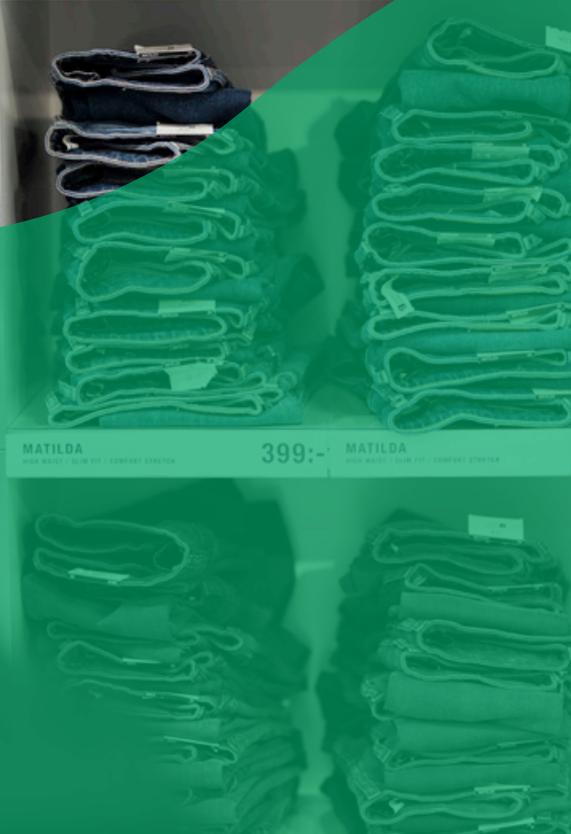




SUSTAINABILITY REPORT

2016

ginatricot



MATILDA 399: MATILDA

Text Print New placement

Clean Texts / Words

STAY WILD

I WANT IT ALL

WHO RUNS THE LIBRARY

16

**EASY GOING.
FULLY COMMITTED.**

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CHALLENGES AND OPPORTUNITIES THAT DRIVE US

Gina Tricot was founded in 1997.

Back then, we were a retail chain that sold commercially viable feminine knitwear. Our head office is still in Borås, Sweden, where it all started, but today we are also an international fashion destination that offers clothing and accessories for style-conscious women in 28 countries. The global playing field creates complex challenges, but it also provides opportunities for us to make a real difference in the world. We see communication and trade between people and countries as something positive, developing and welfare-creating.

In many countries, wage levels are low and the access to fresh water, working sewage systems and other basic conditions for a good life are very limited. In this respect, Gina Tricot promotes positive change through our purchases and the

demands we place on our suppliers with regard to working conditions.

For example, in 2016, we continued to actively work in contexts where we can affect change together with other actors. Our membership in BSCI, SWTI, the Bangladesh Accord and UNICEF cooperation in Dhaka has contributed to more sustainable production of textiles and to a better life for many people.

SUSTAINABLE COST DECREASE

In 2016, we implemented a comprehensive cost-cutting program for Gina Tricot. It was important for the company to be able to implement cost reductions without in any way limiting or decreasing our sustainability efforts. The program was successful and resulted in improved performance and financial stability.

DEVELOPMENT WITH OUR STAFF

Another area which we focused on in 2016 is the continued development with our staff. Among other things, we have conducted a comprehensive leadership training program, and made a major investment in internal training to strengthen the core values on which we base our everyday decisions.

ON OUR WAY TO 2028

In the past year, we have taken several important steps on the road to achieving our 2028 sustainability

goals. When it comes to cotton, we are already halfway there. About 50% of our cotton now comes from sustainable sources. Our transports by air only amount to 5% of our total freight volume, and the proportion of transports by train from China and Turkey has increased.

FROM HERE

Our 2016 sustainability report is the fifth one published by Gina Tricot, and this year it is prepared in accordance with the latest guidelines of the Global Reporting Initiative, GRI Standards. This year, we will give you an insight into the Gina Tricot spirit, the importance of training and the design process behind the garments in which our customers spend their days.

We would now like to invite you to read about our everyday work with all its possibilities and challenges. If you would like to know more, you are most welcome to contact us.

"SUSTAINABLE DEVELOPMENT IS BASED ON THE FACT THAT RESOURCES, PEOPLE AND MATERIAL ARE NOT OVERUSED, BUT ARE PART OF A LONG-TERM WORKING MODEL."



Per Johan Swartling
Acting CEO

MORE THAN A JOB

If we succeed in recruiting employees who share our core values and choose to stay to develop with us, we have succeeded as a company. Therefore, we work hard and long-term to create a healthy and attractive work environment, every day.

“For many employees, Gina Tricot is their first employer,” says Helène Kry, head of HR and Talent Management.

“When we hire younger people directly out of college or university, we usually get people who are fearless and innovative, who dare to question things. In return, we can offer an opportunity for them to grow into their role and within the company.”

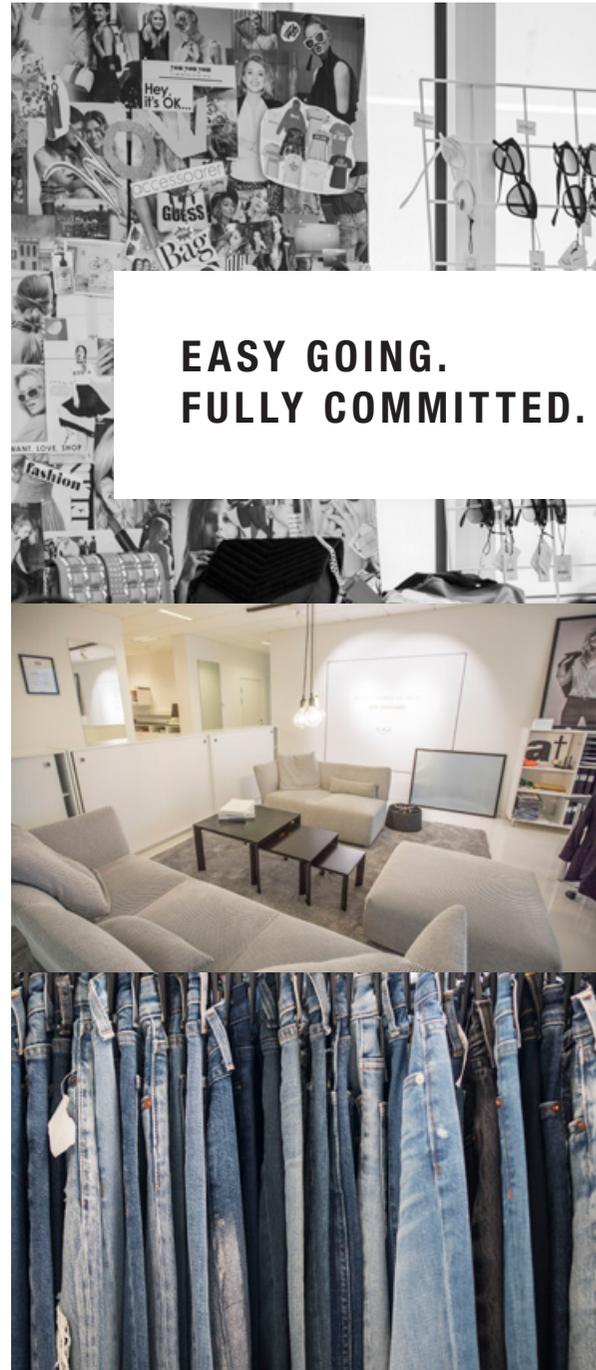
Gina Tricot has developed a comprehensive introductory program

in which all employees receive an individual career plan that is followed up during staff appraisals. This requires a well-planned organization as we often focus on younger and less experienced employees.

“We are a company that dares to invest in people with little or no work experience. We are proud to offer several different career paths, and the opportunity to quickly change jobs internally, or work abroad.”

A NEW ATTRACTIVE OFFER

In 2016, Gina Tricot developed and launched our Employer Value Proposition (EVP) – a “proposition” for both current and potential employees. By clarifying why you should work here, we hope to attract people who Gina Tricot really needs and who enjoy working in the organization we have built.



**EASY GOING.
FULLY COMMITTED.**

Gina Tricot EVP:

MORE THAN A JOB

At Gina Tricot we are lucky enough to be doing something we are incredibly passionate about. And it shows! It is clear in our culture, in our teamwork and in our products. By putting our hearts into everything we do, we have created a unique set of values that we practically live by. These values create an atmosphere where success and individual development is made possible, and where our passion for this industry gets to shine.

If you want to join a dream team with crazy amounts of passion, then Gina Tricot is the perfect place. We would love to have you!

THE GINA TRICOT SPIRIT



HR – ACTIVE SUPPORT FOR MANAGERS AND OTHER STAFF

A high level of ambition and performance characterizes the majority of the employees at Gina Tricot. We are passionate about fashion and want to create results.

“Working here is kind of a lifestyle. But it’s a tough industry and from an HR perspective, we recognize that we sometimes need to slow our employees down a little.

The HR department provides support for our managers when it comes to coaching and leading employees, for example, through staff appraisals, follow-ups and continuous feedback. This way we develop the individuals and, in return, achieve an efficient

organization,” says Heléne Kry, Head of HR and Talent Management.

TRULY VALUE-DRIVEN

Gina Tricot’s success factor is that we are and always have been a value-driven growth company. This means that we actively work in accordance with our values and culture. Our values become a guide that facilitates how we make decisions at all levels and how you as an employee treat your colleagues on an everyday basis. Therefore, major emphasis is placed on finding the right people through a recruitment process – people who feel comfortable with and share our values.

WE INSPIRE WOMEN WITH

WOW

FACTOR FASHION

WE ARE GINATRICOT

PASSION & COMMITMENT

WE ARE PASSIONATE ABOUT OUR WORK

SMARTNESS

WE ARE ENTREPRENEURIAL
AND ARE LOOKING FOR SMART,
COST-EFFECTIVE SOLUTIONS

CHALLENGE

WE TRY, DO AND EVALUATE

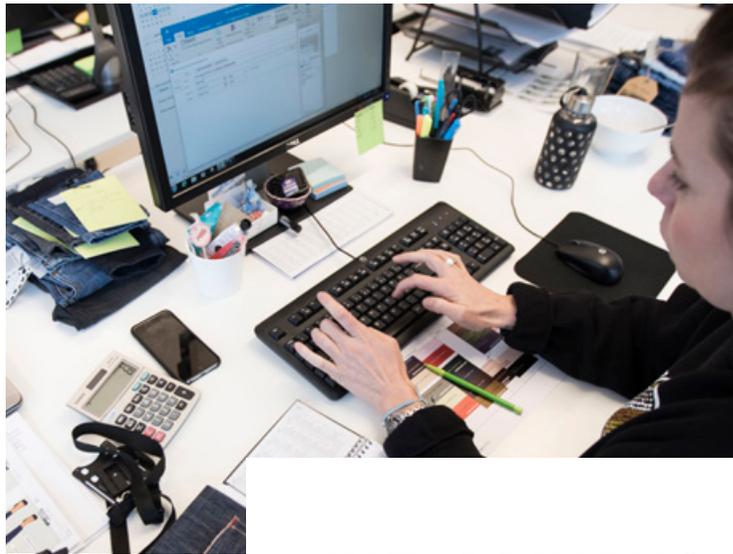
TEAMWORK

TOGETHER WE WILL BE WINNERS

WE ARE RESPONSIBLE

WE CREATE PROFITABLE GROWTH

WE LOVE OUR CUSTOMER

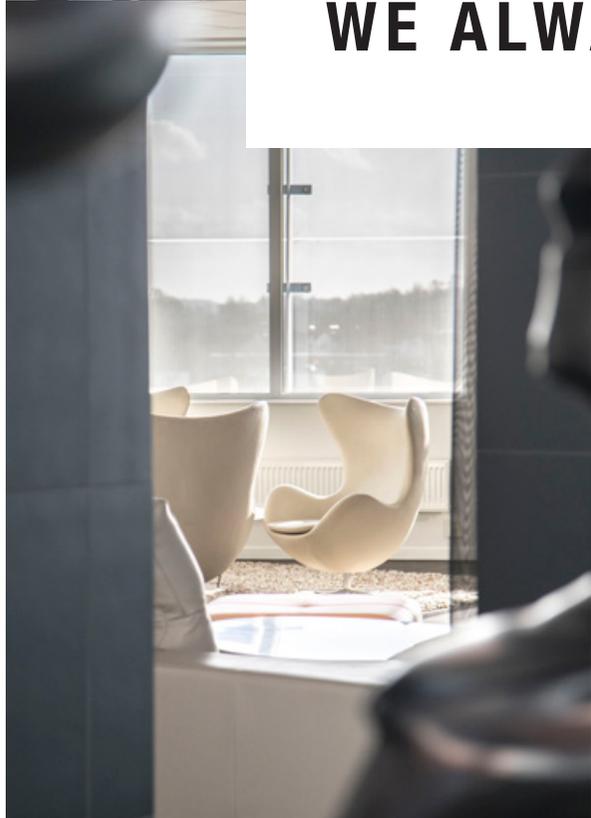


MEMBERS ALWAYS GET MORE!

