



Lindab Life

Sustainability Report 2013

Extracted from Lindab's Annual Report 2013



We simplify construction



A word from the CEO

Small, rapid steps **into the future**

At the time of writing, I will soon have been at Lindab for a year. It has been a most enjoyable and eventful year. We concluded 2013 with increased sales, boosted by mild winter weather and somewhat better markets toward the end of the year. At the same time, I perceive a clear sense of purpose among our more than 4,000 employees to demonstrate that Lindab is a company that can once again grow and capture market shares. This is accompanied by pride in what Lindab is and stands for. We provide our customers with a broad offering of leading solutions, we have several strong brands, our distribution network is the most comprehensive in Europe and we have efficient production and logistics. This position is the result of more than 50 years of sound work, in which such values as neatness and order, customer success and being down to earth have permeated the operations. Preserving this corporate culture and entrepreneurial spirit as we take the next step in our development is perhaps my most important task.

One Lindab

During the year, we conducted a comprehensive and necessary reorganisation. The earlier division into three separate business areas resulted in "three companies in one." With the new organisational structure, we will have shorter and more rapid paths of decision-making and a closer proximity to the market. Naturally, that is where we should always be. Close to the market. Sensitive to our customers' needs – both today and tomorrow. The contribution of our solutions in simplifying construction must be tangible throughout the chain – from product development via logistics and purchasing to the customer. With a flatter and more cohesive organisation, it is easier to think as One Lindab

and for whom we actually exist. The level of activity increased in all of our operations in 2013 – with new distribution agreements, project sales, product launches and many large orders – this signifies an optimistic company that wants to take the lead in development of energy-efficient buildings with healthy indoor climate.

Strong finances

The ability to successfully implement proactive measures requires access to strong finances. In addition to implementing the final phase of a comprehensive cost-saving programme of SEK 200 million during the year, we are undertaking ongoing efficiency-enhancements of the operation, including the launch of Lean methods throughout the Group. The successful effort of recent years in keeping costs down has enabled us to increase profitability despite weak sales. The trend in 2013 was no exception. The operating margin reached 7.6 percent and we improved cash flow to SEK 620 million. This resulted in a debt/equity ratio of 0.5 at year-end, the lowest level since 1999, which provides scope for flexibility. At the same time, through a new internal financial target, return on capital employed, we are placing focus on profitability in all new activities. This enhances our possibilities for creating sustainable and profitable growth.

Leading solutions

The market outlook is somewhat brighter for 2014, driven by the residential segment, where in Sweden and other countries, there is a major need for new construction and the renovation of existing portfolio. Of our sales in 2013, only 20 percent comprised residential. But with the market's best solutions for, for example, ventilation, indoor climate and building systems in the

non-residential construction segment, we have many opportunities to also compete successfully for more residential projects, particularly in respect of the EU directive on reduced energy consumption in new buildings. We have said it before, but it is worth repeating: when the demand for energy-efficient industrial and residential buildings with a good indoor climate gathers momentum, we have an excellent launching pad with the best solutions.

Into the future

We did very well in 2013. Now we need to increase the pace, continue to capture business and develop new solutions that simplify construction and increase our customers' competitiveness. The same applies to other parts of our operations, such as the focused sustainability work and our ambition to establish the best work environment in the industry, with fewer workplace accidents. There is strong confidence throughout the organisation in our possibilities to strengthen our position. By focusing on the right activities and investing wisely, we will create profitable growth even if market recovery takes time. What we need to take with us as we step into the future is that we must not sit still and count on the market doing our job – we need to do it ourselves. Energy and entrepreneurial spirit are Lindab's strengths today, tomorrow and in the next 50 years. I believe in evolution, rather than revolution. Many small steps at a rapid pace – in the same direction.

Grevie, March 2014

Anders Berg
President and CEO

How we create value

How we develop our employees

Lindab's operations include approximately 4,400 employees at 157 locations in 32 countries. In addition to continuing to build a successful corporate culture based on strong core values, the focus is on simplifying and facilitating local employee development through various central initiatives.

In the new organisation, with its emphasis on One Lindab, centralised guidelines have been introduced together with principles for various HR processes such as recruitment, induction training and performance reviews. These initiatives will facilitate local efforts to recruit and retain the best employees. Additionally, there are existing initiatives such as Talent Review and Succession Planning, which support the identification and development of potential replacements in key positions. These initiatives were key factors behind the internal recruitment of the new operational management, in conjunction with the reorganisation in autumn 2013.

