

## A focus on sustainable business

This year's Sustainability Report was the first to be published by the Group. The purpose is to provide a representative picture of the Group's activities in the areas covered by the report and its commercial implications. Our objective is for the report to continue to evolve in line with the GRI's guidelines, as well as our Code of Conduct.

### Scope

The report is based on GRI (Global Reporting Initiative) guidelines for sustainability reporting, version G3. Unless otherwise indicated, the data presented relates to the calendar year 2008. Facilities acquired or newly established during the year are not included in the report.

### Key figures and calculations

The information presented in the report is selected on the basis of GRI's core indicators with the aim of highlighting the Group's significant sustainability aspects.

Each production facility reports information in accordance with the Group standard for sustainability reporting. The information has subsequently been reviewed by the Group's environmental and HR department. The Greenhouse Gas Protocol (GHG Protocol) was used in calculating the emissions of greenhouse gases.

### Lindab's Code of Conduct in brief

- In every country where Lindab operates, that country's laws and regulations must be followed.
- Proper behaviour is demanded in all contacts with business partners according to regular practice and legislation.
- The Group's reporting must follow accounting procedures, be open, relevant, clear and punctual.
- Employees and members of the Board must, in every instance, behave in a manner that does not harm the Group's interests.
- Neutrality applies in matters regarding political parties and candidates.
- Minimised environmental impact is the aim throughout the product life cycles.
- Discrimination on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political views, union affiliation, social or ethnic origin is not permissible.
- Activities are carried out with respect for human rights.
- Conditions for a safe and healthy working environment must be fulfilled.
- The code is implemented and followed throughout the organisation.

### GRI indicators

Profile		Page reference
	<b>Financial results</b>	
EC2	Financial impacts attributable to climate change	38
	<b>Environmental performance indicators</b>	
EN1	Material Use	39
EN3	Direct energy use per primary energy source	39
EN4	Indirect energy use per primary energy source	39
EN16	Total direct and indirect greenhouse gas emissions	39
EN23	Total number and volume of waste material	38
EN28	Fines and other penalties for violations of environmental laws and regulations	38
	<b>Social factors</b>	
LA1	Headcount	41
LA2	Number of employees and staff turnover	41
	<b>Human rights</b>	
HR4	Number of cases of discrimination and actions taken	41
HR6	Risk of and measures against child labour	41
HR7	Risk of and measures against forced labour	41
	<b>Products</b>	
PR1	The phases of the life cycle in which products and services impact on health and safety should be evaluated for the purpose of improvement, and the proportion of necessary product and service categories that have undergone such evaluation processes.	38, 42
PR3	Type of information about products and services that is required according to routines, as well as the percentage of products and services that are affected by these requirements.	42

# Environment

**An international Group, Lindab has a responsibility for the environment and pursues consistent work in the environmental field. The company strives to minimize the consumption of resources in the form of raw materials, energy and transport.**

Lindab is working actively to minimise the environmental impact caused by the company's operations and its products. The company's focus on product development and continuous improvement had led to products that are good, not just in quality and in terms of the environment, but also that help customers improve their own environmental performance.

## Governance

The immediate responsibility for environmental issues within Lindab lies with the local companies. Within each company there is one person who is responsible for the environmental work in the vicinity. The Group has a central environmental function with responsibility for the development, coordination and monitoring of the environmental work. Together with a representative for each business area, a group-wide environmental advisory board has been appointed.

## Products

In principle, Lindab products are manufactured using fully recyclable materials. The products are designed based on a lifecycle perspective and contribute as an integrated part of a building to actively reduce its environmental impact.

## Environmental impact

Many of Lindab production units are covered by specific environmental regulations and permits. The reports necessary are submitted to regulatory bodies in each country. No violation of either permit conditions or local environmental legislation has occurred.

Lindab's manufacture of products from steel results in minimal environmental impact. These may involve smaller emissions of dust and solvents from paint and metals into waste water. The processes that can result in emissions into water use closed systems and air that contains dust is filtered continually prior to being emitted. Accidental spillages are

collected in oil separators and sediment traps. No unintended emissions have occurred during the year.

Most of the sheet metal that is used has been coated at the steel mills and only a limited number of products are coated locally. Together with the steel mills, we are working to find new finishes and colours that are better from an environmental and health perspective, as well as to improve product quality and thereby reduce the overall environmental impact. Independent measurements have been carried out showing that Lindab's operations do not give rise to pollution that may require the decontamination of soil or water.

