

A photograph of a street scene where numerous colorful umbrellas in shades of blue, green, orange, and purple are hanging from the buildings, creating a vibrant canopy over the street. The umbrellas are arranged in a way that they appear to be part of a public art installation or a festive decoration. The background shows the facades of buildings with windows and architectural details.

# INDISKA

Sustainability Report  
2020

## Content

- 4. 2020 in short
- 6. Reflections from our CEO
- 7. A look in the rearview mirror
- 8. About Indiska
- 10. Indiska Holding Group Structure
- 11. Driving sustainability
- 12. Our goals
- 14. Finances and investments
- 15. Diversity
- 17. Our Employees
- 18. Quality and product responsibility
- 20. Reflection's from Indiska Sourcing team
- 24. Sustainable production
- 27. Sustainable products and materials
- 29. Packaging material
- 30. Energy consumption in our own operation
- 31. Logistics
- 32. Social engagement
- 34. Sustainable Development Goals
- 35. About the report
- 36. GRI-Index





## 2020 in short

At Indiska, we work actively with sustainability from all angles of our company. We constantly strive to develop and learn more about how we can continue to contribute to a more sustainable fashion industry. Last year, we made significant progress toward our goals, which are all about being respectful to the planet and the people in it. In 2020, we focused on these 12 things.

### Managing Covid 2020

See Karin Lindahl's reflections in CEO Comments and an exclusive interview with our co-workers Mirdula Lall, Global Sourcing Manager, and Rajiv Singh Choudhary, Global CSR manager.

### Sustainable transport

For e-commerce transportation, we always strive to offer the best solutions for both our customers and the environment. Most of our delivery options are 100% climate compensated— some up to 110%.

### Sustainable production

99% of our suppliers' factories are social audited to ensure they are meeting our minimum requirements or higher!

### Material strategy

We have more than doubled our share of sustainably sourced materials! Compared to 2019.

80% of Indiska products are now made of natural materials. We select renewable materials, and they are requested by our customers.

### Going global

The Indiska fashion assortment was launched on the Zalando E-commerce platform in 10 European countries. An important step towards securing Indiska's profitability and business in the long-term.

### Transparency

We have published information about our most important suppliers, as well as production countries for each product.

### Social engagement

We supported Yoga for Rights when launching our Yoga collection in 2020. It was an exclusive collaboration with Röhnisch, featuring their high quality and female fit in our colourful patterns in recycled polyester.

We launched Charity bracelets where 10% of the sale price for each bracelet sold went in full to support the Peace Trust vocational school.

### Equality and female leadership

To mark International Women's Day in 2020, we continued to build upon the campaign 'I AM INDISKA' from 2019. This time, we highlighted female store managers in the organisation. The purpose was to inspire female leadership, and to promote diversity by using our own employees as models. The campaign was well-received by customers and is now an important part of Indiska employer branding.

### Labels in recycled materials

We launched a new modern graphical design for Indiska brand labels and hang tags. All tags are made of recycled materials and in a smaller size to reduce material consumption. A green label guides our customers to a selection of sustainable products.

### Sustainable design

In 2019, we launched a Sustainability Roadshow with the aim to create timeless Indiska design inspired by our customers' old favourites. These products were launched in 2020 under the label 'Indiska Archive' as a signature for timeless favourites. It was well received by customers.

### Prevent mental illness

We hosted the Umbrella Project in Stockholm, an interactive Portuguese art installation that aims to spread joy and hope among the public.

### Customer awareness and sustainable guidance!

In February 2020, a new e-commerce platform was implemented. This has enabled us to offer several sustainable transportation options, more detailed product information and to improve the overall decision-making process for our customers – it should be easy to choose sustainable options.

# Reflections from our CEO

*'The majority of our focus in 2020 went to protecting our employees' working environments, and finding new ways to connect with our customers...'*

We had a very strong start to the year, following an exciting breakthrough. But our upward trajectory met an abrupt end in mid-March when Indiska and the entire retail industry was impacted by the Covid-19 pandemic. As a result, the majority of our focus in 2020 went to protecting our employees' working environments and finding new ways to connect with our customers when many of them were unable to visit our stores.

The year 2020 deeply revealed for us the importance of maintaining close supplier relationships. With around 50% of our products produced in India, Indiska was highly impacted by their lockdown in the spring. We worked closely with our suppliers to understand what products could be cancelled, what products could be moved to another month or season, and how material could be reused for later intakes. Throughout the year, it has been difficult and sometimes impossible to foresee demand. I am happy to report that, through active cooperation with our suppliers, we have managed to avoid building up any overstock compared to previous years, despite sales being significantly lower than expected.

The pandemic has also changed the way our customers consume. A larger share of customers than ever before now shop online at indiska.com. E-commerce has a lot of benefits. But, from a sustainability perspective, transportation is a constant challenge. We are therefore very happy to report that 40% of our online customers choose pick up their orders in stores. This means we can leverage the same transportation to our store network that we would be using anyway. We have worked actively to create product descriptions and videos of all our products so that customers can more easily select the right sizes and avoid returns. Our return rate is low compared to our peers at around 15%, and most of our customers choose to return in-store.

In 2020, we continued working to fulfil our ambition of increasing the share of our products that are produced in natural material. Our conscious customers are constantly driving us to improve, and have been very clear in all conducted surveys that they want to wear and decorate with natural materials. We managed to reduce our use of polyester even further during the year in favour of viscose, cotton, and linen. Now, approximately 80% of our products are made out of natural materials.

In addition to using natural materials, we strive to design quality products that last over time and beyond trends. In the fall of 2019, we launched a Sustainability Roadshow with the aim of creating timeless Indiska designs inspired by our customers' old favourites. These products were launched in 2020 under the Indiska Archive label. They ended up having among the highest sale through rates proving the point that, the better we know our customers, the more easily we can foresee volume demand and avoid over-production.

During the year, we also pushed gender equality and female leadership issues. In February, we launched Yoga for Rights, where around 50 yoga teachers around Sweden instructed yoga classes where the fees were donated to support Indian women via The Hunger Project. We also engaged with a Portuguese art installation project called The Umbrella Project on Drottninggatan in Stockholm. This project has been on display in several countries and stands out for the involvement it generates among the public, causing a dynamic interaction with social networks. The pandemic has had serious side effects on many peoples' mental health due to isolation and a lack of social interaction. By hosting the Umbrella Project, we felt that we made a small contribution that could bring some light to the citizens of Stockholm.

Although 2020 has been a very challenging year for each of us on a personal level, as well as for Indiska as whole, we are more committed than ever to continuing our journey of making Indiska a more profitable and sustainable lifestyle company. We want to drive the entire fashion industry forward in a more sustainable direction towards a future of circular business models, more sustainable materials, reduced energy consumption and renewable energy.

Karin Lindahl, CEO



# A look in the rearview mirror

## 1994

Indiska began making demands on chemical content and testing.

## 1998

The first code of conduct for suppliers is adopted.

## 1998

Support for the Indian children's rights organization Peace Trust begins.

## 1999-2001

The pioneer project DressCode, to find systems for social audits at our suppliers, is done in collaboration with three other Swedish textile companies and Clean Clothes Campaign.

## 2000

A vocational school for former textile worker children, fully funded by Indiska, is built by the Peace Trust in southern India.

## 2002

The work begins on implementing the code of conduct for our suppliers.

## 2004

The founder of Peace Trust, Paul Baskar, receives the World Children's Prize for his work against child labor.

## 2006

Work on water issues and chemicals begins at Indiska's subcontractors.

## 2010

Indiska arrange a meeting with the Swedish textile industry on joint responsibility for water and chemical issues, Sweden Textile Water Initiative, STWI, is formed.

## 2010-2012

Sweden Textile Water Initiative, STWI, develops common guidelines in water and chemical issues, for textiles and leather.

## 2012

Indiska's sustainability manager is appointed Honorary Doctor of Technology at Lund University for his work in combining ethics, environment and economics in the water project in India.

## 2013-2014

With some financial support from Sida, STWI guidelines are being tested in three states in India in the project Sustainable Water Resources, SWAR. Indiska, KappAhl, Lindex and Stockholm International Water Institute as well as Indian consultants.

## 2016

The SWAR project is scaled up, in partially Side-financed project in five production countries, China, India, Bangladesh, Turkey and Ethiopia.

