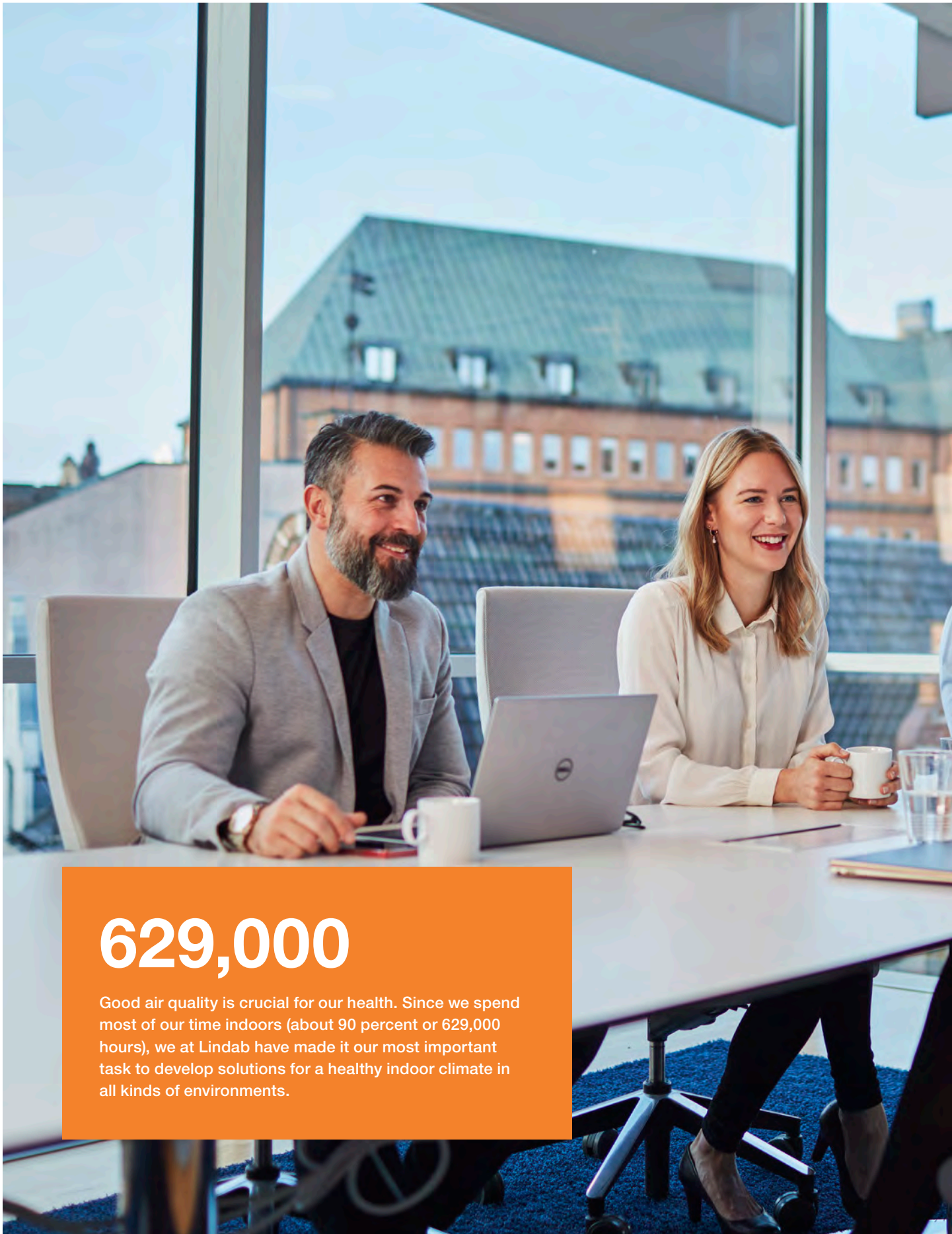


A woman with long blonde hair, wearing a white blouse, stands on a balcony or near a large window, looking out at a multi-story brick building. She is holding a white mug. The scene is brightly lit, suggesting daytime.

Lindab For a better climate

Annual Report and Sustainability Report 2020





629,000

Good air quality is crucial for our health. Since we spend most of our time indoors (about 90 percent or 629,000 hours), we at Lindab have made it our most important task to develop solutions for a healthy indoor climate in all kinds of environments.



Contents

This is Lindab	4
Developments in 2020	5
A word from the CEO	6
The market's driving forces	8
Strategy for profitable growth	10
Long-term targets	14
Acquisitions of quality companies	18
Close dialogue with customers	20
Powerful investments	22
Decentralised responsibilities	24
Geographical regions	28
Three business areas	29
Sustainability work	36
The share	44
Corporate governance	46
Financial statements	59–122
Sustainability data, GRI Index	123
Annual General Meeting	127

This document is a translation of the original, published in Swedish. In cases of any discrepancies between the Swedish and English versions, or in any other context, the Swedish version shall prevail.

A leader in ventilation



History

Due to our high level of knowledge and skill in sheet metal processing, we already commenced series production of building products in 1959. Since then, ventilation ducts have become one of our core products and have contributed greatly to our success over the years.



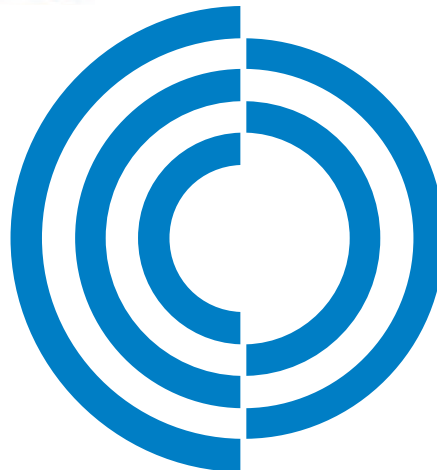
Offering

Today, we are a leading European ventilation company with more than 10,000 products and system solutions for energy-efficient ventilation and sustainable construction.



Innovation

We place considerable emphasis on maintaining a leading position and work closely with our customers to develop solutions that make a difference.



For a better climate

What we do has an overriding purpose. We call it "For a better climate", our contribution to a better indoor climate and sustainable development.



Developments in 2020

-6%

Organic growth

10.0%

Adjusted operating margin¹⁾

1.4

Net debt/EBITDA

Key performance indicators	2020	2019
Net sales, SEK m	9,166	9,872
Growth, organic, %	-6	3.1
Adjusted operating profit ^{1) 2)} , SEK m	916	915
Operating profit, SEK m	846	915
Profit for the year, SEK m	596	678
Cash flow from operating activities, SEK m	1,129	1,017
Adjusted operating margin ^{1) 2)} , %	10.0	9.3
Return on shareholders' equity ²⁾ , %	11.6	14.3
Return on capital employed ²⁾ , %	11.5	13.6
Net debt/EBITDA, excl. non-recurring items ²⁾ , multiple	1.4	1.6
Earnings per share, SEK	7.80	8.89
Dividend per share, SEK	3.40 ³⁾	1.75
Average number of employees	5,121	5,202

1) Excluding significant one-off items and restructuring costs.
 2) This key performance indicator is an "alternative key performance indicator" not defined in accordance with IFRS. For definition, see page 122.
 3) Proposed dividend.

Net sales, business area



Net sales, region



Complementary acquisitions

A leading market position, high level of profitability and strong cash flows have equipped Lindab to conduct acquisitions. Four quality companies were acquired over the year, Thor Duct, Crenna, Ekovent and Aer Faber – which complement the ventilation systems offering in priority markets. We also became shareholder in the technology company Leapcraft.



Covid-19

Our objective has been to keep our factories and our distribution and sales channels open to the greatest extent possible. Thanks to our more than 30 production units around Europe, we have been able to safeguard our deliveries to customers. Increased local warehousing has further mitigated our delivery risks. Throughout the whole organisation, procedures have been introduced to prevent contagion and to increase employee safety.

Ola Ringdahl, President and CEO

A leading ventilation company

We leave an intense year behind us. In March, the corona pandemic hit Europe hard and the imposed restrictions in many countries significantly affected our operations during the spring.

A recovery began in the summer, with construction activity increasing gradually, and this continued in a positive direction in the autumn. It is a sign of strength that Lindab managed to increase its profitability over the year and, for the first time, achieve the target of a 10 percent operating margin, despite sales having declined due to covid-19.

“It is a sign of strength that Lindab managed to increase its profitability over the year, achieving the target of a 10 percent operating margin despite sales having declined due to covid-19.”

Our management philosophy, with clear decentralisation and local accountability, is one of the main explanations for Lindab quickly being able to realign when the pandemic broke out. We put infection control in place for employees and customers, while keeping all of the operations running. Costs were quickly adjusted to safeguard both profitability and liquidity. The robust supply chain, with its high degree of in-house production, enabled us to continue making deliveries to customers throughout the crisis. Our customers must always be able to trust Lindab.

Focus on ventilation in Europe

Lindab's main focus is on ventilation, our most extensive operations, with a presence throughout Europe. We shall be the leading ventilation company in Europe, specialising in air distribution and air diffusion for all kinds of indoor environments. Today, Lindab is a market leader in ventilation ducts and sets the standard for air-tight duct systems with associated air diffusers. This constitutes a strong basis for continued growth in our priority markets. In certain local markets we are also strong in other systems for the construction industry and we can take advantage of such strengths to achieve profitable growth.

Lindab's operations are concentrated within some 20 European countries. We seek a leading position in those countries, with an adequate level of profitability. As a consequence, we have closed or divested operations in about ten countries. IMP Klima of Slovenia was, for example, divested in 2020. Our measures help strengthen the Group's profitability and concentrate resources in areas where we are able to generate the greatest possible value.

Acquisitions of well-managed companies

Acquisitions are an important part of Lindab's strategy. We will continue to acquire well-managed and profitable companies in our main European markets. The companies we acquire may add products well-suited to our range, or cover a geographic market in which we seek to become stronger. Despite the pandemic, we managed to complete four acquisitions in business area Ventilation Systems during 2020: Ekovent and Crenna in Sweden, Aer Faber in Norway and Thor Duct in Ireland. The acquired companies are being integrated gently. We believe in a decentralised organisation that works close to the customer. The same philosophy applies to the acquired companies. We focus on positive synergies and want to maintain the entrepreneurship that has made these companies successful.

