

SUSTAINABILITY REPORT 2014

ginatricot

CONTENTS

3 // COMMENTS FROM THE CEO

5 // FACTS ABOUT OUR COMPANY

7 // VISION

9 // STAKEHOLDERS AND COLLABORATIONS

13 // ORGANISATION AND COMMUNICATION

15 // DESIGN AND MATERIALS

19 // QUALITY AND PRODUCT SAFETY



22

”BEING
SUSTAINABLE
HAS BECOME
CENTRAL TO
BEING AN
ATTRACTIVE
EMPLOYER.”



22 // OUR EMPLOYEES

24 // PRODUCTION AND SUPPLIERS

31 // OUR ENVIRONMENTAL ACTIVITIES

35 // WASTE AND CIRCULARITY

38 // ABOUT THIS REPORT

39 // GRI INDEX

WORKING TOWARDS AN AMBITIOUS AND IMPORTANT GOAL



Göran Bille,
CEO

Gina Tricot's activities for sustainability are integrated in our business plan. We stand for inspirational fashion, where we have committed ourselves to sustainability in designing our products and in production, and in every channel our product is sold.

Even though our customers are primarily interested in the fashion, price, and quality of our products, she is an important part of our sustainability efforts – by selecting more sustainable products, and by sustainably caring for her garments. Washing is an example, in a garment's life cycle this is when most energy is consumed. Washing correctly saves energy and keeps the garment useful longer.

As the new CEO at Gina Tricot, I have been met by a strong commitment regarding these issues from our staff. This will enable us to continue to make Gina Tricot even more sustainable in future.

Gina Tricot has set highly ambitious targets for 2028, which is why we must stake

out our path with concrete and measurable targets. We have therefore established five-year objectives in several areas, such as materials, employees and production. We will also address our store environment and logistics chains. In 2014, we have taken many strides along this path. We worked intensively with sustainable materials, exceeding our targets for the year regarding the share of garments produced with these.

A significant problem for our industry, and for Gina Tricot, is overproduction of garments. Too many of our, and our competitors' garments, are sold at discounts or in other forms of promotional activities. This is primarily due to difficulties with excess volumes in the industry. We shall produce what our customers want – not more and not less. Overproduction wastes resources at all levels, not least environmentally. We see this as one of the most important issues facing us as we look forward.

Finding efficient transportation routes for our products from production to the cust-

omer is another consideration we emphasise heavily – many factors impact transport methods throughout our processes, from design to handling in our warehouse. We also made significant improvements here as well, since we manage our logistics at in-house premises, with our own managers. Another bright spot is opening our first store lit by LED lighting only, saving significant energy for cooling needs, as well as for lighting.

For me, it is important that our sustainability efforts involve all our personnel, so everyone knows what we are doing, and what goals we have set. Our staff are our best ambassadors.

A handwritten signature in black ink, appearing to read "Göran Bille".

Göran Bille, CEO



“AS A FASHION COMPANY,
WE SHALL CREATE CLOTH-
ING THAT EXCEEDS OUR
CUSTOMERS’ EXPECTA-
TIONS AND IS PRODUCED
USING ENVIRONMENTALLY
SUSTAINABLE MATERIAL.”

Marcus Bergman, Sustainability Manager

WELCOME TO GINA TRICOT

Gina Tricot AB is a fashion company that sells clothing, jewellery, accessories, and cosmetics to women. Our store operations are organised into five wholly-owned subsidiaries that run our stores in Sweden, Denmark, Finland, Norway and Germany. A smaller portion of our shops are run as franchises. Our label is represented in a further 28 countries in Europe through e-commerce.

All our central functions – Design, Procurement, Marketing, IT, Logistic, CSR, HR, Construction, Expansion, and Finance – are located at our main office in Borås, Sweden. Through a wholly-owned subsidiary, Gina Tricot also owns the building with our main office. As of 2013, we manage all our logistics and warehousing. Our warehouse is also located in Borås.

In each of our markets, we maintain a smaller support office that provides administrative services as for payroll and finances. These support offices are also the main office for our regional and national managers. Our ambition is to reinforce our

Gina Tricot - Group 2014 (TSEK)	2014	2013
Direct economic value generated		
Revenues	2,054	1,983
Allocated economic value		
Operating costs	-1,538	-1,585
Salaries and remuneration to employees	-352	-360
Payments to investors	-9	-7
Payments to the public sector	-72	-97
Investments in society	-4	-4
Retained economic value:		
	-79	-70

local presence by increasing and expanding our country organisations. “Gina Tricot is a glocal company and it is important for us that our central functions, such as controllers, market coordinators, and merchandisers are there close to our markets”, notes Göran Bille, CEO.

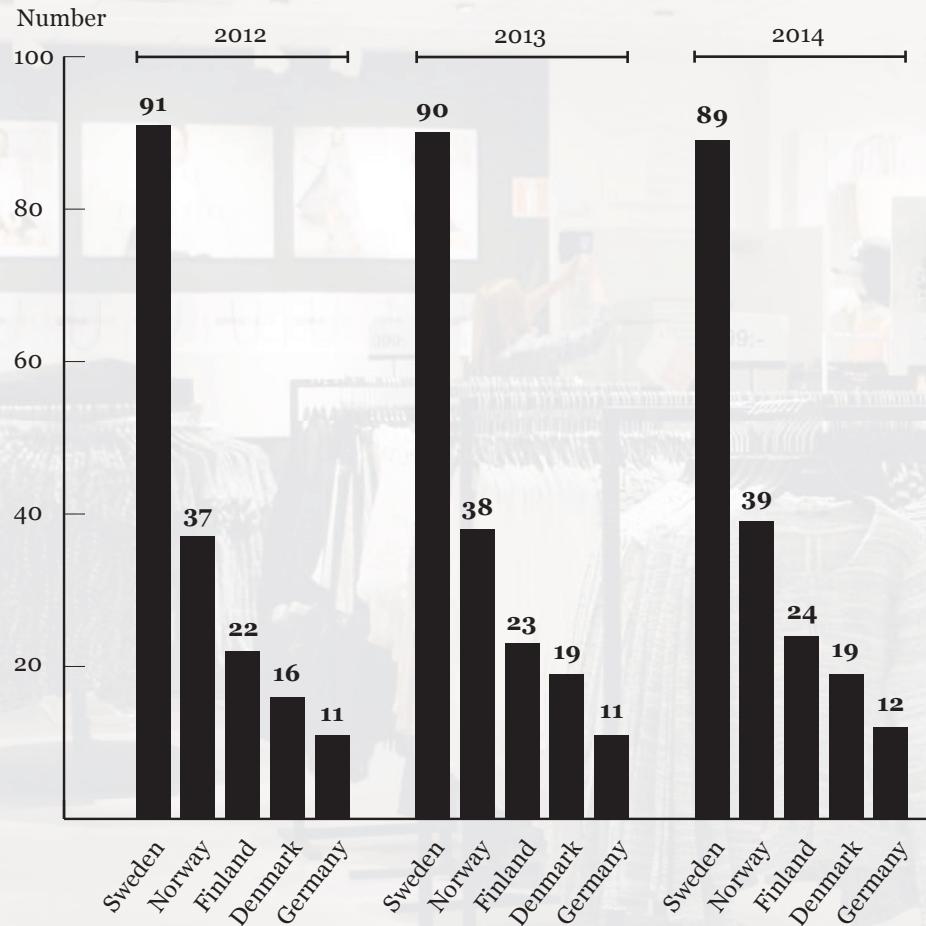
We had a total of 1,821 employees in 2014.

Also in 2014, Nordic Capital acquired majority ownership of Gina Tricot. With

this acquisition, the company also appointed a new CEO in Göran Bille. The company's orientation in its sustainability activities remains, and our new owners are fully committed to these issues.

The Gina Tricot board of directors has eight members. The Board Chair is Paul Frankenius. Senior management represents our employees in the board of directors where they can present employee viewpoints.

Total stores



Our Value chain:

DESIGN AND MATERIAL

Activities for sustainable materials are ongoing on two fronts. We look for and test new, sustainable materials. And, we work to make the materials we already use more sustainable.

Vision

PRODUCTION

Here we face significant challenges. But here too, we can contribute to greater changes through our work in monitoring our suppliers' activities and through our social commitment.

TRANSPORT AND WAREHOUSING

Being able to have fast lead times from product concept to store, and reduce environmental impact from our transports is a core issue here.

OUR STORES

The most important part of our stores is our staff. Here, our activities aim to contribute to their development and health. We also work to minimize the environmental impacts of our stores.

USE

That our customers take good care of their garments has great significance for the environment.

RE-USE

Making fashionable products sustainable means enabling the product or its material to be used in several stages. All of us, the industry and societal stakeholders, have a joint responsibility here.

A LONG TERM GOAL

In 2028, Gina Tricot will turn 30 years. This is also the year we are planning towards in our sustainability vision. Starting with a company culture where our employees see possibilities and solve problems in a creative spirit, we have a vision for 2028 to sell only products that:

- ◊ Use sustainable materials,
- ◊ Are produced sustainably,
- ◊ Can be transported using sustainable methods,
- ◊ Can be a resource when our customers no longer want to keep them

We can be a successful company working towards this vision, and be a positive force in society at large. Sustainability activities at Gina Tricot have brought together a broader internal commitment in 2014. Many departments have cooperated on various initiatives, which is one of the keys to the strides the company has taken in its work with sustainability.

“Our commitment attracts talent to the entire company and it is this generation of fashion professionals who will carry out the transition to a sustainable fashion industry.” Anna Appelqvist, Director of Purchasing.