## 2016

Indiska launches YOGA BY INDISKA. In 2017, the collection consisted of 100% sustainable materials.

## 2018

Started a new 3-year contract to support Peace Trust's vocational school.

## 2020

Indiska hosted the Umbrella Project in Stockholm, an interactive Portuguese art installation that aims to spread joy and hope among the public.

# About Indiska

Indiska was founded in 1901 by the female explorer and entrepreneur Matilda Hamilton, who was inspired by the expressive cultures and captivating environments of India. We have since grown into a Swedish lifestyle brand that offers modern fashion, interior decor and accessories combining traditional Nordic design with influences from across the globe. Today, Indiska is owned and operated by our CEO Karin Lindahl. We strive for sustainability on all levels to be able to offer our customers long-lasting goods at affordable prices.

## Figures and locations

- We started the year with a total of 63 stores: 51 in Sweden, seven in Finland, and five in Norway.
- Our e-commerce has expanded internationally during 2020, and Indiska products are now available for purchase online in 29 different markets in Europe, and in 8 local languages: Swedish, Norwegian, Finnish, Danish, English, German, Polish and Arabic.
- Our fashion assortment is available on Zalando's e-commerce platform in 15 markets. Since October 2019, it's been available in Austria, Denmark, Belgium, Finland, France, Germany, Italy, Netherlands, Poland and Sweden. In Oct/Nov 2020, this expanded to five additional markets, including: Czech Republic, Spain, UK, Ireland and Switzerland.
- We have production offices in New Delhi and Tirupur, India.
- Our head office located in Stockholm, Sweden.
- We have 210 full-year employees:
  - 154 (144) in Sweden; 145 women and nine men
  - 12 (18) in Norway; all women
  - 19 (26) in Finland; all women
  - 25 (25) in India; 16 men and nine women
- Our net sales for the financial year 2020 were 377 million SEK.
- Our customer club consists of 1.2 (1.1) million members in Sweden, Norway and Finland.
- Our production countries are: India, Turkey, China, Bangladesh, Bulgaria, Italy, Latvia, Sweden, Slovakia, Germany, Greece, Vietnam, Indonesia and the UK.

Indiska Holding Sweden AB is a joint-stock company that has been wholly owned by Karin Lindahl since October 2017. Previously, the Thambert family had owned Indiska since the 1950s. The group structure is illustrated in the chart below. The board consists of Karin Lindahl (CEO). The management team consists of 10 members in senior management, with seven women and three men.

## Membership in organizations

To support our ongoing efforts to do business in the most sustainable and ethical way possible, we are members of the following organisations:

- Swedish Trade Organisation (Svensk Handel) – Legal support regarding employment and product regulation.
- Textile & Fashion 2030 – Support and collaboration to create an environmentally sustainable value chain in the textile arena.
- Brand Ethical Working Group (BEWG) in India – A collaboration between retailers sourcing from India to create ethical supply chains.
- 17 Network (17 nätverket)—a network for female leaders to further strengthen the business.

63  
STORES

51 in Sweden, 7 in Finland and 5 in Norway.



HEADQUARTERS  
IN STOCKHOLM

377

MILLION SEK NET SALES FOR  
THE FINANCIAL YEAR 2019



BEGINNING OF 2020 INDISKA WILL  
OFFER E-COMMERCE IN THE  
MOST EUROPEAN COUNTRIES.

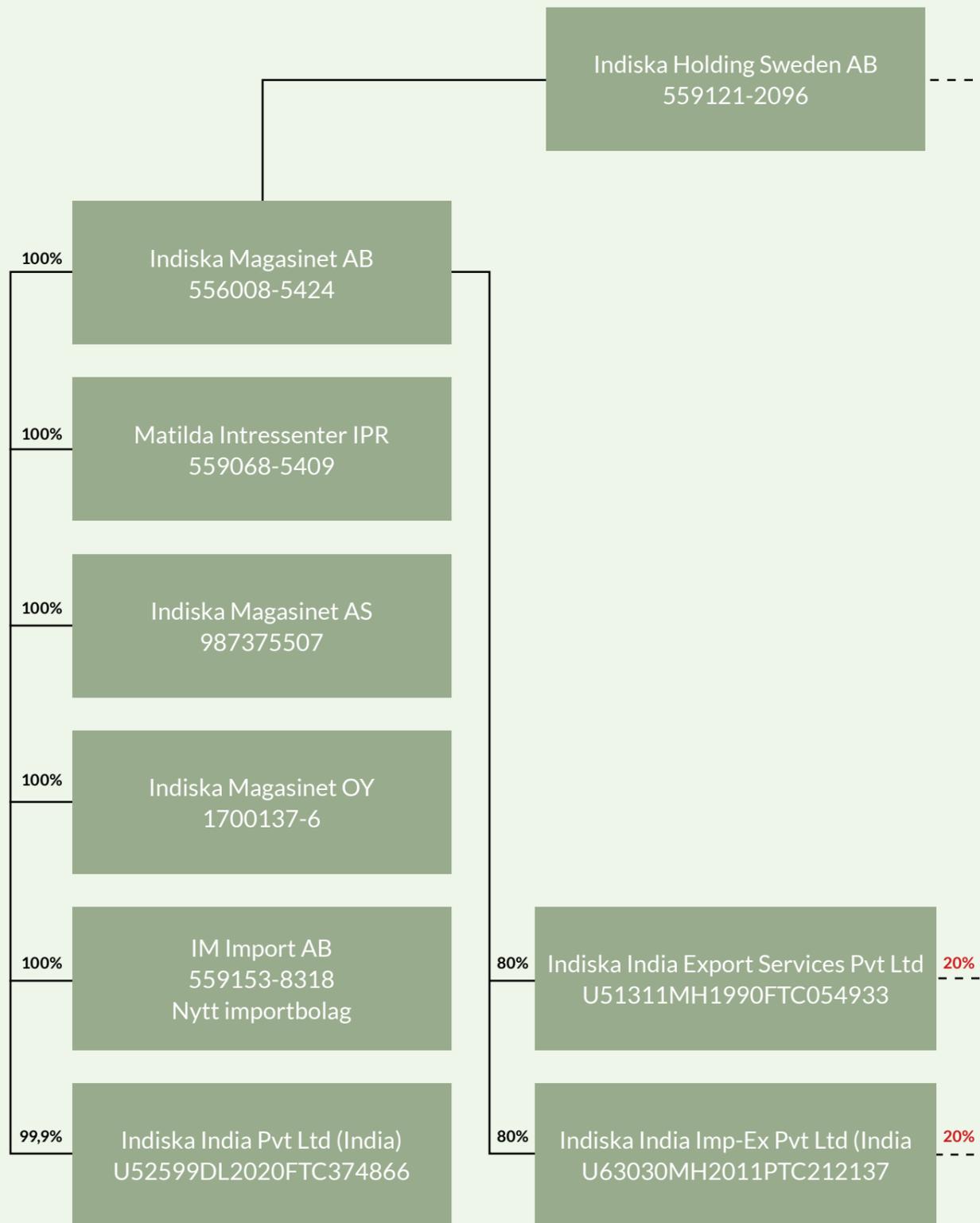
210  
FULL-YEAR  
EMPLOYEES

10  
MEMBERS IN SENIOR  
MANAGEMENT

1,2  
MILLION CUSTOMER  
CLUB MEMBERS

Production countries: India, China, Turkey, Bulgaria, Bangladesh, Italy, Latvia, Sweden, Slovakia, Vietnam and UK.