JOIN SPOTLIGHT



WE ALWAYS FIND A WAY



CAREER COMPANY OF THE YEAR – AGAIN

We benefit from our employees enjoying their work and having the opportunity to continue to grow within the company. In 2016, Gina Tricot was once again named one of Sweden's 100 Career Companies of the Year. As a Certified Employer – a quality label for employers who actively work to improve their employer brand and who can offer unique career and development opportunities to their employees – Gina Tricot has shown personal commitment and good results in the employer branding survey.

Gina Tricot works extensively and long-term to promote the professional development of our employees. Learning is key, and our many efforts include both internal practical exchange and workshops.

2016 involved a major investment in a leadership development program for around 60 managers within our organization. A lot of it has to do with upholding our special Gina Tricot spirit. Given that we have stores in five different countries as well as offices in Bangladesh and China, this is crucial. When we started in the 90's, we were a dynamic company on the rise. And in many ways, we still are!



1 954

People work at Gina Tricot, of whom 40 are men.*

BOARD

3 women 6 men

SENIOR MANAGEMENT

4 women 5 men

MANAGERS

234 women 10 men

OTHER EMPLOYEES

1 676 women 25 men

* Board not included

4,7%

sick leave in 2016. This is a decrease from 5.7% in 2015, and 6.5% in 2014.

» Here, there are many real enthusiasts who think and pursue activities more like entrepreneurs, taking responsibility as if it was their own company. We feel that we are part of something, we're like a family. **We are a wonderful mix of people who respect each other's differences.** Everyone performs and shows passion for their work in a unique way.«

Johanna Berghult,
Designer at Gina Tricot

OUR SIGHTS SET ON 2028

We have chosen to summarize the most essential parts of our sustainability efforts into an objective to be achieved by 2028.

The objective helps us stay focused and continue to develop in the areas that are most important to us. In the complex world of the global textile industry, our long-term plan provides clarity in our everyday work to promote sustainability.

By 2028:

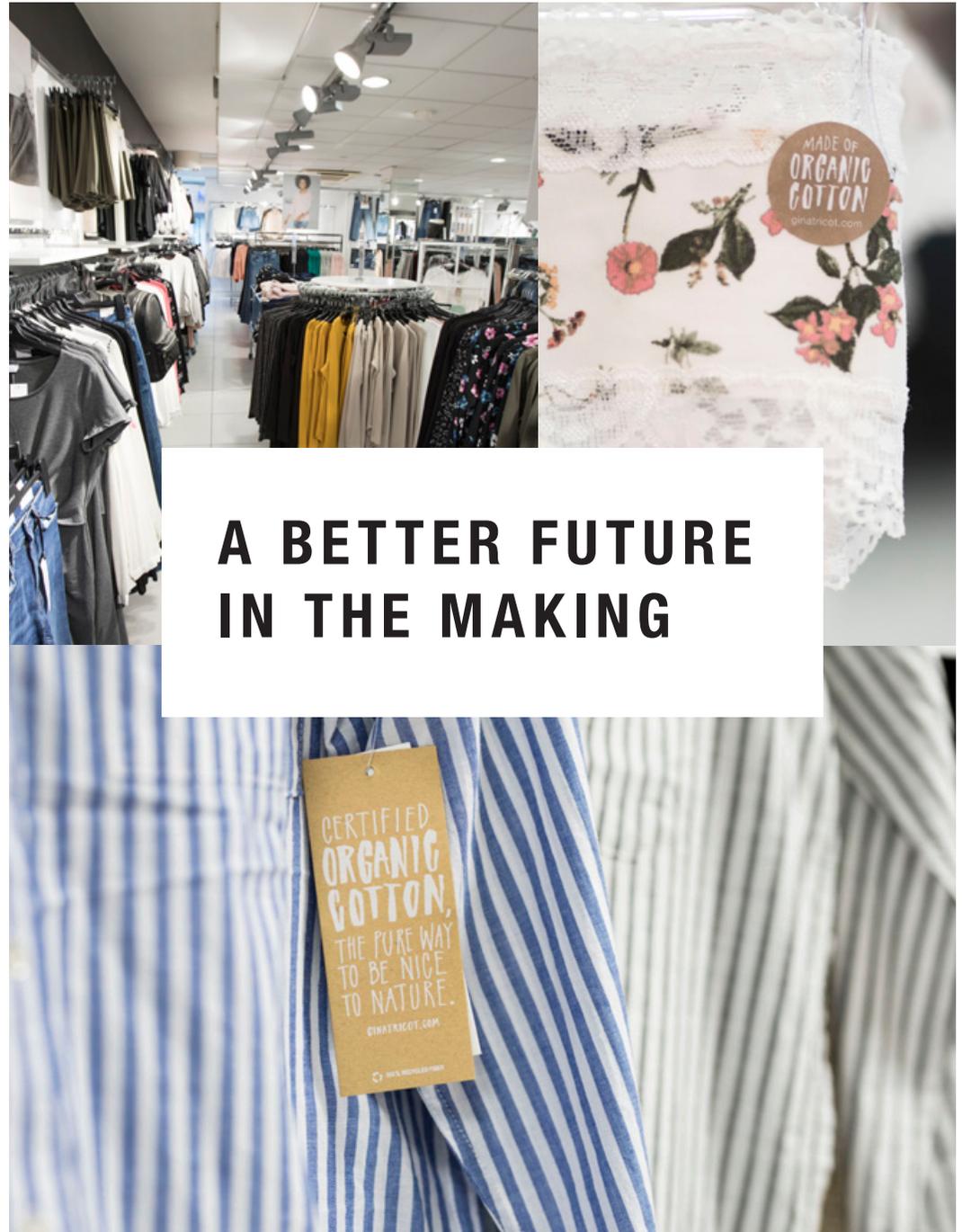
- All products will be produced from more sustainable materials
- All production will be performed in a more sustainable way
- All shipments will be made using more sustainable methods
- All products will serve as a resource when the customer no longer wants them.

SUSTAINABLE MATERIALS

On the basis of established industry practices, we have classified the various materials available on the market. Working towards more sustainable materials involves continuous efforts to increase the proportion of these materials in our collection, but also to keep our eyes open to 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.

Materials which we have classified as sustainable:

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



**A BETTER FUTURE
IN THE MAKING**

SUSTAINABLE MATERIALS	PROPORTION OF PRODUCED GARMENTS (%)
Organic cotton	11,4%
Tencel®	0,2%
ProViscose®	0,3%
Recycled polyester	0,1%
Lenzing viscose®	10,7%
Better Cotton	7,2%
Total	30%

30%

of our products were made of sustainable materials in 2016. In 2015, the corresponding number was 20%.



Rebecca Watkins, Quality Manager

“In 2016, almost 50% of our cotton garments were made from sustainable cotton,” says Rebecca Watkins, Quality Manager at Gina Tricot.

“In total, almost one in three garments was made from sustainable materials. In 2015, it was one in five, which means that the development, implementation in the purchasing process and demand from our customers are increasing! Our buyers are

committed to achieving our sustainability goals, which is reflected in our material, sourcing and transport choices.”

SUSTAINABLE PRODUCTION

One of the industry’s major sustainability challenges is to fully understand the bigger picture. Long, complex material and production chains have traditionally meant that corporate responsibility can only cover the final stages of production. To us, “sustainable production” means that everyone who has in some way contributed to a product is subject to the conditions we have set in our code of conduct. Succeeding in this endeavor requires collaboration and a local presence.

SUSTAINABLE TRANSPORT

In order to transport sustainably, we must choose the right transport mode – by sea or rail rather than air and road. But it is also about transporting smarter through better planning, allowing us to make joint shipments, transport more efficiently according to location, and combine different modes of transport more efficiently – both environmentally and financially.

RECYCLING

To ensure that used garments become a resource, we need to

change. This is about textile waste chains, but also about design. Already at the design stage we need to use recyclable materials and compositions to a greater extent. Once the garment has been used to capacity, we need to have a sensible and large-scale sorting process of textile waste and recycling techniques in place. A prerequisite for success in this respect is collaboration, between various industry stakeholders and between industry and society. Everyone must agree to steer the flow of materials to those who are able to recycle them.

“We need collaborations in order to realize our vision. Through the Better Cotton Initiative, we can contribute to giving cotton farmers a better life. Sweden Textile Water Initiative allows us to work with water issues in supplier countries. Our membership in the Business Social Compliance Initiative enables us to influence working conditions and enforce our code of conduct. And together with Human-Bridge and Siptex, we are helping to create conditions for new sorting and recycling techniques,” says Rebecca Watkins.

THE DESIGN PROCESS – AN INSPIRING PUZZLE

“The world of fashion is exciting and fast. For designers at Gina Tricot, it is important to stay one step ahead, with equal parts knowledge and passion.

Trends can quickly change, but the underlying design is always a solid process, inspiring and challenging. Our design process begins with trendspotting, by attending fashion shows and through travel. 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,” says Anna Appelqvist, Purchasing and Design Manager.

Once the guiding pieces of the puzzle fall into place, a long process follows and many components have to come together. The new collections are to be coherent and the different product groups must be synced. This is only the beginning. Then comes the planning: choosing different materials and going over measurements and execution.

“Quality is crucial, that we 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.”

KNOWLEDGE AND EXPERIENCE MEET PASSION AND CURIOSITY

“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.”

CLOTHES THAT OUTLIVE FASHION TRENDS

A fundamental sustainability challenge when working with fashion is that the materials of the garments last longer than the fashion.

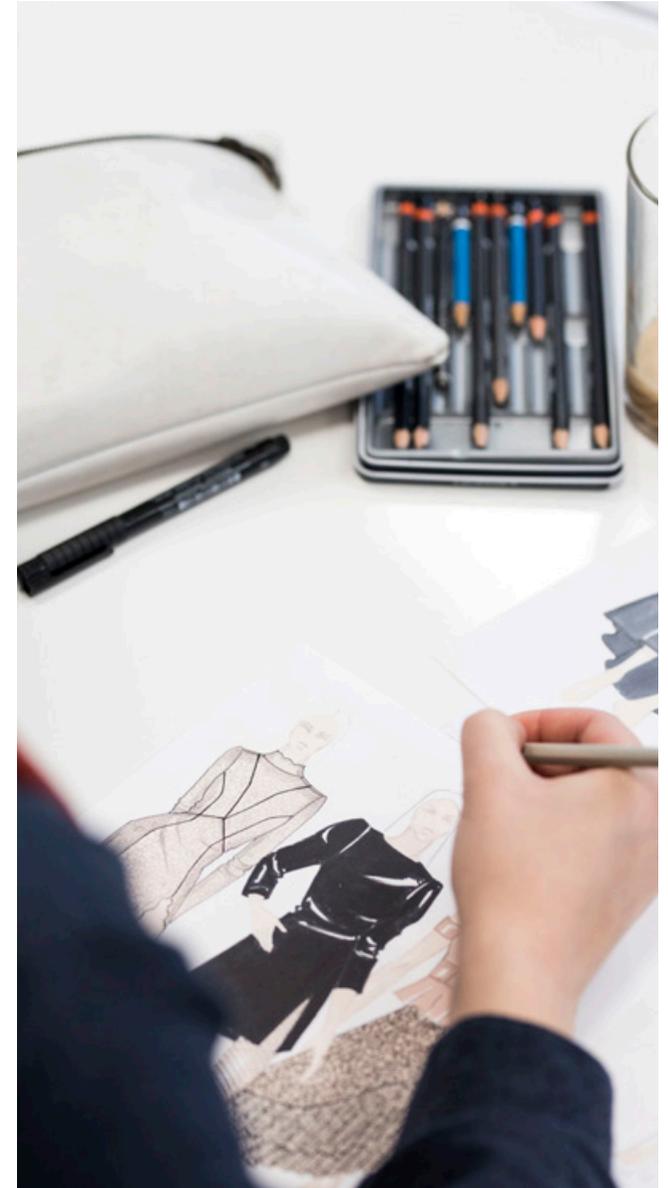
“We’re constantly trying to increase the proportion of sustainable materials, but recycling is obviously also extremely important. We really try to encourage our customers to donate their used garments to us – or to a charity of their choice – so that they can be sorted and recycled. The important thing 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.

