

170



Lindström

Sustainability Report

2017

0

170



Hi,

It's nice to see that Lindström's sustainability interests you. In this report, we have described our operations through our four strategic cornerstones.

We have been pursuing a long-term commitment to sustainability and will continue to do so. It is therefore natural for us to commit to supporting the UN's sustainable development goals through these cornerstones. We will describe in the report how we have succeeded in our work in 2017 and also describe our future goals.

Have an interesting read!

Best regards,

Juha Laurio, President & CEO
Harri Puputti, Vice President, Quality

Lindström Group Sustainability Report 2017

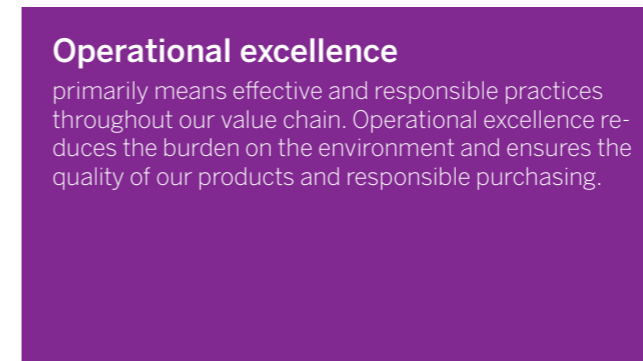
4 Lindström in year 2017	24 Engaged employees
5 170 years of sustainable operations	30 Profitable growth
6 Highlights of the year by our management	34 Principles of our operations and management
7 United Nation's sustainable development goals	38 Sustainability in numbers
8 Our stakeholders	43 GRI table
10 Excellent customer experience	46 Lindström Group, services and contact details
16 Operational excellence	

The cornerstones of our sustainability



Excellent customer experience

comes from listening to the customer, from reacting fast to their needs, and from anticipating their changing needs. We will develop our services, our skills, and our ways of conduct to meet these needs.



Operational excellence

primarily means effective and responsible practices throughout our value chain. Operational excellence reduces the burden on the environment and ensures the quality of our products and responsible purchasing.



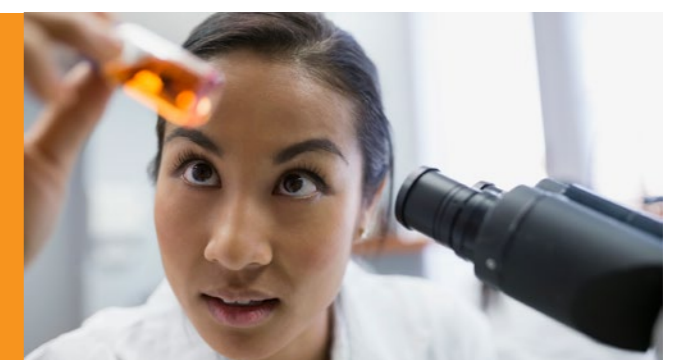
Engaged employees

are the key people in meeting the set goals for growth and excellent customer experience. By focusing on the skills of our supervisors, we can make an impact on the motivation of our employees and on their job satisfaction, and, in that way, also on their commitment and level of achievement in their jobs.



Profitable growth

is generated organically and through the acquisition of companies. Our goal is to grow, to do this we will need strong sales skills, together with goal-oriented courses of action for company acquisitions. By growing, we will increase turnover and bring more value to our business partners.



Lindström in year 2017

- February**
We opened a new garment factory in Latvia.
- March**
United Services joined the Lindström family through an acquisition in the UK.
- April**
We launched an industrial wiper service in the Czech Republic and Slovakia.
- June**
We launched Cleanroom Services through an acquisition in China.
- July**
We have been in India for 10 years already and we opened our 11th service center there.
- August**
We are celebrating our 25th operating anniversary in Estonia.
- October**
15 new colleagues from Business Textile Service joined our team in the UK as part of the acquisition.
- November**
We thanked our co-workers by giving out more than 23,000 emojis in the 'We Care' Campaign.
- December**
83 teams in Lindström countries discussed what our values mean to them.

Turnover



- Finland 56%
- Europe and Asian subsidiaries 44%

4,000
Employees

24
Operating countries

100,000
Clients

358.3
Turnover, million €

170 years of sustainable operations

This year, we look at history and to the future

Our story began in 1848 with a small textile dye house, and, over the years, we have grown into an international company that specialises in textile rental services. Our success is mainly because of our employees. This year we celebrate our 170-year-old family business in fun-filled ways, pondering on what the future will bring to us.

Digital service models are already in use today, and we are constantly developing our services together with our customers. In the spirit of innovation, the sky is the limit – in the future, workwear can for example be shaped directly according to the size of the wearer!

We at Lindström take care of people at their work. Our easy and smoothly adaptable textile rental services enhance safety, hygiene and customer experience.

We employ over 4 000 people in Europe and Asia and our headquarter is in Finland. Our Group turnover in 2017 was 358 million euros. Our vision is to be a solid, half a billion euro company achieving excellent customer experiences with engaged employees.

<p>1848</p> <p>It all began with a small textile dye house in Helsinki, Finland</p>	<p>1992</p> <p>First step to take over the world started from Estonia</p>	<p>2006</p> <p>Completed the creation of a perfect service portfolio</p>
<p>2018</p> <p>Intelligent toilets</p>	<p>2120</p> <p>Smother deliveries for customer</p>	<p>2190</p> <p>One size fits all!</p>



Harri Puputti (left) and Juha Laurio.

Highlights of the year by our management

What did year 2017 look like according to Juha Laurio, our President and CEO, and Harri Puputti, Vice President, Quality?

What were the highlights in Lindström's operation in the year 2017?

Juha: I can proudly say that our international growth is continuing and we have invested heavily in improving customer experience, for example, by developing digital service models. We have also strengthened the culture of caring for each other within the company and discussed the company's values in all teams.

Harri: Our vision of being the best service company and an excellent place to work at has just started to come true. When the culture is in its place and everyone makes their colleagues comfortable at work, it is also reflected in the customers. And this shows in personnel and customer satisfaction surveys.

Lindström is committed to the UN Sustainable Development Goals. What significance do you think this has?

Juha: This commitment is a natural thing to us. We are an international company and can have an influence through our own operation and through our partners. A successful responsible operator is a good example for other companies as well.

Harri: I would like to raise safety as an important aspect, towards which, great initiatives have been taken in many of our subsidiaries. Of course, safety has to be constantly invested in. Another special thing is the material efficiency that we see throughout the entire life cycle of textiles, from material selections to garment maintenance and recycling of textile waste.

Lindström is a 170-year-old family business. Which strengths are Lindström's history and future built on?

Harri: The values of a family business keep us grounded in the changing world. We have to be proud of our long history, but at the same time we humbly praise our stakeholders and have an open approach for the future. As a solvent business, we are ready to face the challenges ahead.

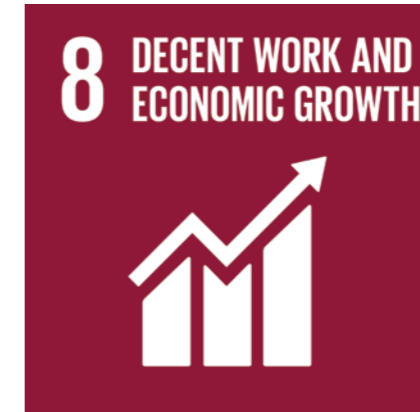
Juha: Our long-term operation cannot be based on anything else but responsible operation. The company has always been renewing to meet the needs of the changing times as the need for change is steadily increasing. We will continue to be a pioneer in meeting our changing customer needs and creating better customer experiences.

Key UN sustainable development goals that we can promote:



Goal 6: Ensure availability and sustainable management of water and sanitation for all.

We use plenty of water in our laundries and therefore, sustainable and efficient water use is really important to us. Despite the increased number of washed textiles, we are constantly trying to reduce the amount of washing and rinsing water needed.



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Our goal is to grow in a sustainable manner and take care of the wellbeing and safety of all our employees. In addition, we demand responsible practices from all our suppliers.



Goal 12: Ensure sustainable consumption and production patterns.

Annually, we purchase more than three million kilograms of new textiles and remove from use about a million kilograms of textiles that have reached the end of their life cycle. We take care of the efficient use of the purchased textiles throughout their life cycle and we are constantly looking for new ways to recycle disposed textiles.

UNICEF WASH

results in Rajasthan 2014–2017
WATER, SANITATION & HYGIENE

It has been a great honour for us to be one of the main supporters of UNICEF's WASH project for ten years now. This valuable, long-term project aims to improve access to clean water, sanitation opportunities and hygiene expertise in the poorer Indian regions, especially among children. Most recently, the project focused on the state of Rajasthan, one of India's most populous areas. By participating in the project, we promote the UN's goal of sustainable development to ensure availability of water and sanitation for all.

30,000 families got access to clean water, sanitation and hygiene.

30,000 FAMILIES

94,000 children enjoy healthy, joyful and safe learning environment in schools.

94,000 CHILDREN

750 schools got a complete WASH package installed.

750 SCHOOLS

32,000 TOILETS

32,000 household toilets constructed for regular use.



We will succeed together with our stakeholders

Lindström's stakeholders are present in our everyday work. We have an impact on them with our operation and they have a great impact on our operation as well.

The owners - the central role of the family in the board of directors' work

The company is owned by the Roiha family in the third, fourth and fifth generation. As owners and board members they have an active and central role in developing the company and creating our value base. The owners require the company to deliver profitable, value-based and responsible operations.

Personnel - satisfied employees provide excellent customer experience

We invest in creating a good working atmosphere, developing leadership and providing interesting career opportunities. We monitor the satisfaction of our employees through development discussions and annual service culture surveys.

Customers - we create value for the customer in everything we do

We want to be a partner with whom the clients are happy to work and develop new solutions. We are experimenting openly with new solutions, together with our customers, adding value to their business and making their everyday lives easier.

