



SUSTAINABILITY
REPORT
2019

Lindström in a nutshell

We are one of Europe's leading textile service companies with more than 170 years of experience in the textile industry. We offer a wide variety of textile services ranging from workwear, mats, restaurants and hotel textiles to industrial wipers, cleanrooms and washrooms.

We take care of people at their work – everyday. Our easy and smoothly adaptable textile rental services enhance the safety, hygiene and customer experience of our customers and help them be more sustainable.

Lindström operates in 24 countries and employs 4,600 people. The family-owned company's head office is in Helsinki, Finland.

Contents

2	Introduction
10	We care for people
20	We care for the planet
32	Inspiring businesses to grow
42	Finance
46	Management
52	GRI Table

The United Nation's Sustainable Development Goals

The United Nation's Sustainable Development Goals help to reach a better and more sustainable future for all. They address global challenges, like poverty, inequality, climate, environmental degradation, and peace and justice. The goals interconnect, and the aim is to reach these targets by 2030. At Lindström we see that we can promote these three goals in particular.

6 CLEAN WATER AND SANITATION



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 (read more on pages 20 and 30). We also support UNICEF's water and sanitation work in India.

8 DECENT WORK AND ECONOMIC GROWTH



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. We are an equal employer. In addition, we demand responsible practices from all our suppliers (read more on pages 10-19 and 40-41).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns.

We take care of the efficient use of textiles throughout their life cycle and we are constantly looking for new ways to recycle disposed textiles. With our customers and partners, we discover new sustainable innovations. Read more about our co-operation on pages 21-31.

Highlights of 2019

4,600



Employees
in average

Profitability
(EBITA %) 9.9%



€408

Turnover
Million

NPS +26



Average

3.83

(on scale 1-5)
Customer
Satisfaction

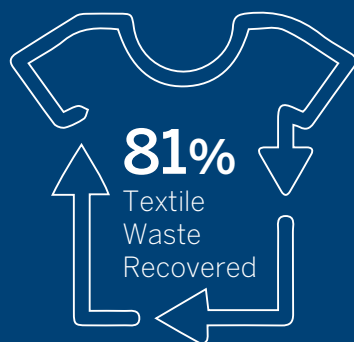
eNPS +40



Average

4.02

(on scale 1-5)
Employee
Satisfaction



OVER TEN

Million Items of
Workwear in Use

538



Lindströmers took part in
Strategy 2025 online sessions



OVER 5 million
textiles repaired

WE CARE – WE SHINE – WE GROW

At Lindström, we review our strategy constantly and update it every five years, to make sure that we keep up with the times. In 2020, the previous strategy period gives way to the new one. With Strategy 2025, we aim to be the most sustainable company in the industry, helping our customers become more sustainable – everyday.

Succeeding in strategy requires everyone to be onboard and work together to reach the shared goals – and therefore we invited all our personnel to participate in the renewal. In 2019, over 500 Lindströmers around the world participated in the online discussions on different scenarios for the future of the company. We even invited our customers and partners to co-operate with us, to envision how they see Lindström in the coming years and what would make us a desired partner in the future.

We dived deep into topics, challenges and possibilities offered to a textile service company. We revised the Strategy 2020 and how its

cornerstones – engaged employees, excellent customer experience, operational excellence and profitable growth – have paved the way for our future success.

During the Strategy 2020 period, we have done a lot to empower and engage our people. We started the process to digitalize our services in order to serve our customers better. We began to co-create more with our customers, e.g., by developing the eLindström service. The measures taken to boost the operational excellence has made us an even stronger and sustainable company today. At the group level, we managed to reach the set goals for the period, even while we are most likely going to be a little bit shy of the half a billion vision target. As a result, Lindström is a financially healthy and solid company, being in a good place to launch the Strategy 2025 period. Sustainability as one of the key themes in the strategy signals a clear commitment throughout the whole organization.



We have been working together with UNICEF Finland for over a decade to advance the set sustainable development goals in different ways. As a textile company, the use of water and energy is a topic we follow closely, thus Lindström has been supporting UNICEF's water and sanitation work in India for water, sanitation and hygiene programs around the country.

In 2019, we urged our people to #GoBlue in celebration of the 30th anniversary of the Convention on the Rights of the Child. In our head office in Helsinki, representatives of UNICEF also came to conduct demonstrations to educate our personnel on how our contribution has supported our ongoing causes – and made the world a bit better.

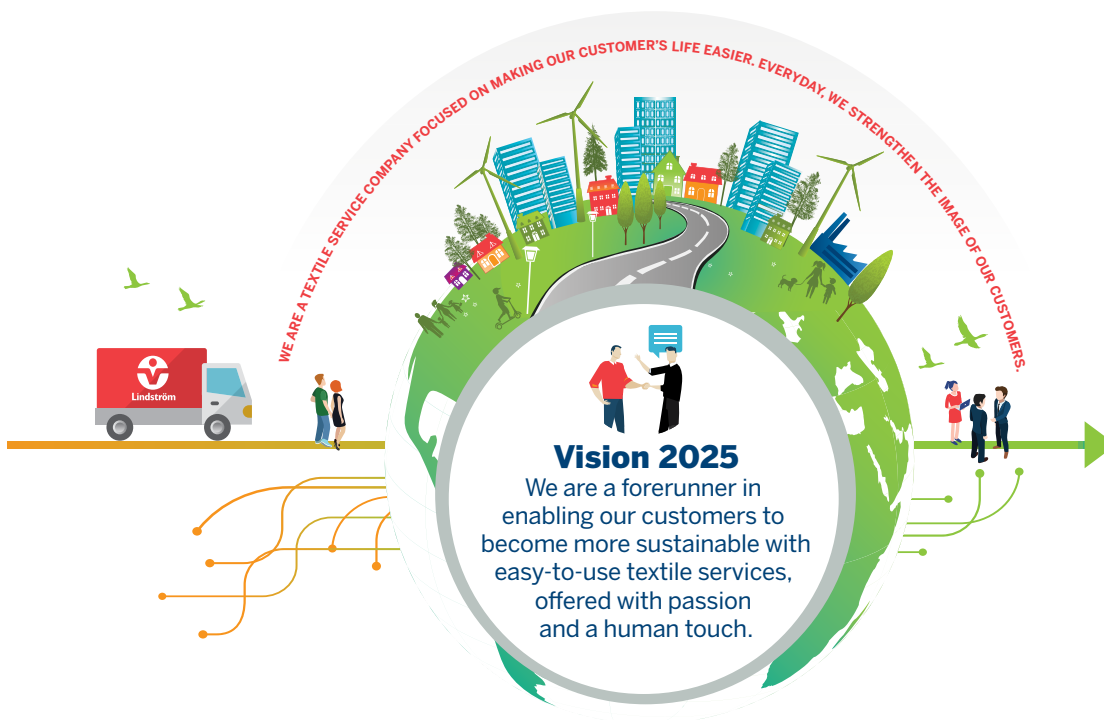
Our purpose **We care for people and our planet by inspiring people to shine and businesses to grow in a sustainable way** explains why we exist and why we matter in this world.

The Lindström Group's purpose was created together through interviews, group sessions and workshops with people from different functions and organizational levels globally. We even asked our customers and partners to join in. We wanted to define the purpose to be something we can all live by, in all of our actions.

Caring for people and the planet is at the core. It requires everyone at Lindström to lead with heart. We strive to empower all stakeholders of our business to feel happier, safer and more confident so they can excel. Through caring for each other, we encourage, support and enable businesses to prosper and succeed in a way that is sustainable, as we want to give more to and take less from our planet with our business activities.

Strategy 2025

We care for people and our planet by inspiring people to shine and businesses to grow in a sustainable way.



MUST-WINS

- INDUSTRY FORERUNNER
- EASY-TO-USE FOR OUR CUSTOMERS
- SUSTAINABLE SOLUTIONS
- INTEGRATED LINDSTRÖM



STRATEGIC GOALS

- PASSION TO IMPROVE
- CARE FOR THE PLANET
- DESIRED PARTNER
- GETTING STRONGER

VALUES

- PROFITABLE GROWTH | RESPONSIBILITY
- LONG-TERM CUSTOMER RELATIONSHIPS | ENTHUSIASM AND THE JOY OF LEARNING

CEO REVIEW

The new decade brings with it a new strategy period for Lindström, created together with our employees and customers. Looking back at the last five years, I see three major movements that have paved the way for our future success: empowering We Care culture, digitalization of our services and an ever increasing need for sustainable solutions.

Sustainability is here to stay. The textile rental business model, based on circular economy, which we've had for over a century, is now more modern than ever. We have put effort into our internal efficiency, and now we help our customers become more sustainable and meet their own sustainability targets, and those of their customers.



The We Care culture is alive and well here at Lindström. Happy, empowered and engaged employees foster a better customer experience ending with happier customers. Empowered people in turn are inspired to ideate and innovate. This can also be observed in the feedback from employees and customers.

We've taken major leaps in digitalizing our services during the Strategy 2020 period. We began with a fast, experimental approach and developed our services as we went along. The primary goal for the service development is clear: we want to make our customers' lives easier. Now that our first digital solutions are running, we study the potential of further data-led services with great enthusiasm.

These are only a few examples of the achievements we have reached together during the Strategy 2020 period. I'm pleased to confirm that all of them have helped us reach our strategic target of being a financially sound company.

Looking ahead, we need to stay up with the megatrends of society and business, especially with respect to how they impact our customers and how we can be of service here. It is only by understanding the evolving needs of our customers that we can support their drive to succeed. This is what motivates us to constantly improve ourselves during our Strategy 2025 period.

Juha Laurio
President & CEO

SUCCEEDING WITH OUR STAKEHOLDERS

Lindström's stakeholders are present in our everyday work. We have an impact on them both on a local and global level, and their experience of working with us means a great deal to us.

That is why we are constantly developing our approach to working with them, to make sure that both of us succeed by working together.

Stakeholder	Expectations of stakeholder	Way to meet expectations
Customers	Desired partner that supports customer's business to grow in a sustainable way. Easy-to-use services are provided with a human touch. Transparent and prompt customer communication.	Our business model is built around operating close to our customers. In close connection with them, we are able to develop our services for customers success.
Shareholders	Increasing shareholder value by leading operations according to Lindström values cost-efficiently and sustainably, ensuring the company's future success by innovating solutions and developing its personnel and the company itself further, maintaining and transferring the company's legacy for future generations.	We are an innovative company with a willingness to learn and develop our products and services, to utilize the new opportunities handed to us to ensure our future growth.
Employees	Responsible and caring employer that pays attention to employees' safety and wellbeing. Embracing diversity, fair treatment and equality. Helping employees to grow and shine by empowering them to lead their performance. Motivational and caring working culture. Learning and development opportunities for personal and professional growth. Rewarding atmosphere and recognition of great work done. Security with regard to employment.	We build a culture of caring, empowerment and diversity for all. We create and sustain safety culture for our people to work safely and to keep healthy. We continuously develop our leadership through the We Care leadership program and provide all our employees various learning opportunities, for instance, through the Growth Academy.
Partners and Suppliers	Long-term partnership that also ensures profitable business in the years to come, a partner that embraces diversity and treats all its partners equally, open cooperation and communication between partners.	When obtaining services from us, our customers actually buy from a whole network of companies. Our supply chain includes our suppliers, our own operations and our delivery service network. We value long-term partnerships and will always make the effort to improve operations together with our partners.
Local Communities and Authorities	Compliance with laws, regulations and agreements; sustainable development and development of processes, innovation of the approach to working; cooperation on different levels; ensuring long-term commitment to the community; transparency of operations, "responsible corporate citizen".	Our business model builds on operating close to our customers. This means we are an integral part of the local communities in these locations. We work closely with municipalities, schools, organizations and other companies.
Industry and Organizations	Innovation and cooperation on industry development topics, knowledge-sharing; adjustment of operations to suit industry standards; active development of the industry as a whole.	We are members of organizations that are significant for our operations, such as the European Textile Service Association. Our specialists act on various national and international teams promoting our field of business, standards and legislation. We closely engage with industry-specific discussion and act accordingly.

SUSTAINABILITY AT LINDSTRÖM



We believe that a successful company can only operate in one way – sustainably. And that is why it is systematically linked to all of our operations and management.

The expectations towards sustainability, however, vary from one country and culture to another. This is also the case in all 24 countries in Europe and Asia where Lindström operates. Despite the differences with regard to legal demands and general local conditions or expectations towards sustainability, we always act responsibly wherever we are.

Becoming the most sustainable company in the industry

The focus areas of our sustainability work are Care for people, Care for the planet, and Supporting our customers to prosper in a sustainable way by providing sustainable products and solutions. We strive to be the most sustainable company in our industry.

A closer look at the textile industry reveals many challenges that need to be solved before reaching the next level in sustainability. One of the largest by far is the way the industry is currently operating in terms of utilizing non-renewable resources. Another refers to the low usage of the final products, especially clothes, which are only worn a short while before their disposal. Further to that, the circumstances where the textiles are produced may not always respect basic human rights.