“As a fashion company we shall create clothing that exceeds our customers’ expectations and is produced with environmentally sustainable materials.” There is no conflict in selling clothing when you do it based on these ideas.”

Marcus Bergman, Sustainability Manager

Our path forward

To meet our sustainability vision, we have divided our activities into strategic stages for each area of: Materials, Production, Transports, Marketing and Recycling. These strategic stages form a kind of three stage rocket, each being five years long.

“Sustainable material is an important part of our sustainability efforts and, we exceeded our target for 2014 of using 10% sustainable material, by reaching 11.3%. This totals over 2 million garments! The prerequisites for increasing the use of sustainable material are in place for 2015. It feels very good that we are in the midst of this swift improvement regarding materials. In our procurement and design activities, we have created the right circumstances to be able to choose sustainable material – from certifying suppliers to our internal monitoring.”

Marcus Bergman, Sustainability Manager
Read more about these activities in the ‘Design and material’ and ‘Quality and product safety’ sections in this report.

Activities promoting sustainable production have become broader and more focused. Sharper focus in that we demand more of our suppliers and we have improved their understanding for sustainability activities, as we have internally at Gina Tricot. As well, we have reduced the number of suppliers so we can maintain a better overview, and can increase our capability to create good relations with those we want to collaborate with. This is reinforced in our cooperative action within BSCI and our own supplier assessments. In this way, our efforts towards greater sustainability in production have become broader, which is readily apparent in our internal systems for design and procurement.

Read more about our activities for sustainable production in the ‘Production and supplier’, and ‘Our environmental activities’ sections.

Our goal for 2017 is to have at most 100 active suppliers, and we want to implement a nominating process for suppliers in order to identify primary suppliers. This will create a better basis for working with the suppliers we do select. Purposeful efforts to reduce the number of suppliers have helped us reach that target already.

Since fall 2013, we have seen clear environmental gains from our work to actively chose transport mode within our operations.

Read more about our transports in the ‘Our environmental activities’ section.

Activities to ensure that our products end as resources after our customers no longer want to keep them have also brought greater creativity.

Read more on this in the ‘Waste and circularity’ section.



DRIVING THE INDUSTRY FORWARD



We believe in collaboration and cooperation, and strive to meet the expectations others have on us through continual dialogue with our stakeholders. Everyone who is interested in us, and in our activities are welcome to contact us and ask questions. This way, we keep track of our world, where we have the same interest in issues raised in the media as we do for questions from students.

Customers: We address a diversity of fashion-interested women. We have extensive marketing activities and are visible in society. Our customer support receives more than 40,000 contacts annually. Every week we receive many questions about our activities related to sustainability.

Staff: The staff at Gina Tricot is almost exclusively women aged from 20 to 45 years.

We hold regular interviews with all of them. Most choose Gina Tricot for the many opportunities for development and for our extensive commitment.

Suppliers: Production of clothing and other fashion goods require close contacts with suppliers. Our departments for design and procurement, and for CSR, regularly meet our suppliers to discuss products, quality, and sustainability.

Industry associations: Gina Tricot is a member of several industry organisations and other initiatives related to issues around which we want to cooperate. See further page.

NGOs: There are many organisations that drive corporate responsibility issues in our suppliers' home countries. We keep ourselves updated in relation to these

issues and campaigns, and we remain open for dialogue.

Students: Gina Tricot has nearly daily contact with students regarding questions about our operations. Every year we take in nearly 30 interns at our main office.

Cooperation for change

We collaborate to extend our sustainability efforts beyond the company, and for us, it is natural that many of the larger challenges are common within the textile and fashion industry, requiring collaboration while we work parallel with our own responsibilities.



**That's why we
are members in:**

**Bangladesh Accord on Fire
and Building Safety:**

International agreement designed for safer factories in the Bangladeshi clothing industry. A collaboration between international and local unions, garment businesses and NGOs.

Better Cotton Initiative (BCI):

Cotton is one of the world's most water-demanding and sprayed crops. The NGO BCI educates cotton growers in sustainable agriculture, which reduces the amounts of water, chemicals and fertilizers used. The organisation also addresses social issues among growers.

Business Social Compliance

Initiative (BSCI):

International industry association, formed in 2013 by the Foreign Trade Association. Through monitoring and training of members and their suppliers, the association works for improved working conditions in global supply chains.

Human Bridge:

This collaboration involves Human Bridge taking care of goods that cannot be sold, for any reason, and using these in their operations, enabling our surplus to come to good use for others via a charity organisation. The Human Bridge association was created in 2001 through merging material aid units at two Swedish foreign aid organisations, Läkarmissionen and Erikshjälpen.

**Kemikaliegruppen
(The Chemical Group):**

This membership organisation spreads information regarding chemicals and environmental issues.

The Swedish Chemicals Agency

Sector Dialogue:

'Non-toxic Environment'; 'Textile dialogue' and 'Cosmetics dialogue'.

**Swedish National Association for
Sustainable Business (NMC):**

This non-profit association joins businesses and organisations working to improve their sustainability efforts.

**Swedish Textile Water
Initiative (STWI):**

Some thirty Swedish textile and leather companies have established guidelines for sustainable use of water, and which drive projects for continual improvement in water resource management in the industry.

**Textiles for Recycling
Initiative (T4RI):**

A group with representatives from over fifty Swedish companies concentrating on establishing large scale and close-to-consumer textile recycling.

UNICEF Network:

An initiative for businesses based on The Children's Rights and Business Principles.

AMBASSADORS FOR BETTER CONDITIONS

“In the Dhaka slums, the children are the ones most at risk. Education is the most important basis for all development and we have therefore chosen to support the project with preschools. We get involved where we are active and in issues close to us.”

Anna-Karin Wårfors, CSR Manager

We see our presence as important in all countries where we have suppliers. The Bangladesh economy is totally dependent on the clothing industry. 80% of textile workers in Bangladesh are women and through their work they provide for others and gain greater opportunity to create their own lives. Having their own income builds a more equal society.

Our commitment to Bangladesh

Many of the employees at our suppliers are women working to support their families. We are thereby also active indirectly in supporting their children's future. Hopes are high for coming generations and Gina Tricot cooperates with

UNICEF for schooling children in Bangladesh. Together, we run 150 preschools located in slum areas where access to education is severely limited, and where girls have low priority.

Since we started in 2011, the project has reached out to 17,451 children in total, of which 61% are girls. 150 teachers have been trained every year. The project is planned to continue until 2016 and will school 22,000 children. Moreover, we help to organise parenting forums for discussion about children's rights, and raising awareness regarding child labour. All children in these preschools receive an identity card that is extremely valuable for future schooling and work.

Strong internal ambassadorship

We are also active in supporting UNICEF in our stores. Employees are proud of this and are strongly committed to acting as ambassadors for these important social issues.

We sold gift cards for Christmas 2014 in a campaign held in all our stores, becoming the first global campaign we have conducted.

Our stores sold a total of 31,521 gift certificates, equal to over 380,000 bags of nut cream. Three bags of nut cream daily can be all that is needed to save the life of an undernourished child.

Our Swedish stores held a campaign in the spring promoting the right to clean water, where the stores and customers collected a total of SEK 485,000, contributing to purifying more than 48 million litres of water.

At our web shop, we also made it possible for our customers to contribute by offering products from the UNICEF gift shop. This included contributions for malaria drugs, wool blankets, and writing books. Our customers contributed a total SEK 48,000 through the gift shop.

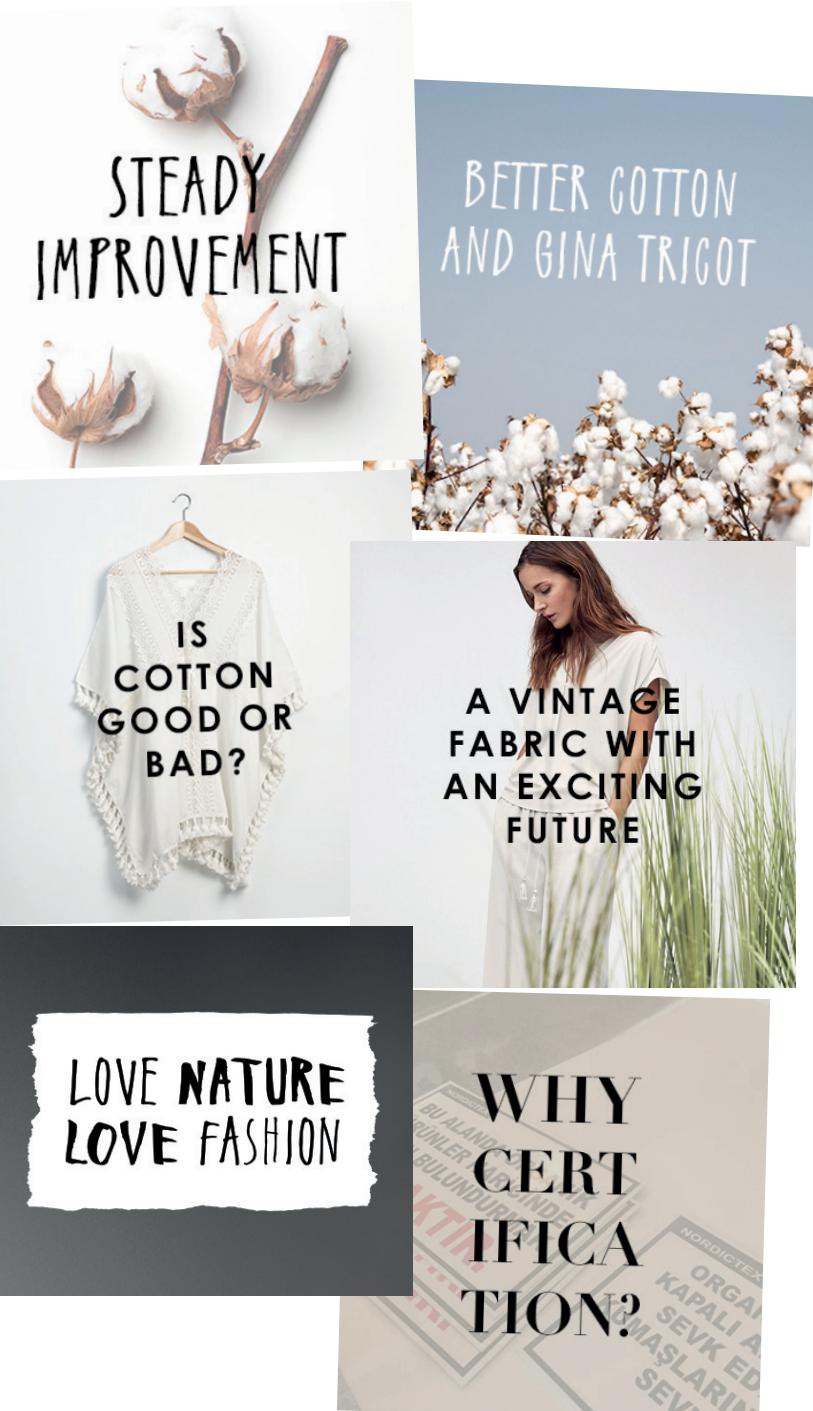
Children's rights receives greater attention