We want to be the best service company. Customer satisfaction with our service is monitored by annual

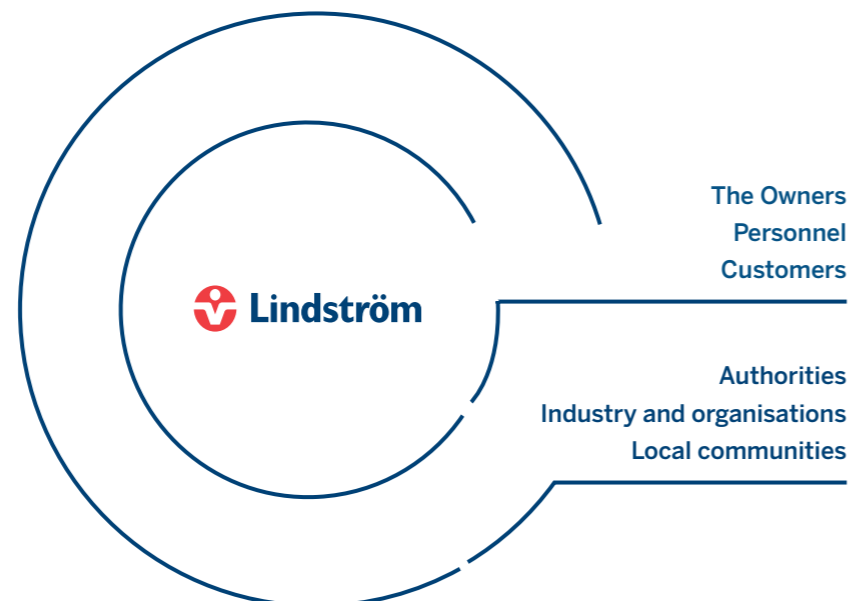
surveys and their expectations are listened to very attentively on each working day.

Industry and Organizations - we are working together to develop the industry

Our Lindström specialists act on various national and international teams promoting our field of business, standards, and legislation.

Local communities and authorities - locally in cooperation

We work in 24 countries with local employees and we are a major employer in many locations. We act as a local company in each of our countries of operation, we cooperate with local authorities and perform our obligations under the law of that country.



What do our stakeholders ask us about responsibility?

The owners are asking

? How to ensure that the values are reflected in Lindström's daily operations?



The values are the foundation of our company, corporate culture and strategy, on which all decision-making and operations are based. Understanding the values is one essential element when we want to ensure that the decision-making is in the right place and empowers our employees to make decisions about their own work. Values are an important part of orientation, and it is good to review them from time to time. We did so in 2017, when all of our teams had discussions on how the values guide our operation in our daily work.

Juha Laurio, President & CEO

An employee is asking

? What is a responsible employer like?



The responsible employer is open, honest and keeps their promises. We here at Lindström care for our employees and are constantly looking for new, innovative ways to communicate with them. It is important that everyone has equal access to information on topical issues. We also take care of the safety and wellbeing of our employees. We want our employees to do well not only at work, but also in their leisure time.

Sarah Marchant, HR Manager, Lindström UK

The customers are asking

? Where do you buy textiles and how do you audit the supply chain?



We buy goods from three main markets: Asia, (China, Malaysia and Pakistan), the EU and Africa (Madagascar). The goods for our Indian market are sourced locally. The largest share of Asian purchases is from service lines for workwear, hotel textiles, personal protective equipment and industrial wipers. China continues to be an important sourcing country for all of our product groups. Pakistan's share is growing.

We carry out audits of key suppliers according to the annual audit plan. A responsible person is dedicated to this task per region. We are systematically following any possible shortcomings and correcting them.

Risto Pyhältö, Director, Strategic Sourcing

The customers are asking

? Why do you use low-temperature washing, will the clothes really become clean?



The washing technology is so sophisticated today that clean washing results can be ensured even at low washing temperatures. The hygiene of the garments is ensured by chemical disinfection rather than thermal disinfection. Both laundry cleanliness and hygiene are ensured by the instructions and regular quality assurance measurements.

Hanna Viitanen, Area Manager, Technology



We are part of our customers' everyday lives

For our customers, we want to be a reliable partner that supports their business, understands their unique needs - and, above all, always gives them added value.

For us, it is important to understand the everyday life of our customers, for example the working day of our workwear users. We want to understand if it is easy and uncomplicated for the customer to use our services, for example, do they always find a garment in the right size or is it easy to notify us of any new needs.

Customers expect, alongside smooth services, also responsibility and transparency from us. We operate in Europe and Asia, and purchase products from African countries,

so there can be considerable differences in the general conditions in the countries in which we operate. Nevertheless, we always work responsibly in all our areas of operation.

Expectation of responsibility applies not only to the supply chain but also to our own daily operations, such as agreed workwear delivery and transparent billing. We put long-term efforts into ensuring that our customers can rely on us every day, in all our countries of operation.

For us, it is important to understand the everyday life of our customers, for example the working day of our workwear users.

Vision goals and results

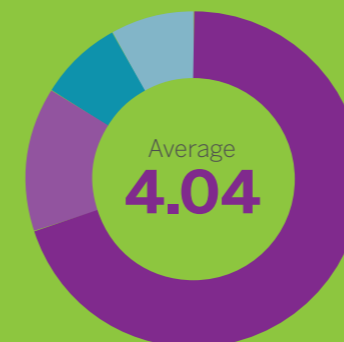
We always offer our customers an excellent customer experience and solve their needs. The goal for everything we do is a satisfied customer, and in this way keeping our customer relationships for the long term.



Vision goal customer satisfaction:
> 4.03

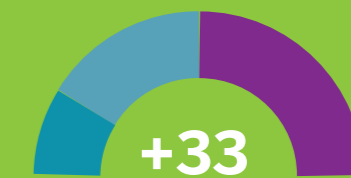
Vision goal customer experience:
> 28

Customer satisfaction survey 2017



- Satisfied 70%
- Not satisfied or unsatisfied 14%
- Unsatisfied 8%
- No answer 8%

Customer experience (NPS)



- Detractors 17%
- Passive 33%
- Promoters 50%

A satisfied customer will continue with us.

How do megatrends affect our business practices?

Many megatrends affect us as our customers' behaviour and expectations change.

NOTICEABLE TRENDS

People first

Employee satisfaction and well-being is very important for businesses. Competition for the best employees has increased, and employees' views are increasingly appreciated in the decision-making and developing of operations.



WHAT THIS MEANS TO US

We improve the safety and comfort of our customers' employees. We need to understand the priorities of our customers in different industries; safety is always important and its role is emphasized in, for example, in the manufacturing industry. On the other hand, in the service industry, the uniform appearance of employees and the satisfaction of facility users plays an important role. The most important thing for us is to identify the customers' need and to provide a solution.

Speed

People are waiting for things to happen faster and more effortlessly than ever before. Orders are to be made available immediately, and customers expect the service provider to be able to react quickly to any changes.

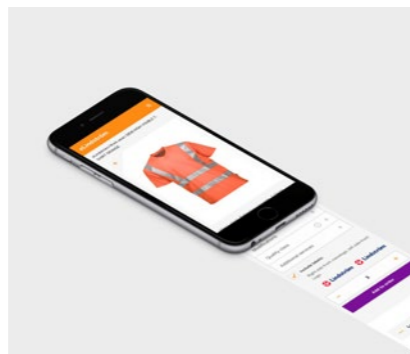


We are continuously developing our services so that we can better meet the changing needs of our customers quickly and flexibly. For example, we have different options of delivery times for our services so that the customer can choose the option that suits their needs.

In addition, we launched our own workwear production in Europe, which enables us to respond more quickly to changing customer needs.

Comfort

People are expecting things to happen when and where they want. Both consumers and employees are looking for more comfort. They choose service providers who offer the most convenient services and who value their time management.



We offer and develop solutions that make our customers' everyday lives easier. For others, it can be seen as faster repaired clothes, for others as signing contracts electronically or as a flexible service. We have developed the eLindstrom portal together with our customers to make it easy and comfortable to use. Our customer service will also be switching more to the channels our customers wish to use.



CASE

Workwear also creates an amusement park experience

Linnanmäki in Helsinki, Finland represents a traditional amusement park, with the aim of creating unique experiences for its customers. Linnanmäki believes that engaged and enthusiastic employees are ready to invest in exceeding the visitors' expectations every day. Lindström has a role in promoting wellbeing at work, providing comfortable and colourful work clothes for Linnanmäki's employees.

Workwear represents the working culture of Linnanmäki and the uniform makes all employees recognizable.

For Linnanmäki customers this means recognizability at first glance, creating thus a safe and professional feeling. Even the smallest children in the family will immediately recognize who they can ask for help and so the whole family can enjoy peace of mind in their visit to the amusement park.

'Every year about half of the 650 Linnanmäki seasonal employees work for the first time at Linnanmäki. Unified workwear helps identify colleagues and create togetherness,' says **Elina Örthen**, Human Resources Director at Linnanmäki.

A smoother everyday life with digital solutions

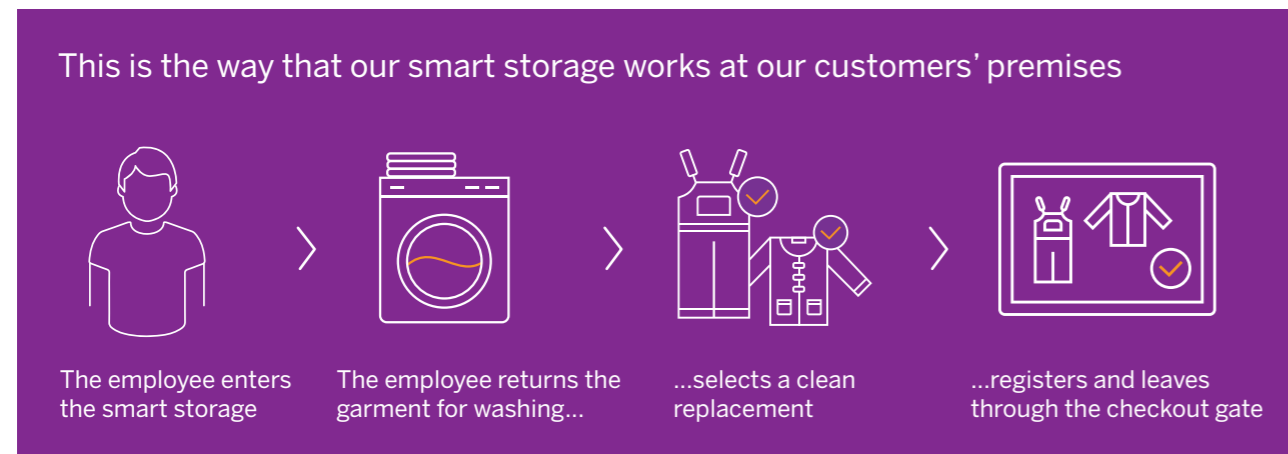
Customer expectations and changes in the world give us the direction to develop our services.

Digitalization has opened up new opportunities for us to facilitate our customers' daily life while at the same time improving our ability and responsiveness to their needs.