# Indiska Holding Group Structure



# Driving sustainability

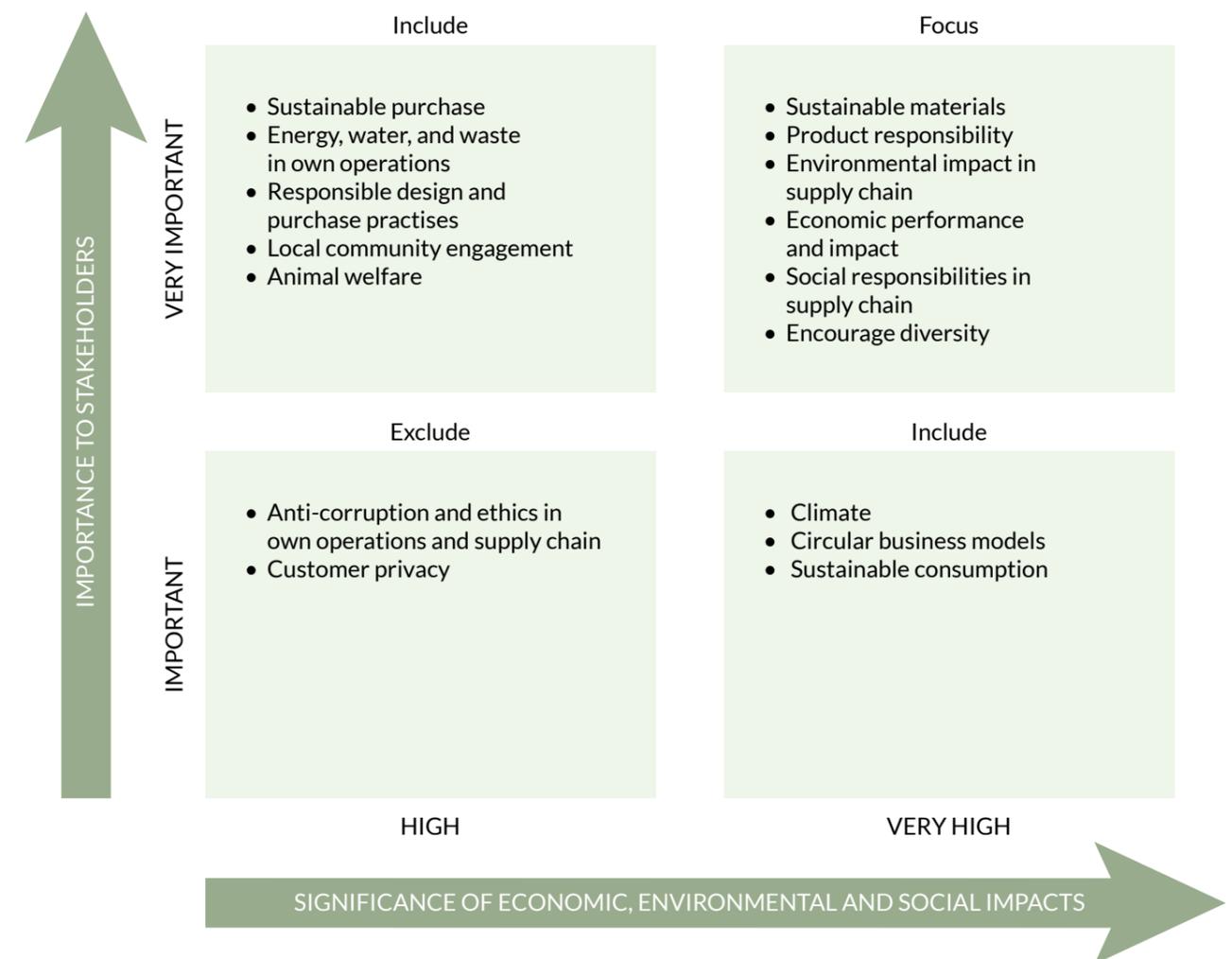
We believe that, in order to succeed in our sustainability transformation, it's important that we bring all our employees along for the journey. That's why we involve our employees in our stakeholder analysis and establish a clear focus and activities related to sustainability for each function. By doing so, we're building a strong foundation upon which we can continue to develop our long-term goals.

### Stakeholder analysis

An internal stakeholder analysis was carried out in 2019 where all employees and Indiska's owner had the chance to express which areas, related to sustainability, they wanted Indiska to focus on moving forward.

### Sustainability integrated in the business

To ensure we are working towards a business that is more sustainable across all functions, we've decentralised our sustainability strategy. We have set up strategies, goals and activities for each function that take into account a sustainable impact analysis of our business. Our sustainable impact analysis is based on long-term experience, the latest research reports and the UN's Sustainable Development Goals.



The table shows the result of Indiska internal stakeholder analysis, the importance of different sustainability areas.

# Our goals

We strive to inspire our customers in their everyday lives with sustainable products of good quality. We also place high importance on contributing to global sustainable development. All of our goals are interlinked with the UN's Sustainable Development Goals (SDGs), providing us with a roadmap for working towards the 2030 Agenda.

Read more about our work with the SDGs in the 'Sustainable Development Goals' chapter.

	CIRCULARITY	CLIMATE	MATERIALS
2020			<p>We will eliminate plastic bags. Instead, all carrier bags will be made out of paper from FSC or PEFC certified, responsibly managed forests. <i>ACHIEVED!</i></p> <p><b>Labels</b></p> <ul style="list-style-type: none"> <li>We will make all neck and hangtag labels out of recycled material. <i>ACHIEVED!</i></li> </ul>
2021	<p>We will</p> <ul style="list-style-type: none"> <li>We will offer carefully selected collections for rent, and re-launch porcelain rental.</li> <li>We will re-launch textile collection in all our stores.</li> <li>We will offer second-hand products for purchase in select stores.</li> </ul>		<p><b>Labels</b></p> <ul style="list-style-type: none"> <li>We will make all care labels out of recycled material.</li> </ul>
2022	<ul style="list-style-type: none"> <li>We will offer digital circular services.</li> <li>We will recycle all packaging materials in-store.</li> </ul>	<ul style="list-style-type: none"> <li>We will set a target for reducing our carbon footprint.</li> </ul>	<p><b>Wood and paper</b></p> <ul style="list-style-type: none"> <li>We will use wood and paper that is 100% recycled or sourced from FSC or PEFC certified, responsibly managed forests.</li> </ul> <p><b>Dyeing and printing of textiles</b></p> <ul style="list-style-type: none"> <li>We will use natural dyes in at least one collection per year, in both our Fashion and Home collections.</li> </ul>
2024			<p><b>Textile</b></p> <ul style="list-style-type: none"> <li>We will sustainably produce all viscose and produce all raw material from certified, responsibly managed forests.</li> <li>We will obtain all cotton from sustainable sources.</li> </ul> <p><b>Dyeing and printing of textiles</b></p> <ul style="list-style-type: none"> <li>We will use digital textile printing for 20% of our printed styles.</li> </ul> <p><b>Coffee and Tea</b></p> <ul style="list-style-type: none"> <li>We will transition our coffee and tea assortment to 100% organic.</li> </ul>



## Finances and investments

The year 2020 has been a challenging one for us at Indiska as we—along with the entire industry—have been highly impacted by the Covid-19 pandemic. Despite the hardships, we have carried out numerous actions to strengthen Indiska's position so we can become a profitable, and even more sustainable company in the years to come.

To run a profitable business, it's of great importance to us that we create and secure employment and relationships for both our employees and business partners. Therefore, we have made it our focus to continue reviewing roles and duties in order to create a more efficient organisation; an effort which includes closing unprofitable stores when necessary.

We have also made several important strategic investments during 2020 in order to prepare our business for the post-Covid era. These investments have mainly been focused on multichannel commerce, digitalisation and expansion within Europe both through our own e-commerce site as well as via other platforms. Indiska is now available for purchase on Zalando across Europe. Additionally, Indiska has prepared to launch on two newly appraised markets: About You, which covers most of eastern Europe, as well as T-mall for China.

Despite our vital investment in e-commerce, we still believe in the value of physical stores and invest in new stores whenever we discover attractive locations. We have invested in the renovation of important stores throughout Sweden, which has led to a better customer experience and a better revenue outcome for those stores.

## Diversity

We work actively to promote diversity at Indiska focusing on the equal value of every individual, as well as on female leadership—in our recruitment processes, when selecting and working with business partners in the supply chain, in our social engagements, and in our communication. This year, an important part of the visual communication in all our advertising images and campaigns has been to feature women of different origins, body shapes, sizes and ages.

To mark International Women's Day in 2020, we built further upon our 'I AM INDISKA' campaign

from 2019. This time, we highlighted female store managers across our organisation. The purpose of this was to inspire female leadership, and to promote diversity by using our own employees as models. The campaign was well received by customers, and has been important as internal branding for our employees and new recruitments.

Read more about diversity at Indiska in the chapters 'Sustainable production' and 'Social engagement.'





	Total	Sweden	Norway	Finland	India
Employees	210	154	12	19	25
Women	185	145	12	19	9
Men	25	9	0	0	16

# Our Employees

Indiska has 210 full-year employees.