INSPIRATION ON THE SCHEDULE

“As a buyer and designer, it’s extremely important to be inspired and to stay up-to-date with the latest in new technology and materials. Therefore, in 2016, we invited the Swedish Fashion Council to conduct a sustainability workshop with us. It was an opportunity to be inspired, discuss challenges and opportunities, and to jointly link our work to the UN global sustainability goals. Discussing everything from sustainability in production to how we want to deal with textile waste and reduce the use of plastic bags in a highly enthusiastic group is extremely rewarding. A useful exercise that resulted in various projects across departmental boundaries,” says Anna Appelqvist.

RESPONSIBILITY BY DESIGN



CARING FOR GARMENTS

Materials and manufacturing are of major importance for the environmental impact of garments. So is proper care, which enables garments to last longer. The most basic tool for textile care is the washing instruction label.

"One of the best tips is actually to wash less and at lower temperatures. You'll see this on our washing instructions. By avoiding unnecessary washing, only washing full loads and keeping the temperature to a minimum, you also take better care of the garments!," concludes Anna Appelqvist.



**SEAMLESS WORK
ACKNOWLEDGED BY
THE INDUSTRY**

Gina Tricot was nominated for the award "Omnichannel of the Year" at the Habit Fashion Gala in 2016. The justification: "With great ability to commercialize trends and offer innovative shopping experiences, Gina Tricot as a whole is permeated by the omnichannel work. Creativity combined with technology not only creates seamless, but also unique and interactive shopping experiences for a target audience that is hard to impress."



A PASSION FOR FASHION AND CHANGE

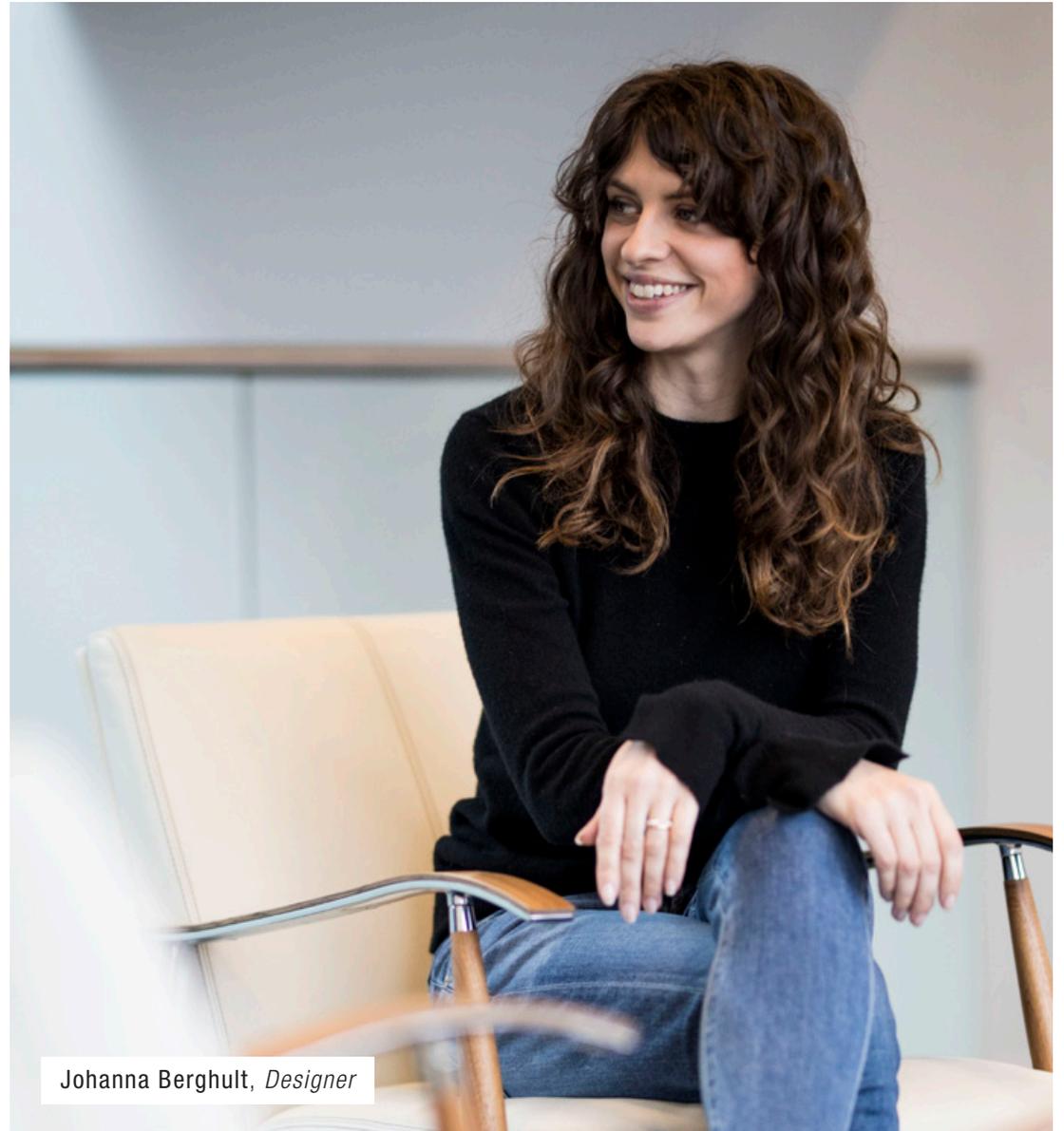
Johanna Berghult works as a designer at Gina Tricot. With five years at Gina Tricot, including three in the denim department, Johanna is a living example of how implementing sustainable material choices to our basic range of material is doable under the right circumstances – and will power.

Hi Johanna, tell me a little more about your background and what you've accomplished in your five years at Gina Tricot.

"I studied textile and design and have worked in the fashion industry for 12 years. My career started in retail, before I ended up in purchasing and design. At Gina Tricot, I started as a junior designer and then advanced into my current position of senior designer. I have mainly worked with woven materials and denim."

How would you describe the sustainability journey you made in denim?

"The biggest change was made in connection with the Better Cotton Initiative (BCI). Through BCI, we were given the opportunity to introduce a sustainable material to our basic range of material. That is, we were able to offer an essentially identical product, but more sustainable (the "Lisa" jeans in 2014). This really made the impact we had been waiting for. Our previous attempts ended in a sustainable end product, but the scope was too small and the product was not sufficiently attractive. Our vision is to deliver sustainability to the Gina customer with the same level of certainty as we deliver today's fashion – all in one product."



Johanna Berghult, Designer



MAKING SUSTAINABLE DESIRABLE

What drives you in your sustainability work?

“The drive at Gina Tricot comes from the company’s management, from the sustainability group and from us who work with the product. The desire to make every collection more sustainable is something we fight for every day in both minor and major decisions. We share a clear and strong vision for sustainable development. The support and drive of our senior management is extremely gratifying. The backing and clear vision of our management, facilitates decision-making for us in purchasing.”

How do you experience the development concerning sustainability at our suppliers?

“I find that an incredible amount has happened within just three years. Gina was one of the first to request sustainable denim and, of course, it’s always hard to be the first, especially as Gina is a relatively small customer for many suppliers. But in the past year, the demand has also increased from larger brands, which has made our work easier. The suppliers who had been with us on our journey already had a head start in their discussions with other customers. We now see a greater understanding and proactivity among our suppliers when it comes to sustainable denim.”

What are your most important tools for pursuing sustainability issues within your area of responsibility?

“In my role, the most important thing is to get management and purchasing support in order to achieve the goals of sustainable material choices. Training is also always important and Gina is good at providing information and training. It is important to be aware of what we are doing, what challenges and opportunities there are globally, and what we, as a company, plan to do when it comes to sustainability. I always feel informed when issues arise at work and in private.”

Finally – what is the next step in sustainability in your area?

“We obviously want to maintain a sustainable approach in our future collections. We would rather fully integrate sustainable materials into our collections and offer all Gina Tricot customers sustainability in various ways through our different products. What we know for sure is that the appearance of the product is crucial and must be in line with Gina’s values and today’s fashion. Otherwise, it becomes a product that stays on the rack, which in itself is not sustainable.”

CLOSER TO THE SOLUTIONS

Our production is mainly undertaken by suppliers in Turkey, Bangladesh, China, India and Pakistan. By decreasing the number of suppliers, we have gained closer cooperation and a greater opportunity to affect change.

“By concentrating our production to fewer suppliers, we will develop closer cooperation, in which we can improve both Corporate Social Responsibility (CSR) work in factories, product quality and delivery times,” says Ida Strand, Global Production and Sourcing Manager at Gina Tricot.

SUPPLIER STATUS	2014	2015	2016
Number of suppliers	73	72	73
Number of production units	147	132	144
Number of performed BSCI inspections	63	80	74
Number of follow-up visits by Gina Tricot	78	75	131*

*The dramatic increase is due to the fact that our office in Bangladesh extended the number of visits to ensure that our suppliers comply with the Bangladesh Accord and BSCI. Read more about our auditing work on pages 44 and 47.

GREATER PROPORTION MEETS HIGHER DEMANDS

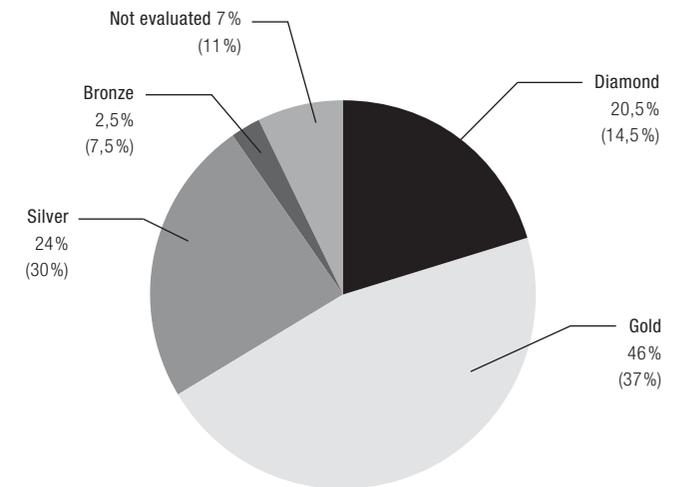
In our annual supplier evaluation, each supplier is ranked based on aspects such as design input, product quality, delivery reliability, CSR work and sustainability. The levels – Diamond, Gold, Silver and Bronze – show how well the suppliers meet our requirements.

The evaluation for 2016 showed that the proportion of diamond- and gold-level suppliers increased during the year. Ida Strand argues that closer cooperation is an important reason for this. “Through our supplier evaluation, we create a platform for discussions on solid improvements that are based on facts. All of us who are in contact with suppliers,

directly or indirectly through our products, provide feedback. This gives suppliers concrete suggestions for improvements to act on.”

OUR OWN PRESENCE CRUCIAL

It is easier to develop good cooperation on site. Therefore, in recent years, Gina Tricot has delegated greater responsibility to local production offices.



SUPPLIER EVALUATION 2016

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

The proportion of silver-level suppliers has decreased compared to the previous year. The reason is that some of these achieved a diamond or gold level in 2016. In connection with the 2016 evaluation, a small percentage of suppliers have gone from silver to bronze. Our goal is that as many as possible of our suppliers achieve gold or diamond status.



