



SUSTAINABILITY REPORT

2017

ginatricot

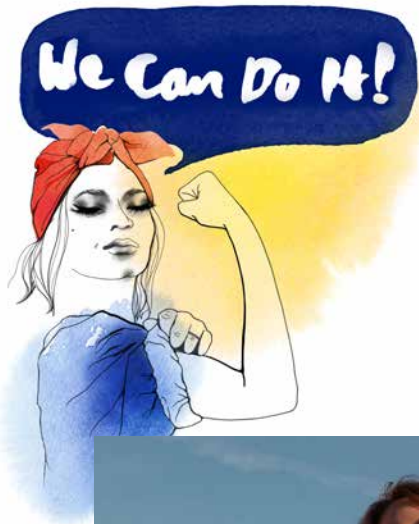


LOVE IS *universal.* SO IS *responsibility.*

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Photo: UN Women/Gustavo Stephan

20 Years of GINA TRICOT

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Time flies when you're having fun. In 2017, Gina Tricot celebrated its 20th birthday. We've had an incredible journey since then! In 20 years, we grew from one store in Gothenburg to over 180 stores in five countries and e-commerce sales to 23 more countries. We have nearly 2,000 employees, 97% of them women. Around 50% of our clothes are made of more sustainable materials and we have educated around 26,500 kids in Bangladesh with UNICEF, to name a few of our milestones.

Since I started as Gina Tricot's CEO in summer 2017, I was struck by the strong dedication of our employees to sustainability issues. Sustainability is well-integrated in our day-to-day activities and our 2028 goals for sustainable products and production are firmly anchored. The increase in our percentage of sustainable ma-

terials and decrease in air transport in 2017 are the result of determined efforts over time. I am also proud of the key partnerships we have. We can see that we are contributing to more sustainable production and to better lives for many people via initiatives such as amfori BSCI, our partnership with UNICEF in Bangladesh and the Accord on Fire and Building Safety in Bangladesh.. We did not hesitate to extend our involvement with the Accord after the initial contract term expires in May 2018. We are not done with the action plans that have been established and we can see a positive difference in our factories thanks to the work put in so far.

We are a part of the world around us and we want to be a part of the transition towards a more sustainable society. We place our sustainability efforts in a broader

perspective with the UN's 17 global Sustainable Development Goals, and in 2017 we looked into how we can link our efforts even more clearly to these global goals. We more or less address all 17 goals, but we ended up focusing on four of them:

- **Goal 5** – Gender Equality
- **Goal 8** – Decent Work and Economic Growth
- **Goal 12** – Responsible Consumption and Production
- **Goal 17** – Partnerships for the Goals

We strive to empower women by giving them inspiration and self-confidence through our clothes, as well as in our internal efforts and production chains. We were all touched by the #Metoo movement in 2017, and it was a no-brainer for us to do something about it right away. We took action and spread information within our organisation with a reminder that no abuse or harassment of any kind is welcome at Gina Tricot. In 2017, we also supported UN Women and their efforts for an equal world free of violence and discrimination towards girls and women.

This is the sixth year we are preparing a sustainability report, but it is the first year we are subject to the new Swedish Annual Accounts Act provi-

sions on disclosure of non-financial information, and the report is issued by our board. We have chosen to report in accordance with the latest guidelines of the Global Reporting Initiative (GRI) Standards. You'll gain insight into our sustainability efforts in relation to the 17 global Sustainable Development Goals, along with our approach to sustainable materials and circular fashion, and to sustainable production and transport. You'll also meet one of our employees in an interview about her sustainability journey with Gina Tricot.

Enjoy reading about our day-to-day work, and please get in touch if you would like to learn more.



Magnus Månsson

*high
standards*
SUIT YOU

A BROADER *perspective*

By 2028, we will only sell products with an environmental impact as close to zero as possible. This goal is ambitious and inspiring, and requires major changes for us and for the entire fashion industry. Gina Tricot has come a long way, but we want to go so much further. We know that the world faces big-time challenges to achieve the global Sustainable Development Goals by 2030. But we are playing a part with our own 2028 plan.

“The global Sustainable Development Goals create a framework that make our own goals and efforts part of the global solution,” says Johanna Jigmo-Linde, Sustainability Manager at Gina Tricot.

OUR 2028 GOALS

In 2028 Gina Tricot will turn 30, and our sustainability efforts have zeroed in on this year to create a long-term plan and make our aims clearer. The goals were set in 2012 and reformulated in 2017 to provide a more

modern tone and to adapt them to the latest research and findings. The meaning and aim of the goals remain the same.

By 2028, Gina Tricot will only provide:

- Products in materials that are environmentally sustainable.
- Products designed according to a circular model.
- Products that are produced and transported in a sustainable way.

FOCUS THE MOST WHERE WE CAN MAKE THE BIGGEST DIFFERENCE

All 17 Sustainable Development Goals are important and we strive to influence them in a positive direction, directly or indirectly. But we have also chosen to dedicate extra focus to some of the goals.

“We want to be part of the solution and that's why we need to place ourselves in a global context.”



“We analysed our impact rate for the 17 Sustainable Development Goals and found that we addressed all of them in one way or another, but could also see that we needed to put some extra effort into four of the goals. These are also the areas where we can make the greatest positive difference,” says Johanna Jigmo-Linde. Why these four goals?

LIFE
is not
renewable



Goal 5 – Gender Equality

Our heart beats strong for an equal world and a fair distribution of power and resources. With a focus on women's fashion and with women comprising 97% of our company, it is natural for us to strive to contribute to equal opportunity and empowerment for everyone – in everything from how we treat our employees at home to global initiatives.



Goal 8 – Decent Work and Economic Growth

Anti-child labour efforts and efforts to ensure sustainable economic growth at all stages are crucial to achieving sustainability in production. It is also important that we have the right conditions for our own employees to thrive and continuously grow and develop. That's how we create sustainable fashion.



Goal 12 – Responsible Consumption and Production

We strive for efficient natural resource management and for reuse and recycling. That is easier said than done, but we are on the right track. Circular fashion means that all our products are capable of becoming something else after they are no longer used.



Goal 17 – Partnerships for the Goals

We need strong partnerships to meet our goals – we can make a bigger difference together. Our collaboration with industry associations and research projects is a necessity if we want to reach the finish line by 2028.



Meet Our 2028 Goals

We're gearing up for takeoff, using our goals to guide our sustainability efforts. They provide a sense of certainty, a reminder of what we should prioritise and inspiration in everything we do.



3

Better Cotton

ENVIRONMENTALLY SUSTAINABLE MATERIALS – GOAL 12 & GOAL 17

"We have the will to achieve the goal in all stages of production, from design to purchasing," says Ida Strand, Acting Quality Manager at Gina Tricot.

Development-driven change

Our efforts to use more environmentally sustainable materials require that we constantly stay up-to-date on new research and development in

the field. We base our classification of the various materials available on the market on established industry practices. Developments are moving fast, and the list of materials we currently consider environmentally more sustainable will be updated and adjusted along the way to 2028. Every third Gina Tricot garment was made of a more sustainable material in 2016. In 2017, we improved to nearly every second garment.

Our efforts in pursuit of our goal touch on many of the global Sustainable Development Goals, but especially Goal 12, Responsible Consumption and Production, and Goal 17, Partnerships For the Goals. We need innovation and strong partners to reach our goal.

"Making one of our best-selling jeans models, *Molly*, in Better Cotton, and thus making it easy for customers to choose a more sustainable alternative, is a good example of nudging that we are proud of," says Ida Strand.

Materials we currently classify as more environmentally sustainable:

- Organic cotton
- Better Cotton Initiative cotton
- Linen
- Tencel®
- ProViscose®
- ProModal®
- Lenzing viscose®
- Ecovero®
- Recycled materials



2

Lenzing viscose®

1. Better Cotton 23% (7.2%)
2. Lenzing viscose® 16% (10.7%)
3. Organic cotton 5% (11.4%)
4. ProViscose® 0.4% (0.3%)
5. Recycled polyester 0.3% (0.1%)
6. Tencel® 0.2% (0.2%)



1

Organic cotton

CIRCULAR never goes *out of style.*

DESIGN FOR CIRCULAR FASHION – GOAL 12 & GOAL 17

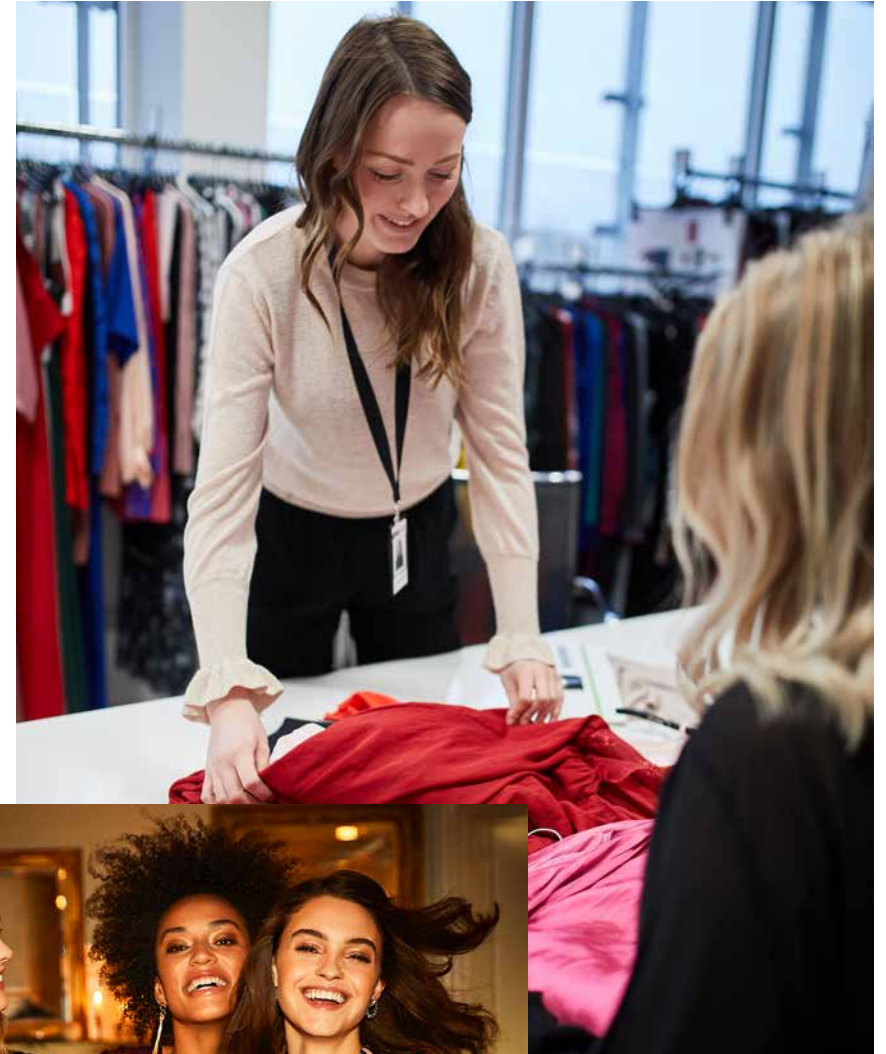
7 “We jumped at the chance to sign up when the Global Fashion Agenda (GFA)’s 2020 Circular Fashion Commitment came out. We have committed to increasing the collection of used garments by 50% by the year 2020. This will require large-scale communication efforts and dialogue with our customers on this issue to ensure their used garments are brought back to our stores,” says Johanna Jigmo-Linde, Sustainability Manager at Gina Tricot.

It’s got to start from the beginning

Worn-out garments should be a resource, and we need to consider this already in the design phase by starting to use more recyclable materials and compositions. We also believe in the research and development being conducted in this field.

More materials and compositions will be recyclable in the near future. Additionally, large-scale sorting of textile waste and material recycling technologies need to be developed. The watchword for success here is collaboration, both among industry participants and between the industry and society. We need to ensure that garments are returned for recycling, and there must be operators with large-scale technology for handling all types of materials.

“Human Bridge and Fretex make it possible to give our customers’ returned garments a second life via second-hand shops or recycling. Via the SIPTex project, we lay the foundation for new sorting and recycling technologies,” Jigmo-Linde continues.



SUSTAINABLE TRANSPORT AND PRODUCTION – GOALS 5, 8, 12 & 17

The whole journey counts

Mode of transport choices are always included in the planning phase for each new product. Gina Tricot has had a zero-tolerance policy in place for air transport in the planning phase for many years. We advocate sea, rail or intermodal transport, which is a combination including sea, rail and road, rather than only road transport. Unfortunately, we see that air transport does still occur, but as a consequence of something such as a port strike or production delays. But, as mentioned, these are exceptions representing only a small percentage (air shipments were 2% of our transport in 2017). In addition

to choosing the mode of transport, we also need to find smarter ways to transport our goods. We can consolidate our shipments through better planning. This makes the shipment more space-efficient, which is better both environmentally and financially.