Provision of key skills

In addition to the internal recruitment above, key skills are provided to many areas of the Group, in order to satisfy various needs depending on the market. In Yaroslavl, Russia, where the Building Systems has a major production plant, 184 people have been recruited in recent years, including engineers within various functions. The expansion is due to the favourable long-term growth opportunities for the Group in Russia and CIS. To be able to grow with new, own branches, it is important to find the right skills in areas such as sales and logistics. In the coming years, as Lindab intends to expand its branch network in countries such

as Sweden, Norway and France, continuous recruitment efforts will be undertaken to find the best employees. One area where expertise is critical for successful development is within the company's own product development. Continued training of Lindab's R&D organisation helps strengthen the company's expertise in key product areas.

Strong leadership is crucial

Strong, dedicated leaders contribute to an environment that facilitates the identification and development of new, successful managers. This approach is central to Lindab's future commitment to make the Group's leadership the best in the industry through various initiatives. Several units within the Group have a Lindab Academy where the company's employees and customers are trained in Lindab's products, technologies and systems.





Strong leadership is crucial

"I am absolutely convinced that good safety is linked to strong leadership. Strong and dedicated leaders not only bring about good business, they also contribute to a safe and good work environment, a positive work atmosphere, and in particular an LTIF trending toward zero."

Anders Berg, President and CEO

Preventative health care

Lindab is actively working with preventive health care on an individual, team and company level. To support a healthy and safe working environment, employees are offered health profiles, ergonomic aids and traditional health checks. Emphasis is placed on encouraging employees to lead an active and healthy lifestyle. This is supported with coaching, some financial support and includes physical activity, balanced diet and balance between work and leisure.

Safe working environment is a top priority

Lindab has a clear vision that there should be zero accidents at work. Efforts to create a safe working environment are given top priority and there is strong commitment to this throughout the Group. The areas that are being focused on include changing attitudes, clarifying responsibilities and establishing order in all production-related processes. The effectiveness of health

and safety is measured using the international metric LTIF, which specifies the number of accidents per million hours worked. LTIF is measured continuously for each business and production unit, making it simple to monitor improvements and make comparisons. Units with low or declining LTIF serve as good examples. The last two years of extensive work to improve the Group's work environment has resulted in an LTIF decrease from 17.1 to 12.3.

Training collaborations

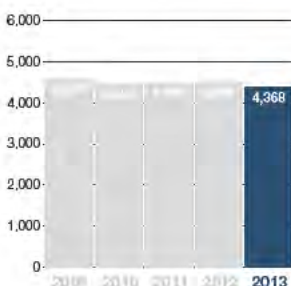
Lindab has a long history of successful partnerships with schools and universities in many of the countries where the Group operates. Employees participate as guest lecturers, while students are offered internship placements at Lindab and assisted in their thesis work. In Batorbagy in Hungary, active efforts are under way to increase contact with universities in the region through student visits, contributions to the curriculum and collaborations with

various research programmes and professorships. In Sweden, through the employers' organisation Teknikföretagen, Lindab is involved in "Teknikcollege", which is aimed at boosting the appeal and quality of technically-oriented courses. During the year, Lindab has started promoting itself more actively at technical institutes and participates in many career fairs.

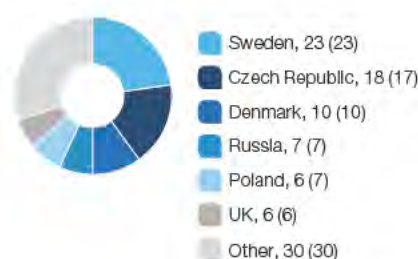


Linside is Lindab's new internal magazine.

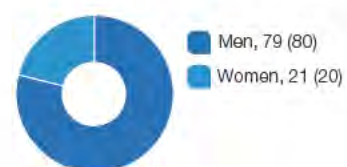
Average number of employees



Geographical distribution of employees, %



Gender distribution, %



LTIF 12.3

Lindab measures and monitors its safety efforts using the international metric LTIF, which specifies the number of accidents per million hours worked. Since January 2012, the LTIF has fallen from 17.1 to 12.3.