Through our cooperation with UNICEF, we have also raised awareness that UNICEF, with the Swedish Save the Children and the UN Global Compact 2012, launched The Children's Rights and Business Principles. These principles urge all businesses to assess their operations from the perspective of children's rights, and to take action to improve the lives of children. The principles include working conditions, child-safe goods and services, support for catastrophe situations, and ethical marketing. During 2014 Gina Tricot initiated activities to promote children's rights in our internal controlling documents, starting with our code of conduct.



31,521

gift certificates were sold in our Christmas campaign for 2014.



HOW WE WORK WITH SUSTAINABILITY

Interest in sustainability issues is growing, and stakeholders are becoming more committed to our efforts. During 2014 our efforts to become a more transparent company continued with The Good Project and also through outreach activities like student interviews, seminars and media exposure.

Engaging Communication

Activities designed to involve and engage stakeholders in our operations, including The Good Project, and regular discussions and meetings, will be increased in 2015. Gina Tricot wants to further strengthen our relationship with customers, for which our stores are one of the most important channels.

"A challenge we want to overcome is to work more through training and information for those working in our stores. We

believe that understanding what we do for sustainability strengthens our brand, and motivates our staff."

Marcus Bergman, Sustainability Manager

Making sure these stakeholders have easily accessible information highlighting our daily sustainability activities creates the basis for better communication with everyone interested in our operations. On the Gina Tricot website, The Good Project, we have news and information about sustainability activities in the fashion industry generally, and specifically at Gina Tricot. Visitors can find statistics, reports, our code of conduct, published sustainability reports, policies and regular updates of our daily activities for sustainability. This includes posts about everything from raw materials to production – from our collaborations to hints on clothing care.

Our organisation

Sustainability efforts at Gina Tricot are driven by a sustainability committee that includes the administrative manager, and the managers for CSR, sustainability, global sourcing and production, and quality. This committee meets weekly so it can quickly act when the need arises.

The CSR Manager is responsible for activities within our supply chain, and for our social responsibility activities both locally and globally. The Sustainability Manager concentrates on product related sustainability and works with our Quality Manager to coordinate with the design and procurement managers in regular meetings. The Administrative Director represents this sustainability committee within our senior management group.

The board of directors receives updates regarding our sustainability activities from the CSR and sustainability managers every year.

Our best ambassadors

Our daily activities are where sustainability is created, and where change comes, in both large and small. All employees are therefore introduced to our sustainability efforts when

they start employment with us. A large part of Gina Tricot's operations takes place in the stores, where both our CSR and Sustainability Managers hold store manager meetings from which information and guidelines are spread to store staff. These meetings are important in our efforts to build commitment among our employees who directly meet our customers, and must address issues that arise in their stores. We are currently working to find a more efficient way to communicate our internal sustainability activities and to achieve closer contact with store staff. We clearly see that in our recruitment processes, many consciously choose Gina Tricot as employer and are specifically interested in our sustainability activities. Their interest in these issues is significant and the store staff are the best ambassadors since they have daily contact with our most important stakeholders, our customers. The pride of our store staff creates added value directly for our products.

Gina Academy, our internal training program in sustainability issues has continued in 2014. Our emphasis has been in the design and procurement departments. They have jointly reviewed procedures, policies, current topics, and discussed sustainability in relation to the products.



DESIGN DRIVES SUSTAINABLE FASHION

Design is the motor driving Gina Tricot, and the core to our work as a fashion company. The results can be seen in our stores, a simple and inclusive fashion that reflects current trends. Good design helps in making decisions early in the process, decisions that result in making sustainable choices throughout production.

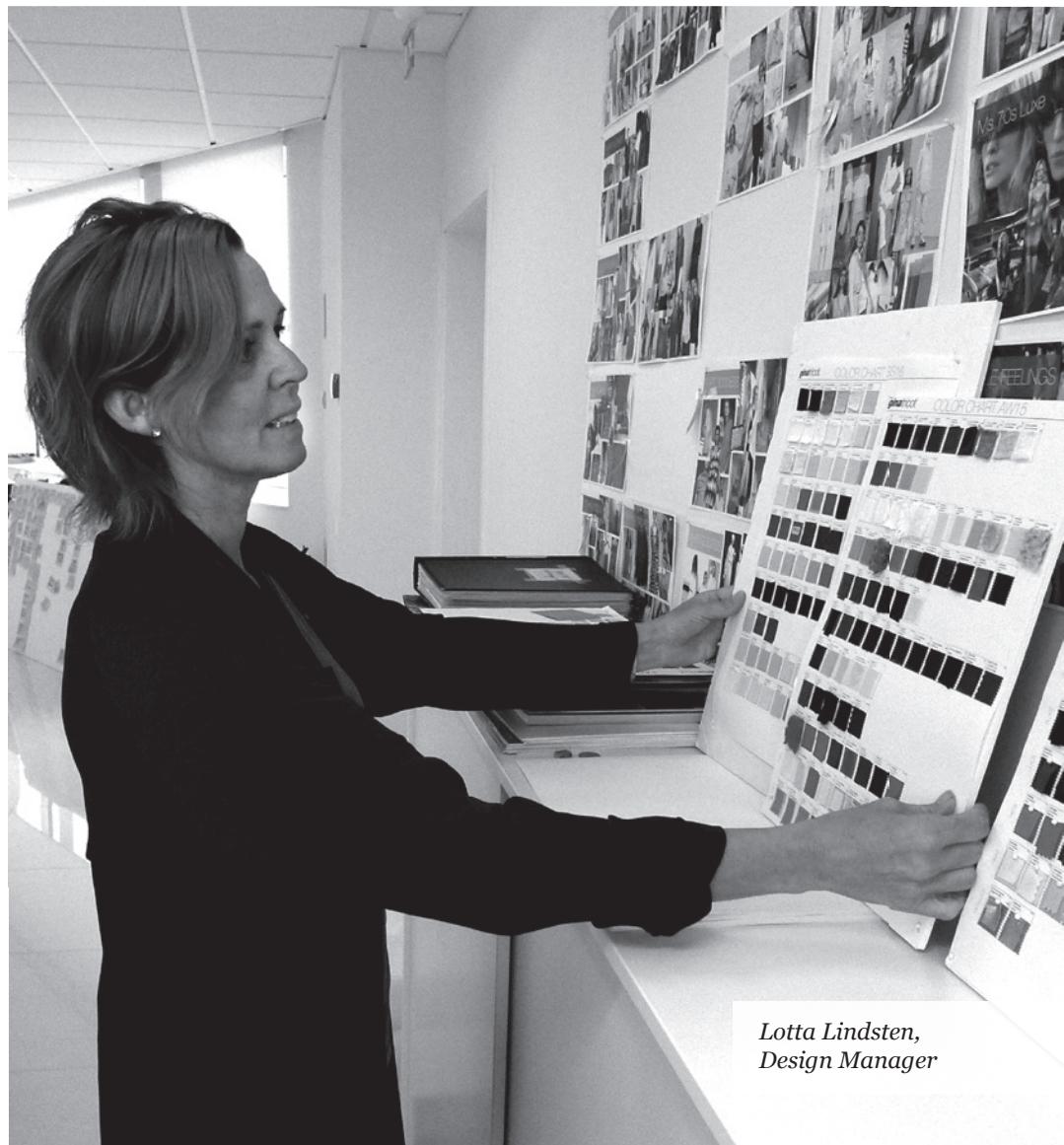
Giant leaps and small steps in the right direction

In 2014, Gina Tricot took a giant leap in terms of quality and sustainable materials. During the year, we presented entire collections in sustainable materials while also improving technical quality standards. In 2015, we will focus on qualities we have not worked with before, qualities meant to last longer. In terms of sustainability in design, we want to work towards having higher quality, for greater added value to the customer, time of use, and durability. Design, in terms of function and fit, is also related to sustainability. “Our work has always been creative, pro-

viding a constant source of new energy to our staff. We are proud of our work. Always raising the bar for our collections, through persistent focus, we exceeded expectations for 2014.”