A challenge in many stages

Our sustainable production efforts extend to all stages of our production. We have the utmost respect for the complexity of this issue, which is one of the greatest sustainability challenges of our industry. Despite long, complex material and production chains, we are determined to try to reach all the way down to the back end of the supply chain and our code of conduct applies to all stages.

We need many types of partnerships and a local presence to achieve this goal. This is why we partner with international organisations such as BSCI and UNICEF. We are also seeing solid results from our own local presence. For example, we worked down the supply chain in 2017 in Turkey, which is where we have the majority of our production. As a result, we have come in contact with our suppliers' suppliers, and we were able to work with facilities such as spinning mills and washing units on water consumption, energy use and other important issues. We see a positive trend and will continue to intensify our efforts in 2018.

THERE'S
only one
WAY TO GO.
sustainable.

BETTER *materials* MAKE US BETTER

By 2028, Gina Tricot will only sell products that are environmentally sustainable.

Shifting to more environmentally sustainable garments is not simple. What we think is the best solution today could change quickly. The list of materials we currently classify as more environmentally sustainable will likely expand as technology and knowledge progress. We are also aware that some of the materials could be removed for the same reason. That is part of the challenge.

Materials we currently classify as more environmentally sustainable:

- Organic cotton
- Cotton from Better Cotton Initiative
- Linen
- Tencel®
- ProViscose®
- ProModal®
- Lenzing viscose®
- Ecovero®
- Recycled materials

SUSTAINABLE FORESTS ARE IN FASHION

Our forests are an important raw material for contemporary fashion. Viscose, lyocell and modal are just a few fibres made from pulp. The risk of deforestation increases as the textile industry needs more pulp for textile fibres. The forests are essential for the Earth's climate and future, and as a home to flora and fauna.

FIRST TO USE NEW SUSTAINABLE VISCOSE

In 2017, our list of more sustainable materials grew to include EcoVero™ – the new generation of sustainable viscose. We previously chose to phase out traditional viscose in favour of viscose from Lenzing™ with production processes that are gentler on the environment. EcoVero™ fibre is made of pulp from sustainably managed forests (FSC® or PEFC™-certified) and holds the strict EU EcoLabel

certification. Lenzing™ ensures high environmental standards in viscose production. EcoVero™ makes major strides with substantially lower environmental impact. In addition to the method of production, transparency is the watchword for the new viscose. Consumers expect today's brands and retailers to take responsibility and keep track of their supply chains. EcoVero™ unlocks a whole new level of traceability. New technology enables the EcoVero™ fibre to be identified and followed throughout the production chain. In September 2017, we were proud to launch the first collection with this new material in collaboration with EcoVero™ – at the same time as the fibre was launched to the rest of the market.

AN ALLIANCE FOR OUR FORESTS

Canadian environmental organisation CanopyStyle promotes the protection of forests, species and our climate. CanopyStyle works to develop innovative solutions, make supply chains more sustainable and protect the world's remaining ancient and endangered forests. CanopyStyle's network has 750 organisations working to achieve this goal. With support from individual donors who feel just as strongly about our planet as we do, CanopyStyle continues to do its good work.



COTTON – THE MATERIAL AND THE CHALLENGES

Cotton is the world's most water-demanding and sprayed crop. The valuable water, expensive fertiliser and pesticides contribute to a growing challenge, both financial and ecological. More fertiliser means nice green plants, but also more insect pests. This means more pesticides are used, too, leading to more water pollution on an overall scale. The people working in the cotton fields are also affected when they breathe in and come in contact with pesticides. And on top of that, the price pressure is heavy. With a historically low world market price, it's a challenge when you need to finance the farm, purchase fertiliser and pesticides, repair water pumps and pay cotton pickers. You also have to feed your family and pay for your children's schooling. There are many reports of socially and economically destitute cotton farmers, and child labour. Especially in India, where over 10 million bales of cotton are produced in the Gujarat area alone.

BETTER COTTON INITIATIVE

We made a choice to influence this in a positive direction through the Better Cotton Initiative (BCI) hand in hand with some of the world's leading users and cotton buyers. BCI is not a third-party environmental

label or certification. It is a training programme based on the best methods for more sustainable farming. BCI trains farmers in transitioning to and moving towards a more conservation-focused approach to water, chemicals and pesticides. This enables harvest sales to continue during the transition period, securing the schooling of the family's children. But this does not mean that the cotton is grown organically.

We run a field-work project in Bharuch, Gujarat, in collaboration with e-retailer Ellos, where more than 2,000 farmers will be trained under BCI over three years.

"We benefit in a lot of other ways from methods that give cotton farmers a more secure livelihood. Increased yields mean more money in their wallets and the chance to send more kids to school," says Ida Strand, Acting Quality Manager.

"We believe that Better Cotton is a step in the right direction in the transition the cotton industry needs to make," says Ida Strand.





II

NUDGING AND NEW WAYS TO REACH OUT

We have been involved with BCI for a while, and in 2017 we wanted to spread the good work being done under the initiative. We also made a strategic decision to make one of our best-selling products, our *Molly* jeans, in Better Cotton instead of the usual conventionally produced cotton. This is a way for us to nudge our customers into making a more sustainable choice. We chose a new, different mode of communication for spreading the message of these efforts to our target group – a music video. Our video, *The Way*, was released in March and our stakeholders had mixed feelings about it. Gina Tricot was accused of things such as cultural appropriation and

we were discussed on the radio and in newspapers. But we also received praise from communication experts. In hindsight, we are, of course, disappointed in ourselves. We wanted to use *The Way* to spread the good work being done within BCI to a broader target group and saw this as an opportunity to get more young women interested in sustainable fashion. It was an attempt to get our customers to understand what they can actually do and what we do to achieve more sustainable cotton production. After the fact, we can understand why people could get a negative impression of the video, and we feel that we should have been able to foresee these reactions.

TAKING A STAND FOR ANIMAL WELFARE

We naturally take a stand for animal welfare, and that is why we have requirements for products originating from animals in our agreements with suppliers and as a part of our initial dialogue. We do not have any real fur in our products, and that is why we did not hesitate to sign on with the Fur Free Retailer initiative to show our stakeholders that we take a stand. In 2017, we also implemented the Swedish Trade Federation Animal Welfare Policy, which was launched in the summer. Given that the policy was in line with our values and existing procedures, signing and implementing the policy was no major step. Here are some of our animal welfare requirements:



Ethical animal farming

We only accept by-products of meat production and we have a zero-tolerance policy for animals raised in cages and treated poorly during the process.

Wool and leather

We only accept wool fibre from domesticated animal production. Angora wool is controversial and we took an early stand to not accept it in our products. We also have specific requirements for leather where we only buy from approved tanneries. For example, leather from cows in India is not accepted.

Fur and feathers

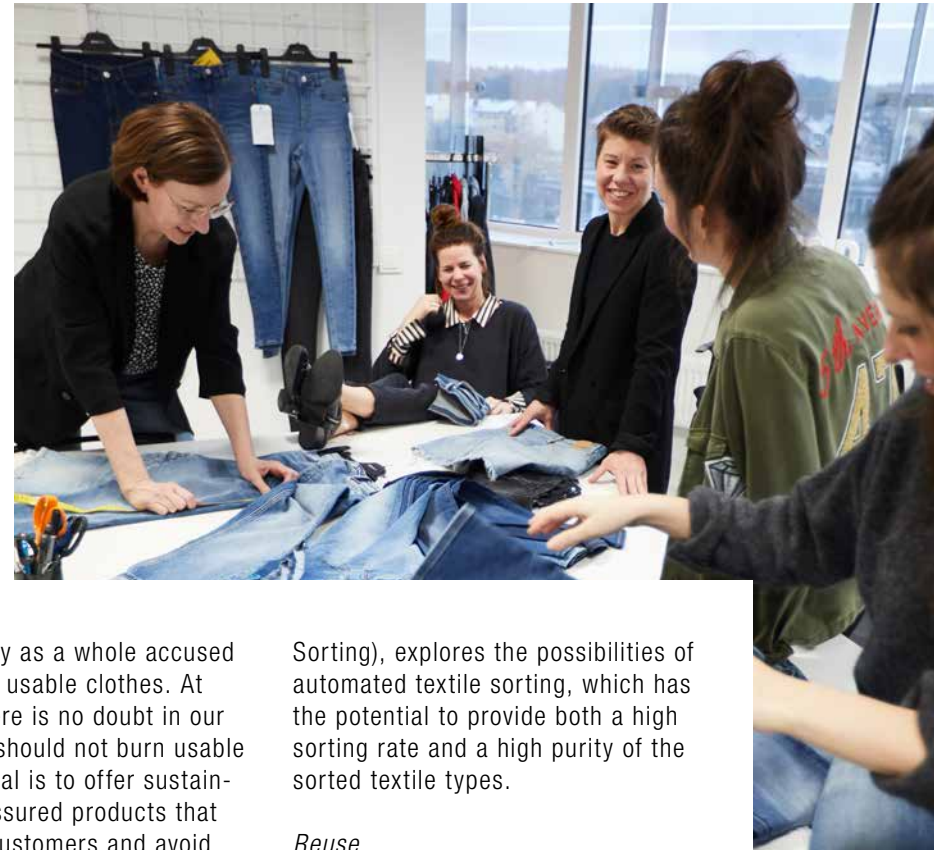
Our fur products are only made from synthetic materials. Down and feathers that are used in our products are certified to guarantee they do not come from live animals.

Cosmetics and animal testing

Gina Tricot's product range includes not only clothes and accessories, but also cosmetics. The cosmetics are not tested on animals in any of the production steps.

TOWARDS A *more circular* MINDSET

By 2028, Gina Tricot will only sell products designed according to a circular model.



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The sustainability efforts for our products already begin in the design phase. This involves material choices and quality, but also creating a product that sells.

Quality is essential for ensuring that the garments last as long as possible. But the environment also benefits when we guide our customers in caring for their clothing. The most basic tool in caring for clothes is the wash care label. Washing on lower temperatures, not washing unnecessarily and always running full loads are both good for the environment and gentler on the garment.

“We need to choose the right mix of fibres to ensure the garment can withstand wear and tear and washing,” says Elin Hulin, Purchase & Design Director. “We also work

toward clear goals for the percentage of sustainable materials,” says Hulin.

CLOTHES DESERVE ONE OR MORE LONG LIVES

Textile recycling is an area progressing rapidly. Collaboration and innovation are and have been two strong watchwords. But 8 kilograms of the 13 kilograms of textiles we buy per person and year still end up in household waste. We are in great need of development for recycling clothes. This is something the industry is working on in many forums. The technology needed to sort out each different fibre needs to be developed, as does the large-scale collection required. We have also engaged in strategic partnerships to find sustainable solutions for reusing our clothes. This is why it is disappointing to hear industry colleagues

and the industry as a whole accused of burning fully usable clothes. At Gina Tricot, there is no doubt in our minds that we should not burn usable clothes. Our goal is to offer sustainable, quality-assured products that appeal to our customers and avoid all types of destruction.

Recycling

For several years, Gina Tricot has participated in various discussion groups with industry colleagues and the Swedish Environmental Protection Agency to systematically achieve a sustainable recycling solution. In 2016, we got involved in a textile sorting project with Human Bridge, IVL Swedish Environmental Research Institute, the Swedish Chemicals Agency and H&M. The project, SIP-
Tex (which stands for Swedish Innovation Platform for Textile

Sorting), explores the possibilities of automated textile sorting, which has the potential to provide both a high sorting rate and a high purity of the sorted textile types.

Reuse

We have collaborated with Human Bridge since 2010, which handles the products our customers give to our stores for recycling, reuse and returns. Human Bridge is an organisation engaged in material aid projects. The organisation supports humanitarian crises and development assistance projects by providing

The industry was also challenged to ensure circular fashion goals and efforts via the Danish Call for Action in spring 2017. We signed and adopted goals within the scope of the Circular Fashion Commitment during the year.

money, clothes and other important materials. We also collaborate with Fretex in Norway. Products that are not sold in stores for various reasons go to our clearance sales and find new owners there. It is very rare that completely unused products go from our clearance sales to Human Bridge. We strive for all the products we produce to find new owners and not go unused to Human Bridge. That is why a product can circulate at our clearance sales many times over.

What happens when our clothes reach Human Bridge:

1. The products are quality-controlled and it is determined whether they suit the needs of the crisis areas in which the organisation operates. For example, there is a great need for warm clothes in the winter, whereas thin summer clothes are not as usable.

2. The products that are not sorted for material aid and are fully usable go to second-hand shops for sale. The surplus from these shops is used to help fund Human Bridge projects.

3. The products not found to be usable, perhaps because of large holes or other types of major wear and tear, are sorted out and, as a first choice, are sent for recycling via the SIPTex project.



LOVE IS
circular.

As a last resort, the products that cannot be recycled are burned. Of all the clothes Human Bridge receives, only 5% is burned. Unfortunately, we do not have the capability at this time to determine exactly how much of our clothes are burned by Human Bridge, as the products are mixed with the clothes of other companies they collect and not handled separately.

In 2017, Human Bridge and Fretex received more than 31 tonnes of clothes from Gina Tricot's customers, representing a 2% increase from the previous year.

