



ginatricot
SUSTAINABILITY
REPORT
2015

SUSTAINABLE THREADS

This is Gina Tricot's sustainability report for 2015. Our business idea is simple – women's fashion for the many – but we work in a complex environment.

Textile manufacturing can involve everything from agriculture, timber production, petrochemicals, spinning, weaving, knitting, dyeing, printing, appliqués and sewing – and for the finished garment to be able to find its way home to the customer, the process also requires planning, logistics, and selling.

Where does sustainability fit into all of this? There is no simple answer to that question; it's a matter of perspective. The world of textiles is like a kaleidoscope – new patterns are constantly emerging from all the individual parts. What the parts have in common, however, is that they affect both humans and the environment. The farmer in the cotton field, the seamstress at the factory, our own staff – they are all part of the creation of the product, and they all enable us to be Gina Tricot. We have a responsibility towards them and towards the environment, which ultimately

is the prerequisite for our business. The textile industry has an impact on the water, soil and climate, and creating a balance is always a challenge.

“The most important thing is that we, through our activities as a fashion retailer, play a positive role,” says Per-Johan Swartling, acting CEO. “We are dealing with countries that are in a vulnerable situation and we believe that international trade makes the world a better place. Through trade, we are part of the solution to the problems that follow in the footsteps of poverty.”

This is our fourth sustainability report, second one in English, and this year we have chosen to focus more on the multi-faceted nature of the textile industry. The many things we call sustainability cannot be described in the same way, nor be measured by the same standards. We must dare to prioritize in order to maintain our focus. Therefore, our priority this year, in connection with our transition to the Global Reporting Initiative's new guidelines (G4), has been on stakeholder engagement – a method that allows both internal and external stakeholders to participate and determine

which aspects of sustainability they think are most important in our business. The results of this assessment have been incorporated into the design of this year's sustainability report.

We welcome you to find answers to your questions, and get a glimpse of what we do. If you'd like to learn more, you're more than welcome to contact us! ■

GINA TRICOT'S SUSTAINABILITY GROUP:

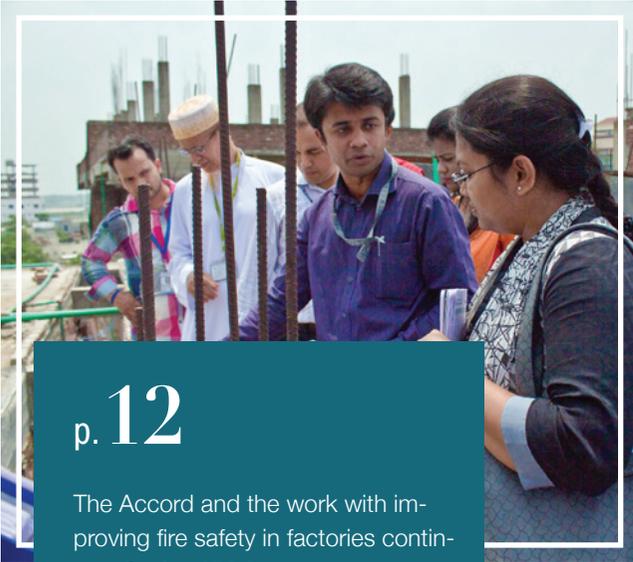
Anna-Karin Wårfors,
CSR Manager

Emma Garrote Fredman,
Global Production and Sourcing Manager

Per-Johan Swartling,
CFO and acting CEO

Rebecca Watkins,
Quality Manager

CONTENT



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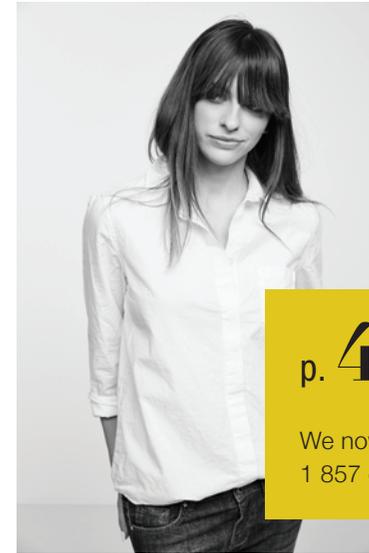
The Accord and the work with improving fire safety in factories continues. So far, 172 fire doors have been installed at active production units, and another 50 are on the way.



p. 8

One in five Gina Tricot garments is now produced from a sustainable material.

GINA TRICOT is a fashion chain for women, with operations in Sweden, Denmark, Finland, Norway, and Germany. Through e-commerce, our products are sold in another 25 European countries. Our products include clothing, jewelry, accessories and cosmetics. Our head office and warehouse are located in Borås, Sweden. Support offices are also to be found in our local markets.



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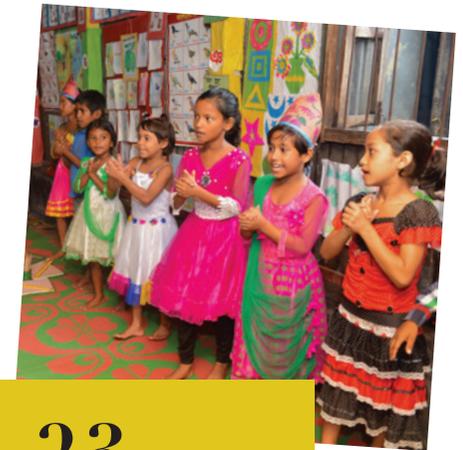
We now have 1 857 employees.

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Only 3% of our products are shipped via air, a reduction of more than 50% in three years.

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Through the STWI project in Turkey, we have managed to reduce water consumption by 613,000 cubic meters.



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Our stores have collected SEK 2.7 million and in total we've donated 22 million SEK to UNICEF.

THE GINA TRICOT SPIRIT

Our ability to attract, develop and retain good employees has been crucial to Gina Tricot's success. Therefore, we actively work to create an attractive working environment.

"To many employees, Gina Tricot is their first employer," says HR Manager Helène Kry. "When we hire young people straight out of university, we usually get people who are fearless, innovative and not afraid to question things. In return, we offer an opportunity to grow within the company."



A DRIVE TO GROW

Investing in younger, sometimes inexperienced, employees requires careful planning. Gina Tricot has therefore developed a comprehensive introduction program and all employees undergo staff appraisals that include an individual development plan. "We are a company that is not afraid to invest in those with little or no work experience. We are proud to offer several different career paths. You can quickly change jobs within the company, or work abroad."

A typical trait of many Gina Tricot employees is their high performance demands. They are passionate about fashion and want to create results.

"Working here is more of a lifestyle. But it's a tough industry, and from an HR perspective, we sometimes find the need to slow our employees down a little. The HR department offers support to our managers when it comes to coaching and leading our employees, for example, through staff appraisals, follow-ups and providing regular feedback. This way, we help develop our individual staff members, and in return we get an efficient organization."

NEW KNOWLEDGE, SAME SPIRIT

Proving professional development to our staff is a long-term and comprehensive effort. Learning is a key concept, and Gina Tricot offers practical internal exchanges and workshops. "In 2016, we will continue this work and make a huge investment in leadership development programs for managers within the organization. It's a lot about maintaining the special Gina Tricot spirit in our stores in five countries and at our two production offices. When we started in the 90s, we were a challenger – a company raring to go. And in many ways, we still are!" ■



INTERVIEW

“I LOVE THIS JOB. NO TWO DAYS ARE ALIKE.”

Mickaela Berglund is an example of the career opportunities available at Gina Tricot. She started as an intern, in 2009, at a Gina Tricot store in Växjö, her hometown. In 2010, she became a permanent employee, and within five years has moved up the ladder to her current position as Store Manager at one of Gina Tricot's largest stores, located in central Helsingborg.

“I am a person who is constantly looking for new challenges. I really enjoy working at Gina Tricot – if you want to develop, you can do it here. Where there's a will, there's a way! I have received good support throughout my journey from the Regional Director and other colleagues.”



Mickaela Berglund, Store Manager at Gina Tricot in Helsingborg.

WHAT ARE THE PROS AND CONS OF WORKING IN A STORE?

“I love this job. No two days are alike. You have to be on your toes and act quickly, which I like. That's what the fashion industry is like. But sometimes managing a large store and dealing with customers with high expectations can be tough.”

WHAT ABOUT SECURITY?

“We feel safe and we receive good support from the security officers. At the store we also feel supported by the people in charge of security at the head office and our HR contacts. We conduct a safety inspection at the store every week, where we look at emergency exits and other safety aspects. I also want to mention our new safety portal, which really has helped us advance. Here we report the results of our inspections, as well as all significant events and incidents, such as theft and working environment incidents.”

WHAT DO YOUR CUSTOMERS THINK OF SUSTAINABILITY?

“We're seeing a major increase in the breadth of our customer demographic. Many of our customers are over 40, and are becoming increasingly environmentally conscious. The customers seem familiar with our work. You can tell that they have been on

our website and our Facebook page and other channels. There is more focus on the material than where the garment was actually made. They want to know which of our products are labeled with “The Good Project”. But this is actually an area where I think we can become even better – improving our own knowledge of the materials, their origin and how they are best cared for. We also notice that this is important when interviewing new employees, who ask questions about our sustainability work. Above all, I think it is important to communicate that we at Gina Tricot are actively dealing with these issues and are working with our suppliers. I tell people this whenever I describe Gina Tricot as a company.”

DO YOU HAVE ANY SUSTAINABILITY ADVICE?

“We inform our customers about how to take good care of their garments. We constantly need to remind them not to pull on the belt loops! We also give them washing instructions, for instance, telling them to not use fabric softeners on some of the clothes.” ■

1857

people work at Gina Tricot,
of whom **49** are men.
The average age of our
employees is **28.1**.

BOARD

3 women **6** men

SENIOR MANAGEMENT

5 women **4** men

MANAGERS

225 women **10** men

OTHER EMPLOYEES

1578.5 women **35** men

5.7%

sick leave in 2015.
This a decrease from
6.5% in 2014.



A CAREER COMPANY

We are happy to announce that Gina Tricot was named one of Sweden's 100 Career Companies of 2016.