'We have invested in pilots and experiments together with our customers, and we want to bring digital solutions to the everyday lives of every customer,' says **Tatu Purme**, responsible for digital processes and solutions at Lindström. 'For example, we have linked the cotton towel dispenser to our cloud service, which means that the dispenser automatically sends a message to the cleaner's phone about the towel running out. This way we can both improve the user experience in the toilets and facilitate the cleaners' work when the towel roll is changed at the right time.'

'Digital solutions accumulate a wealth of new kinds of data, such as the behaviour of service users. With this information, we can better serve our customers and above all, help them to develop their operations,' Tatu Purme describes.

In 2017, we developed a user experience for the eLindström service portal directed to our customers. The web-based service allows customers to better manage their own orders and track the workwear location between their own facilities and the laundry, which also increases the transparency of our operations. The new eLindström service will be introduced in spring 2018.



Remote identification makes everyday life smooth and provides solutions for many different needs.

► To each work garment, we attach an automatic remote tracking tag that allows you to easily track the clothes' use and their wash-wear cycles.

We have been using remote identification for a long time in our laundries. The next step is to take advantage of the new generation of remote tags at our customers' premises, which will make their everyday lives easier.

► Workwear smart facilities are located at our customers' premises or centrally located in the vicinity of the

workplace, where workers can pick up the work clothes before the start of their shift.

► In the future, our customers can monitor the balance of the warehouse inventory in real time and the number of garments that have been dropped off to the laundry and the ones that have been picked up for use, all at the level of a single person. In this way, we can respond to rapidly changing needs, and employees always have the right size clothing that meets the demands of the job. Naturally, the customer and end-user can count on their personal data being processed responsibly.



The quality of workwear also ensures the quality of the products

Continental's electronics factories in China Tianjin and Changchun employ 2,000 people in dozens of different departments. Previously each department was responsible for their own workwear and their purchases. Without common guidelines, the result was often confusion with models, colours and sizes, and the management of workwear was ineffective.

The biggest problem, however, was the quality of the workwear that had been used, which hampered the mill's production. In the electronics industry, employees need to wear the right kind of electrically conductive workwear that protects the components to be

manufactured from uncontrolled discharge of static electricity. The workwear used did not meet the requirements, which increases the risks in production quality.

We helped Continental to improve the quality of its operations by providing them with standard workwear that we properly service and test. This way, Continental can be sure that only high-quality workwear is used, which reduces the quality risks in production.

In addition to improved quality, the overall style of workwear has now been streamlined to Continental's corporate image, which facilitates and enhances the management of workwear.



Everyday decisions for the environment

Each of our employees takes care of Lindström's impacts on the environment. At our laundries, the textile care workers make dozens of decisions that affect the consumption of energy and water when choosing a suitable washing programme for textiles.

In the same way, we are constantly making decisions that have an effect on the amount of textile waste and the quality of our products.

The most significant environmental impact in our operation comes from the laundry process. This process consumes energy, water, and detergents. In addition, emissions are created when transporting textiles from customers to the laundry and back.

Most of the energy is used to heat up the washing water and to finish the textiles. We are constantly working on the development of energy efficiency. Heat recovery from the waste water

and the air from the dryers improves our energy efficiency significantly and thus we have installed heat recovery systems for many of our laundries.

The product to be washed and its dirtiness affect both the amount of water and the quality of the wastewater. We always aim for efficient water use by recycling water at various washing phases. Rinse water is used as a washing water for the next batch. In rinsing, we always use clean water.

The cleanest wastewater is generated by the washing of hotel textiles and the dirtiest by the washing of mats and industrial wipers. If we cannot

direct the wastewater to the local wastewater treatment plant, we will deal with the water in our own wastewater treatment plant before putting it into drainage.

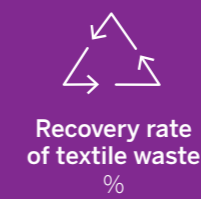
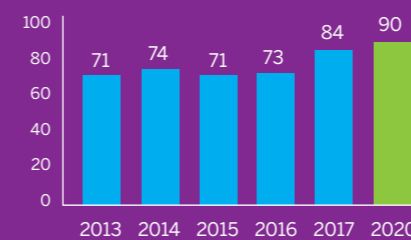
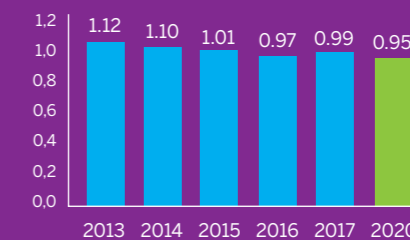
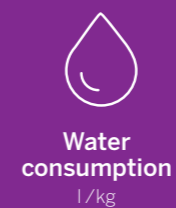
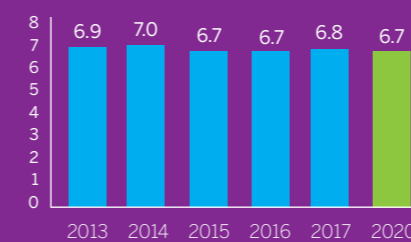
'Changes in the distribution of our products, such as the increased amount of industrial wipers in washing, affect our water consumption. Therefore, our aim to keep up with previous years' consumption levels per kilo of textiles washed is a challenging goal for us, and we are doing a lot of work to make it happen,' Sini Rajala, responsible for environmental issues, says.

Vision goals and results

Our goal is to streamline the water and energy consumption and to increase the utilization of textile waste, which is why we are working efficiently and leaving out anything unnecessary.

We are continuously developing our supply chain monitoring, and reporting on accountability. We evaluate the risks associated with suppliers and supplier countries, and we audit our suppliers on a regular basis.

Despite the strong growth in the amount of washed textiles, the relative energy and water consumption remained unchanged over the previous years.



We succeeded in increasing the use of textile waste, and less of our textiles end up in the refuse dump.



We are constantly looking for new recycling possibilities for disposed textiles

Textile rental service is a waste-free solution for our customers, as the responsibility for purchasing, maintenance, and disposal is ours at Lindström.

Textile waste is not only for us, but also a globally growing problem, and we are constantly looking for new recycling possibilities for disposed textiles such as workwear, mats, hotel linens and table cloths for restaurants. Our primary goal is to prevent waste generation and we already take this into account when making textile purchases.

In 2017, we launched our own workwear production in Latvia. Our own production helps us to better prevent the generation of textile waste, because the clothes are made only for a real need, not for the warehouse. In addition, with our own production line, we are able to meet our customers' wishes for even faster deliveries.

Our strong growth means even larger purchasing volumes. For example, in India, we already have over a million work clothes circulating. We take care of the efficient use of the purchased textiles for their entire life cycle by designing the garments in a multifunctional way, by washing and repairing workwear, and by utilizing textiles in different phases of the life cycle for different customers. This way, even worn and repaired garments are being used efficiently.

Collaboration is the key to better use of textile waste

Our aim is to increase the utilization of textiles to 90% by 2020. The current practice is to burn used-up work clothes to create energy. However, this is not the best solution for the environment and we want to add, above all, to the reuse of textiles. Our biggest challenge in utilizing our textiles is to find the right local partners. Reaching the goal to increase the utilization of textile waste requires us to deepen our own expertise and perseverance in the search for partners and new alternatives for recycling.

Annually, we purchase more than 3 million kilograms of new textiles and remove from use about a million kilograms of textiles that have reached the end of their life cycle.



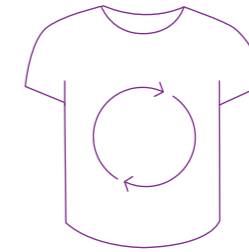
The Helsinki Arts Hall has given a new life for our out-of-use tablecloths and has produced 400 recycled bags from them.

Our goal is to decrease generation of textile waste

Goal 2020

90%

of textile waste is recycled



Production of textiles and their consumption is increasing globally bringing challenges to recycling.

How can we reach the target?

1

We operate efficiently

We avoid generating waste



Our own garment factory in Latvia: We manufacture products only for need.

We manufacture durable workwear: Our garments' lifecycle is on average **3 years.**



We take good care of our textiles: We repair workwear over **3 million** times in a year.

2

We search actively for partners

A new life for textiles



China: We produce over

10 tonnes

of textile waste per year that will receive a new life as the raw material for plastics.



Hungary: Out-of-use mats are used as the energy source and raw material for making concrete.

Russia: The out-of-use mats are ground into the fillings of punch bags.

3

We search for new alternatives

New innovations



We took part in the VTT Technical Research Centre of Finland's project in which they are trying out a new method of recycling cotton and using it as a raw material for a new fibre.

We know the requirements and guarantee quality

Lindström clothes about one million employees every day. Besides workwear services, we offer services for mats, hygiene products, hotel and restaurant textiles, industrial wipers, and personal protection equipment.

We are responsible for the quality and product safety of all our products. The most important thing in producing quality is to identify the customer's need and provide a solution to that need. The need may be, for example, the safeguarding of processes with the hygiene of work clothes or the safeguarding of personnel with protective clothing and protective equipment. Quality does not mean, however, only the technical features of the products, but also that we act reliably and guarantee the smooth operations of our customers by keeping to the agreed delivery times. Everyone at Lindström influences, by their own work, the quality of our customers' experience.

Everyone at Lindström influences, by their own work, the quality of our customers' experience.

Top quality washing results for demanding needs

We use washing programs that make the garments hygienic, so they are suitable, for example, for the food industry where the main task of the workwear is to protect foodstuffs. We also wash a significant amount of heavy-duty industrial clothing, the most important feature of which is to protect the employee.

We are continuously developing our washing processes to improve the durability of fabrics in washing.

For example, an excessively high pH value and certain laundry chemicals can consume the reflection surface of the reflectors on work clothes easily. That is why we are looking for chemicals and washing methods that cause less wear in the fabrics so they remain usable and safe for our customers for longer.



Our Quality Assurance Manual, containing all of our product groups, can be found on our website (<http://www.lindstromgroup.com/suppliers>). We are well-versed in the demanded markings and certifications for products in different countries and industries, such as personal protective equipment, and we only offer suitable products to our customers.

Accountability of procurement requires common understanding with our suppliers

The supply chain for our products and services goes from Europe to Asia and Africa.

The products, which we need plenty of, such as workwear, hotel textiles and personal protective equipment are mainly purchased from China, Madagascar, Pakistan and Malaysia. We also have local suppliers for smaller needs in Europe and Asia. Comforta, our subsidiary of hotel textiles, procures cotton products especially from Pakistan and, for example, towels and bathrobes from Portugal.