A CIRCULAR COMMITMENT

Gina Tricot jumped at the opportunity to sign up when the Global Fashion Agenda (GFA) launched its 2020 Circular Fashion Commitment. As an organisation, you commit to set goals for at least one of the action items.

"We have committed to increase the collection of used garments by 50% by the year 2020. This will require large-scale communication and dialogue with our customers on this issue to ensure their used garments are brought back to our stores," says Johanna Jigmo-Linde, Sustainability Manager at Gina Tricot.

CARING AND SHARING

In 2017, Gina Tricot's buyers held a workshop with Re-Textile that was focused on finding new innovative ideas for the "Re-Concept" at Gina Tricot. Many good ideas emerged and we have moved forward with them. For example, we donated clothes to the Red Cross's integration project for the re-use of textiles. The project aims to provide insight into Swedish design and craftsmanship, creative, cultural and language development, as well as build job market networks. The clothes received were re-sewn and sold, and the money was used for a joint field trip for those involved.

WE'RE CHOOSING *A better WAY, every step* OF THE WAY

By 2028, Gina Tricot will only sell products produced and transported in a sustainable way.

The garments on our hangers will only be sustainable if we continue working to take responsibility every step of the way. Especially from production to transport.

good balance between our various production markets and we see opportunities both near and far.

STRONG RESULTS IN SUPPLIER EVALUATION

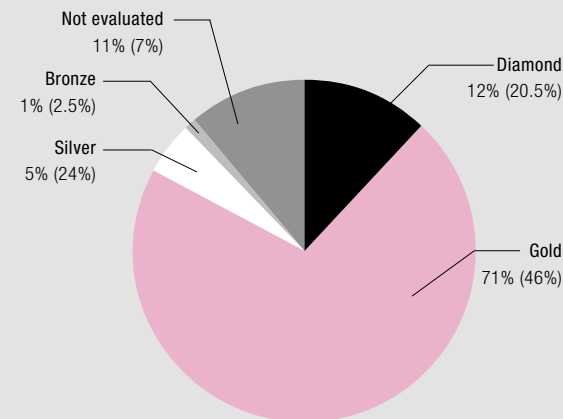
Our suppliers are evaluated annually based on topics such as delivery reliability, design input, quality and CSR efforts. The levels – Diamond, Gold, Silver and Bronze – show how well the suppliers meet our standards. The supplier evaluation is reviewed annually and the score weighting was adjusted prior to the 2017 evaluation to give higher priority to topics such as CSR and sustainability. The 2016 evaluation showed an increase in the percentage of diamond and gold suppliers, and we are pleased to see that there is a continuing positive trend toward a higher percentage of gold suppliers in 2017. "The supplier evaluation provides a good platform for improvement efforts – everyone at Gina Tricot who is in contact with the supplier gives their feedback

Getting there
in style.
And with
CHARACTER.



2017 SUPPLIER EVALUATION

Purchasing volume by supplier category, all countries included. Previous year's figures in parentheses.



The percentage of diamond and silver-level suppliers decreased compared with the previous year. This is largely because Gina Tricot no longer has sports fashion in its product range and because the suppliers affected by this were not included in the 2017 evaluation. Another reason is that the 2017 evaluation set higher requirements for suppliers' sustainability efforts than the 2016 evaluation. Our goal is for as large a share of our suppliers as possible to reach the gold or diamond level.

SUPPLIER STATUS

	2015	2016	2017
Number of suppliers	72	73	57
Number of production units	132	144	115
Number of BSCI inspections performed	73	74	69
Number of follow-up visits by Gina Tricot	75	131	261

We sought to reduce the number of suppliers in 2017 to enable closer collaboration.

on the supplier's performance. This creates specific actions for the supplier to take going forward, which we see leads to good results," Garrote continues.

ON SITE IRL

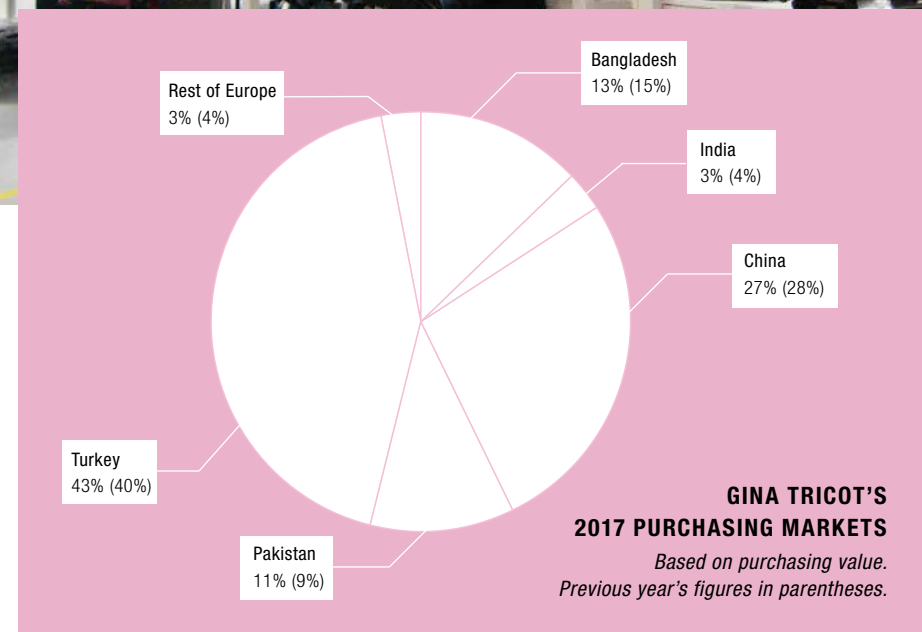
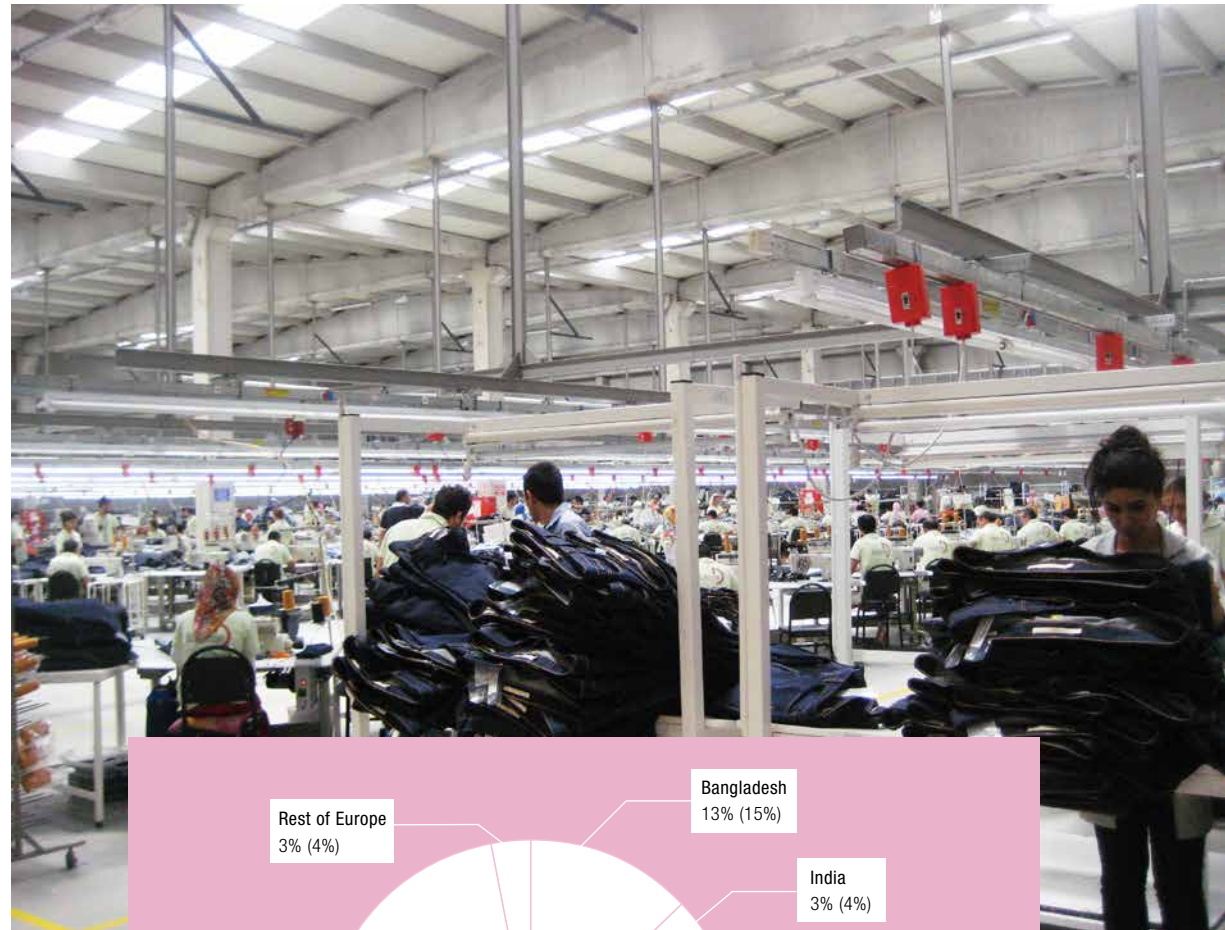
We increased our presence on site during the year. Our number of visits to Bangladesh increased by 14% from 2016, and we made 136 visits in Turkey via our CSR specialist who started working for us from Turkey in January 2017. Thanks to our local presence, we got to dig deeper into the supply chain and make visits further down the production chain.

Our own presence and the visits we make on our own are a complement to the third-party audits conducted within the scope of the amfori Business Social Compliance Initiative (BSCI) and the Accord on Fire and Building Safety in Bangladesh (the Accord).

AMFORI BSCI

Gina Tricot has been a member of the amfori Business Social Compliance Initiative (BSCI) since 2008, one of the world's largest organisations for ensuring systematic, independent supply chain auditing. BSCI's over 2,000 members have agreed on a common code of conduct, and the initiative gives them access to tools and code of conduct audits by third-party auditors. The platform provided by BSCI gives us fertile soil in discussions on support for supplier development.

"Together in BSCI, we can stand strong in discussions with suppliers and governments," says Johanna Jigmo-Linde, Sustainability Manager at Gina Tricot. "We were able to take joint action when the challenge related to Syrian refugees in Turkey increased. In addition to clearer requirements towards suppliers on our stance, we joined forces to write



a letter to President Erdoğan of Turkey expressing our view on how to improve the possibilities for Syrian refugees to obtain legal employment. We did not receive a response, but it shows that we take the issue seriously and shows that we take a stand,” Jigmo-Linde continues.

BSCI's platform enables auditing of production units at fixed intervals, and our standard procedure is to conduct semi-announced visits. This means that the factory is given a time interval of four weeks when the visit will occur and not an exact date. Fully announced visits, in other words, when the factory gets an exact date for the audit, are made only when the

factory is undergoing its first BSCI audit, as well as in exceptional cases when we decide on a date in dialogue with the factory. Unannounced visits are also made in exceptional cases and when we see the need for them. We have not made any unannounced visits within the scope of BSCI, but we ourselves made one unannounced visit in Turkey and one in China. One with a new supplier of ours, and another on account of strong suspicion of breaches of our code of conduct. Both factories did well in our follow-ups.

In 2018, BSCI will be renamed amfori BSCI, but the organisation and its activities will remain the same.

11 PRINCIPLES IN OUR CODE OF CONDUCT

- The Rights of Freedom of Association and Collective Bargaining
- Fair Remuneration
- Occupational Health and Safety
- Special Protection for Young Workers
- No Bonded Labour
- Ethical Business Behaviour
- No Discrimination
- Decent Working Hours
- No Child Labour
- No Precarious Employment
- Protection of the Environment

For more information, please see amfori.org/content/bsci-code-conduct



UNICEF

Gina Tricot has collaborated with UNICEF since 2011. An educational project was conducted in Dhaka, Bangladesh, between 2011 and 2016, in which a total of 26,440 children participated.

“We are incredibly proud of the results of this initial project and we are following suit with UNICEF in a larger and broader project picking up where the other left off,” says Johanna Jigmo-Linde, Sustainability Manager at Gina Tricot. “The focus of the new project spans young women’s entire development, from 0 to 18 years, and the project includes parental leave, breastfeeding, hygiene, working hours and pay,” Jigmo-Linde explains.

The project focuses on creating change both inside and outside the factories. The initial studies are

completed and the project is currently working on action plans for each factory. Programmes with the local authorities are also under way to improve access to the most fundamental social services in the communities where the workers live. The Mothers@Work sub-project provides training and support to the factories to meet seven standard requirements for supporting women at work. These requirements involve possibilities for breastfeeding, pre-school activities, parental leave, pay and healthcare benefits, non-discrimination, and employment and health protection.

“With a workforce of nearly 97% women, getting involved to empower women is a completely natural step for us. And UNICEF enables us to contribute to positive change for girls and women in one of our production countries,” Jigmo-Linde continues.

THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

Gina Tricot signed the Accord on Fire and Building Safety in Bangladesh (the Accord) in November 2013. The Accord stems from the terrible disaster at Rana Plaza in Bangladesh's capital, Dhaka, where a factory building collapsed in April 2013, taking 1,129 lives. Over 200 international companies are currently involved in the Accord and are actively working to create a better and safer textile industry. Under the agreement, we committed to developing corrective action plans over the course of five years for the factories we work with in Bangladesh. All results from our corrective action efforts are public, which provides crucial transparency in these efforts. The idea was that we were to ensure all necessary corrective actions after five years of work and leave the follow-up efforts to the local government and authorities. Unfortunately, we all realised that more time and more involvement from the local authorities were needed. The 2018 Accord was therefore revised to include a clearer transition phase. At the time of writing this report, 62 companies have signed the new Accord and Gina Tricot is, of course, one of them.

"The responsible persons at our factories have worked hard to secure their factories and a good work

environment for their employees. We have factories that have received recognition letters from the Accord for fully meeting the requirements set. I am naturally very proud of this," says Masud Rana, CSR Coordinator for Gina Tricot in Bangladesh. "But I also see that our work is not finished, and it feels good to be one of the companies that has chosen to follow through on our Accord efforts by signing on to continue with the 2018 Accord."

THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

1,627 factories with around 2,112,100 workers are a part of the Accord, along with 215 brands, retail companies and union organisations. The Accord is a legally binding agreement lasting until May 2018 in its current form. The next version of the Accord will take effect after May 2018 – the 2018 Accord. The Accord has around 200 employees in Bangladesh working in three teams of engineers (fire, electricity and building safety). Read more at bangladeshaccord.org.



QUIZRR

QuizRR strives to secure workplaces and create decent working conditions by training factory workers. The training is conducted through an e-learning platform and creates measurable results while enabling follow-ups. Gina Tricot was involved in the pilot phase that started in 2016, and our factories then further pursued these efforts on their own in 2017.

SWEDEN TEXTILE WATER INITIATIVE (STWI)

Gina Tricot has been a member of the Sweden Textile Water Initiative (STWI) since 2014. STWI strives to train and support factories in the conservation of water, energy and chemicals. We have had five factories involved in STWI over the years. There were three participating factories for Gina Tricot in 2017, and the environmental savings during the year included:

- 1,361,988 kWh
- 978,302 m³ of water
- 4,201 tonnes of greenhouse gases

PACKAGES ON A BETTER PATH #TOWARDSUSTAINABLE-TRANSPORT

There are complex logistics processes behind every product before the package arrives in the store or on your doorstep. At Gina Tricot, we have worked for many years to ensure efficient transport solutions, from both an environmental and a cost perspective. In 2014, we took over our own logistics and warehousing operations, which enabled better controls and growth. For instance, our effective and deliberate process results in the use of more environmentally sustainable modes of transport such as sea, rail or combinations of these (intermodal transport) instead of air.

“For several years, we have had in place a zero-tolerance policy for air transport in the planning phase of products. But sometimes we have to ship products by air due to unfortunate circumstances during the production phase. Such circumstances include delays and port strikes,” Purchase & Design Director Elin Hulin explains.

We had a goal for 2017 to reach 100% intermodal transport from Turkey. We only reached 50%, and will continue to focus on these efforts in 2018. In 2016, we also began to test shipping goods with a

combination of rail and road transport, a good complement to sea transport from China. The share of combined rail and road transport increased in 2017, although this is not visible as a percentage. We see great future potential in this combination, and will continue striving to increase its share of total transport. In total, we decreased our transport emissions by 22% compared with the previous year. This is mainly thanks to a decrease in air shipments.

The boxes we receive from our suppliers are reused for deliveries to our stores.



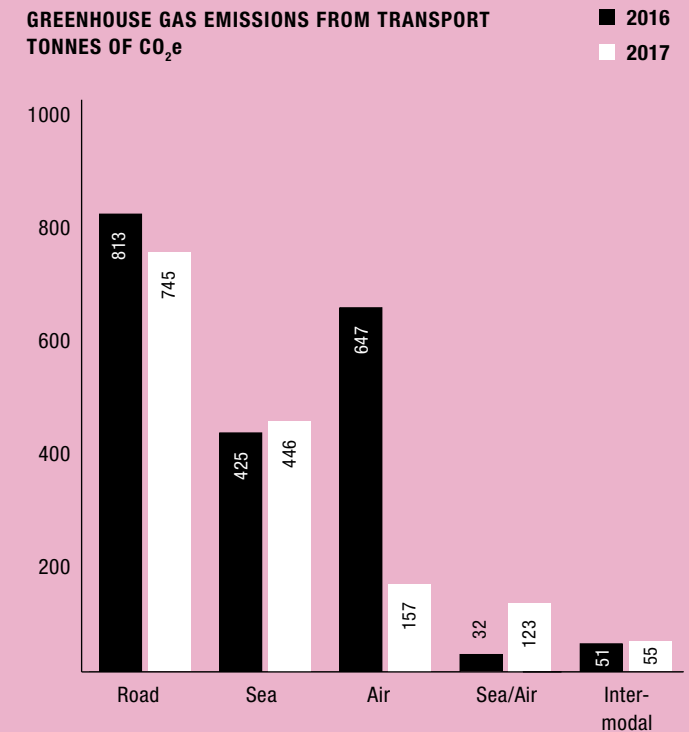
DISTRIBUTION OF SHIPMENTS

%, based on number of purchased goods, by mode of transport

	2015	2016	2017
Air	3%	5%	2%
Sea	55%	53%	50%
Road	38%	17%	21%
Rail	0%	0%	0%
Intermodal	4%	25%	27%

We did not reach our goal of 100% intermodal shipments from Turkey, but the intermodal percentage increased slightly compared with the previous year. Air shipments also went in the right direction, decreasing by three percentage points.

GREENHOUSE GAS EMISSIONS FROM TRANSPORT TONNES OF CO₂e



The percentage of intermodal shipments did not increase at the rate we had set a goal for. However, the percentage of air transport decreased compared with the previous year. In total, we decreased our transport emissions by 22% compared with 2016.

But first,
#GINAMITYWAY

WHEN AMBITION AND TRUST *create freedom*

20

Our company is successful when we recruit employees who share our values and choose to stay and grow with us. This is why we need to maintain a long-term perspective and work hard, every day, to create a healthy and attractive work environment.

“Gina Tricot is the first employer for many of our employees,” Gina Tricot HR Manager Heléne Kry explains. “Young people who we hire straight out of university are often fearless, innovative and have the courage to question things. This has a positive impact, and in return we can offer them the opportunity to grow in their role and within the company.”

We see ourselves as a key part of society in terms of gender equality and especially in strengthening

the career paths and development opportunities of women. Gina Tricot’s orientation programme gives all employees an individual career plan that is followed up in staff appraisals and follow-ups. This provides a positive start and is especially important because we often invest in young, less experienced employees.

“It makes you feel proud to work at a company that is not afraid to take a chance on you even if you have little or no professional experience. And that we give everyone great opportunities to grow and find their career path.”

With 1,892 employees in 25 departments in 5 countries, there are great opportunities for growth in Gina Tricot, whether you want to work abroad or switch jobs on the home front.



A GREAT AND FUN PLACE TO WORK

After conducting the annual employee survey with *Great Place To Work*, we are proud to report that Gina Tricot really is “a great place to work”:

Trust Index© Average

77%

77% is an excellent result compared with the Great Place to Work© index. This is 1% above the 2017 average for retail companies and 21% (!) above the 2016 Sweden index.

Main Areas

75%

Trust Management

79%

Are proud of what they do

84%

Enjoy the people they work with

A Great Workplace?

83%

Is Gina Tricot a Great Workplace? YES! 83% of our employees responded positively to this statement.

ACTIVE EFFORTS TO FEEL GOOD AT WORK

The majority of Gina Tricot employees are high performing and ambitious. We are passionate about fashion and want to make things happen. Our work becomes something of a lifestyle, and sometimes HR even needs to get employees to slow down a little bit.

HR also supports the company's managers in coaching and leading employees. HR worked with all managers in the organisation and analysed their manager's index over the spring to prepare an activity plan for all managers. Work on the activity plan is continuing. "This way, we develop individuals and get an effective organisation in return," Kry explains.

THE VALUE OF LIVING OUR VALUES

In 2017, Gina Tricot continued to actively pursue and communicate our culture and value efforts to all staff in the organisation with its Employer Value Proposition (EVP). Our values serve as a guide in our day-to-day activities, helping us to simplify decision-making at all levels and to know how to behave in relation to our colleagues.



EQUALITY
SPARKS
change.

EMPOWER WOMEN AND ALL OUR EMPLOYEES

The #Metoo movement played a big role in 2017, and it was a natural step for us as a company with employees and customer groups largely consisting of women to act on this issue immediately. We have sought to empower women for a long time and have had a policy in place for many years laying out our stance on abuse and harassment. In light of #Metoo, we reminded our organisation of our policy and stance.

"Hopefully #Metoo was a wake-up call that can lead to long-term change, creating a force in our society to seriously address the issue," says Fabian Månsson, Director on the Gina Tricot Board. "Abuse and harassment in any form do not belong in a healthy work environment. We should all play a part in creating the workplace and society we want in the future," Månsson continues.

Gina Tricot has also had a whistleblower system in place for a couple years where our employees can report any incidents. As of now, we have not received any cases of a #Metoo nature.

We are continuing our ongoing efforts to empower women within the company and in society.

Highlights of 2017

Gina Tricot turned 20! The anniversary was celebrated with campaigns and offers in stores, as well as a 20-year birthday party that spread plenty of cheer among the staff. A real boost for all the proud employees who have seen Gina Tricot grow over the years.

GLOBALLY UNIQUE MODEL POLICY FROM SWEDEN

The Swedish Fashion Ethical Charter was launched on 23 March 2017, a new policy with common values and guidelines on ideal body images, diversity and work environment issues for models. The policy is unique because it is geared toward the entire industry with all its roles and disciplines: designers, brands, modelling agencies, casting agents,

media buyers, stylists, marketing departments, advertising agencies, photographers, industry associations and the media. The Swedish Fashion Council and the Association of Swedish Fashion Brands are responsible for the Swedish Fashion Ethical Charter, and the working group also includes ELLE and modelling agency MIKAS. A large number of organisations, including Gina Tricot, have signed the policy.



YOU
rule the world.
be kind.

A SUSTAINABLE *career*

From student in Borås to Production Office Manager in Shanghai. Follow Johanna Strömberg's sustainability journey at Gina Tricot.

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Tell us a little about your background and what you have done at Gina Tricot.

I was in the midst of my bachelor's in textile science and economy and felt early on that there was something about Gina Tricot that appealed to me. In 2011, I wrote my bachelor's thesis for Gina on consumer views on organic cotton. Now, 7 years later, getting to work on sustainability issues day in and day out never crossed my mind at the time, but it sort of feels like things have come full circle now.

I started at Gina as a buyer assistant and worked on various product groups for 2.5 years, which gave me insight into some of our production countries and cycles. In 2014, I was given the opportunity to move to Shanghai and work as a product

manager. The chance to fully understand and see the whole appealed to me, not only to have read about production in textbooks, but also to have seen and touched it. You don't truly understand where milk comes from until you see a cow in the meadow, as the saying goes. The plan was for me to stay for one year, but I got the opportunity to develop on site and took over responsibility for the office as the Production Office Manager. So one year became two. Two years full of learning and impressions.

What experience do you bring back to Sweden from China?

My interactions with all these people, without a doubt. The insight that the moment you think may not be so



Johanna Strömberg,
Sustainability Coordinator

EVERY
path
IS YOUR
runway

rewarding in advance may be the one that means the most – the conversation in the car, 20 floors in an elevator or over lunch. Getting to know the people behind the scenes opens the door to new opportunities and also broadens my understanding of the challenges we face. There's a lot that can be resolved on site face to face. So you should not underestimate the short yet personal interactions.

What was it that inspired your passion for sustainability issues and CSR?

I'm fascinated by the power of change and, in China, it became clear that sustainability issues were what I wanted to work on. My dedication has been there since my school years, but was solidified during my years spent in China. Lots of the time it's tough, of course, but getting to see how ongoing efforts with suppliers and Gina's values can contribute to change for individuals means so much. A thumbs up from someone or a smile from a seamstress in the factory just warms my heart. It's a really cool feeling! So I jumped at the chance to start working in the sustainability department.

What have you done in slightly more than one year in the sustainability department? What is your strongest memory?

The year had many new and interesting things in store for me, and I got

to work closely with many brilliant people, but my absolute strongest memory is when I met the children in UNICEF's preschools in Bangladesh that Gina supports. I experienced many emotions all at once, but I felt instinctively that I was in the right place. That, as a company, we are making a difference, not only for the local community, but also the individual. It's overwhelming, but also a strong testament to how right this choice was for me.

What is the most fun part of working on sustainability?

I'd have to say that the most fun part is that we don't compete with others in the industry when it comes to sustainability. We inspire, support and influence together. That is incredibly stimulating.