THE JURY'S STATEMENT:

"Gina Tricot offers great opportunities for its employees to have an international career thanks to, among other things, job security. This fashion giant works actively to build bridges between countries and areas through an internal recruitment site where job opportunities are announced globally. Through open dialogue and regular staff appraisal, Gina Tricot shows that professional development and talent management are important. For these reasons, and the company's solid sustainability work, Gina Tricot has been awarded a place among Sweden's 100 Career Companies 2016."

DESIGN – IMPRESSION, EXPRESSION AND KNOWLEDGE

Fashion is a fast-moving business. New and exciting expressions appear and disappear, but the passion remains, as does Gina Tricot's desire to quickly deliver the latest fashions.

"The design process starts with trend spotting, by looking at shows and through travel," says Anna Appelqvist, Head of Design and Purchasing. "Then we create the general outlines, deciding on the colors and silhouettes for the following year. We also look for what we call the 'phenomena' – those special garments or details that we instantly fall in love with."

A LOT HAS TO COME TOGETHER

This is followed by a long process. Coherent collections must be built and the different product groups must be synced. "A lot of different things have to come together. We have to plan production, find different fabrics and yarns, and go over measurements and execution again and again. Quality is crucial. That's why we must choose the right mixtures of different fibers and make sure the garments can withstand wearing and washing. Ensuring this is an ongoing part of our product development." Then there's that extra – the thing that makes fashion easy to love, but hard to describe.

"In some way, working with fashion is always a gamble. We have to have a feel for what people will be wanting to wear well in advance. But with time you develop a sense of when something is right. It's a matter of experience, but

it's also about having a gut instinct and a talent for fashion. As a company, we're completely dependent on our talented employees, and establishing a creative environment where they're allowed to express opinions. Discussions are sometimes heated, but that's as it should be. The most important thing is that we're passionate, exuberant and energetic. That's how we make it all come together."

SUSTAINABLE MATERIALS

A fundamental sustainability challenge when working with fashion is that the materials of the garments last longer than the fashion. "We're constantly trying to increase the proportion of sustainable materials, but recycling is obviously also extremely important. We really try to encourage our customers to donate their used garments to us – or to a charity of their choice – so that they can be sorted and recycled. The important thing is that they are put back into circulation and not incinerated or dumped at landfills. As recycling processes change, we will adapt our design processes as well, for example, by ensuring that our material compositions are optimal for recycling."

However, it's not just the materials of our garments that create an environmental impact. Wear is also highly significant. "In our washing instructions we recommend less frequent washing and lower temperatures. This is actually one of the best environmental suggestions there is. Only wash when necessary, always run full loads, and try to keep the temperature to a minimum. This will also help you to better preserve your clothes!" ■

20%

of our products were made of sustainable materials in 2015. In 2014, the corresponding amount was 11.3%.

SUSTAINABLE MATERIALS	% OF TOTAL NUMBER OF PRODUCED GARMENTS
Organic cotton	12.8%
Tencel®	0.6%
ProViscose®	2.65%
Recycled polyester	0.31%
Lenzing viscose®	2.41%
Better Cotton	1.35%
Total	20.12%

A KALEIDOSCOPE OF TEXTILES

The multi-faceted nature of textiles and the fact that we operate in a globalized industry make the concept of sustainability hard to define in an unambiguous manner. Therefore, we decided to summarize the most important aspects of our objective that focuses on the year 2028 – when Gina Tricot celebrates its 30th anniversary.

BY 2028:

- » All products will be produced from sustainable materials
- » All production will be performed in a sustainable way
- » All shipments will be made using sustainable practices
- » All products will serve as a resource when the customer no longer wants them

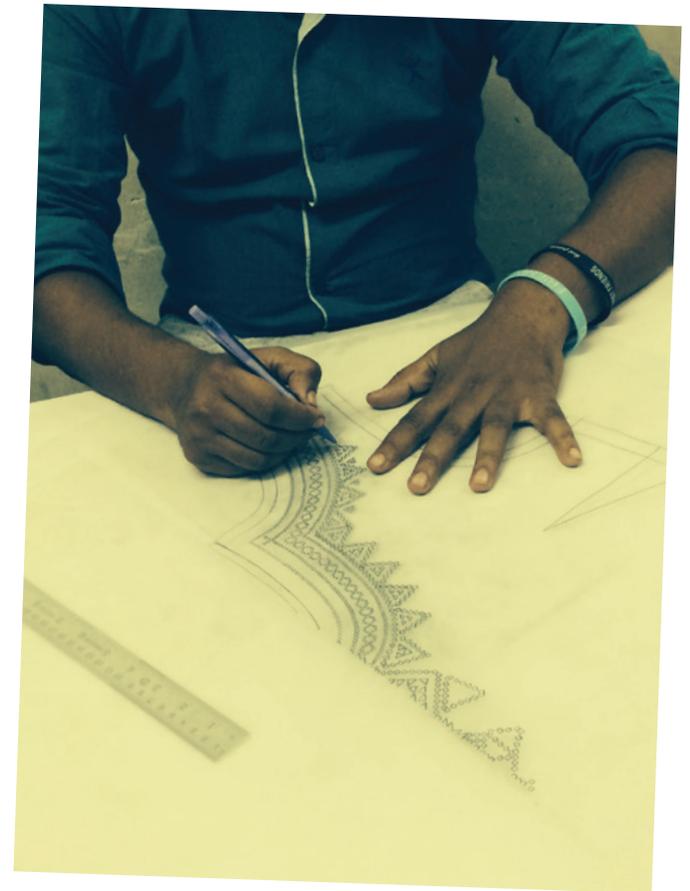
When we say ‘sustainable materials’ we refer to the materials that we rank the highest in our own materials rankings: Organic cotton, cotton from the Better Cotton Initiative, flax, Tencel®, ProViscose®, ProModal®, viscose from Lenzing, and recycled materials. We are continually working to increase the proportion of these materials in our collections, and we are constantly on the lookout for new materials. To achieve 100% sustainable materials, we are completely dependent on the transformation we believe we’re seeing in the industry today – that new innovative materials are becoming commercially available.

“This year, the proportion of sustainable materials has also increased significantly,” says Emma Garrote Fredman, Global Production and Sourcing Manager. “We’ve now broken the 20% barrier – one in five garments in our collection is now made from sustainable materials. This development proves that our approach works, and that we have managed to integrate the process of selecting materials into our sourcing and production model. Our local offices have taken more responsibility, which shows that we have succeeded with our staff training. We’re also seeing that our suppliers are more and more appreciating the value of sustainable materials and are increasingly seeing that the choice of materials is an important part of our close cooperation.”

COMPLEX VALUE CHAINS REQUIRE COOPERATION

“Sustainable production” means to us that everyone who has in some way contributed to a product, is subject to the conditions we have set in our code of conduct. Herein lies one of the industry’s biggest challenges – that the material and production chains have become so long, complex and depersonalized that corporate responsibility is usually only extended to the final stages of production. Exposing the hidden processes of the world of textiles requires collaboration and a local presence.

When it comes to sustainable shipments, it is about choosing sea or rail over air and road transports. ▶



” THE REALIZATION OF OUR VISION REQUIRES COLLABORATION

NEW METHODS ARE NEEDED

Ensuring that used garments become a resource requires changing our design process as well as the textile waste chains: our garments must increasingly be made out of recyclable materials and compositions; the sorting of textile waste must be performed rationally and on a large scale; and the recycling methods available must be further developed. In order for these things to happen, the industry stakeholders – and society – have to agree to direct the flow of materials towards those who are able to recycle them.

AMBITIOUS BUT DOABLE

“Our goal is ambitious, but doable,” says CSR Manager Anna-Karin Wårfors. “Collaboration is necessary in order for us to realize our vision. For example, the Better Cotton Initiative provides a better life for cotton farmers. Through the Sweden Textile Water Initiative (STWI) we are currently working on water issues in our suppliers’ countries. Our position and influence are strengthened through our membership in the Business Social Compliance Initiative. And our collaboration with Human Bridge creates the necessary conditions for establishing new sorting and recycling methods.” ■



CONTINUED EFFORTS IN 2016:

- » Online environmental training for people at the head office, later in stores.
- » STWI – the project continues in Turkey, as well as at our factories in Bangladesh.
- » More focus on the Better Cotton Initiative and sustainable viscose
- » More responsibility in the area of sustainability delegated to our production offices (e.g. certifications).
- » Efforts to find and use more sustainable materials.
- » The Accord on Fire and Building Safety in Bangladesh – we will continue to implement improvements, and provide safety training.

FEWER SUPPLIERS – CLOSER RELATIONSHIPS

Gina Tricot's production is mainly undertaken by suppliers in Turkey, China, Bangladesh, India and Pakistan. The number of suppliers has decreased and our collaborations are therefore more frequent. "We choose to work more closely with our key suppliers," says Emma Garrote Fredman, Global Production and Sourcing Manager. "Obviously, becoming a key collaborative partner is about volumes. This is a way for us to improve

SUPPLIER STATUS	2013	2014	2015
Number of suppliers	110	76	72
Number of production units	177	147	132
Number of performed BSCI inspections	54	63	73
Number of follow-up visits by Gina Tricot	62	78	75

Several of the countries in which our suppliers are located experienced turmoil in 2015, which restricted us from visiting our factories in Dhaka and Istanbul during certain periods. Instead one of our employees on site in Dhaka has visited the factories, which has been a great advantage to our work to implement the Accord on Fire and Building Safety in Bangladesh.

the quality of our products, secure delivery times, and focus more on sustainability issues, such as increasing the proportion of sustainable materials at an affordable price."

GREATER PRIORITIZATION OF SUSTAINABILITY ASPECTS

All of our suppliers are evaluated annually and this year's evaluation indicates that closer collaboration with a select number of suppliers is a successful approach. "We place more of our production with our best suppliers – our so-called gold and diamond suppliers. In order to reach these levels, the supplier must be consistently good at everything, including sustainability, in terms of both product and processes. However, we have fewer gold and diamond suppliers this year compared to last – a result of us weighting sustainability aspects more heavily in our assessments. Supplier evaluations have also become a very useful basis for discussion, allowing us to point to specific strengths of our suppliers, as well as areas in which we would like to see improvement, including administration, logistics and communications."

