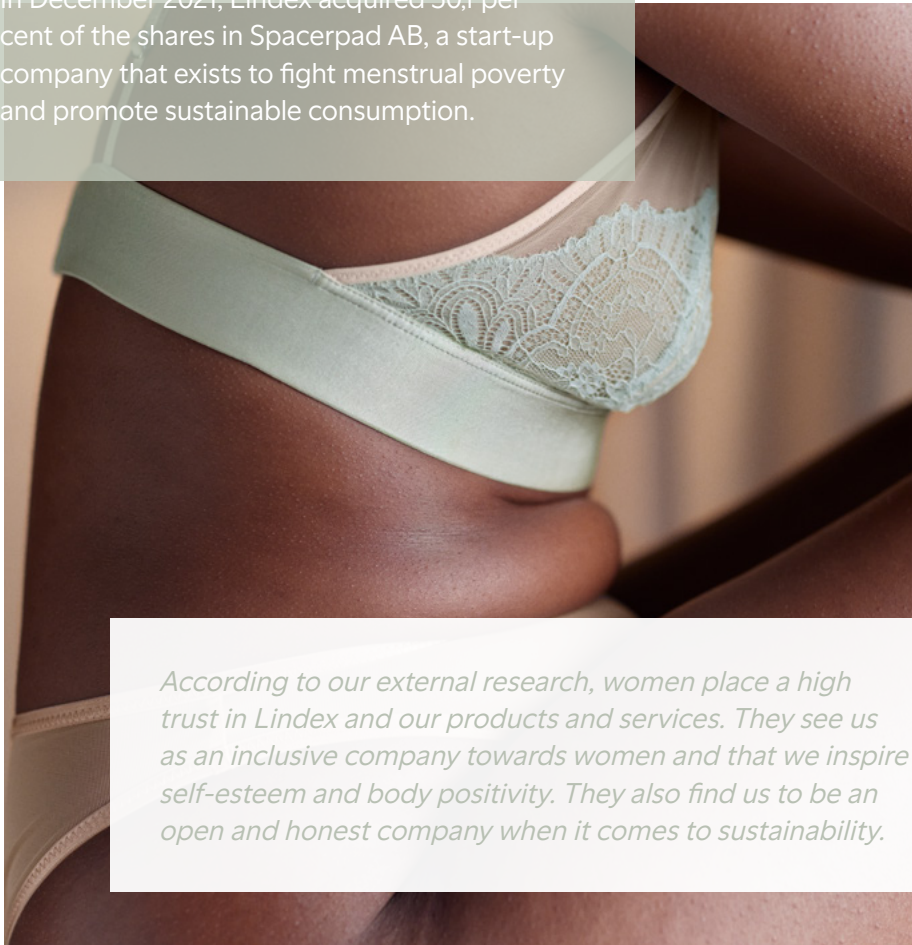
Empower women

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

Achievements

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

In December 2021, Lindex acquired 50,1 per cent of the shares in Spacerpad AB, a start-up company that exists to fight menstrual poverty and promote sustainable consumption.



According to our external research, women place a high trust in Lindex and our products and services. They see us as an inclusive company towards women and that we inspire self-esteem and body positivity. They also find us to be an open and honest company when it comes to sustainability.



We completed the transition to the Sedex SMETA auditing system, which has an imbedded focus on gender equality.

80 per cent of our non-commercial business partners have signed Lindex's code of conduct that is progressive within gender equality.



Achievements

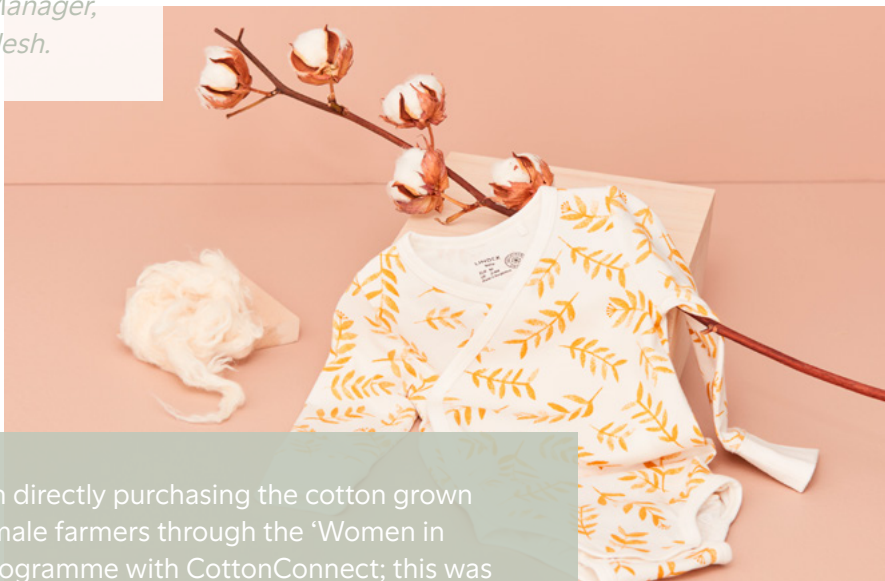
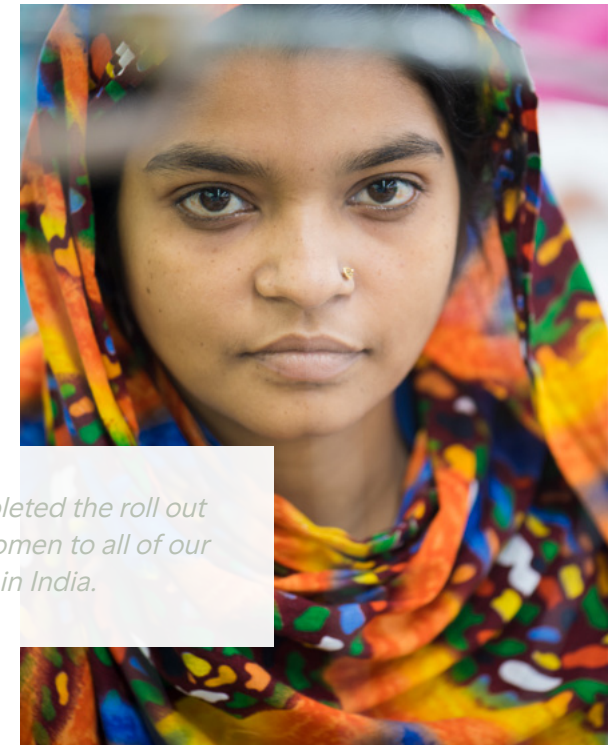
We exceeded all of our impact targets for the number of people reached through our partnership with WaterAid, expanding access to clean drinking water, sanitation, and education to thousands of people; the majority of those impacted are women.



We hired a Global Women Empowerment Manager, based in Bangladesh.



We completed the roll out of WE Women to all of our suppliers in India.



We began directly purchasing the cotton grown by the female farmers through the 'Women in cotton' programme with CottonConnect; this was ultimately used in some of our babywear.

Moving ahead

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

- Taking the lead in creating fair and equal workplaces for women
- Advocating inclusiveness and body positivity
- Supporting a sustainable lifestyle



Taking the lead in creating fair and equal workplaces

We want all women across our value chain to be able to fulfil their potential. We continue pushing forward on this goal through our interactions with our suppliers, and through the policies that guide our decision-making and create our corporate culture.

Goals

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

Feature: Building a future-proof industry

Seeing that collaboration, ongoing support, dialogue, and a commitment to ethical production had such a profoundly positive impact on our suppliers during the pandemic, we have been working to expand this philosophy throughout the industry and imbed this approach further even as we shift out of immediate pandemic-response mode.

For example:

Turkey: In 2020 we joined a brand collaborative in Turkey called Sorfos. As part of this, in 2021 we participated in a brand working group that organised 6 online training sessions covering 5 subjects:

- Crisis management
- Communication skills
- Cost reduction during COVID-19
- Health and safety precaution during pandemic
- Changes in labour law

A second phase of online trainings through the 'brand collaboration working group' will cover fire safety and building safety.

China: We tailored our approach in China to align with the pandemic-management strategy of the Chinese government, and this has enabled our supply chain in the region to remain quite stable.

Our focus has been to maintain close communication to help monitor and prevent any impact from COVID-19. This has included helping establish factory-based epidemic prevention committees, sharing health and sanitation information and equipment, and even

upgrading systems to use face recognition rather than fingerprint-based identification.

We've used virtual meeting platforms to enable continuous communication and training, with the goal that factory management will be prepared to incorporate the prevention measures of COVID-19 into the daily management system in the short-term, and more long-term into the 'new normal' management approach.

The pandemic provided us with an opportunity to optimise our social toolkit, environmental assessment, and social scorecard, so looking ahead we are focused on synchronising this new knowledge throughout our supply chain in China. In 2021 we conducted or supported numerous in-person and virtual trainings including:

- How to work with the new environmental assessment tool (which engaged 103 participants from 74 suppliers)
- Chemical management training to 22 mills
- Pollution release and transfer registry (PRTR) training by IPE for more than 30 suppliers
- The BHive® chemical management kick off training and technical training for 15 mills
- Climate action trainings on data gathering for 2 tier 1 and 3 tier 2 suppliers for kids outerwear and basic lingerie
- An online Lindex gender equality workshop, with 112 participants from 56 suppliers

An additional classroom training session on our new self-assessment tool and introducing our living wage approach to 20 participants from 13 suppliers

Bangladesh: Building from our pandemic activities, we have established additional ongoing support for our partners in Bangladesh. This support takes multiple forms, including:

- **Guidance:** advice on what to do or what not to do in certain situations.
- **Advocacy:** providing necessary support to our suppliers to help them access government stimulus funding.
- **Grace periods:** extending the validity of social and environmental audits so that suppliers could focus on the more pressing issues of worker health and safety.
- **Responsibility:** taking on liabilities for fabric, accessories, and other materials at the Lindex level.
- **Flexibility:** our quality and inspection team worked overtime to help our suppliers maintain regular product delivery schedules.

More broadly, we have also provided chemical management training to 8 mills in South Asia as well as rolling out The BHive® chemical management kick off training and technical training for 6 mills.

We have also continued to engage with our peers to discuss best practices and share support. Much of this has been through the industry networks and platforms where we are active members, including the ILO Call to Action and ETI.



Lindex's code of conduct empowers women

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

The current structural realities that unfairly impact women need to be addressed from a holistic perspective. An example of this kind of structural obstacle is the lack of awareness among factory managers related to gender equality. Audits alone cannot create the supportive environment for behavioural change which is needed to improve gender equality at the workplace, but we also know that we cannot change what we cannot measure.

In order to assess risks and negative impacts on women, solid data is required. This can help bring to light the hidden challenges and build more effective, targeted programmes, which link to management systems, incentive programmes, and assessments.

Lindex has selected partners, such as Sedex, with auditing systems that integrate gender indicators within their tools and systems. This gender impact data is also key to understanding why gender gaps persist and how to best design effective interventions that meet the needs of women. And we also use this information to report on the progress made in our supply chain.

Setting up systems to collect gender-disaggregated data requires a functioning management system, awareness, and training. Our Lindex code of conduct builds off of the ETI base code, but we have integrated additional gender equality requirements that apply to our own operations, our business partners, and supply chain partners. We see this as a strong statement on our values. And this change codifies Lindex's ambition to take the lead in creating fair and equal workplaces for women.

See more about our code of conduct, and its role as a foundational part of our supplier relationships, beginning on page 11.

Feature: WE Women by Lindex

Women are our inspiration and our reason for being. We want all women, in every role throughout our value chain, to be able to fulfil their potential. And fulfilling potential at work often means we need to create work environments that are supportive and inclusive regarding gender. 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.

Achieving impact for women

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.

This is why, together with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), we created WE Women in 2017 as a public-private partnership. The goal of WE Women, which ended its first phase in November 2020, has been to reduce the gender gap in management positions by giving women opportunities for skills training and mentorship. 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 and making progress towards our 2025 goal: 'Lindex suppliers who stand for 80 per cent of our production will have completed our Women Empowerment programme.'

The WE Women approach

The approach of WE Women aligns with our focus on gender equality, which is clearly set forth in our code of conduct.

We believe the emphasis on women's empowerment, leading to more women in positions of leadership, will also lead to long-term business benefits including:

- An increase in productivity
- A decrease in absenteeism

- Lower turnover rates
- A more committed and confident workforce, and
- More diverse thought and leadership at the management level.

We have created a self-assessment based on the UN's Women Empowerment Principles (WEPs), and our supply chain partners use this to measure their progress twice a year. We specifically focus on five areas:

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

Suppliers use these focus areas to create their own gender plans, with timelines for improvements. These results also feed into our supplier scorecard.

The first project scorecard measurement took place in June 2021 for Bangladesh factories. It was based on the following key performance indicators:

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

- Percentage of female and male population in managerial and supervisory positions.

We also did a follow-up scorecard six months after the project ended, with positive results. In total, we reached 116.000 people, including 70.000 women, in Bangladesh, Myanmar, and India with WE Women by Lindex.

Scaling the change

We are convinced that the WE Women by Lindex approach is making meaningful change for women in Bangladesh. So now we are rolling this management system out to all garment suppliers in our global supply chain. We began with India in 2019, and it will be rolled out to all suppliers there by the end of 2021.

We are also looking into two other markets: Turkey and China. We will decide on the rollout plan for the WE Women Management System Programme at the start of 2022. Our goal is to have introduced this program to all of our garment suppliers by 2025.

We are very happy to have welcomed Munira Shiraum on board as our new Global Women Empowerment Manager, leading this programme. She is globally responsible for the WE Women Management System Programme and locally for Bangladesh and India.

Her work in 2021 included refreshing and incentivising our factories in the spring and launching data collection in the fall.

Suppliers are having their progress measured according to a set of relevant KPIs, and then they will be supported to analyse the results so that they can truly understand the root causes and make meaningful changes.

In the spirit of supporting structural changes that make the fashion industry more gender-inclusive, we are sharing our approach so that other brands and factories can apply it as well and ensure long term impact. By sharing the results of this initiative with other buyers and business associations, we are mainstreaming this powerful approach for addressing gender issues on a larger scale across the industry.



Women's Café

In a region of Dhaka called Gazipur, surrounded by garment factories, there is a gathering place called Women's Café. Many women meet here after work on Fridays or in the evenings during the week. They gather to build community, to learn new skills, and to get help when it is needed.

Women's Café started out as a community outreach part of the WE Women project. Since 2019, it has been funded and run by Lindex in cooperation with a women's rights NGO called Karmojibi Nari.

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. In 2021 we collaborated with QuizRR to make their digital platform available at Women's Café, offering trainings on topics including workers' rights, the coronavirus, and financial education.