We are committed to raising the bar for sustainability in the textile rental industry. The key steps are innovations and offerings to reduce the negative impact related to textiles and to support our customers in their aim to diminish theirs

We have zero tolerance for unethical behaviour. We do not hesitate to intervene when we suspect or notice any activities conflicting with our values or

ethical principles. We have launched a whistleblowing channel for all employees to anonymously raise concerns about possible misconduct in business or any wrongdoing noticed or suspected within the company, whether it is deemed illegal, unethical or counteractive to our values or processes.

How we manage sustainability

In 2020, we will define a new road-map of actions and programs, to be able to provide more sustainable solutions for our customers. However, we need to be ready to evaluate and re-define our targets and actions along the way. We have set up a sustainability steering group to manage, prioritize and monitor the work. Sustainability as one of the key themes in Strategy 2025 signals a clear commitment. More importantly, it encourages all employees to feel empowered to act.

Our sustainability work is based on the Lindström Group's common values, mission and vision, as guided by management systems, policies and our Code of Conduct (see in detail on page 50).

The ultimate responsibility for our sustainability implementation belongs to the Group Management Team. The CEO and the Board of Directors review and approve the policies and primary sustainability initiatives and targets. But sustainability is managed throughout the company with our We Care culture, by leaders and committed teams every day.

Sustainability-related risks and opportunities are assessed and controlled by the Lindström Board. The assessment focuses on foreseeing changes in our business operations, in the operating environment and in the prerequisites of our operations. Apart from risks, we see great opportunities in caring for people and the planet. Sustainability related guidelines and centralized development are embedded to several global functions and steering groups tasks. Human

The tree is known for its fruits

Genuine sustainability at corporates? I think it's about the culture, leadership and values.

Sustainability cannot be lead from the outside in. Whether we mean quality, safety or respect and care for people and the planet, it is about leadership. Leaders need to be on the front lines showing the right path and setting circumstances right to make things happen. This approach needs to be woven into daily choices and actions, then the results will speak for themselves.

We have four fundamental values: Profitable growth, Long-term customer relationships, Enthusiasm and the joy of learning and Responsibility. We take these into account in everything we do.

I have worked at Lindström for 15 years, and since day one, I could sense that the company's values were well in line with my own. That's why working at Lindström makes me shine!

Harri Puputti, Vice President, Quality

Resources develop and guide the We Care culture and leadership skills, provide a comprehensive framework for learning and development and support line management in wellbeing and employee engagement related topics. Global Procurement team defines and implements supply chain strategy, manages and monitors the sustainability in supply chain. In Health & Safety

point of view a Group level H&S steering group sets and prioritizes the activities to be implemented in local H&S committees, promotes transparent safety culture and develops the H&S reporting. For global Service & Product Concepts, sustainability is one of the key fundamentals in developing new offerings.

Lindström values guide our actions

PROFITABLE GROWTH

- Innovative development and new thinking create growth, leading to success for all of us – Customers, Employees and the Company.
- Efficient and cost-conscious operations ensure our profitability – giving us the possibility to invest in new openings.
- Long-term thinking guides our decision-making and resource allocation.

RESPONSIBILITY

- We act in a responsible way in everything we do – financially socially and environmentally.
- We operate to the highest ethical standards, respecting local cultures and acting according to local laws and regulations. We expect our suppliers and partners to follow the same principles.
- As a family owned company we are committed to building a legacy that future generations can be proud of.

LONG-TERM CUSTOMER RELATIONSHIPS

- We create a top-level customer experience and add value for our customers.
- By listening to our customers we understand their needs. This enables us to develop our competitive offering in the market.
- We are honest and keep our promises. We face any challenge as it arises.

ENTHUSIASM AND THE JOY OF LEARNING

- Our people are supported in their work through interactive communication and open feedback.
- We encourage personal development by providing new opportunities, experiences and chances to learn.
- Together we make our company an excellent place to work.

WE CARE FOR PEOPLE



Our people are at the heart of everything we do, and we aim to build a culture of caring, empowerment and diversity for all. Caring requires everyone in our company to live by our values and purpose.

Employing Lindströmers from 60 different nationalities

We have employees in 24 countries working with our unique circular economy textile services that are used by millions of people around the world. We all share a common purpose of using our skills for good – for people and our planet.

We continuously onboard new Lindströmers, who share their purpose with us and want to be part of our story. Today we employ people from 60 different nationalities globally.

Shifting demographics pose challenges in both developed and emerging economies and as an employer, we want to look ahead in the context of the future of work. Awareness of possible challenges has made us proactively search for opportunities

and systematically remove things that could slow us down, like language skills.

For example, in Finland we have partnered with language centers that provide our immigrant workers Finnish language courses of many kinds – and in that way also help them to integrate into Finnish society. Today, we employ over 150 people with immigrant backgrounds in Finland, a total of 34 different nationalities.

We Care is caring for diversity

We believe in the power of diversity. In 2019, while centralizing selected finance transactions as part of our Finance Forerunner project, we recruited about 20 new professionals for different finance roles in our head office. These 20 people represent 12 different nationalities from around the world, including countries such as Denmark, China, Russia, Singapore and Venezuela. Having personnel from many different backgrounds allows us to develop cultural awareness and learn from each other as we move forward and build our growth story.

From left Patricia Sánchez, Josué Bastidas and Evgenia Laxberg enjoy working with colleagues around the world.





We Care culture at the heart of every Lindströmer

Our We Care culture is in everything we do: our development, our performance, our wellbeing and how we treat people.



What is the best thing about a diverse team with so many nationalities?

“The best part of working in a diverse team is that you can learn a lot from your colleagues. It is not only about knowing different cultures, but you also learn that there are many ways of thinking and doing the work. It improves your creativity and forces you to get out of your comfort zone.”

Patricia Sánchez, Accounts Payable Specialist

“As a foreigner, the beauty of being a part of a diverse team made up of different nationalities is that it is easier to blend in. It is easier to be part of the project and become part of the team.”

Josué Bastidas, Group Sales Receivable Team Manager

“What I like the most about working in a diverse workplace is that it makes people more open-minded. We get to learn about each other’s experiences and become more aware of what’s happening in the world. When everyone around you is different, there’s less pressure to conform, which makes it easier for people to be themselves. In this inclusive atmosphere, we can freely share ideas and opinions, learn from each other and grow together.”

Evgenia Laxberg, Financial Controller

HOW DOES YOUR WORK AT LINDSTRÖM INSPIRE YOU?

I feel loved and respected by my colleagues

"I joined Lindström in 2016. I have a textile background, so I knew that this job would give me and my life a lot. Because of my job, I feel that my life is now much more regular and of a higher standard. I have more time for myself and my loved ones. My wife also works at Lindström, so we form a small family inside this real family company.

My colleagues make my day. You probably know the feeling, when you belong somewhere. Here in my job, I have that feeling. I feel respected and loved by all of my colleagues. And what is also important for me is that I feel free here. I can be myself, do my best and that is appreciated by my work community.

What has been eye-opening is how you can really have an impact on the planet with small actions. At Lindström, recycling and circular economy are at the heart of everything we do – it has also changed our family's understanding of recycling. We are now much more active recyclers.

Sometimes I wonder what my life would be like without this job. I guess I would work in the textile sector, but I would



have less time for my family and myself. Most importantly I would be under more stress, which of course would not be good for my wellbeing".

Kenan Ersoy
Textile Care Worker
Turkey

I can grow and shine

"My life at Lindström began seven years ago. I started at our service center as a textile care worker. I liked my job, but over the time my motivation for development began to grow. I wanted to take a step further in my career and move to a higher position. I was glad that this desire was crowned with success and I started to work as an assistant representative for our key customers.

At Lindström my personal mission and desire have always been "to be closer to the important customers". That is why I am happy to say that I have always given new opportunities at Lindström and over the course of circumstances, I became a representative for our key customers. My work at Lindström inspires and gives me a lot. My life is dynamic with many new meetings with different people in different positions. This is very



interesting for me. My other dream is to be a pilot, but for the time being I am satisfied with my work as a Lindströmer".

Antoan Gerev
Key Account Representative
Bulgaria

I have also time for my family

"My story in Finland began in the spring of 2009, when I moved from Estonia to Helsinki with my family. When one moves from one country to another, it always has its challenges. One of them is how you find a job that will inspire you, given that in almost every workplace, you need to speak or at least understand Finnish.

I was lucky when I found my way to Lindström nine years ago. Now, I could not imagine how my family and my life would look without Lindström. I am privileged to work in such a caring and sustainable company every day. Each day I get to do something that I like.

In my role as a textile care worker, I take care of our customers' textiles, such as bed linen and towels. My work is very rewarding as I know that I do something good for our customers. The best thing about my job is flexibility, being able to balance my work life and my family life. As we are a caring workplace, I have always been given a possibility to arrange my work schedules in a way that I have time for my family. This is very important to me as I have two children and a husband. It also brings my family a lot of financial security when I know that I get a salary every month at the same time.

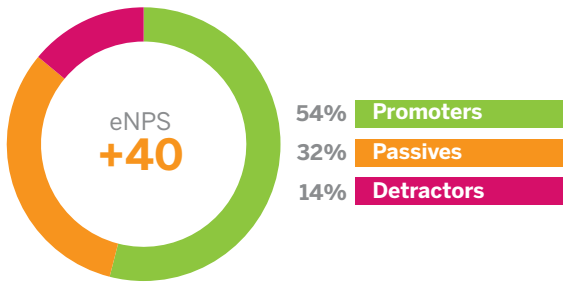
At Lindström, we have a special We Care culture. This means that we take care of each other and do things together. My colleagues are awesome, they are like a second family to me. Obviously, my Finnish language skills were not that great at the beginning when I moved to Finland. But now, thanks to my job, I speak fluent Finnish, which has helped me a lot to cope also with other things in society. When you have small children you also want to take good care of yourself. But, if something were to



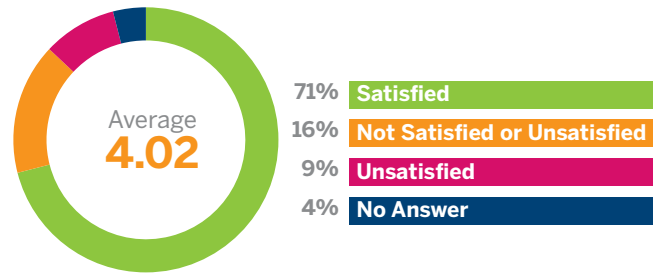
happen to me, through my job, I can also easily contact a doctor, which is one of the many benefits of working here. This is true caring".

Reelika Palotu
Textile care worker
Finland

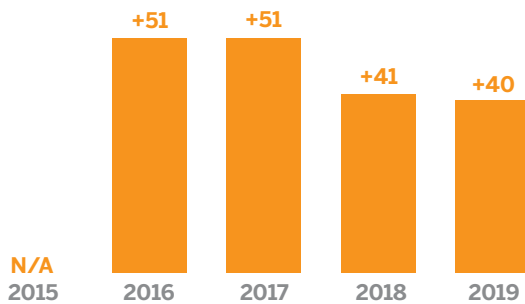
Employee Experience (eNPS)



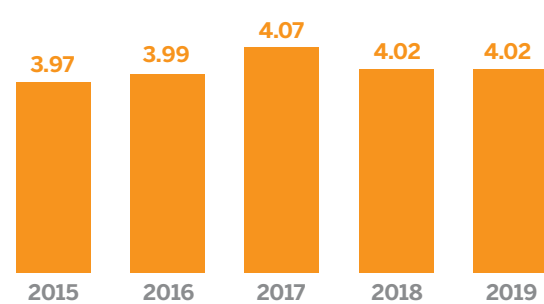
Employee Satisfaction



Employee Experience Development



Employee Satisfaction Development



Employee experience | eNPS: eNPS tells us how many Lindströmers would recommend us as an employer.

Employee satisfaction: tells us what makes our employees happy, while working for Lindström. We look at different aspects of work, for example, whether our employees feel

empowered at work, whether they are satisfied with their learning opportunities, whether they are happy with how they are being rewarded and recognized, whether they are satisfied with the direction the company is set to take in the future, whether they are satisfied with its leadership and whether we are nurturing our We Care culture.

Highlights of 2019

We employ

4,600 
people in
Europe and Asia

60 
different nationalities
worked for Lindström



We started the journey of creating our corporate university called **Growth Academy**

23 **We Care**
leadership training workshops were held globally



64% of our leaders participated in our **We Care** leadership program



CONTINUOUS JOURNEY FOR BETTER LEADERSHIP

Because we care for our people, we develop our leadership continuously. To ensure that we really start living by our We Care approach we began our journey of We Care leadership in 2018.

At the core of our We Care leadership program is the development of leadership skills, emotional intelligence, self-awareness, building trust in our teams and creating high-performing teams by leading with heart. One of the most important jobs of our leaders is to enable our people to bring their own purpose to life in their everyday work - and develop their skills for the good of people and our planet. That is why a big part of our leadership training has been to focus on purpose-led behaviour, i.e., how we can inspire each other to reach meaningful goals together.

Our goal was to ensure that our We Care culture is manifested by our leaders in their everyday lives as they act as role models for all Lindströmers

worldwide. The program was kicked off in 2018 with 30+ leader ambassadors from all areas of the company. They participated in the first We Care Leadership workshop. As ambassadors, their responsibility was then to take it forward and start building and facilitating the local We Care leadership programs. The journey continued with eight pilot countries in 2018, expanding to almost all of our operating countries in 2019. During 2019, 64% of our leaders were trained on our We Care leadership principles and culture.