Investments in efficiency and capacity

Our increased profitability has given us the financial muscle to implement the largest investment programme in Lindab's history. Over the past two years, we have been investing purposefully in increased automation, production capacity and optimised logistics. In 2020, we invested SEK 425 m in about 50 key projects. We are expanding our ventilation production facilities in strategic locations. We are installing highly automated production lines at our factories, both regionally and at Lindab's central ventilation factories in Sweden and the Czech Republic. With short pay

back time, the first investments have already generated positive effects for our operations. The current investment plan extends three years into the future.

Increased focus on sustainability

The year for which we now close the books gave us time for reflection. We have initiated a cautious process to clarify our strategy for the future: "Lindab – for a better climate". Sustainability is a central part of the strategy. We know that modern ventilation systems are essential in reducing energy consumption and carbon dioxide emissions in buildings to the levels adopted by the EU. Property owners will need to focus on energy efficiency for many years to come, in connection with both new construction and with renovation. European governments will be investing heavily to hasten the transformation.

A good ventilation system also improves the indoor climate for those who use the building. People are becoming increasingly aware that air quality affects their health and well-being. This has attracted even greater attention during the pandemic. Lindab wants to contribute to a healthy indoor climate.

As part of our sustainability work, we are also conducting a major initiative for a safe working environment. We are investing in modern technology, eliminating risky behaviour and training employees. With the number of accidents having decreased by more than 40 percent over the year, our work is beginning to show results, but our efforts continues.

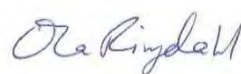
Well positioned for the future

Lindab has made significant progress in recent years and we are well-equipped for the future. The short-term market outlook is subdued because of the pandemic and its consequences. In the long-term, Lindab will benefit from strong underlying macro trends, including energy efficiency, green buildings and demand for healthy indoor climate.

In 2021, we will continue to focus on customer satisfaction, efficiency and sustainability. We want to grow with good profitability. As with our success in managing the effects of the pandemic, our decentralised organisation will play a key role in this regard. We can see that our investments are beginning to pay off and we sharpen our competitiveness. The high pace of investment in automation will be maintained. We also want to continue acquiring quality companies that will strengthen our offering in priority markets.

I'm looking forward to continue to develop a high-performing Lindab for the future. My sincere thanks to all employees and customers for your brave efforts during the tribulations of 2020.

Grevie, March 2021



Ola Ringdahl
President and CEO

The market's driving forces

Good indoor air is the key to better health

During 2020, interest in healthy indoor environments increased significantly. Nicklas Friberg, who is responsible for the Lindab Innovation Hub, discusses why.

What has brought air quality into focus?

For a long time, we have seen a strong global trend regarding health and well-being, driven by increased prosperity and other factors. In 2020, this trend was reinforced by the covid-19 pandemic. People have stayed indoors far more than previously – our homes have also become the place where we work, study and entertain ourselves, therefore raising the question of just how healthy our homes really are. The pandemic has also increased our knowledge of the impact of poor air quality on the risk of developing cardiovascular disease and pulmonary issues, which increase the risk of becoming seriously ill with covid-19. These developments have increased demands for improvements in our cities' outdoor air and for a greater focus on air quality, since good ventilation impedes contagion.

How has this impacted governmental measures?

It has accelerated investment in sustainable new construction and renovation, leading to an even greater focus on various initiatives placing human health first and foremost. Europe has already made substantial progress, with initiatives to reduce the environmental impacts of buildings, by demanding climate-neutral construction and energy-efficient renovation. Today, the importance of good ventilation for air quality, is increasingly taken into account, with regard to both new and existing buildings. This suggests that health considerations may soon be afforded the same dignity as tackling climate change.

What do these developments entail for Lindab?

They increase the interest in Lindab's offering. With the "European Green Deal", major amounts will be invested in improving buildings' performance and air quality, increasing pressure on property owners to invest in solutions that make indoor air healthy. As Europe is relatively advanced in terms of requirements on the products used, Lindab has an advantage with our ventilation systems certified in accordance with the strictest air tightness requirements. Looking ahead, superior product quality, sustainable materials and the capacity to offer complete, energy-efficient indoor-climate systems will increase in importance for Lindab. At the Lindab Innovation Hub, we are working to increase awareness of the importance of good air quality and the need to view it from a holistic perspective, to thereby stimulate discussions and, with time, develop even better solutions.



Nicklas Friberg, responsible for Lindab Innovation Hub.

Read more about air at:

Lindab Innovation Hub

90%

It is estimated that people spend about 90 percent¹⁾ of their time indoors. During the pandemic, this share has increased, placing even greater focus on good air quality, in all types of buildings.

400,000

Every year, it is estimated that about 400,000²⁾ people in Europe die prematurely as a result of bad air. Air pollution increases the risk of cardiovascular disease and lung problems.

1) European Commission: "Indoor air pollution".

2) European Environment Agency (EEA): "Air quality in Europe" (2020).

European Green Deal

The Green Deal is the European Commission's roadmap for achieving a climate-neutral Europe by 2050. It includes various initiatives designed to foster efficient resource utilisation by transitioning to an environmentally friendly, circular economy. To be able to implement the initiatives, an investment plan has been launched covering both the public and private sectors. Currently accounting for 40 percent of energy consumption and 36 percent of carbon dioxide emissions, the property sector is prioritised in efforts to achieve this objective. Focusing primarily on energy performance, measures and initiatives in both new construction and renovation are being launched.

The EU taxonomy

As part of the "Green Deal", the EU has classified the investments that are to be considered sustainable. The objective is to ensure that investments are made in priority areas, such as energy-intensive properties. The EU wants to reduce its dependence on fossil fuels for heating and cooling, to do something about the least energy-efficient buildings, and to renovate public buildings, such as schools and hospitals, with the aim of making them less energy-intensive, while also creating a healthier indoor environment.

220

More than 220 million buildings, or 85 percent of all buildings in the EU, were built before 2001 and are not considered to be energy-efficient.

1%

Each year, only 1 percent of Europe's buildings undergo some form of energy renovation. The plan is to increase the pace.

55%

The EU intends to reduce its greenhouse gas emissions by at least 55 percent by 2030, compared to 1990. Energy efficiency is a priority.

35

By 2030, 35 million buildings will need to be renovated with a focus on energy efficiency and improved indoor climate.

Sources: European Commission: "A European Green Deal" (2019) and "Renovation Wave Strategy" (2020).

Strategy for profitable growth

Our purpose

We want to create a better climate. Most of us spend a majority of our time indoors. The air we breathe, in our homes, at our workplaces and at school, affects our well-being. Since air is not visible, we do not always think about it. However, the indoor climate is crucial for how we feel, for our energy levels and whether we stay healthy. Lindab wants to contribute to the architecture and indoor climate of tomorrow. We also want a better climate for our planet. That is why we develop energy-efficient solutions for healthy indoor environments.

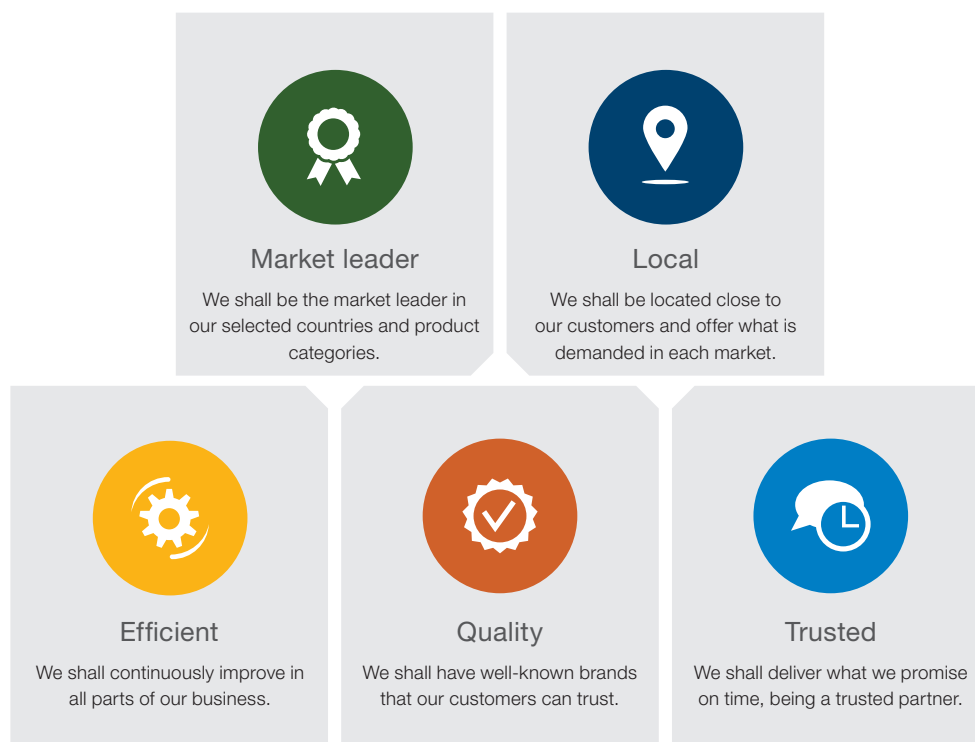


Our vision

Our vision is to be the leading player in the area in which we are strongest – ventilation in Europe. We focus on air distribution and air diffusion. Since we offer high-quality products, we focus on Europe where demand for good ventilation is high and we can offer superior availability. We specialise on those parts of the ventilation system where we are the strongest. We adapt our offering to the local market, with our core ventilation offering as the clear common denominator in all markets.



Our strategy



Our strategy focuses on five areas that set the framework and direction for our business, and enable us to achieve our vision and targets.

● **Market leader:** We should be the best, and preferably the largest, at what we do. Lindab focuses on selected countries in Europe where we are able to build strong customer relationships. We specialise in those parts of our offering where we have superior expertise and extensive experience. Our ambition is to be the market leader in air distribution and air diffusion. Our products shall maintain superior technical standard and be compatible with other parts of a ventilation system.

● **Local:** Lindab shall be located close to its customers and offer what is in demand in each market. This means that the offer is different in different parts of Europe, depending on what ventilation installers and tinsmiths demand. We believe in local production to reduce transportation and provide the best service. In Scandinavia, we have solid operations for sheet metal roofs, rainwater systems and wall elements, which are integrated well with the ventilation operations. This is a successful local adaptation which we are proud of.

● **Efficient:** By manufacturing standardised products, we can achieve a high degree of automation. This leads to safer work environments and higher efficiency. We shall take advantage of digital channels and of system support in our business. Lindab believes in continuous improvement throughout the company.