In addition to offering a hub for socialising and training, the café also works as a grievance channel—for both work-related concerns and broader social problems. Workers can log work-related complaints through the café, and we try to help solve the issues; this can be very effective if the issue concerns a factory where we have production. The Lindex WE Women 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 leave compensation.

For problems outside of the factory, there is legal counselling to be had in the café. A common issue people seek support for is marriage counselling.

Overall, there have been 55 complaints logged through the café, and 14 of these have been resolved so far.

Women's Café has been a successful approach, and it has become popular among local garment workers:

- 1,370 women and 370 men have visited the café.
- 2,343 women and 1,130 men attended the QuizRR trainings.
- 1,215 women and 751 men attended the digital wage training.

Visitors to the café come from all of Lindex's partner factories in the area, as well as employees from other factories.



Women's health

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 around 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. Lindex plays an active role in strengthening women in the workplace, at home and in schools, and we have a special focus on ensuring the continuity of these gains during menstruation, which can present social, physical, and logistical challenges for many women and girls around the world.

For example, we are taking part in projects with the Swedish Research Institute targeting innovative sanitary protection, and we have made a commitment to The Private Sector Action for Women's Health and Empowerment Initiative. Additionally, our WaterAid and HER Health projects incorporate a focus on menstruation hygiene and inclusive toilets in communities and schools.

Spacerpad AB

Lena Berglin and Karin Högberg are two women inspired by a higher purpose. They have combined forces and built upon Berglin's PhD in Interactive Textiles and Högberg's PhD in Nursing Science to launch Spacerpad AB, a start-up company that exists to fight menstrual poverty and promote sustainable consumption. They have developed a completely new and innovative reusable sanitary pad, inspired by a menstrual cup, which is in the process of being patented. The ambition is to partner with NGOs to bring their products to low-income countries and enable as many girls and women as possible to emerge out of period and incontinence poverty. We are inspired by their purpose and their creativity, and we saw a clear synergy between Lindex and Spacerpad. In December 2021, Lindex acquired 50,1 per cent of the shares in Spacerpad AB and we will continue to support the company in their ambition and purpose moving forward.

CottonConnect funding to support women’s development

CottonConnect is an organisation that builds connections among brands, retailers, and farmers to transform the cotton industry for good. We are a financial supporter as well as a partner of CottonConnect’s ‘Women in Cotton’ programme.

The Lindex Organic Cotton Training and Livelihood Programme for Women is designed to improve the organic cultivation skills of women cotton farmers as they transition from conventional to organic cotton growing. It address topics such as good agricultural practices, organisation of farmer collectives, and biodiversity to improve livelihoods. In the year 2020-21, the programme trained a total of 350 women farmers. The programme followed a holistic approach to empower women farmers by training them not only on organic cotton cultivation practices and business management skills but also on alternate livelihood activities to create additional income. The Organic Cotton Training and Livelihood Programme for Women helps Lindex work towards achieving its sus-

tainability promise of empowering and inspiring women, respecting the planet, and ensuring human rights.

The Organic Cotton Training and Livelihood Programme programme included the following components:

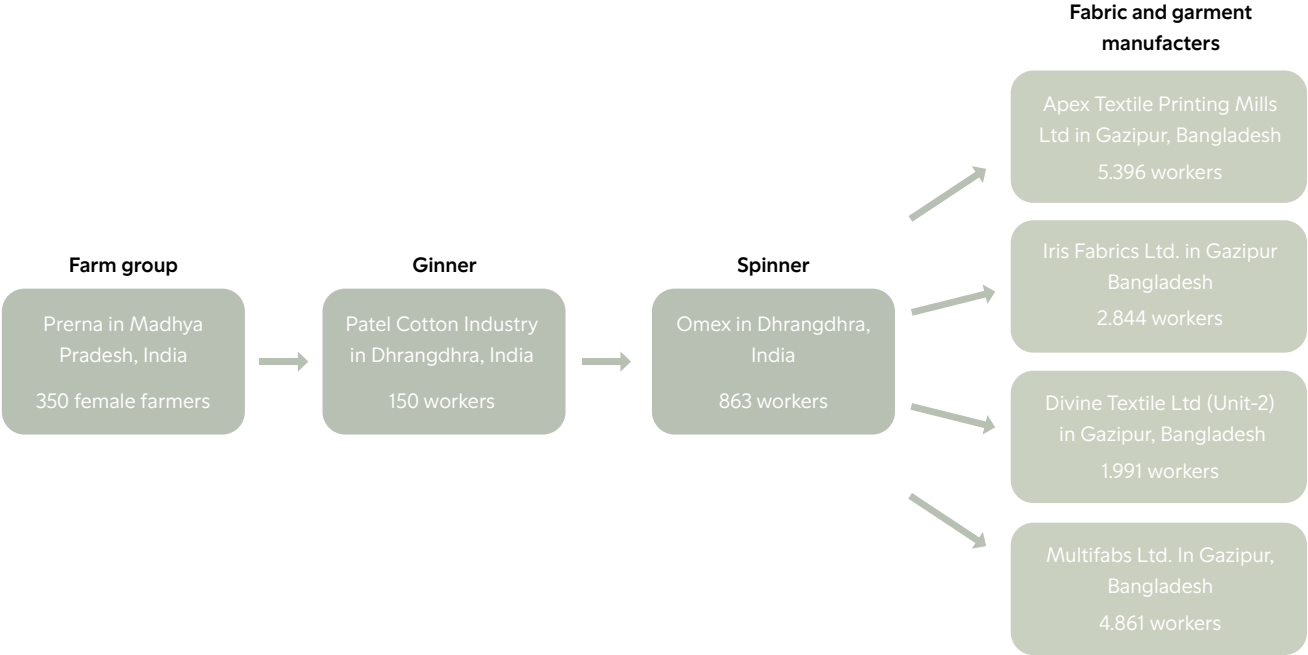
- Organic cotton farmer training
- Livelihood training for small and medium level enterprise development
- Establishment of Organic Production Input Centre
- Incorporation of Farmer Producer Company (FPC)
- Seed Linkages, GMO testing, and Organic Certification

The programme also worked to improve women’s knowledge of health, safety, life skills, and leadership development. In terms of farming, regular training and support was provided on topics that could help these women

achieve a smooth adoption of organic farming practices. These included intercropping, crop rotation, preparation and application of organic manures, and use of organic botanical pesticides.

A direct link between the cotton farms and our products

After the female farmers in our ‘Women in Cotton’ programme with CottonConnect have grown organic cotton, we push the cotton upstream through our GOTS certified suppliers. The cotton they have grown is currently being featured in our baby garments. This enables us to have a fully transparent supply chain and allows us to practice reversed buying—something we see as the future of supply chains.



Empowering women with WaterAid

We are incredibly proud of the work we have done to empower women through our partnership with WaterAid. Together, we have expanded access to clean drinking water, sanitation, and education for thousands of people, with a focus on women and girls. See more under ‘Being a water responsible company’ on page 64.



Advocating inclusiveness and body positivity

We are working to bring about a world where women feel inspired, confident, and comfortable in their own skin.

No matter your looks, your age, or the path in life you are on, we want everyone to feel valued and important. If we can help our customers feel good about themselves, then we are doing something that matters. And this is a journey we are committed to seeing through, step by step.

Fashion for every body

During 2021 we have strengthened our focus on highlighting diversity among the women and kids in our imagery. We ensure that they that represent different body types, looks, ages, physical abilities, and more.

When it comes to kids, we always ensure that our images portray them as they are—free souls who play, get messy, and enjoy the

delights of childhood. We do not try to impose gender expectations through our kidswear, and we show images of kids wearing our clothes the way we created them to be worn; by every body.

The pink ribbon campaign

The 2021 pink ribbon campaign features real women whose lives have been touched by cancer, and highlights their stories. Women who have experienced cancer, or who continue to experience the impacts of treatment, share their stories to give the disease a face and a name, and to show how the funds that we raise through the pink ribbon campaign can impact people's lives. In 2021, our customers contributed 1,6 MEUR which is a record number. Since we started in 2003 we have, together with our customers, contributed a total of 17,7 MEUR to the pink ribbon campaign.

An initiative for common guidelines

The Swedish Fashion Ethical Charter is an initiative developed by the Swedish Fashion Council and Association of Swedish Fashion Brands. The initiative drives common guidelines of social sustainability for those who work in the fashion industry and for the consumers reached by the fashion industry's messages and ideals. As members of the Swedish Fashion Ethical Charter, we commit to taking responsibility for what we convey in terms of ideals and diversity, as well as ensuring a healthy work environment, for example, during photoshoots.



Supporting a sustainable lifestyle

We are aiming to bring about a circular transformation for fashion, which will help our customers to achieve their own goals related to living a sustainable life. As our customers move along their own sustainability journey, we are supporting their sustainable lifestyle through knowledge building and transparency, through offering better and longer-lasting products, and through our ever-growing offering of services for recommerce, rental, repair, and traceability.

Supporting a sustainable lifestyle through transparent, empowering communication

Making mindful choices is one of the best ways for our customers to have a positive impact on the environment and make a difference for future generations. And the basis for this is transparent, empowering communication. We are transparent about our goals, our progress, and our challenges. We are transparent about our materials and processes, and our supply chain. Together, this information helps our customers feel informed and empowered to make their own sustainable lifestyle choices.

Additionally, our customers know that circular and sustainable consumption is a top priority for Lindex, and they know that our products are designed with this in mind. We offer our customers long-lasting, well-made, flawlessly fitting, and timeless pieces informed by our fit library. Within our 'Your smart wardrobe' initiative, our Pants Solution, BraVolution, and children's 'Grow with you' lines are all examples of how we support and inspire mindful and informed decisions to use less and prolong the lifetime of every garment produced. Our customers also know they can come to us to learn about garment care and repair, and that we will help them find the proper channel for a garment's next life—whether that involves resale or recycling—when the time comes.

Supporting a sustainable lifestyle through our products

Circular products are the anchor for our own strategy within Lindex, and they are the most tangible way we can support a sustainable lifestyle among our customers. We are intentional about designing for longevity and circularity, which means products made for a maximum lifetime, that can be sold several times and where materials are recycled and

We are intentional about inviting and preparing our customers to join us in bringing about a circular transformation.

recyclable to make new products. Read more about how we work with our goal to design for longevity and circularity on page 55 as well as our material goals on page 58.

Supporting a sustainable lifestyle through new services

Supporting our customers to live a sustainable lifestyle is about more than just selling products. And it goes beyond renting products as well. We aim to support our customers by offering services to take care of the products they no longer use. Read more about our take-back and recommerce initiatives on page 57.



Respect the planet

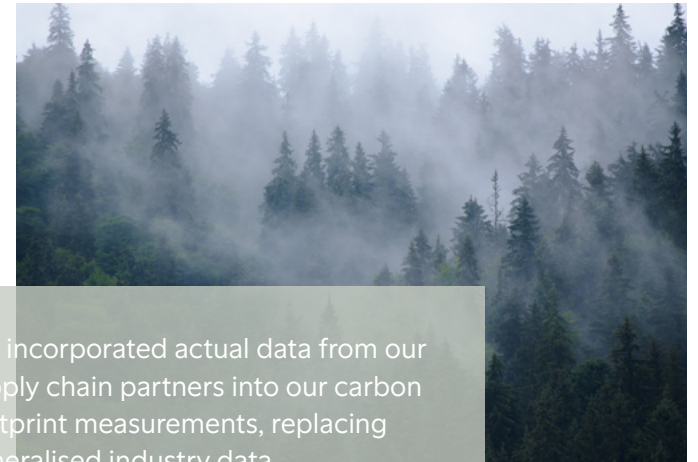
Climate change represents the biggest environmental crisis of our time, and we are adding our voice and our actions to the momentum for a transformation of the fashion industry. Above all, this must be a circular transformation, and we are working within our own operations as well as within our supply 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 set goals.

Achievements

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



Water training has been made available to all Lindex employees.



We incorporated actual data from our supply chain partners into our carbon footprint measurements, replacing generalised industry data.

We are now buying renewable energy (with 'guarantees of origin') for all of our own operations: all stores, offices, and warehouses globally.



We invested in transitioning from halogen to LED lights in 43 stores globally in 2021, and we are planning to add another 60 stores in 2022.



We rolled out a new environmental assessment tool, incorporating our new water strategy, with our tier 1 vertical mills and key tier 2 mills.

In 2021, we launched our '10 circular design principles' and piloted these in 6 collections across all business areas.



We've rolled out a 3D design tool among our product teams to reduce the need for sampling and to minimise waste.

We expanded our recommerce offer of kids' outdoorwear to more stores and started piloting recommerce of womenswear clothes in Norway.



We increased the use of The BHive®, the chemical management platform we use to monitor and improve chemical selection and use, to 52 factories in 6 countries, with 76 per cent showing chemical compliance.

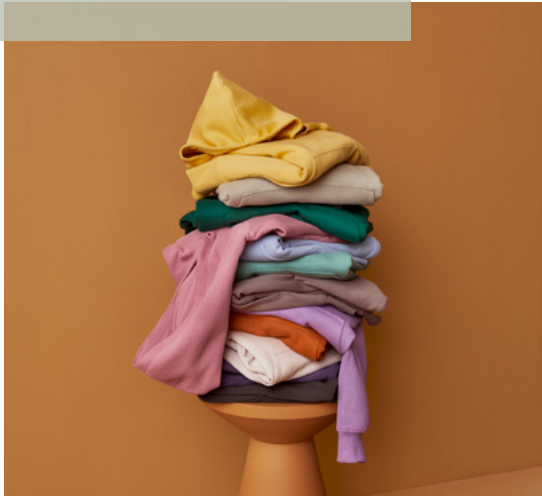
We repurposed 1.986.767 used plastic bottles, turning them into recycled polyester labels.



In 2021 we transitioned to 100 per cent biofuel for all sea transport.



Textile collection is available in 85 per cent of our own stores.



In 2021, we rescued 29,000 garments from incineration due to mould.



For 2021, we fuelled the majority of our outbound transportation with hydrotreated vegetable oil (HVO) biofuel.

During 2021, each of our production offices rolled out a training programme for the priority tier 1 suppliers in their region: trainings based on the Climate Action Training for the Fashion Industry developed by the UN Fashion Industry Charter for Climate Action and GIZ.



Moving ahead

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

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



Climate and structural change

We are facing a climate crisis along with biodiversity loss at an alarming rate. 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 over 65 years optimising our current business strategy, we have had to summon the courage and the 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, in line with science, 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, including energy efficiency and renewable

energy in our supply chain, exploring and scaling circular business models, and prolonging the lifetime of the garments we sell.