As in any development work, the management commitment is highly crucial. We are happy that our executives have truly embraced the We Care leadership program and retrained themselves as We Care ambassadors. In this role, they have participated in facilitating and building local programs, flavored with leadership themes of special interest in that region or culture.

Setting the path to We Care leadership

In September 2018, I had the privilege of taking over the Central and Western Europe region. I spent the first months setting up and getting to know the Regional Management Team through monthly meetings, developing meeting practices, agreeing on behavior expectations such as being "present", being our true selves and remembering to have a laugh every now and then.

To establish a deeper level of trust, UK HR Manager Sarah Marchant and I organized a leadership workshop focusing on learning about, and

understanding, our cultural and value-based differences and their impact on not only our behavior, but also on how that behavior is perceived. We dedicated time to getting to know ourselves and each other better. After two intense days, the dynamics of the team changed. We understood better how each one of us approach different questions, our intentions, and how to interpret each other's behavior. Ongoing feedback from our peers and team members has been the force driving our development as a Regional Management Team forward.



Mika Kujala,
Senior Vice President,
Central & Western Europe
Lindström Group

THE JOY OF LEARNING – LINDSTRÖM GROWTH ACADEMY

The joy of learning is one of our core values. It means that we believe in the power of continuous improvement. We encourage and inspire our employees across all of the countries where we operate to stay curious and develop their skills.

Guided by our purpose, We Care Leadership Principles and our We Care culture, in 2019 we began the journey of creating our corporate university called Growth Academy. With blended learning opportunities from short virtual training sessions and e-learning workshops to on-the-job learning workshops and face-to-face sessions, we support our strategy 2025 and the development of the competencies of our employees.

For us, Growth Academy is more than just a learning and development platform. It stands for building the community and new internal ecosystems through project work and virtual collaboration working in market sprints with two talent development programs specially created to support internal career development for our future potential managers and executives.

By offering our employees multiple learning opportunities, we want to support all our Lindströmers to shine and grow. Our learning portfolio includes topics from our Sales & Markets and Operations departments as well as leadership, coaching, managing change and transformation and many more. We want to switch from a culture of training to a culture of learning, giving our employees ownership of their own development and the opportunity to tailor-make their own learning path to support their short- and long-term aspirations and career plans.

In 2020, we will offer more than 60 different virtual and face-to-face training sessions and workshops, with over 30 internal trainers, and we will keep on developing. Every year, the Growth Academy faculty will revise the educational content and modify it according to the needs of our employees and our business both globally and locally with digitalization being one of the focus areas of the future.



EMPOWERING PEOPLE TO GROW AND SHINE EVERYDAY



Our purpose is to inspire our people to grow and shine. This means that everyone in our company has equal learning and development opportunities to become the best they can be. We want to give our employees ownership of their own performance and an opportunity to create their own learning path.

In 2018, we challenged ourselves and started to re-think how we could lead our people's performance even better. Our goal was to find practices that aim not only to inspire and grow our people, but to make our strategy truly alive in all of our everyday tasks. We held several Leading Performance workshops and training sessions globally to crystallize how we engage our line managers to lead our people's performance even better on a daily basis.

Now we have dedicated our We Care leaders and our global teams to help each other grow every day. We believe that to learn and shine, we all need to have clear goals for our work. For us to be able to reach these goals, we all need continuous feedback, coaching and support. By leading performance, we give our people the space to deliver and possibilities to discover new learning opportunities every day.

For us, leading performance is a daily exercise and a big part of our culture of caring. We do things together: we perform together, and we give feedback to each other.

As we lead with our hearts, we do not only lead with efficiency in mind. We believe in sustainable performance. This means that every one of us may have different things in our lives which may temporarily impact our performance. We discuss with our leaders that when you lead people, always take into consideration their full wellbeing, stress levels, family life, purpose and motivation.

We believe that when our people shine, they will in turn inspire our customers to shine. Leading performance helps our people to dream big and navigate through their day-to-day work and actions with clear focus, strong ambition and possibilities to grow.

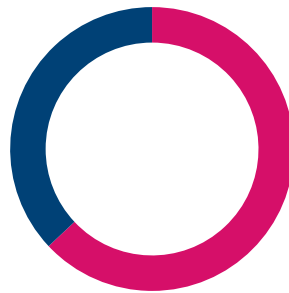
LINDSTRÖMERS IN FIGURES

People by
Position 2019



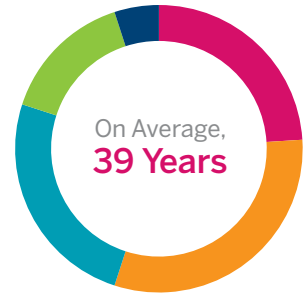
Production	61%
Sales and Customer Service	23%
Experts	13%
Management	2%

People by
Gender 2019



Women	63%
Men	37%

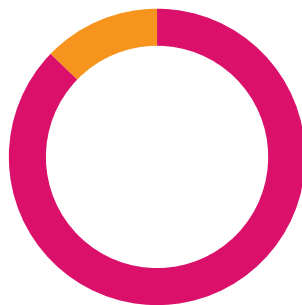
People by
Age Group 2019



Under 30 yrs	24%
30-39 yrs	31%
40-49 yrs	25%
50-59 yrs	15%
60 yrs or over	5%

On Average,
39 Years

Type of
Employment 2019



Full-time	87%
Part-time	13%



Permanent	89%
Fixed-term	11%

People by Country							
Finland	1,706	Lithuania	162	Slovak Republic	90	Serbia	31
Russia	458	United Kingdom	159	Sweden	76	Croatia	27
Hungary	393	Ukraine	135	Poland	59	Belarus	23
India	292	Estonia	134	Bulgaria	56	Germany	14
Latvia	266	Czech Republic	108	Romania	46	Kazakhstan	8
China	225	Slovenia	96	Turkey	40	South Korea	7

SAFE WORKING ENVIRONMENT FOR EVERYONE



For us it is essential that every Lindströmer works safely, with a zero-accident mindset. We do our best to prevent any accidents from occurring, by reinforcing open and safe working culture and by continuously observing any possible risks and dangers. We follow the ISO 45001 standard for health and safety management.

One of our focus areas in 2019 was raising the number of safety-related observations from our safety walks. Unfortunately, we are still lagging behind our target level; this is not only due to the number of findings, but also their quality. We have put emphasis on gaining a better understanding of the factors that cause the risks and how we could remedy them.

In 2019, we have developed our safety communications by updating the global H&S guidelines, the regular publishing of safety bulletins and safety challenge videos and by further defining the health and safety responsibilities at different

organizational levels. In addition, we organized health and safety-related training workshops for our employees about fire safety, emergency evacuation and first aid locally in our workplaces. Training in the safe operation of production machinery is included in the onboarding process of production personnel.

Whilst the safety practices are outlined in the guidelines and policies, developing a preventive safety culture requires both time and leadership to mature. On top, a genuine safety culture also calls for open and transparent communication about unpleasant topics, such as accidents that have occurred.

Our challenge is the varied level of registered and reported accidents in different countries, which results in an inability to benchmark the results and witness true progress. Line managers have a major role here in leading by example.

Sick Days, Personnel Turnover & Injury Rate	2015	2016	2017	2018	2019	Vision 2020
Injury Rate (injuries/million working hours)	6.8	6.8	6.8	7.5	4.9	< 5
Sick Days, %	4.36	4.48	3.91	5.08	4.1	
Sick Days Per Person/Year	10.58	10.63	9.98	11.08	9.64	< 7
Turnover of Personnel, Permanent	17%	18%	19%	18%	25%	

Safety Observations	2015	2016	2017	2018	2019	Vision 2020
Number of Observations	745	1,133	1,205	1,638	1,881	
Observations Per Person	0.23	0.32	0.3	0.41	0.40	3.5



Safety of delivery people

The most visible part of our work for our customers is the delivery of textiles, which is run by our partners. Although they are not our own employees, we still care for theirs as well as for customers' safety. The systematic monitoring of safety topics by the partners has proven to be difficult.

Unfortunately, in 2019 there were two fatal traffic accidents on our deliveries. To prevent these risks in the future, we have further defined the ways of operating and route planning, as well as updated the instructions and road safety training for the delivery service. To help the entire organization learn from these accidents, we have also shared information and discussed corrective actions globally.

In 2019, the injury rate resulted in 4.9, which is in line with the Vision 2020 target (<5.0).


Working towards zero accidents

Most accidents to our employees occur while commuting to and from work and while moving the trolleys and grids at laundries. After a period of operating at a rather stable level, the injury rates increased in 2018. This was partly explained by the fact that the practice of taking initiative in the reporting of accidents has improved in some of our operating countries and also because we have been active in emphasizing our culture of caring, where people truly make a point of bringing up and reporting any accidents or injuries that occur.

In 2019, the injury rate went down, mostly due to positive development in Finland. Our 2020 vision for safety observations per person is 3.5. This is our goal and we are working to get there – even if we are not yet there. This means, among other things, that we need to improve our common means of registering accidents in all of the countries and cultures that we represent. Furthermore, we will start measuring safety observations by involving country management. When we have this in place, it will be easier for us to benchmark the numbers between our countries and see the true progress.



WE CARE FOR THE PLANET



For us, caring for the planet means that we use natural resources wisely. We support our customers to meet their environmental targets. They can be confident that our services are responsibly sourced and that we operate efficiently. In addition, we take care of garments and extend their life cycles to be as long as possible.

Our major environmental impacts are caused through sourcing of products and textiles, with the laundry processes and at the disposal of the products. Annually, we source over 4,000 tons and dispose of 1,600 tons of textiles globally.

The excessive growth of textile waste is a global challenge that must be solved. By repairing workwear, giving new lives to used textiles and by boosting circular economy with our stakeholders, we want to give more to the planet and use less of its resources.

In the future, the focus will be on further developing our sustainability and sourcing, as well as on carefully studying the environmental impacts of our supply chain. During 2020, we will define our new targets for improved recyclability of textiles and reducing waste generated in our operations.



Climate change and other environmental risks

Climate change with various ecological and physical changes, as well as the scarcity of natural resources have an impact on the people's daily lives. It also affects us, especially through our supply chain, with regards to raw-material availability.

Natural fibers, such as cotton, are the backbone of the textiles we are using. Their production requires large amounts of raw-materials, water, energy and chemicals. We strive to ensure each textile produced is worn, reused, repaired, and recycled to avoid wasting natural resources. The tightening

regulation, accelerating awareness as well as the demand for environmentally sound operations from our customers and employees pushes us to reduce the emissions throughout the value chain.

We see these as a challenge and do our best to enhance the efficiency of our own operations. We constantly develop and search for circular economy business model solutions together with our stakeholders.



OVER TEN
Million Items of
Workwear in Use



OVER 5 million
textiles repaired

SUSTAINABLE VALUE FOR OUR CUSTOMERS

Textile rental service is a waste-free, time-saving choice, as the responsibility for purchasing, maintenance, and disposal of all textiles lies with Lindström. Our business is based on a model where more is less: more extended life cycles for all our textiles, less burden on the planet. Our customers reach their own sustainability targets with Lindström solutions.

Design that makes a difference

Responsible service and product design is not just mitigating the carbon footprint or choosing sustainable materials, but a systematic work from studying what the products are used for, all the way through their life cycle. That is why responsible design thinking which considers circular economy principles is embedded as a solid part of all our service and product development processes.

Design for a long life is an essential part of the textile rental business. Functionality, security and long-life usually go hand in hand, and the longer we keep a product in circulation, the smaller its environmental burden is.

We aim to recycle all our waste textiles, but the needed technology is unfortunately not there yet to close the loop for textiles. End-of-life textiles are still disposed of mainly through energy recovery. Our textile recycling rate in 2019 was 24%, and it has been growing annually. However, we want to increase recycling of our textiles drastically and fast.

1. You can focus on your core business.

We want the end-users of our service to be and feel comfortable. All design decisions are thoughtfully made after test-uses and careful dialogue with our customers.

2. You can rely on our responsible approach to working.

Using resources efficiently is one of our top priorities. The key is producing only the needed textiles, in just the right amount. We carefully select materials from proven suppliers to eliminate unwanted human rights, safety or environmental risks.



3. You generate less waste.

We design and produce each textile to fit the user and usage. We keep transportation distances short with local service centres and optimized routes and take care of the sustainable disposal of materials after use.





6. Your textiles recycled to become something new.

When we cannot find a way to recycle the textiles as raw material or upcycle them, we recover the energy stored on the textiles. We constantly monitor new innovations and test them with our partners to increase the possibilities for recycling.

5. Your choice makes a difference.

You get durable textiles that can be repaired, recycled and reused both during and after their years of service, lightening the overall burden on the environment. When the textile is not usable anymore, we can reuse it in a different job function and maximize the life cycle of textiles.

4. You save water and energy.

With our highly efficient industrial washing process, you and the globe actually save a lot of energy and water compared to washing your work textiles at home. It is also a more hygienic solution compared to home washing.