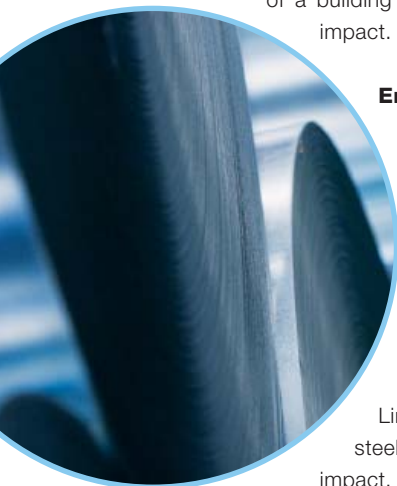
Environmental requirements are also placed on the procurement of transportation. Consolidation and logistical planning also reduce the environmental impact of transport. The majority of packaging consists of renewable materials and is recycled.

## Climate change

Risks related to climate change include stricter laws and increased energy costs, changes in weather patterns and natural disasters that affect the flow of raw materials and/or production. The company's efforts are focused on those areas where the impact and ability to have an effect is considered to be greatest. The Group's climate impact occurs primarily directly through the use of fossil fuels and indirectly through the consumption of electricity and district heating. Lindab has adopted long-term Group-wide environmental ambitions which are in line with the international agreements that have been made within the field. The strategy, beginning with the production units, is to minimise the Group's emissions of climate-changing greenhouse gases, especially carbon dioxide, step-by-step.

Lindab's emissions of carbon dioxide are reported in the CDP, Carbon Disclosure Project. The aim is to reduce carbon emissions by 20 percent by 2020, with 2008 as the starting point. The Group's energy consumption, which is included in the 20 percent ambition, will be carefully examined in the coming year.

An example of activities on a local level is Ventilation's factory in Greve, where work has been ongoing for some time aimed at reducing the factory's energy consumption. Several improvements and efficiency measures have reduced the need for energy for heating purposes by 50 percent. Lessons learned from this and other projects are now being shared throughout the Group.



**Environmental Policy**

Lindab is working constantly to evaluate the Group’s environmental impact and aims to make continuous improvements. The company’s environmental policy focuses on four core areas: Environmental consideration, Products, Manufacturing and Communication. This means:

- Lindab evaluates the company’s environmental impact and sets targets for continuous improvements.
- The products are developed based on a life cycle perspective with the goal of minimising resource and energy utilisation as well as negative environmental effects.
- The larger production units are certified in accordance with ISO 14001. Additional units will be certified in the future.
- The environmental work is communicated both internally and externally in order to create understanding and commitment.

**Energy and climate ambitions**

Lindab’s long-term energy and climate ambitions are to follow the EU’s objectives for 2020. This means taking 2008 values as the starting point:

- a 20 % reduction in energy consumption
- 20 % of energy be provided by renewable sources
- a 20 % decrease in the emissions of CO<sub>2</sub>

**Environmental management**

An important part of creating structured environmental work is the environmental management standard ISO 14001.

At the end of 2008, about 40 percent of the Group’s subsidiaries were certified, which means that more than half of the company’s employees are working in an environmentally certified factory.

Large material items	Ton
<b>Steel</b>	250,000
<b>Coating (wet and powder)</b>	705
<b>Solvent</b>	20
<b>Rubber</b>	675
<b>Anti-condensation coating</b>	144

Energy	MWh
<b>Direct energy</b>	29,360
<b>Indirect energy</b>	57,842

Greenhouse gases (CO <sub>2</sub> equivalents)	Ton
<b>Direct carbon dioxide emissions</b>	6,061
<b>Indirect carbon dioxide emissions</b>	19,716

# Energy seminars, Denmark

**During the autumn of 2008, Lindab Ventilation in Denmark hosted a series of Energy seminars at locations across the country. There was a high level of interest and the seminars were attended by more than 300 technical consultants and other individuals from the ventilation industry.**

“Our aim was to show the industry that Lindab is at the forefront when it comes to product development for the entire ventilation area,” says sales director Puk Spencer. “It is not just clean air technology that we are focusing on, we also pay lots of attention to the products’ energy aspects since environmental demands are increasing, electricity prices are rising and CO<sub>2</sub> emissions have to be reduced. What is considered standard today will be tomorrow’s minimum requirement.”

“Obviously the aim is also to provide information about our new products, but we are aware that it is not only that which has attracted so many participants. Most people who parti-

cipate in these seminars want to learn something relevant for them to use in their work. Therefore, we discuss the complete ventilation solutions, showing where errors may occur and how they can be tackled,” she continues.

“It was very rewarding. Some of it is repetition, but there is also quite a lot of new knowledge that calls for reflection, for example, to see how a small screw missing can result in a big loss in pressure. A lot of air can leak through a very small hole. In the future, we will tell our installers that it is crucial for everything to be properly sealed,” says project manager Henrik Batsberg from Ventek Ventilation in Nibe who participated in one of the six workshops held in Jutland.

“This is also an example of how Lindab Safe Click solves problems. Since Lindab Safe Click ducts can be joined with a simple “click”, without screws and rivets, it becomes considerably more airtight than other systems,” says Puk Spencer. This has also been confirmed by the TÜV tests (see p. 35).