Our key responsibilities

Creating sustainable development and taking social responsibility have always been fundamental to Lindab. The current priorities for this work are based on a dialogue with the company's stakeholders. In 2013, Lindab has continued to focus its efforts within areas concerning the working environment, business ethics, energy-efficiency, climate and environmental impacts.

The basis for Lindab's work with social responsibility is to achieve positive outcomes for the business and its employees as well as for the environment and society. Guidelines regarding daily conduct within this field are combined under the Lindab Life concept. It summarises how Lindab will act and behave towards customers, suppliers and other partners. Lindab Life also governs its behaviour towards employees and the communities in which the company is present. Furthermore, it covers every significant environmental issue from a process and a product perspective.

Throughout the Group, Lindab has implemented a clear regulatory framework – Code of Ethics – dealing with perceptions regarding sustainable business ethics. The code is based on the UN Convention on Human Rights and describes the principles regarding how employees should behave in their relations with other employees, shareholders, business partners and other stakeholders. No violations of the Group's ethical rules have been reported in 2013.

The Code of Ethics and the company's core values play a central role in Lindab's organisation and its operations. Together with the UN's Global Compact, the sustainability reporting in accordance with GRI and ISO 26000 comprise the cornerstones necessary for building a strong brand.

The risk of violations regarding factors such as oppression, child labour and forced labour is considered to be low for the Group. No violations have been reported for the Group in 2013. Lindab does not tolerate abuse and discrimination and strives for diversity and equality. Every employee also has the right to form, join or refrain from participation in trade unions or other organisations that engage in collective bargaining.

Lindab receives various government grants for its operations. In 2013, these amounted to SEK 25 m. The majority, 53 percent, was state support in Russia in the form of establishment grants. In Luxembourg, investment support of SEK 3.5 m was received. The remainder consisted mostly of training and transport subsidies.

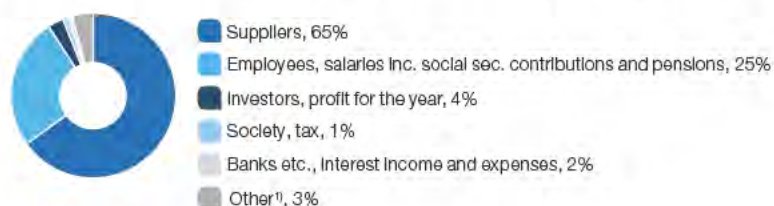


Lindab's social responsibility and Lindab Life are based on the following guidelines and control instruments:

- **ISO 26000** – Guidelines for social responsibility.
- **Global Compact** – Guidelines on human rights, environment etc.
- **Global Reporting Initiative, GRI** – Sustainability reporting guidelines. Lindab reports under GRI level C.
- **Greenhouse Gas Protocol** – Guidelines for calculating greenhouse gas emissions.
- **Lindab Code of Ethics** – Comprehensive internal policy document specifying the approach.
- **Lindab's core values**, see page 12.

Distribution of revenue by stakeholder

Lindab's sales revenue in 2013 amounted to SEK 6,523 m (6,656), comprising sales of the company's products and services. Most of this distributed among the company's stakeholders.



¹⁾ Other consists of items that cannot be attributed to individual stakeholders. This items mainly comprises depreciation, write-down of goodwill, exchange rate differences and capital gains on the sale of assets.

Whistleblower

It is important that all employees respond and act when deviations occur from the principles of Lindab Life. Part of Lindab's Code of Ethics therefore describes the "whistleblower" function – the opportunity for all employees to anonymously report abuses that are contrary to Lindab Life. No notifications have been received in 2013.

For information about Lindab's reporting in accordance with GRI level C, see the index on page 112.



Lindab Life consists of four areas – Business, Environment, Employees and Society – which also act as a framework for reporting the company's sustainability work.

Business

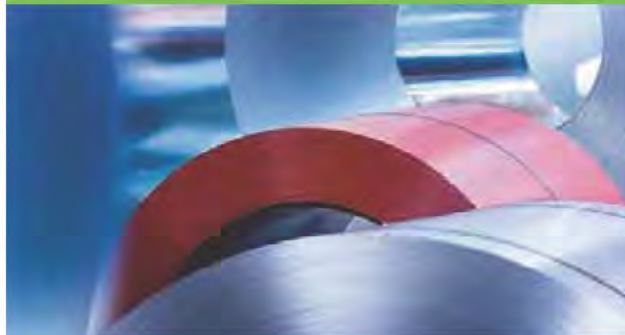
Solutions that simplify



Lindab delivers solutions and systems for ventilation, construction and interior climate that are energy efficient and easy to install.