SUSTAINABLE SOLUTIONS



We constantly increase our understanding of the lifetime impacts of our services. We engage our experts and our customers to co-create in order to address the needs of the world around us. For example, our returnable shopping bags meet the needs of both our customers and their end-users as well as the urgent need of the oceans. Durable bags wear out the single-use plastic bags and support our customers in their pursuit to reduce the unnecessary use of plastic, developing reusable packaging and improving recycling. It also makes it easier for consumers to make responsible choices in everyday life. In 2019, we also introduced ECO Design mats made of recycled plastic bottles.

Ecolabel certified cotton towel roll service

In 2019, in Finland alone, our cotton towel rolls were used to dry hands more than 338 million times. We delivered almost 3.4 million clean cotton towel rolls to our customers. This amount of rolls has helped our customers save more than 10 million kilos of paper waste, comparable to more than 1,000 full garbage trucks.

Compared to recycled paper, in 2019 our service helped to decrease CO₂ pollution by 1.52 million kilos. This is equal to driving your car about 241 times around the globe, so twice every three days. Compared to paper from virgin materials, over 110,000 additional trees would have been needed to produce the paper just for hand drying in Finland in 2019.

We are proud that our cotton towel roll service is certified with the Nordic Swan Ecolabel in Finland.

Return your shopping bag

Plastic is regarded as one of the biggest hazards to the environment today. With the aim of replacing all single-use plastic bags, Lindström has launched the Returnable Bag™ in 11 countries, with wide acceptance from the markets. E.g. in India, where plastic bags were then newly banned, the Returnable Bag™ was awarded "the Winner of Customer Retail Journey Innovation" at the 2nd Edition Future of Retail Summit & Awards 2019. The Returnable Bag™ began its story from a co-creation project in Finland and it works in a similar manner to a deposit bottle; buy the bag at check-out counters and once the bag gets dirty, return it to the store. We pick up the used bags from the stores, wash them to ensure superior hygiene and safety, and then restock nice and clean bags for the next user.





An apron that turns into a backbag

Have you ever thought of turning your apron into a backbag? We neither, but somehow this happened. With circular economy being the backbone of our daily work, some sustainable innovations come naturally.

Like our Binda apron that is designed to function as a perfect and stylish apron – and later on, as a perfect and stylish back bag. We wish you a long and happy life!



Mats made of plastic bottles

Plastic waste has been troubling the planet for years now, but together with our partners we are coming up with solutions left and right. Used plastic bottles, instead of being discarded, are being utilized to produce our ECO Design mats.

Half of the yarn used in the mats is made of recycled plastic bottles. This means 32 plastic bottles are used for one square meter of a mat. In 2019 only, we used over 206,000 plastic bottles and the figures are increasing.

The new ECO Design mats have gone through numerous tests to ensure they are safe and will last in circulation for years. And the longer yarn means also softer mats, which makes them perfect layer under the littler running toes, for example in kindergartens.



JOINING FORCES FOR SUSTAINABILITY



To eventually close the loop for textiles, circulate the end-of-life textiles back to new material and minimize the share and dependence on virgin materials, we need a systemic change within the industry for scalable solutions. This means that the shift from linear to fully circular business also creates pressure upstream in our value chain, to develop our suppliers' offerings to enable material circularity. We constantly monitor the possibilities for such large-scale systemic solutions, whether in the field of research or business, to find the right solutions and partners. However, these are often long-term projects that require years of research before they are ready to scale-up. The European Union's Extended Producer Responsibility (EPR) requiring separate textile waste collection and recycling by 2025 puts pressure and incentives on speeding up these large-scale solutions. Meanwhile, we do our best to find ways to recycle end-of-life textile right now. This often means smaller operators and more local level activities.

Circular approach from the bottom up

In 2019, we kicked off a series of internal workshops focusing on textile recycling, gathering eager Lindströmers from different units to give their input and ideas to bring the topic forward. In addition to the upcoming change in legislation that requires separate collection of textile waste by 2025, recycling end-of-life textiles is also an important topic among our customers. However, the biggest driver for these workshops were employees' own enthusiasm to find a means of increasing the sustainability of our services.

In these workshops, we have identified side streams in our operations and partners that can value our textile waste as a resource. We will continue these co-creation workshops, pushing both ourselves and the circular economy forwards.

Used workwear and towels turning into stylish street wear

In 2019, we started a co-operation with **Sideflow**, a Finnish start-up company aiming to connect textile waste producers and utilizers with each other. The first pilot was carried out together with a menswear brand **Mannisto**, which is making the most out of even the worn-out details of workwear. The design process resulted in a circular street wear collection, which was presented and sold at a pop-up store in Helsinki, Finland.

Another Finnish sustainable fashion brand, **TAUKO Design**, is also designing and making new clothing from our side stream fabrics. There are already funky canvas bags hanging on the fashionable hipsters' shoulders, made from Lindström's textiles. And a whole upcycled costume stepped into the catwalk at Berlin fashion week in Germany in January 2020, spreading the philosophy of slow fashion.

We have also joined forces with the Finnish design studio **Jouten**, which is upcycling used Comforta cotton terry towels into high-quality and fresh-looking clothing. Who would have thought that the towels used in five-star hotels would be continuing their journey as cool t-shirts, hats and hoodies!



Boosting circular economy in Estonia

Managing Director of Lindström Estonia **Kadrian Jaagund** is an active advocate on the front lines of circular economy.

“Adopting the principles of circular economy entails opening doors to new types of business models. We want to expand the perception of other business leaders and show that it is not a luxury concept, but is instead a pragmatic means of investing in future growth while also saving the planet,” Kadrian describes.

No organization can, however, run on circular economy alone – it works like an ecosystem that we all need to adapt to. We also need to engage scientists and cooperate in R&D with full end-to-end supply chains in finding new sustainable materials that are durable yet easy to recycle. The more sustainability we can introduce to each link of the supply chain, the less we create waste that needs to be recycled.

“I’m pleased to say that Lindström’s story of executing the principles of circular economy has been an inspiration to many top managers, specialists and journalists who want proof that circular economy is, in fact, a real opportunity,” Kadrian states.



Creating future standards for circularity

Although circular economy is getting recognized around the globe, the common vocabulary, frameworks and tools are lacking.

ISO (International Organization for Standardization) is now creating a standardization for circular economy, thus defining the related frameworks, guidance, supporting tools and requirements. A total of 59 participating countries worldwide are currently involved, and we have joined the Finland’s national standardization work and contribution, coordinated by the Finnish Standards Association.

“This work is a great opportunity to get an overview of what’s going on in circular economy on a national and international level. It gives us the possibility affect the future standards and adjust our own processes to be in accordance with them from the early stages onward,” shares Product

Specialist **Inari Laveri**, Lindström’s representative on Finland’s team.

The standardization process takes approximately three years, and the standards for circular economy are expected to be published early in the 2020s.



INSIDE OUR OPERATIONS

In our textile service and laundry, the most significant environmental impacts are caused by energy, water and detergent consumption. Close to 45 million kilometers of logistics annually are carried out by our partner companies. Still, we consider the emissions from the delivery routes as our own.

The goal is to streamline our water and energy consumption. Most of the energy is used to heat up water for washing and to finish the textiles. We have installed heat recovery systems in many laundries to collect heat from wastewater and dryers and we recycle water in washing. In all our laundries, there are filters for wastewater for removing suspended solids like dirt, lint and some amounts of microplastics, before water is led to the treatment plant.

The amount of water needed for washing depends on the product and the level of dirtiness. While washing mats and hotel textiles consume less than 5 liters of water per kilo, workwear washing requires in minimum double this amount. On top of that a

cleanroom washing may demand up to 10 times the amount of water. The increased customer request for cleanroom services as well as the growing number of industrial wipers in washing raise our water consumption. Therefore, keeping up with previous years' water consumption levels per kilo of textiles washed is truly a challenging target for us. However, during the last few decades, we have managed to squeeze the water consumption to remarkably lower levels.

We have developed our services and processes to be closer to our customer. Our efforts to reduce the need for logistics includes, for example, improving the maintenance process of cotton towel rolls by wrapping the rolls even tighter, which enables us to load more rolls in one haul. As caring for the planet requires employees' everyday participation, we have built up an internal environmental training program. It consists of understanding the environmental impacts of our operations, energy efficiency and recycling knowledge, among other components.

Our vision goals for 2020 are to

Increase textile waste recovery rate* to

90%

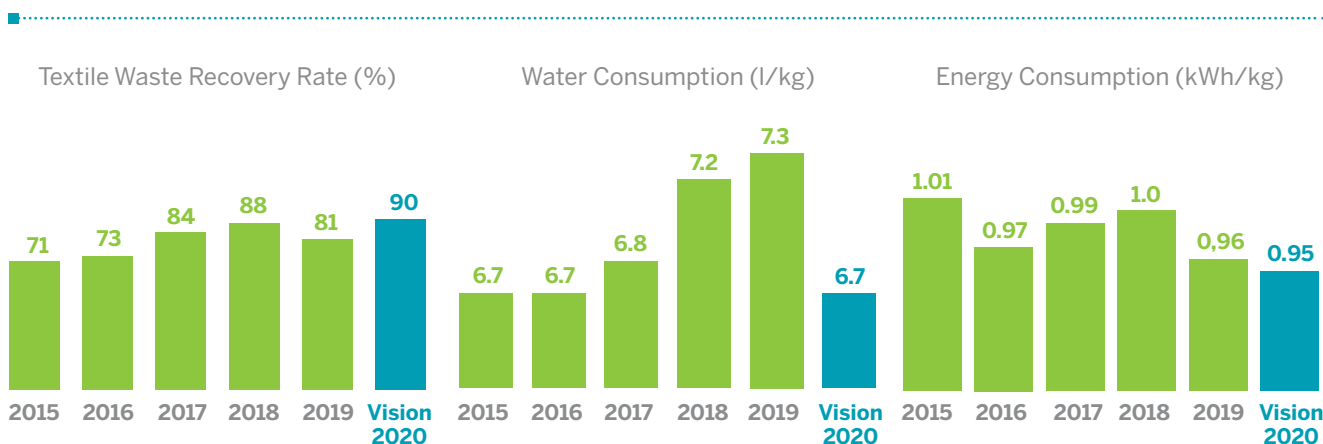
Squeeze water consumption to

6.7 liters
per washed kilo

Cut down the energy consumption to

0.95 kWh/kg
per washed kilo

*By recovery, we mean both recycling and energy recovery of textile wastes



Microplastics raise questions

Microplastics (the tiny plastic particles, less than 5mm in diameter) are considered as one of the most critical pollutants for nature. Synthetic textiles, such as polyester and fleece, contain microplastics. We use polyester in our textiles because of its excellent properties, strength, chemical resistance and its long life cycle. However, we act to reduce the incidence of microplastics ending up in water. The means of influencing this come about via our product development and through material choices.

We favor highly twisted yarn and tightly knitted or woven textiles that entail less release of microplastics.

We have also made the decision to cut our microplastic discharge and switched to microplastic free abrasiva soap to completely cut our microplastic discharge from our Washroom Service soaps during 2020. We also ensure appropriate wastewater treatment.

We take the dirt with us

Perhaps surprising, the biggest amounts of waste types we have, along with textiles, are sand and hazardous waste. This is the result of the mat services: the waste comes with gathering all of the sand wiped off of shoes in customers' lobbies. We also have the industrial wiper service to wipe all of the oil and solvents off of the tools and machines in the factory halls.

We have invested in the wastewater treatment equipment with which we collect hazardous particles away from water led to the sewage. According to our waste hierarchy, our primary aim is waste prevention. We constantly develop new ways of working and share best practices with our units. We avoid plastic packaging in all our operations. Instead we use reusable and washable fabric solutions to protect textiles during delivery when needed.

Energy Consumption by Source 2019



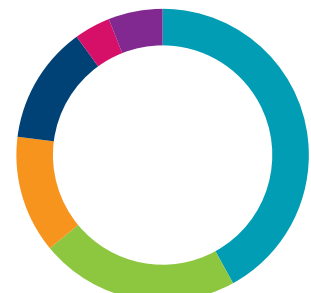
Natural Gas	49%
Electricity	22%
Propane	22%
District Heat, Biogas & Oil	5%
Steam	2%

Textile Waste Recovery 2019



Energy Recovery	57%
Recycling	24%
Landfill	19%

Wastes by Type 2019



Sand and Sludge	42%
Textile Waste	22%
Mixed Waste to Landfill	13%
Hazardous Waste	13%
Energy Waste	4%
Other*	6%

* Cardboard and paper, metals, plastic, bio waste

Ecological Balance Sheet	2015	2016	2017	2018	2019	
In						
New textiles	2,634	2,883	3,315	3,765	4,902	ton
Washed textiles	163,679	175,483	186,638	195,168	205,042*	ton
Total energy	165,985	171,046	184,791	194,775	196,538	MWh
Oil	5,202	512	4,397	1,054	617	MWh
Natural gas	72,317	77,397	86,038	94,775	42,472	MWh
Propane	33,498	34,638	36,570	42,515	42,472	MWh
Steam	10,811	12,146	10,257	5,531	4,615	MWh
Electricity	36,275	38,078	38,755	40,836	43,140	MWh
Bio gas	1,230	1,638	1,778	1,830	1,564	MWh
District heating	6,652	6,637	6,996	8,234	8,291	MWh
Water	1,088,862	1,184,092	1,266,599	1,418,020	1,490,275	m3
Detergents	1,737	1,772	1,965	2,520	2,304	ton
Out						
Disposed textiles	1,204	1,301	1,385	1,457	1,630	ton
Total waste	6,143	6,118	6,964	7,739	7,538	ton
CO ₂ emissions	60,462	60,363	66,613	66,290	66,485	ton
Effluent						ton
BOD7	427	469	486	570	347	ton
COD	1,162	665	585	1,805	946	ton
Phosphorus	17	7	7	7	5	ton
Suspended solids	442	370	382	412	347	ton
Heavy metals	2.7	3.5	1.3	3.4	4	ton
Grease and oil	122	117	139	87	79	ton

* Our business growth can be seen in growing amount of washed textiles.