What do you see as the next big thing in sustainability?

Circular fashion has been up for discussion for a while. I think that discussion will break down, and even more focus will end up on what happens to the products after they are used by the customer. We can't make the customers' choices for them, but we have a responsibility to try to influence them. This means that we need to invest more in global partnerships and get even better at involving the production countries in discussions. We will need to work in a more integrated way. I think that is crucial for the future.



Finally – what tips do you have for everyone wanting to start working in sustainability?

Be curious and open-minded! There is no cheat sheet for how to approach sustainability issues, but mixing people's different backgrounds and experience leads to dynamics and solutions. For me, curiosity and the opportunity to make a difference became the start of my own sustainability journey. Be prepared that the constant changes in this area may seem challenging, but that is also the charm of it. A lot is happening, so look, listen, take things in – be inquisitive. The more you see, the greater insight you'll gain.

Highlights of 2017



Photo: UN Women/Gustavo Stephan

SUPPORT FOR AN EQUAL WORLD

In 2017, Gina Tricot made the decision to support UN Women Sweden in their efforts to promote women's empowerment, rights and equality globally. In addition to passing on the revenue from One Bag Habit to the organisation, we started sales of Onebracelet on International Women's Day, 8 March. The bracelet is exclusively designed for UN Women, and wearing Onebracelet shows your support for the rights of women and girls. Together, we are fighting for an equal world free of discrimination.

A NEW IMPORTANT TRADITION CONTINUES

In 2016, we started something we hope will become a good tradition. Various organisations, including Gina Tricot, held a joint gala evening in support of the Pink Ribbon. The 2016 gala raised SEK 26,315, and the 2017 event raised even more. The evening featured drinks, a fashion show and an auction, where individuals contributed to raising SEK 35,100 in support of cancer research.

GINA TRICOT GRAND PRIX SHOWS THAT SUSTAINABILITY WINS

We have organised the Gina Tricot Grand Prix in Borås since 2009, a competition that attracts elite riders in both jumping and dressage. The competition is a long-term project that is close to Gina Tricot's heart. It also has a strong focus on sustainability and has previously received the Lövsta Future Challenge Sustainability Award. In 2017, the entire event received the environmental event certificate from Swedish Environmental Base.

The Gina Tricot Grand Prix also collaborates with Våga Satsa Vinn to offer sign language interpretation, hearing loops and audio description for the visitors. In addition, children from the Play Therapy Unit of Södra Älvsborg Hospital (SÅS) visited the competition and got to meet the riders and visit the stalls. Also, we donated tickets to a home for unaccompanied refugee children to raise interest in active leisure time in equestrian sports.



Highlights of 2017

BETTER
HABITS
change
THE
WORLD

FOR BETTER CARRYING HABITS

One Bag Habit was launched in Sweden on 1 June 2017, an industry initiative several retail companies have joined. The initiative aims to reduce bag consumption and raise awareness of the negative environmental impact of bags. This is why the companies charge for their bags and donate the surplus from these sales to various causes supporting sustainable development. Gina Tricot was involved from the start and all surpluses from Gina Tricot's bag sales in Sweden have thus far gone to support UN Women. On the International Day of the Girl, 11 October, we donated SEK 680,000 for the surplus from the first quarter, and the proceeds of bag sales in the last quarter of the year also went to UN Women in the amount of SEK

480,000. This money now goes to their efforts to create an equal world free of violence and discrimination towards girls and women.

We reduced plastic bag use by nearly 60% since launching One Bag Habit in Sweden. Our opinion of this improvement is positive and we are looking into implementing the initiative in our other sales countries. Norway is first in line, to be followed by Finland.

The terrorist attack in Stockholm

affected our stores and employees, both physically and mentally. Especially in central Stockholm, but also in the rest of Sweden. We immediately implemented rapid crisis management, communications, support, aid, and closed all stores in Sweden. We offered support and the opportunity to calm down and reflect. We did not make anyone start working again until they felt ready. Afterwards, our company was praised by our staff for the way we handled this, with good crisis management and implementation at all levels.

Omnichannel and related service for customer support across sales channels were in focus as we trained our store staff in the spring. This training was well received and gave our store staff a boost in handling the questions they get from customers.



OUR PARTNERSHIPS *from A to Z*

28

*From the political level to production.
From national industry networks to global
collaboration projects. There are many ways
to make a difference together. Here is an
overview, your guide to our sustainability
partnerships.*



Photo: UN Women/Gustavo Stephan





THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

The Accord on Fire and Building Safety in Bangladesh (the Accord) is an international agreement with corrective action plans in building, fire and electrical safety. The Accord was established to create safer factories in Bangladesh's textile industry following the 2013 Rana Plaza disaster when a factory building collapsed in Dhaka, the capital, and 1,129 people lost their lives. The Accord is a collaboration between international and local trade unions, textile companies and interest groups. A total of over 1,600 factories are a part of the programme. Gina Tricot signed the initial Accord in 2013 and also signed the 2018 Accord, which is effective for three years starting in May 2018.



BETTER COTTON

The Better Cotton Initiative (BCI) is a non-profit organisation working for a better future, for both people and communities with cotton-producing agriculture, and for industry, where cotton plays a key role. Under the BCI, farmers are trained in more sustainable methods in everything from water usage to fertilisers and pest control. The goal is not to create organic cotton. It is to contribute to more sustainable cotton production on a large scale and improve the livelihood of cotton producers. Gina Tricot has been a member of the BCI since 2011.



AMFORI BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)

amfori Business Social Compliance Initiative (BSCI) is an organisation striving to improve working conditions in supply chains. amfori BSCI now unites over 2,000 companies around a common code of conduct and supports them in their efforts on social and environmental issues in the supply chain. Gina Tricot has been a member of amfori BSCI since 2011. As a member, we commit to implementing this code of conduct in our supply chains. We also gain access to a platform that compiles audits and information on our suppliers, a key tool in our ongoing evaluation and follow-up efforts in our production chain.

CANOPISTYLE

CanopyStyle is an initiative for a supply chain free from viscose made of wood from ancient or endangered forests. Canopy, a non-profit environmental organisation, collaborates under the initiative with textile industry companies to jointly impact fibre producers. Their goal is to protect endangered forests and develop innovative solutions for more sustainable fibre production. Gina Tricot contributes to CanopyStyle's efforts by engaging our suppliers and creating downstream transparency in the viscose chain. By mapping our viscose production chain, we do everything possible to ensure that our products are not made of wood from ancient or endangered forests.



FUR FREE RETAILER

Fur Free Retailer is a world-leading programme initiated by the Fur Free Alliance – a global alliance of animal and environmental organisations. The programme engages and motivates companies to go fur free and promotes transparency for consumers seeking fur-free products. This includes a digital list that navigates consumers to those companies that have chosen to participate in the programme, which Gina Tricot has taken part in since 2011.



HUMAN BRIDGE/FRETEX

Human Bridge engages in material aid projects. The organisation supplies hospitals with used healthcare equipment in various development assistance projects and provides clothes and other materials in the event of humanitarian crises. Gina Tricot has collaborated with Human Bridge and its Norwegian equivalent Fretex since 2010. Under this partnership, Human Bridge/Fretex handles the products our customers give to our stores for recycling, reuse and returns.



SWEDISH CHEMICALS AGENCY INDUSTRY DIALOGUE

The Swedish Chemicals Agency is a supervisory authority under the Swedish Government, and is responsible for ensuring that companies and society at large conduct controls of chemicals in an acceptable manner. Gina Tricot participates in the Swedish Chemicals Agency Industry Dialogue, which brings together government authorities, industry associations, manufacturers and distributors. Together, we discuss industry-specific issues and identify steps toward achieving a non-toxic environment.

THE CHEMICALS GROUP

The Chemicals Group is a network that gives its member companies access to knowledge and news relating to chemicals and the environment. Over 100 member companies put their heads together on issues involving statutory requirements and chemicals, and share knowledge and information on responsible chemicals management. The network is run by Swerea IVF in collaboration with government authorities and experts from academia. Gina Tricot has been a member for several years, and the network provides access to broad and deep expertise in issues related to chemicals.



SWEDISH ASSOCIATION FOR SUSTAINABLE BUSINESS

The Swedish Association for Sustainable Business (NMC) is a non-profit association that has been active since 1994. The association caters to Swedish companies and organisations seeking to share knowledge, experience and ideas on proactive, integrated and successful approaches to sustainability. NMC makes this possible with a cross-industry platform for sharing of experience and knowledge for sustainability managers and key personnel. Gina Tricot is represented on the NMC board and uses the organisation to share ideas and best practices.



ONE BAG HABIT

One Bag Habit is a joint initiative from the retail sector to encourage consumers to think more sustainably and reduce plastic bag consumption. As of 1 June 2017, we charge for all bags in our Swedish stores and encourage our customers to buy a sustainable bag that can be reused. All surpluses from bag sales go straight to charitable organisations with a focus on sustainable development in environmental and social issues. Gina Tricot has been a member of the initiative from the start.





QUIZRR

QuizRR seeks to use training to help create decent working conditions in the supply chain. The training company's digital tools create transparency and the opportunity to verify the supplier's training and development using data collected. QuizRR also gives companies a measurable tool for training supplier employees in three areas: working conditions, the work environment and human rights. Gina Tricot helped introduce QuizRR in two factories in Bangladesh in 2016, and more factories have been involved in these efforts since then.



SIPTEX

SIPTex (which stands for Swedish Innovation Platform for Textile Sorting) is a research project that explores the possibilities of automated textile sorting which has the potential to provide both a high sorting rate and a high purity of the sorted textile types. The project is funded by Vinnova, a Swedish government agency under the Ministry of Enterprise and Innovation. Gina Tricot joined the project in 2016 along with partners including Human Bridge, IVL Swedish Environmental Research Institute and the Swedish Chemicals Agency.



SWEDISH TRADE CONFEDERATION NETWORK ON ANIMAL MATERIALS

The Swedish Trade Confederation organises networking events to discuss issues related to animal welfare and animal materials. Thanks to the group's efforts, the Confederation was able to launch an animal welfare policy in 2017 to increase knowledge and understanding of animal welfare issues. Gina Tricot signed the policy, which was also supplemented with a guide on animal materials for buyers and designers.



SWEDEN TEXTILE WATER INITIATIVE

In the Sweden Textile Water Initiative (STWI), companies work together to broaden knowledge on major water-influencing factors in the textile and leather industries, and to reduce water consumption in their production chains. STWI has prepared guidelines for sustainable water use and is now working to implement them in production chains. Gina Tricot has been a part of the Sweden Textile Water Initiative since 2014.





TEXTILIMPORTÖRERNA

TEXTILE IMPORTERS

The Textile Importers' Association in Sweden monitors trade policy issues and assists importers on issues such as customs, origin rules, free trade agreements, CSR and politically important issues. As a member, we also get the opportunity to share experience and knowledge in the field during the lectures and seminars organised.



T4RI

Textiles for Recycling Initiative

TEXTILES FOR RECYCLING INITIATIVE

The Textiles for Recycling Initiative (T4RI) was founded on the initiative of some of the Swedish Trade Confederation's member companies. The group's members jointly lay the foundation for better reuse and recycling of textiles. T4RI wants the industry to take its share of the responsibility for giving textiles a longer or new life. With a focus on environmental benefits and the closed-loop society, textiles will first be reused and then recycled in the best possible way by becoming new fibres. Gina Tricot's role in the initiative is to join with the other companies in the reference group to lay the foundation and discuss solutions for better reuse and recycling in the textile industry, and to promote well-functioning producer responsibility.

unicef 

UNICEF

The United Nations Children's Fund (UNICEF) is a UN body engaged in development programmes and emergency preparedness around the world through its field offices. Gina Tricot started its collaboration with UNICEF in 2011 with a focus on education for young children in Bangladesh. The project lasted for more than 6 years, and 26,500 children between the ages of 4 and 5 now have access to education as a result. A new collaboration project was started in 2017, this time with a focus on the entire development of girls and women aged 0 to 18. Gina Tricot has also conducted store campaigns over the years in support of UNICEF.




UN WOMEN

UN WOMEN SWEDEN

Founded in 2010, UN Women is the United Nations organisation dedicated to gender equality and the empowerment of women. UN Women strives for an equal world free of violence and discrimination towards girls and women. In addition to field offices in around 90 countries, the organisation is also represented in national committees, including in Sweden. The national committee manages political efforts on the core issues of UN Women, collects donations, and engages in informational and outreach activities concerning women's rights. Gina Tricot began collaborating with UN Women Sweden in 2017.





RESPONSIBILITY

behind the stories

IN-DEPTH INFORMATION AND GRI CONTENT INDEX 2017



FOCUSING ON THE *essentials*

ABOUT GINA TRICOT

Gina Tricot AB is a fashion company that sells clothes, jewellery, accessories and cosmetics for women. The company was launched in Sweden in 1997 and now has stores in Sweden, Denmark, Finland, Norway and Germany. An additional 23 European countries are served by e-commerce sales.

The company's head office is in Borås, Sweden, which is also the location of our central functions, including design, purchasing, IT, logistics, construction, expansion and warehousing.