Environment

Continuous environmental improvements



In Lindab's facilities, the production is continuously optimised, meaning reduced material consumption and lower energy consumption. Read more about Lindab's environmental work on page 113.

Employees

Focus on leadership



Strong and dedicated leaders contribute to an environment that facilitates the identification and development of new, successful managers. Leadership is an important area where Lindab will intensify its efforts.

Society

Strong local commitment



Lindab has operations in 32 countries in a total of 157 locations. Collaboration takes place locally with various organisations in order to boost the appeal and competitiveness of the local community.

Work in practice

Social responsibility (SR) is fundamental to Lindab's entire business. The CEO and Group management are responsible for all work within the SR, which is then pursued continuously by a group of employees from the Legal, Finance, Purchasing, HR and Communication functions. The priorities for the work are based on a dialogue with the company's stakeholders.



Priorities determined through stakeholder dialogue

Lindab's stakeholders primarily consist of customers, suppliers, investors, employees and society. During the year, dialogue has taken place with representatives for these groups aimed at discussing the issues deemed most important for the company. Based upon the exchanges in these stakeholder dialogues, a materiality analysis has been completed in which Lindab's priorities have been decided.



Priority issues

Safe work environment

Creating a safe working environment for employees is a top priority and the result is reported externally in quarterly reports. New rules have been introduced for reporting workplace injuries. In the event of a serious accident, the CEO must be contacted within 24 hours. LTIF is measured and evaluated continuously for the entire Group. This indicates the number of accidents per million hours worked. In 2013, the LTIF was 12.3 and the long-term target is for the LTIF to be 0.

Business ethics

Work regarding business ethics is described in detail in Lindab's Code of Ethics and the recently updated anti-corruption policy. Lindab has zero tolerance with regard to corruption. In 2013, all managers signed a document to indicate their support for the anti-corruption policy and in all business units, a risk assessment has been conducted to indicate the current status. In addition, a review was undertaken for all of Lindab's partners.

Climate and environmental impact

Lindab is continually working to enhance the efficiency of its own production, purchasing organisation and supply chain. This applies to all aspects such as time, materials and energy. The introduction of Lean throughout the organisation is an important step in this process and contributes to lower resource consumption thereby reducing the environmental impact. The Group's streamlining work meant that emissions of greenhouse gases per tonne continued to decrease in 2013 despite an increase in emissions in absolute terms as a result of newly acquired production units.

Energy efficiency

In its product development, Lindab always strives to help simplify construction in every phase of the construction process, in terms of the design phase as well as the actual product, its installation and delivery. The focus is primarily on developing new solutions for better indoor climate and energy consumption for both renovation and new builds. In 2013, a number of new successful solutions have been launched such as InDomo, EcoBuild and Lindab Solo.

GRI Index

The information presented relates to the calendar year for 2013 and, unless otherwise specified, extends to all operating subsidiaries that were included from the start of the year. Companies that were divested or ceased operations reported data for the time that they were active. The previous sustainability report was published in April 2013.

Lindab follows GRI guidelines for sustainability reporting, and reports through self-assessment in accordance with GRI level C.

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2.4 Location of headquarters	F	Note 1
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3. Report parameters		
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EN8 Total water withdrawal	P	p. 113
EN16 Total direct and indirect greenhouse-gas emissions	F	p. 113
EN18 Initiatives to reduce emissions of greenhouse gases	F	p. 38–41, p. 113
EN22 Total weight of waste by type and disposal method	P	p. 113
EN28 Fines and sanctions for noncompliance with environmental laws and legislation	F	p. 113
Performance indicators for labor practices and decent work		
LA1 Total workforce	P	p. 34–35, Note 6
LA2 Employee turnover	P	p. 34–35, Note 6
LA7 Work-related accidents and diseases	P	p. 35, p. 41, Note 6
LA13 Composition of the Board and management	F	p. 48
Performance indicators for human rights		
HR4 Total number of incidents of discrimination	F	p. 38
HR6 Operations identified as having significant risk for incidents of child labor	F	p. 38
HR7 Operations identified as having significant risk for incidents of forced labor	F	p. 38
Performance indicators for society		
SO2 Percentage and total number of business units analyzed for risks related to corruption	F	p. 38, p. 41
SO4 Actions taken in response to incidents of corruption	F	p. 38
Performance indicators for products		
PR1 Products and services impact on health and safety throughout the life-cycle	F	p. 17
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	F	p. 17
PR9 Monetary value of fines for noncompliance with laws and regulations concerning products and services	F	p. 17