We have already integrated our climate goal into our strategic sales plan as well as our growth strategy. We are exploring what it means to decouple growth from the use of natural resources and emission of CO₂ into the atmosphere. We are modelling various business strategies that prioritise the protection of our natural resources, and we have already learned that producing less, decreasing our sales promotions, and increasing full price sales will be key components in our approach. 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

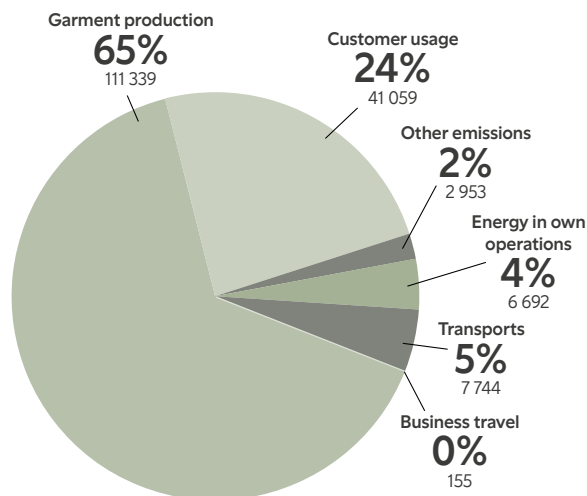
- By 2023, we are climate neutral in Lindex's own operations
- By 2030, we have achieved 50 per cent reduction of CO₂ emissions in Lindex's total value chain (with 2017 as baseline)

Taking climate action

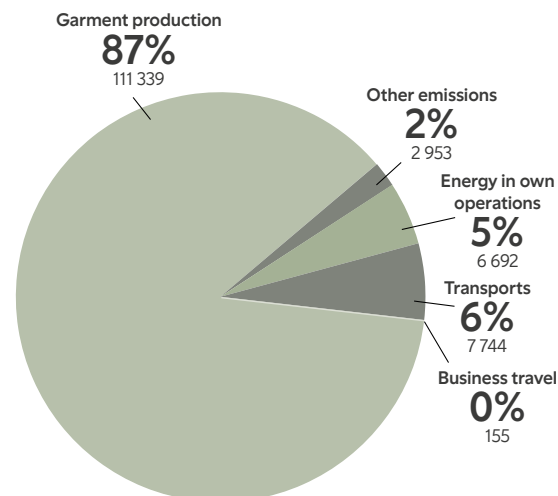
We know that global warming beyond the limit of 1,5 degrees Celsius will put humanity's core needs at risk, and that women will bear the brunt of these challenges. In practice, reducing our climate footprint means we must examine our material choices, our suppliers' production processes and energy sources, 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 as we work towards our goal to become climate neutral by 2023 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 65 per cent of Lindex's carbon footprint is determined.

2021 emissions per category incl. customer usage, ton CO2e



2021 emissions per category excl. customer usage, ton CO2e



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 next network report is anticipated in April 2022.

Activities in own operations

At Lindex, we aim to model the business values we seek from our partners, so we are leading by example when it comes to reducing our climate impact in our own operations. This means we have been:

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

On our way to our goal of being climate neutral in our own operations by 2023, we have taken several major steps over the past year. 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. We are also mapping all light sources in our stores, and we have invested in transitioning halogen lights in 43 stores around the world to LED lights; we are planning to add 60 more stores 2022.

Generic to actual data measurement

We have also taken major steps to increase transparency and accuracy in our measurements by gathering actual data from our suppliers. For

2021, we were able to incorporate emissions data from tier 1 and vertical suppliers covering 61 per cent of our volume; the remaining 39 per cent came from generic industry data. This was a challenging process, and it required us to also recalculate our 2017 baseline data. And this may be an ongoing recalibration process. Climate data collection requires constant verification and assessment, and we need to remain critical of the data we receive. We anticipate that we may need to recalculate the base year as we go along and as more data becomes available.

While this means a strict comparison between 2020 (all generic data) and 2021 (generic plus actual data) becomes more challenging, this approach aligns with our commitment to continue learning, improving, and verifying. It also gives us a more accurate picture of our progress compared to our baseline year. And what we see in that comparison is encouraging.

Results

Our emissions figures are down compared to 2017 in all categories except for one (‘other emissions’), which represents new challenges related to the growth of e-commerce and sales on third-party platforms. In total, we have achieved a 22 per cent reduction from 2017 to 2021. We attribute these improvements to investments in more sustainable materials, improvements in energy efficiency among our tier 1 and vertically integrated supply chain partners, our transition to renewable energy in our own

operations, and the use of biodiesel for shipping. There was also a slight decrease in total volume of products from 2017 to 2021.

Comparing to 2020, we do see an overall increase in total emissions of 8 per cent. One reason for this is the increase in the volume of products this past year, as operations recovered from the temporary decreases that were due to the global corona situation in 2020.

Focusing on scope 3

Our scope 3 is where we have the biggest climate impact, and it is also where some of the greatest challenges lie in terms of improving. Scope 3 includes business travel, transportation, the whole production phase, and emissions connected to plastic and paper (see more on our plastics initiatives on page 61).

Overall, our scope 3 emissions increased when comparing 2021 to 2020. This is a complicated picture, because volumes in 2020 were lower than usual due to the pandemic, resulting in a temporary decrease in our scope 3 impact numbers. In 2021 we saw our volumes recover, which increases our total impact. However, when we calculate our emissions per piece, that number stayed consistent. And even though our volumes went up compared to last year, we are still able to see meaningful improvements in efficiency compared to our baseline year. This comes from investing in more sustainable materials and in achieving greater energy efficiency in our tier 1 and vertical supply chain partners’ operations. See more about this process on page 51.

Business travel

As in 2020, the global corona situation contributed to reduced business travel in 2021 compared to previous years. Business travel is down 90 per cent compared to 2017.

Ton CO2e (market based)	2017*	2018	2019	2020	2021	Change 2021–2020	Change 2021–2017
Scope 1	211	No calculation of ton CO2e was made for 2018-outcome	219	197	136	-31%	-36%
Scope 2	13.861		10.962	10.605	5.764	-46%	-58%
Own operations	14.072		11.181	10.802	5.899	-45%	-58%
Scope 3	204.171		172.617	149.874	164.043	12%	-20%
Total emissions	218.243		183.798	157.676	169.942	8%	-22%

*Base year (2017) has been recalculated due to change in calculation methodology in 2021.



Climate in production

As our approach to the global corona situation has begun to stabilise, we are shifting more of our attention back to our commitment to realising a 50 per cent reduction of CO2 emissions in our total value chain by 2030. We have mapped our supply chain to identify carbon emissions across all tiers, and we have created a strategy and a roadmap which is in line with the collaborative mission to keep global warming to under 1,5 degrees Celsius. Our approach is modelled on best-practices and begins with understanding the degree to which our suppliers share our ambition. The second step is to understand what actions have already been taken. Then, we can work together to set priorities for the next wave of actions that our key tier 1 and 2 suppliers must take to demonstrate meaningful and substantial progress; all the while supporting each other in implementing the changes that make our shared goal possible.

Data gathering

We know that you can't improve what you don't measure, so we first must have a baseline figure to understand the performance of our biggest suppliers. During 2021, we developed the tools to collect actual data from tier 1 and 2, improving upon the generic data we used previously. We are now able to use an updated questionnaire to gather quantitative data, with a focus on energy efficiency and renewable energy use. We also have a separate assessment to gather qualitative information such as goals, action plans and ambitions.

After piloting the use of both tools in each region to ensure smooth and accurate data collection, we rolled them out to all key tier 1 suppliers. This is where we believe we have the best opportunity to build on our

close relationships and extended our energy efficiency and renewable energy interventions for next year.

We have now collected actual emissions data from suppliers covering 61 per cent of volume in tier 1. We will begin working with our consultants in 2022 to replace the generic data calculations we previously used with actual emissions data. This means we will be able to monitor real progress and report on our partners' real impact. Next year, we will also analyse the results to feed into our broader sourcing strategy to ensure our actions align with our commitment to keep global warming to under 1,5 degrees Celsius, and to ensure that our top-performing suppliers are rewarded for their progress.

Supplier engagement

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

We also know that suppliers with a clear goal and internal drive can set in motion a ripple effect down the tiers. This can be very effective. By working collaboratively, such as through the STICA initiative, we can create leverage with tier 1 and 2 and we can join with our peers and other stakeholders to create an environment of cooperation and progress.

Supplier education

Engagement and education go hand in hand. During 2021, each of our production offices rolled out a training programme for the priority tier 1 suppliers in their region. The trainings were based on the Climate Action Training for the Fashion Industry, a video-based curriculum developed by the UN Fashion Industry Charter for Climate Action and GIZ, with input from global brands, manufacturers, and other experts.

The five training modules were geared toward factory management and technical leaders at tier 1 and 2 suppliers, and they covered key topics including:

- Climate change and action in the industry,
- Introduction to GHG emissions (Scope 1, 2 and 3 emissions),
- Principles of GHG accounting (mainly for Scope 1 and 2 emissions),
- Target setting, and
- Low-carbon solutions (Energy Efficiency and Renewable technologies).

During 2022, we are focused on securing management commitments from our priority suppliers.

Energy efficiency and renewable energy interventions

While there is an overarching strategy to guide our activities, we are also continuing to develop regional and national strategies that account for specific challenges. For example, the approach looks different based on whether factories tend to be vertically integrated, or whether renewable energy is readily available. The strategies also vary based on the strength of our relationships, the willingness we see to collaborate, and the leverage we have with our different partners. The assessments we have conducted inform this process by helping us understand which actions will work best for each partner. For example, we may start with ‘low-hanging fruit’ energy-efficiency measures with a quick ROI for less mature suppliers. For more mature suppliers, we may look to make shifts at the equipment- or process-level to enable a switch to renewable energy sources.

Transport

Fashion is a global industry, and transporting our products represents a significant part of our total carbon footprint. 2021 has presented new transportation challenges including ports closed due to COVID-19 lockdowns, a shortage of shipping containers, and ‘blank sailings’ where certain ports or routes are cancelled. This results in major delays in product transport, and an increase in air transport. We particularly saw this in our inbound transport from Asia.

We know that air travel has a negative climate impact, and air freight of goods is no different. We only use this mode of transport in exceptional cases, totaling 5 per cent of our volume in 2021. While this amount is still small, it is higher than in previous years due to global shipping challenges in 2021. If possible, we opt for train transport when speed is a concern. Because of an increase in inbound orders from Turkey in 2021, we also saw an increase in truck transport. We also used more outbound truck transport due to an increase in e-commerce sales.

However, we have also been working on an emissions reduction plan as part of our climate goal, and the actions we took in 2021 as part of this strategy had a significant impact in reducing our overall transportation impact.

For 2021 we fuelled the majority of our outbound transportation with hydrotreated vegetable oil (HVO) biofuel—this is a repurposed wasteproduct from the agricultural and food service industries, and it is a renewable alternative to diesel fuel. We are also proud of our shift to 100 per cent biofuel for ocean transport.

100 per cent biofuel for ocean freight

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 have switched to 100 per cent biofuels for all of our transportation by boat through DHL Global Forwarding’s GoGreen Plus service. This reduces our CO2 emissions and eliminates sulphur emissions as well.

‘Ocean transport accounts for a significant part of the global CO2 emissions and for us at Lindex, it is important to do what we can to have a positive impact. Switching to biofuels for all our ocean freight, was therefore a natural step for us and in our work to achieve our climate goal – to reduce the CO2 emissions throughout our value chain by 50 percent by 2030. We are one of the first players to take this step and hope to inspire others to do the same, so that we together can reduce the total climate impact from the world’s ocean transport’

Johan Engen
Director of Logistics at Lindex.

How we achieve efficient transport at every step

1. Smart product distribution to avoid additional transport among stores.
2. Combine transport with other companies in the same shopping centre or area.
3. Fully load all shipments: We regularly measure and follow up on the loading efficiency in containers and filling degree in the boxes for shipments from production to our distribution centres, and at our distribution centres.
4. Apply standards for road transport: We work with a requirement platform developed together with other companies in the retail and food industry and in cooperation with the Swedish Transport Administration. The platform includes requirements regarding the environment, traffic safety, alcohol and drugs, emissions, speed and compliance with legislation.
5. Customer returns connected to our e-commerce can be made in our stores; about 70 per cent of all returns are made in our stores and not sent back to our warehouse.

Circular transformation

We live within finite planetary boundaries. It is increasingly clear that we cannot continue relying on virgin raw materials, and we cannot continue to define success in terms of growth based on newly produced products. A clear demand for change is coming from our planet as well as our stakeholders and policymakers. Transformational change is needed for our entire industry and our way of doing business.

We must rethink our fashion system, from our business decisions to our products, and from our supply chain to our customer offerings. We must reimagine an entirely new system where longevity and circularity is imbedded from the design stage onward, where waste becomes raw material, and where we constantly test, learn, innovate, and collaborate. We envision a future where we design products that can stay in a circular loop through innovative and collaborative business models and through technological solutions emphasising longevity, traceability, and recyclability. We are taking the steps now to realise a future where we as a brand become our own supplier of raw material. As part of our commitment to future generations, we are pushing ahead with a circular transformation of our company. And we commit to bringing our customers and our peers along with us. Not only to future-proof our own operations, but to fulfil our promise.

Our own circular transformation is being built upon three interconnected strategies: 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 second-hand.

Goals

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

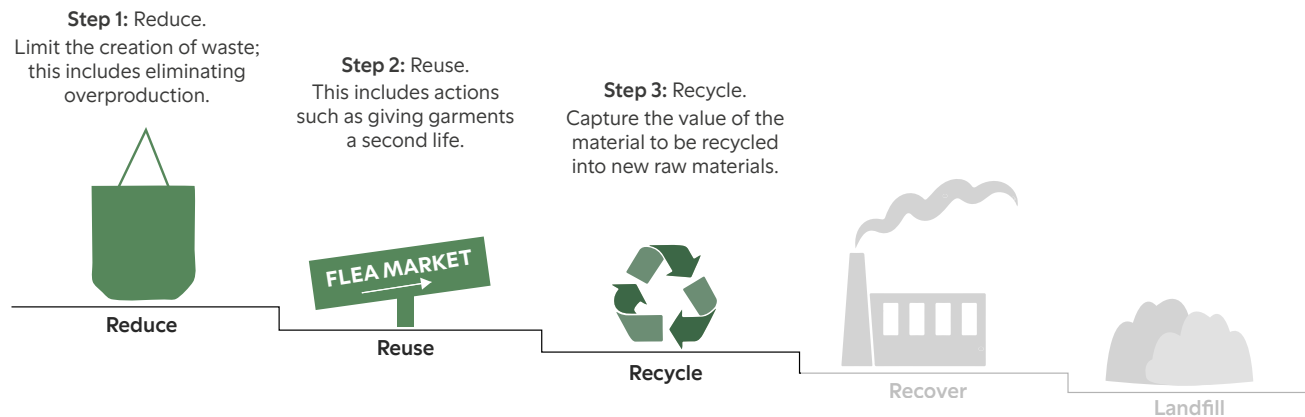
'With a growing population and unsustainable consumption patterns, we as a fashion industry use up more natural resources than our planet can handle. In order for us to enjoy fashion in the future, our industry needs to transform. This transformation can only come from collaboration with one another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

Susanne Ehnåge
CEO Lindex



What is the 'waste hierarchy'?

