



Accountable fashion

Lindex Corporate Social Responsibility

LINDEX®



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Lindex inspires women and their children with coordinated and value-for-money fashion. We have some 5000 employees and an annual turnover of just over SEK 5 billion. With some 350 stores in Sweden, Norway, Finland, Germany and the Baltic States, Lindex is one of Northern Europe's largest fashion chains. Lindex has its head office in Göteborg. Lindex is an international fashion company that sees ethnic and cultural diversity as a competitive advantage and all its employees share a keen interest in fashion, customers and retail.

Read more about Lindex at www.lindex.com



The world around us

We share this earth with well over six billion other people. We are all responsible for caring for each other, looking after our environment and making the world a good world to live in.

For Lindex, this means treating all our customers, employees, investors, shareholders and suppliers with respect and consideration. Caring for our environment gives us many positive benefits, such as better garment quality, satisfied customers and employees, improved sales and reduced environmental risks.

We integrate Corporate Social Responsibility (CSR) into our business and thus make it part of our daily work. We see Corporate Social Responsibility and fashion as totally compatible concepts.

So what can Lindex, which in global terms is a small company, do to bring about improvements and changes in these complex issues?

There is a great deal that we can do. However, change requires patience and a long-term approach. It is also about acting and thinking responsibly and in an accountable manner at every level in both larger and smaller perspectives.

By supporting the UN's Global Compact initiative, we put the pressure on ourselves and other companies to promote Corporate Social Responsibility around the world.

And with our membership in the BSCI, where we are now part of a greater European partnership, we and other companies will be able to bring about even greater change and improvements.

Göran Bille, President and CEO



Production

Lindex production offices throughout the world form an integrated part of our purchasing work.

We have production offices in Shanghai, Hong Kong and Guangzhou in China. We also have production offices in Istanbul, Turkey, New Delhi, India, Dhaka, Bangladesh and Karachi in Pakistan. Having a close presence to suppliers facilitates our Code of Conduct initiatives. It also offers the conditions to guide purchases to the right country in terms of price, quality and volume.

Our largest purchasing markets are China in Asia, and Turkey for purchases in Europe. These are followed by India, Bangladesh, Romania, Korea, Italy, Poland and Greece.

CSR

CSR stands for Corporate Social Responsibility and is a wide term that embraces everything from the working environment and environmental issues to a company's approach to human rights.

Fashion with care

Lindex does not own factories but works in partnership with independent textile producers in Europe and Asia. Many of the countries producing garments for us have a different outlook on working conditions and environmental issues than in the west.

Lindex, like other companies which work with developing countries, has the opportunity to improve working conditions and environmental impact in these countries, and it is our responsibility to do so.

Manufacturing clothes and other products in developing countries creates much-needed job openings, and of course production must take place under good conditions. For us, therefore, it is a matter of course that our suppliers should offer their employees good working environments and social conditions.

Our Code of Conduct work is based on respect for human rights and for the culture and work methods of each individual country. Together with our suppliers, we have implemented many improvements during the years we have worked with our Code of Conduct. However, there is much left to be done – it is a never-ending process.

Lindex's responsibility

Sara Winroth works on CSR issues at Lindex's head office in Gothenburg.

Sara, what is Lindex responsible for?

"Lindex has the opportunity to improve the situation for workers in the factories it uses for its production. We are working actively to secure long-term, sustainable development with good conditions at our textile suppliers' premises."

How can Lindex bring about change?

"We can't change the world single-handedly. We must cooperate with our suppliers. Under our Code of Conduct, we lay down requirements which our suppliers must follow. Cooperation and respect are keywords in our Code of Conduct work. Our efforts to achieve change take into account respect for human rights and other cultures and cooperation with our suppliers. We are convinced that the only way to bring about change is to do so gradually and to combine education with requirements and inspections."

