

Lindab Life

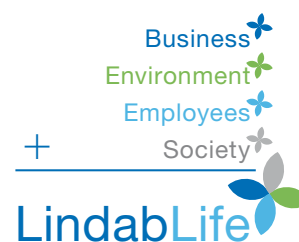


Sustainability Report 2014

Extracted from Lindab's Annual Report 2014

Lindab Life

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



At Lindab, we not only take responsibility for creating sustainable development through products and services that improve energy efficiency and reduce resource consumption, we also take responsibility for all the different stakeholders who might be affected by our activities in some way. Based on our clear framework for sustainability work – Lindab Life – during 2014, we continued to improve the working environment for our employees, set an even greater focus on business ethics and anti-corruption, reduced resource consumption in our production and increased investments in the development of products with a low environmental impact. This, and many other aspects of our sustainability work, is a natural part of our new strategy. During 2015, we will take a further step through our materiality analysis and the establishment of long-term sustainability strategy. Lindab will not only be a part of the future, but also a leader in sustainable growth.

A brief description of Lindab's sustainability work in 2014

- continued focus on business ethics and anti-corruption
- the number of accidents has continued to decrease which has reduced LTIF to 9.5 (12.3)
- a materiality analysis has been carried out as a first step to switching to GRI G4
- energy consumption and greenhouse gas emissions have been reduced per tonne produced

Anders Berg, President and CEO



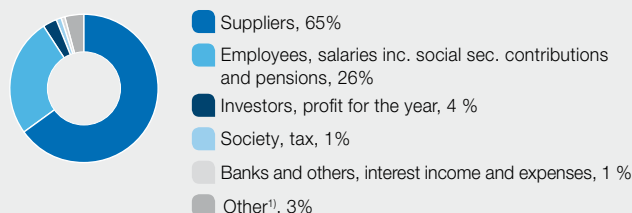
WE SUPPORT

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

- **ISO 26000** - guidelines for social responsibility.
- **Global Compact** – guidelines on human rights, environment etc.
- **Global Reporting Initiative, GRI** – sustainability reporting guidelines. Lindab reports in accordance with GRI level C.
- **Greenhouse Gas Protocol** – guidelines for calculating greenhouse gas emissions.
- **Lindab's Code of Ethics** – overall internal policy document that sets out Lindab's approach.
- **Lindab's core values** – Customer Success, Down to Earth and Neatness and Order.

Distribution of revenues to stakeholders

In 2014, Lindab's sales revenues amounted to SEK 7,003 m (6,523) comprising sales of the company's products and services. Most of this was distributed among the company's stakeholders.



¹⁾ Other consists of items that cannot be considered to be attributable to individual stakeholders. This item mainly consists of depreciation, impairment of goodwill, exchange rate differences and capital gains on the sale of assets.