Collaboration requires presence. Therefore, Gina Tricot has chosen to allocate more responsibility to local production offices than before. "To us, being on site where production takes place is a sustainability issue. It is the first step to ensure product quality and be able to resolve any problems before allowing the process to continue. By placing more



responsibility on our production offices, we also create opportunities to further educate our staff. Sustainability is an area in which we have been able to raise the level of expertise of our local staff in the countries of production." ■

SUSTAINABILITY – PART OF OUR ORGANIZATION

Every Monday morning, Gina Tricot's sustainability group gets together. In 2015, the group consisted of the CSR Manager, the Sustainability Manager, the Quality Manager, and the Global Production and Sourcing Manager, under the leadership of the company's CFO. During the Monday meetings, all matters concerning sustainability are addressed – from the situation with our suppliers to the share of sustainable materials currently being used in our products, to the media attention we've received, questions from stakeholders, and communication on our website. "Because the sustainability group is directly linked to company management, we can make quick decisions on important issues," says Anna-Karin Wårfors, CSR Manager, adding that having a group is valuable in itself. "Sustainability covers so many different issues, and it helps to be able to mull things over in a group. Together, we are able to look at issues from different perspectives and decide what's best for the company as a whole, not just a single department."

EVERY PRODUCT IS DISCUSSED

Several times a week, the Quality Manager and the Global Production and Sourcing Manager hold joint meetings with buyers, designers and assistants. Quality Manager Rebecca Watkins is in charge of these meetings: "We review the work



Gina Tricot's sustainability group
(from the left): Per-Johan Swartling, CFO; Anna-Karin Wårfors, CSR Manager; Emma Garotte Fredman, Global Production and Sourcing Manager; and Rebecca Watkins, Quality Manager.

boards covering our upcoming products and look at samples. Each product is discussed from a quality perspective. How do we ensure that this particular product meets our quality requirements? What possible challenges are associated with production? We also look at products from a sustainability perspective and continuously ask the question of whether more sustainable material can be used. This could entail mixing in more sustainable fibers in a product or ensuring that the product is part of the Better Cotton Initiative. It is important that we make the right decisions at an early stage of the process."

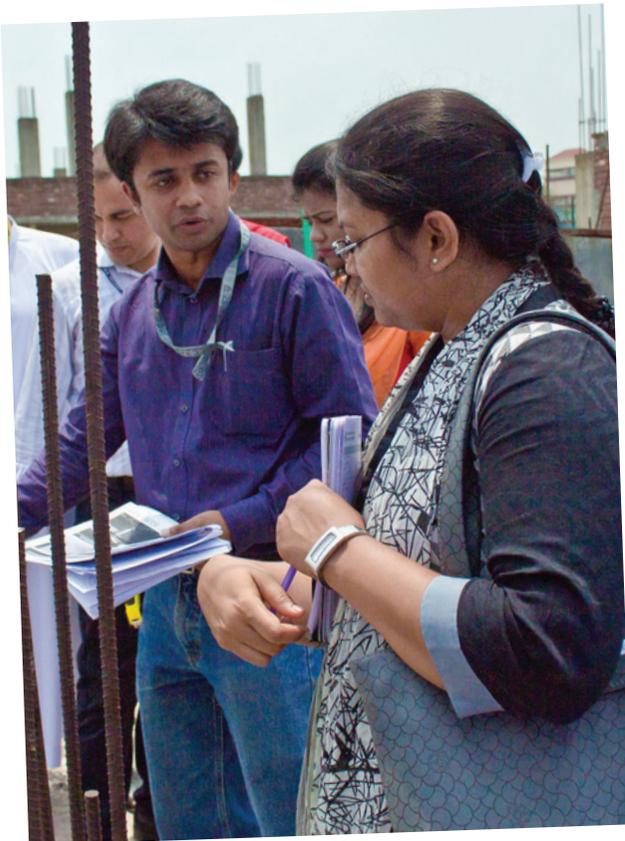
Sustainability can also be about product safety. "Textile manufacturing uses various process chemicals and, of course, dyes," says Rebecca Watkins. "Therefore, it is important to verify the content, so that no unwanted substances end up in our final product. We have drawn up our own list of banned

chemicals which in some respects is more comprehensive than current legislation, and to ensure that these substances are not used, we perform spot checks both at our suppliers and after delivery."

This issue relates to sustainability, as a controlled material that has been carefully specified is likely to have been produced under better circumstances and using better methods than a material that has been purchased without documentation and control. "In terms of future recycling, it is also an advantage if the product is free from substances that we do not wish to end up in the recycling system." ■



OUR PLACE IN THE WORLD



The work of the Sustainability Group takes place in the production countries as well. “Our entire production is performed in countries that, in one way or another, can be classified as high-risk countries,” says CSR Manager Anna-Karin Wårfors. “The risks involve anything from the working environment of our employees, to being forced to work overtime, to unsafe buildings. This means that we must first establish a base level of what we consider to be good production conditions, and from there we work continuously to improve such conditions. We are members of the Business Social Compliance Initiative (BSCI) since 2008 – an organization working in accordance with a common code of conduct that provides tools for its members to make a difference. The organization has grown rapidly and today it has 1 700 corporate members, of which 72 are in Sweden. Having so many companies working together gives these issues a whole new momentum.”

SHARED RESPONSIBILITY OF THE INDUSTRY

The work requires a lot of travelling, but Anna-Karin Wårfors is convinced that having a local presence is crucial. “We need to act on different levels. Through BSCI we perform third-party reviews of our suppliers’ factories and there is a system of measures in place in case they discover any deficiencies. We also want to be on site – there’s simply no other way.” ▶

BSCI AUDIT 2015

LEVEL	NUMBER	SHARE
Approved / A	17 (9)	21 % (14 %)
Approval pending corrective action / B–C	52 (30)	65 % (48 %)
Not approved / D–E	11 (24)	14 % (38 %)
Total	80 (63)	100 %

Last year's figures in parenthesis

BSCI updated its code of conduct in 2014, and since 2015 it has been fully implemented. Two new principles were added to the code: ‘No Precarious Employment’ and ‘Ethical Behaviour’. Most importantly, however, the code focuses more on collaboration and communication between customer and supplier. Training is also more in focus. Because of these changes, the results from the 2014 and 2015 audits are not entirely comparable.

APPROVED / A

The supplier has no deviations in any critical areas and no, or only minor, deviations from the auditing requirements of the BSCI Code of Conduct.

APPROVAL PENDING CORRECTIVE ACTION / B–C

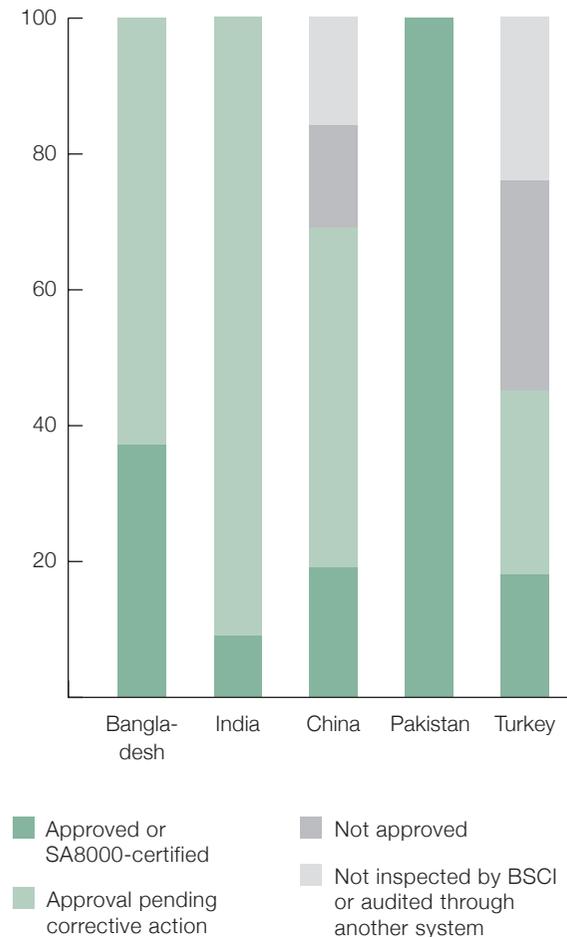
The supplier has no deviations in any critical areas and meets at least half of the auditing requirements of the BSCI Code of Conduct.

NOT APPROVED / D–E

The supplier has one or more deviations in critical areas and/or fulfils less than half of the auditing requirements.

PRODUCTION UNITS OUTSIDE THE EU

Status 2015, based on the BSCI audits
(% of purchase volume).



We must make clear demands, but this requires us to be a good and long-term business partner. We prove it by placing orders and by pursuing issues concerning corporate social responsibility (CSR). The best example is our membership in the Accord on Fire and Building Safety in Bangladesh – an agreement between buyers from Bangladesh and factory owners to work together to ensure the safety of factories in the country.

The Accord stems from the severe factory accidents that have occurred in Bangladesh, mainly the so-called Rana Plaza disaster, when a factory building in the capital district Savar collapsed in April 2013, causing the death of 1 129 people.

OBLIGED TO STAY

The name Rana Plaza is forever associated with this disaster, and even now, more than three years later, the feeling that this must never happen again is palpable in the industry. The Accord is important from several perspectives. Its members have agreed to stay in Bangladesh and, for a period of five years, draw up an action plan for the factories for which they are responsible. It also includes the establishment of democratically elected safety committees within the factories. "This is a way of tackling the fact that Bangladesh is a country with weak democratic structures and to me it feels very good to be able to find concrete measures that enable us as a company to do our part," says CSR Manager Anna-Karin Wårfors. Another important aspect of the Accord is that all results of the project are public. However, this collaboration involves a new work approach, and the original timeframe presents a major challenge. The factories' action

FACTS ABOUT THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

- » 1 650 factories have undergone inspection through the Accord.
- » 217 brands, specialized retailers and union organizations are members of the agreement. The Accord is legally binding.
- » 150 people are employed by Accord organization in Bangladesh, including three teams of engineers.
- » Visit www.bangladeshaccord.org to find more information.

plans are being continuously followed up, and 64 % of the planned measures have now been implemented.