Our ambition is zero-waste, and we know that the best strategy for waste prevention is to keep every input in the highest-value form possible. We follow the principles of the 'waste hierarchy' to make that a reality:



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. This is how we will achieve our goals that by 2025, 100 per cent of Lindex's materials are recycled or sustainably sourced, and our entire assortment will be designed for longevity and/or circularity.

Our ten design principles

We have spent the past five years working with industry experts, developing internal tools, and building knowledge among our product teams based on the expertise of the Ellen MacArthur Foundation and

the EU Waste Hierarchy. In 2021 we summarised all of our findings into 10 design principles—each aligned with the broader categories of 'design for longevity' or 'design for circularity'.

Achieving circularity requires a transformation of our products, our assortments, and our approach to design, so it is important to start by identifying the most important principles to start with. As a starting point, we work with customer feedback on the user phase, for example from our member club and our second-hand pilots, to help us set the right priorities.

We work with some principles at scale across entire product groups. We are also working with each of these principles for some innovative products to serve as guiding stars for our circular transformation.

Our approach is to constantly test, learn and improve both our products, our principles and our guidelines as we start piloting a range of products.

Design for longevity:

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

- Principle 1.** Timeless design
- Principle 2.** Physical durability
- Principle 3.** Fit and functions
- Principle 4.** Design for recommerce, rental or repair
- Principle 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
- Principle 7.** Recyclable materials
- Principle 8.** Align with recyclers
- Principle 9.** Easy disassembly
- Principle 10.** Traceability and transparency

Circular product pilots

We have been piloting our circular product approach with a variety of different products and materials, including our core jersey fabric, our kids' outdoor wear, hosiery, and denim.

We have conducted extensive tests of durability on our core jersey qualities. We have also done surveys with our member club to incorporate

customer perspectives on timeless designs. We have worked to identify any weak spots related to quality as well as design based on our recommerce feedback. And these are just some of the actions we have taken during the year.

Feature: Circular denim

In a complete reversal of the typical design process, our denim circular design pilot began with our product teams asking themselves: ‘How does a pair of jeans with the maximum lifetime, minimum production impact, and greatest possibility of recycling look?’

The outcome of this process is a design that is beautiful, timeless, resource-efficient, and circular.

Conventional denim generally goes through a number of chemical and physical finishing steps to speed up the natural breaking-in process and give an aged look and feel. The problem is that these steps degrade the quality of the fabric, while also requiring more water, energy, and chemicals. Our statement denims are made in a rinse wash that preserves the strength and durability of the fabric and promotes emotional durability as each pair of jeans fades in a unique way based on the individual who is wearing them. We also use this as an opportunity to educate our customers on how to care for their jeans and to create a ‘washed’ look over time. A rinse wash also means minimum washing and treatment of the fabrics and garments in production, which keeps energy, water, and chemicals to a minimum. This is tracked and measured using the EIM system from Jeanologia, which shows that we have been able to reduce the water needed in production to one bottle, and that we’ve reduced the EIM score, which measures resource inputs and human impacts, from a typical level of 20 down to a 4.

In order to safely recycle materials, we have to make sure no hazardous chemicals have gone into the products to start with. Therefore, we are using organically grown cotton and securing all chemicals going into the garment using a digital chemical management tool called ‘The BHive®’ (see more on page 66).

Products are made in 100 per cent cotton in line with what existing recyclers are able to recycle today. All unnecessary accessories, badges or rivets are removed to enable easy disassembly and to ensure we are not using more materials than absolutely necessary.

‘Our team wanted to really test the limits for Denim, creating fully circular denim styles, asking ourselves – how does a pair of jeans with maximum lifetime, minimum production impact and possibility of recycling look like?’

Rebecca Sundberg,
Assortment manager for womenswear denim

Circular supply chain

There are many facets to a circular supply chain. Since these topics are relevant to all levels of our business, they are described throughout this report. In working with our supply chain partners toward a circular transformation, we must think about renewable energy (see more on page 49), and we must address reuse of water (see page 62) and emphasise closed chemical loops as well as safe chemical choices (see more on page 66).

Building a circular supply chain is also about keeping both materials and products in circulation. With our takeback programme we are powering our own supply chain with products that can be sold again. During 2021 we piloted QR codes in a couple of styles to start to learn how to even more efficiently support take-back as well as to support transparency (see more on page 57).

We also must help grow the technological abilities of our partners, and create a community of companies, organisations, and individuals actively working towards a circular textiles future. For example, we are working with suppliers to develop their capability for nylon recycling so ultimately we can use this in our hosiery as well as our bras and briefs.

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

- Amplify the efforts of a growing community of companies, organisations and individuals actively working towards a circular textiles future.
- Imagine what ‘full circularity’ could look like in 2050 and the stepping-stones for getting there over the next 30 years.
- Provide a framework for a collaborative road map to be developed and revised over the next 30 years, until the vision is achieved.

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



Circular customer journeys

Our goal is to empower our customers with products, services, and information that will enable them to add their own momentum to our circular fashion transformation. A circular customer journey is built on:

- Products that are used longer because they are well made, timelessly designed, and flawlessly fit,
- Knowledge around proper garment care and repair,
- New customer offerings including second-hand, rentals, and repairs that enable sustainable consumption, and
- Seamless services for collection to enable reuse and recycling.

For the past several years we have been experimenting with different ways to support circular customer journeys. In 2020 we piloted the sale of second-hand kids' outdoor wear as part of our 2-year commitment with 'Switching Gear'. In 2021, we continued to develop our kids' outdoor takeback programme, standardising our operations to prepare for bigger volumes, and offering recommerce in more locations in Stockholm and Malmö. We have also started collecting a wider range of kidswear for a new recommerce pilot planned for next year.

Project O: kids outdoor wear designed for recommerce

Making recommerce work means understanding what our customers want and need, and where we need to improve. We began by looking at kidswear products that were collected to find any weak spots that

might impact longevity, and to understand what makes our products sell again—and what gets in the way. This informed design, helping our teams make choices that would support multiple use loops. An example of something we learned during this process was that placement of accessories makes a big difference: We've now learned to make some of our high-use components and accessories, such as foot straps and reflective tapes, easily replaceable. We have also re-examined our pricing strategy as well as our material and fabric strategy to better support recommerce. Additionally, we are rebalancing our assortments to emphasise timeless and seasonless products and to incorporate more consistency.

'We know our quality and products are already sold more than once. But there were some weak spots identified that we can easily adjust to improve the resale rate of our products even further. The insights created for our team through our own recommerce are contributing to us making even better products and really understanding what it takes for products to be passed on several times.'

Cecilia Andersch,
Assortment manager for kidswear

Traceability

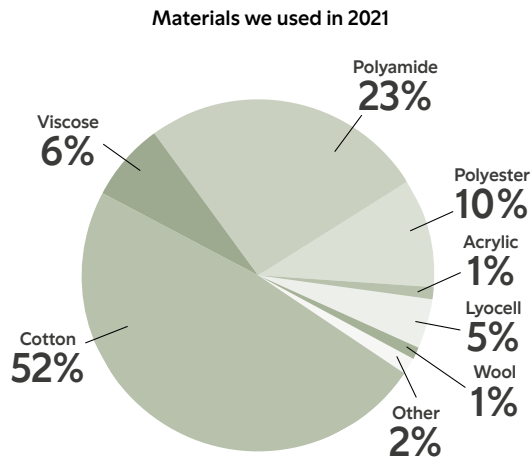
We know that traceability is a key component for circularity: if a product's journey can be traced, we can properly understand how to repair, re-sell, or recycle it when the time comes. Traceability also enables more transparency for our customers, helping them to understand how their items were made and how to care for them. To prepare for a larger emphasis on traceability in the coming years, we are piloting a QR code based traceability system within our Project O programme as well as imbedding this approach now through our new cotton strategy (see more on page 58).

Materials

Our commitment to a circular transformation includes our material choices. These choices can have an important impact in terms of appearance, function, fit, and feel. But that is not all. These choices also impact human health and wellbeing, waterways, the climate, and our ability to create high-quality products that lend themselves to a long useful life. With our sustainability promise - to make a difference for future generations - we have set the ambitious target that by 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced. We have also added a new target for cotton—our most important fibre. By 2025, we are aiming to make all of our cotton both sustainable and traceable.

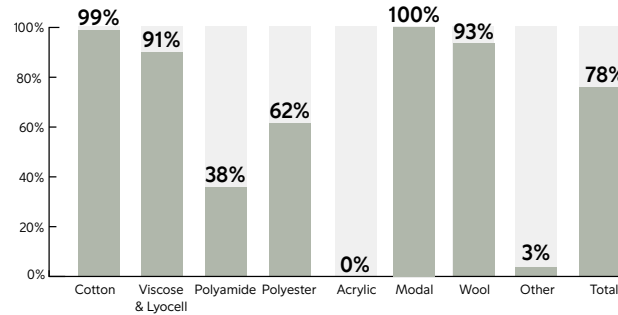
Materials we use in our collections

All materials we use require natural resources, and they each must be considered carefully to fully understand their positive and negative impacts on our social, environmental, and economic ecosystems. We do know, however, that it is possible to choose materials 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 nature's resources compared to conventional alternatives. Overall our total share of recycled materials is 16 per cent.



How far we have come in switching to more sustainable options

Total - Sustainable share per fibre



Material Change Index results

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

Lindex was a participant in the [2020 MCI](#) and received a Level 4 (Leading) as the overall MCI score as well as in the Cotton and Strategy topics. Lindex earned a Level 3 (Maturing) in Circularity, SDGs, Manmade Cellulosics, and Wool. We again participated in 2021; results are expected in March 2022.

Taking the lead on cotton



Cotton is our most used fibre, and 99 per cent of the cotton we use is more sustainable cotton, mainly organic. The process of transitioning so much of our cotton already has been a valuable stepping stone towards the next challenge as we take the lead on sustainable cotton with our new goal: that by 2025 all of our cotton is sustainable and traceable. We have already begun sourcing cotton closer to the field so that we know where it comes from, and we can push it up our supply chain for total transparency. In 2021, we did this with the cotton produced by the female farmers we have been working with through the CottonConnect farm project (see more on page 41).

Our new cotton strategy also includes sourcing in-conversion cotton. This is a clear signal to our partners and our peers that we are working to secure the availability of organic and regenerative cotton now and in the future, and that we stand by farmers to support them during the process of converting their fields from conventional to organic growing practices.

Based on dominant fibre, 78 per cent of Lindex garments were made of more sustainable materials and approximately 99 per cent of the cotton was sustainably produced in 2021.

More on our key fibres

Conventional material	Challenges	Alternative	Why do we prefer this option?	How we use it	Did you know...	Goals
Cotton	Cotton cultivation can be highly resource-intensive, requiring irrigation, artificial fertilisers, and pesticides – all leading to soil depletion. The majority of cotton cultivation is in countries that lack clean water, so even though the cotton plants get the water they need, the people living there may not.	Recycled Cotton	Instead of growing new cotton, we can save a lot of natural resources by reusing the cotton that has already been produced. Recycled cotton is leftovers from production or used textiles that have regained their life by being torn apart, spun, and knitted or woven into new material.	We use recycled cotton in many different types of garments and especially in our denim assortment.	All recycled cotton we buy is certified according to the Textile Exchange Global Recycling Standard or Textile Exchange Recycled Claim Standard.	By 2025, 100 per cent of Lindex's materials will be recycled or sustainably sourced.
		Organic Cotton	Organic cotton is grown without artificial fertilisers, chemical pesticides, or genetically modified cotton seeds. Organic cotton cultivation improves the soil, and it can then store more carbon dioxide which in turn is good for the climate. Organic cultivation also promotes biodiversity and contributes to healthy ecosystems and healthier farming communities.	As of 2020, 80 per cent of our cotton is organic and our entire cotton baby assortment is made of GOTS-certified organic cotton.	Right now, organic cotton makes up about 1% of the cotton available on the market. One way we can help this to increase is by supporting farmers to shift from conventional to in-conversion cotton.	
		In-conversion cotton	In-conversion (or transitional) cotton is cotton harvested during the several-year transition period that is required when a farmer switches from conventional to organic cotton growing. The cotton is grown under organic practices, but the soil has not yet recovered fully from the conventional farming approach. The farmer takes a certain risk to make this change, and cannot yet secure the prices for organic cotton; we like to support this process because it gives farmers security while supporting the transition of more cotton from conventional to organic growing.	From now on we are starting to buy in-conversion cotton (ICC) and will apply it in parts of our collections instead of organic cotton. Our aim is to buy around 20 per cent ICC to support the farmers while we still buy certified organic.	We have supported 350 female cotton farmers in India to make the switch from conventional to organic cotton farming. Read more on page 41.	
		Better Cotton	The Better Cotton Initiative (BCI) is a non-profit organisation founded in 2005, which Lindex has been a part of since the start. It is a very important initiative that works to drive large-scale change in the cotton industry by helping cotton farmers to transform their agriculture from conventional farming to growing more sustainably. They help farmers to use more environmentally friendly, but also socially and economically sustainable, cultivation methods. For example, it is about reducing the use of water and pesticides and moving from artificial to natural fertilisers.	As members of BCI, we support the expansion of cotton grown according to BCI requirements. The intention of BCI is to support a better industry. As BCI explains: 'BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.'		
Synthetics (polyester and polyamide)	After cotton, polyamide and polyester are the most common materials in our assortment.	Recycled polyester	Using recycled materials wherever possible means that we can significantly cut the footprint of our synthetic fibres. This reduces the pressure on natural resources and reduces our climate impact.	We use recycled polyester in, for example, pants, dresses, and blouses.	The most common raw material source for recycled polyester is old PET bottles. By recycling plastic bottles, we give them new life instead of them ending up in nature or in landfills.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced.
	Synthetic fibres are prized for performance, but conventional options come from non-renewable resources, and they do not biodegrade.			Recycled polyamide	Recycled polyamide is mainly used in our lingerie, tights, and swimwear.	
	Microplastic shedding is another concern that the industry is still working to more fully understand and address.					