MORE TOGETHER

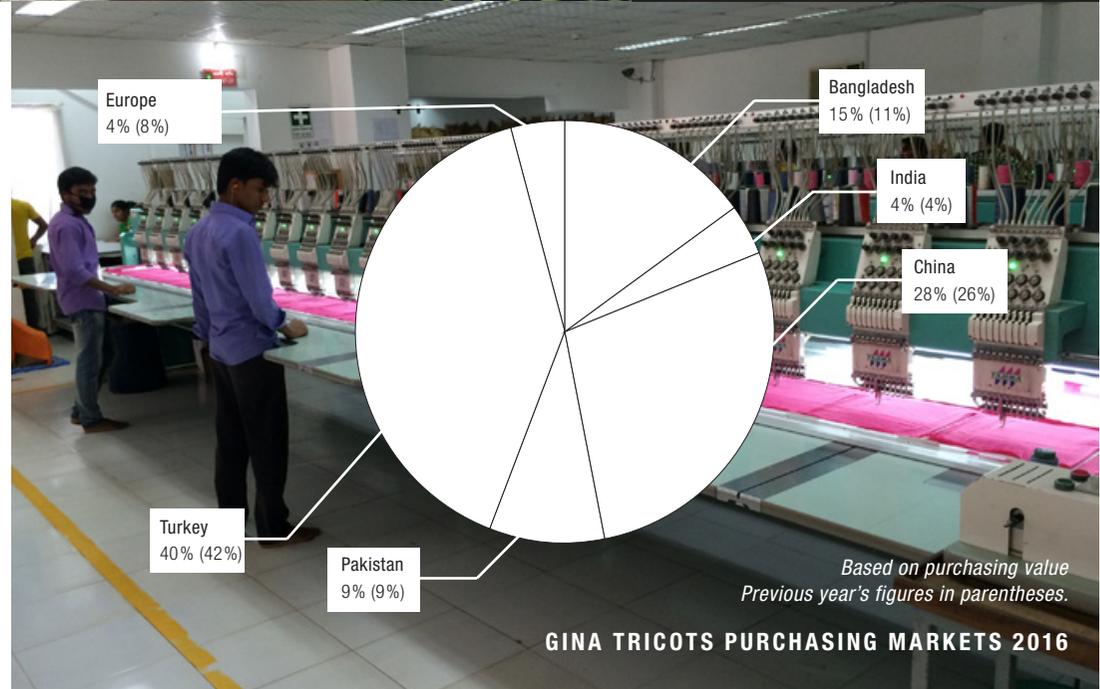
A GOOD SUPPLIER INITIATIVE

Already in 2015, our supplier Concept Clothing started installing 100 solar panels at its factory in India. The initiative was taken despite the major investment it entails, and without government subsidies. Simultaneously, the company has implemented other measures to reduce electricity consumption. The idea was to reduce the factory's environmental impact while reducing its costs. 15% of the company's energy now comes from solar panels. By 2025, Concept Clothing expects that their investment will have paid for itself.

“Having a local presence is important from a sustainability perspective. By giving greater responsibility to our local production offices, we have, for instance, raised the level of knowledge about sustainability issues among our employees in our production countries. Furthermore, our presence is important to ensure product quality and resolve any issues at an early stage of the process,” says Ida Strand.

In addition to the offices in China and Bangladesh, in 2016, we recruited a resource in Turkey. Due to the current situations in the regions, our travel to Turkey and Bangladesh was limited.

Turkey is still our biggest purchasing market with 40%. In 2016, we continued to discuss with our Turkish suppliers the challenge of the ongoing refugee crisis in the country. We started implementing BSCI's guidelines, published in August 2016, concerning Syrian refugees in Turkey, but the work on this issue began a lot earlier. Thanks to our close cooperation with our suppliers, we have established a good platform for transparent discussions. To date, we have not discovered any form of exploitation of Syrian refugees in the factories that produce for us, but we are deeply aware of the major societal challenge it represents to Turkey.



*Based on purchasing value
Previous year's figures in parentheses.*

GINA TRICOTS PURCHASING MARKETS 2016

ORGANIZED FOR SUSTAINABILITY

Structure, versatility and decision-making power. These are key words for how Gina Tricot has organized its sustainability work.

Sustainability involves many different issues. Therefore, at Gina Tricot they are addressed by a group of representatives from various parts of the organization. In 2016, the sustainability group consisted of the CSR Manager, Quality Manager and the Global Production and Sourcing Manager – under the direction of the company's acting CEO.

“The composition of the group enables us to discuss sustainability issues from different perspectives. And because the group is directly linked to company management, we can make quick decisions on important issues,” says Quality Manager Rebecca Watkins.

Rebecca points out the value of being 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.”

REGULAR FOLLOW-UPS

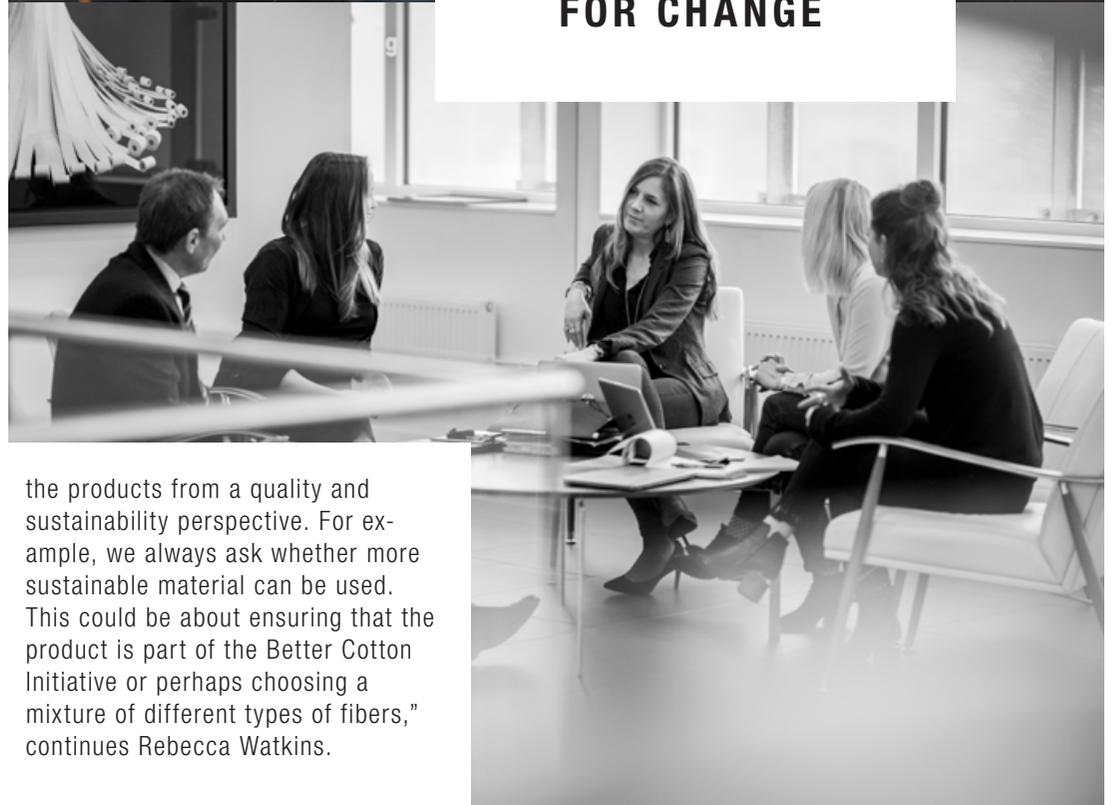
Gina Tricot's sustainability group convenes every Monday morning. The meeting agenda includes everything from the situation with our suppliers to the share of sustainable materials currently being used in our products, to the media attention we've received, questions from stakeholders, and communication on our website.

In addition, the Quality Manager and the Global Production and Sourcing Manager hold joint meetings with buyers, designers and assistants, several times a week.

“When we have the opportunity to be involved at an early stage of the process, we also have more influence and become a natural part of the purchasing process. It can be very hands-on. We look at samples and the workboards covering our upcoming products. We then discuss



ORGANISED FOR CHANGE



the products from a quality and sustainability perspective. For example, we always ask whether more sustainable material can be used. This could be about ensuring that the product is part of the Better Cotton Initiative or perhaps choosing a mixture of different types of fibers,” continues Rebecca Watkins.

A SAFE AGREEMENT

It started with an accident, the Rana Plaza disaster. A factory building collapsed in the capital city of Bangladesh, Dhaka, in April 2013, causing the death of 1 129 people. The accident was the start of the Accord on Fire and Building Safety in Bangladesh – an agreement between garment buyers from Bangladesh and factory owners to work together to ensure safety at factories in the country. Gina Tricot signed the Accord in November 2013 and is today one of over 200 international companies that have actively chosen to work for a better and safer garment industry.

SIGNIFICANCE OF THE ACCORD

In a market governed by low prices where players have come and gone, the Accord plays a significant role. The members undertake to stay in Bangladesh and, for five years, work to draw up an action plan for the factories for which they are responsible. The Accord also includes the establishment of democratically

elected safety committees within the factories, which is an important concrete measure in a country with weak demographic structures. Furthermore, all results from the Accord are public, which provides important transparency. The new form of collaboration

FACTS ABOUT THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

1 585 factories participate in the Accord, as well as 215 brands, specialized retailers and union organizations. The Accord is a legally binding agreement. 200 people are employed by the Accord organization in Bangladesh, including three teams of engineers (fire, electrical and construction safety). At www.bangladeshaccord.org you can find more information in English and Bangla.

through the Accord creates many opportunities, but as it has never been done before, there is nothing to compare it to, and the original timeframe presents a major challenge. At the same time, progress is being made and the factories' actions plans are continuously being followed up.

“Some of our factories have corrected more than 80% of their identified deficiencies. Some are about to correct them all. One of them already has, and has received a letter of recognition from the Accord,” says Masud Rana, Gina Tricot’s CSR coordinator in Bangladesh.

“I’m proud of our development under the Accord in 2016. Seeing one of the two suppliers for which we are fully responsible receive an official letter of recognition and how proud they are makes all the work we have put into it worth it”, says Masud Rana.



POWER OF ACTION IN A CHANGING WORLD

Gina Tricot's sustainability

work in the world is often about structural efforts, but also about quickly dealing with situations that arise. Many of us will probably remember 2015 and 2016 as a time of a flood of refugees. When we received warnings that refugees were at risk of exploitation in the textile industry, as a company we needed to act quickly and clearly.

“Our code of conduct applies regardless of nationality and circumstance. With such a high number of refugees,

the risk of forced and child labor also increases. Therefore, Gina Tricot took further initiatives to raise the discussion with our suppliers,” says CSR Manager Johanna Jigmo-Linde.

Gina Tricot discussed the issue with all of our suppliers in Turkey, initiated the recruitment of a local resource to help support suppliers on-site, and started the implementation of BSCI's policy and action plan on how to handle Syrian refugees in the supply chain.

Johanna Jigmo-Linde, *CSR Manager*

CRUCIAL WATER

Without water, there's no textile industry. Water is both a resource and a waste product throughout the process – from the water-intensive cotton cultivation, to the dyeing and processing of yarns and fabrics. This is nothing new. Historically, textile manufacturing has been limited to areas with good access to water. Unfortunately, production has also left a mark. 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 global textile industry can't continue to pollute and consume water at the current rate. And as a fashion company, we have a clear responsibility. In order to truly change, we need to turn our best knowledge of water issues into concrete actions at locations where textile manufacturing takes place today. That's why we at Gina Tricot have joined the Sweden Textile Water

Initiative, STWI,” says Quality Manager Rebecca Watkins.

FROM NEEDS ANALYSIS TO REAL CHANGE

The STWI gathers textile and fashion companies and the Sweden International Water Institute. The first phase started in 2010. Back then, the initiative was about identifying the needs. The next step was to draw up guidelines, which are now being turned into real solutions in projects to promote a more sensible application of water, energy and chemicals.