Consumption & Emission in Relation to Washed Kilos	2015	2016	2017	2018	2019	
Washed Textiles	163,679	175,483	186,638	195,168	205,042	ton
Energy						
Total Consumption	165,985	171,046	184,791	194,775	196,538	MWh
Per Kilos Washed	1.01	0.97	0.99	1.00	0.96*	kWh/kg
Water						
Total Consumption (1,000 m3)	1,089	1,184	1,267	1,418	1,490	M3
Per Kilos Washed	6.7	6.7	6.8	7.2	7.3	l/kg
Washing Detergents						
Total Consumption	1,737	1,772	1,965	2,520	2,304	ton
Per Kilos Washed	10.6	10.1	10.5	12.91	11.2**	g/kg
Greenhousegas Emissions						
Total	60,462	60,363	66,613	66,290	67,487	CO ₂ eq ton
Per Kilos Washed	370	344	357	340	329***	CO ₂ eq g/kg

* Energy consumption per washed kilos has reduced due to long term work of optimizing processes and investing in heat recovery systems.

** We have managed to reduce our detergent consumption in co-operation with our detergent suppliers.

*** GHG emissions per washed textile kilos have reduced due to using less energy and oil and reduced amount of business travels.

Greenhouse Gas Emissions, tCO ₂ e	2015	2016	2017	2018	2019
Direct greenhouse gas emissions (Scope 1)					
Natural gas	14,608	15,670	17,419	19,188	19,404
Propane	7,604	7,863	8,301	9,651	9,641
Oil	1,389	373	3,205	769*	450*
Indirect greenhouse gas emissions (Scope 2)					
Electricity	15,177	15,011	15,331	16,043	17,197
Steam	2,184	2,459	2,077	1,120	934
District heat	1,350	1,350	822	967	1,025
Other indirect greenhouse gas emissions (Scope 3)					
Business travel	4,782	4,358	5,635	5,506	3,423**
Transportation of textiles	13,368	13,279	13,823	13,046	15,503
Total	60,462	60,363	66,613	66,290	67,487

* We are moving away from oil usage by replacing it with other, more environmental-friendly energy sources.

** Travels from home to work have been left out of calculation in 2019. Also business traveling has reduced significantly, by 22%.

Wastes 2019*	kg	%
Sand and sludge	3,172,160	42%
Hazardous waste **	983,244	13%
Textile waste to energy	949,504	13%
Mixed waste to landfill	998,573	13%
Energy waste	275,068	4%
Textile waste to recycling	391,918	5%
Textile waste to landfill	312,668	4%
Cardboard and paper	193,789	3%
Metals	124,729	2%
Plastic	103,538	1%
Bio waste	32,307	0.4%
Total waste	7,537,517	100%

* In 2019 we have changed our internal waste reporting and made it more accurate concerning recycling. That might have led to variation of amounts reported in each specific waste type. In the future our aim is still to improve our waste reporting accuracy.

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

Textile Transport and Emissions	2015	2016	2017	2018	2019
Kilometres driven (1,000 km)	32,698	35,421	36,977	38,514	44,516*
Driven kilometres per washed textile kilos (km/kg)	0.20	0.20	0.20	0.20	0.22
Transport Emissions Per Washed Textile Kilos*					
CO ₂ eq g/kg	80.9	75.7	74.1	64.8	75.6
CO g/kg	0.2	0.1	0.1	0.02	0.02
HC g/kg	0.2	0.2	0.2	0.004	0.004
NOx g/kg	0.4	0.2	0.2	0.2	0.2

* In 2019 we have noticed inaccuracy in reporting of delivery km, values partly based on estimation.

INSPIRING BUSINESSES TO GROW



We at Lindström focus on making our customers' lives easier by supporting them to shine and their businesses to grow. We strive to create value for our customers in everything we do, executed with an excellent customer experience.

During the Strategy 2020 period we have put a lot of effort into serving our customers better. We created the customer relationship management strategy Lindström Way and the Lindström Customer Journey – both of which were done in co-operation with our actual customers. We want to involve the customer in our way of working, because we want to understand the challenges they face, in order to be able to serve them better. During the last five years, we have begun to co-operate with the customers even more, to work together on creating new ideas and win-win situations that support both of our business operations.

Listening to our customers is essential

The most practical way to understand our customers better is by literally stepping into their shoes and experiencing our services from their perspective. Through surveys, workshops, as well as observations at customer sites, we carefully investigated how we could make customers happier.

In autumn 2019, we initiated Customer Experience (CX) Week to celebrate and learn together with our customers. We challenged Lindströmers to complete and document as many customer actions as possible. To make it even more fun and engaging, customer actions were performed through the Perfect Day online game, allowing personnel from different functions to share their completed tasks, good customer moments and pictures with everyone in Lindström. The game turned out to be a huge success – in just two months, more than 600 customer actions were completed. India, China, Latvia, Finland and Lithuania have shown the most active participation in the game.

Customer superhero

To support our customer-centric culture, we started the Customer Superheroes awards. In 2019, **Tiina Hovi**, a key account representative from Finland, has received the most feedback and shown outstanding results – 141 replies from the customers with an average grade of 9.4/10!

"My secret is a human-to-human approach. I work proactively. I call customers first, before they get in touch, because then it may be too late. I always step into customer's shoes. An apology, humility and a quick response in a problematic situation usually help," Tiina reveals.





For years, we have been surveying our customers' experience annually. In the current fast-paced world, the once-a-year surveys, however, seem to be an overly static snapshot. It is also visible via a decrease in customer satisfaction – dropping from 4.00 in 2018 to 3.83 in 2019. We strive to gather holistic and real-time customer insight, as well as to react and

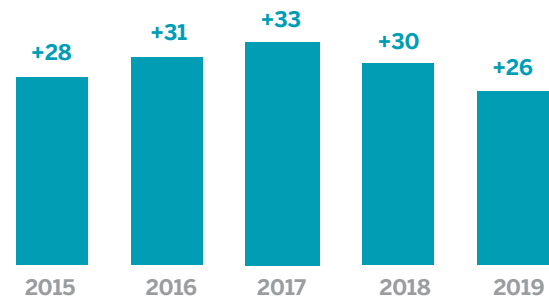
respond to customers' needs faster – this is why we developed a new method of gathering customer feedback from different touchpoints called Voice of Customer. Every bit of feedback is a true gift, and from Lindström's side, we promise to keep surveys short, relevant and act on the feedback we receive.

Customer Satisfaction (Total grade)



In customer satisfaction, our goal is to score over 4 on scale 1-5 and in customer experience our goal for NPS (Net Promoter Score) is over 28 (the score is calculated

Customer Experience (NPS)



by extracting percentage of detractors from percentage of promoters).

New Lindström Lounge for a better customer experience

We believe the best ideas are born when people across industry and corporate boundaries meet up. The Lindström Lounge innovation community gathers thousands of experts from various fields into workshops to reflect on the future. The workshops utilize both community-based insights as well as data from future researchers, and the results are unique perspectives on future challenges and opportunities.

Through this community, we want to support our customers to be or become the best experts in their field by offering them unique insights into the future. By immersing ourselves in the challenges of various industries, we also get the information we need to better serve our customers.

The Lindström Lounge was launched in October 2019 and it was a success with over 200 co-innovators, and we have a plan to boost the co-creation even further in 400 workshops during 2020 in Finland.

DIGITALIZING SERVICES FOR CUSTOMER COMFORT

Today, the textile rental business is shifting to being a flow business – fostering the smooth flow of our customers' daily operations, allowing customers to focus on what they do best while we support them seamlessly in the background.

This change did not happen overnight. We realized years ago that if we wanted to digitalize a service fully, an online order process would only scratch the surface. What our customers expected was the realtime visibility of the garments to ensure the right textiles are right there where they should be, online.

A lot of effort has been put into service digitalization with the aim of improving customer experience and sustainability at the same time. Ever since 2014, we have been testing, piloting and further evolving our services with our customers, and in 2016 we made the decision to place an RFID tag on all of our textiles to enable online tracking. Now that massive inventory of our over 12 million textiles is making strong headway – and at the latest, during 2021 all of our textiles will become trackable online.



Sustainable decisions with eLINDSTRÖM

For us, digitalization is not just a means of being efficient but also a way to provide new choices for our customers, to make their lives easier and more sustainable. The year 2019 marked a new milestone in our digitalization journey as we rolled out our digital eLindström service globally.

eLindström is an online service designed to allow the customer to keep track of and make decisions on the use of textiles easier. With eLindström, the customer always has access to up-to-date information on a garment's use, and saves money by cutting away any excessive usage of textiles, helping them be more sustainable. With transparent and real-time data, customers can optimize their processes and ensure their employees have proper workwear on – everyday.

eLindström has now been launched in nine countries so far and has received heaps of praises from customers as they can now place orders and review the processes faster. Customer communication has also improved as the important updates and messages can be reviewed anytime, anywhere. When the information is always up to date, it also supports the work of Lindström customer service representatives, as it allows them to truly focus on better customer service.



Transparent and easy to use

Our services must be easy and convenient to work with, whether working in a tiny restaurant or in giant malls or factory halls. With the help of digitalization, a customer can easily ensure that there are always clean, safe and properly fitting garments or textiles available for each employee.

The secret recipe behind it is RFID (Radio Frequency Identification) and it appears on our textiles as small tags. The tag is read by a reader both in our service centers and at the customer's end, which enables both ourselves and our customers in the near future to easily follow all stages of every single textile from washing to usage and back.

In the washrooms, the digitalized service sends an automatic notification when a cotton towel roll needs to be changed or a soap dispenser requires refilling.

No more unnecessary checkups or half used towel rolls being sent to be laundered, resulting in workdays being spent in the most meaningful manner.

The digitalized services accumulate a wealth of new kinds of data that we can turn to for more insight on our customers. By understanding the data and what it tells us, we can support the customers be more sustainable, for instance, by eliminating bad habits of hoarding excessive workwear freeing up not only space but other resources. With the technology in place, we can help our customers provide the right amount of clean clothes for their employees, or to ensure that the hand towels need changing only when necessary, saving the scarce natural resources.

Data Privacy and Data Security

As the era of digitalization marches on, most of our services are online and the data is more intertwined than ever, the safety and security of the data – whether it is ours or our customers' – is a top priority for us.

We make sure that our employees understand the importance of cyber threats through various methods and we follow a privacy-by-design approach when developing new digital services and systems. Compliance with personal data handling regulations like EU GDPR or other regional guidance is vital for us. For further information, the Lindström Privacy Policy is available on the Lindström website at www.lindstromgroup.com.

MAKING IT FLOW SMOOTHLY

Real-time oversight on workwear

We utilize smart technology to make sure the right workwear and textiles are always available. The right size, the right amount, and the right colors. To never again run out of textiles, nor have to deal with the mysterious dilemma of the disappearing pants.

With Workwear Flex Service, there is real-time information on deliveries, invoicing and even on

garments' location, whether they are in use, in storage or in the laundry. It is also easier to keep textiles hygienic since they do not just sit on the shelves for long.

The real-time variability of demand and supply has already led to 10-20% deductions in the needed amount of rental workwear. And that in turn means both cost savings and less textiles to be produced with less burden to the planet.

From personal workwear into fixed-sized ones

With the digitalized Flex Workwear Service, the daily hustle with working clothes has calmed into a smooth flow at Turku City Hospital.

"The shift from personal clothing to fixed-size workwear has reduced the number of extensive number of garments needed, streamlined the use of textiles and brought us cost-efficiency," says **Elisa Vuorinen**, Procurement Manager at Turku City Hospital.

The Flex service has improved the monitoring of textile usage, and the circulation time of textiles has accelerated, enabling smaller yet adequate quantities of workwear and improved hygiene.


The change in textile monitoring also eases the work of supervisors, since Lindström manages the tracking of garments automatically on their behalf. The new workwear and service has also made the staff in the hospital happy, as there is no fear of missing or improperly sized clothing.