Lotta Lindsten, Design Manager

The Good Index was created in 2013 and will be refined further in early 2015. This will entail further clarification of how choices made in the design process affect the entire production chain. The Good Index means that in procurement, Gina Tricot sets sustainability scores ranging from 1 to 5 on materials, suppliers, transport and sales. The scores from suppliers are based on our annual supplier assessments, the material score is based on the material database Gina Tricot has built up. The score for sales is based on our sales outcomes. Through the Good Index, everyone involved in developing a product can view its sustainability impact in real time, and follow the product, product group, or an entire segment.



*Lotta Lindsten,
Design Manager*



**"OUR WORK HAS ALWAYS BEEN
CREATIVE, PROVIDING A CONSTANT
SOURCE OF NEW ENERGY TO OUR
STAFF. WE ARE PROUD OF OUR
WORK. ALWAYS RAISING THE BAR
FOR OUR COLLECTIONS, THROUGH
PERSISTENT FOCUS, WE EXCEEDED
EXPECTATIONS FOR 2014."**

Lotta Lindsten, Design Manager

Sustainable choices in materials

All textiles impact the environment, so deciding which materials are deemed sustainable involves a holistic assessment considering the material's impact on natural systems, how the manufacturing process functions in terms of water, chemicals, and power consumption, and how the material reacts when used, and whether it can be recycled. "The materials we currently see as sustainable are organic cotton, Better Cotton, all recycled materials, and some innovative materials such as Tencel and ProViscose", says Marcus Bergman. "However, for us to reach our future targets, we need to have greater access to innovative materials, where we have high hopes for current Swedish research in the area."

Sustainable material	% of the total number of garments produced
Organic cotton	10.3 %
TENCEL®	0.6 %
ProViscose	0.4 %
Recycled polyester	0.02 %
Total	11.3 %

In addition to high fibre quality, most materials we define as sustainable are produced through traceable certification systems.

Our future efforts will also involve working with premium materials such as alpaca, cashmere, silk, merino, and leather, in order to create another quality offering to our customers.

The way forward is clear

"We can communicate even more with our customers concerning our work processes to highlight what we are doing. Become committed. We also need to continue training our staff and continue with internal initiatives that have greatly developed operations. We have a tangible sense of community, and we have a common goal that draws people to it. The way forward is clear."

Lotta Lindsten, Design Manager

By 2028, all products we sell shall be sustainable, in terms of both materials used, and the products' re-usability when the customer no longer wants them.

The target for 2014 was for 10 % (compared to 4.1 % in 2013) of our products to

of our products were made in sustainable material in 2014.

be produced using sustainable material. The target was exceeded, as we reached 11.3 %. 2014 thereby gave us a running start into the current year, which already looks to be exceeding expectations in terms of sustainable materials. During the year, the design and procurement department together with our sustainability, and our global sourcing and production managers have worked closely together. We have reorganised and continued training employees in design and procurement and kept open dialogues with suppliers, thereby creating the prerequisites for making better choices throughout the production chain and in terms of sustainable materials to chose between. Doing this right has become easier. Since autumn 2014, our basic selection of tricot is made entirely from sustainable material.

11.3 %

Greater capacity in raw materials production

Cotton production is a part of our supply chain that is especially associated with environmental and work related hazards. And so, Gina Tricot has been a member of the Better Cotton Initiative since 2011. This organisation promotes sustainable cotton production from an environmental, and a social perspective. Since our suppliers need better access to sustainable materials, working actively to make raw materials such as cotton — one of the world's most water demanding and sprayed crops — more environmentally friendly is strategically important to Gina Tricot. We hope to be able to connect our producers to growers of Better Cotton.

We have worked actively with our suppliers to ensure they have the necessary capacity to produce the sustainable materials we demand from them, and that they comply with our code of conduct. This relies on a close relationship between Gina Tricot and our suppliers, where we push for greater capacity, and thereby improve our cost situation for the materials we want to see produced in a way that Gina Tricot can fully support. It also requires that we refocus our internal



procurement processes to favour suppliers who work hardest to meet our requirements.

Developing sustainable materials lies close to our hearts, and in collaborating with innovative companies, higher educational institutes, and researchers, we closely follow progress in this field and can pick up on any new sustainable textiles as soon as they become commercially available, as we did with ProViscose.

We like animals

Our quality and materials activities in 2014 meant Gina Tricot is also able to work with materials we previously chose not to use, for reasons relating to uncertain production conditions. Together with selected suppliers, we have built secure supply structures enabling us to introduce leather and mulesing-free merino wool. Down, feathers, and angora wool are materials that are still not used.

SAFE, LONG-LASTING FASHION

We want the customers to feel they get value for their money when buying garments from Gina Tricot. The higher quality we can produce, the more they get for their money.

“If we want to talk about sustainable fashion, our products need to last. They should be fashionable but still be able to be used longer, for both the customer buying the product, and when considering remake, and the lifespan of the materials and fibres. We work hard to control every step from design to production. We are always looking to make better clothes out of love for the garments.”

Camilla Olofsson, Head Quality Manager.

Greater commitment

In 2014, we increased our efforts to improve quality and have concluded a quality project. This was aimed at raising the quality level of all our products, and introducing quality variations to make our offering even more exciting to our customers. The project was carried out through an intensive collaboration between procurement/design and the quality group, and

has shown good results so far. Currently, choice of material and quality are prioritised areas in procurement, and emphasis is on details, sewing solutions, and fit. “Our customers will notice the difference brought by our efforts in 2015.”

Camilla Olofsson, Head Quality Manager.

“We also created a materials library to standardise basic quality and simplify procurement and design. The index also contains the selected sustainable qualities. Through increased traceability and comprehensive certification activities of our suppliers, the range of sustainable qualities available in the index has significantly increased. “As it stands, we are pleased with how the index is a source of inspiration to our designers’ effort to create the sustainable collections of tomorrow.”

Marcus Bergman, Sustainability Manager

All suppliers are continually evaluated and graded according to our system. The results are then included in our supplier assessment, which affects the suppliers’ scores in The Good Index

The number of quality tests at external laboratories increased in 2014.

Few lab-tested products deviate from our strict quality requirements.

The share of complaints remains below 1%, the same as 2013.

Controls at every link in the chain

Quality controls of materials and products are done by Gina Tricot — where we wash and check shrinkage, wringing, and colour retention — and by our suppliers, who provide us with reports from nominated testing laboratories. They also test for pilling resistance, flammability, and seam slippage. Ensuring details are correct and getting a feel for how the garment acts when worn is checked using what we call a ‘wear test’ at our main office.

To ensure a more reliable quality in production, we implemented special quality assurance for production in all our markets in 2014. In Bangladesh and China, these controls are carried out by staff at our production offices, and in the remaining countries (Turkey, India, and Pakistan) by external contractors. “Introducing quality controls in all markets represents a very important step. Ensuring reliable quality levels for products delivered to us, while informing our suppliers of the level Gina Tricot wants to maintain, contributes over time to reducing spillage both in production and in our stores.”

Camilla Olofsson, Head Quality Manager.

Strict chemical requirements

“One of our goals is for our products to become a resource after the customer no longer has a use for them. To make that possible, we need to work actively in terms of chemicals. The product’s entire contents should be recyclable.”

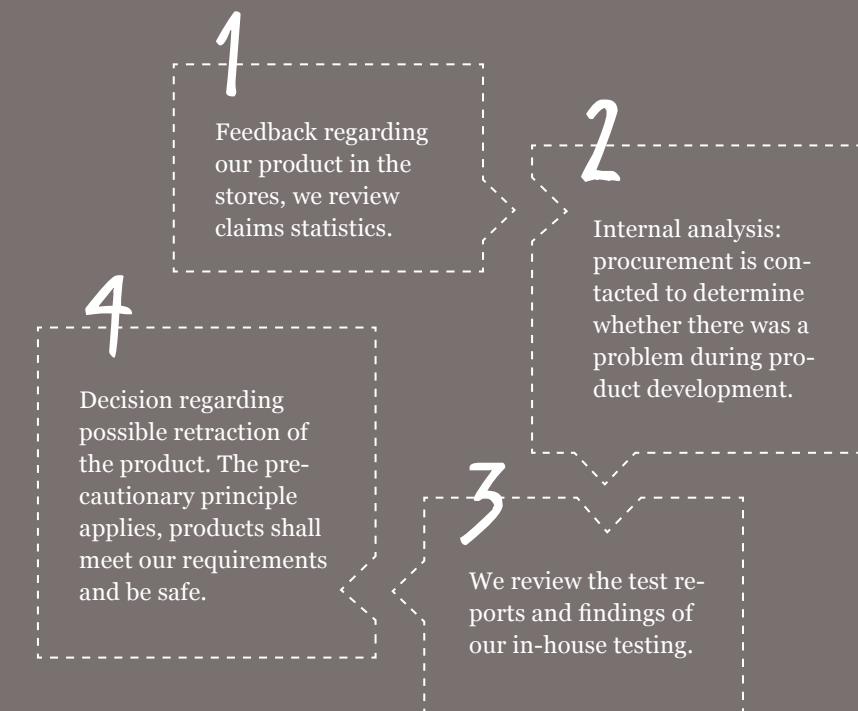
Camilla Olofsson, Head Quality Manager.