More than 200 factories in Bangladesh, China, Ethiopia, India and Turkey have joined the STWI, and more are about to, in line with STWI's ambition to help fulfill several of the global sustainability goals*:

- #6 Clean water and sanitation
- #12 Responsible consumption and production
- #17 Partnerships for the goals

GINA TRICOT AND STWI

Gina Tricot is a proud member of the initiative and, since 2014, we have been working with two denim laundry factories in Turkey. In 2016, another three suppliers in Bangladesh joined the initiative (knitted, tricot and woven materials). Rebecca Watkins is enthusiastic.

“In 2016, we chose to extend our involvement in the STWI by another three factories in Bangladesh – a market which we spend a lot of time and resources to support. It is interesting to see how the factories involved have already managed to reduce their water consumption by 246 986 m³. This corresponds to the daily water consumption of nearly five million people and shows that it is possible to make a real difference.”

*The UN Sustainable Development Goals

246,986

Water (m³)

290,7

Electricity (MWh)

1,921,405

Natural gas (m³)

288,000

Carbon (kg)

60.7

Chemicals (ton)

134,892

Greenhouse gas (CO₂e)

RESOURCES SAVED
BY OUR SUPPLIERS

BETTER COTTON IN INDIA

We live in a textile world in which garments and fabric are always present. But where do our garments actually come from? This text provides a small insight into the long production chains and the sources of raw materials in the world.

In Gujarat, in northwest India, cotton plantations have become a natural part of the landscape. It's about volumes. Every year, more than 10 million bales of cotton are produced in Gujarat alone.

Although the plantation workers are many, as more and more cotton is being processed, the ginneries and spinning mills are growing bigger – and fewer.

Competitive pricing is noticeable everywhere and by everyone – from farmers to trading houses and spinning mills. Many farmers even

monitor market prices on a specially developed mobile app. It is about finding the right time to sell and buy. Since cotton can be stored almost indefinitely, the conditions are favorable for a competitive financial game in which 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 in order to make ends meet. This presents a real challenge when their farm must be financed, fertilizers and pesticides must be purchased, water pumps must be repaired and wages must be paid to the people who pick the cotton. Meanwhile, they must provide food for their families and their children's schooling must be paid for.

There are many reports on socially and financially disadvantaged Indian cotton farmers, and no wonder when these factors are taken into account.



A NEGATIVE SPIRAL

Apart from these tough basic conditions, 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 an even greater financial and environmental challenge: More fertilizers lead to finer and greener plants, which leads to more pests, and in turn more pesticides, which leads to more contaminated water.

HOW DO WE AFFECT CHANGE?

In order to make a big difference for cotton farmers, we need a wider context. That's why some of the leading cotton users in the world have come together through the

Better Cotton Initiative (BCI), a training program available for all cotton farmers. In 2015, the project managed to account for 8% of the world's cotton farmers, and the program continues to grow.

Together with Ellos (another Swedish clothing retailer), Gina Tricot is currently conducting field work in Bhauruch in Gujarat. Over a three-year period, more than 2 000 farmers will be trained 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 profit



OUR COTTON

margins mean more money in their pockets and, among other things, the opportunity for more children to go to school,” says Quality Manager Rebecca Watkins.

WHAT IS BETTER COTTON?

Better Cotton is neither an eco-label, nor a strict standard; rather, 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 locally. In addition, 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. Because it is not about making changes to established ways of producing and selling cotton, we are quickly able to achieve the high volumes necessary for drawing any conclusion about concrete and noticeable results. By training farmers, we can make a difference both now and for future generations.”





FOREST IN FASHION

THE TREES IN YOUR WARDROBE

Many people probably know that water plays an important role in the textile industry, but the connection between textiles and forest may not be as clear. Cut-down trees are largely used for the paper industry, but even many textile materials are made from cellulose, i.e. from trees.

Viscose, Lyocell and Modal are just some of the fibers that derive from wood pulp, which in turn requires the harvesting of trees. This involves a risk of devastation of forests needed for the Earth's climate and environmental future. Forest devastation also affects wildlife and vegetation by eliminating the trees that form their habitat.

GINA TRICOT AND CANOPY

Today, about a third of Gina Tricot's products consist of viscose or viscose blends, and it is very important that we try to find a sustainable solution. As much as possible,

we use viscose fibers from the Austrian company Lenzing®, and in 2016, we also decided to become members of the Canadian organization Canopy.

Canopy is a non-profit environmental organization that works to protect forests, animal species and the climate. Canopy collaborates with more than 750 companies to develop innovative solutions, make supply chains more sustainable and protect the world's primary and endangered forests. Canopy's work is dependent on the support of individual donors who feel as strongly about our planet as we do.

Within the framework of the Canopy Style campaign, Gina Tricot, together with other companies in the industry, strive for a supply chain free from viscose made of wood from primary and endangered forests.

A GREAT CHALLENGE

Recycling of textiles is an area in need of development. It requires innovation, but also collaboration.

Every year, 4.3 million tons of textile waste are deposited or combusted in the EU. More than 120 000 tons of new textiles enter the Swedish market, but only about 5 percent of the material is recycled. Several challenges inhibit recycling. In 2015 and 2016, Gina Tricot participated in several discussion groups with other companies and, among others, the Swedish Environmental Protection Agency, to find a solution to the sustainability problem in a more systematic way.

One part of the problem is the lack of coordination of textile waste. Currently, there is no systematic method in place to collect and transport the waste to recyclers. Another problem is that there is no large-scale facility for sorting textile waste in Sweden. Furthermore, techniques for material recovery have so far not been made to handle the current volume of textiles.

A SOCIETAL CHALLENGE AND A SOCIETAL RESPONSIBILITY

“This is a societal challenge. Companies, government authorities and organizations must work together to begin to tackle these issues and create circular models. As a company, what we can do, first and foremost, is to develop products that meet customer demands and can be used for a long time. But we can also inform our customers how to care for their garments so that they last longer. At Gina Tricot, we do this, for instance, by encouraging less frequent washing, only full loads, and at lower temperatures. Washing accounts for a significant part of the total energy consumption in the life-cycle of a garment”, says Rebecca Watkins.

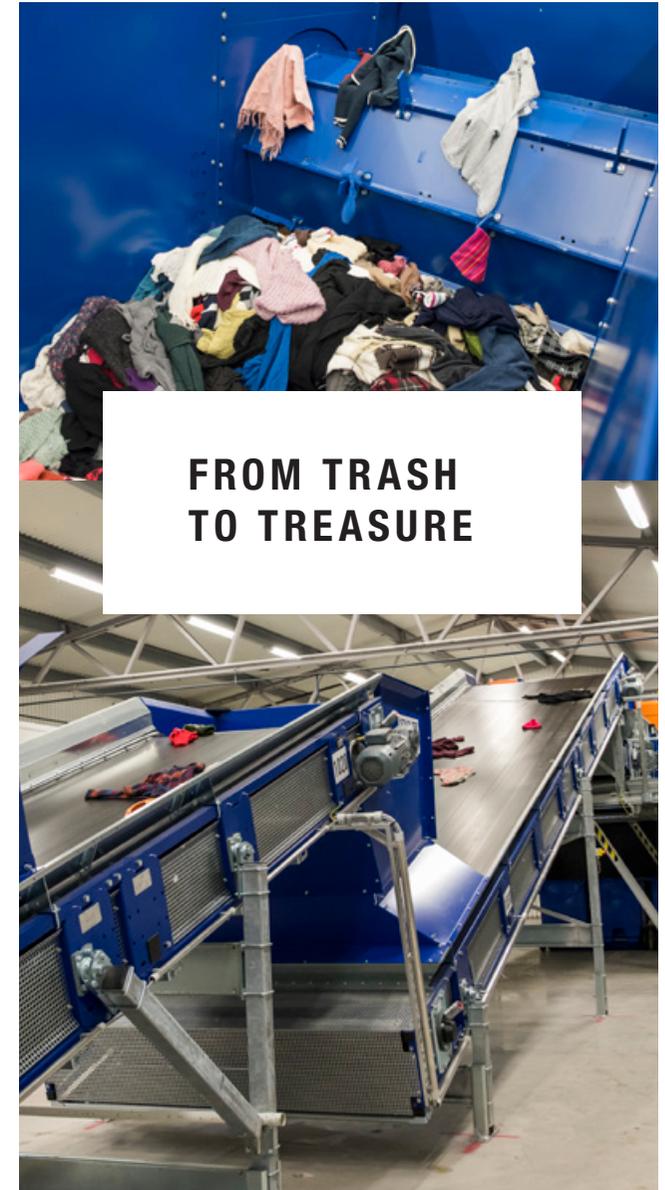
30 TONS OF GARMENTS COLLECTED FOR HUMAN BRIDGE IN 2016

Gina Tricot has collaborated with Human Bridge since 2010. This means that any unsold garments and all used garments that have been collected at our stores and at our head office, are sent to the organization. The collected garments

are sorted, and those that are still usable are sold at markets where Gina Tricot is not present. The proceeds go towards disaster relief. In garments that are no longer usable, the material can be repurposed for the production of noise insulation materials for cars for example.

SIPTEX – INITIATIVE FOR SMARTER SORTING

In 2016, Gina Tricot joined the Siptex project together with Human Bridge, the IVL Swedish Environmental Research Institute, the Swedish Chemicals Agency and H&M. Siptex stands for the Swedish Innovation Platform for Textile sorting. The project explores the possibilities for an automated procedure for sorting textiles that can provide both a high sorting rate and a high purity level of the sorted textiles.



FROM TRASH
TO TREASURE

Image: The Swedish Environmental Institute

KEY PRINCIPLES

For us, taking a stand and placing demands on products and manufacturing goes without saying – especially on products that come from animals or those that usually require larger quantities of chemicals. It is about sustainability but also about product safety and care for everyone who comes in contact with our products – from the origin of the material to manufacturing, use and recycling.

ANIMALS

We only accept by-products from meat production and we have a zero-tolerance policy against animals being treated badly during the process and animals raised in cages.

WOOL

When it comes to wool fiber, we only accept domestic animal production. Angora wool is controversial and we made a decision early on not to accept this material in our products. When it comes to leather, we purchase from approved tanneries only.

As an example, leather from cows in India is not accepted.

FUR AND FEATHERS

Our “fur” products are made entirely out of synthetic material and the down and feathers that end up in our products are certified to ensure they are not from live animals.

COSMETICS AND ANIMAL TESTING

In addition to clothing and accessories, Gina Tricot offers certain cosmetics in its range of products. These cosmetics have not been tested on animals.

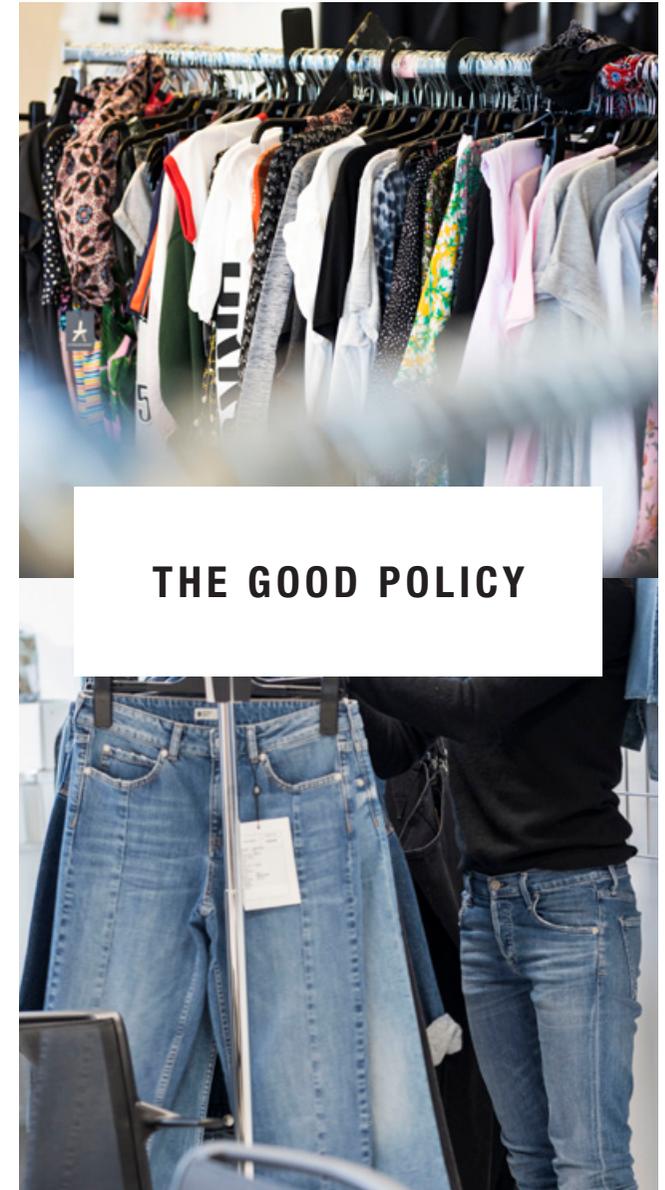
DENIM

Sandblasting of jeans and other denim products involves negative health effects to those who perform the work. Therefore, we do not accept this method in the production of our products.