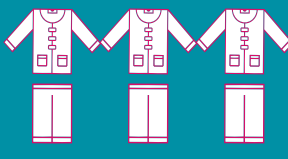
Workwear Flex Service

— Easy and transparent for the user —

BEFORE



Mixed workwear collection with multiple different models and individual alterations



Fixed size collection will decrease waste and workwear stock by 10 – 20%

AFTER

BEFORE




On site workwear and stock management takes lots of time



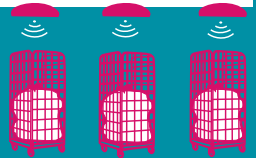
Self-service saves time and improves employee experience

AFTER

BEFORE

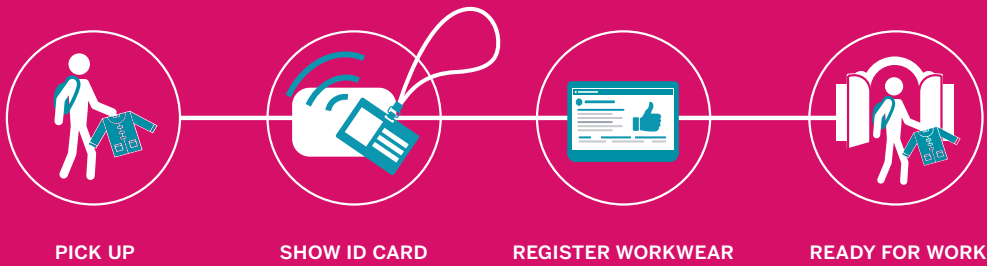


Time spent to trace lost garments not transparent



Garment lifecycle tracking enables continuous stock optimization

AFTER



BEFORE



Time consuming physical inventories



Transparency with online traceability

AFTER

STRENGTHENING CUSTOMER'S IMAGE

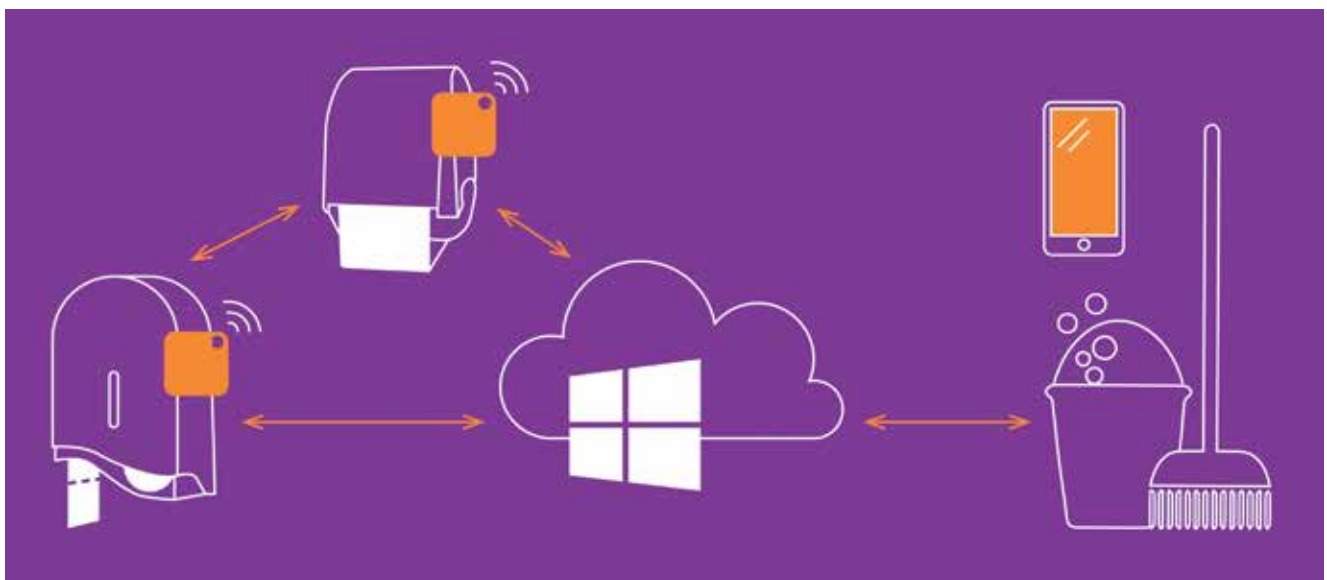


The world of textile renting is usually quite unknown for the basic street walker, even though one comes across such products many times a day. Understandably hotels and restaurants have outsourced the textiles they use to focus on their core business, but there are also other products and services where rental textiles come close to you.

Many of us wash and dry our hands ten or more times a day, for example whenever visiting the washroom or preparing for meals. With a population of over 7.5 billion on this planet, this begins to have an impact on the environment. We offer sustainable and smart services for washrooms, kitchens, production areas and other places where

hand hygiene and convenience are important. The litter-free service is easy to use for our customers, and the premises are always clean and welcoming to the customer's customers, positively affecting the customer's brand and customer experience.

One does not usually expect to find circular economy products from the washrooms or production halls, but we offer just this. Our cotton towel rolls are reusable; one cotton towel roll can be washed and used over 100 times. In 2019, more than 338 million times hands were dried by our rolls. This amount of rolls saves more than 10,143,250 kg of paper waste, making it an ecological choice.



1. Dispenser sensors

Measure material levels and report in real time over mobile network.

2. Analytics

Cloud service gather the data and delivers on-time information to critical parties.

3. Data management

Management and personnel plan and act with demand based efficiency.



To further increase the sustainability of our towel rolls, we have digitalized the washroom service to ensure that the rolls are changed when necessary. The towel rolls can now gather customer feedback from users and report as required to the cleaner by phone when a towel roll is running out and should be replaced – or even when the customers have notified us that the washroom needs to be cleaned urgently. This in turn increases the effectiveness of operations and also improves the working experience of the cleaners as they can plan their daily work accordingly.

Another example for surprising circular economy products are our wiping and absorption products, intended for industrial and commercial use. Similarly to washroom services, we pick up dirty wipers and absorption mats for the laundry and deliver clean replacements. Once the wipers can no longer be utilized we dispose of them in an environmentally safe manner, in accordance with regulations.

Cleanroom for contaminant-free manufacturing

Our Cleanroom Service ensures hygienic garments free from dust, viable organism or particles, prevention of harmful contaminations in customer processes, such as in producing lifesaving drugs. Above all, the service helps to reduce the amount of waste through reusable cleanroom products compared to the disposable ones. We are also looking for new solutions to reuse the material from the discarded cleanroom workwear to prolonging their lifespan as well.

Serum Institute of India Pvt Ltd, a manufacturer of immuno-biologicals and vaccines, wanted to benchmark the system to ensure the global standards of pharmaceutical hygiene and safety. The excessive water consumption in the in-house laundry, and the use of disposable garments were the major concerns of the organization, in terms of costs, environmental sustainability, and regulatory compliance.

“After partnering with Lindström, the cleanroom laundry has delivered us hygienic and contaminant-free garments along with significant savings on water consumption and waste management. We have successfully implemented reusable workwear and mops that undergo stringent laundry procedures. Earlier, disposables were becoming a significant environmental burden because they can't be sent to a landfill and had to be incinerated. Now, the rental garments have helped us cut down our use of disposable clothing to zero, ensuring sustainable usage of resources,” **Pawan Sharma**, Additional Director, Materials and inventory control at the Serum Institute of India Pvt Ltd, describes.

SUSTAINABLE PROCUREMENT



For us, responsible sourcing is tightly linked to caring for people. Every fail, whether it is an accident, environmental damage, exploitation or tragedy, has negative impacts on people – and we are doing our best to avoid that. By ensuring responsible activities at all our suppliers, we enhance the wellbeing of the employees and their families as well as support the sound development of societies. We outline our requirements to our suppliers in our Code of Conduct, which has been newly updated, and require them to commit to those principles.

The products we source in high volumes, such as workwear and hotel textiles, come primarily from China, Malaysia, India, Pakistan and Madagascar. We also have local suppliers for smaller needs in Europe and Asia.

Approximately one-third of our raw material and end-product purchases come from Pakistan and Madagascar, which we have classified as risk countries. In the country risk mapping we assess and pay special attention to the level of government oversight, human rights issues, the use of child labour and the level of corruption. Especially in case of risk country suppliers we require regular visits by Lindström or third party representatives to monitor and develop sustainability issues.

100% of our strategic suppliers have signed our Code of Conduct representing the vast majority of our raw material and finished goods supply.

We care for our suppliers

In China, one of our most frequent supplier site visitors is **Kevin Xu**. He spends a lot of time with factory personnel, also by eating lunch and chatting with them about work and personal life. The people have learnt to trust him and also tell him about the problems they are facing.

Kevin likes to share stories of positive development at the supplier sites and one of his favorites is

from years ago. At that time, one of our suppliers was three days delayed in paying their workers' wages. When a third of the staff threatened to quit, the wages were immediately paid. Kevin says that this is a good example of workers using their right to express their views in a democratic manner – and thanks to Kevin, we also became more alert concerning this issue. And by the way, there were not punitive actions taken against the workers who threatened to quit; Kevin was able to verify that!

Partners with close relationships

We value long-term partnerships whereby we get to know our strategic suppliers and meet them at their premises, also unofficially. Creating close relationships is the best way to learn the “working culture” and conditions as well as noticing issues for improvement. In addition, we promote good practices, such as setting up whistleblowing channels – and always remind of health and safety practices.

We carry out formal audits of each of our strategic suppliers every three years and follow-up to ensure that the possible shortcomings are corrected. During 2019, the main findings in audits were related to work safety as well as on guidance and documenting.

During supplier audits, we discuss the company practices and guidelines with the management and check relevant documentation. A site walk is an important part of the supplier audit that allows us to verify findings among the personnel. We feel that audits allow us to get to know the supplier more deeply and share best practices.

We are currently revising our procurement guidance in order to further improve audit practices and documentation. We are redefining our concept of strategic supplier to guarantee that majority of our sourcing is covered by our regular audit system. Furthermore, we seek to constantly dive deeper in our supply chain to assure the whole chain is operating according to our values.

Production on demand only

While the common practice is to locate textile production to some low cost country, we have done the opposite. We have opened our own workwear factories, called Prodems, in the centers of gravity of our customers. Our current Prodems are in Latvia, serving our customers in Northern Europe, in Hungary, serving our Central European customers and in India serving the local customers.

The main reason of producing garments in our own factories is to make clothes with faster deliveries and based on the customer request only, not on stock. The ultimate goal is to reduce our stock considerably and to improve efficiency.

This also helps to fight against textile waste, since we produce only for need. And most of the cutting waste is channeled to small-scale business or e.g. schools. In Europe, we deliver around 20 percent of our workwear from Latvia and Hungary. Having the production in our own hands makes a difference both in terms of short and fast transportation as well as on better managing the social and environmental issues associated with textile production.

FINANCE

Our goal is to achieve sustainable growth both organically and through acquisitions. We want to continue to be a solid company and provide economic prosperity for society. In 2019, we met our financial targets.

Development and performance of operations and financial situation

The Group's turnover grew by 5.6% to EUR 408.5 million compared to the previous year (2018: EUR 386.8 million). The turnover of the parent company was EUR 185.2 million (2018: EUR 185.0 million). Foreign subsidiaries' share of the Group's turnover was EUR 204.7 million or 47.2% (2018: EUR 183.5 million or 44.7 %).

In 2019, the Group's business grew in all markets except Germany. During the financial year, development was supported with business purchases and acquisitions in Estonia, Hungary, the UK, Finland and Russia. In the UK and in Finland part of the business was sold. In addition, the Russian subsidiary acquired in 2019 merged into Lindström OOO. One new entity, Chengdu, was established in China.

Profitability

The Group's pre-tax profit was EUR 35.8 million (2018: EUR 35.4 million). The parent company's earnings before extraordinary items, appropriations and taxes was EUR 28.4 million (2018: EUR 28.0 million). The profitability of the Group and the parent company remained at the same level as in the previous year.

Investments

The Group's net investments in the financial year amounted to EUR 24.6 million, whereas in the previous year they were EUR 23.4 million. The parent company's total investments amounted to EUR 7.5 million, whereas the year before they were EUR 9.7 million.

The most notable investments made by the parent company during the financial year were in IT systems and extensions to our facilities in Oulu, Turku, Mäntsälä and Nurmo in Finland. The Serbian subsidiary invested in a new service center. Expansion and modernization work was carried out in Estonia and Sweden, and was started in Hungary. A significant investment was made in the expansion of the UK Service Center, which will continue in 2020.

Funding and liquidity

During the financial year, the parent company invested share capital worth EUR 8.7 million (2018: EUR 5.8 million) in its Chinese, Hungarian and UK subsidiaries. The business in Germany has not developed favorably and a write-down of EUR 5.6 million was made to the subsidiary's additional capital, with existing customers of the parent company being transferred to the Czech subsidiary.

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

Development operations

The Group's development operations were primarily focused on the modelling and digitalization of the service concept and processes. Development work has also taken place in the fields of product design and sourcing. Investments related to development activities are recognized as operating expenses.

Estimate on future development

It is estimated that in 2020 the turnover of both the parent company and the whole Lindström Group will increase. The Group grows both organically and through acquisitions. The profitability of the Group can be assured through active customer cooperation and by continuously making processes more efficient. Thus, it is estimated that profitability will remain at the current level.

Finance Forerunner – operational excellence for better customer insight

In 2019, Lindström began to centralize its transactional finance operations globally to its head office in Helsinki, Finland. The aim of the Finance Forerunner project is to harmonize and digitalize the core finance processes. The ultimate goal is data-

driven, value-added analysis through business partnerships and more customer insight to serve our customers even better in the future, after the project's completion in 2021.