## Employees

**Entrepreneurship has always been a part of Lindab's success. With dedicated employees, the company has been able to develop and deliver results each year.**

In order to ensure future development, Lindab is investing in broad skills development and the implementation of the company's corporate culture. A strong corporate culture is a prerequisite for retaining and attracting committed and competent employees.

Lindab's core values, Simplifying construction, Down-to-earth and Neatness and order, form the basis for the entrepreneurial culture that runs throughout the entire company. As Lindab has grown and developed, internationally in particular, it has become increasingly important to clarify and promote the firmly rooted corporate culture. Despite always having had tremendous respect for cultural differences between the various countries where Lindab operates, there has also been the desire to instill these core values among new employees.

### Lindab Lifestyle

In recent years, Lindab has been working with a tool called Lindab Lifestyle, which is a programme for implementing the corporate culture and Lindab's approach to leadership using a simple and clear message. Through dialogue, managers and employees within Lindab should clarify the universal cornerstones of the entrepreneurship that makes the company competitive in all of its markets. There must also be transparency in order to adapt the entrepreneurial culture to local conditions, since

the customer structure and customer values may vary. During 2008, a revised version of Lindab Lifestyle was introduced.

### Identifying future managers

Besides Lindab Lifestyle, training courses are continuously held for managers within the organisation. Competent and committed managers are essential for enabling Lindab to continue to develop and fulfil its strategy. Much of the development within an organisation occurs through daily contacts between different units and the problem solving that constantly takes place in the process. Leaders develop by taking on new assignments and through different environments. Thanks to the company's rapid development in new markets, many managers have integrated these experiences, which is very important for the company's expansion.

The Manager Profile tool is used to identify various employees' leadership and performance characteristics, which forms the basis for training and recruiting future managers within the Group. The organisational changes that were made in 2008 have resulted in several internal promotions. In some markets, new managers have been recruited externally.

### Training for increased customer value

Business Acumen training is aimed at widening employees' understanding of customer value, pricing and profitability. Courses take the form of practical exercises, where participants get to discuss various opportunities and the effects of certain actions. Business Acumen promotes the transfer of knowledge and other exchanges within the organisation. Representatives from Lindab's executive management are



## Successful leadership builds successful companies

Lindab's management is built on a broad knowledge and understanding of the four basic elements:

**People, Numbers, Business and the Future.**

○ **People** with the right skills and the right attitude are essential for creating growth.

○ **Numbers** provide the guidance that is essential in the company's drive towards new targets. By analysing and understanding numbers, mistakes

can be corrected and employees can be spurred on to try new directions.

○ **Business** is how others view Lindab and how the company differs from its competitors. It is important to understand what is important for the customer and why customers choose Lindab.

○ **The Future** is created now. Courage and forward planning is required for efforts to be successful.

involved in the training. This form of courses, training and knowledge transfer has been conducted for a number of years in various directions. Customer value was the main theme in 2008 and the courses will now be conducted locally in order to become widely and deeply rooted within the organisation.

Continuous improvement has always been a high priority within Lindab and it is only by understanding customers' needs that Lindab can maintain a strong position in the various markets. All employees contribute to continual changes and improvements to the offering to customers.

**Adapting to the market**

Lindab is a growth company, which has established itself in new markets and acquired companies over the past 15 years. New employees have come into the organisation and the company has become more international.

The downturn that was felt in the market in the late autumn of 2008 was a result of the global financial crisis. At the end of 2008, Lindab took the decision to adapt the organisation, which included staffing cutbacks. These actions were taken in order to maintain the financial strength that will facilitate future expansion.

**A healthy company**

Lindab works hard to minimise illness and injuries at work within the organisation. Each company is responsible for ensuring that laws and regulations are followed and that all employees undergo training for the tasks that they will carry out in their work. Every employee must also be informed about and trained in the applicable laws and requirements. Unfortunately, incidents and accidents still occur despite the fact that comprehensive health and safety work is undertaken. Any incidents resulting in workplace injuries are analysed and

changes in routines are implemented without delay. A number of the production machines used within Lindab can be found in various factories, and in such cases, the protective equipment has been standardised.

Healthcare in various forms is important for employees to have meaningful work and leisure time. Lindab's companies support this work in various ways, including through promoting different leisure activities.

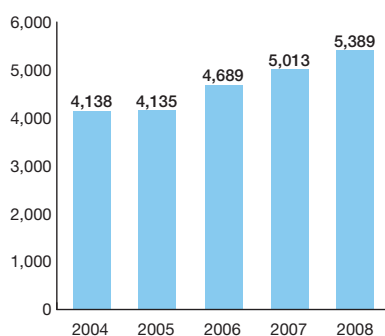
**Ethical matters**

Lindab's Board of Directors has adopted a Code of Conduct that applies to the entire Group. The code describes the principles for how everyone in the Group should behave in their relations with employees, shareholders, business contacts and other stakeholders. The code is implemented throughout the Group and is continually monitored. Lindab places great importance on human rights and to avoiding any situations involving corruption, child labour or forced labour.