The year 2020 was a difficult one for all employees at Indiska. We used short-term work for most of our team, both in-store and at Indiska headquarters, and it's been new and challenging for everyone. Nevertheless, the entire Indiska team has done a fantastic job at helping each other out and keeping spirits up. Given the restrictions related to Covid-19, a large portion of Indiska headquarter employees have worked from home. Select teams have worked in shifts in order to maintain productivity while allowing enough distance while physically at work.

Our management team has done their best to ensure that Indiska employees have been able to work in a way that feels comfortable and safe for them. Solid crisis communication has been an important component of ensuring employees feel safe. A daily informational letter was sent out during the first three months of the pandemic. We also took immediate action to ensure a safe shopping experience for our customers according to guidelines from Svensk Handel.

Whenever we decide to close stores, we try to relocate employees to other stores. In some cases, there are no repositioning opportunities. In Sweden, Finland and Norway, all employees are covered by Collective Agreements—this represents 90% of Indiska employees. In other countries, local laws are applied.

## Employee interviews and surveys

We conduct employee interviews every year. We follow a clear format where each employee, in consultation with their manager, evaluates and monitors their own performance, development and results, and is given the opportunity to provide feedback to their manager and the organisation. We

also conduct regular employee surveys to capture insights about what we need to work more on in the organisation.

We are proud to report that, despite all the challenges brought on by Covid-19 during 2020, we managed to increase our already high number of committed and motivated employees. We are happy to report a substantial improvement in clarity of vision and strategy. Indiska employees also have a very strong sense of commitment, enthusiasm and engagement. We listen to our teams and work together on a continuous basis to create a good working environment and keep the energy positive. We will continue to focus on strengthening our corporate culture and competence development at Indiska.

## Privacy policy

At Indiska, we are determined to protect the privacy and security of our employees' personal data. This also applies to consultants. How we collect and use personal data during employment, and once employment has ended, is described in our Privacy Policy, which all employees have access to in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR).

## Anti-corruption and bribery

Indiska has zero tolerance for bribery and corruption of all forms. Our Anti-corruption Policy applies to all employees, consultants, partners, subcontractors and others who represent Indiska.

All new employees and consultants at our Head office and Production offices sign the Anti-corruption Policy at the start of employment. For our business partners, the policy is included in our Code of Conduct, which they need to sign in order to work with us. This is described in the 'Sustainable production' chapter.

# Quality and product responsibility

At Indiska, we develop products and select materials for long-term and safe usage. To ensure that the quality of our products meet our expectations, and that products comply with applicable laws, several quality tests are conducted at both internal and external accredited laboratories.

Our suppliers are committed to following Indiska's Quality standards and requirements as well as the Swerea RISE Chemicals Guide. Several of our suppliers are certified or approved according to various eco-labels.

Eco labelling and certification is not available for all types of products. For these products, we follow up with suppliers ourselves to ensure that Indiska's requirements are met through random sample analyses. The selection is based on risk analysis that takes product category, material, treatment, production market and the supplier's past performance into consideration. Tests are carried out at third party accredited laboratories.

Since regulations take time, we at Indiska have taken responsibility to phase out harmful chemicals and materials before legislation comes into force. We do not use PVC (Polyvinyl chloride), and have replaced PFAS (Per- and polyfluoroalkyl substances) in products impregnated to repel water and dirt— like our outerwear and wax cloth—with a less harmful alternative. The function is slightly lower but, considering the environmental aspect, we find it acceptable.

Our textile products undergo several washes and are checked afterwards for shrinkage, twisting, colour fastness, shape and appearance after washing. Abrasion tests are also performed to check for a tendency to form pills. Our curtains are subjected to light fastness tests to check resistance to sun-fading.

Candles are tested to ensure they burn with an even flame. Our electrical lamps are produced and tested in accordance with EU regulation to ensure safety compliance with the mandatory CE mark and

RoHS directive for chemical content. Dinnerware and other products with food contact are controlled in accordance with European regulations to ensure hazardous substances are not released.

Our jewellery and the metal details on our garments are tested for heavy metal content as well as nickel release to prevent exposure which may cause an allergy response. We use a third party accredited laboratory to test for cadmium, lead, and nickel before each goods delivery.

## **How we handled unacceptable levels of heavy metals detected in our supply chain**

Despite our routines to follow up on product compliance, in May 2020, a pair of earrings and a ring tested by the KEMI Swedish Chemical Agency during inspection revealed cadmium levels that were too high, as well as the presence of mercury. Since the third party laboratory where we had tested our jewellery and the laboratory where KEMI had tested obtained different results, we had correlation tests performed at another accredited laboratory on another sample from the same production. This test showed approved levels of cadmium. Indiska has since consulted with a chemical expert to carefully check how analyses are performed and samples are processed, as well as to check the instruments used, the LOQ (Limit of Quantification), for measurement at both laboratories. The results showed that both work reliably according to standardised methods.

The only conclusion we can draw is that a part of the production must have come from another material source. We take this seriously and have followed up closely with the supplier. To prevent this from happening again in the future, and in light of Sweden's national law banning mercury, we have now added mercury testing to our routines. Our customers must be able to trust that the products we sell comply with legislation and don't put their health at risk.

In October 2020, an inspection of our jewellery by the County of Stockholm showed approved levels of mercury.





# Reflection's from Indiska Sourcing team

The Covid-19 pandemic made 2020 an extraordinary year in terms of the economic and social disruption it caused. The challenges faced were extensive, and required all stakeholders to come together to find the best solutions which softened the blow of the sudden lockdowns and restrictions worldwide. What started as a health and humanitarian crisis slowly unfolded to become a major challenge for businesses and their operations. Suddenly, we were faced with a 'new normal'.

We asked Mridula Lall, Indiska's Global Sourcing Manager and Rajiv Choudhary, Indiska's Global CSR manager from the sourcing team based in New Delhi, India, to offer their reflections from the past year, and share how they moved through the challenges brought on by the pandemic.

## How did you prepare for the lockdown?

**Mridula Lall:** We predicted the lockdown in advance. It was evident that a lockdown would be imposed, the only uncertainty was when. Our first action was to lay down clear Health & Safety guidelines for our employees in India. We also took proactive action and developed a clear SOP (Standard Operation Procedure) for WFH (Work from Home). Doing so secured business continuity for Indiska's different functions.

Our next action was to perform a risk analysis and put a clear plan in place for managing risk and minimising impact. The challenges were similar in all markets in India, China, and Bangladesh, but each one had a different timeline.

## What challenges did you identify?

**Rajiv Choudhary:** As we came to know about the virus spread, we started discussing it and sharing information about the virus with our suppliers. The information mainly consisted of precautions to be implemented at the factory level, how to identify symptoms and, once infection is identified, how to act on it.

We identified four major challenges:

- Health and safety of workers in factories: The high density of workers meant a higher risk of community spread. This posed dual threat to life and operations.
- Labour shortage: Many workers were either moving back to their hometowns or were unable to reach the factory due to the suspension of public transportation.

- Fabric supply disruptions: A labour shortage, reduced capacity, and a backlog in production would result in fabric delays once the lockdown was lifted.
- Logistics issues: There was no clear indication of how people or goods would be allowed to move between states and countries.

**Mridula Lall:** The rules were very strict—one positive case from a factory would result in the shutdown of the factory for at least two or three weeks, and all factory workers would have to undergo tests plus 14 days of quarantine. For suppliers who were already under stress due to order cancellations, this would have contributed to further financial and business loss.

For workers, it was a very challenging time because, for them, exposure could occur at work, during work-related travel to an area with local community transmission, as well as on their way to and from work.

**Rajiv Choudhary:** For retailers, the risk was that any production delays would have a ripple effect on all departments, from planning to logistics, which were working with tight windows during that time. In general, the future looked uncertain.

## How did you outmanoeuvre this uncertainty?

**Rajiv Choudhary:** We worked very hard and navigated the challenges by being prepared, agile and opportunistic. Our topmost priority was to monitor all suppliers for their level of preparedness to provide a healthy and safe working environment with clear SOP in place and precautions taken to protect workers from Covid 19 once operations resumed in factories.

**Mridula Lall:** As soon as the lockdown was imposed, we maintained close contact with our suppliers to take stock of the exact status of placed orders so we could assess the overall impact and anticipate the extent of order delays. Having full awareness of the exact position of orders was important because it would enable us to take the right steps and move fast at the first window of opportunity.