NEW CHALLENGES IN TURKEY

The work is also about quick response to new situations. Many of us will remember 2015 as the year when the refugee influx escalated in certain countries. Gina Tricot has also been affected, not least our suppliers in Turkey. Millions of refugees have arrived and/or passed through Turkey, where the textile factories are, of course, seen as possible sources of income for them. In January, Gina Tricot participated in a BSCI workshop, in which possible scenarios for dealing with the issue were discussed. We have also been in close contact with our suppliers with regard to how the code of conduct is to be maintained in this challenging situation. In times such as these, the value of collaboration becomes apparent. ■

CRUCIAL WATER

Textile manufacturing and water consumption go hand in hand. From the water-intensive cotton cultivation, to the dyeing and processing of yarns and fabrics – water is an essential resource. Historically, textile manufacturing has been consigned to areas with good access to water. The stories of red, green and yellow rivers in these textile cities are endless. Our hometown of Borås is an example, where the bottom of the small local river Viskan is still contaminated by the textile industry of days gone by.

“The world only has a certain amount of water, and the simple truth is that the textile industry cannot continue to pollute and consume water at the current rate. We, as a fashion company, have a clear responsibility in this respect,” says Quality Manager Rebecca Watkins. “We need to turn our best

A FEW FACTS ABOUT WATER:

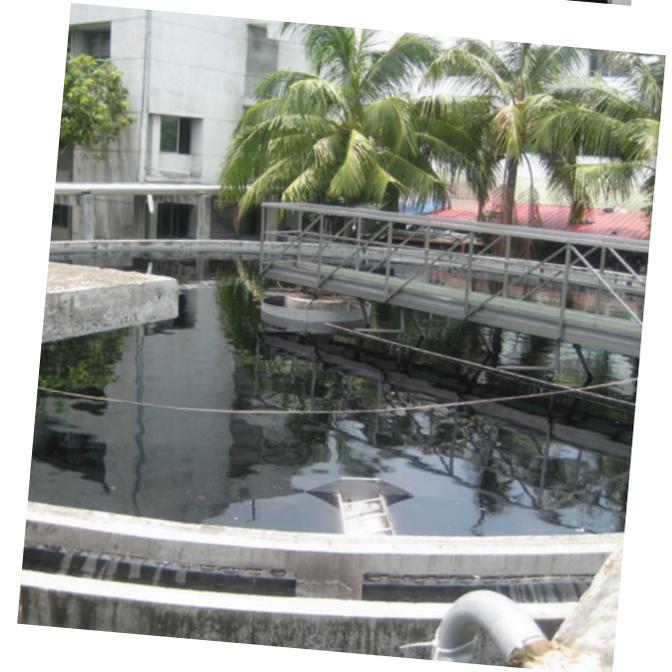
97.5% of all water on Earth is salt water. In other words, only 2.5% of the total water supply consists of usable fresh water, of which 70% consists of ice and almost 30% is ground water. A small proportion (0.3%) consists of surface water, and this is the water that is the most crucial for us to protect. As much as 885 of the 1 000 natural disasters that have occurred over the last 100 years have been related to water. (Source: Jens Berggren, www.siw.org)

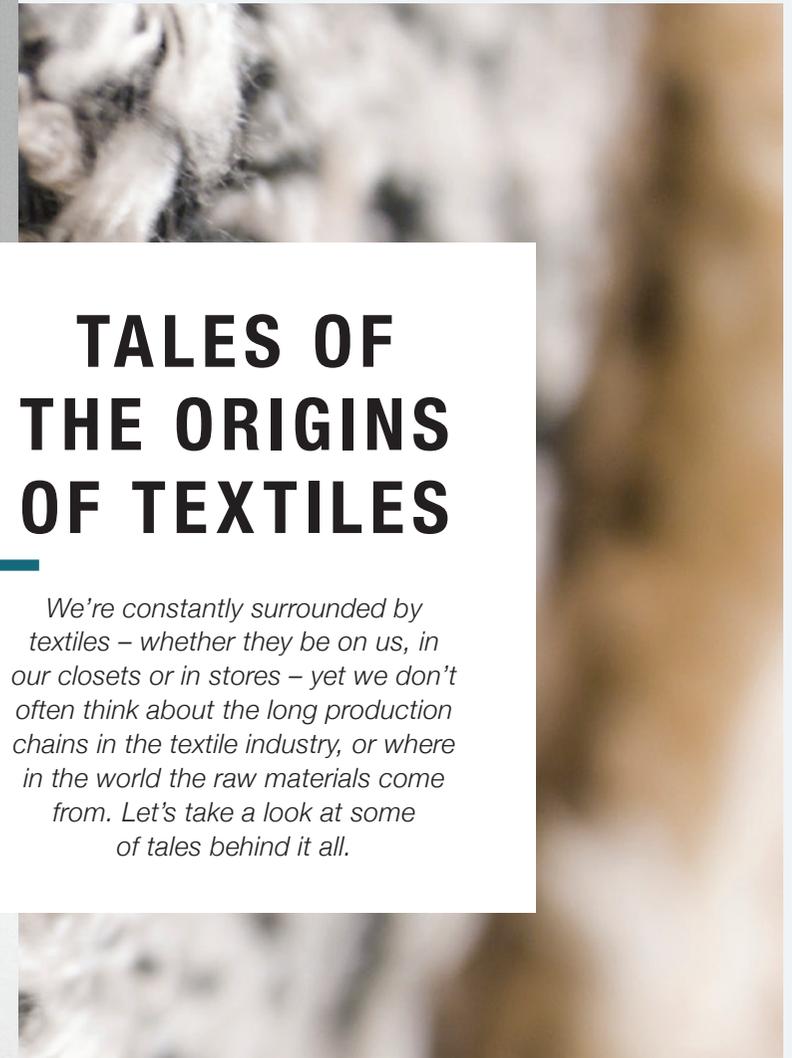
knowledge of water issues into concrete actions at the places where textile manufacturing takes place. That’s why we’ve joined the Sweden Textile Water Initiative (STWI), a joint forum for textile and fashion companies and the Sweden International Water Institute. The initiative started in 2010 to identify the needs, then proceeded to draw up guidelines, and is currently in the concrete phase of turning those guidelines into projects to promote more sensible application and minimized consumption of water, energy and chemicals.”

FOCUS ON DENIM

For Gina Tricot, this implementation process involves us working with two denim laundry factories in Turkey, our largest producing country. Rebecca Watkins is enthusiastic about the work.

“STWI has accumulated a lot of experience from successful projects in India, which we are now implementing in Turkey. I think it is important to regard water issues as something that concerns all of us – it is our most important natural resource, but too often we think of water challenges as something very distant. Most of our products come from Turkey, so it’s only logical that our resources are allocated there. Turkey is also located in one of the regions that is currently losing the most ground water, which is why we must act, and act quickly. It’s also important to remember that denim is a highly water-intensive part of the textile industry.” ■





TALES OF THE ORIGINS OF TEXTILES

We're constantly surrounded by textiles – whether they be on us, in our closets or in stores – yet we don't often think about the long production chains in the textile industry, or where in the world the raw materials come from. Let's take a look at some of tales behind it all.

1

THE ORIGINS OF TEXTILES

BETTER COTTON

IN INDIA

Gujarat in northwest India is one of the classic places for cotton cultivation in the world. Cotton plantations have become a natural part of the landscape and the extraordinary Indian light.

The volumes are enormous; in Gujarat alone, over 10 million bales of cotton are produced every year. However, the many plantation workers are not matched by a comparable number of cotton ginneries and spinning mills. The more the cotton is processed, the fewer the players. What they have in common is their competitive pricing. Market fluctuations are monitored closely by all of them. Trading houses and mills monitor prices on a computer

screen, farmers do so on their phones with the help of an app developed for this specific purpose, of course.

TOUGH CONDITIONS FOR FARMERS

Finding the right time to sell and buy is crucial. Since cotton can be stored almost indefinitely, the conditions are favorable for a competitive financial game. However, in this game, the stakes are high – the current world market price of cotton is historically low, and farmers are being forced to live on the tightest of margins. Their farm must be financed, their children's schooling must be paid for, fertilizers and pesticides must be purchased, water pumps must be acquired and repaired and, during harvest season, wages must be paid to the

people they hire to help pick the cotton. These factors explain the many reports on socially and economically disadvantaged Indian cotton farmers.

It is also not certain that the cultivation will be successful. Cotton is one of the world's most water-intensive crops, as well as the most sprayed. Precious water and expensive fertilizers and pesticides create a financial and environmental challenge in themselves: More fertilizers lead to finer and greener plants, which leads to more pests, and in turn more pesticides, which leads to more contaminated water.

LARGE-SCALE INVESTMENT IN TRAINING

A single fashion company can hardly change the situation for the world's cotton farmers. That's why some of the leading cotton users in the world have come together through the Better Cotton Initiative, which can best be described as a training program for all cotton farmers. In 2015, the Better Cotton Initiative managed to account for 8% of the world's cotton farmers, and the program continues to grow.

"Together with Ellos, we are currently conducting field work in Bharuch in Gujarat," says Quality Manager Rebecca Watkins. "Over a three-year period, we will train more than 2 000 farmers

in things like how to use water more efficiently, how to reduce the use of pesticides, and how to prepare the soil to produce as much as possible. In the end, the important thing is to find methods that secure the cotton farmers' situation – increased profits margins mean more money in their pockets and, among other things, the opportunity for more children to go to school."

Better Cotton is not an eco-label, and does not impose a strict standard. It is about taking the best practices of organic cultivation and putting them into a training program. In order to verify the results, detailed statistics are kept at a local level, in so-called "farmer field books", and in order to measure volumes, ginneries, spinning mills, weaving mills and end users report their purchase volumes through a database. "Even though the physical product is not traceable, the database allows us to see how much we have contributed to Better Cotton," says Rebecca Watkins. "We believe that Better Cotton is the future of the cotton industry. When you look at the changes on a large scale, you really see the results. Changes to the established ways of producing and selling cotton products are introduced gradually and over a long-term perspective. This is why we believe in Better Cotton." ■





THE ORIGINS OF TEXTILES

TENCEL®

IN AUSTRIA

The Austrian city of Lenzing and the company of the same name are connected. More than two hectares of factory area stretches across the city center. The tallest building within the factory area is marked Tencel®, and here they produce one of the most versatile and sustainable textile fibers. Lenzing developed Tencel® based on traditional viscose manufacturing – where wood chips are turned into textile fibers with the help of chemicals. The Tencel® process also uses raw wood materials, in the form of wood chips from eucalyptus trees, but the hazardous carbon disulphide has been replaced

with more environmentally-friendly chemicals in a closed system.