Conventional material	Challenges	Alternative	Why do we prefer this option?	How we use it	Did you know...	Goals
Viscose & lyocell	These fibres are made from wood pulp using a chemical process. The biggest challenge with materials made from trees is to ensure that the forestry is sustainable which is, among other things, about the logging and what quantities are cut down at a time. Unfortunately, deforestation is common. Every year millions of trees are cut down in the world for textile production, which jeopardises the climate and biodiversity. We are also concerned about the chemicals used in manufacturing.	Tencel™, EcoVero™, and Excel	In our products, we mainly use Tencel™, EcoVero™ or Excel, which are manufactured by two large manufacturers; Lenzing and Birla. The raw material comes from responsibly cultivated forests and production takes place in a closed cycle where about 99 per cent of all process chemicals are recycled.	Tencel™ and Excel can be found in, for example, underwear, pants, and tops. Overall, 91 per cent of our garments with the dominant fibre being viscose or lyocell are made of Tencel™ or EcoVero™ fibres. Tencel™ and EcoVero™ are manufactured in factories that are evaluated and certified according to the EU Eco-label.	Together with other brands, retailers, and suppliers, Lindex is committed to CanopyStyle and the initiative's work to protect the world's forests. It is estimated that more than 150 million trees are logged and turned into fabrics such as viscose globally each year, endangering the world's forests, biodiversity, and climate. CanopyStyle is an initiative developed by Canopy, an independent environmental organisation working to protect the world's forest globally. Most of our viscose comes from suppliers that Canopy reports to have best industry practice. We only work with suppliers with best industry practice or demonstrated ambitions to improve.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced.
Wool	Wool is a natural material with many advantages; it keeps you warm, it's soft, has nice lustre, doesn't wrinkle and has natural cleaning properties. A woollen garment lasts for a very long time if you handle it properly, and it requires less laundering. However, there are concerns related to animal welfare, and the health of grazing land.	Responsible Wool Standard (RWS) certified wool	We mainly use RWS (Responsible Wool Standard) certified wool in our garments. RWS imposes requirements on the welfare of the sheep but also environmental requirements on farms. The standard requires that the soil on which the sheep graze and live is used responsibly in terms of pesticides and biodiversity.	Until there are certifications that guarantee responsible animal welfare according to our animal welfare policy, we have chosen to phase out mohair and cashmere.	You can read more about our Animal welfare policy here .	By 2025 all our wool should be recycled or come from responsible agriculture with regard to the welfare of the animals and environmental requirements and be certified by an independent third party.
Leather	Animal welfare, GHG emissions, chemical use in tanning, and deforestation are all issues associated with leather and meat production.	Locally-sourced leather	Most of Lindex's leather straps are manufactured in Sweden from leather that comes from the EU.	The leather in our belts is vegetable tanned which means that no chrome is used in the tanning process.	All leather used in Lindex products comes from animals bred for the food industry.	By 2025, 100 per cent of Lindex materials will be recycled or sustainably sourced.
Down	Force-feeding and live plucking are concerns for geese and ducks who supply down and feathers.	Responsible Down Standard (RDS) certified down	The down and feathers used in Lindex products have not been picked from live birds, nor do our clothes contain down from endangered or wild birds.	Down in Lindex products is mainly used as filling in winter garments.	We only buy down that is certified according to the Responsible Down Standard, RDS, which is a standard to ensure that feathers and down come from responsibly treated birds.	Maintain 100 per cent of our down coming from either recycled or RDS-certified sources.

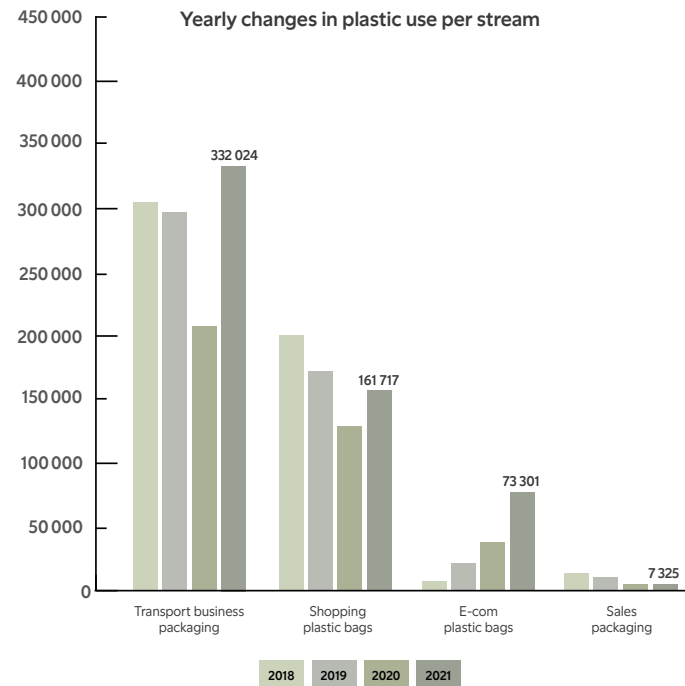
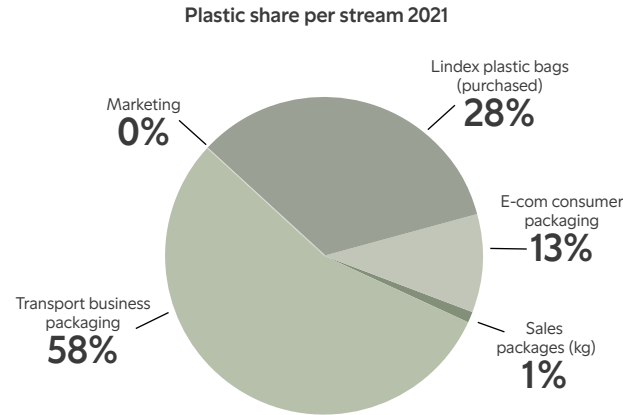
Reducing our use of plastic

Part of respecting the planet means shifting away from petroleum-based inputs, reducing our plastic use overall, and particularly phasing out single-use plastics. We've mapped our plastic usage to understand where we can have the biggest impact, and that has guided us to focus on plastic use in inbound transportation. In 2020 we made a deliberate shift to remove plastic for transport from single-packed garments, which resulted in a decrease in plastic usage. For 2021, however, we see an increase in overall plastic use, mainly coming from an increase in transport packaging and e-commerce plastics bags. This is due to the growth of our sales through e-commerce and third-party platforms. Both of these channels are more plastic-intensive because of the way garments are packed and sent to customers. The second largest source of plastic waste is from shopping bags; we see an increase for 2021 which comes from the recovery of in-store shopping following the 2020 slow-downs due to the global corona situation. However, compared to 2019 and 2018, which were more typical years in terms of shopping patterns, we do see a decrease in purchased plastic shopping bags for 2021.

Another increase we see for 2021 compared to 2020 is in sales packaging. This comes from sales of our stockings—our most plastic-heavy product in terms of packaging. Sales of stockings decreased in 2020 as people were working more from home, and sales have now resumed in parallel with more typical working and dressing patterns. However, we still view this as an opportunity for improvement. In 2022 we will be changing the packaging of our tights and stockings to recycled plastics.

We are also looking into our transport packaging to find innovative solutions that will enable our online business to keep growing while simultaneously decreasing our reliance on single-use plastics. We have an ongoing project where we are piloting the replacement of single-use plastic with paper wraps.

We are proud of the success we've seen over the past years and positive about reaching our goal that in 2025, all of our plastic packaging follows our circular materials strategy. As we focus on innovation and improvement, we are fuelled by our respect for the planet, energised by our aspiration to model circularity in our business practices, and inspired by our commitment to future generations.



Does Lindex incinerate garments?

Our ambition is zero goods incinerated. Our policies and routines state that textiles from our collection in store, as well as garments with complaints and unsold garments, shall be sent for reuse and recycling. Sending garments for incineration is something we avoid to the greatest extent possible.

If problems occur, we aim to salvage all safe products to prevent wasteful incineration. This approach has become even more important over the past year as the global supply chain challenges contributed to a higher rate of damaged products. For example, the 2021 transportation delays led to a situation where mould contaminated a shipment of 6.000 garments. Rather than opt for incineration, we chose to send these items to a laundry unit where labels and hangers were removed, and the items were cleaned. Some were washed conventionally, and others were cleaned using ozone technology, which is just becoming available at a large scale. 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.

Prior to sale we had the items checked by a third party to ensure safety, and then we had them re-packed, and we sold them through our e-commerce channels.

In 2021, we rescued 29.000 garments from incineration due to mould. In total, 4.968 were sent for incineration in 2021.

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.

Every step counts

We have been even rethinking our woven product labels and we have converted all labels to recycled polyester. Through this change, we repurposed 1.986.767 plastic bottles in 2021 to create Lindex's recycled care labels.

Being a water responsible company

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

Goals

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



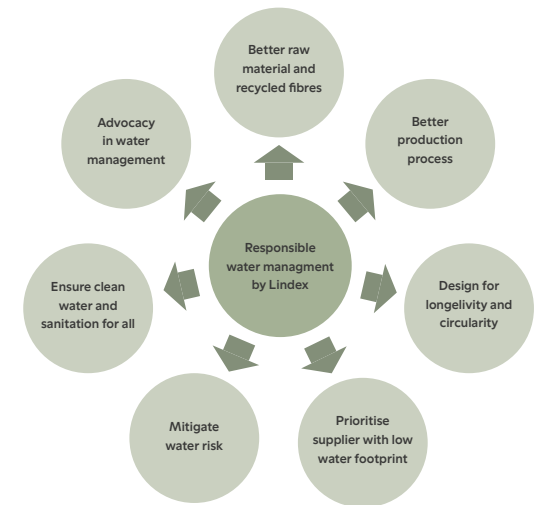
Responsible water strategy

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.

We have integrated our new water strategy into our Environmental Assessment tool, finalised training materials on how to work with this new assessment, and this in turn has been rolled out to all of our tier 1 vertical mills and our key tier 2 mills. On International Handwashing Day, which is October 15, we rolled out an internal water training for all Lindex employees.

Our actions related to water are also informed by the water risk mapping we conducted in 2021.

How we are taking responsibility for water at Lindex



Water risks in Lindex production countries



Feature: WaterAid

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

Access to clean water and sanitation is a prerequisite for women to be able to fulfil their potential. Diseases caused by dirty water kill more people than all forms of violence, including war, each and every year. Over 840 million people lack access to clean water and almost 2.3 billion people lack access to decent toilets.

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

We have partnered with WaterAid to deliver a programme in Bangladesh called 'Addressing WASH crisis in low-income settlements of garment workers in Mirpur'. This three-year project, which was completed in 2021, had four key objectives and the outcomes met or exceeded the goals in each case.

Objective 1:

Increase access to clean drinking water, improve sanitation, and influence hygiene behaviour among low-income communities and schools.

Outcome overview: Among the community and school programmes, more than 7,000 people received access to safe drinking water. Thirty-seven water and sanitation facilities were built or renovated in four communities, and inclusive WASH facilities were created in four schools.

Objective 2:

Create a cadre of adolescent girls to be Change Agents for hygiene behaviour change in disadvantaged communities.

Outcome overview: 150 adolescents were trained as 'change agents' and they went on to organise 42 campaigns on hand-washing, menstrual hygiene management, water safety planning, and sanitation safety planning, ultimately reaching 9,163 people within their community. Additional school-level campaigns reached 3,269 students, teachers, and parents.

Objective 3:

Create and develop women entrepreneurship in the community for sustaining WASH services.

Outcome overview: 50 women were selected and trained in the entrepreneurship programme, where they also received one-time business capital support of BDT 10,000. Top performers received an additional bonus to invest in their businesses. These entrepreneurs went on to sell hygiene products to their communities, providing access to items like soap, detergent, and menstrual products while also creating their own stream of income, and helping ensure the continuity of the WASH programme.

Objective 4:

Respond to the immediate needs in the areas of infection prevention and control risen from the outbreak of COVID-19.

Outcome overview: Fifty young women were mobilised to raise awareness on COVID-19 hygiene practices, over 4,000 people received hygiene management kits, and 20,000 people had access to handwashing facilities as well as hygiene messages during a critical time in the pandemic.

Programme outcomes

#	KPI	Target	Achievement
Objective 1	Increase access to clean drinking water, improved sanitation and influence hygiene behaviour among low-income communities and schools.		
1.1	# of people who have gained access to clean drinking water.	6.600	7.036
1.2	# of people who have gained access to improved sanitation facilities.	6.600	7.403
1.3	# of people reached with hygiene messages.	7.000	7.008
Objektive 2	Create a cadre of adolescent girls to be Change Agents for hygiene behaviour change in slum communities.		
2.1	# of adolescent girls identified to be change agents for hygiene behaviour change.	100	150
2.2	# of change agents trained on WSP, SSP, MHM and hand washing.	100	150
2.3	# of campaigns organised with change agents.	32	42
Objektive 3	Create and develop women entrepreneurship in the slum for sustaining WASH services.		
3.1	# of women-led entrepreneurs developed or supported.	50	50
3.2	# of women identified to be entrepreneur for WASH services.	300	350
3.3	# of women trained to be entrepreneur for WASH services.	300	350
Objektive 4	Respond to the immediate needs in the area of infection prevention and control risen from the outbreak of COVID-19.		
4.1	# of individuals with access to handwashing facilities during the emergency period.	20.000	20.000
4.2	# of individuals with critical hygiene messages in relation to COVID-19.	20.000	20.000
4.3	# of women with menstrual hygiene management products.	950	950
4.4	# of individuals with hygiene management kits.	4.000	4.056
4.5	# of adolescent women mobilised to promote hygiene practice and awareness in relation to COVID-19.	20	20



The project was incredibly powerful for young women particularly: it helped to build their confidence, protect their health, increase their knowledge, keep them engaged with school, and helped many to develop a stronger voice within their communities. You can read the stories of Jannatul, Soniya, and Mitu, who are all trained programme ‘change agents’ [here](#). Another young woman, Rumi, shares her experience with the programme, saying: ‘My parents encouraged me to help others. What makes me happy to see people living a healthy life. Besides my study, I promote clean water, decent toilet and good hygiene in my community.’ The WASH programme brought the first clean cooking and handwashing water, as well as toilets, to Rumi’s community. She helped raise awareness of basic sanitation, and even began selling menstrual products to her peers. When the COVID-19 pandemic reached Bangladesh, she and 38 other change agents were poised to spread information about COVID-specific sanitation, as well.