**Rajiv Choudhary:** We also got a clear view on each supplier's position on labour: migratory labour vs.

local labour, proximity of labour considering the lack of public transport, and plans to mobilise local labour. This also helped us understand which suppliers were at in high risk due to their lack of adaptability to the 'new normal.'

**Mridula Lall:** As soon as we had some visibility of the whole situation, together with the buying team, we were able to create a clear roadmap of how to adjust volumes, move suppliers and change the mode of shipment to ensure the right products are in store at the right time without building on stock levels.

## Can you give some examples of the measures the factories implemented?

**Rajiv Choudhary:** Factories reopened with 33% of the total workforce, to ensure that social distancing could be maintained. Each factory was fully sanitised before employees arrived in the morning, as well as during their lunch breaks and after they left in the evening. Face masks were issued and employees were advised to wear them at all times in the factory and when travelling between home and the factory.

At the time of entering the factory, employees were checked with a temperature monitoring system, and they washed or sanitised their hands and sanitised their shoes. Some factories installed a sensitisation tunnel. Employees were seated within safe social distance from one another and transparent dividers were installed in the workstations. At lunchtime, employees were sent to eat in small groups so they could maintain social distance.

Since public transportation was not open, some factories deployed their own transport solutions for the employees. Some employees, who had their own transportation were asked to use that, while those who lived very close to the factory would walk. The main priority was to have safe transportation for all employees.

We also gave factory employees information about how to keep themselves and their families safe, with precautions that were easy for everyone to implement.

## Were you forced to take any action?

**Mridula Lall:** Yes, 20% of the total volume was cancelled in a mutual agreement with our suppliers

and some of the order volume was postponed for later delivery to avoid building up stock levels.

Our endeavour in all our actions was to minimise the loss to all stakeholders, knowing fully well that it would be hard to avoid the negative impact of the pandemic and the resulting economic slowdown. Together with the buying team in Stockholm, we managed to have transparent discussions with our suppliers to find the best possible solution.

This I feel, was the biggest success for us as Indiska. Despite the challenges we faced, we continued to support our suppliers and the livelihoods of the workers. In return, we got their full support and long-lasting partnerships.

**How would you say the Pandemic has affected the market and the organisation?**

**Mridula Lall:** As the situation stands, a few months down the line, there are still a lot of challenges with a new lockdown. The unpredictability of the market has led to an increase of different costs with all costs being extremely unstable, whether it's the raw material costs or the cost of fuel and logistics.

The supply chain is disrupted and continues to throw new challenges at us. The good thing about this is that the organisation is more flexible and agile today, with a clear vision of the company goals and aspirations. The organisation has become more cohesive.



# Sustainable production

## Our approach

At Indiska, we strive to minimise the negative impact manufacturing our products has on humans, the environment, and local communities. In 1998, Indiska was one of the first companies in the world to introduce a Code of Conduct. Although we have worked on this for many years—and have come a long way—we will never rest on these issues.

In a step to be more transparent, we have published information about our most important suppliers on our new website which was launched in February 2020.

We have long-term partnerships with many of our suppliers, and together we have built good relationships and carried out long-term sustainability work. We have seen improvements through combining knowledge about each country of production with our approach to working out solutions together. We value and encourage our suppliers to take up their own initiatives to improve working conditions and reduce environmental impact—which, in the long-run, is a more sustainable way to approach our supply chain.

We select our business partners carefully. We want to work with producers who have the same values as Indiska when it comes to ethics and the environment, and who constantly strive to develop and reach for higher goals. Before we start a collaboration, business partners must agree to comply with the minimum level of our Code of Conduct and ensure that their supply chain meets our sub-contracting requirements. This commitment is made when the supplier signs an agreement. We also check their legal documentation to ensure that requirements are fulfilled. In risk countries, we follow up with visits and audits. In the manufacturing industry, the challenge is mainly non-transparency practices, e.g., double bookkeeping and complex supply chains.

## Code of Conduct

Our ambition is that everyone in the Indiska supply chain works under fair conditions. Our Code of Conduct is based on the International Labour Organization (ILO) and the UN Declaration on Human Rights. It includes prohibitions on forced labour, child labour and discrimination. We demand freedom of association, a good working environment, legal wages and benefits, legal working hours, real employment, human treatment, and compliance with the good national laws that exist in our production countries.

## Audits

Through experience and industry collaboration, we have identified countries where manufacturing practices could be a risk from a social, security and environmental standpoint and we have, therefore, categorised them as Risk Countries. In other words,

we are making an extra effort to monitor these regions using different social and environmental protocols through third party audits and personal visits. We have categorised India, China, Bangladesh, Vietnam, Turkey and Bulgaria as risk countries.

To reduce audit fatigue in Indiska factories, we have decided not to limit our social and environmental monitoring to our standard only. By accepting other international standard reports, we broaden our view of our factories through the lens of different standards. Most of our suppliers' factories are audited by third party auditing firms that are internationally recognised and authorised by international standards, e.g., BSCI, SMETA/ SEDEX, WRAP and SA8000. We carefully review these reports and request supplementary information if needed, as different codes have different assessment systems and scopes. This gives us a good view of how to prioritise our own audits and follow-ups.

We have employed our own CSR auditor at Indiska. The audit includes a physical inspection of the workplace, the examination of documents containing information on salaries, insurance, holidays, employment certificates and working hours; as well as interviews with factory employees without the presence of factory management.

Our quality inspectors, based in our India office, visit factories regularly to perform quality inspections of our goods. They also have the task of paying attention to the working environment. If a deviation is detected, a dialogue is held together with the supplier and our CSR auditor.

## Reporting and nonconformities

During an audit, a factory can either get the rating 'Meets the requirements' or 'Improvements are required'. If gaps and deviations are noted, the auditor will discuss solutions with the responsible person in place and schedule a follow-up visit or call. A time limit is set depending on the nature of the deviation. Some changes must be addressed immediately, while others may be given more time. The auditor shares a detailed report with instructions regarding what actions must be taken. During an audit, a factory can either get the rating 'Meets the requirements' or 'Improvements are required'. If gaps and deviations are noted, the auditor will discuss solutions with the responsible person in place and schedule a follow-up visit or call. A time limit is set depending on the nature of the deviation. Some changes must be addressed immediately, while others may be given more time. The auditor shares a detailed report with instructions regarding what actions must be taken.

## Status 2020

Country of Production	Factories	Meet the Requirements	Not Audited	Improvement Needed
Bangladesh	4	4	0	0
Bulgaria	1	1	0	0
China	17	16	1	0
India	34	33	0	1
Turkey	4	4	0	0
Vietnam	1	1	0	0
<b>Total in Risk countries</b>	<b>63</b>	<b>61</b>	<b>1</b>	<b>1</b>

*Our business partners with production in Sweden, Slovakia, Latvia, Italy, Greece, UK and Germany are not included since those countries are not defined as risk countries and thereby not audited.*

By limiting our supplier base, we are able to maintain a closer dialogue with our suppliers, carry out a more efficient purchasing process and follow up on our requirements more often. We have reached and maintained a high share of factories meeting our requirements over recent years, mainly due to active choices in consolidation; where we have chosen the business partner who can offer the best product and show interest in and take action to achieve social and environmental compliance.

We currently have one factory in India where grade improvement is needed. We are in close dialogue with the factory owner who has a clear plan to improve the outstanding points which have been delayed due to the Covid-19 pandemic. One of our ceramic factories in China has 'not audited' status, and this is due to the fact that we did not yet perform an audit per our updated audit protocol. The visit audit has been postponed due to the pandemic.

We have decreased our number of suppliers and thereby factories in Asia. One reason for this is that we moved the production of home fragrances, scented candles, reed diffusers and incense to Europe due to quality challenges with our existing suppliers, as well as a lack of possibilities to develop sustainable products. Paper napkins are now consolidated and produced in Germany with EU Ecolabel and FSC label certifications. Previously, we had FSC labelled napkins from China and EU Ecolabel napkins from Sweden.

### **Water, chemicals and energy**

Our suppliers are taking various initiatives to minimise water waste at different levels within the factories. Factories with washing processes have installed effluent treatment plants (ETPs) and wastewater coming out of the ETPs is further processed and reused in different areas. Having these processes in place has the added benefit of making the factories less dependent on water from governmental sources.