ABOUT OUR SUSTAINABILITY EFFORTS

At Gina Tricot, our sustainability efforts are spread across departments and are integrated into our

day-to-day activities. These efforts are managed by the Sustainability Group, which in 2017 consisted of the CEO, Sustainability Manager, Sustainability Coordinator, Quality Manager and the Sourcing and Production Manager. The Group meets on a weekly basis and discusses current issues. The composition of the Group creates strong dynamics, and its link to company management enables fast decision-making.

ABOUT OUR REPORT

At Gina Tricot, we publish a sustainability report every year that summarises our sustainability efforts over the past year. This is our sixth sustainability report, and it covers the 2017 fiscal year. This sustainability report has been prepared in accordance with the GRI Standards: Core option.

STAKEHOLDERS

In our ongoing dialogue with stakeholders, these stakeholders are either actively selected by us when needed to discuss particular issues, or we are the ones responding to questions from stakeholders. We select representatives from all stakeholder groups for our GRI-specific stakeholder dialogue.

OWNERS

We are in ongoing dialogue with Nordic Capital, our largest owner, through mediums such as board meetings. A representative of Nordic Capital was interviewed in the context of the 2015–2016 stakeholder dialogue, and a follow-up interview was held in 2017.

STUDENTS

We receive numerous enquiries and comments from interested students, mostly via social media, where we interact with them regularly. Student representatives also participated in the stakeholder dialogue conducted in 2015.

CUSTOMERS

Our most important stakeholders are naturally our customers, both existing and potential. We meet our customers on a daily basis and pick up on any expectations and questions from them. We interact with our customers through various channels, such as our website, The Good Project, and our social media presence.

EMPLOYEES

We engage in continuous discussions with our employees through channels such as staff appraisals and other types of employee dialogues. Eleven employees were interviewed in the 2015 stakeholder dialogue, and those who participated were individuals with specific areas of responsibility at our head office, such as marketing, purchasing, finance and store managers. Our new CEO was interviewed in 2017, mainly to coordinate future priorities.

PARTNERS AND RESEARCHERS

We maintain an ongoing dialogue in the context of the sustainability-related partnership initiatives in which we are involved. Select partners and researchers participated in the 2015 stakeholder dialogue. Read about our partners on page 28.

SUPPLIERS

We visit our suppliers regularly. We have offices in China and Bangladesh to make this dialogue more regular.

OTHERS

Other stakeholder groups we regularly hold discussions with include government authorities and the media.

We always welcome feedback on our efforts and our sustainability reporting. Here are some reactions we received in 2017.

In 2017 we created a music video, *The Way*, where we chose to highlight the efforts of the Better Cotton Initiative (BCI) and showcase the sustainability efforts we are pursuing from the cotton field until the product is in our stores. The purpose was to show our stakeholders that we are not perfect but that we are on a sustainability journey that we invited our stakeholders to join. The music video was met with both negative and positive reactions – read more on page 11.

In 2017, Gina Tricot was accused by the Norwegian Broadcasting Corporation (NRK) of illegally copying quotes from its popular TV series *Skam* and using them as statement t-shirts. The discussion received media attention. Following a dialogue with NRK, the discussion was toned down and no fines or corrective actions were required.

The industry was also accused of systematically burning usable clothes during the year. We were scrutinised, but we were not covered on *Uppdrag Granskning*, a Swedish TV programme for investigative journalism. At Gina Tricot, there is no doubt in our minds that we should not burn usable clothes.

The refugee situation in Turkey was the subject of discussion and scrutiny in 2016 and 2017. We were contacted by NGOs asking how we handled the risk of refugees in our supply chains. We were transparent in our answers, with emphasis on our intensified collaboration on this issue with BSCI and increased presence in Turkey, where we are working downstream throughout the supply chain.

*"We can't deny,
we're not perfect yet"*

MATERIALITY ANALYSIS

We conducted an extensive stakeholder dialogue and materiality analysis in our work on our 2015 report. The materiality analysis included in-depth interviews with stakeholders and a workshop with our management and relevant senior executives. We started from a gross list of material topics in our dialogue with stakeholders and in our internal workshop. This gross list was prepared on the basis of GRI G4, GRI's Sustainability Topics for Sectors publication, and a benchmark where we examined how the industry as a whole, in Sweden and internationally, reports sustainability efforts.

We made minor updates in 2016 and 2017 and reviewed our sustainability topics from an impact perspective. An overall assessment of the environmental, social and economic impact of Gina Tricot via its business was factored into the final prioritisation of topics reported. We also

annually summarise the issues that have come up in the ongoing dialogue we have with our stakeholders.

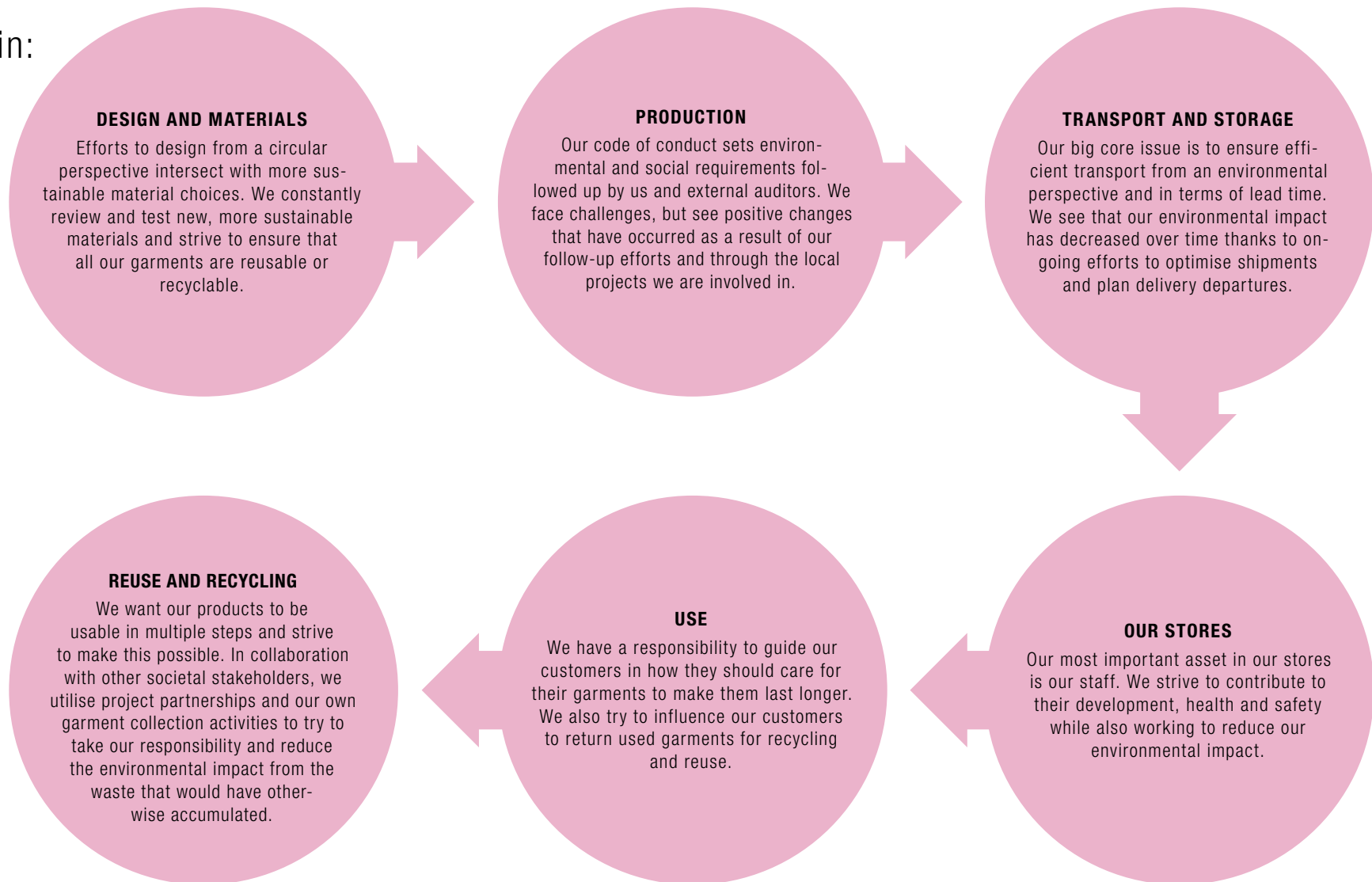
Our materiality analysis resulted in a list of our most material topics (see sustainability management table on page 39). These are the topics that serve as the core of our sustainability report. However, we will continue pursuing efforts in relation to many of the other topics relevant to our business and society as well. In an analysis of our impact rate for the 17 Sustainable Development Goals, we found that our operations to some extent touch on all these goals, either directly or indirectly. On page 5, you can read about the four goal areas in which we can make the biggest difference. In the sustainability management table on page 39, we chose to link our efforts to reduce negative impacts to each global goal addressed by our efforts.



Injustice is
ALWAYS
out of
fashion



MANAGEMENT OF OUR *sustainability efforts*



Value chain:



SUSTAINABILITY MANAGEMENT TABLE

(In alphabetical order)

GLOBAL GOALS	TOPICS	MANAGEMENT/POLICIES	AIM	2017 ACTIVITIES	FOLLOW-UP AND CONSEQUENCES	RESPONSIBILITY
 	Non-discrimination, diversity and gender equality	Gender equality, diversity and non-discrimination plan.	As a company, we seek to be a role model for equal rights and opportunities in society. Our internal efforts are part of our employer value proposition and aim to ensure we have the right skills to achieve our goals.	The Swedish Trade Confederation network. Training in psychosocial work environment topics and labour law. Salary review	Annual staff appraisals Employee surveys conducted every second year. Action plan drawn up based on results of employee survey.	HR Manager
	Anti-corruption	We have an internal anti-corruption policy and guidelines. Our efforts to prevent corruption and promote healthy competition are based on Swedish legislation and the Swedish Anti-Corruption Institute Business Code.	All the relationships our company is engaged in will be characterised by good business ethics. Putting the company's best interests ahead of lining one's own pockets makes us a better company in the long term.	General anti-corruption information communicated to employees.	Portal for all stores and the head office where irregularities can be reported anonymously. The portal is available to all employees in Sweden. Incident reporting via the intranet is already in place.	CFO
	Animal welfare issues	We have implemented the Swedish Trade Confederation Animal Welfare Policy. The policy is a part of our general agreement with all our suppliers.	Its purpose is to ensure a long-term approach to animal materials in our products and minimise the risk of our products being linkable to unethical mistreatment or handling of animals. Implementation of the Swedish Trade Confederation Animal Welfare Policy demonstrates our stance and desire to lead industry practices.	Participation in the Swedish Trade Confederation network on animal materials. Signed and implemented Swedish Trade Confederation 2017 Animal Welfare Policy.	Our own supplier visits. Follow-ups of new material choices with purchasing team. Products that do not meet the requirements of our Animal Welfare Policy will be stopped in the planning stage. The consequence of failure to meet the requirements of the Animal Welfare Policy is that we will be required to remove our association with the Swedish Trade Confederation Animal Welfare Policy.	Quality Manager
	Economic performance	Internal financial goals.	The aim is to ensure a financially sustainable business over time. Ensuring that the business delivers according to its goals and the expectations of its owners, board and management.	Quarterly forecasts.	Audits and monthly checks with the board and owners. The consequence of failure to meet financial goals will be corrective action plans to ensure goal attainment.	CEO
  	Energy and emissions	Sustainability strategy Transport policy Travel policy Green electricity contract at head office and stores with their own green contracts.	The purpose of our efforts is to ensure that we reduce the environmental impact of our business. Our product transport activities from the production country to sales markets have a significant negative impact on our climate. We also have some impact in relation to our own energy use.	Corrective actions in accordance with energy mapping. Efforts to reduce the amount of air shipments. Increase the share of company cars that are clean vehicles.	Monthly follow-up of modes of transport and follow-up of travel. Annual review of energy consumption. The reasons for any increases in air shipments must be explained. Air transport must not be used systematically. Increases in energy use must be explained and corrective action must be taken as soon as possible.	Logistics Manager HR Manager Head of Expansion Purchasing Manager