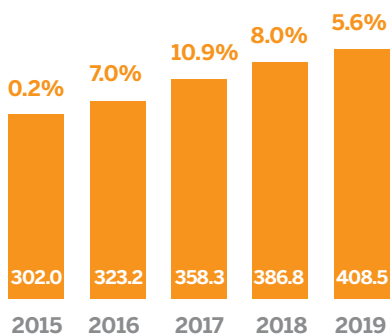
It is estimated that investments in 2020 will be at the same level as in 2019. In Finland, the Koivuhaka laundry is being expanded and Hämeenlinna, Åland and Turku laundries are being renovated. The parent company is also making significant investments in IT systems. In the subsidiaries, the most notable investments will be made into new service centers in the Czech Republic, as well as laundry expansions in China and India.

We meet our obligations as a taxpayer

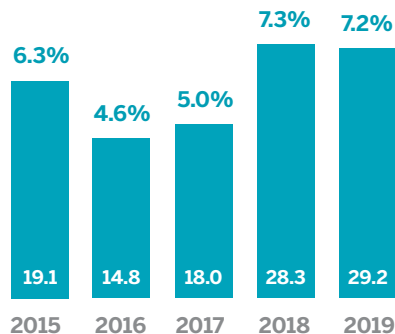
We do not practice aggressive tax planning. Each of our companies is registered in a local business register and pay their taxes in their respective country. We comply with international transfer pricing regulations and local tax laws and regulations.

We paid a total of EUR 8.20 million in income tax in the 2019 period. Besides income tax, we paid for production, services, personnel and real estate-related taxes, a total of EUR 96.02 million in 2019.

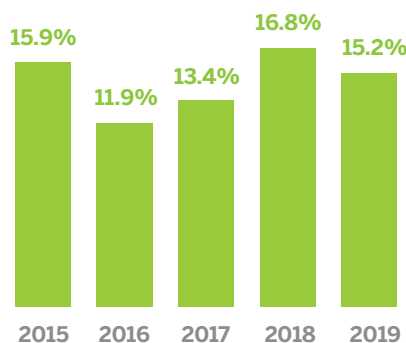
Turnover, M€ & Annual growth, %



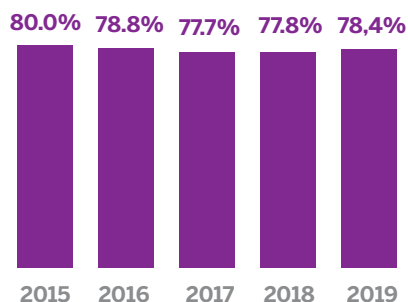
Net Profit, M€ & Net Profit from Turnover, %



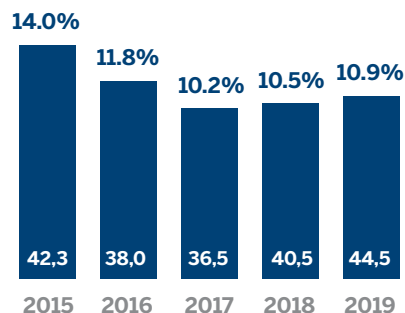
Return On Investment, %



Equity Ratio, %



Working Capital (M€) & Share of Turnover, %



Taxes by
Type 2019



Income Tax	7.9%
VAT	48.4%
Other Taxes	0.4%
Personnel Related	43.2%

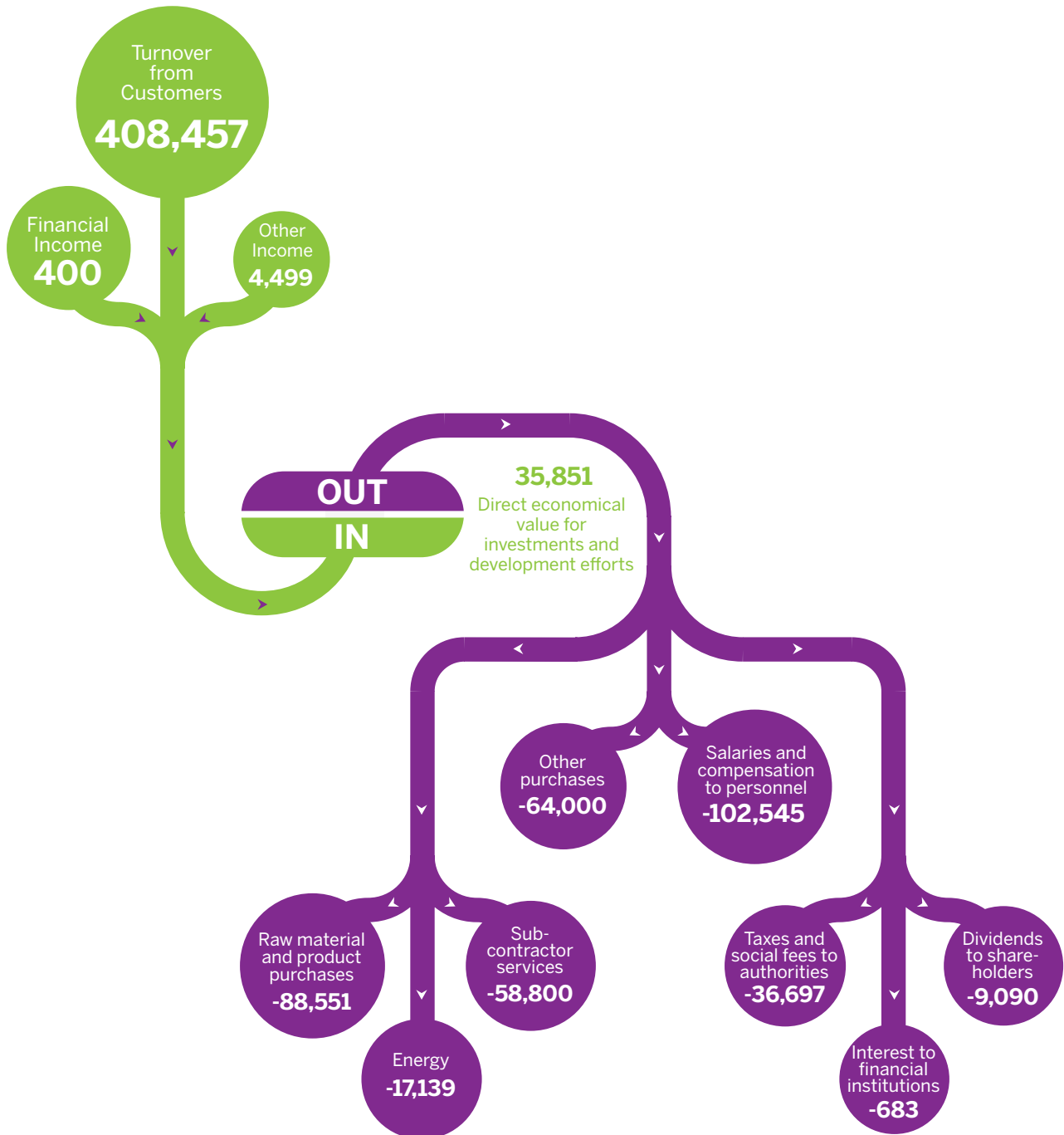
Taxes by
Area 2019



Finland	56.5%
European and Asian Subsidiaries	43.5%

Direct Economic Value Generated & Distributed, T€	2015	2016	2017	2018	2019
Turnover from customers	301,959	323,170	358,258	386,774	408,457
Financial income	867	2,751	1,208	833	400
Other income	1,862	587	630	588	4,499
Income received	304,688	326,508	360,096	388,195	413,356
Raw material and product purchases	-65,333	-76,139	-80,566	-85,515	-88,551
Energy	-12,070	-12,784	-14,890	-16,307	-17,139
Subcontracting services	-44,086	-46,314	-53,005	-55,217	-58,800
Other purchases	-46,441	-53,973	-57,240	-58,703	-64,000
Direct economical value after supplier compensation	136,758	137,298	154,395	172,452	184,866
Salaries and compensation to personnel	-71,584	-77,946	-86,805	-93,089	-102,545
Taxes and social fees to authorities	-25,647	-27,247	-32,997	-35,038	-36,697
Interest to financial institutions	-639	-583	-844	-729	-683
Dividends to shareholders	-13,201	-10,191	-10,621	-10,234	-9,090
Direct economical value for investments and development efforts	25,687	21,331	23,128	33,362	35,851

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, T€

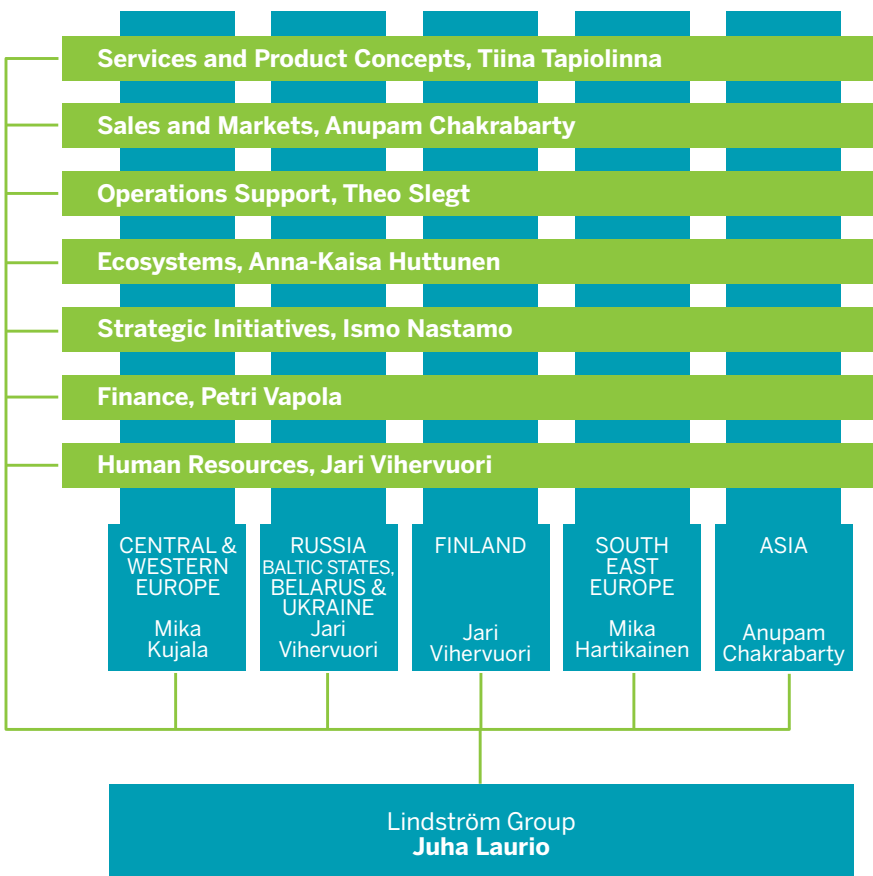


MANAGEMENT

Lindström is a family-owned company established in 1848, and the influence of the owner is seen in our values and management style. Our head office is located in Helsinki, Finland.

Our business operations are led through global and regional functions. We make decisions close to the customer, so the role of the region and local unit is strong in decision-making.

Organization structure



GLOBAL FUNCTIONS

REGIONAL/LOCAL FUNCTIONS

Board of Directors

Top row from left: Petteri Kousa, Harri-Pekka Kaukonen (Chairman), Max Rautiainen, Naresh Gupta
 Front row from left: Steph Feijen, Anne Korkiakoski
 Missing from picture: Kalle Kantola

Independent members (not Lindström employees nor shareholders): Harri-Pekka Kaukonen, Anne Korkiakoski, Naresh Gupta, Steph Feijen and Kalle Kantola

Group Management Team

Top row from left: Mika Hartikainen, Petri Vapola, Juha Laurio, Mika Kujala, Theo Slegt

Front row from left: Ismo Nastamo, Anupam Chakrabarty, Anna-Kaisa Huttunen, Jari Vihervuori, Tiina Tapiolinna



OPERATING PRINCIPLES



Codes and Policies

The Lindström **Code of Conduct** (see in detail on page 50) 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 renewed our Quality, Environmental, Health and Safety Policy in January 2020 (see page 51) which all of our employees and service representatives are required to adhere to.

To ensure that all inbound goods and materials are manufactured in accordance with Lindström instructions and standards, we have the **Quality Assurance Handbook** for our suppliers that can be found on our website:

<http://www.lindstromgroup.com/suppliers>.

We are committed to ensuring that slavery and human trafficking are not taking place in our business or in our supply chain. The Modern Slavery Act 2015: **Slavery and Human Trafficking Statement** can be found on our website <https://lindstromgroup.com/human-rights-statement/>.



Certificates

Our management system 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 – Bio contamination control system).

We also follow the ISO 45001 standard for health and safety management.

Our Cleanroom services operate according to ISO 14 644 (cleanrooms and the associated controlled environment) standard and adhere to Good Manufacturing Practice procedures.

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

**OVER
90%**

Over 90% of our workwear and hotel textiles and all our cotton towel roll textiles are Öko-tex 100 certified.



The Finnish cotton towel roll service carries the Nordic Ecolabel.