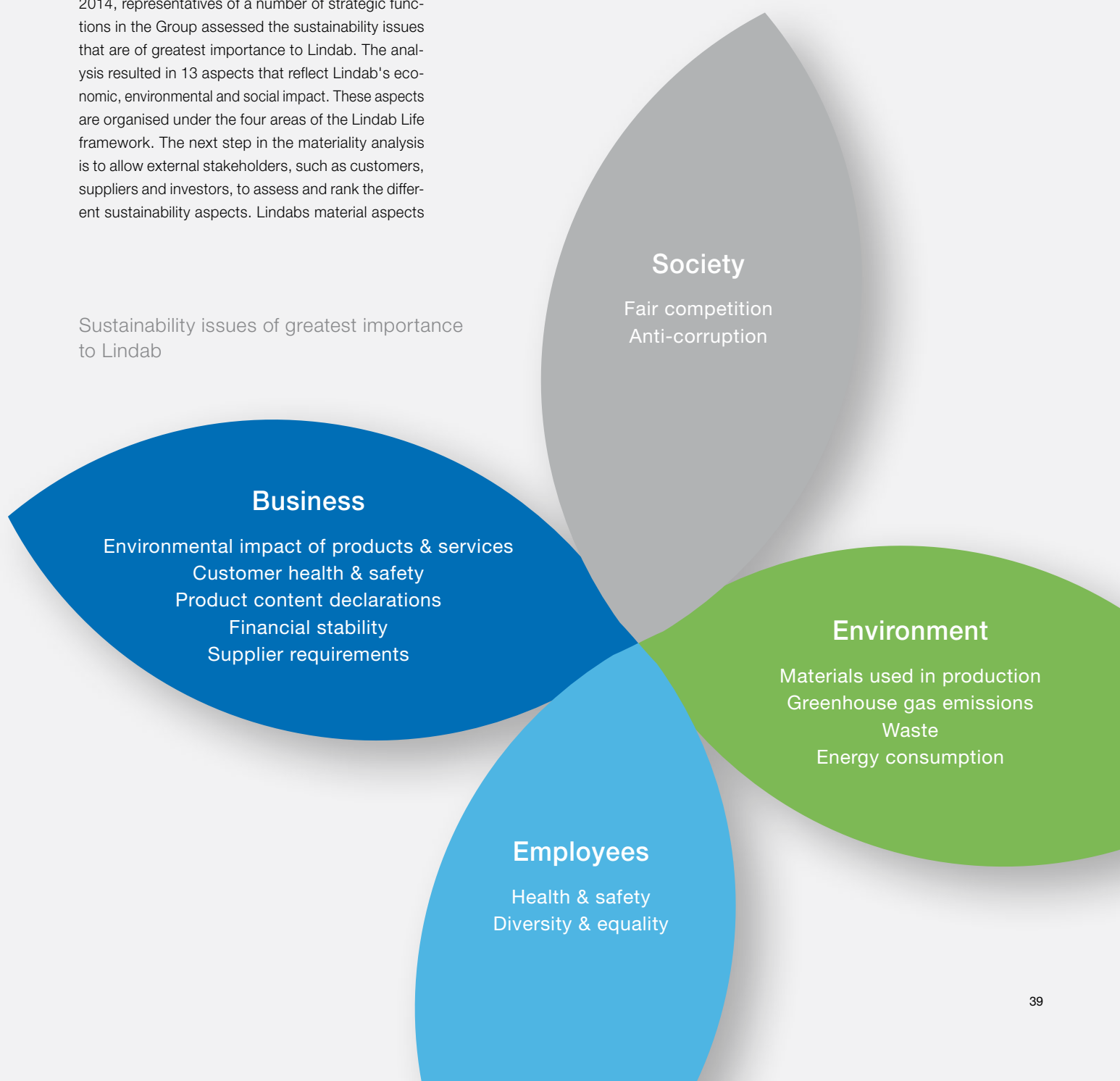
Lindab complies with the GRI sustainability reporting guidelines and reports at its discretion in accordance with GRI level C.

Materiality analysis

For the financial year 2015 Lindab will report on its sustainability work in accordance with the Global Reporting Initiatives (GRI) fourth generation guidelines (G4), level "Core". According to GRI G4 it is important to focus the sustainability report on the aspects that are most material to the company and its stakeholders. During 2014, representatives of a number of strategic functions in the Group assessed the sustainability issues that are of greatest importance to Lindab. The analysis resulted in 13 aspects that reflect Lindab's economic, environmental and social impact. These aspects are organised under the four areas of the Lindab Life framework. The next step in the materiality analysis is to allow external stakeholders, such as customers, suppliers and investors, to assess and rank the different sustainability aspects. Lindab's material aspects

will emerge by weighing stakeholders' views with the company's strategy, risk profile and actual or potential impact. During 2015, Lindab will also determine its sustainability strategy and clarify activities and objectives in prioritised areas.

Sustainability issues of greatest importance to Lindab



Environment

Lindab is engaged in several environmental projects, including the drive to increase energy efficiency and reduce the amount of scrap produced. These initiatives have contributed to a reduction in energy consumption and greenhouse gas emissions per tonne of steel produced. Lindab's ongoing environmental work is guided by its environmental policy. Direct responsibility for environmental issues rests with the local companies. At Group level, a central environmental function is responsible for the development, coordination and monitoring of environmental work. The permits required are mainly business licences for industry. No breaches of permit conditions or local environmental legislation occurred in 2014. The risk of accidents that could have a negative impact on the environment is considered remote. Lindab has ensured that environmental risks are taken into consideration when, for example, acquisitions or major changes are made. Compared with the previous sustainability report, no acquired production units have been added.

Production

The modern manufacturing processes used by Lindab in the production of steel products have a relatively limited impact on the environment. This might include small emissions of dust, solvents from paint and metals in waste water. No unforeseen emissions were reported during the year. Leakage inspections are made of cooling/heat pump equipment to prevent ozone-depleting substances from leaking out. No emissions were recorded during the year.

Transport

Consolidation and logistics planning reduce the impact of transport on the environment. Most packaging consists of renewable and recycled materials. Lindab's life-cycle analysis shows that transport accounts for a small part of the product's total impact on the climate. Environmental requirements are imposed on the central procurement of all transport.