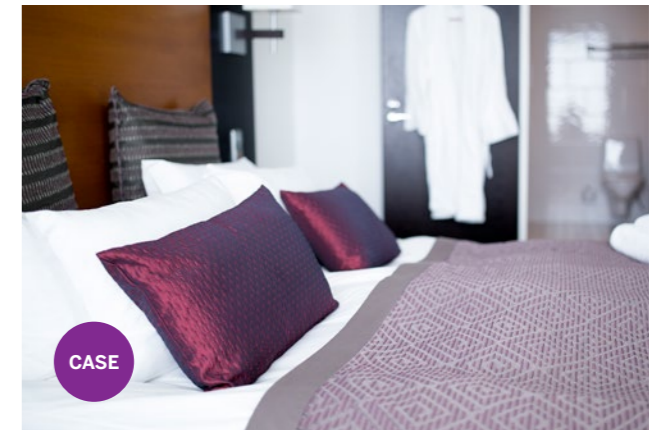
We visit our suppliers regularly.

We want to know our suppliers thoroughly

We will carefully evaluate each of our suppliers before starting co-operation and will only partner with companies that act responsibly and commit to our ethical policies (see page 45). We favour long-term partnerships, whereby we learn to know our suppliers and are able to develop long-term responsible practices with them.

Risk assessment is an integral part of responsible purchasing

We evaluate our suppliers on the basis of operational risks and the risks associated with the suppliers themselves. In the country risk mapping, we evaluate, among other things, the level of government oversight of the contracting countries, human rights issues, the use of child labour and the level of corruption. Approximately one third of our textile purchases come from Pakistan and Madagascar, which we have classified as risk countries. In addition, we have made an individual risk analysis for all our most important suppliers. These make up about 15 per cent of all our suppliers.



Where are the bathrobes and towels coming from?

In September 2017, Sales and Marketing Director of Comforta **Martti Louhento** and Product Manager **Tuula Kokkonen** travelled to the town of Guimarães, in northern Portugal, to audit the production of bathrobe and towel maker Domingos de Sousa. They were greeted by Fatima Sousa, Commercial Director of the company.

'This was the first time we visited that vendor. We went through the production facilities in minute detail and every department presented us with their working methods and documents. The documentation was comprehensive, and for example, the testing laboratory had archived samples of different production lots,' says Tuula Kokkonen.

An important part of the audit is also the observation of the working conditions and safety of the personnel. Production facilities were clean, and there were many different signs and warnings on the walls and floors. Workers knew where to move safely.

'It was great to note that employees are clearly valued. The manager of the factory was genuinely interested in the employees' perceptions and this could be seen in the Sousa and production workers' encounters. The visit to Domingos de Sousa was a very interesting and educational one - the audits deepen our common understanding of responsible practices,' Tuula summarizes.



CASE

Just for the customer's need: At least six pockets for the Tangra installer

Tangra-AV OOD is a Bulgarian company specializing in air conditioning, ventilation and heating equipment with over 150 employees. Tangra's production facilities require hard-wearing and flexible workwear that protect workers in any position.

Metal machining is also often hard on work clothes as the equipment and liquids used can cause wear and tear in clothing. On the other hand, the Tangra assembly team needs clothes with enough pockets for all tools to keep the right ones always at hand. Lindström has supported the development of Tangra's work safety and comfort by designing and delivering workwear that is suitable for their line of work and protects them.

In the pharmaceutical industry, cleanliness is the key

High-level cleanliness is of utmost importance in the pharmaceutical industry. Therefore, workwear used in production must also meet production safety standards, as even small particles, such as those transported with clothing, can spoil the finished product.

A pharmaceutical company in China, Sino-Swed, encountered some challenges, as their production capacity grew, in managing the cleanliness of work clothes in their own industrial laundry. We offered the company a solution to ensure that Sino-Swed's work clothes are always at the cleanliness level required by the pharmaceutical industry. We pay attention to these stringent requirements at every stage of our work – from the choice of work clothes to making the garments and for their every wash cycle in our laundry. We also regularly provide a test report on the anti-static properties of textiles, which will help Sino-Swed demonstrate the cleanliness of workwear also in external audits.



CASE



What do our customers ask us about responsibility?

? How do you ensure the hygiene of the clothes? How is it documented?



Our laundry is divided into two parts – the clean laundry and dirty laundry facilities. Our employees change clothes when switching between workstations and use gloves when handling dirty laundry. We wash our customers' work clothes as soon as they come to the

laundry. This will prevent the growth of microbes and bacteria. The clothes are washed in accordance with specified washing times and temperatures. The clothes are also dried immediately after washing. Textile care workers will ensure the washing results when the clothes are folded. The laundry bags are washed before reuse.

Regular maintenance of the equipment is also important, so we can control and monitor, for example, the amount of detergents, water hardness, ph-level, temperature and the amount of bleaching agents. We constantly monitor the cleanliness of facilities and equipment and clean up the machinery regularly.

Vera Burmistrova, Production Manager, Lindström Russia

? When repairing clothes, how do you make sure that broken needles do not end up in food worker's clothes, or even eventually into a children's food jar?



We systematically collect all broken needles and pin them in cardboard. This way, we can easily make sure that all parts of the needle are securely harvested. We also note the date.

Erika Szász, Production Manager, Lindström Hungary



We care about each other and about our customers

Capable, engaged and enthusiastic employees enable our international growth.

We believe that good leadership and engaged employees will strengthen the internal service culture that we convey all the way to our clients. That is why we started the 'We Care' internal cultural change in 2016, with which we have invested in the wellbeing of our employees, in caring for each other and for our customers, and in good teamwork and agility. We believe that the result of this work is already beginning to bear fruit as our employee satisfaction has improved.

How the 'We Care' culture is presented to our customers
 For customers, our 'We Care' culture is reflected in our efforts to deliver value to our customers in everything we do and to help them achieve their set goals. One example of this is a project in which the customer hoped to keep the work clothes separate from the casual clothes to keep their casual clothes tidy. We worked together with the customer to create a combination locker just for them. The feedback we received was very positive, and the customer has plans to set up those lockers in all of their facilities. That is how we show that we care!

Vision goals and results

Our goal is to have employees that are happy with their work and employer, and who will succeed with us. In employee satisfaction, we want to be among the top 20 per cent in comparison to international companies.

Our goal is also to fulfil most of the open supervisory positions from within the company and to get the potential supervisors and managers to stay with Lindström.



* The figure has been converted comparable for international comparison. When the non-reference points are also included, the result is 4.07.

Some more accurate goals to measure our success rate

3-5 strong candidates inside the company for each open position | **90%** of potential supervisors and managers stay at Lindström | **75%** of open managerial positions are filled in-house

People in numbers 2017

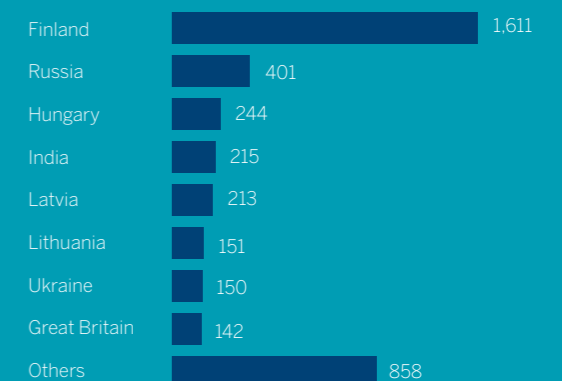
Total number of people*



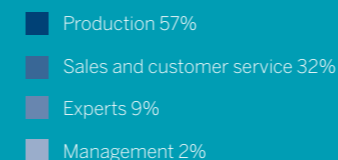
62% Women

38% Men

People by country*



People by position



*on the last day of the reporting year.

A coaching leadership plays an important role in our company's renewal and cultural change

We are growing fast internationally every year. In order to succeed in growth and renewal, we must also internalize a new kind of business and leadership style.

Our goal is to make fewer decisions at headquarters, lead people more with a coaching leadership style and encourage employees to take responsibility themselves and to make decisions close to the customers.

In our new business culture, superiors are expected to lead in a more coaching manner. Instead of providing ready solutions, superiors help and encourage employees to find solutions by themselves. This strengthens our employees' know-how and self-confidence in decision-making.

This year, we have developed our supervisors' coaching leadership skills by organizing a total of 30 training sessions in both Europe and Asia. A total of 175 supervisors from 22 countries took part in these courses.

'It is great to note that employee satisfaction and commitment have improved since we started to promote the cultural change 1.5 years ago! We now support and encourage one another more, and the authority to make independent decisions has inspired our employees. Respect and knowing that I am being cared for and trusted is the best way to engage the employees,' says **Minna Gentz**, Senior Vice President, Human Resources.

The coaching supervisor does not give ready answers, but helps to find them!



Nothing is as motivating as feedback from colleagues!

In September-December, we organized an internal 'We Care' campaign where colleagues could share emojis with each other, for example, to thank them for their positivity, responsibility or good listening skills. All at Lindström were included: people working in front of the computer shared smileys via an application built into the company intranet, and the laundry workers communicated with printed cards. The campaign brought a lot of joy to the employees with over 23,000 emojis sent between colleagues.

The culture of caring is also reflected on the customers.



Raincoats for the need - the local unit provided raincoats for distribution truck drivers when the state of Gujarat in the west of India was suffering from the worst rains of the decade.



The Growth Academy offers the means for becoming a top seller

Growth Academy is our global program that helps in developing sales, customer relationship management and sales management skills. During the years 2016-2017, already 150 employees have participated in the program. The idea is that the students of previous years are coaches and mentors of the following year.

Growth Academy supports our culture, which gives people more responsibility for managing their own work and making decisions. At the Growth Academy, coaches and colleagues give good support for development and growth, but the biggest driver of success is to change your own attitude and to function in a new way.

In India, the 'We Care' culture has come true in so many ways

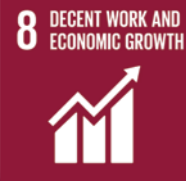
'We Care has really changed our way of working and how we encourage and care about each other.

'We wanted to make the 'We Care' concept visible, and we have introduced many new ways to show in practise that we care about our employees and each other. We started, for example, training programs to improve the English language and computer skills of our staff, and we also acknowledge the good work of our employees through Monthly Employee honourable mentions.