Building on the success of this programme, an additional two-year programme has been launched for Gazipur, another community in Bangladesh. There are three objectives for this programme:

Objective 1:

Increased access to clean drinking water, improved sanitation and handwashing facilities at workers dwelling places and schools.

Objective 2:

Increased access to hygiene awareness messages for improved hygiene practices, including safe MHM practices at community, schools and RMG factories.

Objective 3:

Reduced groundwater extractions by the factory for production and other uses through demonstration and use of rainwater harvesting plant.

In 2020 we expanded this programme to Myanmar, where the project has had a valuable impact by building sanitation knowledge and capacity during the COVID-19 pandemic. Following the political instability that has plagued the country since February, however, we have revised the scope of the project in consultation with WaterAid. The three main activities of the revised project, now titled ‘Safe water, improved sanitation, and good hygiene for families of migrant garment workers in Yangon,’ are:

1. Establishment of a community-managed water treatment and supply system,
2. Testing and monitoring of water quality for drinking water sources, and
3. Distribution of drinking water bottles to households in peri-urban areas.



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 on chemicals to a full lifecycle focus. In practice, this means we not only looking at the chemicals used to create our products, but we are working with our suppliers to shift to better chemical use across all their activities. By closely monitoring chemical use, we step up our own accountability, we signal to our customers that this is a priority area for us, and 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?

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

Products

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

Workers and their communities

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) was launched in 2018 and aligns with several chemical manufacturing standards on the market. It lists the chemicals that are not permitted at any point during the making of our products. With our MRSL, we can eliminate harmful substances from the beginning, so they do not enter the production cycle at all.

Phasing out certain process chemicals is a challenging task; we may need to look as far back into the supply chain as material manufacturing. For example, we took on the challenge of eliminating the use of DMFa (dimethylformamide), a solvent often used to create the polyurethane material that is used for bags, belts, and accessories. This is much more difficult to trace than the chemicals that may be used for dyeing or finishing.

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

Innovation and transparency: The BHive®

In June 2019, we began a pilot in Bangladesh and Turkey for mapping our suppliers' chemical use with The BHive®. This tool encourages transparency, communication, and the use of safer chemicals through a smartphone app that generates chemical inventories and provides tailored dashboards for both facilities and brands. As of the end of 2021, we've expanded the pilot to include Sri Lanka and we've increased the use among our suppliers in China. In total, we now have 52 factories actively working with The BHive®:



The BHive®

- 12 in Bangladesh
- 29 in China
- 5 in India
- 2 in Pakistan
- 1 in Sri Lanka
- 3 in Turkey

The BHive® has greatly increased transparency in our supply chain, and it has enabled verification of our suppliers' compliance with our MRSL. Combined, our partners have used The BHive® to scan and record 24.820 chemicals in 2021, and more than 76 per cent of the connected factories' chemicals—across their full production (whether for us, or for another fashion company)—now comply with Lindex's requirements.

This new level of transparency enhances our ability to work with corrective action plans and phase out the use of non-compliant chemicals. This means more safety for workers, and a smaller environmental impact, which is also beneficial for nearby communities.

'We have a great cooperation with Lindex, working through their production offices in manufacturing regions. Lindex was an early adopter of The BHive®, and it is really great to see how actively they are participating and how the number of factories working with the system continues to grow'

Sophie Hiltner, GoBlu key account manager for The BHive®

'I've been working with GoBlu for several years now to roll The BHive® out to our suppliers. The functionality of the system keeps improving and growing, and it is great to see how factories are seeing the benefits of working with the platform. They are really taking ownership of their chemical management, and starting to substitute with more sustainable chemistry now that they can see where to focus their efforts. This is how we as Lindex can really help to push the whole industry in the right direction'

Mike Zhu, Lindex project manager for The BHive®, Shanghai

develoPPP

In 2020, Lindex partnered with three other European brands and retailers – Bestseller, Deltex and Orsay (The Fashion Cube) – and the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH in a develoPPP.de project. Over the next three years, the project partners aim to improve the chemical management in 600 factories across the globe with the support of GoBlu International Ltd.'s digital chemical management tool The BHive®. As of the end of 2021, the roll out of the programme has covered:

- 6 countries
- 299 wet processing units, and
- 12.600 chemical products that have now been logged.

PFAS Movement

Here at Lindex, we phased out the use of PFAS chemicals on our garments many years ago. PFAS stands for per- and polyfluoroalkyl substances, and this is a family of almost 5.000 industrially produced chemicals. They are often used for water- and stain-repellent finishes. However, epidemiologists have found links between PFAS exposure and health issues that could impact workers, including cancer, lower birthweights for babies, and problems with the immune system.

Back in 2012 we started a cooperation with a chemical manufacturer who could provide a fluorocarbon-free durable water repellent finish (DWR), called Bionic Finish Eco. We are proud to have been one of the first fashion brands to ban PFAS chemicals on our garments; this is aligned with our goal of removing the release of hazardous and toxic substances from our entire supply chain.

Our promise to future generations, however, requires us to look beyond our own products and our own suppliers. We are aiming for legislation that will restrict the use of these chemicals for everyone, to protect all workers. This is why we have joined the PFAS Movement, through ChemSec. By signing on to the Movement, we commit to participating in the following steps:

- A call on policy makers to regulate PFAS efficiently, without the possibility for manufacturers to simply swap one PFAS chemical for an unregulated 'cousin'.
- A call on the chemical industry to put money into innovation and develop safer alternatives to PFAS for all kinds of products.
- A recognition that PFAS is a major health and environmental problem.
- A call on all other brands to join this commitment and work towards a phase-out of PFAS in all kinds of consumer products.

Change won't come easy. As long as there is no universal PFAS ban, these chemicals will continue to be used in production. By joining the PFAS Movement, Lindex is taking responsibility for helping to rid the

world of these harmful substances, and we are encouraged to see that other brands are joining in.

Partnering with IPE in China

(IPE) is an environmental NGO established in Beijing in 2006. Broadly, the IPE focuses on transparency: It is committed to promoting environmental information disclosure and using the power of information to encourage good environmental governance. IPE has provided the industry with environmental protection tools, services, and projects which emphasise improvements in the areas of governance, water, and chemical use.

Since 2015, Lindex's sustainability team in China has worked closely with IPE to monitor environmental performance data of direct suppliers in China and significant upstream suppliers. This is done through the Blue Map database developed by IPE, as well as 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 2021, we deepened partnership with IPE to go beyond supply chain management in China and to also address sustainable development issues. Annually, IPE publishes a ranking of brands based on their engagement in climate governance, both in their own operations and in their supply chains. In 2021, Lindex ranked number 27 in the whole textile industry with operations in China.



Cosmetics

Even though our focus is fashion, we apply the same level of care to the cosmetics we sell in our shops, as well. We have mapped our cosmetics supply chain, and we've begun phasing out cyclic silicones and PFAS-substances in cosmetic products. We have committed to the following steps on PFAS and cyclic siloxanes:

- Lindex will not accept new products that are formulated with PFASs
- Supplier shall, together with Lindex, establish a plan for how to phase out the use of PFASs in products that Lindex is currently buying and replace products that Lindex is currently buying that are formulated with PFASs.
- Lindex will not accept new products that are formulated with cyclic siloxanes.
- Suppliers shall collaboratively work with Lindex to investigate and consider how to phase out the use of cyclic siloxanes in products that Lindex is currently buying, or replace products that are formulated with cyclic siloxanes.

Precautionary principle

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



Ensure human rights

We see and we acknowledge the people behind our products. Without their hands, their skills, and their dedication, Lindex would not be possible. Above all, we acknowledge that each and every person has rights, and must be treated with dignity and respect. It is our responsibility to make sure that fundamental human rights are respected throughout our entire value chain and our own operations. We advocate for health and safety, but also more broadly for human rights, which includes holistic wellness, empowering women, and fair wages.

We think that freedom of association, unions, worker representation and collective bargaining are crucial, so we work to support and protect them by partnering with brands, governments, unions, and stakeholders. This collaboration strengthens our voice, so we can better promote workers' voices.

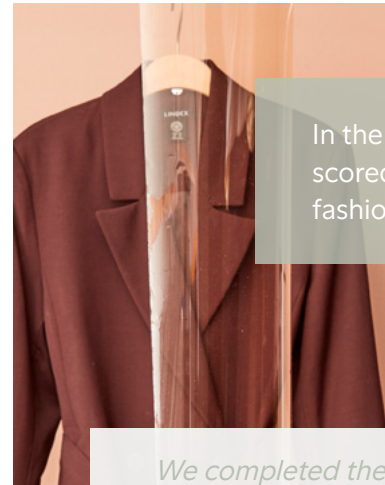
Achievements

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

As of December 9, 2021, following an extensive review of our compliance work over the past two years, the Board of ETI approved Lindex’s graduation to become a full member of the Ethical Trade Initiative.



Lindex was an early signatory to the new International Accord for Health and Safety in the Textile and Garment Industry.



In the 2021 Fashion Transparency Index, Lindex scored among the top 26 out of the 250 global fashion brands that were ranked.

We completed the WaterAid project in Mirpur, Bangladesh, where more than 7,000 people gained access to clean drinking water and sanitation facilities.



In 2021, we began creating our new Diversity, Equity, and Inclusion (DEI) strategy for Lindex.

As of the end of 2021, Lindex has trained 40 per cent of its top 30 suppliers in calculating local living wage and conducted a wage gap analysis for 11 of the top suppliers in China and Bangladesh.



80 per cent of our non-commercial business partners have signed the Lindex Sustainability Commitment.

Moving ahead

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

- Social dialogue
- Living wages
- Transparency
- Safe and healthy workplaces,
- Gender equality,
- Digitalisation, and
- Addressing systemic industry challenges so that we can fulfil our promise.



Advocating respect for human rights

Social dialogue refers to a collaborative, discussion-based process including representatives of employee groups and governments that aims to improve conditions for workers. The ILO defines social dialogue more broadly to include all types of negotiation consultation or simply exchange of information or among representatives of governments, employers, and workers on issues of common interest relating to economic and social policy.

We see social dialogue as our best tool for advocating respect for human rights, and it aligns with our values by promoting collaboration and transparency. We believe this approach the potential to create holistic and systemic change.

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

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

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

Goals

- By 2021, all Lindex business partners have signed the Lindex Sustainability Commitment.
- By 2025, Lindex's suppliers who stand for 80 per cent of our production show total supply chain transparency and commitment to improving working conditions.
- By 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme.
- Ensure that no discrimination and harassment occurs in Lindex's own operations, year by year.

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

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

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

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

The collaboration among international brands and trade unions through the Bangladesh Accord was successful in improving workplace safety for garment workers in Bangladesh. In 2021, despite the global corona situation that made factory visits impossible for long periods of time, we conducted 34 inspections through the Accord, and we reached a 93 per cent remediation rate. We are committed to maintaining this level of focus on the critical issues of fire and building safety, and this is why we are now signing on to a new initiative that has grown out of the Bangladesh Accord. The International Accord for Health and Safety in the Textile and Garment Industry will take over from the Bangladesh Accord. It has been initiated for two years starting September 1, 2021. A new brand association has formed, and this group of brands and retailers further commit to the global expansion of additional country-specific health

and safety measures. The participation of unions in the International Accord ensures compliance with these obligations. The initiative will be implemented through the International Accord Foundation, headquartered in the Netherlands.

In Bangladesh specifically, the work of the Accord will continue through the RMG Sustainability Council (the RSC) using the same governance structure, regulations, and policies established under the Accord.

Lindex, as part of the Stockmann Group, has already signed on to this new legally binding agreement with trade unions and other brands, and we look forward to jointly working to expand the success of the Bangladesh Accord to ensure a safe working environment in the garment industry around the world.

Key features of the new International Accord:

- The new agreement is a legally binding agreement between brands and trade unions to build a credible industry-wide compliance and accountability mechanism
- The agreement has an element focused on conducting feasibility studies for international expansion to other regions
 - Signatories agree to the concept of future expansion of health and safety programmes
 - Country selection and timelines are dependent on the feasibility study which will be made by the international secretariat in the Netherlands
- Criteria to determine when and where expansion is appropriate will be defined within the first six months of the initiative
- Signatories commit to a continued focus on health and safety in Bangladesh
- The agreement is governed by a steering committee including three brand and three trade union representatives, as well as a neutral chair
- The secretariat will support the work on safety, conduct feasibility studies in other regions, and to monitor signatory compliance to the agreement

Update: Myanmar

The global nature of our supply chains means that we sometimes face complex geo-political challenges where the best course of action may not be clear. We find ourselves facing this situation in Myanmar.

On February 1, 2021, there was a military coup that ousted the democratically elected leadership of the country. Our top concerns from this point onward have been the safety of our own employees in Myanmar, and the wellbeing of the people employed by our suppliers. Our Myanmar-based team has been our direct line to monitoring the health and safety of the workers in our supply chain, and to ensuring that wages are being paid.

The decision of whether to continue our work in the country or to withdraw has been difficult. We recognise that leaving Myanmar will increase the risk of textile workers facing unemployment and poverty. However, we also recognise that continued production in Myanmar means that we cannot guarantee that workers' human rights are being respected and therefore we cannot conduct business in Myanmar that meets our ethical standards. Alongside a formal due diligence process, we have held many discussions with our suppliers and other stakeholders and we have decided to stop working in Myanmar.

We are very aware of the impact of this business decision on the workers in Myanmar, and this is why we are not leaving abruptly. We have

carefully considered the timing of our exit, and we prolonged our initial date due to requirements from our suppliers and our concern for the workers. We wanted to give our suppliers time to find more orders from their already existing buyers and also to find new ones. It now looks promising for our suppliers, who are continuously replacing Lindex orders with orders from other buyers already there, as well as adding new ones. Worker attendance is quite stable and is now up to 100 per cent. At this stage, we have decided that our soft exit will be in June 2022.

Additionally, we have partnered with WaterAid to provide clean water and sanitation facilities to communities in Myanmar.

See page 64 for additional details.