Waste

The waste products generated during production consist primarily of scrap metal. Scrap metal is recovered completely and other waste is recycled up to nearly 90 percent. A proportion of incoming and surplus packaging materials is reused on site. Anything not used is sorted and disposed of in accordance with current legislation. Hazardous waste is taken care of by local waste management companies. There is no information available concerning the export of any hazardous waste.

Chemicals

Lindab uses chemicals in production and is subject to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) a regulation of the European Union. The business is defined as a downstream user as Lindab neither manufactures nor imports chemical products to the European market. Lindab's work in this area is mainly focused on communication with suppliers and customers on REACH-related issues.



Consolidation and logistics planning reduces the impact of transport on the environment. Most packaging consists of renewable and recycled materials.

Consumption of raw materials	2014	2013	2012
Steel, tonnes	209,000	185,000	183,000
Oils, m ³	61	65	80*
Paint, tonnes	373	429	521
Solvents, m ³	11	10	12
Rubber, tonnes	1,948	1,524	1,008

* Corrected

Waste & scrap metal	2014	2013	2012
Steel scrap, tonnes	16,461	16,400	13,491
Hazardous waste, tonnes	994	598	655
Total other waste, tonnes	5,150	5,377	4,345
Recovery rate, %	86	88	87

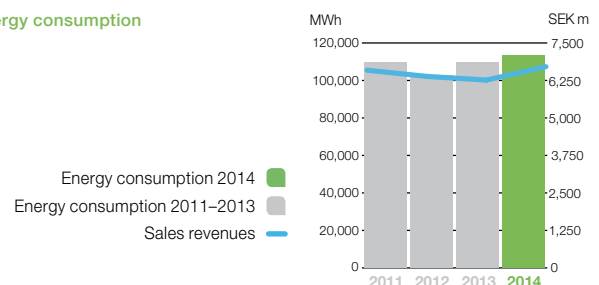
Greenhouse gas emissions	2014	2013	2012
In total, tonnes	64,524	63,552	55,987
Direct emissions, tonnes	12,588	12,537	11,349
Indirect emissions, tonnes	13,843	13,170	15,146
Other sources, tonnes	38,092	37,845	29,492

Consumption of packaging materials	2014	2013	2012
Corrugated cardboard, tonnes	2,717	2,215	1,861
Plastic, tonnes	1,216	868	679
Wood, tonnes	8,706	7,643	7,424

Energy	2014	2013	2012
Total, MWh	113,761	110,049	102,856
Direct energy, MWh	56,924	57,500	51,350
Indirect energy, MWh	56,837	52,549	51,507

1MWh=0.0036 TJ

Energy consumption



Employees

Lindab's business includes nearly 4,600 employees at 155 locations in 32 countries. In addition to continuing to build a successful corporate culture based on strong core values, the focus is on various key initiatives to simplify and facilitate local employee development.

Preventive healthcare

Lindab is working actively with preventive healthcare at individual, group and corporate level. In order to support a healthy, safe working environment, the establishment of health profiles, ergonomic aids and conventional health checks are offered. Great emphasis is placed on encouraging employees to adopt an active, healthy lifestyle. This is supported by coaching, with some financial contributions, and includes physical activity, a healthy diet and achieving a work-life balance.

Safe working environment a top priority

Lindab has a clear vision that the number of accidents at work should be zero. Efforts to create a safe working environment are, therefore, a top priority for the entire Group. Lindab's focus is on changing attitudes, clarifying responsibilities and establishing neatness and order in all production-related processes. The effectiveness of the health and safety work is measured by LTIF, the international metric that specifies the number of accidents per million hours worked. LTIF is measured continuously for each business and

production unit, making it easy to track improvement work and draw comparisons. Far-reaching work performed to improve the Group's working environment has led to a reduction in LTIF of 44 percent over the past three years.

Training

Lindab has a long history of successful partnerships with schools and universities in many of the countries in which the Group operates. Employees participate as guest lecturers, and students are offered an internship at Lindab and help with their degree projects. In September, a nine-month trainee programme for six recently-graduated engineers was launched in Sweden. During the year, Lindab also started to promote the company more actively in technical colleges and participated in a number of job fairs.

Human rights

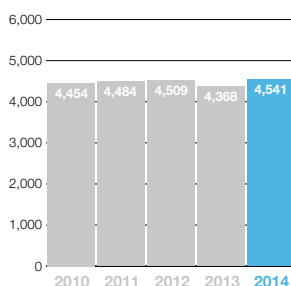
The risk of breaches relating to issues such as oppressive practices, child labour and forced labour is considered low within the Group. During the year, no breaches were reported. Lindab does not accept any form of abuse or discrimination, and is pro-actively working for diversity and equality. All employees have the right to form, join or refrain from participating in trade unions or other organisations engaged in collective bargaining.