'We greatly appreciate how our employees have adopted the new way of working. For example, the Delhi unit introduced an honorarium in which employees shared positive descriptions of their colleagues, and in the Thank-you card campaign, covering the whole of India, our employees gave thanks to the persons they wished to thank, e.g. their colleagues or supervisors, in the form of electronic cards.

'We Care' has come true for us on many different levels. Our employees are now involved in developing new methods and practices, which has brought us closer and increased the joy of working and commitment. Our business culture is clearly changing and it is also reflected in the image of Lindström as a workplace.'

Kalpna Sachdeva, HR Manager, Lindström India



Safety at work

We want to be a workplace where everyone can work safely and be healthy to enjoy their leisure time as well.

The most common accident situations for our employees are while commuting to and from work and while moving a trolley or a mat grid at a laundry. The most notable occupational hazards are linked to ergonomics, noise, vibration, and exposure to chemicals.

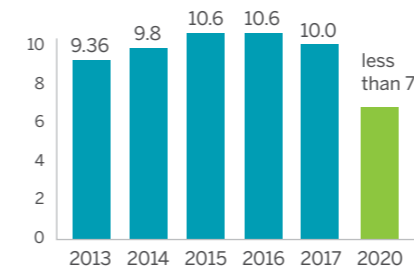
We believe that all workplace accidents are preventable and the most effective way to increase safety is to develop personnel safety expertise and risk perception. We

have increased the awareness of our employees by sharing information in internal channels about serious accidents and their consequences.

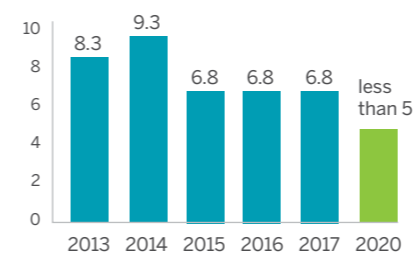
In addition, we encourage our employees to always report any workplace safety observations, and the number of reported findings has indeed increased steadily.

We are developing our safety culture all the time.

Vision goals and results



Sick days person/year



Injury rate injuries/million working hours



CASE

The path to a safe working culture

Developing preventive occupational safety doesn't happen overnight. It takes time to mature from just reporting accidents to genuine caring, in which accidents are willingly prevented so that nobody hurts themselves. We have realised that each of our facility will have to walk through this path themselves to internalize the importance of the safety culture.

Our challenges are the different ways of registering accidents in different countries and cultures, which results in an inability to compare the accident figures among subsidiaries. By developing the reporting, we have noted that the distribution of accidents can be very similar between countries, and the biggest difference lies in the local safety culture and its maturity.

'In India, we have taken brisk steps on our safety path and enhanced the monitoring and reporting of safety risks. Occupational safety is largely about management and we wanted to focus especially on supervisory work so that supervisors would be an example of safe work,' says Production Manager **Pranab Mazumdar** from Lindström's Delhi Business Unit.

'We also wanted to improve worker awareness through training and campaigns. For example, we organized a road safety campaign to remind our workers that it is important to keep safety in mind whilst commuting to work as well.'



Profitable and sustainable growth

Our goal is to grow both organically and through acquisitions and achieve a turnover of EUR 500 million by 2020. We are constantly looking for new growth opportunities and our biggest expectations are currently on Russia and Asia.

Cleanroom Services accelerate our growth in Russia

Lindström opened a Cleanroom laundry in St. Petersburg in November 2017 to provide services to the pharmaceutical industry in particular. The pharmaceutical industry is currently growing strongly in the Russian market. The Russian government supports growth through an initiative aimed at covering 50% of drug consumption with local production instead of the current 20%.

In Russia, the use of the Cleanroom Service among our pharmaceuticals customers has grown rapidly. The benefits are obvious: customers save on costs and reduce their environmental footprint when they no longer need to wear disposable work clothes to meet hygiene standards. Lindström's Cleanroom Service is implemented in accordance with the ISO 14644 standard and Good Manufacturing Practise (GMP) requirements.

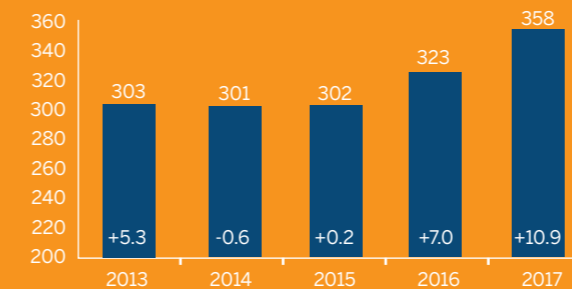
The Cleanroom Service is a standardized workwear service to ensure that no out-of-place particles enter the customer's production facilities that could endanger product safety. Demand for the service is growing especially in the electronics, food and pharmaceutical industries.

Vision goals and results

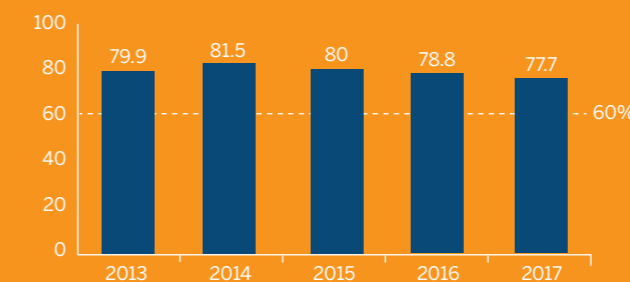
Our goal is to grow and achieve a turnover of EUR 500 million in 2020. We want to continue to be a solid company and provide economic prosperity for society.



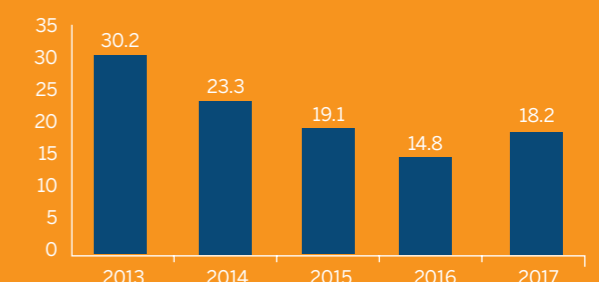
Turnover (M€) and annual growth rate



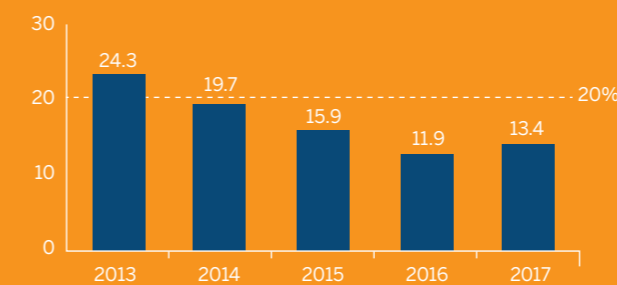
Equity ratio, %



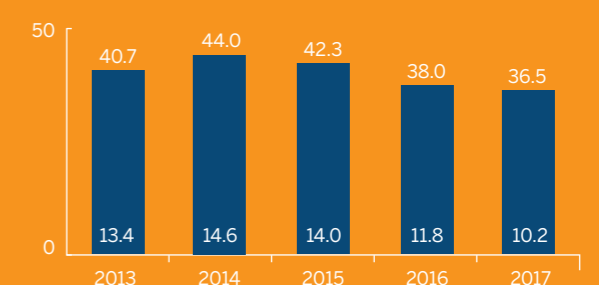
Net profit, M€



Return on investment, %



Working capital (M€) and share of turnover, %



In 2017 Lindström Group's business grew in all markets

The group's turnover grew by 10.9 percent over the previous year and was EUR 358.3 million (previous year EUR 323.3 million). The turnover of the parent company was EUR 176.1 million (previous year EUR 172.6 million). In 2017, foreign subsidiaries' share of the group's turnover was EUR 157.6 million or 44.0 percent

(previous year EUR 127 million or 39.3%). In 2017 the group's business grew in all markets, measured in euros. During this financial year, development was supported with acquisitions in Great Britain, China, Finland and Russia. In addition, the company Talp Alj has merged with the Hungarian

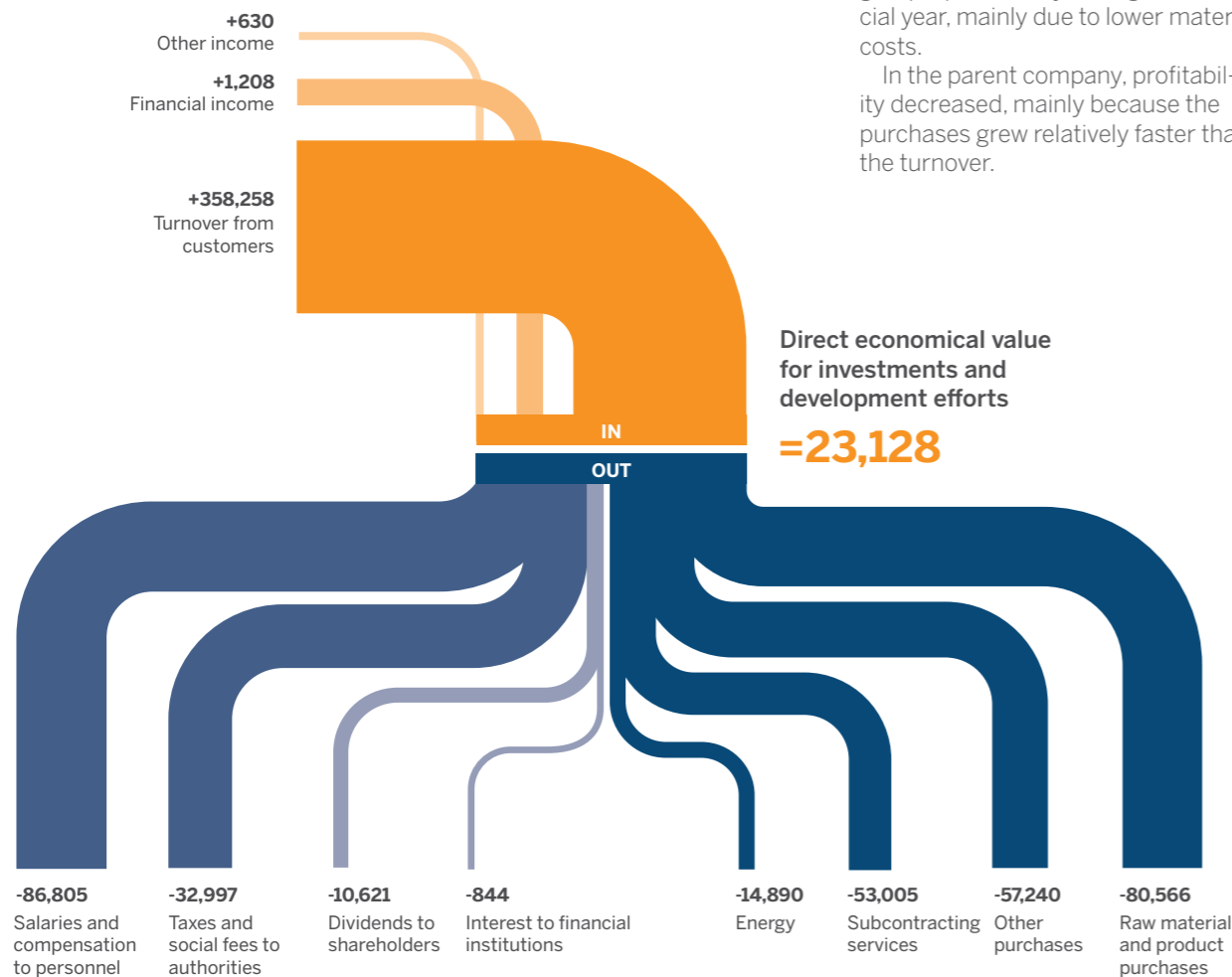
subsidiary and the company Comforta OU has merged with the Estonian subsidiary.