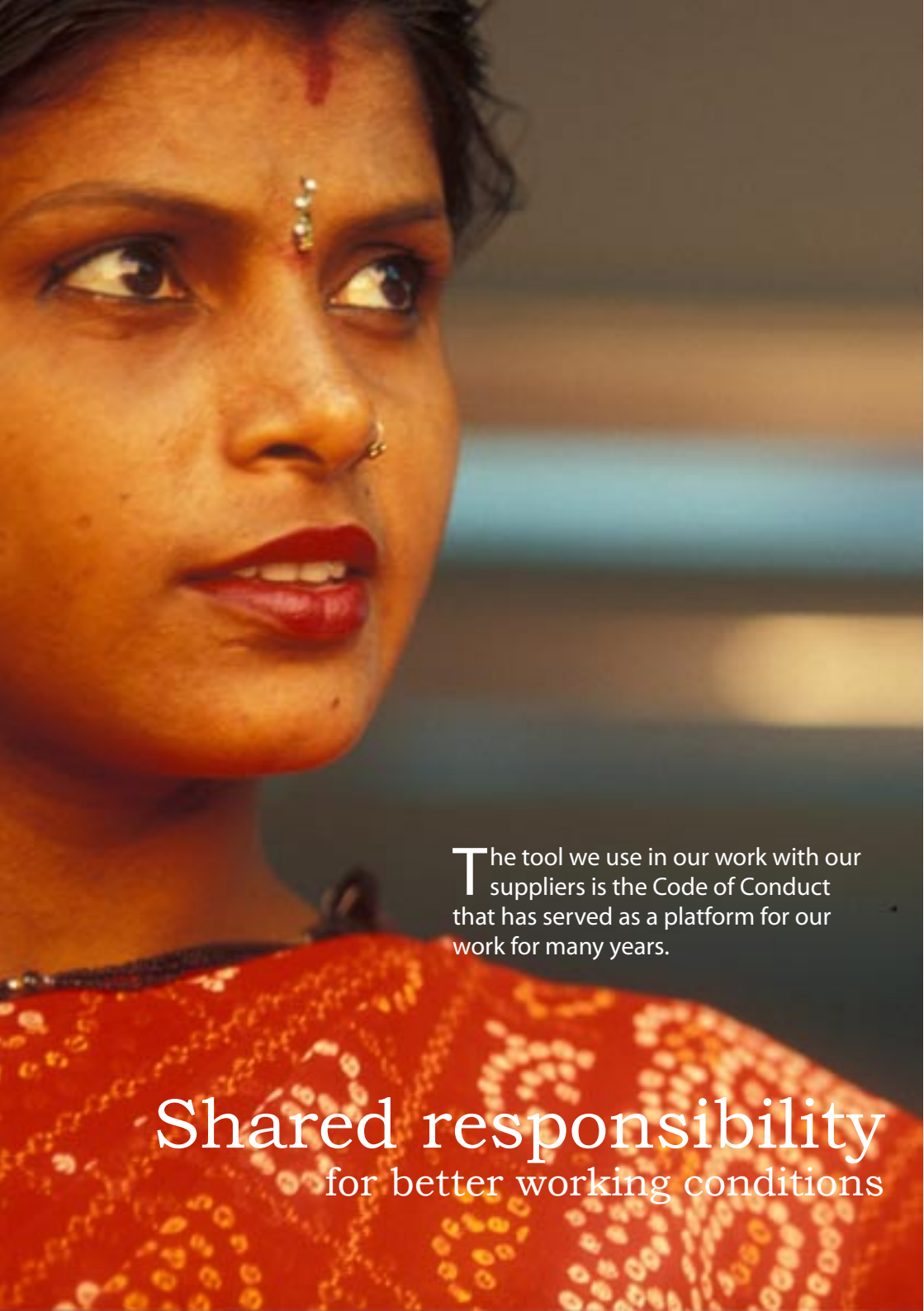
What are conditions like at Lindex suppliers' premises?

"They vary from country to country and even between regions in a given country. The biggest problems in the textile industry are unsatisfactory working hours and, in some cases, shortcomings in wage rates too."

Trade union affiliation is difficult in some countries and regions, either because it is an unknown concept or is purely and simply banned. Thankfully, child labour is very rare amongst our suppliers these days.

By signing our Code of Conduct, suppliers make a commitment to adhere to the requirements we lay down. In the event of repeated infringements, Lindex will consider terminating its cooperation with the supplier."





The tool we use in our work with our suppliers is the Code of Conduct that has served as a platform for our work for many years.

Shared responsibility
for better working conditions

Lindex Code of Conduct

Since spring 2004, the Lindex Code of Conduct has been part of the Business Social Compliance Initiative (BSCI), a collaboration between several European clothing chains that want to improve the social situation and working conditions in manufacturing countries.

We believe that we achieve better results by working together. All members of BSCI place the same demands on their suppliers. By taking a unified stance, we can exert much greater influence on suppliers than previously. Our words carry more weight when we join forces.

A collective code of conduct is also easier for suppliers to follow. Suppliers often manufacture products for several different companies and this used to mean there were many different codes of conduct, each varying in content and requirements. Now there's just one code to follow.