Gina Tricot places high demands on its suppliers in terms of chemical content and follows a list of restricted chemicals that in many cases is stricter than current legislation requires. To remain up-to-date on chemicals in general, we are members of Swerea IVF’s chemical group. It provides continuous information on research and regulations, as well as recommendations and support. Through our general agreement, our suppliers agree to comply with our list of restricted chemicals. Here too, we require reports from nominated testing laboratories. “Last year, requests for chemical testing reports increased by 10 %, while the number of ‘finds’ stayed at the same level. In this way, we can say we are making progress.”

Camilla Olofsson, Head Quality Manager

The recall process

The feedback we receive from our stores is invaluable. This is a highly important channel for us to get feedback for our quality efforts.



To further assure the chemical content of our products, random tests are carried out at our main office. In 2014 we concentrated on metal and plastic products such as jewellery and purses.

In addition to routine testing carried out in the production process, our products are also tested by others. The Swedish Chemicals Agency (KEMI) conducted an audit of jewellery as a part of their environmental quality objective 'A Non-Toxic Environment', where they tested our pro-

cedures and studied the presence of heavy metals in our jewellery. The ten products that were tested showed no deviations. ÖkoTest, a German testing company, tested a T-shirt produced by one of our largest suppliers in Turkey. This test also showed no restricted chemicals had been used. These tests indicate that our collaborations with our suppliers have been successful.

Fresh and safe cosmetics

Gina Tricot places high demands on the cosmetics sold in our stores, in terms of health and the environment.

Our current requirements are:

- ◊ None of our products may be tested on animals.
- ◊ No microplastics may be used. Microplastics are plastic particles smaller than 1 mm, most commonly used in cleansers and powders, and which are harmful to aquatic animal life.
- ◊ All cosmetics shall contain no chemicals on the EU list of allergenic perfume substances.
- ◊ No parabens may be used. Parabens are a preservative used in cosmetics, but not by Gina Tricot, because of uncertainty concerning their properties.

Two purses recalled from stores due to random testing.

Gina Tricot were audited by Swedish Chemicals Agency regarding jewellery and regarding internal procedures, with no negative findings.



NEW ORGANISATION WITH RENEWED ENERGY

In autumn 2013, we were forced to consider cost factors in our operations. Staff was reduced – and a new organisation created. This process significantly affected HR activities in 2014 – which was also the year when the company was acquired by a new principle owner.

“Together, we implemented changes to the company – as we looked forward. When checking with employees made redundant, it became clear that our employees are attractive on the jobs market. At Gina Tricot we encourage our employees to try out working in different parts of the organisation.”

Generally, the organisation recovered quickly. “Our employees show great trust in the company, and with the aid of good groundwork, the process went relatively smoothly. Through our new owner, we have received positive reinforcement, both in terms of resources and in competency. Our challenge ahead lies in retain-

ing our entrepreneurial spirit and staying on our toes to turn all we have built in 17 years in the industry into new growth under new leadership.”

Linda Bååth, HR Manager.

An example of changes currently under way is our review of the company culture and values. “We are working to clarify and find the right words to describe what we stand for”, says Linda Bååth. “The fashion industry is fast-paced and for the sake of our employees, it is important to clearly define our values. We invest heavily in introductory training, in our stores and at the main office, and we see that competency development is vital. Six out of every ten recruitments come from within the company, something we take pride in.”

Young employees in the fashion industry

For many of our employees, Gina Tricot is their first employer, especially in our stores. We see our contribution to creating

a work place for young people as a positive force in society. Gina Tricot is a young company and its employees have a passion for both fashion and for working in a highly dedicated company. The company has a distinct entrepreneurial feeling, which we want to teach to our employees. “We also see a steadily growing interest in sustainability issues among our employees,” says Linda Bååth. “Working with sustainability has become a crucial aspect of being an attractive employer.”

We want students and talented prospects to choose Gina Tricot. Every year we take in interns, and we feel it important to collaborate with the textiles and fashion schooling programs in Borås. We see significant interest in Gina Tricot as an employer, which we try to affirm and actively utilise.

Gina Tricot has signed collective bargaining agreements in Sweden and Finland. In the remaining countries, we follow

Our employees

Board of Directors

2 women **6** men

Senior Management

6 women **4** men

Managers/Staff

224 women **9** men

Employees at our main office*

140 women **11** men

1,821

people in all work
at Gina Tricot. Of
these, **50** are men
and the average age
is **26.9** years.

applicable guidelines regarding collective bargaining agreements. We are members of employer associations in each country and make sure we maintain continuous dialogue with unions and their stakeholders.

Our staff turnover in 2014 was 19 %, calculated on the number of permanent staff employed throughout the year in relation to the total group average.

At Gina Tricot, we try to balance part time contracts by always advertising internally, and placing current staff whenever possible. Many employees work in several different stores close to each other and we have an internal pool of temporary work-

ers to draw on. This enables us to offer our employees a higher rate of active employment, to the extent possible.

A safe workplace

Our offices, warehouse, and stores should be safe and welcoming. Our employees shouldn't be in danger of injury or otherwise be forced from their jobs for work related reasons. Our main office house a safety committee and union safety representatives.

In our stores, employees face the risk of fires, threats, harassment, and robberies. There are safety representatives, but they are not present at all stores. Where there

Store and warehouse employees*

At our warehouse in Sweden**

We have **42** employees.
Of these **23** are men and
the average age is **29**
years.

At stores in Denmark

We have **157** employees.
Of these **0** are men and
the average age is **23**
years.

At stores in Sweden

we have **402** employees.
Of these **0** are men and
the average age is **29**
years.

At stores in Norway

We have **329** employees.
Of these **0** are men and
the average age is **24**
years.

At stores in Germany

We have **191** employees.
Of these **0** are men and
the average age is **23.5**
years.

* Managers not included
**The warehouse opened in fall 2013

CLOSE AND FREQUENT CONTACTS

At Gina Tricot, we work actively alongside our suppliers and maintain close relationships with them. In that way, we achieve better results and create a better operation for our suppliers. Through our presence, we can have a positive effect on developments, and that is exactly what we are doing. This presence requires local commitment on issues that indirectly affect us, as in a country like Bangladesh where we collaborate with NGOs to help children receive good education.

Fewer suppliers, closer relationships

Gina Tricot owns no factories, but we work closely with our contracted suppliers who produce our products. The supplier base consists of a variety of companies that produce clothes, jewellery, purses, accessories, and cosmetics for us.

"We want to have close relationships with our suppliers, as they are our partners. Since we began working to reduce the number of suppliers, we have worked our way down from approximately 150

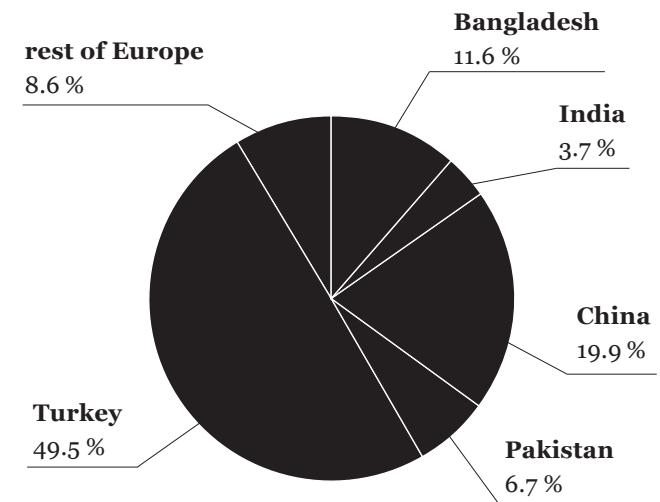
to the 75 we currently have. All suppliers should feel we are an important customer, which brings a win-win situation for both us and the supplier," says Emma Garrote-Fredman, Global Sourcing and Production Manager.

This is why we are working more on maintaining a presence, by establishing purchasing offices in other countries and making frequent visits to our suppliers. This is necessary to become a sustainable fashion company. Turkey and China are Gina Tricot's largest manufacturing countries. Turkey is geographically close, making it relatively easy for us to visit our suppliers there, and we have worked with many of them for a long time. Since 2013 we have an office in Shanghai in China. The purpose of keeping offices on location is to enable more direct communication with suppliers, finding new logistics solutions, and being able to resolve challenges immediately as they arise.

The majority of our procurement is from suppliers in what we call 'risk countries'.

Gina Tricot procurement markets

Based on procurement value



We base our classification of risk countries on BSCI's Risk Countries Classification. Having fewer suppliers is an important part in achieving a transparent value chain, and in adding continuity to the continual improvement efforts we conduct with our suppliers. 75 % of the procurement value in 2014 was from suppliers we have worked with for 5 years or more.

Annual assessment of suppliers

Each year, all Gina Tricot suppliers are evaluated. This assessment includes the requirements in the code of conduct, quality, logistics, results from testing, and communication. In 2014, quality and chemical aspects were added. As a result of the assessment the total cost of working with a supplier becomes more clearly an internal consideration at Gina Tricot, and our supplier's ability to work sustainably with both materials and in production becomes evident. The assessment score is used as the basis for production allocation. Additionally, the assessment provides us with arguments supporting our allocation decision.

“All suppliers should feel we are an important customer, which brings a win-win situation for both us and the supplier.”

Emma Garrote-Fredman

All our employees can view the results of these assessments on our Intranet, which serves to spread information and to create a sense of pride in the work accomplished. In that way, the supplier assessment serves to continuously improve our sustainability efforts in production, while also highlighting potential risks and opportunities. Having a close relationship with our suppliers is central to reducing risks.