CHEMICALS

We are working on a list of banned chemicals which places demands

on our products and production, far beyond current legislation in many respects. Our garments are checked in a third-party lab in the country of production before they are shipped to us. We also perform random spot checks both at our suppliers and after delivery. In 2016, only two of our products were not approved during these spot checks and were subsequently withdrawn. The regulation of chemicals is important for several reasons. A material regulated in accordance with detailed specifications is more likely to be produced under better conditions and using better methods than an unregulated material purchased without documentation. In addition to being a safety concern for those who currently handle the product, it is also about the future. From the point of view of recycling, it is an advantage that the product is free from substances we do not want to enter the recycling system.



THE GOOD POLICY

MOVING QUICKLY

Fashion can change quickly, but behind the selection in stores are the long and complex logistics processes – an area which Gina Tricot has developed a lot in recent years.

“When we took over our own logistics and warehousing operations in 2014, it created new opportunities,” says Petri Ventelä, Head of Logistics.

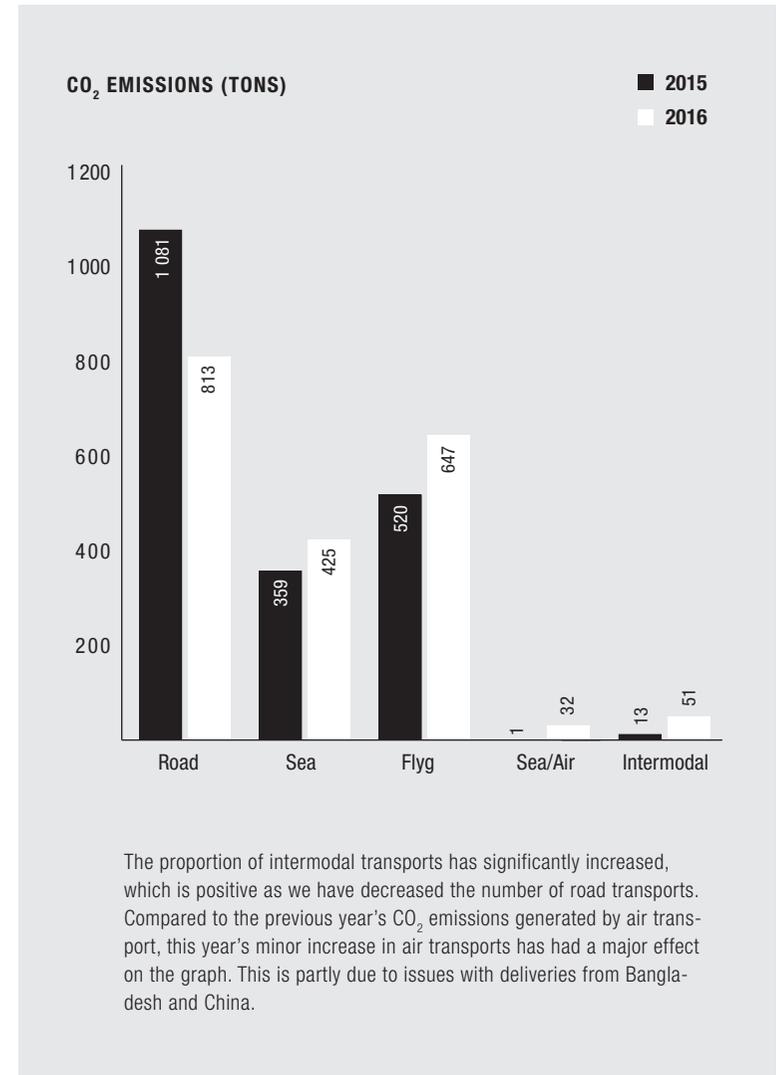
Increased transparency in the processes provided new control over several important factors. By working smarter with full shipments, delivery planning etc., there was a lot to gain.

“Many people probably think that we ship all of our goods by air, when in fact air shipments only account for a few percent from all over the world. From Turkey, which is our largest purchasing market, we use what is known as intermodal transports, combining rail, sea and road transports to achieve maximum

efficiency with minimal environmental impact. In 2016, we also began to test shipping goods from China by train and truck. Although this only amounts to a relatively small portion of our shipments today, we are pleased to have the option,” continues Petri Ventelä.

DISTRIBUTION OF SHIPMENTS	2015	2016
%, based on the number of purchased goods, by transport mode		
Air	3%	5%
Sea	55%	53%
Road	38%	17%
Rail	0%	0%
Intermodal	4%	25%

In the last two years, we have been working systematically to reduce the proportion of air freight and increase our proportion of intermodal transports. The increased shipments by air were due to issues with delivery from Bangladesh and China in 2016.



RESULTS AND CONTINUED WORK IN DHAKA

Together with UNICEF and local partners in Bangladesh, Gina Tricot has been running an education project at preschools in Dhaka since 2010. We are extremely proud of the results and are looking forward to the next project in Bangladesh.

The purpose of the project was to create good conditions for the children's future through education, but also to protect children from child labor. The children have learned to read, write and at the same time have had the opportunity to simply be children.

"Thanks to this project, the children are protected from child labor, which is common in Dhaka's slums," says Johanna Jigmo-Linde, CSR manager at Gina Tricot.

Between 2011 and 2016, a total of 26 440 children participated in the project. A total of 26 232 children completed preschool and were able to proceed to first grade at the nearest primary school. 60% of the children in the project were girls and 924 children had special learning needs. 3 179 children quit preschool due to their parents moving. The rewarding cooperation with UNICEF has engaged both our employees and our customers.

"Thanks to the commitment of our customers and staff, in 2016 we managed to collect another SEK 1.4 million for UNICEF."

A REWARDING CONTINUATION

The project has made us want to do more, and Gina Tricot will continue its cooperation with UNICEF;



THE POWER OF EMPOWERMENT

this time taking a more comprehensive approach to women in the textile industry in Bangladesh. The new project continues to focus on education and will target girls and women under 18. As a subproject, UNICEF also trains companies in children's rights and how to support professional women, for instance, through parental leave.

"Running a project that focuses on women feels natural to us as a company. By being a positive influence at an early stage, and providing training for young women to help them enter working life, we want to empower women in their role in Bangladesh society."



“We are very grateful for the long-term support from Gina Tricot, which enabled UNICEF to run 150 preschools in socially-deprived areas in Bangladesh. **For 6 years, a total of 26 440 children have had the opportunity for early education.**”

“The first years in a child’s life are the most important from a development perspective, and focusing on early childhood development creates conditions for better learning at school later on. It not only has positive effects for the individual child but for society as a whole.”

Véronique Lönnerblad,
General Secretary of UNICEF Sweden.

NEW LEARNING PLATFORM FOR POSITIVE CHANGE

QuizRR wants to create exemplary working conditions and safe workplaces for workers in the supply chain around the world. Gina Tricot participated in the pilot project when QuizRR tested its new digital learning platform at factories in Bangladesh.

QuizRR creates transparency and the ability to verify corporate training and development through collected data. At the same time, QuizRR becomes a measurable tool for training employees working at our suppliers in the areas of working conditions, work environment and human rights.

The platform consists of three parts: the digital learning tool with videos and questions on tablets that trains manufacturing industry staff; measurability and reports; and an online platform where suppliers and

global buyers meet. The two Rs in the company name represent Rights and Responsibilities.

PILOT PROJECT IN BANGLADESH

In August 2016, the QuizRR pilot project was introduced at 11 factories in Bangladesh together with five Nordic buyers/companies. Gina Tricot was one of them and had two of our factories test-run QuizRR in order to teach factory workers about their rights and responsibilities.

The pilot was conducted for three months at two factories in Bangladesh. After the completion of the project, over 2 199 workers were trained in areas such as fire safety and working conditions. We are now entering the next phase where the suppliers themselves take on the work with QuizRR as part of their ongoing activities.





**IT BEGINS
AT HOME**

THE IMPORTANT EVERYDAY SOLUTIONS

Sustainability work is not only about major complex processes. Although these are needed, many small initiatives can also make a big difference. Here are some of the everyday sustainability initiatives taken by Gina Tricot.

GREEN BUILDING

Gina Tricot's head office in Borås was built using the guidelines for 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.

OYSTER BAGS

All of our stores' bags are made from recycled plastic and oyster shells.

REUSED BOXES

Boxes that are used to ship items from our suppliers are reused for shipments to our stores.

ENERGY AND ENVIRONMENTAL SAVINGS

In 2015 and 2016 we mapped the energy consumption of our stores in Denmark, Germany and Sweden. Now it's time to implement some of the proposed measures. Among other things, we are gradually switching to LED lighting to minimize our energy consumption and environmental impact. Today, the proportion of LED lighting in our stores is 7% and our goal is to reach 20% in 2017. Meanwhile, we will continue mapping our energy consumption in the other countries in which we operate.

ENVIRONMENTAL DIPLOMA

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

In 2016, we reduced our proportion of small-order office supply purchases by 8%, while the proportion of more eco-friendly product purchases increased by 2%. In addition, 70 trees were planted in our name in 2016 – a positive contribution as every tree binds about 10 kg of CO₂ per year.

**DO A LITTLE
BIT BETTER.
EVERY DAY.**



**GREEN PRODUCTS
THAT BIND CO₂**

All purchases count. In 2016, we were given the opportunity to participate in a pilot project to reduce our environmental impact when purchasing office supplies through our supplier, Staples. The aim was to reduce our proportion of small orders (below 500 SEK / 50 EUR) and to increase our proportion of environmentally-friendly products. In addition to the direct environmental improvement this would entail, a reward was also included. Trees would be planted in our name, and Staples undertook to educate children and adolescents in becoming climate-rights ambassadors through the Plant-for-the-Planet organization.

The pilot project has now been completed and the Easy on the Planet program is part of Staples' current offer for us.

HOPE CONTINUES TO ENGAGE

With a strong passion for equestrian sports, we have helped host the Gina Tricot Grand Prix since 2009. The competition attracts elite riders in both show jumping and dressage, as we continue to raise the bar for sustainability work.

The Gina Tricot Grand Prix is today one of Sweden's leading indoor riding competitions with elite riders from junior to senior levels. For us at Gina Tricot, it is a long-term commitment close to our hearts. Anna Appelqvist – Head of Design and Purchasing at Gina Tricot, and coordinator of the Gina Tricot Grand Prix in Borås – sees a logical connection between riding and fashion. Therefore, it seems only natural that the competition is characterized by Gina Tricot's sustainability perspective. "We want the event to be as sustainable and

correct as possible. For the third 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."

Within the scope of our eco-certification, we have, among other things, switched to LED lighting in the indoor arena, and extensive recycling.

"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," says Anna Appelqvist.

THIS YEAR'S PRIZE AND OUR CONTINUED EFFORTS

In 2016, the Gina Tricot Grand Prix received the "Lövssta Future Challenges" sustainability award. The next step is to make the entire area environmentally certified by 2017.

**ALWAYS FACE
OBSTACLES
WITH GRACE**





RESPONSIBILITY XXL

IN-DEPTH INFORMATION AND GRI INDEX 2016



WITH FOCUS ON OUR MOST MATERIAL TOPICS



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 23 European countries.

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

ABOUT OUR REPORT

Every year, we at Gina Tricot publish a sustainability report that summarizes the sustainability measures we have undertaken within the company over the past year. This is our fifth sustainability report, and it covers the fiscal year 2016. Our previous sustainability report was published in August 2016.