N/A=Not applicable

F=Full

P=Partial

Lindab's environmental work

Lindab's continuous environmental work is governed by the environmental policy and environmental objectives. The direct responsibility for environmental issues resides with the local companies, with one person holding responsibility for the local environmental work. At Group level there is a central environmental function with responsibility for the development, coordination and monitoring of the environmental work.

Lindab's operations result in a relatively small environmental impact and the permits required are mainly business licenses for the industry. There were no violations of permit conditions or local environmental laws in 2013 or previously. The risk of accidents that could have a negative impact on the environment is considered very small. Lindab has also ensured that environmental risks associated with acquisitions or major changes are taken into consideration.

Energy and climate objectives

Lindab has set three long-term objectives aimed at reducing the Group's impact on the environment and climate. The objectives are based on the EU's climate objectives for 2020, with 2008 as the base year.

- Energy consumption will decrease by 20%
- 20% of energy will come from renewable sources
- Greenhouse gas emissions will decrease by 20%

Two acquired production units have been added since the previous sustainability report, Centrum

Klima in Poland and Lindab Panel in Luleå, Sweden. This has affected the energy consumption, amount of waste produced and emissions of greenhouse gases. Energy consumption and emissions of greenhouse gases have increased in absolute terms, but have decreased per tonne of steel produced. This is due to the energy-efficiency projects that are being conducted in several parts of the Group.

Emissions

Transport

Environmental demands are made in the central procurement of transportation. Consolidation and logistical planning also reduce the environmental impact of transport. The majority of packaging consists of renewable materials, which are recycled. Lindab's Carbon Footprint studies show that transport accounts for a fraction of the product's overall climate impact.

Production

Lindab's operations, with the manufacture of steel products, have a relatively small environmental impact. This can be small emissions of

dust, solvents from paint and metals into waste water. No unintended emissions have occurred during the year. Leakage checks on cooling/heating pump equipment are performed to prevent ozone-depleting substances from leaking out. No emissions have been recorded during the year. Independent inspections of the business show that no pollution has occurred that may require decontamination of soil or water.

Waste

The waste products generated during production comprise mainly scrap metal. The increase in the amount of scrap metal can be linked entirely to the two additional companies included in this year's report. The recovery rate is high. Scrap metal is recycled completely along with up to 90 percent of other waste. Some incoming and surplus packaging materials are reused on site. Anything not used is sorted and dealt with according to existing laws. Hazardous waste is collected by local waste management companies and there is no information as to whether any has been exported.

Chemicals

Lindab uses chemicals in production and is therefore affected by the EU's chemical legislation, REACH. The business is classed as a downstream user, since Lindab neither produces nor imports chemical products to the European market. Lindab's work in this area is mainly focused on communication with suppliers and customers about REACH related issues.

Consumption of raw materials

	2013	2012	2011
Steel, tonnes	185,000	183,000	193,000
Oils, m³	65	80*	80
Paint, tonnes	429	521	446
Solvents, m³	10	12	20
Rubber, tonnes	1,524	1,008	675

* Corrected

Consumption of packaging materials

	2013	2012	2011
Cardboard, tonnes	2,215	1,861	1,914
Plastic, tonnes	868	679	380
Wood, tonnes	7,643	7,424	7,290

Greenhouse gas emissions

	2013	2012	2011
Total, tonnes	63,552	55,987	61,086
Direct emissions, tonnes	12,537	11,349	11,896
Indirect emissions, tonnes	13,170	15,146	22,118
Other sources, tonnes	37,845	29,492	27,073

Water

	2013	2012	2011
Total water consumption, m³	180,726	169,676	175,864

Waste & scrap metal

	2013	2012	2011
Steel scrap, tonnes	16,400	13,491	14,574
Hazardous waste, tonnes	598	655	635
Total other waste, tonnes	5,377	4,345	4,705
Recycling rate, %	88	87	90

Energy

	2013	2012	2011
Total, TJ	396	370	396
Direct energy, TJ	207	185	198
Indirect energy, TJ	189	185	198

Energy consumption