GLOBAL GOALS	TOPICS	MANAGEMENT/POLICIES	AIM	ACTIVITIES	FOLLOW-UP AND CONSEQUENCES	RESPONSIBILITY
 	Occupational health and safety	Safety portal on the intranet. Safety policy, rehabilitation policy and work environment manual.	Employees in good health and spirits contribute to a profitable company, benefit society and are important from the perspective of the individual.	Preventative health and safety efforts – in stores, warehouses, logistics and the head office. Offering company healthcare services, massages and wellness allowances. Safety training, safety rounds and safety checks in stores.	Accident and incident reporting. Follow-up talks with employees.	HR Manager Security Manager
 	Materials	Sustainability strategy 2028 material goals Purchasing strategy Animal welfare policy	The aim is to ensure that the materials chosen for our products meet our quality requirements and contribute to our goal of only using environmentally sustainable products by 2028.	Quality goal (<1% returns) Training and follow-up meetings with buyers Maintaining a materials library with basic qualities Updating general agreements and related supplier handbook	Good Project product sales – Preliminary Good Index Return statistics Returns are followed up with the supplier in question. Recurring cases of deficient quality or other breaches of our product requirements will entail financial consequences for our suppliers.	Sustainability Manager Quality Manager
  	Environmental impact of suppliers	BSCI Code of Conduct Environmental policy STWI guidelines	The aim is to ensure an environmentally efficient production process in which our environmental requirements are met and/or exceeded. Both short-term and long-term environmental gains are rewarded.	BSCI audits, our own supplier visits and STWI projects. Participation in Better Cotton and Cotton Connect. Discussion in 2017 with suppliers on installation of solar panels in India.	Part of supplier evaluation and production planning where we strive to give preference to suppliers with good environmental initiatives. If we discover that our environmental requirements are systematically not met, all production with the supplier in question will be suspended.	Sustainability Manager, Production and Sourcing Manager Quality Manager
  	Product responsibility	Environmental policy Supplier requirements Restricted substances list	We engage in systematic and preventative efforts to ensure our products are safe to use, and meet our customers' expectations and statutory requirements. We engage in preventative efforts to avoid product recalls.	Setting requirements for suppliers Third-party and our own product tests Visiting suppliers.	Inventory spot checks. If prohibited chemical substances/contents are discovered, the products will be stopped, if possible, before production and shipping, and they will be destroyed.	Quality Manager
 	Social conditions in our supply chain, child labour and forced or compulsory labour.	BSCI Code of Conduct Bangladesh Accord Syrian Refugee Policy, Turkey labour.	The aim is to strive for a safe and secure work environment for workers in factories that manufacture for Gina Tricot, and for suppliers to respect human rights and the UN Convention on the Rights of the Child.	BSCI audits and our own follow-up visits. Review of audit logs outside the scope of the BSCI. UNICEF partnership to prevent child labour. Accord inspections.	Part of supplier evaluation and production planning where we strive to give preference to suppliers with high social standards. If suppliers violate human rights or the UN Convention on the Rights of the Child, production with this supplier will be suspended immediately and a corrective action plan will be prepared. If other requirements are not met, a corrective action plan will be prepared in coordination with the supplier.	Sustainability Manager, Production and Sourcing Manager Those responsible at the local purchasing offices

GRI CONTENT INDEX

GRI 101: Foundation 2016

GENERAL DISCLOSURES	DISCLOSURE	COMMENTS (including any information omitted)	PAGE
	ORGANIZATIONAL PROFILE		
GRI 102: GENERAL DISCLOSURES 2016	102-1 Name of the organization	Gina Tricot AB (part of the Nordic Fashion Group)	
	102-2 Activities, brands, products, and services		Pg. 34
	102-3 Location of headquarters	Borås, Sweden	
	102-4 Location of operations	Sweden, Denmark, Finland, Norway, Germany.	
	102-5 Ownership and legal form	Gina Tricot is a limited company (aktiebolag) and is a part of the Nordic Fashion Group, whose principal owner is Nordic Capital. The other owners are private investors, which include Frankenius Equity AB, JA Appelqvist Holding AB and Sätilla Holding.	
	102-6 Markets served	The organisation has stores in Sweden (88), Denmark (20), Finland (24), Norway (38) and Germany (13). An additional 23 European countries are served by e-commerce sales.	
	102-7 Scale of the organization	Number of employees: 1,892 Consolidated annual sales: SEK 2,044,000,000 For Nordic Fashion Group AB	
	102-8 Information on employees and other workers	Total number of employees: 1,892 Percentage of women: 97% Percentage of men: 3% Number of employees per country: Sweden: 896 Norway: 386 Denmark: 193 Finland: 263 Germany: 154 Number of employees by employment contract (permanent or temporary) by country: Sweden Permanent: 564, Temporary: 332 Norway: Permanent: 386, Temporary: At present, we are unable to distinguish between permanent and temporary employment contracts in Norway. Denmark: Permanent: 188, Temporary: 5 Finland: Permanent: 170, Temporary: 93 Germany: Permanent: 84, Temporary: 70 We are unable to report the percentage of full-time and part-time employees by country or gender. A very small percentage (<2%) of our total employees are contracted, and are therefore not directly employed by Gina Tricot. The average number of employees is reported in our annual report. All employee figures in this sustainability report are reported as at 31 December.	

DISCLOSURE	COMMENTS (including any information omitted)	PAGE
102-9 Supply chain	The origin of each of the materials and fashion products Gina Tricot produces/sells is different for each product. For example, the bottom of the chain starts with cotton fields, as well as livestock farms for leather production. Forest raw materials are used to produce viscose. Tanneries, spinning mills, and similar facilities may also be present along the value chain. Transport is also a part of the entire value chain. Sustainability efforts are relevant for all of these steps, and we pursue them in various ways. One is by visiting suppliers directly. Read more on page 14. Sometimes we tackle an issue through industry partnerships. Various types of product labels, such as the BCI, are also a way of approaching the supply chain and production units. Page 28 contains more information about our role in industry partnerships.	
102-10 Significant changes to the organization and its supply chain	We have a total of 183 stores, which is 2 fewer stores than the previous year. In total, we opened 3 new stores and closed 5.	
102-11 Precautionary Principle or approach	The Precautionary Principle is governed by Swedish environmental legislation in the Swedish Environmental Code. We follow the Precautionary Principle in our product safety efforts, requesting tests from suppliers and performing our own spot checks to ensure our products do not contain hazardous substances or chemicals. On the basis of ongoing dialogue with others (e.g. the Swedish Chemicals Agency) and on our monitoring of new findings, we have chosen to avoid certain substances in our cosmetics production in particular, but also in other fashion product production. Also, in the case of substances with statutory limit values, we strive to keep the content of such substances below the statutory limit. The Precautionary Principle is also an important factor in our recall process. If we receive indications that a product does not meet our safety requirements, it will be recalled.	
102-12 External initiatives	<p>We use the Business Social Compliance Initiative (BSCI) Code of Conduct, which is based on the ILO conventions. We have signed the legally binding Bangladesh Accord on Fire and Building Safety, which aims to make factories safer for those who work there. Under the agreement, we contribute financing for improving fire safety and ensuring worker representation on safety committees.</p> <p>Our environmental management system is certified by Swedish Environmental Base. Efforts to clarify how the Children's Rights and Business Principles are incorporated into our procedures and policies were initiated in 2017. We are continuing to pursue these efforts in 2018.</p>	
102-13 Membership of associations	<p>We are a member of or are involved in the following organisations we consider strategically important for our sustainability efforts:</p> <ul style="list-style-type: none"> » The Bangladesh Accord on Fire and Building Safety » Better Cotton Initiative (BCI) » Business Social Compliance Initiative (BSCI) » Chemicals Group » Swedish Chemicals Agency Industry Dialogue » Swedish Association for Sustainable Business (NMC) » Swedish Trade Confederation network on animal materials » Sweden Textile Water Initiative (STWI) » Textiles for Recycling Initiative (T4RI) » UNICEF's network » QuizRR » Textile Importers' Association in Sweden 	

DISCLOSURE	COMMENTS (including any information omitted)	PAGE
<i>STRATEGY</i>		
102-14 Statement from senior decision-maker		Pg. 3
<i>ETHICS AND INTEGRITY</i>		
102-16 Values, principles, standards, and norms of behaviour	The BSCI Code of Conduct is communicated to suppliers and is available in local languages. All employees are subject to our Corporate Compliance Programme and internal anticorruption guidelines. All employees undergo training in values, anti-corruption, data protection, competition legislation, trade sanctions and the whistleblower system as part of the Corporate Compliance Programme.	
<i>GOVERNANCE</i>		
102-18 Governance structure	The Sustainability Manager is a member of the management team, and board meetings were held in 2017 with a focus on sustainability. The board is involved in work on the sustainability report. The Sustainability Group reports to the board on an ongoing basis.	
<i>STAKEHOLDER ENGAGEMENT</i>		
102-40 List of stakeholder groups		Pg. 35
102-41 Collective bargaining agreements	All employees in Sweden are covered by collective bargaining agreements. Other countries follow the provisions of the collective bargaining agreements.	
102-42 Basis for identifying and selecting stakeholders with whom to engage		Pg. 35

DISCLOSURE	COMMENTS (including any information omitted)	PAGE
102-43 Approach to stakeholder engagement		Pg. 35
102-44 Key topics and concerns raised		Pg. 36
<i>REPORTING PRACTICE</i>		
102-45 Entities included in the consolidated financial statements	This sustainability report is for Gina Tricot AB and the sales companies in each of the 5 countries where we have stores. Our financial reporting and employee information also cover Nordic Fashion Group AB.	
102-46 Defining report content and topic Boundaries		Pg. 37
102-47 List of material topics		Pg. 39–40
102-48 Restatements of information	Any restatements of information are always reported in connection with the reported indicators. No other information has been changed in comparison to previous reports.	
102-49 Changes in reporting	No significant changes have been made.	
102-50 Reporting period	The reporting period is the 2017 fiscal year.	
102-51 Date of most recent report	May 2017	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	Johanna Jigmo-Linde, Sustainability Manager, johanna.jigmo-linde@ginatricot.com	
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
102-55 GRI content index		Pg. 41–53
102-56 External assurance	This report has not been externally assured, except for our financial performance. However, our auditors have reviewed the report and expressed an opinion on how well it meets upcoming statutory requirements in terms of non-financial information.	

MATERIAL TOPICS	DISCLOSURE	COMMENTS (including any information omitted)	PAGE
<i>ECONOMIC PERFORMANCE</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our financial performance is clearly limited to our business, in accordance with financial reporting and accounting rules. Several entities are in turn affected by our financial performance, such as our suppliers who require payment for products and services they deliver, employees who expect salaries for work performed and our owners who seek a return on their investment.	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 39
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<p>Value (in SEK million)</p> <p>Net sales: 2,044 (2,028)</p> <p>Operating costs: -1,565 (-1,638)</p> <p>Employee wages and benefits: -375 (-366)</p> <p>Interest: -7 (-4)</p> <p>Taxes: -100 (-108)</p> <p>Community investments: -4 (0)</p> <p>Economic value retained: -4 (-89)</p> <p>Liabilities: 562 (517)</p> <p>Equity: 415 (451)</p> <p>Sold products (number of items): 17,291,950 (19,132,421)</p> <p>The figures above are consolidated figures for Nordic Fashion Group AB</p>	
<i>ANTI-CORRUPTION</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Our risks of unfair practices are in our purchasing processes, our meetings with customers, and related areas. We reduce these risks using policies and training. In our supply chains, we spread our orders across multiple suppliers in parallel to avoid ending up in a dependent position, which also reduces the risk of corruption. Corruption risks are also a focus of supply chain audits, both in relation to Gina Tricot and to suppliers at the next stage.	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 39
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Efforts to implement our Corporate Compliance Programme continued in 2017. Our anti-corruption policy was communicated to all employees, and in 2018 we will continue our training efforts and follow-up efforts under the Corporate Compliance Programme.	
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption have been reported. Irregularities can be reported anonymously in a portal accessible to all employees in Sweden. Employees in Norway, Denmark, Finland and Germany can report incidents via the intranet.	

MATERIALS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	We ourselves are largely responsible for decisions on material choices, and these choices have a substantial environmental impact from a life-cycle perspective. These choices must be made without compromising product quality and within set cost limits. At Gina Tricot, we have a clear goal for choosing materials that are less environmentally burdening, and we continuously monitor the development of new materials and the development of possibilities for reusing materials.	Pg. 9–10
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40
Other disclosure	Own indicator: List of sustainable materials. Total % of garments produced using sustainable materials.		Pg. 6

ENERGY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our direct energy consumption occurs in our stores, office and warehouse. A more significant share of the energy consumption in the lifecycle occurs upstream (e.g. in supplier factories) and downstream (garment washing). We are therefore actively engaged in reducing our own consumption. Supplier audits also focus on the supplier's environmental efforts. We give customers advice for washing garments. At the transport stage, we actively strive to reduce the quantity of shipments and ensure that the modes of transport chosen are those that are most energy-efficient (see also the "Emissions" topic below).	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 39
GRI 302: Energy 2016	302-1 Energy consumption within the organization		Pg. 47

OFFICE CHOICES THAT CAPTURE CARBON DIOXIDE

Our office supply choices make a difference thanks to our office supplies provider, Staples. When we increase purchases of more environmentally friendly products and/or reduce the percentage of small orders (orders under SEK 500), Staples plants trees through its Plant-for-the-Planet organisation and trains children and youth to become climate ambassadors. Our office supply purchases in 2017 contribute to 9 trees being planted in our name. These trees capture a total of 90 kg of CO₂ per year and they will have captured 6.3 tonnes of CO₂ in their lifetime. Small everyday solutions that make a difference!