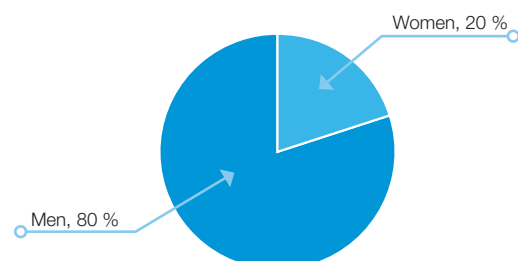
**Lindab's role in society**

In many places where the company operates, Lindab is a leading company. When the company supports a football club in Budapest, provides subsidies to a kindergarten in Romania or to the Cancer Foundation in Sweden, for example, it is an expression of Lindab's commitment to society. It is clear to Lindab to take the type of social responsibility one would expect of a large company. In some cases, the company's involvement takes the form of sponsorship, which is intended for a wider audience to strengthen the company's brand. One such example is the Lindab Arena, where Lindab clearly gains exposure in different media through a successful ice-hockey club. In most cases, commitments take the form of supporting youth activities and local culture. Lindab aims to contribute towards local development. Contacts with schools and other educational activities are important.

Average no. of employees



Gender distribution, %





## Product development

**Lindab's research and development is conducted in close cooperation with both universities and material suppliers.**

Through collaborations with other key players, we make sure that we always have access to the latest knowledge in our areas and can therefore create the solutions that best meet our customers' expectations. Resources are also dedicated to the development of products in order to optimise the manufacturing process, as well as lowering costs and environmental impact.



### **New products within Ventilation**

During 2007, the Ventilation business area began the launch of its innovative duct system – Lindab Safe Click, as well as the SR Cutter and SR Roller. The launches of these have continued during 2008.

Another innovation within the Ventilation business area is the third generation chilled beam, Plexus. It is unique to the market in its offering of a 360° diffusion pattern, the most natural and optimal distribution pattern for ventilation, cooling and heating. The launch started in Sweden at the end of 2007 and continued elsewhere in Europe during 2008.

### **New products within Profile**

The Profile business area launched the product innovation Lindab RdBX at the start of 2008. This is an improved partition wall stud with a "click-function" that can be fixed without tools or fasteners. The RdBX stud has continued to be launched in other markets during the year. The new facade cassette system, Cassette Premium, with its associated software for project planning has been introduced on the Danish market during 2008.

### **IT tools**

Within Lindab's two business areas, significant efforts are being made to develop IT-based tools for contractors and installers. During this year, for example, a programme that calculates a building's energy consumption has been developed. Cy-nergy is a part of Cyprion, which has now been used for several years for planning construction projects and calculating the price, as well as for creating a virtual environment to demonstrate for customers how the building will look.

### **Testing and documentation**

Lindab tests and documents the products that are developed to ensure quality and functionality. At Farum in Denmark, Lindab has a sophisticated acoustics laboratory

where research is carried out in order to reduce the noise from ventilation. At the laboratory, Lindab conducts full-scale experiments to ensure that the ventilation systems are being optimised. The products are supplied together with the documentation required by the various markets, e.g. instructions, certificates, environmental product declarations, etc.

### **Patents and Brands**

Lindab's central brands, Lindab, Astron and Spiro are protected by registration in all relevant markets in which operations are conducted, as well as in other major markets where there is an interest in being protected. Additionally, there are a number of product brands that are protected in the markets where the products are sold.

Lindab has patents within both the business areas that protect certain existing products and systems. With each new innovation, the possibility of establishing intellectual property rights is examined, and registration is sought when it is deemed possible. Lindab defends its intellectual rights and takes action to ensure the cessation of any infringements.

### **Quality**

Lindab's quality work is conducted with the customer in mind and the objective is always to surpass every need and expectation that they may have. To achieve this, we are working constantly to develop Lindab's organisation, employees, production methods and sales organisations.

The majority of Lindab's production units have quality management systems certified to ISO 9001:2000. Quality management systems are applied in all parts of the business, and we are continuously striving to improve our work methods. In 2008, Lean production projects and programmes were implemented within parts of the business.

Through lengthy experience, Lindab has built up the knowledge required to provide the best possible products that meet all the customer's needs and wishes. By taking into account our customers' comments and requests, we increase our understanding and can therefore work closer to the customer. An example of this is our new complaints system, which we are working to implement throughout the Group.

To obtain the best quality, we work closely with our suppliers. Together, we conduct materials research and development projects. Examples of topics covered are exterior coating, rust problems, strength as well as health and environmental aspects.