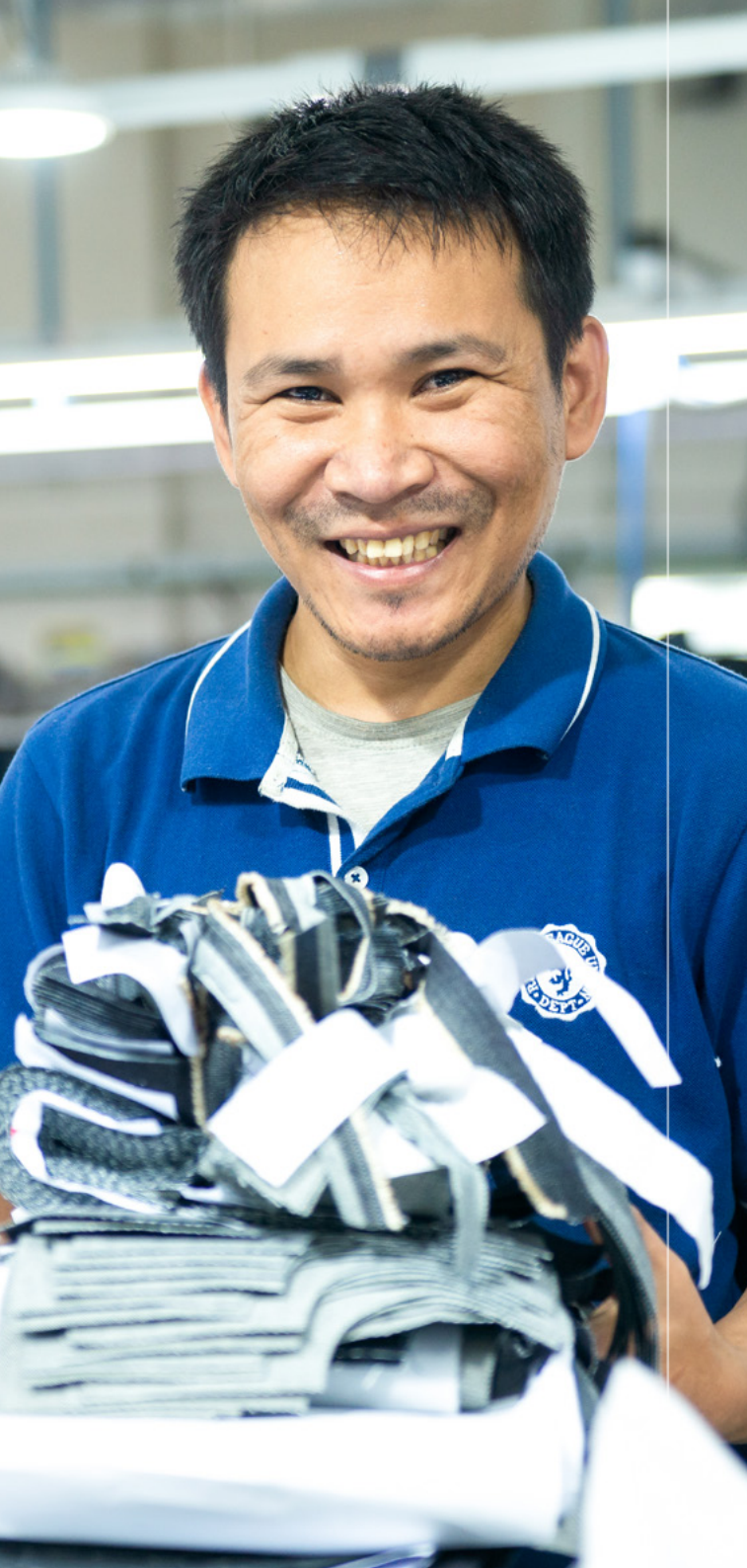
Forced labour

Forced labour, also called modern slavery, is the severe exploitation of other people for personal or commercial gain. This practice violates international conventions and national regulations, as well as our own code of conduct and our ethical standards. We condemn all practices of repression, forced labour and discrimination in any country or region. Sadly, we also know that instances of modern slavery can be everywhere, including in our global supply chains, often just out of sight.

We take our responsibility to fashion supply chain workers seriously, and this includes ensuring that our products are produced without forced labour or discriminating practices. In addition to enforcing 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. We are also signatories of the Transparency Pledge, and as part of this commitment we publish our garment factories as well as our fabric mills on our website.

We know that some products or manufacturing processes are higher risk for forced labour, and we also know that there are some production markets where the risk of forced labour is higher than in others. In these regions we continually map our supply chain down the tiers, from finished products back to raw materials, to monitor risks and address any possible instances of forced labour.

During 2021 we have been concerned about the increase of forced labour globally. In line with our promise, we work actively to prevent or identify the use of forced labour, as well as discrimination in any form. Where any links are identified, we are committed to taking appropriate action in consultation with experts. An increased risk of forced labour will directly impact our sourcing strategy.



Living wages

Our suppliers are independent organisations, and we are not able to determine the wages they pay to their workers. We do require that our suppliers comply with minimum wage requirements, but we also know that minimum wages are often not enough to fully cover basic needs. What is really needed is a living wage. We have set the goal that, by 2025, Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme.

We are working with other brands and stakeholders to address the systemic problem of low wages in a collaborative, data-based, and incremental way based on promoting and protecting collective bargaining among employers, employees, governments, and unions. We are also taking other actions to support living wages through the following avenues:

Living wage calculation

In 2020 we began training our suppliers to work with the Anker & Anker Methodology, an approach to living wage calculation adopted by the Global Living Wage Coalition. Eleven of our key suppliers in China and Bangladesh have already completed this living wage calculation.

In 2022 when all of our top 30 suppliers have been trained in the Anker & Anker methodology, we will take the next step of analysing the gap between the calculated living wage and the actual wages paid for each supplier.

Mapping and standardising wages

We have also trained 20 per cent of our top 30 our suppliers to work on wage grids using the ILO's Fair Wage Method. A wage grid describes attributes of a job such as tasks, level, required skills and education, and pay, and is used to help compare and standardise wages.

Management systems

We are expanding the management-system approach we have successfully used through the WE Women by Lindex programme to provide financial incentives to suppliers who pay a living wage by connecting compliance with maintaining our business.

Digitised wage payments

Digital wage payments not only streamline the administrative process of payment. This approach is more transparent, and it has the potential to transform workers' financial security by improving their access to financial services like loans, credit, and even insurance. We are working to extend digitalised wages to 100 per cent of our top 30 suppliers by 2022.

Addressing overtime through better purchasing practices

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.

Our purchasing practices can have a significant impact on excessive overtime. We must do our part to ensure sufficient lead time for our suppliers so that they can plan their work without relying on excessive overtime by workers. To make sure each buyer at Lindex is doing their part, we worked together with our suppliers to create a buying handbook that gives guidance on timelines for different products, informed by an inquiry process that looked into actual practices. Our business calendars are global and categorised based on product group to align with reasonable lead-time expectations. Read more about our purchasing practices on page 13.

Freedom of association

We support workers' right to freedom of association, for example through participation committees or unions. In Bangladesh, which is our biggest sourcing market, we work to support participation committees in our supply chain. We do this by validating that there is a transparent election process in place, and we have also started working, together with other brands, to decrease management influence over the participation committees so that workers are truly represented. In parallel, we are advocating for unions through dialogue with management. These unions should consist of transparently elected workers and should be free from political influence. There is a long way to go in this area: there is only one internal union in a single factory in our supply chain in Bangladesh, and two in our supply chain in Turkey.

Collaboration

Beyond our own company, support from governments will also be a key factor in successfully implementing living wages. We have joined the Global Deal for exactly this reason, and we continue to consider additional initiatives that are collaboratively addressing living wages as we work toward our 2025 goal that Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme.



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)
HERhealth 2012–2018	Bangladesh, Pakistan, India, Myanmar, China, Cambodia	20	BSR, Change	42.000 (20.000 women)
HERfinance 2016–2019	Bangladesh	7	BSR, Swiss Contact, Sarathi	18.000 (11.000 women)
Women's Café	Bangladesh	1 café	Karmojibi Nari	1.740 (1.370 women)
CottonConnect 2019–2021	India		CottonConnect	350
WaterAid 2019–2022	Bangladesh		WaterAid	7.000
WaterAid 2019–2022	Myanmar		WaterAid	4.000
Bangladesh Accord on Fire and Building Safety	Bangladesh	31 (all)	Accord, RSC	42.000

Challenges

Acknowledging our challenges related to human rights, and being transparent about them, is the foundation that enables us to address them and make improvements. Many of these are structural issues, and we continue to tackle these challenges by collaborating with our suppliers and industry stakeholders, and by being open about our setbacks and our expectations. While the pandemic forced us to shift our focus to general health and safety in 2020, in 2021 we were able to pivot back to other pressing topics, particularly living wages and purchasing practices.

Challenges		Our approach for change	Results to date
Forced labour	<p>People can be coerced into performing a job or a service, and groups considered to be most vulnerable to forced labour (or modern-day slavery) include migrants, children, those from minority or socially-excluded groups, and people experiencing poverty.</p>	<p>We have a focus on migrant workers, and we emphasise training and awareness raising. We enforce our minimum requirements and the Lindex code of conduct and we work with the Lindex Global Guideline for Forced Labour.</p>	<p>Although we are aware that there has been an increase in forced labour alongside COVID-19, we have not found this our supply chain.</p>
Excessive overtime	<p>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.</p> <p>In China we have a systemic challenge as wages are often paid on a piece rate basis, which complicates overtime payments.</p>	<p>We are running several projects with our suppliers to improve planning and forecasting. We aim to highlight the links between production planning, lead time, and over- time costs. We are also working to ensure overtime work is properly compensated.</p> <p>We are constantly reviewing our purchasing routines and we train our buying teams on proper purchasing practises.</p>	<p>In 2021 we have discovered temporary excessive OT in some factories. We continue with our OT projects and we are also going to scrutinise our purchasing practices in 2022 to make sure that our business model is not driving overtime.</p>
Transparency	<p>Opaque supply chains are at a greater risk for forced and/or child labour. Without transparency, oversight, and strong relationships, unauthorised subcontracting can take place, and documentation can be faked. Our relationships are strongest with tier 1 suppliers. However, mapping further down the supply chain is more challenging, and our leverage to demand improvements decreases.</p> <p>Another current challenge relates to refugees working in the supply chain, who may be taken advantage of if they do not possess the proper work documentation.</p>	<p>We aim to build strong relationships, based on trust, with a consolidated group of suppliers.</p> <p>We maintain a presence in the factories through our local production offices.</p> <p>We work with self-assessments with our most important partners in order to build internal capacity and ownership with them.</p>	<p>In 2021 we consolidated our supply chain to 99 suppliers and 154 factories.</p> <p>We have a strong local presence in our production markets that enables close dialogue and insight in our supply chain.</p> <p>We signed the Transparency Pledge in 2017.</p> <p>Aligned with our commitment to the Transparency Pledge, we have published 100 per cent of our tier 1 suppliers, all processing units, and tier 2 suppliers that cover around 80 per cent of our fabric volumes.</p> <p>Through our CottonConnect project in India, we have started to push cotton up the supply chain from a group of known farmers, through a completely transparent supply chain.</p>

Challenges		Our approach for change	Results to date
Social dialogue	<p>Without social dialogue, there cannot be proper management or feedback systems, and workers' voices may not be heard. Social dialogue is a pre-condition for workers to exercise their right to Freedom of Association and collective bargaining. Culturally, worker voice may not be valued and language barriers may lead to marginalisation. The question of gender equity and equality is a growing concern in the industry where management positions tend to be held by men.</p>	<p>Through WE Women by Lindex, we educate our suppliers' factory management on gender equality and how to integrate it into management systems. The aim is to change the leadership and management style in factories to become more inclusive for women and to raise awareness of gender equality issues. We would also like to see an increased number of female managers in the factories. See more on page 38.</p> <p>Freedom of Association, overtime and documented management systems are systemic issues which must be tackled with collective action. Our suppliers, however, must show progress in these areas within a reasonable timeframe.</p>	<p>We work on social dialogue through our management system in which we train and incentivise the top and mid management to address gender equality and to create a better working environment for women. We train the management and they train their workers. We measure their progress through our business scorecard and reward good results with more business.</p> <p>See additional details on page 38.</p>
Living wage	<p>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.</p> <p>Wages are set by national or local laws; individual efforts by brands cannot create a sustainable change. It is therefore an issue which must be solved by collaboration between governments, unions, employees and employers, where social dialogue is the foundation.</p>	<p>We have developed a 2025 Living Wage Roadmap.</p> <p>The goal is: Lindex suppliers who stand for 80 per cent of our production work actively with a living wage programme by 2025.</p>	<p>40 per cent of our top 30 suppliers calculate local living wage according to the Anker & Anker methodology (Global Living Wage Alliance).</p> <p>20 per cent of our top 30 suppliers have created wage grids.</p> <p>11 of our 30 suppliers have calculated average wage (no managers included) and compared with local living wage.</p>
Occupational health and safety	<p>The working environment is often not safe for workers. It can be due to deficient fire-electrical or building standards, but also to blocked exits.</p> <p>Use of PPE and following safety instructions and routines are requirements that are often not met. Workers may not understand the importance of this and thus there must be a strong OHS management system.</p>	<p>We work with social audits, internal visits and we conduct our own internal health and safety training where we see the need.</p> <p>We have been members of the Bangladesh Accord on Building and Fire Safety since the start and have an average remediation rate of 93 per cent.</p>	<p>In the Bangladesh Accord we have reached an average remediation rate of 93 per cent.</p> <p>74 per cent of our tier 1 suppliers reach our high standards for health and safety and the remaining ones have a structured approach to improvement.</p> <p>We are an early signatory to the new International Accord for Health and Safety in the Garment and Textile Industry. See page 72 for more details.</p>
Safe workplaces for women free from harassment and discrimination	<p>Gender-specific concerns exist for female workers in the factories. Women are particularly vulnerable to sexual harassment and workplace violence. Here we also must consider health and wellness as they relate to maternity issues and access to medical facilities.</p>	<p>Lindex's new code of conduct with a gender focus was launched in 2019.</p> <p>Our HERhealth and WE Women programmes specifically address gender-specific concerns by working to change the workplace environment and through education.</p>	<p>WE Women management system has been developed and implemented in Bangladesh, Myanmar, and India. See additional details on page 38.</p> <p>Additionally, up till now we have covered 20 factories and 42.000 people (20.000 being women) globally through HERhealth projects.</p> <p>We are now looking into the possibility to continue to introduce the program in Turkey and China.</p> <p>Lindex is also a signatory of the new International Accord, which will be addressing these issues in more countries in the future.</p>
Freedom of Association	<p>Freedom of association and collective bargaining are basic rights, and a precondition for workers' empowerment. This is particularly relevant for topics such as living wages.</p>	<p>In several of our production countries, it is a challenge to support the right of workers and employees to freely form trade unions because of labour laws and procedures. A union or other worker organisation is required in order to promote collective bargaining.</p>	<p>Through formal and informal audits and visits we make sure each supplier is aware of their workers' right to Freedom of Association, and we look for signs that would indicate whether this right is being supported or violated. We have mapped our supply chain to see how many unions there are: we have found 1 in Bangladesh and 2 in Turkey.</p> <p>Low levels of unionisation in our supply chain present a challenge. Right now we focus on empowering the different worker committees and reducing management influence in the decision making.</p>



Sustainability commitment

Our suppliers must indicate that they share our commitment to sustainability. To formalise this shared set of values, we have a written sustainability commitment that our suppliers must review and sign. This then sets a clear baseline for our work together.