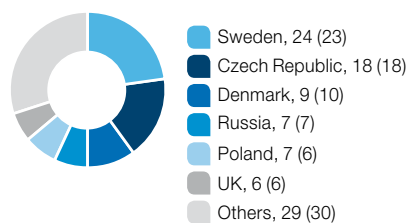
LTIF 9.5

Lindab measures and monitors safety work with LTIF, the international metric that indicates the number of accidents per million hours worked. Since January 2012, LTIF has dropped from 17.1 to 9.5.

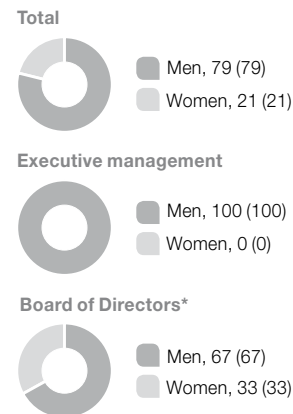
Average no. of employees



Geographical distribution of employees, %



Gender balance, %



*Members elected by the Annual General Meeting.

The gender balance at Lindab remained unchanged in 2014. In accordance with the new strategy, activities were initiated to increase diversity in the long term, including increasing the number of women appointed, at all levels of the Group.

Whistleblower

A part of Lindab's Code of Ethics describes the whistleblower function which gives every employee the opportunity to anonymously report abuses contrary to Lindab Life.

Business

Lindab is a driver in the development of more effective and resource-efficient construction. The focus is on finding solutions that will increase the degree of standardisation in construction projects, contribute to a lower use of resources in all phases and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customers' projects and installations.

Leading indoor climate system

Lindab invests considerable resources in developing market-leading indoor climate solutions and also works with various aspects of sustainability in areas such as surface coatings, soundproofing and solutions for passive and plus energy housing. Research and development projects are carried out in-house as well as in cooperation with suppliers, including work on strengths of materials, health and environmental aspects.

Quality-assured products

The products that Lindab develops are tested and evaluated continuously to ensure quality and functional-

ity are of the highest standard. Products are supplied with the documentation required by the various markets, such as user manuals, certificates and building product declarations. Lindab's products are also CE-marked in accordance with EU regulations. For many of the core products, details are provided concerning the product's carbon footprint, from extraction of the raw materials used in its manufacture to the point at which the product leaves Lindab's factories.

High quality appreciated by customers

The high quality and functionality of Lindab's products mean that any risk of a negative impact on health and safety is low. During the year, no breaches were identified in respect of the Group's provision of products or the impact of the products on health and safety. Lindab's annual customer survey clearly shows that the biggest reason by far for customers choosing Lindab's products is their high quality.



Lindab's intelligent VAV solution, Pascal, optimises energy use in an office environment consuming, on average, 55 percent less energy compared with a traditional ventilation system with variable flow.

Society

Lindab is involved in a range of activities to support local communities. By partnering various organisations and agencies in locations where Lindab operates, the aim is to contribute to a generally positive trend and to gradually strengthen the region's attractiveness and competitiveness to the benefit of both the community and Lindab. A contributory factor to Lindab's commitment is that most of the recruitment of new employees, as well as managers and other staff, takes place in the communities where Group units are located.

Ethics and anti-corruption

Lindab's Code of Ethics, which is implemented throughout the Group, describes a set of sustainable business ethics. The code is based on the UN Convention on Human Rights and describes the principles that should form the basis for the professional relationships employees have with each other as well

as with shareholders, business contacts and other stakeholders. No cases involving breaches of the Group's Code of Ethics were reported in 2014. The Group's work with business ethics is also described in detail in the recently updated anti-corruption policy. Lindab has zero tolerance for corruption. All managers have signed a document stating that they support the anti-corruption policy and, in all business units, a risk assessment of the situation in the area has been conducted. In addition, all of Lindab's business partners have been reviewed.

Government grants

Lindab receives various forms of government support for its business. During 2014, this amounted to approximately SEK 7.4 million and consisted, in principle, of grants for training and freight.



"You can always be a master with Lindab" is one of Lindab's sponsored campaigns in Romania, aimed at providing judo training for children and their parents. A good example of Lindab's local commitment.

GRI Index

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

The data presented here refers to the calendar year 2014 and, unless otherwise specified, covers all Group operating subsidiaries that were included from the start of the year. For those companies that were divested or ceased trading in 2014, data for the period they were operating is reported. The previous sustainability report was published in April 2014.

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N/A=Not applicable

F=Full

P=Partial