Independent inspections

There are periodical inspections in factories to check that Lindex suppliers are complying with the defined requirements. These inspections can take the form of announced visits and spot-checks by Lindex's own employees or independent inspections arranged through the agency of BSCI. The results of inspections made by BSCI are saved in a database which is available to all members. By coordinating these costly and time-consuming inspections, further resources can be invested in strengthening the collaboration with our suppliers in our joint efforts

for improved conditions in textile production.

The BSCI Code of Conduct is based on the UN's Declaration of Human Rights and Convention on the Rights of the Child as well as ILO's (International Labour Organisation) fundamental conventions. The Code of Conduct means that Lindex suppliers must follow current labour laws and other applicable laws, regulations and ordinances of the manufacturing country. The supplier must also allow Lindex and external, independent inspectors to check for compliance with the Code of Conduct.

The Lindex/BSCI Code of Conduct covers the following areas:

- 🌀 Legal Compliance
- 🌀 Freedom of Association and the Right to Collective Bargaining
- 🌀 Prohibition of Discrimination
- 🌀 Compensation
- 🌀 Working Hours
- 🌀 Workplace Safety
- 🌀 Prohibition of Child Labour
- 🌀 Prohibition of Forced Labour
- 🌀 Environment and Safety Issues

The BSCI Code of Conduct can be found at www.bsci-eu.org where you can also find more information and learn about who is behind the initiative.

Please visit the United Nations' website, www.un.org, to find out more about human rights.

UNICEF has more information about the UN's Convention on the Rights of the Child, www.unicef.org

For further information about ILO, please visit www.ilo.org

The Lindex Code of Conduct is part of the day-to-day work of employees at Lindex production offices around the world. By living and working there, close to production, Lindex employees can get to know the factories and develop long-term partnerships with our suppliers. We believe that a combination of independent and internal checks is the best way of improving our suppliers' working conditions.

At our production offices, we have full-time employees whose daily work involves ensuring that suppliers follow our Code of Conduct. One of them is Parveen Kalia, Code of Conduct Inspector at the Lindex office in New Delhi, India. Parveen tells us about a typical inspection day.

My day starts at 9.00 a.m. As I use slightly unreliable public transport here in Delhi's hectic traffic, my first major job of the day is to get to work on time. Once here, I drink a large glass of water, check my post and emails, go through previous inspections from the factory I'm going to visit, print out all documents and forms I'll need and get myself ready for the inspection.

When I arrive at the factory, we start with a meeting with factory management. At the meeting we discuss anything new in Lindex's working procedures, go through the inspection programme for the day and discuss the findings of the previous visit. I'm usually told that everything I pointed out last time has been acted upon and that this time there will be nothing to find fault with. It is always exciting to go out to the factory to see if this is really the case.

At the factory I go through its safety systems and working environment. I then check that lighting and sound, ventilation and temperature, and fire and safety systems are in order and that the machines comply with safety regulations.

After a tour round the factory it's time for probably the most important part of the inspection: interviews with the factory workers. I interview some employees by selecting them there and then. Others I have chosen in advance from the factory's payroll. Sometimes I notice that the interviewee has been instructed by the factory management to give the "right answers" to my questions, but by listening between the lines and asking the right follow-up questions, I get a good picture of actual working conditions at the factory. It is important to explain to the interviewee that I am there to help, and that his or her views may result in better conditions for everyone at the factory.

It's a really good day for me when the factory management wants to help and is more than willing to show me all the material that I ask to see. This usually means that they also show understanding, are keen to discuss issues and are willing to improve their working methods themselves. As luck has it, there are many companies like this in India.

The day finishes with another meeting with factory managers. We go through the results and when we have agreed on an action plan, I leave the factory and set off back to the office. I share the findings with my colleagues and we set up an internal follow-up plan.

My work means that, almost every day, I can improve the working situation for so many people. Could you have a better job than that?



A day at the factory with Parveen

"It is important that the factory workers know where they can contact me and that I am available between my inspections too," says Parveen.



A large, leafy tree stands in a field of green grass under a clear blue sky. The tree's canopy is dense and rounded, with many small leaves visible. The trunk is thick and dark, leaning slightly to the right. The background is a bright blue sky with a few wispy white clouds near the horizon.

A clean world

We apply a holistic approach to our environmental issues, working in a long-term perspective to make our contribution to sustainable development.

Environmentally aware

Lindex's environmental work is long established and the guidelines for its environmental policy comply with the ISO 14001 standard.