● **Quality:** Lindab has well-known brands that customers know they can trust. Our products are of superior quality and our employees have the skills demanded. We shall be a knowledgeable partner to whom customers can turn with their ventilation and construction projects.

● **Trusted:** We deliver what we promise, on time. The trust in Lindab has been built up over many years through our entrepreneurial spirit, with each employee taking responsibility and resolving problems as they arise. Those who are closest to our customers know best what needs to be done.

Strategy for sustainable growth

How we work with sustainability

Sustainability is a way of thinking and of working. It affects how we implement the strategy in all areas.

Based on our overall purpose, “For a better climate”, we can make a difference on several levels. By contributing to healthy buildings, we can indirectly make a difference for many people. We can also influence our customers’ environmental impact directly through our products and systems. In addition, our own operations shall be at the fore front from a sustainability perspective.

We have developed a sustainability plan, including objectives and activities, governing how we work to implement the strategy. This includes everything from the purchases we make, to the deliveries we complete, and the level of service we offer our customers. It is about proceeding step by step towards a circular model for the business. We still have a lot to do, but we are on our way.

Lindab’s three sustainability objectives

- Create healthy buildings
- Reduce the environmental impact from our customers
- Drive a sustainable business

We contribute to global goals



Lindab supports Agenda 2030, the UN’s 17 global goals for a sustainable world. The products and solutions we develop and sell, and the way we work, contribute somewhat more to twelve of these goals. The goals to which we contribute most are presented on the next page, with clear links to our three overarching sustainability areas.



Create healthy buildings

Indoor environments are highly important in our lives – it’s where we spend about 90 percent of our time. To contribute to a better indoor climate, we are working with solutions that help people feel well and perform better. We will spread the word regarding the importance of a good indoor climate. We will also influence industry organisations and building standards in the direction of increased sustainability.

We will focus on:

- Increasing knowledge about the positive effects of indoor climate
- Influencing future building standards to create healthy buildings

We contribute to:



Reduce the environmental impact from our customers

Our customers are working to minimise their impact on the climate. They are doing it because they are eager to contribute to a better environment, but also to meet increasing requirements. As a supplier, we shall help our customers achieve their objectives by, among other things, offering leading energy-efficient products and systems that can largely be recycled. We view new technologies and digitalisation as central to our development, alongside technical collaborations.

We will focus on:

- Sustainable and energy-efficient products and systems
- Digital support and new technologies for analysis and calibration, allowing the energy use to be optimised
- A circular economy with a higher degree of reusable construction products

We contribute to:



Drive a sustainable business

To achieve a circular economy and to be able to offer customers sustainable solutions, all parts of our value chain – purchasing, manufacturing and transport – must reduce resource consumption, and, consequently, lower carbon dioxide emissions. Lindab should be a workplace that is fair, safe and inclusive, caring about co-workers as well as the societies we are part of. Our co-workers should be proud of working at Lindab.

We will focus on:

- Sustainable sourcing
- Sustainable production
- Sustainable transport
- Attractive employer
- Community participation

We contribute to:



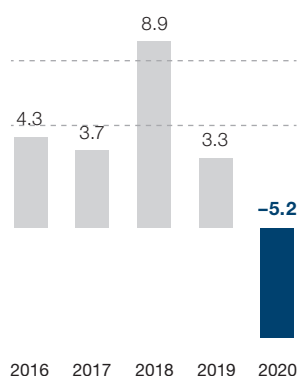
Long-term targets

Lindab has long-term financial targets for growth, profitability and debt. In addition, at least 40 percent of net profit shall be distributed to the shareholders each year. Combined, these targets safeguard Lindab's generation of long-term value through well-balanced investments in prioritised areas.

Annual growth

Target

5–8%

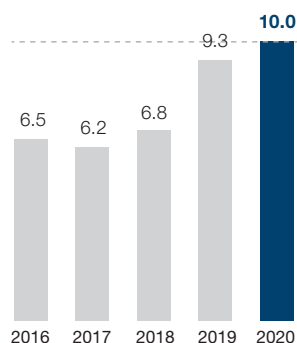


The target for annual growth, excluding currency effects, is 5–8 percent. In 2020, sales were affected by lower construction activity due to the effects of the pandemic. Lindab's sales decreased by 5.2 percent for the full year.

Operating margin¹⁾

Target

10%

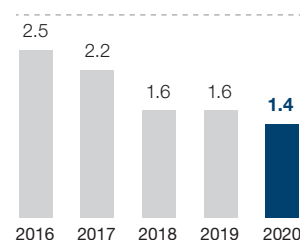


The adjusted operating margin is targeted to average 10 percent over a business cycle. Lindab achieved a 10 percent margin for 2020, the first time since the adoption of the target in 2014. It was also achieved in a year with weak economic conditions.

Net debt/EBITDA²⁾

Target

<3.0



The target for net debt is that it should not exceed three times EBITDA. In recent years, Lindab has remained below that level by a good margin. For 2020, net debt/EBITDA ratio amounted to 1.4.

Dividend

Policy

40%

Lindab holds a strong financial position and intends to distribute at least 40 percent of the company's profit after tax. The company's financial position, acquisition opportunities and long-term financial needs shall be taken into account. For the 2020 financial year, it is proposed that a dividend of SEK 3.40 are to be paid on two occasions, in May and November.

1) Excluding the effect of implementing the new accounting standard IFRS 16 Leases, operating margin amounted to 9.0 percent in 2019 and to 9.7 percent in 2020.

2) Excluding the effect of implementing the new accounting standard IFRS 16 Leases, net debt in relation to EBITDA amounted to 1.0 in 2019 and to 0.8 in 2020.

Lindab has three long-term, non-financial targets for the business, one that focuses on increasing our attractiveness as an employer, one for reducing our own carbon dioxide emissions, and one for a better working environment. The Group's new sustainability plan entails new sustainability-related targets being launched in 2021.

Attractive employer

Target

90%

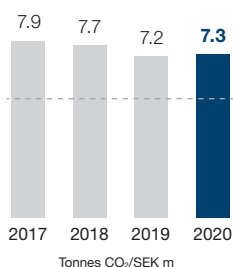


Lindab shall be an employer that attracts new talent and retain appropriate skills. The goal is for 90 percent of employees to recommend Lindab as an employer. In 2020, 92 percent of the employees recommended their workplace.

Lower carbon dioxide emissions

Target

-30%

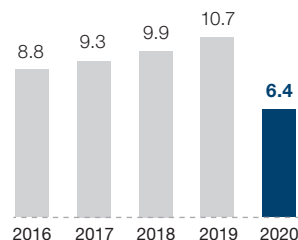


In-house carbon dioxide emissions shall decrease by 30 percent from 2017 to 2025. Lindab has reduced emissions by 8 percent since 2017. CO₂-emissions as a percentage to sales increased marginally in 2020, despite total emissions having decreased during the year. We are not pleased with the result and will focus on improving in the future.

Zero vision regarding work related accidents

Target

Zero

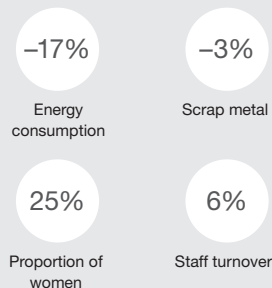


Lindab applies a zero vision for work related accidents. We follow up on this with the key performance indicator LTIF³⁾ that is, the number of accidentent per million hours worked. In 2020, the number of accidents decreased by more than 40 percent, a valuable progress towards our vision.



Additional key performance indicators in sustainability

Lindab's new sustainability plan includes ten focus areas. For each focus area, specific key performance indicators are identified that support the local operations in monitoring their progress and thereby contributing to sustainable development for Lindab, our customers and society as a whole. Some of the key performance indicators for 2020 are presented here.



3) LTIF = Lost Time Injury Frequency, which is calculated as the number of accidents, causing absence with 8 hours or more, per million hours worked.



190 days

In Europe, more than 65 million students and almost 4.5 million teachers spend between 170 and 190 days each year in school environments. As much as 70 percent of that time is spent in the classroom, where the air quality frequently fails to meet the requirements.



Case indoor environment

In the classroom, air stands still

Being able to offer a good indoor climate in schools is a matter of protecting children's health and learning. Although air quality is instrumental in this regard, ventilation levels in European classrooms are unfortunately often lower than those recommended in both national and European guidelines – which is harmful for our youngsters. Svensk Ventilation's report "The air in the classroom is standing still" stated that half of Sweden's municipalities have schools with deficient ventilation and air quality. The most common problems are insufficient air flow in relation to the operations for which the ventilation is adapted, as well as inadequate service and maintenance.

When the carbon dioxide level in a classroom is too high, students find it difficult to concentrate and their capacity for learning decreases. Studies show that children's performance deteriorates more than twice as much as that of adults when the indoor air is bad. Smart ventilation systems, adapted according to needs, measure the quality of the air in the room and continuously optimise the air flow. This provides a healthier indoor climate while also saving energy.

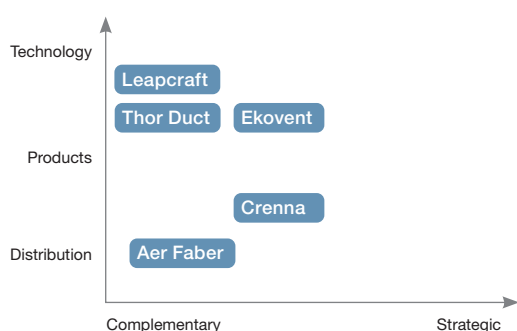
Sources: European Commission: "The Organisation of School Time in Europe" (2019) and "Renovation Wave Strategy" (2020), "Healthy Homes Barometer" (2019), Svensk Ventilation: "The classroom air stands still" (2019).

Acquisitions of quality companies

Acquisitions are an important part of Lindab's strategy. We shall acquire well-managed, successful companies that complement our offering in selected regions and product areas. The acquired companies continue to operate independently under their own brands, while, at the same time, benefiting from Lindab's sales network and central resources at their chosen pace. In 2020, we completed four acquisitions, two in Sweden, one in Norway and one in Ireland. The acquisitions of Crenna and Ekovent strengthen our position in the Swedish ventilation market. We gained an even stronger range of ventilation ducts and accessories in Sweden and additional fire protection solutions. With

the acquisition of Aer Faber in Norway, we gained a strong position in the Oslo region, while, at the same time, obtaining access to sales and production of rectangular ventilation ducts. The acquisition in Ireland comprises Thor Duct's system for smoke extraction ducts. Although this was a minor acquisition, it provides us with knowledge and control over a technology that forms an important part of a ventilation system. During the year, we also acquired a minority stake in Danish Leapcraft, which enables joint product development and gives us access to technologies for analysing and monitoring the indoor climate.