ENERGY CONSUMPTION (MWH) 2017

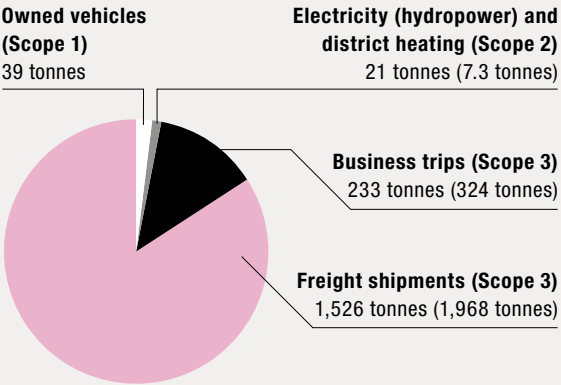
Sweden	7,938*
Denmark	260
Germany	3,534
Finland	1,200
Norway	2,383

* The figure for Sweden includes both the warehouse and head office.

We were unable to obtain district cooling information from the property owner of the head office. Gina Tricot sold its head office in 2017 and thus no longer has direct control over these contracts and this information. Electricity consumption is reported including heating for all countries (information from landlords).

DISTRIBUTION OF CO₂ EMISSIONS (TONNES OF CO₂e)

The figures for the previous year are in parentheses.



Owned vehicles: Starting in 2017, leased company cars are included in Scope 1 instead of Scope 3 as before.

Electricity and district heating: The increase is because the emissions for 2017 include all stores in all countries, including the head office and warehouse in Sweden. District cooling is not included in the 2017 figures, as this information was not received from the landlord.

Business trips: The figure for 2016 also includes emissions from owned vehicles. The large decrease in CO₂e emissions from business trips is attributable to a change in the factor for calculation of CO₂e emissions from air travel (information from travel agency).

Freight shipments: There was a 22% decrease compared with 2016 emissions. This is mainly due to a decrease in the number of air shipments.

gina tricot

EMISSIONS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	We have estimated that our material climate impact is carbon dioxide emissions in Scope 2 and 3. Given that we do not have reliable, quantitative data from the production cycle at this time, we are focusing on areas in Scope 2 and 3 that we are able to measure and influence. The single greatest impact of these comes from our shipments from suppliers to our stores. We therefore take an active approach to planning logistics in a way that reduces emissions. Climate change resulting from greenhouse gas emissions also poses some production risks for our business in areas where flooding and droughts may cause problems for cotton fields and dye works.	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 39
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions		Pg. 47
	305-3 Other indirect (Scope 3) GHG emissions		Pg. 47

ENVIRONMENTAL IMPACT OF SUPPLIERS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	There are several material environmental topics in our supply chain – all the way from raw material production to the factories that sew the garments. Gina Tricot has not conducted any life-cycle analyses at present. Instead, we work with others in the industry to gain an understanding of the environmental impact in our supply chain and to play a part there in driving improvements by setting requirements and through development projects. Read more about our approach to environmental topics in the supply chain on pg. 14.	Pg. 9–10, 14
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	There are several material environmental topics in our supply chain – all the way from raw material production to the factories that sew the garments.	Pg. 9–10, 14
		The actions taken by us at Gina Tricot are assessments of new suppliers and ongoing assessment of existing ones. Environmental requirements are included to a certain extent in the BSCI audits we commission. They are also on the checklists we use for our own follow-ups.	
		One specific material negative environmental impact in the supply chain is water use. This is why we are an STWI member and team up with others in our industry on specific water projects in the countries where we purchase goods.	
		For example, we reduced water consumption on the part of our suppliers by 978,302 m³ of water in connection with the STWI project.	
		Another specific negative environmental impact arises through conventional cotton production, which requires much water and pesticide spraying. Read more about our efforts to reduce chemical and water use in cotton production through the Better Cotton Initiative (BCI) on pg. 10.	

OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<p>We also have a direct impact on, and a statutory responsibility for, the work environment of our employees. This applies to both the physical and psychosocial work environment. Based on the risk assessments we have conducted, working in stores poses a higher risk in terms of ergonomic topics and safety (e.g. risk of robbery and threats). Separate risk assessments and safety rounds are also conducted for our head office and warehousing activities to regularly identify risks and prepare an action plan. (For information about health and safety efforts in the supply chain, see the Social conditions in our supply chain section below).</p>
	103-2, 103-3 Description and evaluation of the management approach	Pg. 40
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	<p>In 2017, implementation of the safety portal was extended to warehouse staff. The safety portal is intended to facilitate reporting of accidents and incidents in all countries where we operate. We also take an active approach to safety efforts in our stores, where we conduct safety rounds with focuses such as fire safety.</p> <p>Our follow-up efforts in relation to accidents and work-related absenteeism were improved by use of the safety portal. The following figures were reported for 2017:</p> <ul style="list-style-type: none"> » 0 fatalities. » 11 accidents that did not result in an absence. » 8 accidents that resulted in >8 hours of absence. » 2 occupational diseases that did not result in an absence. » 4 occupational diseases that resulted in a long-term absence (>14 days). <p>The cumulative absentee rate due to illness in 2017 was 4.7%, which is the same figure as for 2016. The figure was 5.7% in 2015 and 6.5% in 2014.</p> <p>We have opted not to report accidents and occupational diseases by country out of respect for our employees. The majority (>95%) of our employees are women, and that is why we do not report statistics by gender either.</p> <p>A long-term and ongoing goal for the safety department is to strive to ensure a secure and safe workplace for all of our employees and customers.</p> <p>In 2018, all Gina Tricot store managers will undergo training in basic fire safety and CPR. Our goal is for 100% of our store managers to have completed this training by 2020. The training will be repeated every second year to reinforce and repeat both theory and practice.</p> <p>We also have a goal for 2018 that 30% of all employees will complete an e-learning course on fire safety. Our goal for 2021 is that 100% of all employees should be able to access a similar e-learning course that will be available in multiple languages.</p> <p>In 2018, evacuation co-ordinators and the responsible persons at the head office and warehouse will undergo training in fire safety and CPR. This will be done on an ongoing basis every year/every second year.</p> <p>We will also work on travel safety and all country organisations along with the On-Call Team will undergo crisis management training in 2018.</p>

DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Diversity, equal opportunity and non-discrimination are linked clearly together in our efforts. We have an impact here in all our relationships, with each other, with our customers, with suppliers, partners, etc. We need to be open to having different kinds of people working for us, then ensure that we are inclusive at the workplace and that everyone is given equal opportunity for further development.	
	103-2, 103-3 Description and evaluation of the management approach	Pg. 39	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	We have not managed to develop suitable diversity metrics as we had hoped for 2017. This will be discussed further in 2018.	
		<div> <div>Number of employees in each age group</div> <div> Management: <30 years: 0 30–50 years: 13 >50 years: 3 </div> </div> <div> <div>Office staff (including board):</div> <div> <30 years: 38 30–50 years: 88 >50 years: 16 </div> </div> <div> <div>Store and warehouse staff:</div> <div> <30 years: 1,226 30–50 years: 501 >50 years: 31 </div> </div>	<div> <div>Gender distribution</div> <div> Management: 16 Percentage of women: 31% Percentage of men: 69% </div> </div> <div> <div>Board: 8</div> <div> Percentage of women: 25% Percentage of men: 75% </div> </div>

NON-DISCRIMINATION

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	See description above in diversity and equal opportunity.	
	103-2, 103-3 Description and evaluation of the management approach	Pg. 39	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination have been reported.	
		Suspected discrimination can be reported anonymously in a portal accessible to all employees in Sweden. Employees in Norway, Denmark, Finland and Germany can report incidents via the intranet.	

CHILD LABOR

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<p>There is a risk of child labour in our supply chain, all the way down to raw material production. Therefore, we need to address this risk in several ways. In factories where we have the ability to conduct audits, this is a very strong focus area given that the issue of child labour is followed up in connection with BSCI audits and our own factory visits. We have a policy that directly bans the use of cotton from Uzbekistan, Turkmenistan and Syria because the risk of child labour is considered too high.</p> <p>We work in close collaboration with UNICEF and the Children's Rights and Business Principles to boost our understanding of these issues.</p>	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<p>There is a higher risk of child labour further down the supply chain and in factories with simple tasks such as goods packing. Following up how our code of conduct reaches subcontractors, visiting subcontractors and training the management of subcontractors are of great importance for preventing child labour.</p> <p>We have a zero-tolerance policy on child labour. If child labour is discovered, we have a follow-up programme for the individual child along with follow-up and dialogue with the relevant supplier. Gina Tricot has run a training project at preschools in Dhaka since 2010 in collaboration with UNICEF and local partners. One of the project's aims is to prevent child labour.</p>	Pg. 15–16

FORCED OR COMPULSORY LABOR

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<p>There is a risk of forced or compulsory labour in our supply chain, all the way down to raw material production. Therefore, we need to address this risk in several ways. In factories where we have the ability to conduct audits, this is a very strong focus area in connection with BSCI audits and our own factory visits.</p> <p>We have a policy that directly bans the use of cotton from Uzbekistan, Turkmenistan and Syria because the risk of forced or compulsory labour is considered too high.</p>	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	The risk of forced or compulsory labour is estimated to be highest further down the supply chain, at cotton fields, spinning mills, and so on. All potential new suppliers are audited, which includes checks for forced or compulsory labour. This also applies to BSCI audits and our own factory visits to suppliers we have an ongoing relationship with.	Pg. 15–16

SOCIAL CONDITIONS IN OUR SUPPLY CHAIN

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Social conditions in our supply chain are a great challenge for us, as well as for the entire industry. The risk is the highest in our product supply chain.	Pg. 10, 14–17
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<p>All suppliers that produce fashion products for Gina Tricot acknowledge the code of conduct, which is part of the general agreement. An audit must be completed before the first purchase order, and this may be a BSCI audit or audit from an equivalent system. The audit must include controls of topics such as human rights, working conditions (including child labour and forced or compulsory labour), and environmental performance. Health and safety topics such as chemicals management, ventilation and fire safety are also assessed during audits.</p> <p>Business relationships were initiated with a total of 38 new production units in 2017. All of them have undergone an audit.</p>	
	414-2 Negative social impacts in the supply chain and actions taken	<p>The majority of our purchases are made with suppliers in what we refer to as risk countries. We base our classification of risk countries on the BSCI Country Risk Classification. We therefore conduct audits with a focus on human rights and working conditions. These audits are conducted as part of BSCI's audit programme, but we also conduct our own follow-ups of our suppliers.</p> <p>In 2017, 69 BSCI audits were conducted and we conducted 261 (131) follow-up visits of our own. The reason for the dramatic increase in follow-up visits is our local presence in Turkey, which started in 2017, and that the regional office in Bangladesh maintained a continuing high presence in factories to ensure compliance with the Accord and BSCI on the part of our suppliers. Suppliers that do not meet our requirements are put on a corrective action plan. Our relationship will be terminated if a supplier does not show progress on corrective action plans. We terminated our relationships with 3 factories in 2017 due to a lack of interest in improvement measures.</p>	

PRODUCT RESPONSIBILITY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	From a safety perspective, there is a risk that prohibited or otherwise undesirable substances (such as chemicals and heavy metals) are used in the supply chain and that they are present in the product. We must therefore use various methods to reduce the risk of this happening. This product responsibility concerns consumer health and safety and the risk of other people coming in contact with these substances before they reach our stores. The greatest impact is made in supplier relationships, using both a preventative and a direct approach (by testing on site) to discover any deficiencies.	
	103-2, 103-3 Description and evaluation of the management approach		Pg. 40

GRI 416: Customer Health and Safety 2016**416-1** Assessment of the health and safety impacts of product and service categories

At Gina Tricot, we engage in ongoing efforts to follow up the quality and safety topics of our products.

Consequently, we perform tests on our products and require testing from our suppliers. These efforts are ongoing in all product categories.

Percentage of returns: 0.27% (0.24%)

Products recalled for quality/chemical reasons: 0 (2)

*ANIMAL WELFARE TOPICS***GRI 103: Management Approach 2016****103-1** Explanation of the material topic and its Boundary

The fashion industry has an indirect impact on livestock rearing given that materials such as wool, down and angora are used to make fashion products. We have an animal welfare policy that governs the origin of animal materials, including the use of wool, down and feathers. We do not allow real fur. We use synthetic fur instead, and we also do not allow angora.

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The cosmetics we sell are not tested on animals in any of the production steps.

103-2, 103-3 Description and evaluation of the management approach

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Other disclosures

Indicator not available, reporting only refers to management.

THIS SUSTAINABILITY REPORT IS ISSUED BY THE BOARD OF DIRECTORS OF GINA TRICOT:**Directors**

Paul Frankenius
Jörgen Appelqvist
Fabian Månsson
Emilia de Poret
Michael Haaning
Christopher Ekdahl

Deputies

David Samuelson
Annette Appelqvist

*The Board has approved the sustainability report on April 30, 2018.***AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT**

To the general meeting of the shareholders in Gina Tricot AB, corporate identity number 556534-8843

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2017 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Göteborg, April 30, 2018
Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorised Public Accountant

LOVE IS
universal.
SO IS
responsibility.

ginatricot

Org. nr. 556 534-8843

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