REVIEW OF MATERIALITY ANALYSIS

During the winter of 2016/2017, we made a minor update of our materiality analysis compared to the previous sustainability report. The review took into account the ongoing dialogue with our stakeholders, and included an in-depth interview with

one of our owners, Nordic Capital. In our final prioritization, topics were weighed in a general assessment of the environmental, social and economic impact of Gina Tricot's activities. This year, we also made the transition to GRI Standards, GRI's latest guidelines for sustainability reporting. This sustainability report has been prepared in accordance with GRI Standards, Core option.

Our materiality analysis has resulted in a condensed list of our most important topics. These topics constitute the core of our sustainability report. But we also pursue efforts in many of the other topics that are relevant to our business and society. For a more in-depth description of our materiality analysis, see our 2015 sustainability report.

OUR MANAGEMENT APPROACH

(In alphabetical order)

TOPIC	MANAGEMENT/POLICIES	ACTIVITIES	FOLLOW-UP	RESPONSIBILITY
Animal welfare	Animal welfare and product policy included in our general agreement with all our suppliers.	Participation in the Swedish Trade Federation network 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 was made available in all other countries in which we operate in autumn 2016. An incident-reporting procedure via the intranet is already in place.	CEO
Customer health and safety	Environmental policy, supplier demands and a list of banned chemicals.	Demands on our suppliers (our own and third-party testing) and visits to our suppliers.	Spot checks of our products.	Quality Manager
Economic performance	Internal financial goals.	Quarterly forecasts.	Audits and monthly reviews by the board.	CEO
Energy and emissions	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 main 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
Materials	Sustainability strategy and Good Index purchasing policy.	Quality goals (< 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
Non-discrimination, diversity and equal opportunity	Gender equality, diversity and non-discrimination plan.	Participation in the Swedish Trade Federation network Work environment training.	Annual staff appraisals Employee evaluations.	HR Manager

TOPIC	MANAGEMENT/POLICIES	ACTIVITIES	FOLLOW-UP	RESPONSIBILITY
Occupational health and safety	Safety portal on the intranet.	Training	Incident and accident reporting.	HR Manager Safety Manager
Supplier environmental assessment	BSCI Code of Conduct, environmental policy and STWI guidelines.	BSCI audits, own visits to suppliers and STWI projects. Better Cotton and Cotton Connect.	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
Supplier social assessment, child labor and forced or compulsory labor	BSCI Code of Conduct Bangladesh Accord.	BSCI audits and our own follow-up visits. Review of auditing results outside the scope of BSCI. UNICEF collaboration to prevent child labor. Accord inspections.	Part of the supplier evaluation and product planning, where we work to prioritize suppliers with good results.	CSR Manager Global Production and Sourcing Manager Managers at local purchasing offices

GRI INDEX

GRI 101: Foundation 2016

GENERAL DISCLOSURES

	DISCLOSURE	COMMENTS (including any omission)	PAGE
	<i>ORGANIZATIONAL PROFILE</i>		
GRI 102: GENERAL DISCLOSURES 2016	102-1 Name of the organization	Gina Tricot AB	
	102-2 Activities, brands, products, and services.		p. 3
	102-3 Location of headquarters.	Borås, Sweden	
	102-4 Location of operations.	Sweden, Denmark, Finland, Norway, Germany	
	102-5 Ownership and legal form.	Gina Tricot is an incorporated company. The principal owner is Nordic Capital. The other owners consist of private investors.	
	102-6 Markets served.	Stores in Sweden (88), Denmark (20), Finland (24), Norway (38) and Germany (13). Through e-commerce, our products are available for purchase in another 23 European countries.	
	102-7 Scale of the organization.	Number of employees: 1 954 Annual turnover: 2 028 000 000 SEK The figures reflect the entire corporation (Nordic Fashion Group AB)	
	102-8 Information on employees and other workers.	Total number of employees: 1 954 Proportion of women: 98 % Proportion of men: 2 % Number of employees per country: Sweden: 900 Norway: 361 Denmark: 185 Finland: 346 Germany: 162 Number of employees by type of contract (permanent or fixed-term), divided by gender: Women: Permanent: 1 124, Fixed-term: 790 Men: Permanent: 38, Fixed-term: 2 Number of employees by type of contract (permanent or fixed-term), divided by country: Sweden: Permanent: 471, Fixed-term: 429 Norway: Permanent: 347, Fixed-term: 14 Denmark: Permanent: 44, Fixed-term: 141 Finland: Permanent: 207, Fixed-term: 139 Germany: Permanent: 93, Fixed-term: 69 We are not able to report on the proportion of full-time and part-time employees per country and gender. A very small proportion (<2%) of our total number of employees are contracted and thereby not directly employed by Gina Tricot. In our annual report, the average number of employees is presented. In the present sustainability report, all employee figures are presented by calendar year.	p. 7

DISCLOSURE	COMMENTS (including any omission)	PAGE
102-9 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 to 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 labeling, such as BCI.	
102-10 Significant changes to the organization and its supply chain.	Our total number of stores is 183, which is 2 fewer than the previous year. In total, we have opened 3 new stores and closed 5.	
102-11 Precautionary principle or approach.	The precautionary principle is regulated by Swedish environmental law, the Environmental Code. 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 chemicals or other harmful 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. The precautionary principle is also an important factor in our recall process. If we receive indications that one of our products does not meet our safety standards, it is recalled.	
102-12 External initiatives.	BSCI (based on ILO conventions), The Swedish Environmental Base, Children's Rights.	
102-13 Memberships of associations.	We are members of/involved in the following organizations, which we consider strategically important to our sustainability work: <ul style="list-style-type: none"> » Bangladesh Accord on Fire and Building Safety » 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 	

DISCLOSURE	COMMENTS (including any omission)	PAGE
<i>STRATEGY</i>		
102-14	Statement from senior decision-maker.	p. 3
<i>ETHICS AND INTEGRITY</i>		
102-16	Values, principles, standards and norms of behavior.	BSCI Code of Conduct, Corporate Compliance Program.
<i>GOVERNANCE</i>		
102-18	Governance structure.	The Sustainability Group regularly reports to the board. Starting 2017, the board will be more involved in the management of sustainability work.
<i>STAKEHOLDER ENGAGEMENT</i>		
102-40	List of stakeholder groups.	In 2015–2016, we conducted an extensive stakeholder discussion. In 2017, this will be complemented by a new dialogue with owners, primarily for the purpose of reviewing their need for information and our work to report in accordance with future legislation. We have regular contact with the following groups of stakeholders: <ul style="list-style-type: none"> » Owners » Employees » Suppliers » Customers » Students » Government authorities » Media » Collaborative partners in various sustainability initiatives
102-41	Collective bargaining agreements.	All employees in Sweden are covered by a collective agreement. The guidelines of these agreements also apply in other countries.
102-42	Identifying and selecting stakeholders.	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). Through structured stakeholder dialogues, in line with our GRI-based sustainability reporting, we select representatives from every stakeholder group, most recently in 2015 –2016. We welcome feedback on our work and sustainability reporting.

DISCLOSURE	COMMENTS (including any omission)	PAGE
102-43 Approach to stakeholder engagement.	We have regular contacts with most of our stakeholders. We also visit our suppliers regularly, and in China and Bangladesh we have local 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.	
102-44 Key topics and concerns raised.	The refugee situation in Turkey has been the subject of discussion and review in 2016. We have been contacted by NGOs regarding how we have dealt with the risk of refugees in our supply chain. We have been transparent in our responses, where emphasis has been placed on the intensified collaboration on the issue with BSCI and the commencement of recruitment of a resource in Turkey. In 2016, discussions took place about a too skinny model used by Gina Tricot in a campaign film. We were found guilty by the Swedish Advertising Ombudsman Jury. We have a policy that regulates the selection of models and, since the guilty verdict, we have increased our follow-up of this.	
<i>REPORTING PRACTICE</i>		
102-45 Entities included in the consolidated financial statements.	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 Nordic Fashion Group AB.	
102-46 Defining report content and topic boundaries.		p. 34
102-47 List of material topics.		p. 35-36
102-48 Restatements of information.	Any recalculations of data are always reported in connection with the reported indicators. No other information has been changed compared to previous reports.	
102-49 Changes in reporting.	No significant changes have taken place.	
102-50 Reporting period.	The report concerns the fiscal year 2016.	
102-51 Date of most recent report.	August 2016	
102-52 Reporting cycle.	Annual	
102-53 Contact point for questions regarding the report.	Johanna Jigmo-Linde, CSR Manager, johanna.jigmo-linde@ginatricot.com	
102-54 Claims of reporting in accordance with the GRI Standards.	The report is prepared in accordance with GRI Standards, Core option.	
102-55 GRI content index.		
102-56 External assurance.	The report has not been assured by an external party, apart from the stated financial figures. However, our accountants have reviewed the report and assessed how well it meets future legal requirements with regard to non-financial reporting.	

	DISCLOSURE	COMMENTS (including any omission)	PAGE
	102-55 GRI Index.		s. 37-49
	102-56 Extern granskning.	Redovisningen är inte granskad av extern part, med undantag av vårt ekonomiska resultat. Våra revisorer har däremot genomgått redovisningen och bedömt hur väl den uppfyller kommande lagkrav vad gäller icke-finansiell information.	
<i>MATERIAL TOPICS</i>			
<i>ECONOMIC PERFORMANCE</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Our financial results are clearly limited to our business, in accordance with financial reporting and accounting rules. A number of actors are subsequently affected by these results, such as our suppliers who seek payment for products and services they deliver, employees' salaries for work performed and our owners in terms of return.	
	103-2 The management approach and its components.		s. 35
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed.	GRI 201: Economic performance 2016 201-1 Direct economic value generated and distributedValue, in million SEK (previous year's numbers in parenthesis) Net turnover: 2 028 (1 954) Operating costs: -1 638 (-1 591) Salaries and remunerations for staff: -366 (-359) Interest:- 4 (-7) Taxes: -108 (-94) Investments in society: 0 (-4) Remaining financial value: -89 (-101) Debt: 517 (583) Own capital: 451 (558) Sold products (number of items): 19 132 421 (18 680 740) The figures reflect the entire corporation (Nordic Fashion Group AB)	
<i>ANTI-CORRUPTION</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	The risks of unauthorized procedure can be found in our purchasing processes and in our contact with customers. We are combating these issues through policies and training, among other things. In our supply chain, we handle this by placing orders with multiple suppliers simultaneously to avoid a position of dependency, which counteracts the risk of corruption. During audits of our supply chain, corruption risks are also in focus, both in relation to Gina Tricot, but also in relation to the next tier of suppliers.	
	103-2 The management approach and its components.		p. 35

GRI 205: Anti-corruption 2016	205-2 Proportion of employees who have undergone training in the company's policies and procedures relating to anti-corruption	In 2016, Gina Tricot has continued to implement a new Corporate Compliance Program. Currently, we are working to improve the follow-up of the number of employees who have undergone anti-corruption training as part of our program.	All department heads were trained in 2016. In 2017, the newly developed anti-corruption policy will be communicated to the other employees and collaborative partners.
	205-3 Confirmed corruption incidents and implemented measures.	No cases of corruption have been reported.	