Profitability
The Lindström Group's profit before taxes was EUR 24.8 million (previous year EUR 22.4 million). The parent company's earnings before extraordinary items, appropriations and taxes was EUR 31.6 million (previous year EUR 32.3 million).

There has been an increase in the group's profitability during the financial year, mainly due to lower material costs.

In the parent company, profitability decreased, mainly because the purchases grew relatively faster than the turnover.

Direct economic value generated and distributed 2017 (t€)



Investments

The group's net investments in the financial year were EUR 35.7 million, whereas in the previous year, they were EUR 34.2 million. The parent company's total investments amounted to EUR 11.5 million, whereas the year before they were EUR 10.7 million.

The most notable investments made by the parent company during the financial year were into IT systems and the extension of laundries in Vantaa, Finland. The project was completed in 2017. Other parent company laundry machinery and service centre improvement investments were made in Pietarsaari and Vantaa, Finland. The subsidiaries founded new service centres in India, Turkey and Great Britain. Extension and modernisation work was performed in Croatia and Russia. A significant investment into a product manufacturing facility in the Latvian Prodem subsidiary was completed in 2017.

Funding and liquidity

During the financial year the parent company made share capital investments worth EUR 14.2 million (previous year EUR 5.5 million) into Indian, Chinese, Kazakhstani, South Korean, Polish, Belarusian and Latvian Prodem subsidiaries.

The group's liquidity remained good for the financial year. In the financial statements, the group's bank loans are credits targetedly negotiated for the subsidiaries through the parent company.

Development operations

The company's development operations were primarily focused on the modelling and development of the service concept and processes and digitalisation. Development work was also made in the fields of product design and acquisitions. Investments related to development are entered as operating expenses.

Estimate on future development

The company operates in countries with elevated exchange rate fluctuation risks. On the group level, the company's operating conditions have remained the same and in 2018, the turnover of both the parent company and the whole Lindström Group is estimated to rise. The group grows both organically and through acquisitions. The profitability of the company can be assured through active customer cooperation and by continuously making processes more efficient. Thus, profitability is estimated to remain at the current level.

The investments in 2018 are estimated to be larger than investments in 2017. In Finland, significant laundry machinery improvement investments are made in Nurmo and Turku. The parent company is also making significant investments into IT systems. In the subsidiaries, the most notable investments are made into new service centres in the Czech Republic and Latvia, a manufacturing plant in India and laundry expansions in Hungary and the United Kingdom.

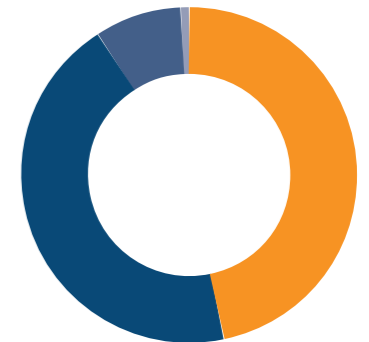
We meet our obligations as a taxpayer

We do not practice aggressive tax planning; our companies are each registered to a local business register, and they pay their taxes in the country. We comply with international transfer pricing regulations and local tax laws and regulations.

We paid a total of EUR 7.46 million in income taxes in the 2017 period. Besides income tax, we paid the applicable taxes for production, services, personnel, and real estate, a total of EUR 79.8 million in 2017.

Taxes

Taxes 2017 by type



Taxes 2017 by area



Finland 60%
European and Asian subsidiaries 40%

Principles of our operations

Our values and ethical principles determine how we take responsibility for people and the environment.

Code of conduct

The Lindström Code of Conduct consists of the ethical principles that determine how both we and all our suppliers conduct our business, and how we take responsibility for people and for the environment.

We purchase supplies only from those suppliers that are committed to our regulations, and follow the compliance with those regulations with audits and visits to suppliers.

What we observe

- Our management policy is certified according to the ISO 9001:2015 and ISO 14001:2015 standards.
- The self-inspection system for the hygiene requirements of all laundries has been built in accordance with standard EN-SFS 14065 (Textiles – Laundry processed textiles – Biocontamination control system).
- We also follow the OHSAS 18001 standard for health and safety management in the workplace.



Our commitment to initiatives

- The ICC Business Charter for sustainable development
- The principles of the UN Universal Human Rights Declaration
- The ILO Declaration of Fundamental Rights and Principles
- The guidelines of the OECD for multinational enterprises
- The principles of Global Compact (We issue reports via the European Textile Service Association)
- United Nation's sustainable development goals
- Sedex (Supplier Ethical Data Exchange), the network that promotes social and ethical responsibility

Our membership in organisations

- Family Firms Association (Finland)
- Confederation of Finnish General Industry
- Confederation of Finnish Industries
- European Textile Service Association (ETSA)
 - Our President & CEO, Juha Laurio, acts as the ETSA chair for the 2014–2017 period

Our specialists act on various national and international teams promoting our field of business, standards, and legislation.

100% of suppliers are committed to Lindström Code of Conduct.

We want to support our customers in making responsible choices by offering large selection of sustainably produced products.

- Over 90% of our workwear and hotel textiles and all our cotton roll towel textiles are Öko-tex 100 certified.
- The Finnish roll towel service and the Swedish hotel textiles service centre both carry the Nordic Ecolabel.

Our operations are guided by our values:

Profitable growth

Long term customer relationships

Responsibility

Enthusiasm and joy of learning



CASE

All teams discussed the importance of our values

Lindström's values are the foundation of our operations and we want them to be genuinely visible in our day-to-day operations.

Although our values have remained the same, we discuss from time to time their content and meaning to keep them understandable and alive in everyday life.

In 2017, we carried out value discussions by teams - we discussed the values in the Board, the management team and in most of our teams. Discussions were held in 80 teams and will continue this year. Teams think about their own commitment to values and how the commitment is reflected in practical actions and behaviour.

Management

Corporate responsibility is systematically linked to all our operations and management. We see that a successful company can only operate in one way – responsibly.

Values guide our operations and decision-making

Our vision and the methods based on it, i.e. the strategy, are determined at five-year periods. Our vision is to be the best service company and an excellent place to work.

According to our strategy, our goal is to create value for the customer in everything we do, and creating excellent customer experiences is at the core of our business. The way in which we generate value for our customers must always be responsible according to our values.

Our strategy is built around four cornerstones:

- Engaged employees
- Operational excellence
- Excellent customer experience
- Growth

Our values and ethical principles determine how we act and guide us in such a way that action is possible for future generations as well.

People are our main resource and we are developing our operation largely through people. In 2017, we emphasized the strengthening of local decision-making close to the customer, the development of coaching leadership and sales expertise.

Organising management

Corporate responsibility is an integral part of our business through our management system, and its integration into the business is ultimately the

responsibility of the company's Board of Directors. The CEO and Group Management Team are responsible for the practical implementation of corporate responsibility in their respective areas of responsibility.

We guide our employees to always work responsibly in decision-making, planning and evaluation. Corporate responsibility and reporting is coordinated at the Group level by a Guidance and Development Team led by the Vice President, Quality.

Risk management

Risk assessment and management are planned and controlled by the Board at our company, and with their aid, we strive to ensure the continuity of our operations. Risk management focuses on foreseeing changes in the business operations, the operating environment and the prerequisites of operation, on contractual and credit risks, as well as on risks associated with occupational and chemical safety and the security and protection of data.

Risk management is implemented locally on a business unit and branch level, including monthly assessments of opportunities and risks, capacity assurance and contingency planning, fire safety through regular first fire and rescue exercises, and taking care of the safety of employees, for example through risk surveys, training, safety rounds and personal protective equipment.

Our leading thought is to create value for the customer in everything we do.

Board



Harri-Pekka Kaukonen,
Chairman of the Board



Steph Feijen



Naresh Gupta



Kalle Kantola



Anne Korhikoski



Petteri Koussa

Independent members, i.e. members who are not Lindström employees or shareholders, are Harri-Pekka Kaukonen, Anne Korhikoski, Naresh Gupta, Steph Feijen and Kalle Kantola.

Management team



Juha Laurio
President & CEO



Anupam Chakrabarty
Senior Vice President,
Sales & Markets
Managing Director, India



Minna Gentz
Senior Vice President,
Human Resources



Mika Hartikainen
Senior Vice President,
Asia and Eastern Europe



Anna-Kaisa Huttunen
Senior Vice President,
Business Concept
Development



Santtu Jokinen
Senior Vice President,
Western & Central
Europe



Mika Kujala
Senior Vice President,
Russia and Group Business
Development



Ismo Nastamo
Senior Vice President,
Corporate Purchasing



Theo Slegt
Senior Vice President,
Operations



Petri Vapola
CFO



Jari Vihervuori
Senior Vice President,
Finland, Baltic States
and Belarus
Managing Director,
Comforta Oy

Sustainability in numbers

People by country

Finland	1,611
Russia	401
Hungary	244
India	215
Latvia	213
Lithuania	151
Ukraine	150
Great Britain	142
Czech Republic	129
Estonia	120
China	106
Slovak Republic	79
Sweden	77
Slovenia	66
Bulgaria	51
Poland	47
Romania	46
Turkey	36
Croatia	26
Serbia	26
Belarus	18
Germany	14
Kazakhstan	9
South Korea	8

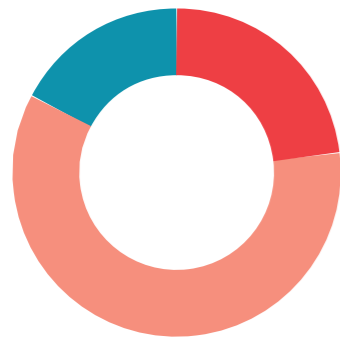


Sick days and personnel turnover

We have managed to clearly reduce sick days.