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 the Global Compact (We issue reports via the European Textile Service Association)
- United Nation's Sustainable Development Goals
- Ecovadis, a platform for sustainable and transparent procurement

Our membership in organisations

- The Family Firms Association (Finland)
- The Confederation of Finnish General Industry
- The Confederation of Finnish Industries
- The European Textile Service Association (ETSA)
- The Textile Rental Service Association (TRSA)

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

LINDSTRÖM CODE OF CONDUCT

Introduction

This Code of Conduct defines the basic requirements set on Lindström Group (Lindström Oy and its subsidiaries, later referred to only as "Lindström") and its suppliers (collectively referred to as "we") of goods and services concerning their responsibilities to their stakeholders, the environment and society in general. The Code of Conduct is based on our commitments. Lindström reserves the right to make reasonable changes to the requirements of this Code of Conduct in case Lindström's own compliance policy is revised. If such a case is to occur, Lindström expects the supplier to accept the reasonable changes made. This Code of Conduct applies to all Lindström employees regardless of position and third parties.

Ethical Business Behavior

Legal Compliance

We comply with the local and the international laws of the applicable legal systems of the respective country.

Prohibition of Corruption and Bribery

We do not tolerate corruption in any form nor in any business processes done internally or together with third parties (public or private sector companies). We do not give or take bribes either directly or indirectly. Offering or giving anything of value (including money, gifts, or services) in order to close a deal, keep business or gain an unfair advantage is prohibited.

We must not allow personal or family interests to influence our professional judgement. We avoid conflicts of interest in all of our business activities and decisions. We should accept a third party's offer of an invitation to a meal or social event only if the primary reason for the event is a legitimate business meeting.

Data Privacy and Security

Our common objective is that everyone who is handling information is liable for taking care of information security and data privacy by complying with acknowledged usage rules and instructions for information security and data privacy. Lindström information security recommendations and data privacy is implemented based on national and international information security, data privacy statute, quality systems, information management best practices and other standards additionally agreed upon.

Usage of Social Media

We encourage engagement with different social media. We take care of how and when we use social media. We consider the audience, do not post confidential information and always respect others in our communication.

Respect for the basic human rights of employees

Fair Treatment and Equality

We do not tolerate discrimination of any kind. We do not accept any behavior that may harm the dignity of an individual, particularly any physical or verbal harassment, e.g., any unwanted conduct that creates an intimidating, hostile, degrading, humiliating or offensive environment.

Fair Employment

We are committed to fair employment practices which consist of hiring practices that are fair, merit-based and non-discriminatory. We do not discriminate against employees based on their gender, maternity status, sexual orientation, marital or civil partner status, gender reassignment, race, color, nationality, ethnic or national origin, religion or belief, disability or age. We offer equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential. We will reward employees fairly based on their ability, performance, contribution and experience.

Employees should be provided with a written statement of terms and conditions of employment in the local language to ensure that employees are aware of their legal rights and obligations. We strive to contribute to positive social and economic development. We respect local cultures and want to understand and respect the customs and local values held by the people in the countries in which we operate.

As far as legally possible, we recognize the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions.

Forced and Compulsory Labor

As part of our commitments, we are committed to enforcing effective systems and controls to ensure slavery and human trafficking are not taking place in our business or in our supply chain. We require all employees and partners to act with the highest degree of integrity and morality as well as understand and comply with all relevant laws and legal systems of the respective countries we operate in. We prohibit all forms of human trafficking and forced labor, including prison labor, indentured labor, bonded labor, slave labor or other forms of forced labor or servitude.

Right of Children and Young Workers

We are committed to ILO conventions 138 and 182, by which no person shall be employed under the age of 15, or under the age of completion of compulsory education, whichever is higher. Juvenile workers shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety or morals.

QUALITY, ENVIRONMENT, HEALTH AND SAFETY POLICY

Health and Safety

We identify risks and hazards in the working environment and take actions to mitigate them, in order to guarantee the health and safety of all our employees. We take precautionary measures against accidents, for instance, by maintaining proper and adequate fire safety conditions in the workplace, and occupational diseases and encourage everyone to participate in developing the practices. We provide training and ensure that employees are educated in health and safety issues. We expect health and safety behaviour from everyone in daily work. We utilize the ISO 45001 standard concerning health and safety.

Environmental Practices

We demand from ourselves as well as from our suppliers throughout the whole supply chain that local environmental legislation and international environmental protection agreements be followed. This compliance must be documented, and we have regular follow-ups to guarantee this policy in action.

We do our best and require our supply chain to minimize the possible negative environmental impacts of the operations, products and services. We enhance circular economy in our value chain, while choosing the solution with the lowest lifetime impact on the environment. We take the environmental effects into account as early as the planning phase of operations, in transportation and in product design and selection, for example, by using environmentally sustainable material sources.

We utilize the ISO 14001 standard or equivalent environmental management system to ensure continuous environmental improvement of operations through yearly environmental target setting and action plans.

Supply Chain

We require our suppliers and their supply chain to comply with this Code of Conduct to abide by the principles of non-discrimination regarding supplier selection and treatment.

We expect that all forms of communications, including statements, representations and certifications provided to the customers and partners are truthful and correct. We value the work done by our competitors and their employees. The promises made to our customers for our services with regard to quality and safety must comply with all applicable regulations and laws.

Our commitments:

- We engage and lead partnerships and business ecosystems.
- 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, and act according to the management system standards ISO 9001, ISO 14 001, ISO 45 001 and EN 14 065.
- Our preventive risk management ensures continuity of service, improvement of environmental protection and working conditions that promote health and safety.
- We continuously develop our processes, environmental awareness and level of environmental protection.
- We contribute work for circular economy by reducing waste and improving recycling of textiles.
- We empower all our employees to suggest and implement improvements by active ideation, regular safety observations, internal audits and handling of customer feedback. The process of continuous improvement is documented and available to all employees.
- We train our personnel to understand the quality, environmental, health and safety impacts of their tasks and to act in responsible manner.
- We ensure that our people have a mindset for acting in a responsible manner in their everyday tasks by
 - Coaching and leading with heart, in the spirit of We Care culture,
 - Building a company culture based on transparency and trust,
 - Induction and continuous competence development,
 - Offering personal and professional development of our employees through Growth Academy training workshops including, training workshops for quality, health and safety and environmental issues.
 - An environmental program with continuous improvement through yearly target setting and monitoring in order to minimize negative environmental impacts.
- We share information on sustainability goals and achievements transparently
- We require our own people and our partners to act according to the Lindström Code of Conduct.
- We create and sustain occupational safety culture for our personnel to work safely and stay healthy, even on leisure time.
- We are committed to promoting a Zero Accidents mindset in our everyday work and actions and our goal is zero occupational diseases.
- We report every accident and near-miss incident and investigate in order to prevent reoccurrence.
- Our facilities serve as an example of our brand and services, safe and efficient work environment, and facility management.

Lindström Group employees and service representatives are obligated to adhere to this Quality, Environmental, Health and Safety Policy.

GRI TABLE

This report covers Lindström Group data for the year 2019. In the report GRI standards have been applied where relevant.

102 - GENERAL DISCLOSURES			
Organizational profile			
102	1-7	Lindström Group; size, business and structure	2; 54-55
102	8	Employees and other workers	10; 17
102	9	Supply chain	40
102	10	Significant changes to the organization and its supply chain	42
102	12	External initiatives	2; 49
102	13	Membership of associations	49
Strategy			
102	14	Statement from our CEO	6
102	15	Key impacts, risks, and opportunities	8
Ethics and integrity			
102	16	Values, principles, standards, and norms of behavior	9; 48-51
102	17	Mechanisms for advice and concerns about ethics	8
Governance			
102	18	Governance structure	46
102	22	Composition of the highest governance body	46-47
102	23	Chair of the highest governance body	46-47
102	26	Role of highest governance body in setting purpose, values, and strategy	8
102	29	Identifying and managing economic, environmental, and social impacts	8
Stakeholder engagement			
102	40-44	Lindström's stakeholders and engagement	7
Reporting practice			
102	45	Entities included in the financial statements	42
102	46-47	Report content and material topics	8
102	48-52	Information about the report	52
102	53	Contact point for questions regarding the report	54
103 - MANAGEMENT APPROACH			
103	1-3	The management approach of material topics	8-9
200 - ECONOMIC			
Economic performance			
201	1	Direct economic value generated and distributed	44
300 - ENVIRONMENTAL			
Materials			
301	1	Materials used by weight or volume	30
301	3	Reclaimed products	24-26

300 - ENVIRONMENTAL			
Energy			
302	1	Energy consumption within the organization	29-30
302	3	Energy intensity	28; 30
302	4	Reduction of energy consumption	28
Water			
303	2	Management of water discharge-related impacts	28-29
303	4	Water discharge	30
303	5	Water consumption	28; 30
Emissions			
305	1	Direct (Scope 1) GHG emissions	31
305	2	Energy indirect (Scope 2) GHG emissions	31
305	3	Other indirect (Scope 3) GHG emissions	31
305	4	GHG emissions intensity	30-31
305	7	Other significant air emissions	31
Effluents and waste			
306	2	Waste by type and disposal method	29; 31
400 - SOCIAL			
Employment			
401	1	Employee turnover	18
Occupational health and safety			
403	1	Occupational health and safety management system	18
403	2	Hazard identification, risk assessment, and incident investigation	18
403	4	Worker participation, consultation, and communication on occupational health and safety	18-19
403	5	Worker training on occupational health and safety	18
403	6	Promotion of worker health	18-19
403	7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	19
403	9	Work-related injuries	18-19
403	10	Work-related ill health	18
Training and education			
404	2	Programs for upgrading employee skills	14-16
Diversity and equal opportunity			
405	1	Diversity of governance bodies and employees	10; 17; 46-47
Supplier social assessment			
414	1	Suppliers that were screened using social criteria	41
Customer health and safety			
416	1	Health and safety impacts of products and services	36; 39

CONTACTS

Lindström Oy

Hermannin rantatie 8 / P.O. Box 29,
FI-00581 Helsinki, Finland
Tel.: +358 20 111 600
firstname.lastname@lindstromgroup.com
www.lindstromgroup.com

Subsidiaries

OOO Lindström, Russia*
Lindström Oü, Estonia
Tallinna Pesumaja OÜ, Estonia
OÜ Revel Textiles, Estonia
Lindström SIA, Latvia
Lindström Kft, Hungary
Lindström Prodem Hungary Kft, Hungary
Lindström s.r.o, Czech Republic
Lindströn s.r.o., Slovakia
Lindström UAB, Lithuania
Lindström d.o.o., Slovenia
Lindström Ltd, United Kingdom
Lindström GmbH, Germany
Lindström Services AB, Sweden
Lindström Sp.z.o.o, Poland
Lindström S.R.L, Romania
TOV Lindström, Ukraine

Lindström (Suzhou) co. Ltd, China
EOOD Lindström, Bulgaria
Lindström Services India Private Limited, India
Lindström Tekstil Hizmetleri Ticaret
Limited Şirketi, Turkey
FLLC Lindström, Belarus
Lindström d.o.o., Croatia
Lindström LLP, Kazakhstan
Lindström doo, Serbia
Lindstrom Korea COL LTD, South Korea
Lindstrom Prodem SIA, Latvia
Comforta Oy, Finland
Comforta AB, Sweden
Quickly Tvättcentral Ab, Finland, Åland
Lindstrom (Shanghai) Co., Ltd., China
Lindstrom (Beijing) Co., Ltd., China
Lindstrom (Chengdu) Co., Ltd., China

*OOO VKS Servis Russia has been merged with OOO
Lindström, Russia during financial year 2019.

Comforta Group

Head Office Comforta Oy
Hermannin rantatie 8 / P.O. Box 29
FI-00581 Helsinki, Finland
Tel. +358 20 111 605

Comforta Oy, Finland
Comforta AB, Sweden
Quickly Tvättcentral Ab, Finland, Åland

Corporate sustainability report project group

Seija Forss, Marja Hautanen, Ilona Laine and
Harri Puputti, Service Operations
Minna Hyrsky, Service and Product Concepts
Anni Kettunen and **Sirpa Laine**, Sales & Markets
Mira Kiviniemi, Finance and Business Control
Outi Lindfors and **Mari Saarinen**,
Human Resources
Kristiina Tiilikainen, Procurement and Supply
Chain

Production:
Kaisa Kurittu, Ratkaisutoimisto Vinha
Jutta Tiilikainen, Juju Visual Desire Oy

SERVICES

	Workwear	Cleanroom	Mats	Hotel Textiles	Restaurant Textiles	Industrial Wipes	Washroom
Belarus	●						
Bulgaria	●		●				
China	●	●					
Croatia	●		●				
Czech Republic	●		●			●	
Estonia	●		●	●	●	●	●
Finland	●	●	●	●	●	●	●
Germany	●						
United Kingdom	●		●			●	
Hungary	●		●				
India	●	●					
Kazakhstan	●						
Latvia	●		●			●	
Lithuania	●		●			●	●
Poland	●		●				
Romania	●		●				
Russia	●	●	●	●	●		
Serbia	●		●				
Slovak Republic	●		●			●	
Slovenia	●		●				
South Korea	●						
Sweden	●			●	●		
Turkey	●		●				
Ukraine	●		●				



Lindström Group

Lindström is a textile service company focused on making our customers' lives easier in Europe and in Asia. With our 4,600 passionate employees, we offer sustainable and easy-to-use textile services that ensure safe and hygienic solutions for the best possible customer experience. In 2019, the turnover of the Lindström Group was 408 million euros.
www.lindstromgroup.com