What kind of acquisitions did we make in 2020?



Companies acquired and divested

	Annual sales, SEK m	Profitability cf. Lindab
Fully owned		
Aer Faber	53	Higher
Crenna	118	Comparable
Ekovent	127	Comparable
Thor Duct	15	Higher
Part-owned		
Leapcraft	-	-
Divested		
IMP Klima	269	Lower

“Lindab acquires well-managed companies with high-quality products, good customer relations and superior expertise. We therefore have no reason to change their successful business models, and allow them instead to benefit, where relevant, from Lindab's large-scale purchasing, the well-established distribution network and other key resources.”

Lars Christensson, Director of Business Development and M&A at Lindab

Thor Duct

Thor Duct is the market leader in multi compartment ventilation systems handling fire and smoke. Thor Duct is based in Ireland and licenses its technology to a number of customers in the UK and Ireland, mainly installers with their own production. The products are certified for use throughout the EU, but local practices and regulatory requirements mean that Thor Duct has focused on Ireland and the UK.



Ekovent

Ekovent was founded in 1972 and is today a leading Swedish manufacturer of ventilation and fire protection products with slightly more than 60 employees. The head office and two production facilities are located in Vellinge outside Malmö, Sweden. The company also has sales offices in Stockholm and Gothenburg. Ekovent's development department, with an advanced test lab, is also located in Vellinge. Ekovent mainly manufactures products for fire and smoke protection, but also offers other ventilation products such as roof hoods, grilles, dampers and fans.

Crenna

Crenna is a leading manufacturer of high-quality rectangular ventilation ducts in Sweden and offers the market's widest range of silencers. The company opened in Enköping in 1993 and employs slightly more than 90 people. Manufacturing is conducted in Enköping, Gothenburg and Stockholm. The range also includes dampers, exterior wall grilles and roof hoods. Crenna's premium ducts offer maximum air-tightness (class D) and are manufactured and quality controlled by tinsmiths with extensive craftsmanship skills.



Aer Faber

Norwegian Aer Faber was founded in 2002 and maintains a production facility, a warehouse and a store in Spydeberg, southeast of Oslo, and another warehouse in Oslo. With just over 20 employees, the company has made itself known for its high degree of availability and level of service. It holds a strong position among ventilation installers in the Oslo region. Production mainly encompasses rectangular ventilation ducts.

Leapcraft

Leapcraft is based in Denmark and offers European customers subscription-based services for monitoring and analysing the indoor climate, as well as sensors for indoor and outdoor use. It offers property owners, consultants, installers and tenants the opportunity to continuously monitor their indoor climate and to determine how the ventilation system should be adjusted.



leapcraft

Close dialogue with customers

Every year we meet tens of thousands of customers, from local tinsmiths to major international construction groups. We help architects and consultants with advice and software that simplifies their design and planning processes, we provide installers and tinsmiths with everything they need when assembling and installing. We make sure that our part of the solution always simplifies the process for those responsible for the contract or system. We also collaborate with various customer groups in developing new products and solutions, with the aim of holding a leading-edge position and driving development in the industry.

24,000
customers

- Ventilation installers
- Tinsmiths
- Construction and ventilation contractors
- Roofers and roof installers
- Resellers
- Architects and consultants
- Property owners

Ventilation installers

One of the customer groups with whom we have most frequent discussions are those responsible for installing our ventilation and indoor climate products – ventilation contractors and ventilation installers. The contractors are often larger companies, sometimes international, that bear an overall responsibility for all of the aspects involved in installing an HVAC system in a building. They plan, dimension and calculate everything needed for a system – and then use their own installers or subcontractors when it is ready to be installed. Lindab has framework agreements with large ventilation contractors and dedicated account managers to assist them in their projects. Although a ventilation



installer may belong to a major company, they generally conduct their operations on a smaller scale. With ventilation systems becoming increasingly complex, we are seeing a clear trend in which project-based expertise and knowledge in ventilation control, regulation and automation is becoming increasingly important, which requires companies to be of a certain size. Regardless of the project, the challenge is to achieve a good flow in the process so that the lead times are as short as possible. The greatest cost efficiency is achieved in projects using quality products where assembly times, delivery times and flexibility among suppliers are key factors. A successful installation requires:

- Intuitive and easy-to-use products and systems
- High-quality products, made of sustainable materials
- Superior availability and delivery performance

Lindab lives up to all of this, with a brand that is well-known for its superior quality and reliability. We also assist customers with smart tools and other aids that improve their work environment, facilitate the work and safeguard quality, including measuring equipment and cutting benches. Lindab's products and systems solutions are also among the most energy-efficient in the market and contribute to a healthy indoor climate.

Tinmiths

The tinsmith profession is more than a thousand years old, and there is no indication that it will disappear – on the contrary – being able to process sheet metal, with its aesthetic, sustainable and environmental properties, will have an important role to play in future construction projects. Unlike the ventilation industry, there are currently few larger tinsmith companies. Tinsmiths often work individually or in small local companies. Tinsmiths know that Lindab's products stand for quality, although the level of service offered is just as important. Lindab shall act as a speaking partner in each individual project. A local presence is also of great importance, Lindab must be present where the work is conducted. Secure and simple guarantees are another important factor for collaborations to function. As a stage in further simplifying construction, Lindab also offers smart aids and tools to tinsmiths, easing and accelerating their work and making it less demanding on the body. These include everything from traditional hand tools to measuring equipment and innova-



tive fastening solutions. One of Lindab's most important tasks, however, is to provide the tinsmiths with leading-edge products from the perspective of sustainability. For a tinsmith, being able to offer sheet metal solutions that increase the energy efficiency of a building, can be crucial in the competition with other materials and craftsmen.



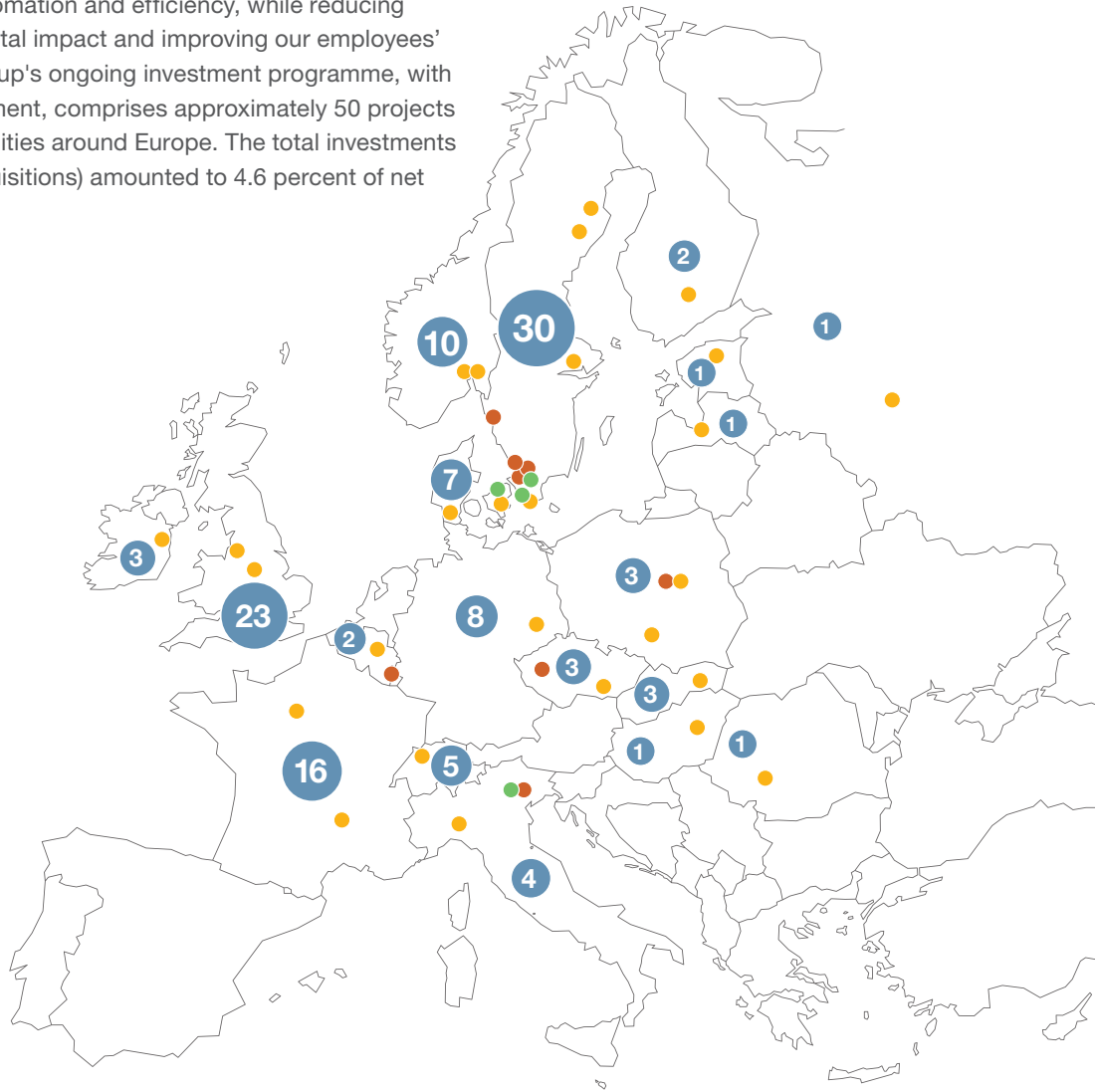
Our stores

Our stores in Norway and Sweden provide ventilation installers and tinsmiths with everything they need for their assignments – products, equipment and protective clothing. The reasons for this lie in Lindab's traditions and its historical focus on its tinsmith customers. This setup also result in synergies in purchasing and delivery, as well as for the brand. In the shops, both customer groups also receive advice, as well as planning and dimensioning services when working with larger projects. Our stores in the rest of Europe are mainly adapted to the needs of local ventilation customers. Our products are also represented at builders' merchants stores in many countries.



Powerful investments

We are continuing to increase the utilisation of technology in production and to optimise the logistics network. It allows us to continue offering market-leading products and to work even more closely with our customers. The focus is on automation and efficiency, while reducing our environmental impact and improving our employees' safety. The Group's ongoing investment programme, with its rapid repayment, comprises approximately 50 projects at Lindab's facilities around Europe. The total investments (excluding acquisitions) amounted to 4.6 percent of net sales in 2020.