SOFT, COOL AND LOVELY

“Tencel® is soft – softer than cotton,” says Rebecca Watkins. “It offers a cool sensation and the material falls beautifully and has a nice sheen. This really shows how sustainability and quality go hand in hand. Tencel® is an excellent example of textile innovation, but if we are to fulfil our sustainability plan, we need more innovations. For example, we hope to be able to make garments out of Swedish forest products, and we also hope to see more interesting blends of sustainable materials.” ■

THE ORIGINS OF TEXTILES RECYCLING IN SWEDEN

Recycling is an area that requires further innovation. In 2015, Gina Tricot participated in several discussion groups, for example with industry colleagues and the Swedish Environmental Protection Agency, to establish a more systematic approach to finding a solution to our current sustainability problem: that approximately 8 kg of textiles are discarded per person, per year in Sweden. These fabrics could be recycled; however, several challenges remain. First, textile waste management lacks coordination, preventing the material from being systematically put to good use by recyclers. Second, there are no large-scale facilities for sorting textile waste in Sweden, which makes recycling more difficult. Furthermore, the techniques for material recovery are not yet sufficiently large-scale.

FORWARD TOGETHER

Companies, government authorities and organizations must work together to begin to tackle these issues and create circular models. What we as a company can do, first and foremost, is to develop products that meet customer demands and can be used for a long time. We can also inform our customers of how to best care for their garments and thereby prolong their lifespan, including less frequent washing, only full loads, and at lower temperatures. During the lifespan of a garment, washing is a highly significant part of its total energy consumption.

Gina Tricot has collaborated with Human Bridge in Sweden and Fretex in Norway since 2010. Any unsold garments and all used garments that have been collected at our stores and

at the head office, are sent to either of these two organizations for sorting. Still usable clothes are sold at markets where Gina Tricot is not present, and the proceeds go towards disaster relief. In clothes that are not appropriate for selling, the material can be used for the production of sound insulation materials for cars, etc.

Human Bridge has also become a partner of the company ReturTex, which will result in a new sorting facility for textiles, in collaboration with the Dutch company Boer Group. The facility is currently being built in Avesta in the Swedish region of Dalarna, and will employ 25 people. Anna-Karin Wårfor, who is responsible for the project on Gina Tricot's end, is positive. "We



Image of a sorting facility in Holland run by the Boer Group

40

tons of garments were collected by Gina Tricot and donated to Human Bridge in 2015.

see ReturTex as an example of how the textile world is changing right now. No single initiative can break the pattern of waste, but many can. Sorting is essential to be able to work more sophisticatedly with cleaner recycled types of fiber – which is just what we as a fashion company want!" ■

THE ORIGINS OF TEXTILES

TANNERIES IN CHINA

Chengdu is the capital of the Sichuan province in China. With more than 10 million people, it is one of the largest cities in China, located at the center of the large Sichuan plains. The flat plains make the area suitable for animal farming, including tanneries where animal skins are made into leather.

Animal-based materials is one of the aspects of our business that receives a lot of attention from wider society. Leather is one such material (not a textile, but widely used in the garment and fashion industries); wool (of all types) is another. Many still remember the so-called angora scandal, when it was discovered that suppliers in China were tearing the fur off of living angora rabbits. Gina Tricot halted the

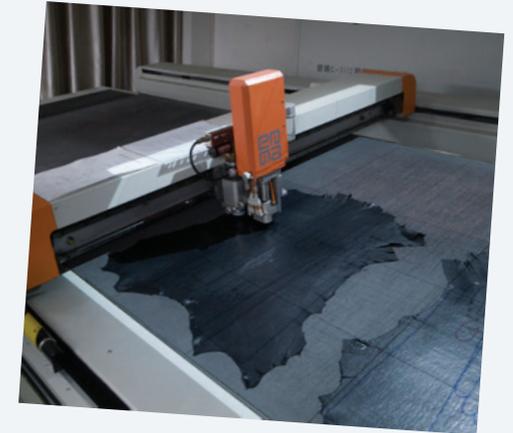


use of this material, as well as other animal materials, to allocate time and resources to investigate the chains of production more thoroughly.

We personally visit the tanneries in Chengdu and conduct similar visits to other parts of China and India. By being there to review the tanning process and the methods and equipment that are used, as well as the working environment on site, we can avoid placing production at unacceptable parts of the leather industry, in favor of tanneries that we ourselves approve.

ATTITUDE OF FACTORY MANAGEMENT

Marcus Bergman, Head of Sustainability, is the person responsible for the inspections of the tanneries: "By conducting our own visits to the tanneries, we get a clearer picture of their activities. We consider the work environment, the equipment and processes, and how they handle water and potentially hazardous waste, which all tanneries produce. We've noticed that the determining factor is not the size of the tanneries, but the management's attitude. Our list of approved tanneries therefore includes all varieties: from leading leather producers in India and China, to small units in rural areas."

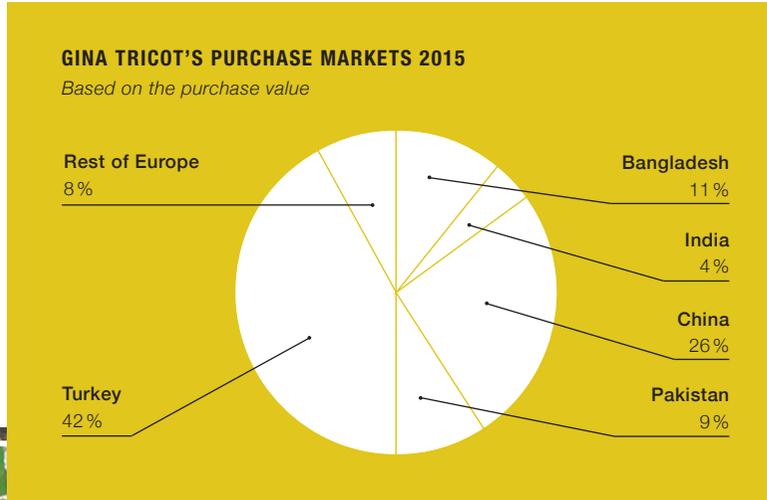


THE FINEST MATERIALS

Another important aspect of trying to include the entire chain of production in the sustainability assessment is the quality of the material. Rebecca Watkins talks about the investment in more high-quality fibers, so-called premium materials: "We believe it's important to let customers clearly know that some materials have properties that make them a particularly good buy, because they have that little extra. Leather is one example: if you take good care of the product, it keeps getting better with age. The need for good care also applies to cashmere. Although the material is not the most durable, if you take good care of your cashmere sweaters, they will be your faithful friends and continue to feel great." ■

DIRECT REPORT FROM TURKEY

Turkey is Gina Tricot's largest producer country. Its geographical location and developed textile industry means fast delivery of the latest fashion. We asked three quick questions to Tolga Turan, CSR Manager at the company Kardem, one of our suppliers.



WHAT ARE THE BIGGEST SUSTAINABILITY CHALLENGES IN TURKEY?

Our biggest challenge is training. All employees – from management to those working in manufacturing – need to become more sustainability-conscious. We need to apply our knowledge in everyday life. We work in the textile industry, but we're also consumers of other types of products. Due to the rapid changes in Turkey, we must reach our financial targets, but without sacrificing social and environmental sustainability.

WHAT IS KARDEM CURRENTLY DOING TO PROMOTE SUSTAINABILITY?

We're currently training our employees and other members of our supply chain within the areas of corporate social responsibility and sustainability. Our goal is to increase awareness of sustainable business practices. We hold workshops for dye house and in wet processing, including chemicals management, traceability and control of production processes.

WHAT WOULD YOU WISH TO SEE HAPPEN IN THE AREA OF SUSTAINABILITY IN THE NEXT FEW YEARS?

Overall, I wish to see more social responsibility in the business world and in society at large. We also need to reduce water pollution. And we need to develop and implement better methods of recycling. ■

SMALL AND BIG STEPS TOWARDS SUSTAINABLE TRANSPORTS

Gina Tricot is associated with lots of new arrivals and fast turnover rates. Our high speed is enabled by long and complex processes. One example is our logistics – an area in which Gina Tricot has developed considerably in the last few years. “It started when we took over our own logistics and warehouse operations in 2014,” says Petri Ventelä, Head of Logistics. “This gave us much better insight into our processes and we could begin to control important factors in a new way – from the fill rate of our shipments, to smarter planning of deliveries. We also need to stay in control of the different modes of transport. Many people probably think that most of our goods are shipped to us via air, when in fact air freight only accounts for a few percent. And from our largest production country, Turkey, we use so-called intermodal transports, i.e. a combination of rail and sea transport, to achieve maximum efficiency with a minimal environmental impact. It’s only for the final stretch – the 65 km from Gothenburg to our warehouse in Borås in Sweden – that we use trucks. I believe that the fact that we work so well with our Turkish suppliers and transporters is a great advantage. If you look at the statistics, you clearly see that we have made a difference!” ■

EFFECTIVE SOLUTIONS

In 2015, Gina Tricot was one of four finalists in the leading logistics prize in Sweden – the PostNord Logistics Award. We were nominated for our holistic approach to logistics and achievement of positive effects, such as increased service levels, more efficient logistics, and reduced environmental impact. Here are some examples of the improvements we have made over the past two years in terms of our logistics from an efficiency and environmental perspective:

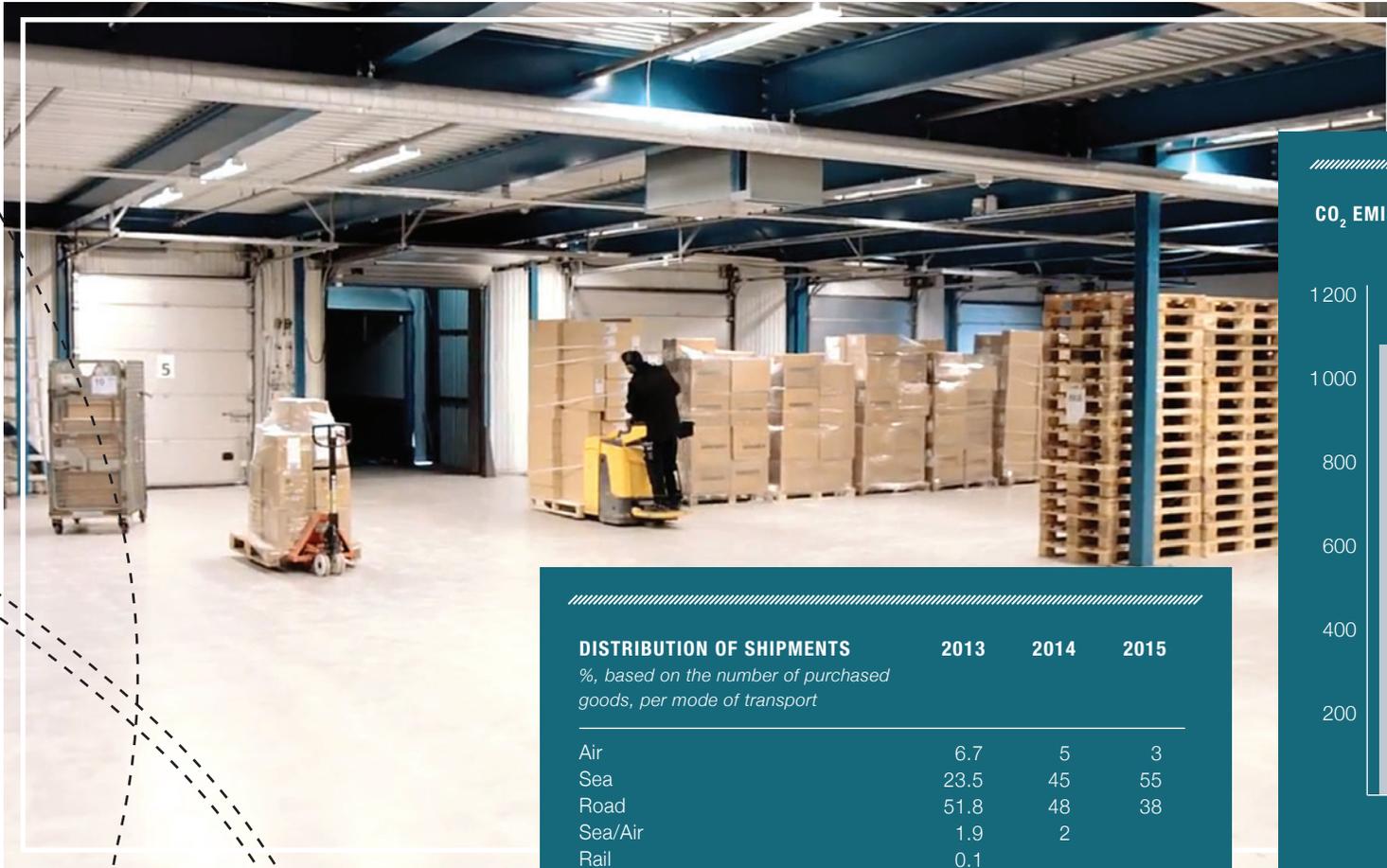
We have limited our shipments from Asia to fewer ports and have thus streamlined our logistics through a higher fill rate.



We train our suppliers and contribute to the purchase of better and more environmentally-friendly packaging materials. Doing so reduces the need for repacking along the way, and thus reduces our environmental impact.

In 2015, we switched to applying intermodal solutions between Turkey and Sweden. Shipping containers are unloaded from ships and onto trains, and finally trucks for the last leg between Gothenburg and Borås. Our carbon footprint has thereby decreased substantially.

Since we took over all logistic operations from our warehouse, we co-pack more of our shipments to stores. Seven boxes are now packed together into one.



DISTRIBUTION OF SHIPMENTS

%, based on the number of purchased goods, per mode of transport

	2013	2014	2015
Air	6.7	5	3
Sea	23.5	45	55
Road	51.8	48	38
Sea/Air	1.9	2	
Rail	0.1		
Intermodal			4
	100	100	100

Over the last few years, we have been working systematically to reduce the proportion of air freight and increase our proportion of intermodal transports.

CO₂ EMISSIONS (TONS)



Between 2014 and 2015 we managed to reduce emissions by more than 30%. This is partly thanks to our continued reduction of air freight shipments, but partly also due to the major differences in the emission factors reported by our transport providers for sea transport, which means that the figures are not entirely comparable.

OUR WORK IN DHAKA CONTINUES

Education is the foundation of prosperity – both in terms of creating good opportunities for the future, as well as protecting children against child labor. That is why Gina Tricot, together with UNICEF and local partners, are investing in preschools in Dhaka. The project continued at the same pace in 2015.

Dhaka is a city without a real center; only the business and diplomatic districts of Banani and Gulshan stand out from the rest of the city with their greenery, gated communities and a few tall buildings. The rest of Dhaka is an example of what is commonly referred to as “urban sprawl”, where buildings and businesses continuously spread horizontally. The city is an example of how urbanization is reshaping

our world. With it comes opportunity, but so far Dhaka has mostly experienced the challenges it brings.

“Dhaka really lives up to the name ‘mega-city’,” says CSR Manager Anna-Karin Wårfor. “Unfortunately, the infrastructure

hasn’t been able to keep up with the city’s expansion. A large part of its population is still living in places that we would not refer to as neighborhoods, but rather, shacks in slums.”

150 PRESCHOOLS IN DHAKA’S SLUMS

One of these areas is Rupgonj. Here, among the narrow streets, alleys and courtyards, you’ll find houses made out of corrugated metal that is home to one of the 150 preschools that is financed by Gina Tricot and run by UNICEF, together with local organizations.

“It’s a powerful experience to see how the children learn to read and write, and how they greet us with ‘what’s your name?’ and ‘thank you’. This is a country with an illiteracy rate of about 50%. The project is expected to give 22 500 children access to preschool, and so far things are proceeding according to plan. In addition to being part of the educational system, these children are also protected against child labor, which is still far too common in Dhaka’s slums.”

The project involves an investment of over SEK 20 million over six years. To further support UNICEF, we have held campaigns in our stores, and in 2015 we collected a total of SEK 2.7 million. ■



A GREEN BUILDING, REUSED BOXES AND COOL LAMPS

Sustainability work is not only about major processes. It is remarkably often the many small measures that together make a difference. Here are some things that Gina Tricot is doing to work a little smarter:

GREEN BUILDING

Gina Tricot's head office in Borås is a certified Green Building – a certification system for improving energy efficiency in buildings. The certification requirement is that the building uses 25% less energy compared to new construction requirements adopted by the Swedish National Board of Housing, Building and Planning. Gina Tricot's head office uses 40% less energy.

REUSED BOXES

Boxes that are used to ship items from the central warehouse to stores are reused.

COOL LAMPS

We are gradually switching to LED lighting in our stores. They not only use less energy to give the same amount of light, they also cut the need for energy-consuming cooling.

OYSTER BAGS

Our stores' bags are made from, among other things, recycled plastic and oyster shells – a renewable biological material.

ENVIRONMENTAL DIPLOMA

Gina Tricot's head office holds a diploma from The Swedish Environmental Base for its waste management, organic coffee, and for training its staff in environmental and sustainability issues, etc. ■



SMARTER IT

The IT department provides the organization with many of the tools for its daily operations. To operate more efficiently, in 2015 we have:

- » Begun working with “right-sourcing”, which means that we have transferred IT operations from external suppliers to a new server with outstanding performance in relation to its energy consumption.
- » Outsourced our telephony/switchboard solution to an external provider who is responsible for the operations. We have replaced our old internal server with a modern external operating system in a shared environment. We have also completely removed all landlines. From now on, the head office and regional organization will only use the softphone program via their computer or mobile phone. This saves a lot of energy.
- » Developed new client hardware and will be using Windows 10. The new hardware, together with our new operating system, saves a lot of energy. Additionally, the new client hardware is fully recyclable.
- » Changed all network switches and wireless access points at the head office to new energy-saving products with better performance. We will continue this work at local offices and stores.

THE MOST BEAUTIFUL SPORT IN THE WORLD

The competitive nerves, the beauty, the speed.... There's a lot about equestrian that reminds you of the fashion industry," says Anna Appelqvist, Head of Design and Purchasing at Gina Tricot, and coordinator of the Gina Tricot Grand Prix in Borås – one of Sweden's leading indoor riding competitions with elite riders from junior to senior levels.

A SUSTAINABLE EVENT FOR ALL

"Obviously, we want the event to be as sustainable and correct as possible. For the second year in a row, we're an Eco-Labeled Event – with a diploma issued by the Keep Sweden Tidy Foundation for our efforts to reduce water and energy consumption. Among other things, we've switched to LED lighting in the indoor arena, and we recycle. We also want more people to be able to experience our competition. That's why we're working together with the non-profit organization Våga Satsa Vinn [Dare, Do, Win] to offer sign language interpretation, hearing aids and visual interpretation. We also really enjoy working with the Swedish non-profit organization My Big Day, to make dreams come true for children with serious illnesses and diagnoses." ■





2015

**IN-DEPTH
INFORMATION
AND GRI INDEX**

WITH FOCUS ON THE MOST MATERIAL ISSUES

Gina Tricot AB is a fashion company that sells clothing, jewelry, accessories and cosmetics for women. The company was launched in Sweden in 1997, and today has stores in Sweden, Denmark, Finland, Norway, and Germany. Through e-commerce, our products are sold in another 25 European countries.

The company's head office is in Borås, Sweden, where our central functions are located, including design, purchasing, IT, logistics, construction, establishment and warehousing.

ABOUT OUR REPORT

Our annual sustainability report summarizes the sustainability work that we at Gina Tricot have performed within the company over the past year. This is our fourth sustainability report, the second one in English, and covers the fiscal year of 2015.

UPDATED MATERIALITY ANALYSIS

During the autumn/winter of 2015/2016, we conducted an updated materiality analysis in connection with our transition to Global Reporting's latest sustainability reporting – GRI G4. The analysis included in-depth interviews with stakeholders as well as a workshop with our senior management and people in other relevant management positions.

We based our discussion with stakeholders and our internal workshop on a gross list of aspects. This list was drawn up based on the GRI G4 guidelines, the GRI document called "Sustainability Topics for Sectors" and a benchmark where we looked at how sustainability efforts are recognized by the industry as a whole, in Sweden and internationally.

We conducted in-depth interviews with 11 external stakeholders and 11 internal employees. The external stakeholders were owner representatives, collaborative partners, suppliers, students and researchers. The internal interviews were conducted with people with specific responsibilities at our head office, such as marketing, purchasing and finance, as well as with store managers.