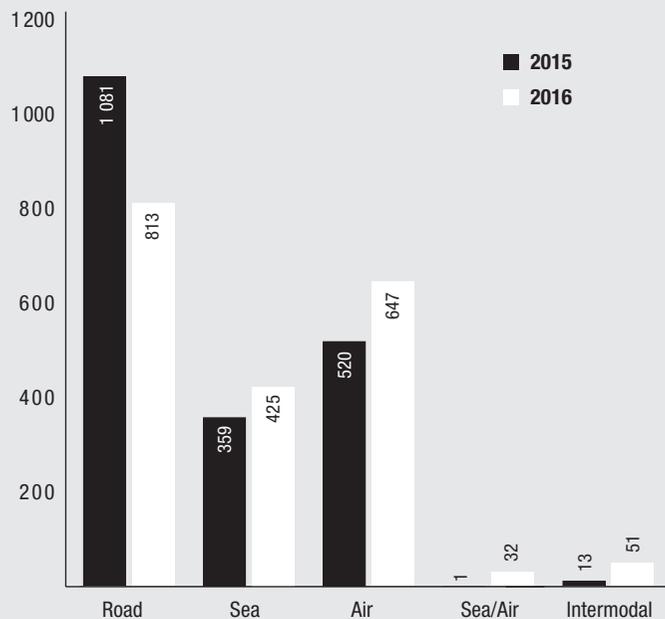
MATERIAL

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Decisions on the choice of materials are largely made by us and, from a life-cycle perspective, these have a significant environmental impact. These choices need to be made without compromising the quality of our products and within set cost margins. At Gina Tricot, we have a clear objective to choose more eco-friendly materials and constantly monitor the development of new materials and the possibility of reusing materials.	p. 8-12,
	103-2 The management approach and its components.		p. 35
Other disclosure	Our own indicator: List of sustainable materials. Percentage of the total number of garments made from sustainable materials	Organic cotton: 11.4% (12.8%). Lenzing Viscose®: 10.7% (2.4%). Better Cotton: 7.2% (1.3%). Tencel®: 0.2% (0.6%). ProViscose®: 0.3% (2.6%). Recycled polyester: 0.1% (0.3%). Total: 30% (20%).	p. 9

ENERGY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Direct energy consumption takes place in our own stores, our office and our warehouse. A more significant part of energy consumption in the life-cycle takes place upstream (e.g. in supplier factories) and downstream (when washing garments). Therefore, we work actively to reduce our own consumption. In audits of our suppliers we also focus on their environmental work. To customers, we give advice on washing of garments. When it comes to transport, we are actively working to reduce the amount of transports, and we choose the most energy-efficient modes (see also 'Emissions' below).	
	103-2 The management approach and its components.		p. 35
GRI 302: Energy 2016	302-1 Energy consumption within the organization.		p. 43

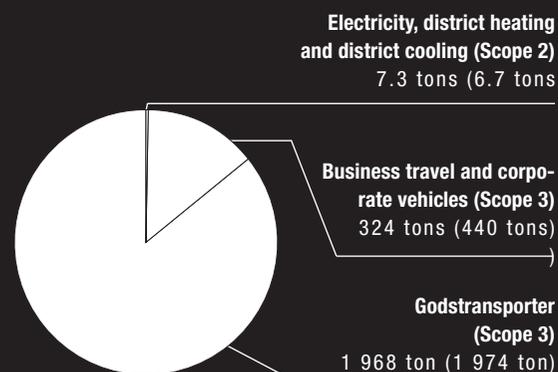
CO₂ EMISSIONS (TONS)



The proportion of intermodal transports has significantly increased, which is positive as we have decreased the number of road transports. Compared to the previous year's CO₂ emissions generated by air transport, this year's minor increase in air transports has had a major effect on the graph. This is partly due to issues with deliveries from Bangladesh and China.

CO₂ EMISSIONS

Previous year's figures in parenthesis



Transport of goods: The calculations were made in accordance with the GHG protocol and the data provided by our suppliers. Refers to transports from supplier to store.

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

	2014	2015	2016
Electricity (MWh)*	3 247	3 739	4 270
District heating (MWh)**	429	377	372
District cooling (MWh)**	57	35	54

* 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.

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EMISSIONS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Our assessment shows that our major environmental impact consists of CO ₂ emissions in scope 2 and scope 3. The biggest impact comes from our transports from supplier to store. Therefore, we are actively working to improve our logistics to reduce emissions.	
	103-2 The management approach and its components.		p. 35
GRI 305: Emissions 2016	305-2 Total indirect emission of greenhouse gases (scope 2).		p. 43
	305-3 Other relevant indirect emissions of greenhouse gases (scope 3).		p. 43

ENVIRONMENTAL IMPACT OF OUR SUPPLIERS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	There are a number of important environmental aspects in our supply chain – all the way from raw material production to the sewing of garments in factories. Gina Tricot has not conducted any life-cycle analyses; instead, we work together with others in the industry to understand the environmental impact in our supply chain, and to contribute to improvements through environmental requirements and development projects.	p. 20-21
	103-2 The management approach and its components.		p. 36
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impact in our chain of supply and measures taken.	There are a number of important environmental issues in our supply chain – all the way from raw material production to the sewing of garments in factories.	p. 20-21
		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.	
		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.	
		In connection with the STWI project, we have reduced our water consumption at our suppliers' by 246 986 m ³ .	

OCCUPATIONAL HEALTH AND SAFETY

<p>GRI 103: Management Approach 2016</p>	<p>103-1 Explanation of the material topic and its Boundary.</p>	<p>We have a direct impact on, and legal responsibility for, the work environment of our employees, both the physical and the psychosocial work environment. Based on conducted risk assessments, the work performed in stores involves higher risks with regard to ergonomic aspects and safety (e.g. risk of robbery and threats). Special risk assessments and safety inspection are also conducted at our head office and warehouse in order to regularly identify risks and to draw up an action plan. (When it comes to our work to promote health and safety at our suppliers, see the section 'Social conditions at our suppliers' below).</p>	<p>p. 18, 47</p>
	<p>103-2 The management approach and its components</p>		<p>p. 35</p>
<p>GRI 403: Occupational Health and Safety 2016</p>	<p>403-2 Type of injury and frequency, work-related disease, sick leave and death.</p>	<p>In 2016, we have increased the implementation of a safety portal, available at all stores and to all employees at the head office, through the intranet. In 2017, all warehouse staff will also gain access to the system. The safety portal is intended to facilitate reporting of incidents and accidents in all countries in which we operate. We are also actively working with safety in our stores, through safety inspections focusing on, for example, fire safety. Through the use of our safety portal, our follow-up of work-related accidents and sick leave has improved. In 2016, the following was reported:</p> <ul style="list-style-type: none"> • 0 deaths • 5 accidents which did not result in sick leave • 3 accidents which resulted in >8 hours sick leave • 2 work-related injuries which did not result in sick leave • 4 work-related injuries which resulted in long-term sick leave (>14 days) <p>Overall, the sick leave in 2016 amounted to 4.7%, which a decrease from 5.7% in 2015 and from 6.5% in 2014.</p> <p>Out of consideration for our employees, we chose to not report work-related accidents and disease by country. The majority (>95%) of our employees are women; therefore, we also decided to not report statistics by gender.</p>	<p>p. 7</p>

DIVERSITY AND GENDER EQUALITY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Diversity, gender equality and non-discrimination are often linked together in our work. In this respect, we are able to influence all our relationships, with each other, with our customers, our suppliers, partners etc. It is important that we are open to having a diversity of people work with us, and to ensure that we provide an inclusive workplace, where everyone is given equal opportunities for further development.	
	103-2 The management approach and its components.		p. 35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity reported for management positions and other staff.	As of yet, we have not looked into the possibility of finding suitable ways of measuring diversity, but we will discuss this in 2017.	
		<p>Number of employees in each age group</p> <p>Management team:</p> <p><30 years: 0 30–50 years: 6 >50 years: 3</p> <p>Office workers (including board):</p> <p><30 years: 61 30–50 years: 95 >50 years: 19</p> <p>Store and warehouse staff:</p> <p><30 years: 1 408 30–50 years: 364 >50 years: 7</p>	

NON-DISCRIMINATION

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	See description under 'Diversity and gender equality' above.	
	103-2 The management approach and its components.		p. 35
GRI 406: Non-discrimination 2016	406-1 Number of discrimination cases and measures taken.	No cases of discrimination have been reported.	
		A lawsuit against was filed against Gina Tricot in 2016 under the Swedish Employment Protection Act (LAS), but it was dismissed without legal action.	

CHILD LABOR

<p>GRI 103: Management Approach 2016</p>	<p>103-1 Explanation of the material topic and its Boundary.</p>	<p>There is a risk of child labor in our supply chain, all the way down to the production of raw materials. We therefore need to fight this risk from several different angles. In factories, where we are able to perform audits, this is a clear focus area when following up on child labor issues in connection with BSCI audits as well as with our own factory visits. We have a policy that directly prohibits the use of cotton from Uzbekistan, Turkmenistan and Syria, where the risk of child labor is considered too high.</p> <p>In order to increase our understanding of these issues, we are working in close cooperation with UNICEF.</p>	
	<p>103-2 The management approach and its components.</p>		<p>p. 36</p>
<p>GRI 408: Child Labor 2016</p>	<p>408-1 Activities and suppliers among which there appears to be a significant risk of child labor, and measures taken to contribute to its abolishment.</p>	<p>There is an increased risk of child labor further down the supply chain, as well as in factories with simpler tasks such as packing of goods. The follow-up of how well our code of conduct reaches subcontractors, as well visits to subcontractors along with management training at our suppliers, are of major importance in preventing child labor.</p> <p>We have a zero tolerance policy against child labor. If child labor is discovered, we have a follow-up program for the individual child as well as follow-up and dialogue with the relevant supplier. Since 2010, Gina Tricot, together with UNICEF and local partners in Bangladesh, has conducted a training project at preschools in Dhaka. The aim of the project, among other things, is to prevent child labor.</p>	<p>p. 28</p>

FORCED LABOR

<p>GRI 103: Management Approach 2016</p>	<p>103-1 Explanation of the material topic and its Boundary.</p>	<p>There is a risk of forced labor in our supply chain, all the way down to the production of raw materials. We therefore need to fight this risk from several different angles. In factories, where we are able to perform audits, this is a clear focus area in connection with BSCI audits and with our own factory visits.</p> <p>We have a policy that directly prohibits the use of cotton from Uzbekistan, Turkmenistan and Syria, where the risk of forced labor is considered too high.</p>	<p>p. 19</p>
	<p>103-2 Explanation of the material topic and its Boundary.</p>		<p>p. 36</p>
<p>GRI 409: Forced or Compulsory Labor 2016</p>	<p>409-1 Activities and suppliers among which there appears to be a significant risk of forced labor, and measures taken to contribute to the abolishment of all forms of forced labor.</p>	<p>The risk of forced labor is assessed to be the greatest further down the supply chain. All potential suppliers undergo audits, which include the occurrence of forced labor. This also applies during BSCI audits and our own factory visits at suppliers with whom we have continuous cooperation.</p>	

SOCIAL CONDITIONS AT OUR SUPPLIERS

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	Social conditions in our supply chain are a major challenge for us and the industry at large. The biggest risk can be found in our product supply chain.	p. 15-16, 18
	103-2 The management approach and its components.		p. 36
GRI 414: Supplier Social Assessment 2016	414-1 Proportion of new suppliers that have been assessed on the basis of social criteria.	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 (including child labor and forced labor), and environmental performance, among other things. Audits also include health and safety aspects such as chemicals management, ventilation and fire safety. We started working with 10 new production units in 2016. They have all been audited.	
	414-2 Negative social conditions in our supply chain and measures taken.	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 (including child labor and forced labor), and environmental performance, among other things. Audits also include health and safety aspects such as chemicals management, ventilation and fire safety. We started working with 10 new production units in 2016. They have all been audited.	

PRODUCT LIABILITY

GRI 103: Management Approach 2016	103-1 Negative social conditions in our supply chain and measures taken	From a safety perspective, in our supply chain there is a risk that unauthorized or otherwise undesirable substances (such as hazardous chemicals and heavy metals) are used and included in our products. We must therefore, in different ways, reduce the risk of this taking place. This product liability concerns both the health and safety of our customers and of other people who may have come in contact with these substances before they reach our stores. The greatest impact is made in the relationship with suppliers, working both preventatively and directly (through on-site testing) to detect any deficiencies.	p. 25
	103-2 The management approach and its components		p. 36

GRI 416: Customer Health and Safety 2016	416-1 Proportion 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.</p> <p>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 returns: 0.24% (0.25%)</p> <p>Recalled products due to quality/chemical reasons: 2</p>	
<i>ANIMAL WELFARE</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary.	<p>The fashion industry has an indirect impact on animal farming in that materials such as wool, angora, etc. are used to make fashion products. 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. We also do not allow angora. Our cosmetics are free from animal testing.</p>	p.25
	103-2 The management approach and its components		p. 35
Other disclosures	Indicator not available, reporting only refers to management		

**RIGHTS <3
RESPONSIBILITIES**

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