SEK 425 m

● Number of branches ● Central production ● Local production ● R&D centre

During the year, we invested SEK 425 m in strengthening efficiency and increasing production capacity. Modern equipment also leads to improved safety for our employees. We are implementing the largest investment programme in Lindab's history.

Examples of types of investments

→ Increased automation provides capacity boost

An extensive investment programme is in progress at our largest production unit in Karlovarska, outside Prague. With new, fully automated lines for the manufacturing of standardised ventilation and indoor climate products, capacity is increased and lead times are shortened while mitigating the climate impact and increasing safety.



→ New equipment improves safety

Lindab has more than 3,000 employees working in production and logistics. The investments now being made bring significant improvements in the safety of these working environments, including equipment that completely eliminates dangerous manual tasks. The number of accidents at Lindab decreased by 40 percent in 2020.



→ Modernisation of local production

Finished duct systems are bulky to transport. Completing the duct systems locally is optimal from both the customer and environmental perspectives. During 2020, we continued to upgrade several of our local production units with new, modern production technology and expanded warehouses.



→ Extended production of rectangular air ducts

Lindab has extended the production of rectangular ventilation ducts in Denmark and Sweden. Rectangular ducts are tailor-made for each order and place different demands on the production process than mass-produced circular ducts. The acquisitions of Crenna and Aer Faber have contributed to increased knowledge in the area.



→ New sustainable distribution in Germany

Our unit in Weimar, in central Germany, will be the new distribution centre for deliveries to our German units and customers. This enables faster and more reliable deliveries, and is better for the environment. The initiative includes warehousing with space for 8,000 pallets. We are also expanding in Lyon, France, to strengthen our distribution in the French market.



→ Increased capacity in central production

At our central production unit for ventilation products in Grevie, Sweden, a gradual streamlining and expansion of capacity is in progress. In addition, we are working to strengthen the capacity of the adjacent distribution centre to meet growing demand for the ventilation and construction products that are manufactured here.



Decentralised responsibilities



Local responsibility strengthens trust in the organisation

Focusing on short decision-making paths and removing unnecessary hierarchies, Lindab has developed into a decentralised organisation with local managers who take responsibility both for customer satisfaction and for targets being achieved. This model has increased the organisation's self-confidence, particularly in light of how successfully various challenges were handled during the pandemic. Fundamentally, it is a matter of trusting one another and the organisation.

Model for good development opportunities

Employees undergo regular performance appraisals and employee surveys are conducted on an ongoing basis. Formalised development talks are an important tool in the development both of employees and the organisation. Linked to this is succession planning, which supports the identification and development of people for key functions. In connection with development talks, employees and managers are encouraged to develop individual development plans, including training courses at Lindab Academy. Completed courses are added to the employee's internal CV, facilitating internal recruitment and project-role assignments and increasing the employee's internal development opportunities.



International and expanding operations provide opportunities

We are an international organisation with employees in 24 countries. In addition to the Nordic region, we have extensive operations in the Czech Republic, the United Kingdom, France and Poland. Of our employees, 80 per cent work outside Sweden and many career opportunities can be offered.



Number of employees

5,121

We have a diversity of people coming from different backgrounds and cultures, bringing a high level of skill.

Number of countries

24

We are concentrating our business in a smaller number of countries, but there we intend to grow.

Number of locations

145

We should be where our customers are, which are in many places around Europe.

How did you manage the operations in 2020 – in the middle of a pandemic?



Michal Klimovič

Managing Director of Lindab Czech Republic, and responsible for production in Karlovarska, Prague, with more than 700 employees.

“Year 2020 turned out to be one of the strangest years I have experienced. In March, we acted quickly, cancelling business trips and banning factory visits, while those who could, started working from home. We bought thousands of face masks and lots of soap and disinfectant. Most important, however, was explaining to employees why we were doing these things and what was expected of all of us. After a calmer summer, the covid-19 situation grew serious again in the autumn. That was also a tough period for our business, with a lot of sick leave and our production facility being overloaded. But with a strong team spirit and hard work, we have kept both our customer relationships and our deliveries going.”



Mette Brøndum

Managing Director of Lindab Denmark and Director of Sales Region West Europe, with responsibility for almost 1,000 employees in total.

“When the restrictions came, we quickly developed clear communications with all managers and employees to make everyone aware of how the contagion could be avoided. We made it possible to work from home, introduced measures for social distancing, extra cleaning and, not least, we established a safe working environment for those who stayed on in production. All of our managers have shown tremendous responsibility with the rules, establishing new digital ways of meeting employees and customers. Thanks to the efforts of all of our employees, we can look back on a year in which, despite the virus, we experienced our lowest levels of sick leave to date, and in which we maintained a high level of service.”



Iain Robertson

Managing Director of Lindab UK with responsibility for some 300 employees in 24 locations, and with 23 branches and a production unit.

“It was made clear from the start that the construction industry in UK would be kept going. Concerns caused construction sites to close, however, which affected us negatively. We took immediate action to be able to support our customers while also protecting our colleagues and securing the operations. We put staff on furlough and closed six branches. The employees who remained at work quickly adapted to new ways of working, with online customer meetings. We have adhered to the official guidelines and secured the working environment for our employees and customers. As activity has increased, we have reopened all of our branches and our furloughed colleagues are back at work.”



Nicola Ivan Zanon

Managing Director of MP3 with responsibility for nearly 100 employees in production and sales in Italy.

“Both in Italy and here at MP3, we have fought a tough fight against covid-19. Early on, we introduced measures to keep our units open, but had to adapt to official closure demands. When we were allowed to open again, we were able to do so quickly and efficiently. From management, we have provided continuous information on important procedures to be adhered to. Health and safety has been in focus, with regular use of disinfection, mandatory face masks and temperatures being taken every morning. We have reorganised to avoid congestion in production and have introduced smarter ways of working. We ended the year with new approaches, a strong team spirit and confidence in 2021.”

Our core values



Customer success

We believe that customers' success drives our success. This is realised by leading the development of solutions in our core segments.



Down to earth

We strive for long-lasting relations built on an uncomplicated, humble and trustworthy approach. Efficient and fast decision-making is an important part of this.



Neatness and order

Neatness and order throughout impacts efficiency, as well as the company's general image. It also contributes to a sense of pride among employees.



20–40 times

The air change rate in rooms with strict hygiene requirements is usually 20–40 times higher than in a normal home. This is intended to create an indoor climate that is as healthy as possible and to minimise the risk of contagion.



Case indoor environment

What must always work

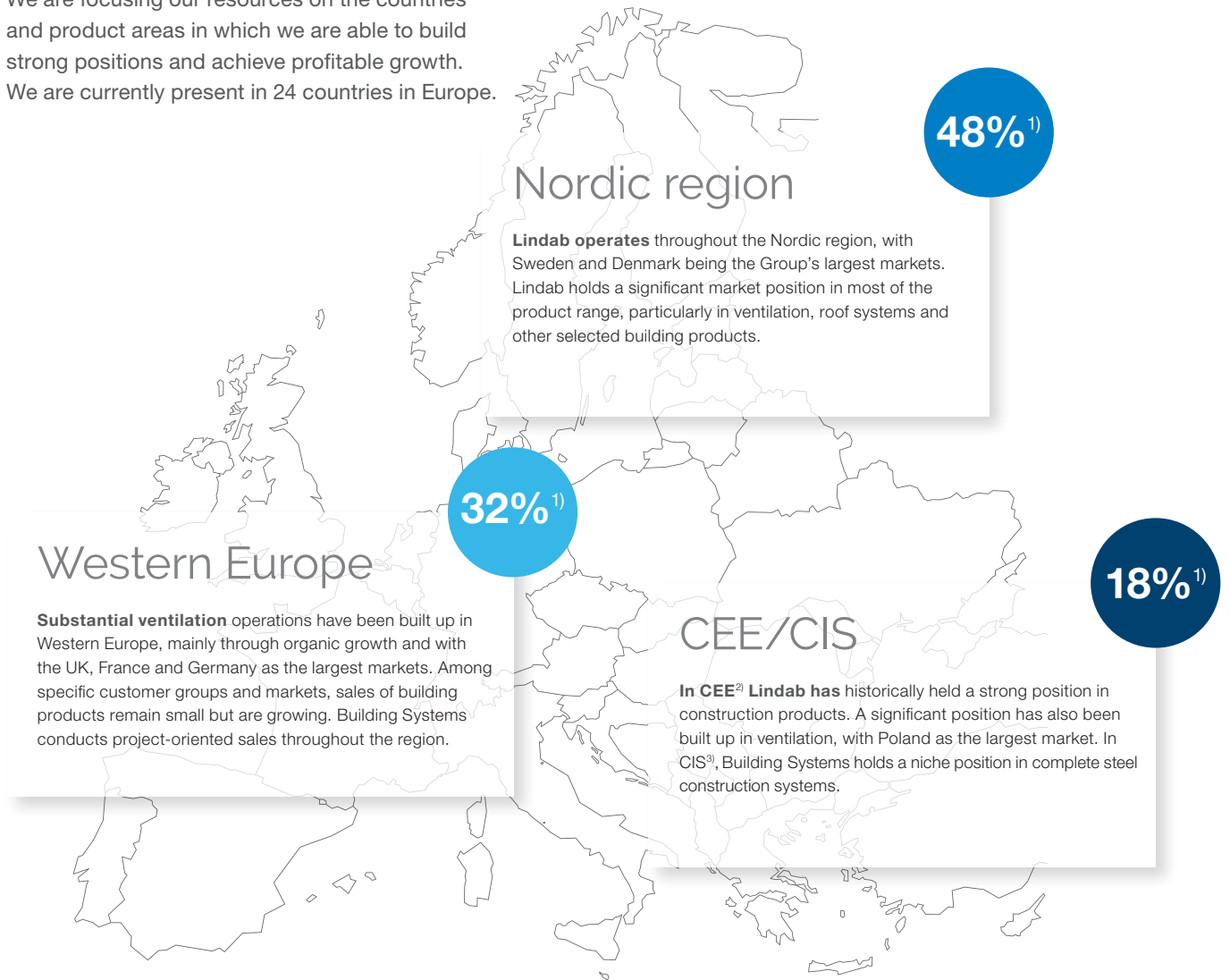
Hospitals have particularly high requirements for clean air. Appropriate ventilation, humidity and temperature, make health care as safe as possible. It follows that the solutions are energy-intensive. It is critical that the ventilation always work and that the temperature inside the health care facilities never falls below 21°C. Close cooperation between the health care facilities, ventilation suppliers and the property owners is necessary to foster the appropriate conditions. Today, one challenge posed by hospitals in Europe is that many buildings are old and difficult to renovate to achieve improved ventilation and to reduce energy consumption.