CHOSEN ASPECTS AND THEIR LIMITATIONS

Our materiality analysis has resulted in a condensed list of our most important aspects. These aspects constitute the core of our sustainability report. But we also pursue efforts in many of the other aspects that are relevant to our business and society.

The most important aspects (in alphabetical order) and their significance inside and outside our organization are as follows:

Animal welfare

Animal welfare is an important factor in the choice of materials, and a relevant issue when it comes to the breeding of animals that produce wool, down, feathers and hair, or animals that are used for leather production. Animal welfare issues are also relevant in the manufacturing of cosmetics, in which animals run the risk of being used for product testing.

Anti-corruption

The work on business ethics is about ensuring the proper management of our financial systems through internal control. It also involves having an ethical approach in our relationship with our suppliers and customers.

Energy consumption and emissions, particularly emissions from transports

Our operations consume energy, by heating, cooling and providing electricity in our stores and facilities. But above all, energy is consumed during transports, and it is precisely this part of our environmental impact that both we and our stakeholders estimate to be of high importance.

Environmental impact of our suppliers

We have an indirect environmental impact through the factories that produce our fashion products. These environmental aspects include chemicals management, water purification, energy consumption and waste management.

Financial results

Our financial performance is the foundation of all our work, our payments to our suppliers, salaries for our employees and a return to our shareholders.

Health and safety of our employees

Our offices, warehouse and stores are to be safe workplaces. As an employer, we are to work preventively concerning health issues.

Health and safety at our suppliers

Health and safety is a key issue in our work towards, and together with, our suppliers. It is a matter of having an indirect impact on the working environment of their employees.

Human rights at our suppliers

In different ways, we can affect the human rights situation (including children's rights) along our entire value chain. However, the greatest risks of violations can be found in our supply chain. Therefore, we are working to tackle these issues through dialogue, audits, various collaborations, etc. The issues addressed concern child labor, forced labor, discrimination and decent working conditions.

Non-discrimination, diversity and gender equality

This work is about ensuring that we treat each other, our customers and others we meet in a good and respectful way.

Product responsibility (e.g. chemicals in products)

Our products – fashion apparel and cosmetics – must be safe to use, and we must constantly work to remove any risks of chemicals or harmful substances within our products. This work stretches from our factories to testing performed by us and public authorities.

Quality and environmental considerations in the design process

We are to increase the proportion of the materials that we have found preferable from an environmental perspective. In the design and purchasing process, we select suppliers who have shown good results in audits, etc.

Sustainability in the production of raw materials

This involves a constant effort to increase traceability from a finished product back to its origin and be able to take measures to influence the way the materials are produced, ensuring respect of human rights and environmental impact considerations.



DISCLOSURE ON MANAGEMENT APPROACH

ASPECT	CONTROL/POLICIES	ACTIVITIES	FOLLOW-UP	RESPONSIBILITY
Animal welfare	Included in our general agreement with all of our suppliers	Participation in the network of the Swedish Trade Federation concerning animal products	Our own visits to suppliers	Quality Manager
Anti-corruption	Corporate Compliance Program (launched in 2015), including: anti-corruption, competition, personal data management and transactions	Training with department heads 2015–2016	Portal for all stores and the head office in which any irregularities can be reported anonymously. The portal is available to all employees in Sweden and will be available in all other countries in which we operate in autumn 2016. An incident-reporting procedure via the intranet is already in place.	CEO
Non-discrimination, diversity and gender equality	Gender equality and diversity plan	Participation in the Swedish Trade Federation network “Working environment training”	Annual staff appraisals and employee evaluations	HR Manager
Energy consumption and emissions, particularly emissions from transports	Sustainability strategy, and transport and travel policies	Mapping of energy consumption. Reducing the number of air freight shipments. Increasing the proportion of eco-cars among our corporate vehicles. Use of “Good environmental choice” electricity at our head office and in all stores wherever possible under existing agreements.	Monthly follow-up of our modes of transportation and travel	Head of Logistics; HR Manager; Expansion Manager

ASPECT	CONTROL/POLICIES	ACTIVITIES	FOLLOW-UP	RESPONSIBILITY
Environmental impact of our suppliers	BSCI Code of Conduct, environmental policy and the STWI guidelines	BSCI audits, own visits to suppliers and STWI projects	Part of the supplier evaluation, and product planning where we work to prioritize suppliers with good results	CSR Manager; Global Production and Sourcing Manager; Quality Manager
Financial results	Internal financial goals	Quarterly forecasts	Audits and monthly reviews by the board	CEO
Health and safety of our employees	Safety portal on the intranet	Training	Incident and accident reporting	HR Manager; Safety Manager
Health and safety at our suppliers	BSCI Code of Conduct, The Accord on Fire and Building Safety in Bangladesh	BSCI audits, our own follow-up visits and inspections by the Accord organization	Part of the supplier evaluation and product planning, where we work to prioritize suppliers with good results	CSR Manager; Global Production and Sourcing Manager
Human rights at our suppliers	BSCI Code of Conduct	BSCI audits and our own follow-up visits, review of other auditing results	Part of the supplier evaluation and product planning, where we work to prioritize suppliers with good results	CSR Manager
Product liability (e.g. chemicals in products)	Environmental policy, supplier demands and a list of banned chemicals	Demands on our suppliers (our own testing) and visits to our suppliers	Spot checks of our products	Quality Manager
Quality and environmental considerations of the design process	Sustainability strategy and Good Index	Quality target (< 1 % returns), environmental training for buyers, maintaining a library of materials with basic qualities	Statistics of returns made, Preliminary Good Index	CSR Manager; Quality Manager
Sustainability in the production of raw materials	Sustainability strategy and purchasing policy	Better Cotton Initiative and Cotton Connect	Preliminary Good Index and supplier evaluations	Quality Manager

GRI INDEX

GENERAL INDICATORS

INDICATOR	COMMENTS	PAGE
<i>Strategy and analysis</i>		
G4-1 Statement from the CEO	-	p. 2
<i>Organization</i>		
G4-3 Name of organization	Gina Tricot AB	-
G4-4 Primary brands, products, and services	-	p. 27–28
G4-5 Location of head office	Borås, Sweden	-
G4-6 Countries in which the organization operates	Sweden, Denmark, Finland, Norway, Germany	-
G4-7 Nature of ownership, and legal form	Gina Tricot is an incorporated company. The principal owner is Nordic Capital. The joint owners consist of private investors.	-
G4-8 Markets, which the organization serves	Stores in Sweden (90), Denmark (19), Finland (24), Norway (39) and Germany (13). Through e-commerce, our products are available for purchase in another 25 European countries.	-
G4-9 Size of the organization	Number of employees: 1 857 Annual turnover: SEK 1 940 000 000	-
G4-10 Total staff according to the type of employment, gender and region	Total number of employees: 1 857 Proportion of women: 97 % Proportion of men: 3 % Number of employees per country: Sweden: 804 Norway: 343 Denmark: 178 Finland: 322 Germany: 210	-
G4-11 Percentage of total employees covered by collective bargaining agreements.	All employees in Sweden are covered by a collective agreement. The guidelines of these agreements also apply in other countries.	-

INDICATOR	COMMENTS	PAGE
G4-12 The organization's supply chain	Our supply chain is different for different goods and services. The origin of all fashion products is raw material production, whether it be a cotton farm, an animal farm for the production of leather, or wood raw material used to produce viscose. Their various paths towards the sewing factories are also different. They include tanning, spinning, weaving and so on. Along the entire value chain you also find transports. Sustainability work is relevant in all these areas, which is why we approach this issue from different angles. Sometimes through personal visits to our suppliers, sometimes through industry collaborations. We also work with our production units and suppliers through various types of product labelling, such as organic cotton.	-
G4-13 Significant changes during the reporting period	No significant changes that affect the scope or delimitations of the report.	-
G4-14 Application of the precautionary principle	The precautionary principle is regulated by Swedish environmental law. We apply the principle in our work with product safety, demanding samples from suppliers and performing our own spot-checks to ensure that our products do not contain hazardous substances. Based on continuous discussions with others (e.g. the Swedish Chemicals Agency), and our own monitoring of new findings, we have chosen to avoid certain substances in our production of cosmetics in particular, but also in other fashion products. Even for substances with regulated limit values, we work to reduce the contents of such substances to well below the legal limits.	-
G4-15 Charters, principles or other initiatives to which the organization subscribes or which it endorses	BSCI (based on ILO conventions), The Swedish Environmental Base, Children's Rights and Business Principles	-
G4-16 Active members of associations (such as industry associations), advocacy organizations etc.	We are members of/involved in (without holding any management positions) the following organizations, which we consider strategically important to our sustainability work: <ul style="list-style-type: none"> » The Accord on Fire and Building Safety in Bangladesh » Better Cotton Initiative (BCI) » Business Social Compliance Initiative (BSCI) » The Chemicals Group » The Swedish Chemicals Agency's branch discussions » The Swedish Association for Sustainable Business (NMC) » The Swedish Trade Federation's network concerning animal products » Sweden Textile Water Initiative (STWI) » Textiles for Recycling Initiative (T4RI) » UNICEF's network 	-
<i>Identified important aspects and where influence takes place</i>		
G4-17 Entities included in the financial report and whether any of these are not part of the sustainability report	The sustainability report is for Gina Tricot AB and the respective commercial corporations in the five countries in which Gina Tricot has stores. The financial report also includes holding company.	-
G4-18 Process for defining the content of the report and where influence takes place	In 2015–2016 we have conducted an extensive materiality analysis	p. 27–28