Suppliers of sustainable materials

In fall 2014, Gina Tricot mapped all sustainable suppliers, that is to say, those who are certified in compliance with GOTS (Global Organic Textile Standard), OCS (Organic Content Standard), and GRS (Global Recycling Standard). This was done to facilitate for our buyers to make the right choice and to be able to trace raw materials every step of the way, which means we can fully keep our promises to our customers. Through these activities, we were able to identify which suppliers have the required certificates and we are now working on directing our orders to them. These suppliers also receive better results in the supplier assessment. “We do more than many

think. Our customers want to have proof of our efforts, and we can provide it. We want to be able to account for every step of the way.” Emma Garrote-Fredman, Global Sourcing and Production Manager.

*Emma Garrote-Fredman,
Global Sourcing and
Production Manager.*



Supplier requirements

Gina Tricot's code of conduct forms the basis for all our supplier relationships. The code of conduct is common to all members of the Business Social Compliance Initiative (BSCI), where Gina Tricot has been a member since 2008. The code of conduct represents the collected requirements that Gina Tricot places on all suppliers and which they must comply with to be allowed to make products for the company. The code of conduct is based on international conventions, such as the UN Universal Declaration of Rights, Unicef Children's Rights and Business Principles, OECD guidelines, the UN Global Compact, and conventions and recommendations from the International Labour Organisation (ILO) that are relevant to improving working conditions in the supply chain.

11 Principles of the BSCI code of conduct 2014:

- ◊ Freedom of association and the right to collective bargaining.
- ◊ Non-discrimination
- ◊ Fair remuneration
- ◊ Decent working hours
- ◊ Occupational health and safety
- ◊ Ban on child labour
- ◊ Special protections for young workers
- ◊ No precarious employment
- ◊ No bonded labour
- ◊ Protection of the environment
- ◊ Ethical business behaviour

More info at www.bsci-intl.org

“We always risk that a supplier in the supply chain agrees to an order but is unable to fulfil it, and instead produces it at another factory we haven't previously inspected. It is a continual challenge. It is also one of the reasons why we work hard to reduce the number of different suppliers and to build up the capacity of those we want to collaborate with.”

Anna-Karin Wårfors, CSR Manager

BSCI

BSCI was established in 2003 by the Foreign Trade Association (FTA) in order to avoid duplication of monitoring efforts and create consistency and harmonisation for companies to improve social compliance in global supply chains. With a decade of experience, BSCI has established a holistic framework for social compliance within the supply chain. Supported by this central framework, our participants take on the task of continuously improving labour conditions, and assume the responsibility of cascading social compliance throughout the entire supply chain.

BSCI is based on three fundamental pillars:

Monitoring

BSCI provides participants with a methodology to measure the compliance of producers against the BSCI Code of Conduct and to evaluate improvements.

Capacity building

BSCI empowers participants and their producers through workshops and training programmes to raise awareness of good working conditions, and to provide issue-specific knowledge, thus enabling sustainable improvements in factories and farms.

Stakeholder engagement

BSCI manages active dialogue and cooperation with governments, business associations, buyers, suppliers, trade unions and NGOs, in order to find sustainable solutions to often complex labour challenges.



“Visiting our suppliers’ factories is an integral aspect of our work. It isn’t simply a way of ensuring they live up to the requirements of the code of conduct, but also an important part of building a lasting relationship.”

Anna-Karin Wårfors, CSR Manager

Photo from a fire drill at one supplier in Dhaka, Bangladesh

Photo: Anna-Karin Wårfors

13/05/2014



MONITORING AND SUPPORT

BSCI audits 2014

Level	Quantity	Share
Approved	9 (11)	14% (20%)
Approved after correction	30 (20)	48% (37%)
Does not meet requirements	24 (23)	38% (43%)
Total	63 (54)	100%

Previous year's figures in parentheses

Approved means that the supplier had no deviations in any critical area and no or only minor deviations from the audit requirements, based on the BSCI Code of Conduct.

Approved after correction means that the supplier had no deviations in any critical area and meets at least half of the audit requirements, based on the BSCI Code of Conduct.

Does not meet requirements means that the supplier has one or more deviations in critical areas and/or fulfilling less than half of the audit requirements.

Gina Tricot's suppliers are continually audited through external BSCI inspections in addition to our own monitoring in conjunction with our supplier visits. In total, Gina Tricot performed 78 internal follow-ups in 2014. Many of the suppliers were also audited by other initiatives such as Ethical Trade Initiative, Fair Wear Foundation, or by other customers performing their own monitoring activities.

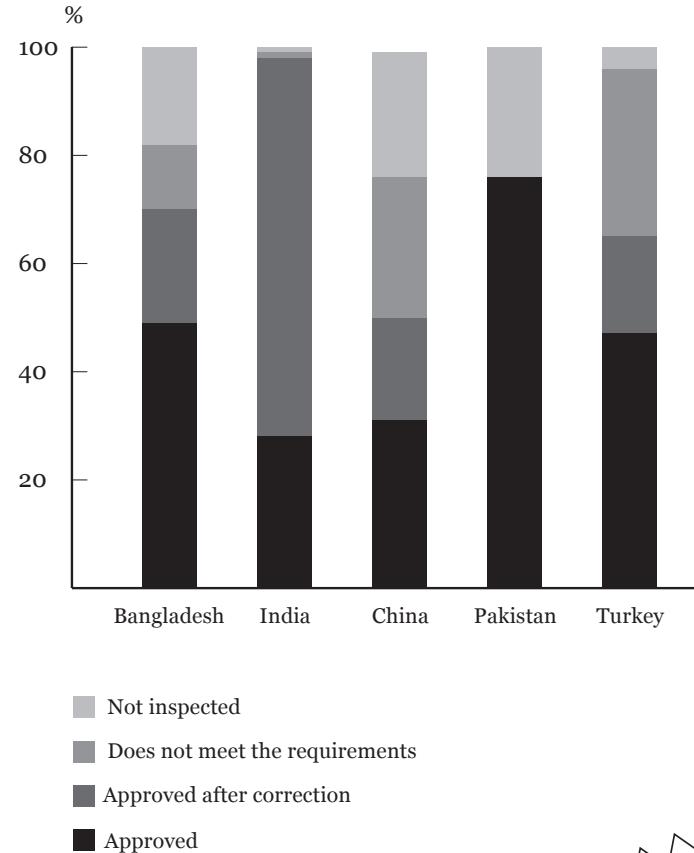
Our work with BSCI

The first step in a BSCI supplier audit is a self-assessment to provide insight into the BSCI code of conduct. After this, the first audit takes place. If any non-compliances are found, the supplier has at most 12 months to correct them before another audit is carried out. If the supplier has not corrected the non-compliances after two audits, and no improvements can be demonstrated, the relationship with the supplier is reassessed. This process is repeated every third year.

In 2014, the code of conduct was updated after extensive work within BSCI and in

Production units outside the EU

Status 2014, based on results from BSCI audits.



Production and suppliers

Supplier status	2012	2013	2014
No. of suppliers	117	110	76
Total production units	161	177	147
No. completed BSCI inspections	72	54	63
No. follow-up visits by Gina Tricot	68	62	78

consultation with various operators, NGOs, and member companies. Among other things, changes to the code of conduct resulted in introducing a new scoring scale for audits (A-E). A ‘Zero Tolerance Protocol’ will be prepared for defined zero

tolerance deviations, such as for child labour. The earlier Corrective Action Plan (CAP) will be replaced by a Remediation Plan for which suppliers shall be responsible. As well, the period between two full audits may not be longer than two years. We will begin to audit in accordance with the new code of conduct during 2015.

“I look forward to begin working on implementing the updated code of conduct in our supply chain. The code of conduct has been strengthened with a few new focus areas such as ‘no precarious employment’ and ‘ethical business behaviour’ and one of the greater challenges now is to ensure our suppliers engage in the training offered by BSCI regarding changes in the code of conduct.”

Anna-Karin Wårfors, CSR Manager



*Anna-Karin Wårfors
CSR Manager*

Convention for Safety

In October 2013, Gina Tricot signed the ‘The Accord on Factory and Building Safety in Bangladesh’. The background to the accord is the catastrophe that occurred in April 2013, when a factory building in Dhaka, Bangladesh, collapsed resulting in more than 1,100 dead and 2,500 injured. Gina Tricot had no production at the facility, but as the accident was one of several similar ones, there was an obvious need for ensuring safer working environments for textile workers. Through the accord, companies pledge to keep manufacturing their products in Bangladesh, showing that we want to be a part of developing safer factories. Currently, over 190 companies from more than 20 countries are involved, together with two global and eight local trade unions. All companies provide information on what factories they buy products from. In early 2014, inspections of the factories began and were conducted by external consultants associated with the Accord, with the goal of inspecting all factories at least once by September 2014. The inspections are focused on three areas: fire, electrical and structural safety. By September 2014, 1,103 factories were inspected.

An action plan is jointly prepared after each inspection by the factory and their customer buyers. The action plan is sent to the Accord for approval and publication. Regularly occurring problems include unclear emergency exits, unsafe electrical installations, and faulty construction of the facilities.

After the first inspections, a detailed inspection of the structural integrity of the facilities is performed where necessary. The results so far have been that 19 detailed inspections of structural integrity at these buildings have demonstrated a significant risk for structural faults. In these cases, the Accord hands over the inspection results to the Bangladeshi government review panel. This panel was formed in order to check and follow up on any facilities that needed to be evacuated or operations that had to cease. During the investigation, the factory is closed temporarily. In the mean time, the Accord works with factory owners, buyers, and the workers to focus on three areas: speeding improvement efforts, ensuring salaries are paid, and maintaining employment.