The covid-19 pandemic has posed particularly great challenges for health-care, with its urgent need to adapt the hospitals quickly to a large number of patients requiring intensive care. At Lindab, we have continued to deliver solutions for energy-efficient air treatment for hospitals and other health care facilities – in connection with both new construction and renovation.

Sources: Swedish Energy Agency: "Energy-efficient ventilation for hospitals" (2017), Energy & Ventilation: "Ventilation and care – A difficult collaboration" (2010), European Commission: "Renovation Wave Strategy" (2020).

Geographical regions

We are focusing our resources on the countries and product areas in which we are able to build strong positions and achieve profitable growth. We are currently present in 24 countries in Europe.



The covid-19 crisis resulted in a sharp decline of construction activity

The construction market forecast for 2020, presented by Euroconstruct at the end of the year, indicated a decline of 8 percent, in line with the decline in connection with the financial crisis of 2008. This time, it was the covid-19 crisis that had a negative impact on activity levels. Just as there has been considerable variation in contagion levels and restrictions, construction activity has also varied widely. The largest declines were noted in southern Europe, while the markets in the north performed better. Economic stimulation packages, renovation incentives and optimism regarding vaccines are generating expectations of a recovery over the next few years.

1) Share of the Group's net sales (other markets 2%).
 2) Central and Eastern Europe.
 3) Commonwealth of Independent States (former Soviet republics except the Baltic States).
 4) Source: Euroconstruct's forecast, November 2020.

Three business areas

Lindab's products and system solutions are offered out of three business areas. Ventilation Systems and Profile Systems share certain resources in purchasing and logistics, offering their products via a shared network of stores in Sweden and Norway. Building Systems is operated as a separate company with its own brand and has a more project-based business model than the other business areas.

	Ventilation Systems	Profile Systems	Building Systems
Share of the Group's net sales	62%	28%	10%
Share of net sales by region	<p>Western Europe 42% Nordic region 43% CEE/CIS 13% Others 2%</p>	<p>Nordic region 76% CEE/CIS 18% Western Europe 6%</p>	<p>Western Europe 47% CEE/CIS 49% Nordic region 2% Others 2%</p>
Important customer groups	Ventilation installers Ventilation contractors HVAC consultants	Tinsmiths Construction contractors Resellers	Commercial companies Industrial companies City planner
Largest brands			
Sales channels	Direct delivery to customers or distribution through 124 Lindab branches and approx. 1,000 resellers.	Direct delivery to customers or distribution through 50 Lindab branches and approx. 2,000 resellers.	Project-based sales through some 300 contracted construction contractors, or directly to key customers.
Market segments	<p>■ Non-residential construction ■ New construction ■ Residential ■ Renovation</p>	<p>■ Non-residential construction ■ New construction ■ Residential ■ Renovation</p>	<p>■ Non-residential construction ■ New construction ■ Residential ■ Renovation</p>
Other major players in the industry	Aldes, Fläkt Group, Swegon, Systemair, Trox	Areco, BudMat, Kingspan, Plannja, Pruszyński, Ruukki	Fayat, Goldbeck, Kingspan, Severstal



Business area
Ventilation Systems

The lower level of construction activity, due to the pandemic, had an impact on Ventilation Systems. Furthermore, service technicians did not have access to ventilation facilities to the same extent as previously. Sales recovered in the latter part of the year, and the year ended with organic growth for the fourth quarter. Profitability was slightly better than in the previous year, despite decreased sales.

-5%

Organic growth

10.4%

Adjusted operating margin

Share of Group



Net sales



Adjusted operating profit



Number of employees

Significant events in 2020

- Acquisitions of four high-quality companies: Thor Duct (Ireland, specializing in ventilation for fire safety), Crenna (Sweden, leader in rectangular ventilation ducts), Ek-ovent (Sweden, leader in ventilation and fire protection products) and Aer Faber (Norway, strong position in the Oslo area).
- Co-owner of Danish Leapcraft, experts in advanced measurement and analysis of indoor climate.
- Divestment of the Slovenian subsidiary IMP Klima due to weak development of profitability.

Ventilation Systems offers installers, and other clients in the ventilation industry, duct systems with accessories, and indoor climate solutions for ventilation, cooling and heating.

New technology for demand-controlled ventilation

We are investing in the development of the next generation of indoor climate systems, where digitalisation and sensor technology are increasing in importance. Through the Lindab Innovation Hub, new product ideas and partnerships are tested, and we work to renew and clarify standards for indoor air quality. In addition, we are continuously upgrading and strengthening the product range, including our products for demand-controlled ventilation systems.



Complete offering of leading and energy-efficient duct systems

We offer a wide range of ducts and other details that together form the foundation for a complete solution for the transport of air. Our duct systems include both circular and rectangular ducts, meeting the needs of all kinds of buildings, in connection with construction and renovation, for better air quality and higher energy efficiency. Several of our duct systems are certified for maximum air-tightness, class D.

Fireproof ventilation

We offer certified products, including fire dampers, fans and ducts that can withstand very high temperatures, and we develop complete fireproof system solutions for all types of buildings. Fire protection is usually nationally regulated and it is therefore important to offer the appropriate products and solutions to be able to be certified in a particular market. During the year, we fulfilled Denmark's new fire safety requirements for duct systems, and in Sweden, the UK and Ireland we strengthened our position by means of acquisitions.

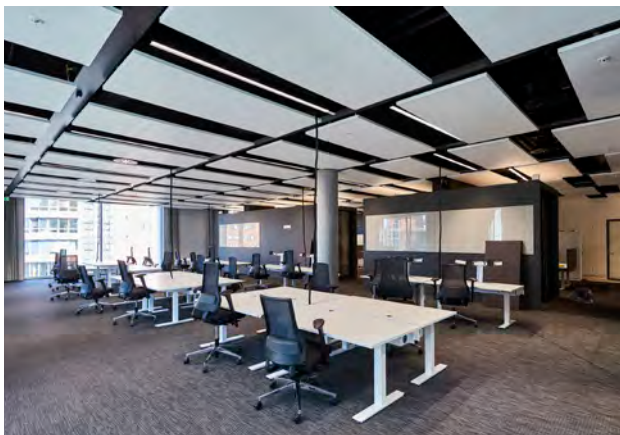
Support for simpler design and planning

We have extensive experience of developing software that simplifies the design process for ventilation and indoor climate, and includes our easy-to-use web tool LindQST for product selection and simulation. During the year, we connected LindQST with MagiCAD – the dominant BIM tool in the Nordic markets.



50%

Our intelligent solution for demand-controlled ventilation, Lindab Pascal, provides 50 percent lower energy use than a traditional pressure controlled VAV system.



Case:

Solution for a productive and healthy head office in Finland

Our indoor climate solutions include air diffusers, water-borne climate systems and acoustics that provide a comfortable, healthy and productive indoor climate. We also offer cooling units, air conditioning and heat exchangers that transport or regulate air. In Helsinki, Finland, we have delivered a complete indoor climate solution, including duct systems, to K Group's new head office, a project that imposed extensive requirements on sustainable solutions in all parts of the construction. Our solution creates a healthy and productive indoor climate for the 2,000 people in the building, at the same time as it contributes to greater energy efficiency.



Business area Profile Systems

Profile Systems began the year with high growth, which slowed as construction activity decreased due to the pandemic. Profile Systems, on the other hand, was able to benefit from its strong position in the Nordic region, where construction activity was less affected than in the rest of Europe. The business area increased both its sales and operating margin over the year.

5%

Organic growth

12.4%

Adjusted operating margin

Share of Group



Net sales



Adjusted operating profit



Number of employees

Significant events in 2020

- Customers continue to show great interest in SolarRoof. In addition, SolarRoof was awarded Byggeriet's 2020 Energy Prize in Denmark.
- In recent years, Lindab has delivered more than 30 padel halls. An example is the latest padel hall and office property in Båstad, where Lindab delivered the complete structure, including the frame, exterior walls and roof.
- An order, valued at SEK 120 m, for delivery to a major logistics property in Norrköping, Sweden. The property will be used for the storage and distribution of products for a chain of builders' merchants in Sweden and Norway.

Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, roof and wall products as well as steel profiles for wall, roof and beam constructions.

Aesthetic roof solution with solar energy

To us at Lindab, innovative and sustainable product development is fundamental. Lindab SolarRoof is our designer solution of sheet-metal with integrated solar cells. The solar cells are so thin that they blend into the design of the roof. In 2020, SolarRoof was awarded Byggeriet's Energy Prize in Denmark – the motivation being that Lindab had combined an established roofing technique using sheet metal with the latest solar energy technology.



Everything for roofs and walls – in steel

An attractive and durable roof is central in all building projects. Lindab is an expert in roof solutions, offering sheet roof metal materials, completed roof profiles, roof safety systems, rainwater systems, high-profile sheeting and many other solutions. We also offer various solutions for façades, as well as for interior and exterior walls. The range includes sandwich panels, façade cassettes, partition wall profiles and exterior wall profiles.



Materials and components that simplify and improve the construction process

Lindab's steel-plate building components are quality products, designed and developed in Sweden, offering substantial value in terms of building technology innovation. We also offer a wide selection of materials to suit all types of productions and requirements, both as shaped panels and in rolls.



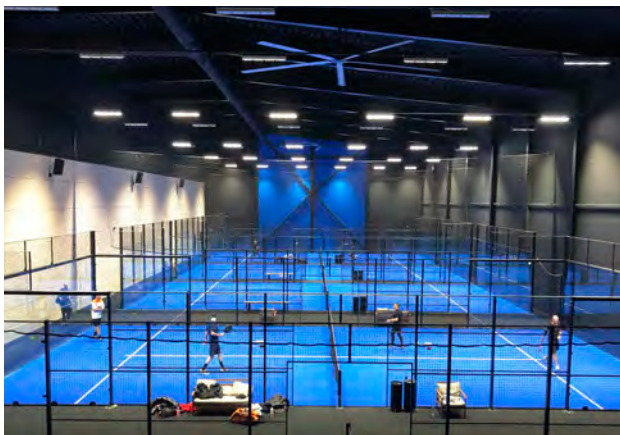
Smart software for more profitable projects

The software we provide helps customers shorten the design and installation phase, minimises risks and creates optimal, reliable designs in the shortest amount of time possible. Lindab's building components can be downloaded as completed BIM objects, ready for use in the design process.