INDICATOR	COMMENTS	PAGE
G4-19 Material aspects identified in the process to identify content	See list of material aspects above	p. 27–28
G4-20 Whether, and if so where, the aspect is material within the organization for each identified important aspect	See list of material aspects above	p. 27–28
G4-21 Whether, and if so where, the aspect is material outside the organization for each identified important aspect	See list of material aspects above	p. 27–28
G4-22 Report the effect of any restatements of information in previous reports, and reasons for such restatements.	Possible recalculations of data are always reported in connection with the reported indicators. No other information has been changed compared to previous reports.	
G4-23 Significant changes made since the last report period in terms of scope and limitations	Four stores were opened in 2015 and two stores closed. This has not significantly affected any of the data or any other information in the report.	-
<i>Stakeholder engagement</i>		
G4-24 Stakeholder groups engaged by the organization	We have regular contact with the following groups of stakeholders: » Owners » Employees » Suppliers » Customers » Students » Government authorities » Media » Collaborative partners in various sustainability initiatives	-
G4-25 Grounds for identifying and selecting stakeholders	In 2015/16 we conducted a structured stakeholder discussion in connection with the transition to GRI G4. The stakeholders were selected so that all important stakeholder groups were represented in the discussion. In our continuous dialogue with stakeholders, these stakeholders are actively selected by us according to the need to discuss certain issues, or we respond to stakeholders' questions (e.g. questions from students).	p. 27–28
G4-26 The organization's approach to stakeholder engagement, and by type and frequency	We have regular contacts with most of our stakeholders. We also visit our suppliers regularly, and in China and Bangladesh we have offices in order for this dialogue to be more continuous. Our key stakeholders are, of course, our customers, both existing and potential. We meet our customers daily and pick up on any expectations and questions they might have. Through various channels, such as our website The Good Project, and social media presence, we can interact with them in different ways. We have regular talks with our employees – through staff appraisals and other types of employee dialogues.	-

INDICATOR	COMMENTS	PAGE
G4-27 Important areas and issues addressed in the communication with stakeholders, and how the organization has handled these issues	See description of, and results from, our stakeholder discussion.	p. 27–28
<i>Report profile</i>		
G4-28 Reporting period	The report concerns the fiscal year 2015	-
G4-29 Date when the last report was published	June 2015	-
G4-30 Reporting cycle	Annual	-
G4-31 Contact persons for the report and its content	Gina Tricot's Sustainability Group: Anna-Karin Wårfors, CSR Manager Emma Garrote Fredman, Global Production and Sourcing Manager Per-Johan Swartling, CFO and acting CEO Rebecca Watkins, Quality Manager csr@ginatricot.com	-
G4-32 In accordance option, GRI index, and reference to external review	The report is drawn up in accordance with GRI G4, level Core.	-
G4-33 Policy and procedures for external review	The report has not been reviewed by an external party, apart from the stated financial figures, which have been reviewed by an external accountant. External consults have contributed to our calculations of emissions due to transports, and those figures have thus been verified.	-
<i>Governance structure and composition</i>		
G4-34 Corporate management, including committees, and management responsibilities for financial, environmental and social impact	-	p. 11
<i>Ethics and integrity</i>		
G4-56 Values, principles, standards and codes of conduct	BSCI Code of Conduct	p. 38

GRI-INDEX

MATERIAL ASPECTS AND INDICATORS

ASPECTS (GRI AND OUR OWN), INDICATORS	COMMENTS	PAGE
<i>Financial results</i>		
EC1 Direct economic value generated and distributed	<p><i>Value, in million SEK (previous year's numbers in parenthesis)</i></p> <p>Revenues: 1940 (2037) Operating costs: -1592 (-1538) Salaries and compensations for staff: -348 (-352) Interest: -7 (-10) Taxes: -90 (-72) Investments in society: -4 (-4) Remaining financial value: -101 (61)</p> <p>The figures reflect all of Gina Tricot's business. Certain adjustments have been made to the figures for 2014 since last year's report, to reflect the correct net turnover.</p>	-
<i>Sustainability in the production of raw materials</i>		
Our own indicator: List of sustainable materials. % of total production of garments that have been made from sustainable materials	<p>Organic cotton 12.8%. Tencel® 0.6%. ProViscose® 2.65%. Recycled polyester 0.31%. Lenzing Viscose® 2.41%. Better Cotton 1.35%. Total: 20%.</p>	-
<i>Energy consumption and emissions, particularly emissions due to transports</i>		
EN3 Energy consumption within the organization		p. 36
EN16 Total indirect emission of greenhouse gases (scope 2)		p. 36
EN17 Other relevant indirect emissions of greenhouse gases (scope 3)	Comments on the presented data: Due to major changes in emission factors for sea transports from our supplier, the data are not entirely comparable over time.	p. 36

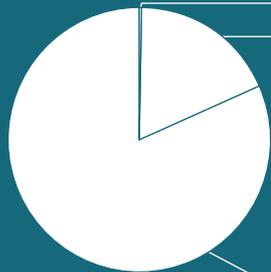
CO2 EMISSIONS

Previous year's numbers
in parenthesis

Electricity, district heating and district cooling (Scope 2)
6.7 tons (7.5 tons)

Business travels and corporate vehicles (Scope 3)
440 tons (385 tons)

Transport of goods (Scope 3)
1 974 tons (2 957 tons)



Transport of goods: The calculations were made in accordance with the GHG protocol and the data provided by our suppliers.

Business travel: Information obtained from the travel agency and a compilation of our domestic travel in China, in accordance with the GHG protocol.

Electricity, district heating and district cooling: Information from supplier.

ENERGY CONSUMPTION	2013	2014	2015
Electricity (MWh)*	3 843	3 247	3 739
District heating (MWh)**	443	429	377
District cooling (MWh)**	26	57	35

* Information from supplier. Includes our head office and our stores in Sweden for which we negotiate the terms of supply.

** Information from suppliers. Only applies to our head office.



ASPECTS (GRI AND OUR OWN), INDICATORS	COMMENTS	PAGE
<i>Environmental impact of our suppliers</i>		
EN33 Significant actual and potentially negative environmental impact in our supply chain, and measures that have been taken	<p>There are a number of important environmental issues in our supply chain – all the way from raw material production to the sewing of garments.</p> <p>The measures taken by us at Gina Tricot include both an assessment of new suppliers as well as continuous assessments of existing suppliers. Our environmental requirements are to a certain extent included in the BSCI audits, as well as on the checklists that we use to conduct our own follow-ups.</p> <p>A specific and significant negative environmental impact in our supply chain is the consumption of water. We are therefore a member of STWI and work in cooperation with others through our industry-specific water projects in the countries from which we buy goods.</p>	p. 12, 14
<i>Health and safety of our employees</i>		
LA6 Incidents and accidents (including work-related injury, disease, sick leave and death)	<p>No accidents have been reported from our stores or head office in 2015.</p> <p>To simplify the reporting of accidents and incidents, in 2016, we have implemented a safety portal through the intranet, to which all stores have access. It will also be introduced at our head office during the latter half of 2016.</p>	p. 6
<i>Non-discrimination, diversity and gender equality</i>		
HR3 Number of cases of discrimination and measures taken	No cases of discrimination were reported.	-
LA12 Categorization of staff according to gender, age group, minority, and other diversity indicators	<p>We have only categorized our staff according to gender.</p> <p>We have not further investigated possible opportunities for measuring diversity.</p>	p. 4
<i>Health and safety at our suppliers. Human rights at our suppliers (including working conditions)</i>		
LA14 New suppliers that have been assessed based on their working conditions	<p>All suppliers that produce fashion products for Gina Tricot recognize the code of conduct as part of the general agreement. A BSCI audit (or equivalent auditing system) is to be conducted before the first purchase order. The audit is to include human rights, working conditions (incl. child labor, forced labor), and environmental performance, among other things.</p> <p>We started working with a total of 18 new production units in 2015. They have all been audited.</p>	-
HR10 New suppliers that have been assessed based on human rights	See above comment.	-



11 PRINCIPLES IN THE BSCI CODE OF CONDUCT 2015

- » 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

More information available at www.bsci-intl.org

BSCI

BSCI (The Business Social Compliance Initiative) was established in 2003 by the Foreign Trade Association with the aim of avoiding double work of following up on supplier requirements. With a decade of experience, the BSCI has established a holistic framework to comply with social standards in the chain of supply. Based on this framework, the members work continuously to improve working conditions. BSCI currently has more than 1 700 members.

BSCI IS BASED ON THREE FUNDAMENTAL PARTS:

1. Tools for follow-up

BSCI provides its members with methods and tools to make sure that producers comply with the code of conduct, and to evaluate the work on improvements.

2. Capacity-building

BSCI strengthens its members and their producers by offering workshops and training programs to raise awareness of good working conditions, and providing specific knowledge for specific areas, thus creating the necessary conditions for sustainable improvements in factories and production in general.

3. Stakeholder engagement

BSCI uses a method of enabling active dialogues and collaborations between governments, business organizations, buyers, suppliers, trade unions and NGOs, to find long-term solutions to the often complex challenges related to working conditions.

ASPECTS (GRI AND OUR OWN), INDICATORS	COMMENTS	PAGE
HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	The majority of our purchases are placed with suppliers in what we call risk countries, based on the BSCI Risk Countries Classification. We therefore conduct audits focusing on human rights and working conditions. These audits are conducted through the BSCI auditing program, but we also do our own follow-ups of our suppliers. In 2015, we conducted 73 BSCI audits and 75 of our own follow-up visits. Those suppliers who do not meet the requirements are given a plan of action. In the event that a supplier does not show progress according to the action plans, that partnership is terminated. In 2015, we terminated work with one of our suppliers, who did not show interest in making necessary improvements.	p. 12, 38
<i>Product responsibility (e.g. hazardous chemicals in products)</i>		
PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<p>We at Gina Tricot are constantly conducting follow-up work regarding the quality and safety of our products. From a safety perspective, risks may involve the use of banned or otherwise undesirable substances (such as hazardous chemicals and heavy metals). We therefore perform tests on our products as well as require testing from our suppliers. This work is ongoing in all product categories.</p> <p>Proportion of complaints: 0.25 % Recalled products due to quality/chemical reasons: 2</p> <p>We are also working actively to ensure safety in our stores, by performing safety inspections, focusing on fire protection, etc. Through our new safety portal, we have improved and simplified our procedures for documenting this work.</p>	-
<i>Anti-corruption</i>		
SO4 Proportion of employees who have undergone training in the company's policies and procedures relating to anti-corruption	In 2015–2016, Gina Tricot is developing a new Corporate Compliance Program. In 2015, we began providing training for our employees who hold leading positions, and by the end of 2016, all of our department heads will have undergone training.	-
SO5 Communication and training on anti-corruption policies and procedures	No cases of corruption have been reported.	-
<i>Animal welfare</i>		
Indicator not available	We have an animal welfare policy that regulates the origin of animal materials, including wool, down and feathers. We do not allow real fur; instead we use synthetic fur.	-

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