	2013	2014	2015	2016	2017
Injury rate (injuries/million working hours)	8.3	9.3	6.8	6.8	6.8
Sick days, %	3.9	4.12	4.36	4.48	3.91
Sick days per person/year	9.36	9.75	10.58	10.63	9.98
Turnover of permanent personnel	n/a	18%	17%	18%	19%

Personnel by age group 2017



- Under 30 yrs 23%
- 30-50 yrs 59%
- Over 50 yrs 17%

Type of employment 2017



- Full-time 86%
- Part-time 14%
- Permanent 86%
- Fixed-term 14%

Ecological balance sheet

The volume of washed textiles grew by more than 11 million kilograms per year, driven by business growth and acquisitions.

The increase in energy and water consumption is related to the time taken to optimize the processes of laundries that we got through acquisitions.

In	2013	2014	2015	2016	2017	
New textiles	2,127	2,446	2,634	2,883	3,315	ton
Washed textiles	159,709	159,334	163,679	175,483	186,638	ton
Total energy	178,633	175,113	165,985	171,046	184,791	MWh
Oil	16,946	13,213	5,202	512	4,397	MWh
Natural gas	72,748	75,468	72,317	77,397	86,038	MWh
Propane	34,255	32,264	33,498	34,638	36,570	MWh
Steam	9,608	9,462	10,811	12,146	10,257	MWh
Electricity	34,468	35,098	36,275	38,078	38,755	MWh
Bio gas	1,532	1,189	1,230	1,638	1,778	MWh
District heating	9,076	8,418	6,652	6,637	6,996	MWh
Water	1,106,703	1,119,780	1,088,862	1,184,092	1,266,599	m ³
Detergents	1,776	1,759	1,737	1,772	1,965	ton

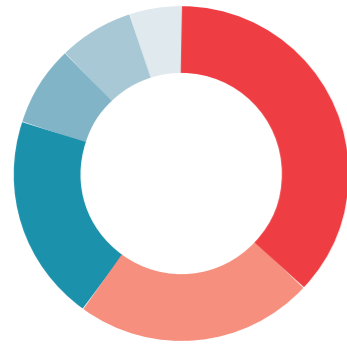
Out	2013	2014	2015	2016	2017	
Disposed textiles	958	1,142	1,204	1,301	1,385	ton
Total waste	5,362	6,021	6,143	6,118	6,964	ton
CO ₂ emissions	60,880	58,726	60,462	60,363	66,613	ton
Effluent						
BOD ₇	566	579	427	469	486	ton
COD	1,471	1,567	1,162	665	585	ton
Phosphorus	12	13	17	7	7	ton
Suspended solids	314	486	442	370	382	ton
Heavy metals	4.7	4	2.7	3.5	1.3	ton
Grease and oil	130	107	122	117	139	ton

Consumption and emission in relation to washed kilos

Despite the strong growth in the amount of washed textiles, the relative energy and water consumption remained unchanged over the previous years.

	2013	2014	2015	2016	2017	
Washed textiles	159,709	159,334	163,679	175,483	186,638	ton
Energy						
Total consumption	178,633	175,133	165,985	171,046	184,791	MWh
Per kilos washed	1.12	1.10	1.01	0.97	0.99	kWh/kg
Water						
Total consumption (1,000 m ³)	1,107	1,120	1,089	1,184	1,267	m ³
Per kilos washed	6.9	7	6.7	6.7	6.8	l/kg
Washing detergents						
Total consumption	1,776	1,759	1,737	1,772	1,965	ton
Per kilos washed	11.1	11	10.6	10.1	10.5	g/kg
Greenhousegas emissions						
Total	60,880	58,726	60,462	60,363	66,613	tCO ₂ e
Per kilos washed	380	370	370	344	357	gCO ₂ e/kg

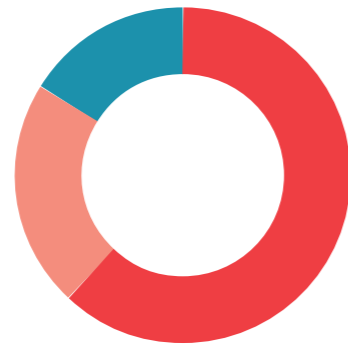
Wastes 2017



- Sand and sludge 37%
- Hazardous waste 23%
- Textile waste 20%
- Mixed waste to landfill 8%
- Energy waste 7%
- Other* 5%

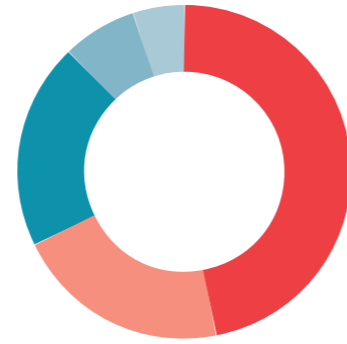
* Cardboard and paper, metals, plastic, bio waste

Textile waste recycling 2017



- To energy 62%
- To reuse 22%
- To landfill 16%

Energy consumption by source 2017



- Natural gas 47%
- Electricity 21%
- Propane 20%
- District heat, bio gas and oil 7%
- Steam 5%

Wastes 2017

	kg	%
Sand and sludge	2,607,254	37%
Hazardous waste	1,564,044	23%
Textile waste to energy	854,244	12%
Mixed waste to landfill	562,730	8%
Energy waste	518,697	7%
Textile waste to recycling	308,155	5%
Textile waste to landfill	222,165	3%
Cardboard and paper	186,830	3%
Metals	98,166	1%
Plastic	25,146	0.4%
Bio waste	16,256	0.2%
Total waste	6,963,687	

The largest single waste stream is sand and sludge from the mat laundries.

Hazardous waste comes from industrial wiper wash and wastewater treatment facilities.

Textile waste

Generated textile waste, kg	2013	2014	2015	2016	2017
Finland	556,305	660,881	673,654	776,273	769,699
Europe and Asia	424,111	481,021	530,145	524,930	614,865
Total	980,416	1,141,902	1,203,799	1,301,203	1,384,564

Textile waste recovery rate	2013	2014	2015	2016	2017
Finland	100%	100%	100%	100%	100%
Europe and Asia	33%	38%	34%	31%	64%
Total	71%	74%	71%	73%	84%

The utilization of textile waste has increased considerably, and less textile waste ends up in the refuse dump.

With the acquisition, the oil consumption grew in 2017. The destination's energy source has already been replaced by a different energy source, and, in 2018, the oil consumption will again be clearly reduced.

Greenhouse gas emissions, tCO₂e

	2013	2014	2015	2016	2017
Direct greenhouse gas emissions (scope 1)					
Natural gas	14,870	15,245	14,608	15,670	17,419
Propane	8,016	7,324	7,604	7,863	8,301
Oil	4,758	3,528	1,389	373	3,205
Indirect greenhouse gas emissions (scope 2)					
Electricity	12,725	12,308	15,177	15,011	15,331
Purchased steam	1,964	1,911	2,184	2,459	2,077
District heat	2,505	2,399	1,350	1,350	822
Other indirect greenhouse gas emissions (scope 3)					
Business travel	3,520	3,551	4,782	4,358	5,635
Transportation of textiles	12,522	12,460	13,368	13,279	13,823
Total	60,880	58,726	60,462	60,363	66,613

Textile transport and emissions

	2013	2014	2015	2016	2017
Kilometres driven (1 000 km)	28,667	30,691	32,698	35,421	36,977
Driven kilometres per washed textile kilos (km/kg)	0.18	0.19	0.20	0.20	0.20
Transport emissions per washed textile kilos					
CO ₂ eq g/kg	78.4	78.2	80.9	75.7	74.1
CO g/kg	0.2	0.2	0.2	0.1	0.1
HC g/kg	0.1	0.2	0.2	0.2	0.2
NOx g/kg	0.5	0.4	0.4	0.2	0.2

Our goal is to increase the number of safety observations.

Safety observations

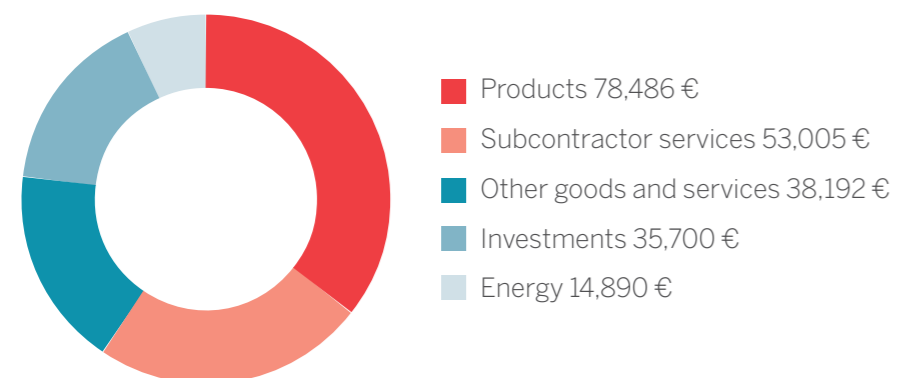
	2013	2014	2015	2016	2017	Vision 2020
Number of observations	n/a	783	745	1,133	1,205	
Observations per person	n/a	0.26	0.23	0.32	0.30	3.50

	2013	2014	2015	2016	2017
Turnover, M euro	303.2	301.3	302.0	323.2	358.3
Annual Growth, %	5.3	-0.6	0.2	7.0	10.9
Net profit, M euro	30.2	23.3	19.1	14.8	18.2
Net profit, %	10.0	7.7	6.3	4.6	5.1
ROI, %	24.3	19.7	15.9	11.9	13.4
Equity to Assets, %	79.9	81.5	80.0	78.8	77.7

Direct economic value generated and distributed, t€

	2013	2014	2015	2016	2017
Turnover from customers	303,197	301,290	301,959	323,170	358,258
Financial income	695	750	867	2,751	1,208
Grants and subsidies received	0	0	0	0	0
Other income	696	308	1,862	587	630
Income received	304,588	302,348	304,688	326,508	360,096
Raw material and product purchases	-56,398	-61,538	-65,333	-76,139	-80,566
Energy	-14,560	-13,484	-12,070	-12,784	-14,890
Subcontracting services	-45,756	-43,979	-44,086	-46,314	-53,005
Other purchases	-43,183	-45,419	-46,441	-53,973	-57,240
Direct economical value after supplier compensation	144,691	137,928	136,758	137,298	154,395
Salaries and compensation to personnel	-65,242	-68,779	-71,584	-77,946	-86,805
Taxes and social fees to authorities	-26,716	-24,994	-25,647	-27,247	-32,997
Direct economical value for financiers	52,733	44,155	39,527	32,105	34,593
Interest to financial institutions	-593	-829	-639	-583	-844
Dividends to shareholders	-7,181	-9,890	-13,201	-10,191	-10,621
Direct economical value for investments and development efforts	44,959	33,436	25,687	21,331	23,128

Purchases 2017, t€



GRI-content index

This report covers Lindström Group data for year 2017. In the report, GRI G4-guidelines have been applied, where relevant.