Some of our suppliers have taken initiatives to use electricity more efficiently. These initiatives include switching to new technology that uses less power to light up the factory area and using machines that are power efficient. Some of our suppliers have even gone as far as installing solar panels on their factory roofs and investing in solar and wind farms.

Indiska suppliers with dyeing or printing facilities have agreed to reduce their use of chemicals by participating in different projects, such as the Swedish Textile Water Initiative, and through self-monitoring. This has helped them to learn how to use chemicals more efficiently and has resulted in the reduction of chemical use in the production process. New chemical routines are introduced to our suppliers per the chemical section of our code called 'Health and Standard'. The chemicals stored on the production floor are strictly regulated to the quantity that is planned for production. Before, it was common practice to stock a large amount of chemicals in the factory.

# Sustainable products and materials

Approximately 80% of Indiska products are made out of natural materials! Our customers have requested natural materials in surveys, especially for textiles. They are also an important part of our profile and heritage.

The cultivation and production of materials and products has an impact on people, animals and the environment. However, from an environmental and health perspective, there are some materials and processes that are better than others. At Indiska, we mark products that have been produced in this optimal way with a Sustainable Choice label.

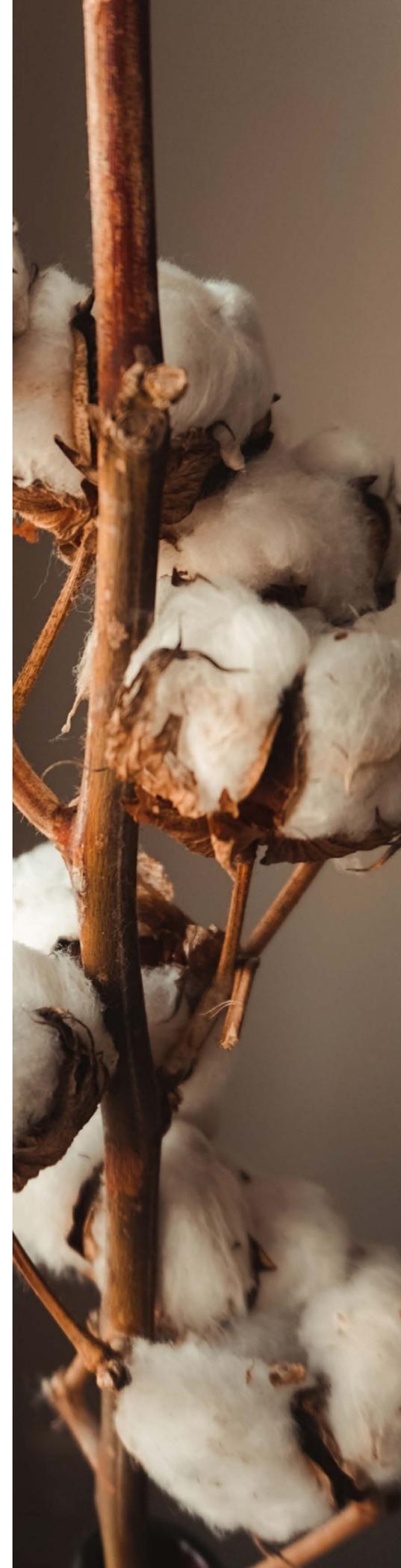
Our ambition is to increase the proportion of more sustainable products we offer, with a focus on where we can make the most impact. During 2019 and 2020, we worked to increase our share of sustainably sourced viscose and cotton since these are important fibres for Indiska.

In addition to producing products made out of sustainable materials, we are constantly working to develop products with a sustainable design in good quality. By sustainable design we mean a design that will last over time. We also want to safeguard and increase knowledge of the traditional craft methods which are often behind our products. We believe, and it is proven, that if you use your garment or product for a long time, it is the best option for the environment in the long-run. At the same time, our ambition is to minimise environmental impacts during cultivation and manufacturing.

### **How do we define 'a more sustainable product'?**

At Indiska, we define a product as 'more sustainable' when 50% or more of the product consists of more sustainable material. By 'more sustainable material', we mean material that is produced or cultivated in a way that is better for the environment compared to conventional methods. Or, in the case of animal-sourced material, more sustainable material is material that is produced with documented care for the animals.

The sustainable materials we use include organically cultivated raw materials like cotton, coffee, tea and chocolate, recycled materials, regenerated cellulose with a low environmental impact like lyocell, Modal and EcoVero, and wood and paper from sustainable forestry.



To ensure that sustainability criteria are met, we strive for certification or eco-labelling for our sustainable products.

**Important materials**

We have a wide range of products and materials at Indiska. Textiles stand for approximately 50%, while stoneware stands for 13% (calculated in volume (pieces)). Considering the environmental challenges in the textile industry, and in order to make the biggest impact, our focus is to continue to take action to reduce environmental impact in our textile supply chain.

Our material strategy is to prioritise working with natural materials for garments that sit close to the body like tops, blouses, dresses, and skirts as well as for the majority of our home textiles, since our customers inquired about natural materials. Synthetic materials are still important for some products, since they offer certain benefits like easy care, quick dry and lightweight properties, which are desirable for, e.g., jackets, nylon tights, heavy knits and filling.

In 2020, 80% of our fashion and home textile products were made of natural materials (calculated in volume (pieces)), which is a 5% increase in units compared to 2019. More than 70% of the textile products were made of viscose, a man-made fibre derived from wood. Approximately 15% of the textile products were made of cotton.

Manmade fibres from cellulose like viscose, lyocell and modal are more sustainable alternatives to conventional cotton provided they are made from wood sourced from sustainably managed forests and are produced with a low environmental impact. The benefits of cellulose-derived materials include less usage of water, pesticides, and land .

In the typical viscose production process, cellulose pulp is dissolved with chemicals and the solution is spun into fibre. This process has a negative impact on the environment due to the emission of sulphur, nitrogen, and other pollutants. However, there are more sustainable processes for producing viscose.

In 2019, mapping our viscose supply chain revealed that a large portion of our viscose was being produced by two large fibre producers, Lenzing AG and Birla Cellulose, who work with certified wood from sustainable forestry and employ controlled production processes. We offered their branded viscose, LENZING™ ECOVERO™ and Livaeco™ by Birla Cellulose in part of our assortment starting in the spring of 2020, which is a better option both in terms of traceability and its lower environmental impact. These fibres are defined and labelled as Sustainable Choices. In 2024, all of our viscose will be sourced from sustainable sources. See the

'Driving Sustainability' chapter to learn more.

The production of LENZING™ ECOVERO™ viscose fibres generates up to 50% fewer carbon dioxide emissions and the production process uses 50% less water. The fibre is certified by the EU flower, the EU's official eco-label which verifies that it is produced in a way that is as environmentally friendly as possible when it comes to the climate, water, and chemical management. The production of Livaeco™ viscose fibre generates 40% lower carbon dioxide emissions and has nearly 50% lower water impact. The fibre meets STANDARD 100 by OEKO-TEX® criteria, which means it does not contain any harmful chemicals. For lyocell and modal, we have worked with Lenzing Lyocell TENCEL™ and Modal TENCEL™ for several years. The fibre is produced using an environmentally responsible production process though a high recycling rate of processed chemicals and the use of renewable energy. All four branded fibres source wood from FSC® or PEFC certified forests to ensure traceability and eliminate the risk of sourcing wood from ancient and endangered forests.

Another important product group for us at Indiska is candles and room fragrances, including scented candles, reed diffusers and incense. In 2020, we launched a new collection with scented candles and reed diffusers that are produced in close markets like Great Britain, Sweden, and Lithuania. This was an important step towards achieving more sustainable products. Not only in terms of the shorter transportation distances, but also in the fact that these new suppliers enable us limit our use of paraffin since they also offer products made of eco soy and rapeseed oil. These products were well received by our customers!

**Labels**

In mid 2020, we launched a new modern graphic design for Indiska brand labels and hang tags.

All tags are now made out of recycled materials. Textile brand labels are made out of recycled polyester, and paper hang tags and packaging are made out of recycled paper. The labels are made in a smaller size to reduce material consumption. A green label guides our customers to help them select more sustainable products.

# Packaging material

At Indiska, we always strive to reduce packaging materials in all parts of our supply chain. The table below shows our consumption of packaging material, including carrier bags, during the year 2020. All of our products are packed to ensure their protection during transportation. By using piece packing for clothing, and multi-piece packing for interior decor and accessories, our aim is to facilitate warehouse operations and avoid re-packaging products that require more material.