"We are strongly committed to environmental issues. Our environmental programme is part of our day-to-day work," says Maria Länje, who works on environmental issues at Lindex's head office. "Every other year, we define internal environmental goals for Lindex as a whole and for every single department. Environmental goals can include consideration of environmental requirements for building materials for our stores and purchasing of office materials and IT products," Maria continues.

One benefit gained from defining these internal goals is a reduction in paper consumption in our offices.

Lindex has laid down requirements relating to environmental impact at our suppliers' premises. These are based on the BSCI Code of Conduct with which we cooperate. These requirements cover waste management, chemical treatment and water purification.

"I believe that the requirements and focus on environmental issues in the textile industry will gradually increase. By joining forces through BSCI, we are a large body of companies that can lay down requirements and, in doing so, bring about change," concludes Maria.

Lindex's environmental policy

Commercial considerations

Lindex is prepared to assume its share of responsibility for tomorrow's environment. It is our view that the fashion industry and concern for the environment go hand in hand, and we are convinced that we can improve the environment without increasing the cost of our products or goods management processes.

Goal-oriented

All Lindex departments set environmental goals for their work, covering all the essential aspects of our environmental impact. We regularly evaluate the environmental goals and make decisions on ways to improve our working methods. In our environmental work we see legislation as setting merely the bare minimum requirements.

Collaboration

Every aspect of our business affects the environment, so we apply a holistic view to environmental issues.

We see our environmental work as a continual process involving customers, staff, suppliers and authorities. In our collaboration with our suppliers we emphasise the importance of environmental considerations.

We train our staff in environmental issues and harness their enthusiasm and commitment to improve the environment for future generations.

Simplicity

Environmental work at Lindex is decentralised and a natural part of day-to-day work. Our everyday activities are the proving ground for the company's environmental policy.

Environment in day-to-day work

Lindex's environmental work must form part of the day-to-day work and an environmental approach must be present in all our processes.

Our employees' knowledge and commitment must be an important part of this work. All Lindex employees therefore take part in environmental training. Each store has an environmental manual with instructions on environmental topics such as sorting waste materials.

"We can't just manufacture without taking responsibility," says Ann-Therese Samuelsson, store manager and environmental coordinator for Lindex stores in Sweden. Her work involves defining environmental goals for the stores and ensuring that all stores go through the environmental training programme.

"In the stores, it's all about finding good, environmentally-friendly solutions in our day-to-day work. These might be solutions for waste disposal or thinking

about how we use electricity in the store. Not switching on all the lights and spotlights until it's time to open is one example," says Ann-Therese. "The difference in energy consumption for one store is not that great, but when you look at many stores and many lights we can save a great deal of energy, which is possibly an obvious solution," she continues.

"I do believe that our customers are quite environmentally aware today, and one thing that each customer could think about is how we do our washing. Cut down on the amount of washing detergent, air the clothes and perhaps even add a touch of environmental planning to the family's wardrobe by including materials and colours that can be washed together. When it comes to our environment, it's important that we understand what we are doing, and that we have an influence and actually do something for it," concludes Ann-Therese.



"We can't just manufacture without taking responsibility," says Ann-Therese Samuelsson, store manager and environmental coordinator for Lindex stores in Sweden.

Washing advice for a clean environment

We take responsibility for tomorrow's environment. So can you. Follow our washing advice and preserve your clothes and the environment for longer.

Don't use more than necessary

You'll still get your washing clean. Too much detergent will soon affect your wash and your machine will not rinse optimally. Find out whether you are in a hard or soft water area and follow the detergent dosage instructions. Soft water does not require as much detergent as hard.

Do not use fabric conditioners unless you have to

Fabric conditioners are not just a needless cost, they also release an unnecessary amount of chemicals into the environment.

Choose an environmentally-labelled detergent

Environmentally-labelled detergents protect the environment. Try to use a phosphate-free detergent if you are not connected to a district wastewater treatment plant, as phosphates are implicated in the over-fertilisation of lakes and watercourses.

Adjust the washing temperature

A 40-degree wash uses half the energy of a 60-degree wash.

Fill the washing machine and balance the load well

If you only have a small wash, use an economy programme. Most modern-day machines have these. The drying process in a tumble-dryer or airing cupboard uses energy. By balancing the clothes correctly, the drying cycle does not have to be so long. Allow clothes to dry naturally if possible.

Air and brush the clothes

We often wash our clothes before they are really dirty. Sometimes, it's enough to air and brush clothes. It helps them last longer.

Recycle clothes

If you are going to throw your clothes out, place them in a clothes bank or give them to a charity organisation which will pass them on to the needy. Alternatively, take them to a second-hand shop which will sell the clothes on and so increase their life.