All Bangladeshi factories that Gina Tricot buys products from have undergone in-

spections in the year. The effort to introduce improvement measures is currently under way. During the year, we have visited the factories to monitor this work on location.



Photo from an accord inspection
Photo: Anna-Karin Wårfors
14/05/2014

ENVIRONMENTAL ACTIVITIES ARE ALL ABOUT IMPACT

With the Gina Tricot environmental policy as a base, we are continuously working to reduce both our direct and indirect environmental impact. We impact the environment directly through our stores and offices, that is to say, Gina Tricot's own operations. However, our greatest impact comes indirectly through our supply chain and through the transports used throughout our products' lifespan. By maintaining dialogues and placing requirements on our suppliers, and through collaborating in various industry initiatives, we can impact and contribute to improving our shared environment.

Tools for measuring

Activities to prepare environmental targets in several areas, such as logistics, and through improving on our "The Good Index" tool is currently under way. IT is an important tool for measuring and monitoring our targets.

Water is the basic requirement for life on earth and drinking water is a scarce commodity in many textile producing countries. It is therefore vital for Gina Tricot to be involved and work actively to improve water handling in the production process.

This is done through collaborating with other textile companies and the Stockholm International Water Institute, in the STWI project.

A joint approach to water

Since 2010, Gina Tricot has been a member of the Sweden Textile Water Initiative (STWI), a network linking Swedish brands with the Stockholm International Water Institute (SIWI). STWI members collaborate to raise awareness concerning sustainable water consumption in the production chain and have jointly established guidelines for sustainable consumption of water, power, and chemicals in textile and leather production processes.

In May 2014, Gina Tricot hosted a meeting for STWI in Borås. At the meeting, member companies established a working method to actively train suppliers in

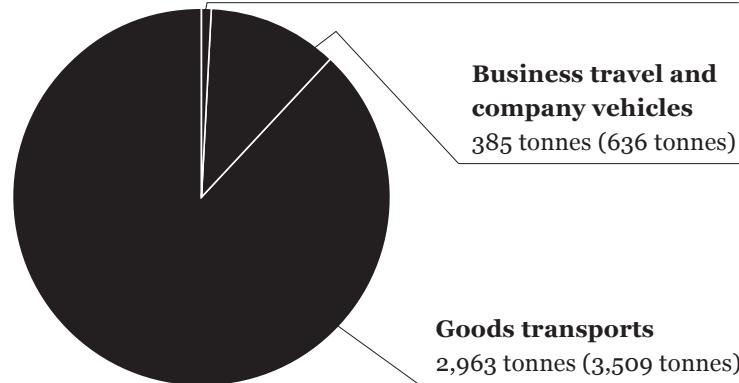
the largest global production regions. Gina Tricot is involved in the project in order to gain greater understanding together with two of our suppliers in Turkey, so we can carry this work to more factories in other countries.

We started in Turkey because it is the country where Gina Tricot has the largest production. The level of awareness regarding resource efficiency is relatively high in Turkey and the project's focus is training related to processes and systems. Suppliers sign a contract to take part in STWI Projects, which are aimed at increasing their capability for continual improvement in handling water resources at their facilities and to reach clearly stated sustainability targets. In September 2014, we participated jointly with our suppliers in a collaborative start-up workshop on effective management of water, power, and chemicals in production facilities. "The project resulted in gains for the company in terms of environmental and societal improvements," says Rami Abdelrahman, Project Manager at Stockholm International Water Institute (SIWI).

Our environmental activities

Distribution of CO₂ emissions

Previous year's figures in parentheses



2013 emission factors from the Svante tool.

2014 emission factors from WSP.

Energy consumption	2012	2013	2014
Power (MWh)**	4,000	3,843	3,247
District heating (MWh)***	451	443	429
District cooling (MWh)***	19	26	57

** Internal estimates from 2012, since 2013 values from our suppliers
*** Data from suppliers, only for head offices

Gina Tricot has no direct energy consumption, as with oil, natural gas, or biofuels other than smaller amounts for company cars, which are included in our reporting for climate impact. Electrical power consumption is reported for our main office and for those stores where we ourselves have the power supply agreements.

Our warehousing

Transport represents the majority of Gina Tricot's CO₂ emissions, which was an important aspect when we took over operation of our own central warehouse in 2013, and hired an overall logistics manager. In 2014, our work leaped forward in terms of both monetary savings and a significantly reduced environmental footprint.

"We have made significant economic savings in our first year. The warehouse uses less power than estimated and in terms of transports, we have changed our procedures entirely. Simple logistics are good logistics. Through improved packaging instructions we have increased fill levels, resulting in most boxes being used all the way from the factories to our stores."

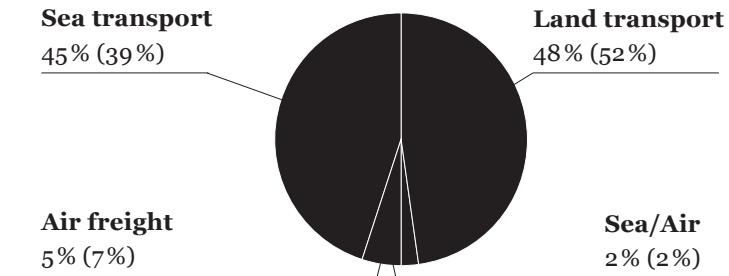
Petri Ventelä, Logistics Manager.

Planning

We need to increase understanding of logistics throughout the organisation. Better foresight and planning means we can make more environmental choices throughout the transport process, all the way to our stores. Planning also means we can work towards reducing air transports, which is the most environmentally unfriendly mode of transport. Everything is measured, and air transport is now on the agenda, where we have

Distribution of goods transports per mode of transport 2014

Previous year's figures in parentheses



significantly higher ambitions for this than previously. Logistics collaborates with procurement, CSR, IT and our global sourcing production manager in these efforts.

New procurements for transport from Turkey were based on intermodal transport, where different transportation types are combined to minimise environmental impact. "It takes an extra day for the products to arrive, which requires more planning than before when everything was loaded onto trucks. But this way we reduce our CO₂ emissions by 60 to 70%. For this reason, our goal for logistics is for all transport to be intermodal. Good logistics saves both costs and the environment. It's a win-win situation."

Petri Ventelä, Logistics Manager

Gina Tricot's subcontractors in charge of transports are larger operators that have their own high environmental standards. E-commerce has increased during the year, at the same time as CO₂ emissions from transports within e-commerce has decreased due to improved logistics.

"Planning enables us to make great environmental and societal gains, which places requirements on IT systems for planning and encourages developing them further. IT is important to gain an overview of the situation and enables us to measure what needs to be measured, while we can also operate more efficiently and reach our ambitious goals."

Peter Lilja, IT Manager

IT is an integral part of working with The Good Index and other sustainability initiatives that try to involve more people internally through enabling them to follow the work in real time on the Intranet.

Test store for LED lighting and our monitoring activities

For the past few years, Gina Tricot has frequently discussed LED lighting with our suppliers. The goal has been to find a solution that compromises neither light-

ing levels nor colour rendering, while still optimising energy consumption.

"In our stores, we want the colours and textures of the clothes to be displayed in the best possible fashion while the feeling evoked should be right for our concept. The first store where we have all-LED luminaires is in the Boulevard mall in Kristianstad. Our installed lighting power is reduced by one third, which is a step in the right direction. Added to reduced power consumption, we also see gains from needing fewer repairs and that the luminaires do not emit as much heat. In future, newly established stores will have the same solution and our ambition is to gradually replace older luminaires."

Malin Schmitz, Building Manager

Gina Tricot has 183 stores in Scandinavia and Germany. For new stores, the premises and interior design choices will meet requirements for lighting, work environment, fire safety, and energy and environmental choices. Gina Tricot takes a holistic approach in our stores regarding power consumption and the indoor environment. We want to ensure a good indoor environment and that the products in our stores are risk-free. We look for



Gina Tricot is investing in LED lighting in new stores

advantageous energy solutions in planning and procurement, and we work to ensure we develop and use our stores reasonably.

We reviewed all our current power supply contracts in 2014 to gain better control of costs and consumption. In our own stores, where we can select supplier and type of contract, we reduced average power consumption below 2013 levels. Work is underway to reduce power consumption in other stores as well. In 2015, Gina Tricot will monitor these activities with the help of the EU Energy Efficiency Directive (EED) in each country.

"We have adequate internal competency in terms of environmental and energy issues, but we lack monitoring capabilities. We will therefore need to look at alternatives to enable us to achieve set goals and targets."

Malin Schmitz, Building Manager

Currently, Gina Tricot places several demands on interior furnishings suppliers, concentrating on increasing recycling and reuse of chemicals. Looking at sustainability involves a balance. Store inte-

riors are used rather quickly, due partly to greater wear, but also since we must continually update our current concept. Customers want to experience a fresh and up-to-date store. Gina Tricot reuses interior furnishings where possible from a visual, economic, and logistical perspective. Currently, many landlords work actively with power consumption and place requirements on their tenants. The indoor environment is an issue for which we want to have a closer dialogue with property owners.

A greener office

Since 2012, Gina Tricot's main office are certified as complying with the environmental management standard Svensk Miljöbas (The Swedish Environmental Base, SMB). SMB emphasises performance of the operations in terms of concrete environmental improvements and environmental training for employees.