In the fall of 2020, we introduced a project aimed at optimising the inner packs for large volume products within interior and accessories. A thorough analysis of sales patterns and shipment volumes was conducted, and several improvement areas were identified. The findings will be implemented during 2021.

At the end of 2019, we introduced new paper carrier bags, so, during 2020, we have seen a large decrease of plastic carrier bag usage. The new paper carrier bags are locally produced in Sweden from FSC certified wood. The supplier uses 100% renewable energy from windmills and water-based

colours. All bags are designed like gift bags with attractive prints with the goal of encouraging customers to reuse them several times and, thereby, reduce the environmental footprint of the bag further.

The plastic bag we use for e-commerce contains about 80% recycled raw material from production waste sourced from both the supplier and a large food producer. The remaining 20% is made from LLD and pigment, since it is not technically possible to achieve a good strength using 100% recycled material.

The table below shows our consumption of packaging material at Indiska, including carrier bags. Compared to 2019, the sales share from our e-commerce has grown with the effect that more packaging material is used. The total usage of plastic has decreased, driven by the removal of plastic carrier bags. Waste material has decreased by more than 2,000 kg, indicating a more efficient usage of required material.

2020	Paper (tons)	Plastic (tons)	Carton (tons)
Packaging material from supplier	3,4	25,9	71,0
Packaging material used at the warehouse for E-commerce and allocation to stores	0	1,4	20,5
Carrier bags	14,6	4,5	0
Totally	18,0	31,8	91,5

# Energy consumption in our own operation

Most Indiska stores have an average energy consumption compared to the energy usage at Swedish commercial premises. The energy consumed by stores in Sweden, where we have an agreement with an energy company, comes from 100% hydropower.

Indiska is covered by the EKL, which stands for Energy mapping regulation (Lagen om Energikartläggning) and reports energy consumption accordingly. The purpose of the regulation is to promote improved energy efficiency in Europe and to meet EU requirements for Member States in the so-called Energy Efficiency Directive for 2030.

In 2020, we collected data on the energy consumption of our stores in Sweden, our largest market. Business areas with high energy use and with the best potential for energy savings were the subject of the survey—which means our stores. The focus was primarily on identifying energy efficiency improvement measures to be implemented during a 12 month period.

## Survey insights

- Only two out of our 39 stores in Sweden have high or medium energy use.
- The total energy use (purchased electricity) was 1714 MWh. 1714 MWh are based on 39 stores, of which Indiska is the purchaser of energy. It gives an average use of energy of 44 MWh per store and year.
- We can influence the source of energy in 80% of the stores, i.e., where Indiska holds the agreement with the energy company.

The most prioritised savings measures, as well as the most cost-efficient ones, require continued investment in modern energy-efficient lighting, the review of operating times, and control section lighting.

## Actions taken

- We reuse interior elements, including lighting, when we close, renovate and open stores.
- We are investing in LED lights in 9 stores, including those in: Nacka, Karlstad, Luleå, Umeå, Örebro, Borås and Gränby.

- The store with the highest energy use by far is the one located on Odengatan in Stockholm. Actions will be taken to swap to new transformers for the lights.

## 2020 results

Compared with our last energy consumption report in 2016, Indiska has reduced total energy consumption by 898 MWh per comparable number of stores.

# Logistics

At Indiska, our policy is to use the most efficient means of transportation with the lowest possible environmental impact. Air transportation is only used in exceptional cases. In 2020, we added rail as shipment mode to further reduce our need of air shipments.

For the transportation of goods from the factory to the warehouse in Sweden, our total volume in weight decreased by 20%. However, we have not seen the same decrease in pollutant emissions. Due production stops and severe transport delays caused by the pandemic, the share of air shipments has grown. The result is about 9% higher pollutant emissions for offshore shipments. Looking at sea shipments, the shipped weight has decreased by 11% while the pollutant emissions have decreased by 25%, indicating more efficient transportation.

The transportation of goods from warehouse to stores has decreased by approximately 25%, measured in weight, compared to the previous year. This reduction is due to fewer stores and lost sales caused by Covid-19 related restrictions. The carbon dioxide emissions have decreased by about 5%, and the smaller decrease of carbon dioxide emissions can be explained by more frequent transportation with lower volumes.

For e-commerce transportation, we always strive to offer the best solutions for both our customers and the environment. Most of our delivery options are 100% climate compensated, and some are even 110% climate compensated. More and more of the volume is also sent via existing deliveries to our stores, hence co-shipped with other goods.

2020  
Share total weight of goods (kg)  
Transports from supplier to warehouse

Sea	Truck	Air	Rail
70%	19%	9%	2%



# Social engagement

## Peace trust - India

In the late spring of 2020, we launched four beautiful Charity bracelets. For every bracelet sold, 10% of the sale price is sent to the charity organisation Peace Trust to support the vocational school for socially vulnerable children and young people.

The bracelets feature beads in colours that represent four of the UN's 17 **Sustainable Development Goals\***. The red bead stands for good education for all, while the one in blue represents pure water and sanitation. The pink bead stands for reduced inequality, and the green one focuses on ecosystems and biodiversity. These are all important areas that Indiska supports through the Peace Trust and through dialogue with our suppliers.

## We've been involved in social projects with Peace Trust since 1998

Peace Trust is a political unbound charity in Dindigul, in the state of Tamil Nadu in southern India. It was founded in 1984 by the human rights activist Dr. Paul Basker, and the charity works against child labour, for migrant labour rights, for environmental protection, and to promote greater awareness of hygiene and health.

Our cooperation with Peace Trust started in 1998, when we sponsored a school project with the purpose of providing schooling to children who had been exploited in the heavy spinning industry. Two years later, Indiska built a vocational school. In addition to the school, we also support the Women Group's activities.

## The vocational school

In 2000, a vocational school was built. The building and its operation is entirely funded by Indiska. Today, the school offers 1-2 year vocational education within data, mechanics, electronics and sewing, also funded by Indiska. The school is run by the Peace Trust with the aim of providing vulnerable young people between the ages of 14 and 18, who have been exploited in industry, with education, and thus the possibility of livelihoods by becoming free workers.

The technical education is supplemented by exercises in building self-confidence, understanding one's own strengths and weaknesses and skills in seeking employment, and communicating in working life. The school maintains a high standard and most of the students are able to get work directly after completing their education.

Several of Indiska's suppliers are also involved in the business school's activities by donating computers, sewing machines and other equipment. About 2,000 students have graduated since the vocational school started.

## The Women's Group

The Women's Group is a collective in Southern India that started in 1998 as a Peace Trust program. The purpose of the collective is to create jobs, and thus provide opportunities for poor and socially oppressed women to earn an extra income. The business has been run as an independent foundation since 2010, and is registered under the name Peace Garment and Handicraft Centre.

Today, the collective consists of more than 30 women from three different villages in Dindigul. They receive skills training in various crafts and produce cards and decorations based on both their own designs and designs from Indiska's designers at the head office in Stockholm. The cards and associated envelopes are made of handmade paper from recycled textiles and screen printed by hand.

The work gives the women hope, pride and a chance to support themselves and their families. The idea is also that the women can gain the experience needed to develop their own products to sell over time, both to the local market and to export markets. Indiska continually buys these products for our range.

For every card and decoration that Indiska sells, 10 SEK goes back to Peace Trust to finance the vocational school.



## Dear Indiska,

Warm greetings from Peace ITI!

In 2020, we all had to face a strange and unexpected situation brought on by the COVID 19 pandemic. People suffered from health issues all over the world, and the economic setbacks caused many families to struggle financially.

While students from well-to-do families were able to continue their education via online classes, the scenario was bit different for our students at Peace ITI. Despite efforts taken by us to run virtual classes, the lack of internet access by our students was a major interference.

In the meantime, most of the students took up various jobs to support their families. Here are the types of jobs they took:

1. Electrician for a house wiring job in building construction
2. Electrician in cotton spinning mills/tranformer making industries
3. Computer centres
5. Tailors in Garments Company
6. Self-employed tailors

Our students were also provided with raw ration kits, as a part of relief work for the families hit worst by the pandemic.

When the schools were allowed to reopen with precautions, it was really tedious getting the students back to class, but somehow, we succeeded in making it happen. In the month of November, students took their practical, governmental exams (final exams).