2 years

Through an efficient production process and energy from the sun, our solar panels become carbon neutral within two years.



Case:

Functional building solution for an increasingly popular sport

We are not only providing products for the day-to-day work at the construction site, we are also engaged in larger projects, in which we plan and deliver in partnership with our customers. The offering includes economical, functional and environmentally-adapted building solutions for both residential and commercial properties. Depending on the need, either customised or standardised solutions are delivered. In recent years, we have, for example, delivered more than 30 complete padel halls – the most recent of which was assembled in Båstad, Sweden. In addition to five padel courts, the hall also has a bistro, a lounge and a gym, as well as conference facilities and offices.



Business area Building Systems

Building Systems has been affected by fewer new construction projects commencing due to the pandemic. In addition, sales largely originate in countries impacted by extensive shut-downs. Efforts to increase profitability have been successful and the business area achieved a stable operating margin despite decreased sales.

-26%

Organic growth

5.9%

Adjusted operating margin

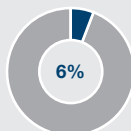
Significant events in 2020

- During the year, 23 agreements valued at more than SEK 10 m each, were signed.
- Cost savings continued, adjusting the business to a lower level of sales.

Share of Group



Net sales



Adjusted operating profit



Number of employees

Building Systems offers customised solutions for logistics and industrial buildings, as well as multi-storey car parks, in Western Europe and CEE/CIS.



Production and warehouse facility in Strzelin, Poland



Logistics facility in Fürstenwalde, Germany



Building for a data centre in Basel, Switzerland



Multi-storey car park and playground in Roskilde, Denmark

Complete building systems for fast and secure delivery

The focus is on competitive, completely pre-fabricated steel building systems that require less time from ordering to on-site assembly. Most buildings are tailored to the requirements and specifications of the individual customer and the operations are therefore project-based. Sales are mainly conducted through a network of more than 300 construction contractors. Building Systems also partners with international corporate groups with building programmes involving multiple projects. In 2020, 210 new projects were secured. Including delivery of new multi-storey car park concepts, buildings connected with the strong trend in e-commerce and production halls for the pharmaceutical industry. To meet continued high demand for the business area's low-energy buildings, a new sustainable wall concept was launched.

Sustainable industrial buildings with a premium feel

Building Systems has developed a concept for architectural exteriors for industrial buildings. This comprises a collection of smart fittings mounted onto panels, giving the building a solid technical solution with an aesthetic feel and favourable thermal performance. The name TopFit™ alludes to a superior product that also blends in. It was launched in January 2021.



100%

Building Systems' building materials are recyclable. "Green steel solutions" are also offered, for example in multi-storey car parks.



Case: Quick solution for fast-growing e-commerce

The covid-19 pandemic caused an already high growth rate in e-commerce to further accelerate. Building Systems has delivered several buildings for this segment, including a 100,000 m² logistics centre for a leading e-commerce company in Germany. This included an ultra-modern warehouse, loading and logistics facilities, offices as well as parking for almost 400 transport vehicles. The challenge lay in completing the assignment with speed and precision. This was achieved through efficient and customised production of all of the components, which were then prepared and transported to the construction site for rapid and precise step-by-step assembly by an external contractor.

Sustainability 2020

Matilda Isaksson, Sustainability Specialist at Lindab, what aspect of the sustainability work was most important in 2020?

The year 2020 was special. Early in the pandemic, there was considerable concern in the business community that sustainability efforts would cease. The opposite proved to be true. We are discussing a green realignment. The EU taxonomy will soon be implemented and we have seen more innovative ideas than ever before. For us at Lindab, the most important thing has been our work with the new sustainability plan. We have raised the level of ambition considerably and are now looking forward to making this a reality.

In what areas are the biggest changes occurring?

We have initiated several exciting product development projects that will have a major impact on our customers' energy use. Our sustainable sourcing concept is in place and we have performed our first audit of a supplier in a high-risk country. Not only is the Group's investment programme bringing a better working environment for my colleagues, it also entails products being manufactured more resource-efficiently.

What do you see as the top priority in 2021?

Implementing the plan and developing new targets, performing risk analyses, increasing transparency and starting the sustainable sourcing process for all of the companies. During the year, we will participate in the UN



Matilda Isaksson is Sustainability Specialist at Lindab.

Global Compact's SDG Ambition programme, with the aim of accelerating the integration of the 17 goals into the core business. Internal communications are important in engaging all employees and increasing their understanding of how they can contribute. We will only succeed in achieving our targets if we do the work together.

Lindab's three sustainability objectives

- Create healthy buildings
- Reduce the environmental impact from our customers
- Drive a sustainable business



Lindab reports its sustainability work in accordance with GRI, supports the UN Global Compact and works for Agenda 2030, the UN's global goals for sustainable development. The GRI Index is presented on pages 124–126.

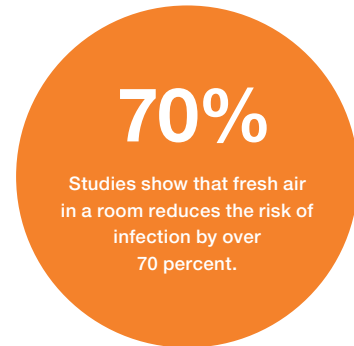
How we work

Sustainability shall be part of every action we take, ensuring that we progress in the right direction. That is why we have developed an overarching sustainability plan, which guides our efforts. It comprises three parts – *Create healthy buildings*, *Reduce the environmental impact from our customers* and *Drive a sustainable business*. Each part contains a number of focus areas. These are interconnected and each is crucial to the fulfillment of the others, just as all of the UN sustainability goals must be taken into account to achieve the greater objective.

Create healthy buildings

Poor air quality is one of the greatest health challenges of our time. With the covid-19 pandemic, good ventilation for healthy indoor environments has become even more important. We want to contribute to healthy buildings that help people feel well and perform better. One way of doing that is by increasing the awareness for how important indoor air quality is. Did you know that indoor air can be as much as five times more polluted than outdoor air? And as we consume 30 kg of air per person every day it has a direct effect on our well-being. The air quality should be a given topic in any discussion about health. Another way of contributing to healthy buildings is to make sure that our products are free from dangerous substances. The same products should also make the buildings more energy-efficient and environmentally friendly.

Lindab Innovation Hub was established with the mission to experiment with sustainable solutions for health and performance, optimising the indoor climate and minimising the environmental impact across the products' life cycle. We will use what we learn to increase the knowledge about healthy indoor environments and to develop even better products.



Read more about air at:
Lindab Innovation Hub

Sources: <https://www.gov.uk/government/news/new-film-shows-importance-of-ventilation-to-reduce-spread-of-covid-19>, Healthy Homes Barometer 2019, Velux: "The Indoor Generation" (2019), Svensk Ventilation: "Fresh air gives healthy children" (2014).

Drive standardisation and legislation

Lindab should be part of the development of future healthy and energy efficient buildings by influencing coming standards, regulations and laws. We want to improve the standards for the indoor climate and make it mandatory for all buildings. This is done by influencing trade and professional association with focus on ventilation and sustainability. We are active in various industry initiatives, such as Bygghälsöförbundet, Committee European Norm (CEN), Eurovent, REHVA, TightVent Europe and local industry organisations within ventilation.

Another part of creating sustainable buildings is climate calculations to ensure as low an impact as possible. Environmental Product Declarations (EPD) help customers choose the most environmentally friendly products. We participate in various projects to produce comparable EPDs for our products.

Medlem i



Steel - 100% recyclable with a long lifespan

We prioritise cooperation with steel suppliers that are driving development towards fossil-free steel and whose carbon dioxide intensity values are good. Steel has many advantages over other materials – it has a very long service life, is non-combustible, meets hygienic requirements and is 100-percent recyclable. The steel we use is free of particularly dangerous substances. It creates healthy solutions with a long lifespan

Reduce the environmental impact from our customers

Air-tightness is a critical factor for climate-neutral buildings. Air-tight duct systems in air-tight buildings, combined with smart products, such as Lindab UltraLink and Lindab Pascal, are the way to go. Our complete ventilation systems optimise the air flow in an energy-efficient way, making the indoor air fresh and healthy. Lindab Safe and Lindab Safe Click are the first duct systems to receive Eurovent's maximum air-tightness classification, class D. This means minimal leakage. We also offer our customers various software solutions to help them optimise ventilation systems and the indoor climate, in connection with both new construction and renovation. Teknosim 6 and Pascal Operate were two significant launches in 2020.

50%

To achieve climate-neutrality in the EU by 2050, CO₂ emissions from properties will have to be 50 percent lower by 2030.¹⁾

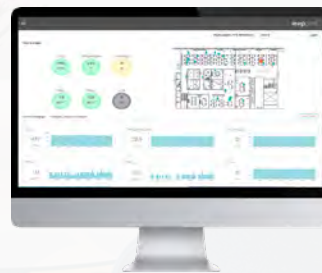
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More air-tight ventilation systems in Europe can reduce CO₂ emissions by 4 million tonnes annually.²⁾

1) Source: UN Environment Programme (UNEP): "The 2020 Global Status Report for Buildings and Construction" (2020).
2) Source: The AIVC (Air infiltration and Ventilation Centre): "Ductwork airtightness – A review" (2020).

Sensors move in

We are collaborating with Leapcraft on measuring and analysing the indoor climate. Leapcraft's sensors are connected to Lindab's products for demand-controlled ventilation. Customers can continuously monitor their indoor climate and identify how the system should be adjusted. Costly inspections are avoided. The result is a more efficient system with a better indoor climate and lower environmental impact.



Drive a sustainable business

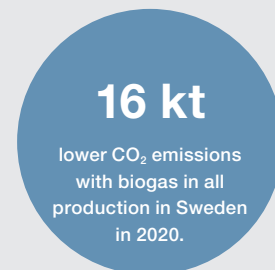
Responsible sourcing

In 2020, we updated our supplier evaluation efforts. Suppliers must approve our Lindab's Supplier Principles. An evaluation is carried out and an audit can also take place on site. The process is adapted to the risk classification of the supplier country, using the Corruption Perceptions Index (CPI). Based on the evaluation, we help suppliers improve their quality and sustainability work. At the end of 2020, the first audit was carried out at a supplier in a high-risk country. The new process is being launched for all Lindab companies. The objective is to work only with evaluated suppliers classified with low or medium risk.