	Page
Strategy and Analysis	
1	Statement from the CEO
2	Risks and opportunities
Organizational Profile	
3-9	Lindström: size, business and ownership
10	Employees
12	Lindström's supply chain
15-16	External principles and initiatives and membership of associations
Identified Material Aspects and Boundary	
17-23	Defining report content; material aspects
Stakeholder Engagement	
24-27	Lindström's stakeholders and engagement
Report Profile	
28-33	About this report and contact information
Governance	
34	Lindström Group governance structure
Ethics and Integrity	
56	Values and codes of ethics
Economic Responsibility	
DMA	Management approach
EC1	Direct economic value generated and distributed
Environment	
DMA	Management approach
EN1	Materials used
EN3	Energy consumption within the organization
EN5	Energy intensity
EN6	Reduction of energy consumption
EN8	Water consumption
EN10	Water recycling and reuse
EN15-17	Greenhouse gas emissions (scopes 1-3)
EN18	Greenhouse gas emissions intensity
EN21	Other significant emissions to air
EN22	Water discharge
EN23	Waste by type and disposal method
EN27	Mitigation of environmental impacts of products and services
Labour Practices and Decent Work	
DMA	Management approach
LA1	Employee turnover
LA6	Injuries, occupational diseases and lost days absenteeism
LA10	Programs for skills management and lifelong learning
LA12	Composition of governance bodies and breakdown of employees per employee category
LA14	Suppliers screened using labor practices criteria
Human rights	
HR10	Suppliers screened using human rights criteria
Product responsibility	
PR1	Product and service categories for which health and safety impacts are assessed
PR3	Required product and service information and labeling
PR5	Surveys measuring customer satisfaction

Lindström Group Policy - Quality, Environment, Health and Safety

Mission and values

Textile service company Lindström strengthens the company image of its customers. Our service makes our customer's everyday life easier and provides the best value on the market. We are a responsible corporate citizen and a respected employer.

Our engaged employees achieve excellent customer experience and we can create genuine partnership with our customers. In our daily operations decisions are guided by Lindström's values: Profitable growth, Long term customer relationships, Responsibility, Enthusiasm and joy of learning

Our commitments

- In all our operations we promote economical, ecological and social development and respect the human rights of people who are affected by our activities.
- We comply with relevant laws and regulations in all areas of our operations.
- Our preventive risk management ensures continuity of service, improvement of environmental protection and working conditions that promote health and safety.
- We continuously improve our operations and empower all our employees to suggest and implement improvements. Process of continuous improvement is documented and available to all employees.
- We ensure induction and continuous competence development of our employees
- We train our personnel to understand quality, environmental, health and safety impacts of their tasks and act in responsible way.
- We have open interaction with

our business partners in quality, environmental, health and safety issues. We require our suppliers to act according to Lindström Code of Conduct.

- We create and sustain occupational safety culture for our personnel to work safe and stay healthy, also on leisure time. Our goal is zero accidents and occupational diseases.
- Our facilities serve as an example of our services, safe and efficient work environment and facility management.
- Lindström Group employees and service representatives are obliged to act upon this Quality, Environmental, Health and Safety Policy.

Code of Conduct for Lindström Group and its Suppliers

This Code of Conduct defines the basic requirements set on Lindström Group (Lindström Oy and its subsidiaries) later Lindström and its suppliers of goods and services concerning their responsibilities towards their stakeholders and the environment. Lindström reserves the right to make reasonable changes to the requirements of this Code of Conduct in case Lindström own compliance policy is revised. Lindström expects in such a case the supplier to accept the made reasonable changes.

The supplier agrees herewith:

Legal compliance

- to comply with the laws of the applicable legal system(s) of resp. country

Prohibition of corruption and bribery

- to tolerate no form of and not to engage in any form of corruption or bribery, including payment or other form of benefit conferred on any government official for the purpose of influencing decision making in violation of law.

Respect for the basic human rights of employees

- to promote equal opportunities for and treatment of its employees irrespective of skin colour, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age.
- to respect the personal dignity, privacy and rights of each individual

- to respect the personal dignity, privacy and rights of each individual
- to refuse to employ or to make anyone to work against his will
- to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination
- to prohibit behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative
- to provide fair remuneration and to guarantee the applicable national statutory minimum wage
- to comply with the maximum number of working hours laid down in the applicable laws
- to recognize, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organizations or trade unions.

Prohibition of child labour

- to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

Health and safety of employees

- to take responsibility for the health and safety of its employees
- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases

- to provide training and ensure that employees are educated in health and safety issues
- to set up or to use an occupational health and safety management system according to OHSAS 18001 or equivalent

Environmental protection

- to act in accordance with the applicable statutory and international standards regarding environmental protection
- to minimize environmental pollution and make continuous improvements in environmental protection
- to set up or use environmental management system according to ISO 14001 or equivalent

Supply chain

- to use the best efforts to promote among its suppliers compliance with this Code of Conduct
- to comply with the principles of non-discrimination with regard to supplier selection and treatment

Contact

Parent Company and Head Office

Lindström Oy
 Hermannin rantatie 8 / P.O. Box 29
 FI-00581 Helsinki, Finland
 Tel. +35820 111 600
 firstname.lastname@lindstromgroup.com
 www.lindstromgroup.com

Subsidiaries

ZAO Lindström, Russia	Lindström Services India Private Limited, India
Lindström Oü, Estonia	Lindström Tekstil Hizmetleri Ticaret Limited Şirketi, Turkey
Lindström SIA, Latvia	FLLC Lindström, Belarus
Lindström Kft, Hungary	Lindström d.o.o., Croatia
Lindström s.r.o, Czech Republic	Lindström LLP, Kazakhstan
Lindström s.r.o., Slovakia	Lindström doo, Serbia
Lindström UAB, Lithuania	Lindstrom Korea COL LTD , South Korea
Lindström d.o.o., Slovenia	Lindstrom Prodem SIA, Latvia
Lindström OOO, Russia	Enviro Wipes UK Limited, United Kingdom
Lindström Ltd, United Kingdom	Talp-Alj Kft, Hungary**)
Lindström GmbH, Germany	United Hygiene Services Limited, United Kingdom
Lindström Services AB, Sweden	United Eco Services Limited, United Kingdom
Lindström Sp.z.o.o, Poland	Lindstrom (Shanghai) Co., Ltd., China
Lindström S.R.L, Romania	
TOV Lindström, Ukraine	
Lindström (Suzhou) co. Ltd, China	
EOOD Lindström, Bulgaria	

Lindstrom (Beijing) Co., Ltd., China
 Business Textile Services Ltd., United Kingdom
 **) Talp-Alj Kft has been merged with Lindström Kft during financial year 2017

Comforta Group

Head Office
Comforta Oy
 Hermannin rantatie 8 / P.O. Box 29
 FI-00581 Helsinki, Finland
 Tel. +35820 111 605

Comforta Oy, Finland
 Comforta AB, Sweden
 Quickly Tvättcentral Ab, Finland, Åland
 Comforta OÜ, Estonia*)
 Comforta also operates in Russia under the name ZAO Lindström.
 *) Comforta OÜ, Estonia has been merged with Lindström Oü during financial year 2017.

Corporate responsibility reporting project group

Harri Puputti, Vice President, Quality
 Minna Gentz, Senior Vice President, Human resources
 Jukka Keskinen, HR Coordinator
 Petri Vapola, CFO
 Karita Laakso, Group Finance Director
 Sirpa Laine, Vice President, Communications and Brand Marketing
 Sini Rajala, Head of Digital Development, Service Operations – Sales and Markets
 Risto Pyhältö, Director, Strategic Sourcing
 Anna-Kaisa Huttunen, Vice President, Business Concept Development
 Anitta Pirnes, Manager, Corporate Communications
 Lotta Cederberg, Marketing Coordinator

Report orders: anitta.pirnes@lindstromgroup.com

Lindström services

	Workwear	Cleanroom	Mats	Hotel textiles	Restaurant textiles	Personal protective equipment	Industrial wipers	Hygiene products
Belarus	●							
Bulgaria	●		●					
China	●	●						
Croatia	●		●				●	
Czech Republic	●		●					
Estonia	●		●	●	●	●	●	
Finland	●	●	●	●	●	●	●	●
Germany	●							
Great Britain	●						●	
Hungary	●		●			●		
India*	●							
Kazakhstan	●							
Latvia	●		●				●	
Lithuania	●		●				●	●
Poland	●		●					
Romania	●		●					
Russia**	●	●	●	●	●			
Serbia	●		●					
Slovak Republic	●		●				●	
Slovenia	●		●					
South Korea	●							
Sweden	●			●	●			
Turkey	●		●					
Ukraine	●		●					

* At the end of 2017, we finalized the construction work for Cleanroom laundry in India. The laundry will start operations in spring 2018.

** In 2017, we started a pilot project for hygiene products in Russia.

170

Lindström Group

We at Lindström take care of people at their work. Our easy and smoothly adaptable textile rental services enhance safety, hygiene and customer experience. We are a responsible corporate citizen and an engaging employer of over 4,000 people in Europe and Asia. Our Group turnover in 2017 was 358 million euros. Our vision is to be a solid, half a billion euro company achieving excellent customer experiences with engaged employees.

www.lindstromgroup.com



LINDSTRÖM OY

Hermannin rantatie 8 / P.O Box 29

00581 Helsinki, Finland

Tel. +35820 111 600

firstname.lastname@lindstromgroup.com

www.lindstromgroup.com/fi