The students are now continuing their classes at Peace ITI. They will have their theory exam in the first week of January. Classes have started for 2020-2021 1st year students. We have decided to provide various self-confidence/motivational trainings and health check-ups for students.

It has been the most unprecedented, and toughest year for us since Peace ITI started 20 years ago. But we were able to manage it because of the timely support from Indiska for both Peace ITI and the Peace Production Centre.

We are very grateful to you for being with us during these times, and we pray all success for Indiska in the new-born year. It is with profound happiness and genuineness that we wish you a very happy new year in 2021! Let us start this year with much hope and end 2020 with gratitude.

Thanks & Regards,  
*Josephine Mercy Baskar*  
Principal, Peace ITI

# Sustainable Development Goals

We want to contribute to global sustainable development. Indiska's sustainability strategy is linked to the UN's 17 goals for global development (Sustainable Development Goals (SDGs)). With these goals as our foundation, we are able to get a transparent picture of where we are contributing and where we have opportunities left for improvement. Below, we have listed what we are currently doing in support of each goal.

## GOAL 1

### No poverty

Peace Trust – Vocational school and women's group.

## GOAL 2

### Zero hunger

## GOAL 3

### Good health and well-being

Through our Code of Conduct, dialog and follow up.

## GOAL 4

### Quality education

Peace Trust – Vocational school.

## GOAL 5

### Gender equality

Indiska's internal non-discrimination policy and our Code of Conduct

## GOAL 6

### Clean water and sanitation

Through our Code of Conduct, dialog and follow up.

## GOAL 7

### Affordable and clean energy

The energy consumed by Indiska's Swedish stores comes from hydropower.

## GOAL 8

### Decent work and economic growth

Regular employee interviews and surveys, Code of Conduct

## GOAL 9

### Industry, innovation and infrastructure

More efficient fuel and transports of goods.

## GOAL 10

### Reduced inequalities

Promotion of female leadership, Peace Trust – women's group,

## GOAL 11

### Sustainable cities and communities

Donation of samples to local charity organisations. Peace Trust – Vocational school and women's group.

## GOAL 12

### Responsible consumption and production

Sustainable products, sustainable design.

## GOAL 13

### Climate action

More efficient fuel and transports of goods.

## GOAL 14

### Life below water

Chemical management and requirements, implementation and follow up.

## GOAL 15

### Life on land

Chemical management and requirements, implementation and follow up.

## GOAL 16

### Peace, justice and strong institutions

Anti-corruption and bribery policy.

## GOAL 17

### Partnerships for the goals

Collaboration in the industry both social and environmental issues.

# About the report

At Indiska, we strive to have credible and relevant reporting. Indiska is covered by the requirement for sustainability reporting according to the Annual Accounts Act.

This report contains requested information as per below for Indiska Holding AB.

- Description of business model
- Policy, governance, results, risks and risk management for important issues such as:
  - Economy
  - Environmental
  - Staff
  - Social issues and human rights
  - Anti-corruption

This is Indiska's third official sustainability report. Since 2019, we have chosen to write the report in English to enable our stakeholders—including employees, customers, and business partners—all over the globe to take part in it. This is driven by the Indiska strategic decision to offer our assortment to most European countries in 2020, and to continue our expansion outside Europe in 2021.

Indiska has applied Global Reporting Initiative (GRI) standards at the core level. In some areas, complementing data collection is necessary in order to completely comply with the criteria. The GRI index contains information about which aspects we have chosen to report on, as well as page references indicating where specific information can be found in the report.

The GRI standard states that a sustainability report shall cover important sustainability impacts of the company's business. Indiska has identified those through our experience from production, collaboration in the industry, research and dialogue with employees and customers.

Reported data refers to the fiscal year 2020, compared to last year 2019. The aim is to use comparable data. Slight differences may occur as we are constantly improving the way we measure and report.

We are pleased to receive any thoughts or questions you may have about our sustainability work at Indiska. Please do not hesitate to contact us at [customer@indiska.com](mailto:customer@indiska.com)



# GRI-Index

Indiska's ambition to continuously develop and improve the sustainability work and reporting. Indiska has chosen to apply the latest version of GRI's framework, GRI Standards to clarify and simplify reporting for both us and the reader. This index contains a list of the GRI information that we have chosen to report on, based on our stakeholder and sustainable impact analysis, with comments and page references to the sustainability report.

Information	Description	Comment	Page reference
<b>ORGANIZATION PROFILE</b>			
102-1	Organization's name	Indiska Magasinet AB	8
102-2	Business, brands, products and services	Retail and E-commerce with clothing, interior products.	8
102-3	Headquarters location	Indiska Magasinet AB Hamburgsvägen 14 SE - 102 54 Stockholm	8
102-4	Location of operations		8
102-5	Ownership structure and legal company form		8
102-6	Markets where the organization is active		8
102-7	Size of the organization		8
102-8	Information about employees and other workers		8, 17
102-9	Supply chain		31
102-10	Material changes in the organization and supply chain		18, 27
102-11	The precautionary principle or other approach	Indiska work based on the precautionary principle in purchasing, through purchasing terms and in design and product development.	24
102-12	External initiatives	Not covered	
102-13	Membership in organizations		
<b>STRATEGY</b>			
102-14	Statement from the CEO		6
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and norms for behaviour		11, 15

<b>GOVERNANCE</b>			
102-18	Corporate governance structure		10
<b>STAKEHOLDERS RELATIONS</b>			
102-40	Stakeholder groups	Customers, owner, employees, suppliers and partners, industry organizations, interest organizations, authorities and others.	
102-41	Collective bargaining agreements	All employees at Indiska Sweden, Norway and Finland are covered by different trade agreements.	8
102-42	Identification and selection of stakeholders	Indiska's most important stakeholders are those who are most affected by or have an impact on our business. These include employees, customers, owners and suppliers.	
102-43	Strategy for communication with stakeholders	Partly covered in the report.	11, 24
102-44	Key topics and concerns raised		20
<b>REPORT PROFILE</b>			
102-45	Entities included in the consolidated financial statements	Indiska Magasinet AB	14, 35
102-46	Process of defining the content of the report and topic boundaries		11, 35
102-47	Identified material topics		11, 35
102-48	Changes in information, effect and cause	We report on data for 2020 compare to 2019.	35
102-49	Changes in reporting regarding scope and topic boundaries	No major change, focus clarified	35
102-50	Reporting period	Calendar year 2020	35
102-51	Date latest report was published	April 2020	

102-52	Report cycle	Yearly	35
102-53	Contact information for questions about the report	customer@Indiska.com	35
102-54	Reporting according to GRI Standards	Inspirerad av GRI Standards core	35
102-55	GRI content index	This table	
102-56	External assurance	No external revision is carried out	
<b>ECONOMY</b>			
102-2	Communication and education concerning anti-corruption policies and procedures		17
102-3	Confirmed cases of corruption and measures taken	No known case	
<b>ENVIRONMENT</b>			
302-1	Energy consumption in the organization	Limitation: Electricity consumption in stores in Sweden.	30
302-4	Reduced energy consumption	Limitation: Electricity consumption in stores in Sweden.	30
305-1	Direct emissions of greenhouse gases (Scope 1)	Limitation: Goods transports.	31
305-2	Indirect emissions of greenhouse gases (Scope 2)	Not covered	
305-3	Indirect emissions of greenhouse gases (Scope 3)	Not covered	
306-2	Waste per type and management method	Limitation: Packaging material from stores, warehouse and carrier bags	29
308-1	Part of Indiska Code of Conduct and criteria to select new suppliers.	Part of Indiska Code of Conduct and criteria to select new suppliers.	24
<b>SOCIAL</b>			
403-8	Workers included in an occupational health and safety management system	Limitation: Electricity consumption in stores in Sweden.	11, 17
404-1	Average number of training hours per year and employee	No included in the report	
404-3	Share of employees who receive regular evaluation of their development and their results		17

405-1	Diversity in the Board of Directors and executive management and among employees		15
408-1	Operations and suppliers at significant risk for incidents of child labour		24
414-1	New suppliers that were screened through social criteria		24
416-1	Assessment of the health and safety impacts of product and service categories	Indiska reports on governance and systematic working methods to identify and manage supplier and product-related risks and shortcomings.	18, 24
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		18
417-2	Incidents of non-compliance concerning product and service information and labelling		18, 27