No harmful substances

Some chemicals used in textile production can be harmful to humans and the environment. We don't want such substances in our clothes.

Consequently, we place stringent demands on our suppliers with regard to which chemicals are used to manufacture our garments. When our suppliers sign agreements with us, they undertake to comply with our restrictions on the

use of chemicals. Our stop-list includes chemicals which must not be used at all and chemicals which may be used within certain limit values. We conduct routine chemical checks to ensure that our suppliers are complying with our restrictions.

In 2005, we carried out extended chemicals checks on our garments, checking for the presence of heavy metals, the PH value, formaldehyde and PVC. The results were very good.

Clothing on the move

We transport goods and make business trips which affect the environment. We consign clothing from ports and airports around the world several times a week.

Most of Lindex's goods are transported by ship. Other forms of transport are truck, train and aeroplane. Air is the form of transport we use least, but has the biggest impact on our environment. With this in mind, we are endeavouring to reduce air transport as a regular method of transport.

In our travel policy, we recommend travelling by train rather than flying. We are connected to a car pool which gives

us access to eco-friendly hybrid cars. We are increasing our use of video and teleconferences to reduce business travel.

More eco-friendly transport

Lindex, the Swedish Road Administration and a number of Swedish fashion chains are engaged in a two-year project to create safer and more eco-friendly transport. The idea is for the companies to draw on each others' experience and together formulate requirements designed to suit the Swedish fashion industry. The project's priority areas are: reduction of emissions, safe speeds, seat belt use, elimination of driving under the influence of alcohol/drugs and safe vehicles.



Friendly packaging

Lindex has a packaging policy setting out requirements and instructions which apply to all our packaging and labels used to sell and present our goods. This means that we must use a minimal amount of materials, packaging and labels.

Sales packaging and labels play a key role in how our products are presented to our customers. The packaging we use must also protect our goods.

We must select materials which have as little environmental impact as possible. Under the EU's packaging directive, the content of the heavy metals lead, cadmium, mercury and chromium in packaging must lie below the specified value. To make waste sorting as easy as possible we avoid using composite materials as far as possible and by labelling our packaging with recycling instructions.

We also take responsibility for ensuring that the company's packaging is dealt with after the customer has bought the product by paying packaging charges in all our countries of sale. At the same time, we specify which materials our suppliers must use. We also issue instructions to our employees involved in the production of packaging and labels.

Green electricity

All Lindex stores and offices use green electricity. Green electricity comes from renewable energy sources such as the sun, wind, water and biofuels. Green electricity has less effect on the greenhouse effect than standard electricity and by choosing this alternative, Lindex is playing its part in a more sustainable development of our environment.

Environmental fund

Lindex has been environmentally approved by Robur's environmental fund. The explanatory statement: "For several years, Lindex has been evaluating its suppliers by means of a Code of Conduct. A special Code of Conduct for the environmental area was produced in 2000 and, at the start of 2003, the first separate environmental assessments of suppliers were conducted. The Lindex environmental management system in accordance with the ISO 14001 standard was completed in 2000, and the company now works with concrete environmental goals and extensive

Climate Duel

For some years now the magazine Sveriges Natur has assessed the climate work of Swedish companies by staging its Climate Duel. The Climate Duel compares carbon dioxide emissions and environmental action of companies in the same sector. In 2004, Lindex won the duel!

Five stars

Lindex reduced carbon dioxide emissions by 10 percent between 2003 and 2004. As a result, Lindex was awarded the maximum five stars in Folksam's annual climate assessment.



The Global Compact

The Global Compact has been established by the UN to promote responsible corporate citizenship throughout the world. By supporting The Global Compact, Lindex undertakes to implement and integrate the following ten principles into its day-to-day work.

Human Rights

1. We as a company will support and protect internationally proclaimed human rights wherever we can take part and have an influence; and
2. We shall ensure that we are not complicit in human rights abuses.

Labour standards

3. We shall uphold freedom of association and the effective recognition of the right to collective bargaining;
4. We shall take part in the abolition of all forms of forced and compulsory labour;
5. We shall take part in the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. The company will support a precautionary approach to environmental challenges;
8. The company will undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. We shall actively work against all forms of corruption, including extortion and bribery.

We shall also participate in and disseminate these principles and, in doing so, encourage other companies to support The Global Compact.

To learn more about The Global Compact and to see which companies have adopted the principles and follow-up on Lindex's progress on following the principles, please visit: www.unglobalcompact.org