Transparency

We do not own any factories, instead we work with independent suppliers. In recent years, we have heavily consolidated our supply chain and today we work in long-term partnerships with a few carefully selected suppliers.

Read more about how we work with our supply chain partners under 'Purchasing practices and long-term relationships' on page 13. This is where we detail our auditing protocols, our self-assessments, our supplier sustainability scorecards, and our overall approach to partnering with our suppliers.

While transparency is a major challenge in the fashion industry, it is the key to making progress within all areas of sustainability. We are committed to The Apparel and Footwear Supply Chain Transparency Pledge, an initiative by nine global trade unions and human rights organisations. The initiative was developed to promote deeper and wider transparency in supply chains by getting companies to publish information about the factories in the manufacturing phase of their supply chains. Additionally, in the 2021 Fashion Transparency index, Lindex scored 50 per cent which is among the top 26 brands out of 250 global fashion brands ranked. See the ranking [here](#).

Supporting human rights within the supply chain

All of our suppliers are required to follow a code of conduct that sets the basic requirements for working conditions such as wages, workplace safety, working hours and more. The Lindex code of conduct is based on the code from ETI (Ethical Trading Initiative), but ours has an enhanced focus on gender equality. See more on page 37.

Read more about how we work with our suppliers under 'Purchasing practices and long-term relationships' on page 13. See an overview of our impact under 'Advocating respect for human rights' on page 71.

Learn more about the ways we support our own employees, and how we work with diversity and inclusion, under 'The company' on page 8.

A photograph of a person's lower legs and feet. They are wearing white socks with two red horizontal stripes at the top. On their feet are dark blue sneakers with white laces and a white and red stripe on the side. The shoes are filled with a bouquet of flowers, including large orange-red proteas, smaller yellow flowers, and dried grasses. The person is standing on a light grey surface against a light blue background.

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 2 March 2021.

This report covers the calendar year from 1 January until 31 December 2021. Questions relating to this report can be directed to anna-karin.dahlberg@lindex.com

This report has been prepared in accordance with the GRI Standards: Core Option. Additional information about our ownership structure and organisational changes, as well as the Stockmann Group's annual reporting that covers integrated reviews of business operations, financials, governance, and sustainability, can be found in Swedish, Finnish, and English on the Stockmann Group's website.

Boundaries

This report covers the global activities of the Lindex group; that is AB Lindex and its wholly owned subsidiaries, six production offices in Asia and six country offices in Europe, Lindex stores and the Lindex-owned distribution centre in Sweden. The report also covers the Lindex share of the Stockmann Group's shared production activities in Asia. The report does not cover Lindex franchised stores, which totals 32 stores in ten 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.

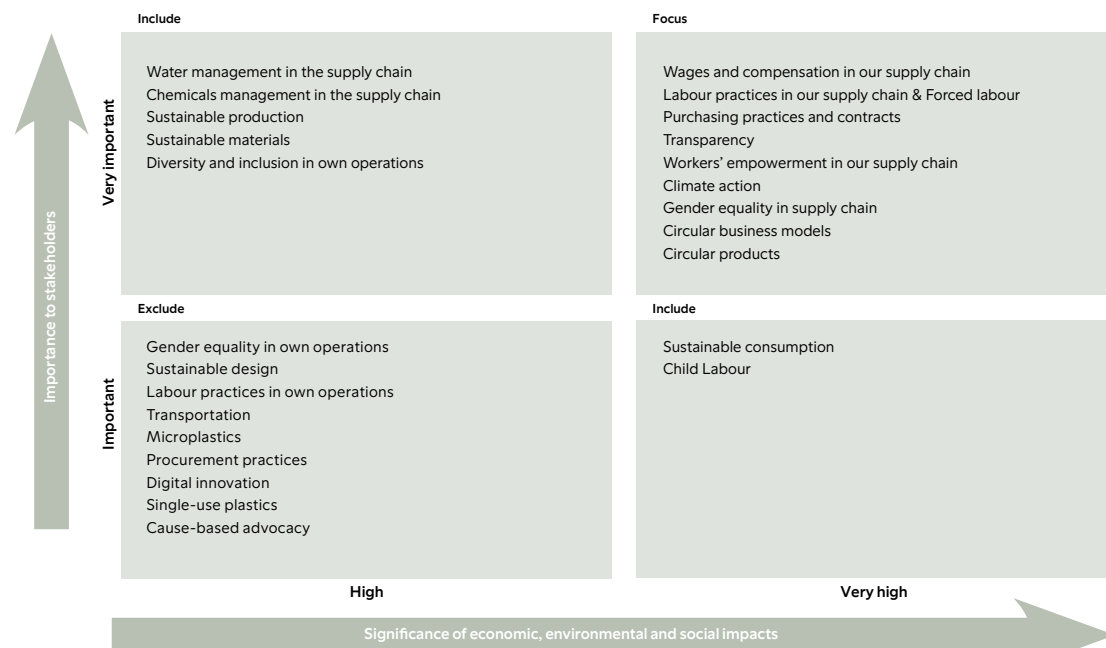
All findings, however, are being considered in ongoing strategy formulation.

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

The full policies are publicly available on our website.



GRI index

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 102: General disclosures 2016	102-1	Name of the organisation		Pg. 5 (Lindex at a glance)		
	102-2	Activities, brands, products, and services		Pg. 5 (Lindex at a glance)		
	102-3	Location of headquarters		Pg. 5 (Lindex at a glance)		
	102-4	Location of operations		Pg. 6 (Our structure)		
	102-5	Ownership and legal form		Pg. 5 (Lindex at a glance)		
	102-6	Markets served		Pg. 6 (Our structure)		
	102-7	Scale of the organisation		Pg. 5 (Lindex at a glance), Pg. 6 (Our structure)		
	102-8	Information on employees and other workers		Pg. 5 (Lindex at a glance), Pg. 6 (Our structure), Pg. 7 (Culture), Pg. 8 (Gender diversity), Pg. 10 (Leadership)		
	102-9	Supply chain		Pgs. 11-13 (Supply chains and purchasing), Pg. 73 (Living wages)	Additional information in note	Lindex publishes contact info for garment factories, processing units and fabric suppliers on Lindex.com .
	102-10	Significant changes to the organisation and its supply chain			See note	No significant changes in Lindex's operations apart from the impact of the COVID-19 pandemic on business and overall operations.
	102-11	Precautionary Principle or approach		Pg. 68 (Precautionary principle)		
	102-12	External initiatives		Pgs. 22-25 (Collaboration for impact)		Additional detail available from Stockmann's 2021 Corporate Social Responsibility Report (Key commitments, pg. 9).
	102-13	Membership of associations		Pg. 5 (Closely brand, Spacerpad AB), Pgs. 22-25 (Collaboration for impact)		Additional detail available from Stockmann's 2021 Corporate Social Responsibility Report (Key commitments, pg. 9).
	102-14	Statement from senior decision-maker		Pg. 4 (CEO letter)		

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 102: General disclosures 2016	102-16	Values, principles, standards, and norms of behavior		Pg. 5 (Purpose), Pg 7 (Culture, Values), Pg. 8 (Diversity, equity and inclusion), Pg. 9 (Employee engagement), Pg. 10 (Leadership), Pgs. 11-13 (Supply chains and purchasing), Pgs. 27-28 (Our promise), Pg. 37 (Lindex's code of conduct empowers women), Pg. 38 (WE Women by Lindex), Pg. 79 (Policies)		
	102-18	Governance structure		Pg. 6 (Our structure)		
	102-40	List of stakeholder groups		Pg. 79 (Materiality)		
	102-41	Collective bargaining agreements		Pg. 9 (Collective bargaining)		
	102-42	Identifying and selecting stakeholders		Pg. 79 (Materiality)		
	102-43	Approach to stakeholder engagement		Pg. 79 (Materiality)		
	102-44	Key topics and concerns raised		Pg. 18 (Lindex: a global company in a changing world), Pg. 21 (Digital innovation), Pg. 25 (Creating leverage), Pgs. 27-28 (Our promise), Pgs. 29-31 (Our goals), Pg. 79 (Materiality)		
	102-45	Entities included in the consolidated financial statements			See note	See Financial review: Consolidated financial statements and Notes to the consolidated financial statements (all annual reviews are available at year2021.stockmanngroup.com).
	102-46	Defining report content and topic boundaries		Pg. 79 (Report background)		
	102-47	List of material topics		Pg. 79 (Materiality)		
	102-48	Restatements of information			See note	In case of occurrence, this is reported in connection with relevant topic.
	102-49	Changes in reporting			See note	In case of occurrence, this is reported in connection with relevant topic.
	102-50	Reporting period		Pg. 79 (Report background)		
	102-51	Date of most recent report		Pg. 79 (Report background)		
102-52	Reporting cycle		Pg. 79 (Report background)			

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 102: General disclosures 2016	102-53	Contact point for questions regarding the report		Pg. 79 (Report background)		
	102-54	Claims of reporting in accordance with the GRI Standards		Pg. 79 (Report background)		
	102-55	GRI content index		Pg. 80 (GRI content index)		
	102-56	External assurance		Pg. 79 (Report background)		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary			See note	The management approach is presented in connection with each material topic.
	103-2	The management approach and its components			See note	The management approach is presented in connection with each material topic.
	103-3	Evaluation of the management approach			See note	The management approach is presented in connection with each material topic.
Economics						
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Inside the organisation		See note	See Stockmann's 2021 Corporate Social Responsibility Report (Sustainable business approach on pgs. 40-44 and Responsible work community on pgs. 32-39).
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Outside the organisation	Pg. 5 (Closely brand, Spacerpad AB), Pg. 36 (Building a future-proof industry), Pg. 39 (Women's Café), Pg. 40 (Women's health), Pg. 41 (CottonConnect funding to support women's development), Pg. 63 (Responsible water strategy), Pgs. 64-65 (WaterAid), Pg. 74 (Impact summary)		
Environmental						
GRI 301: Materials 2016	Own indicator	Share of more sustainable materials used in our garments	Outside the organisation	Pg. 58 (Materials)		
	301-2	Recycled input materials used	Outside the organisation	Pg. 58 (Materials we use in our collections)		
	Own indicator	Collected textile through Lindex stores	Inside and outside the organisation	Pg. 30 (Goals: Respect the planet)		
GRI 302: Energy 2016	302-4	Reduction of energy consumption	Outside the organisation	Pgs. 49-50 (Taking climate action)		

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 303: Water 2016	Own indicator	Initiatives for more sustainable water management	Outside the organisation	Pg 41 (CottonConnect funding to support women's development), Pg. 63 (Responsible water strategy), Pgs. 64-65 (WaterAid), Pgs. 66-67 (Responsible chemistry strategy), Pg. 74 (Impact summary)		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Inside and outside the organisation	Pg. 50 (chart)	See note	Additional detail available from Stockmann's 2021 Corporate Social Responsibility Report (Sustainable shopping environment, pgs. 26-31).
	305-2	Energy indirect (Scope 2) GHG emissions	Inside and outside the organisation	Pg. 50 (chart)	See note	Additional detail available from Stockmann's 2021 Corporate Social Responsibility Report (Sustainable shopping environment, pgs. 26-31).
	305-3	Other indirect (Scope 3) GHG emissions	Inside and outside the organisation	Pg. 50 (chart), Pg. 50 (Focusing on scope 3), Pgs. 51-52 (Climate in production), Pg. 52 (Transport)	See note	Additional detail available from Stockmann's 2021 Corporate Social Responsibility Report (Sustainable shopping environment, pgs. 26-31).
GRI 306: Effluents and waste 2016	Own indicator	Share of stores with recycling systems	Inside and outside the organisation	Pg. 30 (Goals: Respect the planet)		
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Inside and outside the organisation		See note	We have not identified any non-compliance with environmental laws and/or regulations.
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Inside and outside the organisation	Pgs. 11-14 (Supply chains and purchasing), Pg. 66 (Innovation and transparency: The Bhive®), Pg. 67 (develoPPP, Partnering with IPE in China)		
Social						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inside the organisation		See note	New employee hires: 15.7%. Employee turnover: 14.1%. The information has not been broken down by age group and gender due to limitations in the data.
GRI 403: Occupational health and safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Inside the organisation	Pg. 10 (Health and safety in our own operations)	Information unavailable, see note	Due to limitations in the data we report on the total rate of sickness absence (5.5%). In total, there were 68 work-related injuries reported in 2021.
	Own indicator	Remediation rate of issues found through Accord inspections	Outside the organisation	Pg. 72 (the new International Accord for Health and Safety in the Textile and Garment Industry)		
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Inside the organisation		Information unavailable, see note	According to our employee survey in 2021 (with a total participation rate of 69%) we received a score of 91 on the question 'At work, I know what I'm expected to deliver.' We received a score of 79 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	Outside the organisation	Pg. 74 (Impact summary)		

GRI Standard	Disclosure number	Disclosure title	Topic boundary	Location of disclosure	Additional information or omissions	Note
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Inside the organisation	Pgs. 8-9 (Diversity, equity and inclusion)	Information unavailable, see note	Due to limitations in the data in 2021, we focused the reporting on gender.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Inside the organisation	Pg. 9 (Equal opportunities at Lindex)		
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	Outside the organisation	Pg. 73 (Freedom of association), Pgs. 75-76 (Challenges chart)		
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Outside the organisation	Pg. 12 (Zero tolerance issues), Pgs. 75-76 (Challenges chart)		
GRI 409: Forced and compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Outside the organisation	Pg. 72 (Forced labour), Pgs. 75-76 (Challenges chart)		
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Inside and outside the organisation	Pgs. 11-13 (Supply chains and purchasing), Pg. 14 (Self-assessments), Pg. 36 (Building a future-proof industry), Pg. 38 (WE Women by Lindex), Pg. 39 (Women's Cafe), Pg. 72 (Update: Myanmar), Pg. 74 (Impact summary)		
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Outside the organisation	Pgs. 11-13 (Supply chains and purchasing), Pg. 14 (Self-assessments)		
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Outside the organisation	Pg. 15-16 (Product safety and quality), Pg. 48 (Climate and structural change), Pgs. 49-52 (Taking climate action), Pgs. 62-63 (Being a water responsible company), Pgs. 66-67 (Responsible chemistry strategy), Pg. 68 (Cosmetics, Precautionary principle)		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Outside the organisation	Pg. 15-16 (Product safety and quality)		
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Inside and outside the organisation		See note	We have not identified any non-compliance with laws and regulations in the social and economic area.