Since Gina Tricot received this certification, we have been actively working with direct environmental challenges at our main office, as with keeping the standard print-out as double-sided, and black and white, emphasizing KRAV and other

environmental labels in our procurement of food and drinks, collecting used clothing, using rechargeable batteries, sorting waste, ensuring food waste goes to biogas production, and similar.

25%

less energy consumption than Swedish building standards is the target for our main office in Borås.

Our main office in Borås was built in 2009-2010, and is a certified Green Building, which means that the property will consume at least 25 % less power than regular Swedish construction standards require. In 2014, it consumed 37 % less power than average.

FROM WASTE TO RESOURCE

Every year households discard huge amounts of textiles into general waste. This is a problem, textile waste harbours great potential, as in many cases, fully usable garments or materials that can be reused or recycled end up simply discarded.

Our greatest opportunity for contributing to a solution is using good quality material in our products, and thereby giving them a longer lifespan. We can also design with reuse or remake in mind, and we want to contribute to creating more opportunities for reusing the fibres in entirely new products.

Making better use

In the design stage, a product's material is chosen. This choice considers many parameters - combining look, feel, technical properties, and circularity opportunities. A strong argument in favour of natural materials is that they are bio-

degradable, while on the other hand, synthetic materials have more existing recycling systems already in place.

Increasing recycling in the industry requires collaboration. As a company, we can make products that last longer and offer the opportunity to return garments for reuse or recycling. Other operators can contribute through collecting the flow of textile waste in larger volumes, thereby enabling larger scale technical recycling solutions. Customers can help through caring for and washing their garments, and by handing them in for reuse and recycling when they no longer want them.

Directing waste volumes in the most efficient direction is crucial to developing a circulatory supply of raw material. For this reason, we aim to take an active role in industry dialogue and in dialogue with authorities and other stakeholders in order to try affecting developments

towards a sensible handling of national textile waste streams.

We provide advice on the best ways to care for garments with information on our website and in communicating directly with customers. This is not simply about the environment, but includes how to make the garments last longer with smart washing ideas.

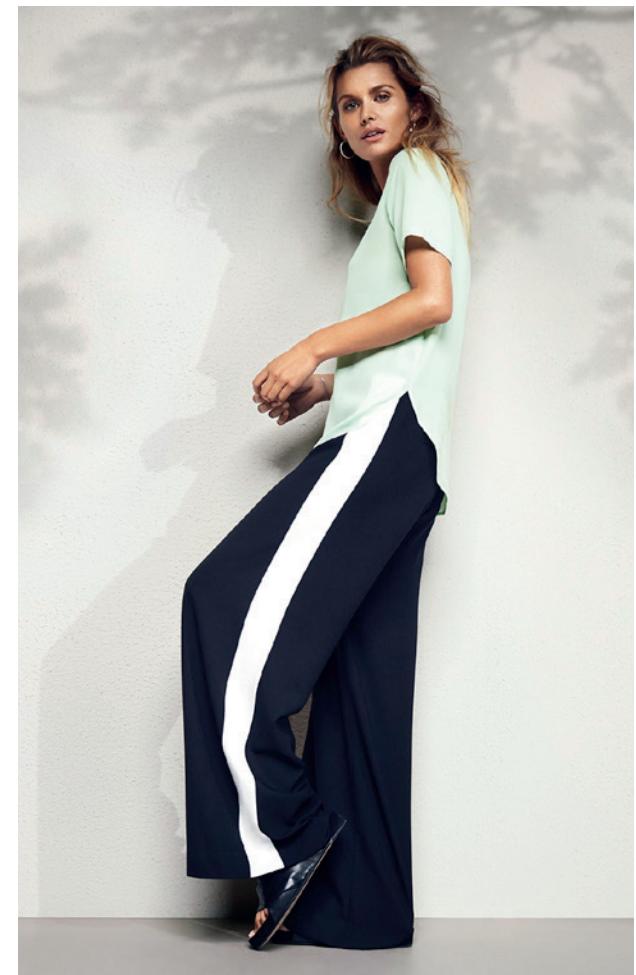
In April 2014, we launched an in-store collection system where customers can hand in unwanted garments they previously purchased from us or from others. Store staff then send these on for transport to our partner, Human Bridge, who can turn sellable clothes into aid. Results from these collecting activities shows that customers must have better information about it, which we will evaluate in 2015.

These collecting activities are a continuation of our collaboration with the Human Bridge organisation, which takes in unsold garment from our stores (in Norway, we have an equivalent collaboration with the organisation Fretex). In 2014, 0.9% of our procurements were donated to these organisations. The garments are then re-sold and the surplus is donated to charities.

Creative opportunities

Year after year, students at Nordisk Designskola (Nordic Design School) exceed our expectations in terms of what can be done with used garments. For the fourth year running, we ran the project 'Remake,' where participants are tasked with creating extravagant party clothing out of surplus products, taking inspiration from 19th century Russia. The creations were exhibited at the Stockholm Fashion Week and at the Textile Fashion Center in Borås. We will naturally continue this project in 2015, and will host an in-store event this spring where customers will be able to try remaking their garments together with the students.





OUR SUSTAINABILITY REPORT AS DRIVING FORCE

This is the third year Gina Tricot publishes a sustainability report. For us, this report has become a driving force behind our sustainability activities. Our goal is to meet the expectations that our external stakeholders have on our progress reporting for corporate social responsibility. But the report also has a tangible internal value as the reporting process helps us in many ways to mobilise our efforts and find new paths forward.

This is our sustainability report for 2014. Like our earlier reports, it is designed in accordance with the Global Reporting Initiative guidelines for sustainability reports, version 3.1. The report is prepared according to application level C. Our sustainability report is published annually and includes Gina Tricot's offices and stores in five countries, including our subsidiaries. No material changes affecting the boundaries or contents of the report were made for this year.

We held a workshop to kick-off this year's reporting process that involved the CEO, department heads, and representatives from HR, procurement, design, IT, logistics, and marketing. Based on this, an external analysis, and using in-depth interviews with representatives from the company, we have singled out important issues to highlight in the report. We keep a close dialogue with stakeholder organisations, and industry colleagues, where sustainability is becoming an increasingly significant part of the discussions.

We want to know what you think

The reporting process we have ahead of us for 2015 will mean a transition to the new generation GRI guidelines, G4. A central part of the transition will be us updating the materiality analysis which was conducted in conjunction with our first report in 2012. We have, however, continuously

assessed, and to a certain extent reassessed, the contents of our reporting, which has brought us to addressing the issues we see as most material already. Using this report as a starting point, we want to invite to a dialogue concerning whether you, as one of our stakeholders, feel we have had the right focus in our activities and in our reporting.

We welcome a direct response from you.

Contact Persons

Marcus Bergman, +46 33-798 21 35

Anna-Karin Wårfors, +46 33-799 19 24

Gina Tricot AB
Teknologgatan 2
S-501 38 Borås, Sweden

GRI-INDEX

Strategy and analysis	page	
1.1 Statement from CEO	3	
Organisation		
2.1 Name of the organisation	5	
2.2 Primary brands and products	5	
2.3 Operational structure of the organisation	5	
2.4 Location of head quarters	5	
2.5 Countries where the organisation operates	5-6	
2.6 Nature of ownership and legal form	5	
2.7 Markets served	5-6	
2.8 Scale of the reporting organization	5	
2.9 Significant changes during the reporting period	5	
2.10 Awards received in the reporting period*	-	
Reporting parameters		
Report profile		
3.1 Reporting period	38	
3.2 Date of most recent report **	-	
3.3 Reporting cycle	38	
3.4 Contact point for the report	38	
Report scope and boundary		
3.5 Process for determining report content	38	
3.6 Boundary of the report	38	
3.7 Limits to the scope or boundary	38	
3.8 Basis for reporting on joint ventures, subsidiaries etc.*	-	
3.10 Explanation of the effect of re-statements of information in earlier reports	38	
3.11 Significant changes in scope, boundary, or measurement methods	38	
GRI content		
3.12 Table identifying location of Standard Disclosures	39	
Governance, commitments and engagement		
Governance		
4.1 Governance structure	5, 14	
4.2 Indicate whether the chair of the board of directors is also an executive officer***	5, 39	
4.3 Independent or non-executive board members*	-	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the board	5	
Commitments to external initiatives		
4.12 Externally developed charters, principles or other initiatives that are endorsed	10, 26	
4.13 Membership in associations	10	
Stakeholder engagement		
4.14 Stakeholder groups	9	
4.15 Identification and selection of	9	
Economic indicators		
Economic performance		
EC 1 Direct economic value generated and distributed	5	
Environmental indicators		
Energy		
EN 3 Direct energy consumption	32	
EN 4 Indirect energy consumption	32	
Emissions, effluents and waste		
EN 16 Total direct and indirect emissions of greenhouse gases	32	
EN 17 Other relevant indirect emissions of greenhouse gases	32	
Social indicators		
Labour practices and decent work		
LA 1 Total workforce broken down by type, region, gender etc.	23	
LA 2 Employee turnover	23	
LA 7 Injuries and absenteeism	23	
LA 13 Composition of governance bodies and breakdown of employees in terms of gender, age etc.		
Human rights		
HR 2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	28-29	
Product responsibility		
PR 1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement	19-21	

* Not relevant ** June 2014 *** Board Chair is not part of management

Through well-defined
CSR-activities, an eye on
future materials and processes,
close dialogue with suppliers,
and social investments,
we make a difference.