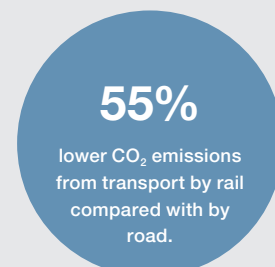
Efficient production

An extensive investment programme is currently being implemented within Lindab. The goal is to increase the level of automation, efficiency and capacity and to improve the safety of employees. More efficient production means lower energy consumption and lower CO₂ emissions (as percentage of sales). Other focus areas in production include increased use of renewable energy, reducing total energy consumption and reducing waste. Projects are also in progress to develop new technologies to increase the proportion of recycled materials in the products. Superior product quality means greater durability because the life time of the product is extended and the need for service is minimised.



Optimised transportation

One of Lindab's largest sources of emissions is transport. As part of our distribution strategy, production of bulky products is being transferred from central units to regional units to get closer to the customer and reduce transportation needs. Systematically efforts are in progress to move transports from road to rail, leading to significantly lower CO₂ emissions. A process has been initiated to develop environmental requirements in transport procurement, with route planning to improve the degree of filling and to reduce empty return transports. In the UK, the implementation of our new route planning programme, Transport Manager, has been initiated, increasing the degree of filling and thus reducing transportation needs.



Successful efforts for increased safety

Stina Nordström, Group Health and Safety Manager at Lindab, why is the number of accidents decreasing?

A few years ago, our accident rate was far too high compared with the industry average and we were far from achieving our zero vision regarding work related accidents. It was clear that something needed to be done. Since then, we have increased our focus on safety awareness, introduced more frequent reporting, more analysis tools and more activities at our units, and we have invested in safer production equipment. This has paid off. The accident rate¹⁾ for 2020 was 40 percent lower than for the preceding year.

Were any activities of particular significance?

We have also worked with "Safety Alerts", which increase awareness of the risks in the work environment, based on alarms about incidents and accidents in a similar work environment at another unit. To work even more preventively, we have introduced reporting of incidents – a basic measure to increase focus and manage risks in our environment. Another simple but significant measure means that it is now mandatory to wear safety shoes throughout our production and logistics facilities.



Grevie, Sweden

Stina Nordström is Group Health and Safety Manager at Lindab.

How has the covid-19 pandemic affected the work?

Despite the pandemic, I would say we managed to maintain our focus and worked even more intensively with safety throughout Lindab. Although many have worked differently, from home for example, we have developed online working methods that have worked very well.



Karlovarska, Prague, Czech Republic

All investments made within the framework of Lindab's comprehensive investment programme also aim to increase safety to a significantly higher level.

¹⁾ LTIF = Lost Time Injury Frequency, which is calculated as the number of accidents, causing 8 hours of absence or more, in relation to million of hours worked.

Key figures for 2020

Energy consumption

-17%

We seek to reduce our customers' energy consumption with smart solutions and reducing our own energy consumption is therefore a central part of our sustainability work. In 2020, Lindab's energy consumption decreased by 17 percent to 90,069 Mwh.

CO₂ emissions

-5%

One of our most important sustainability objectives is to reduce our CO₂ emissions. In 2020, emissions decreased by 5 percent to 66,734 tonnes. Both direct and indirect emissions have decreased. CO₂ emissions as percentage of sales did not decrease in 2020.

Scrap rate

-3%

Reducing the share of metal not used during production has a direct environmental impact. Even if scrap metal is recycled, it is more energy-intensive than to optimise the production. In 2020, scrap metal decreased by 3 percent to 19,458 tonnes.

Staff turnover

6%

As a stage in our endeavour to be an attractive employer, we monitor staff turnover. Our goal is for this to maintain a level of 5-10 percent annually. For 2020, it was 6 percent – a level that we are satisfied with.

Proportion of women

25%
Group

19%
Managers

Lindab strives to employ a higher proportion of women in the Group. Over the year, the proportion increased from 24 to 25 percent. On the other hand, the proportion of female managers remained at the same level over the year.

Work related accidents

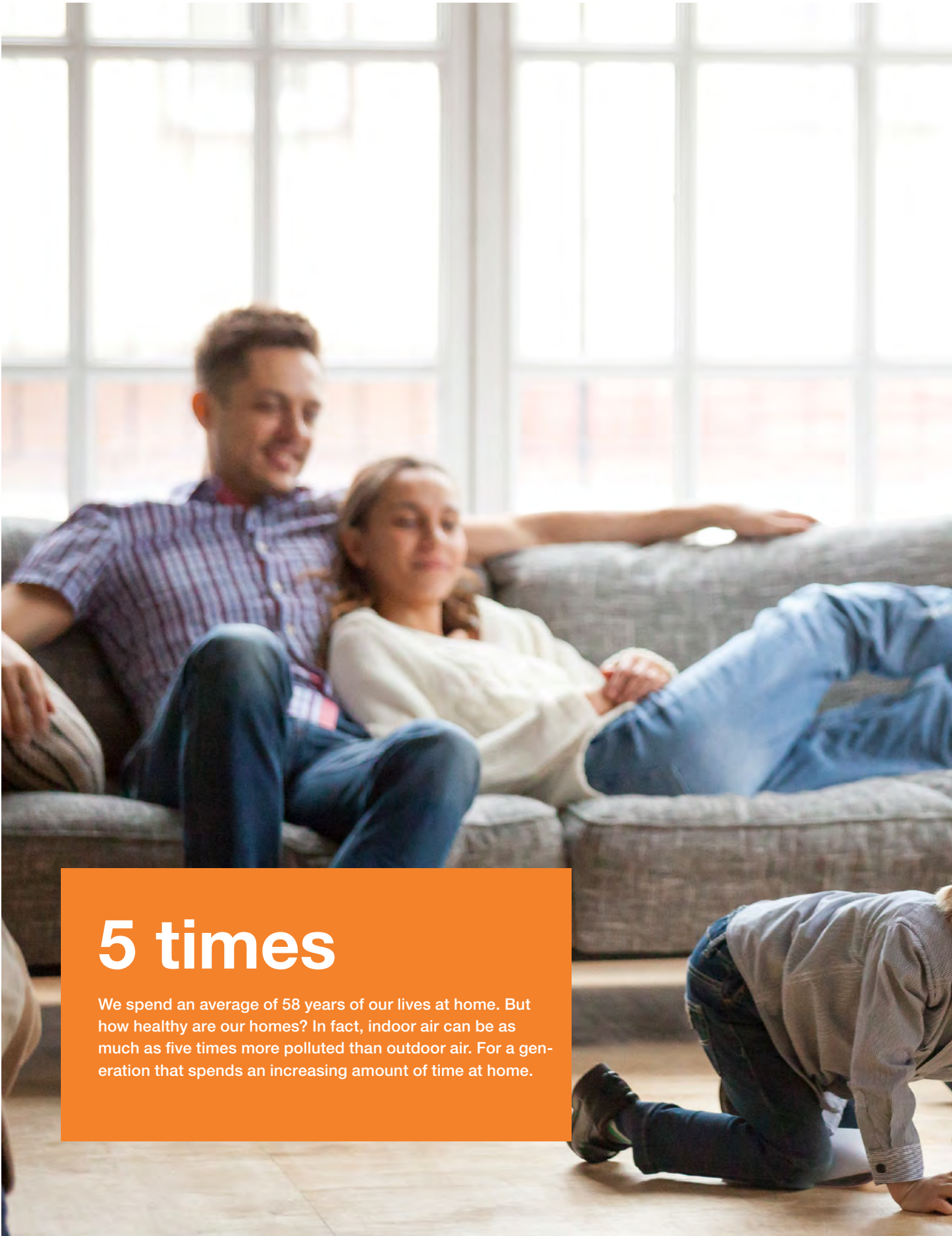
-40%

Lindab works with a zero vision for work related accidents. We apply the measure LTIF, which is calculated as the number of accidents in relation to million of hours worked. In 2020, LTIF decreased by 40 percent to 6.4.

Local presence: Local engagement

Lindab shall assume responsibility for sustainable development in the local communities in which we have significant operations. This will be achieved by increasing sponsorship initiatives supporting education and activities for children and young people, as well as initiatives related to sustainability. Lindab is for example participating in Rögle ice hockey club's sustainability initiative with the aim of creating employment, fysical activities and inclusion activities for children and adults in the region.





5 times

We spend an average of 58 years of our lives at home. But how healthy are our homes? In fact, indoor air can be as much as five times more polluted than outdoor air. For a generation that spends an increasing amount of time at home.



Case indoor environment

“The indoor generation”

Every day an adult human needs 1 kg of food, 3 kg of water and 30 kg of air. Getting fresh air into your home and getting rid of moisture and heat is important for your health, especially for a generation that spends an increasing amount of time indoors. But the fact is that in Europe today, 80 million adults and 28 million children live in unhealthy homes. Studies also show that pollution, as well as poor ventilation, can quickly deteriorate a child’s health, with an increased risk of asthma, allergies and other respiratory diseases. Unhealthy home environments also lead to increased absence from both school and work, putting pressure on children, parents and the economy.

Knowledge about ventilation, indoor climate and air quality is often poor and many home-owners do not normally know whether their indoor air is healthy or not. We can, however, see that this trend is about to change, with options for effective ventilation and sustainable materials becoming increasingly important. Ensuring that buildings are well sealed and properly ventilated is becoming more important, both from an energy and a well-being perspective.

Sources: Healthy Homes Barometer 2019, Velux: “The Indoor Generation” (2019), Svensk Ventilation: “Fresh air gives healthy children” (2014).

Sustainability data and GRI Index

The most material sustainability issues for Lindab have been selected on the basis of internal analyses of strategic issues and driving forces in society, as well as on the results of stakeholder dialogues.

The method for defining material issues adheres to the GRI Standards guidelines and involves identification, prioritisation and validation. The process has resulted in 13 issues on which Lindab has chosen to direct additional focus. These have been further divided based on their financial, environmental and social impact, in line with GRI Standard's reporting definitions. Lindab encourages a transparent, ongoing and long-term dialogue with its stakeholders. Expectations and inquiries from suppliers, customers, employees, investors and society at large help set the agenda for the company's sustainability work.

Economic impact
Financial stability
Anti-corruption
Fair competition
Environmental impact
Use of materials in production
Energy consumption
Emissions of greenhouse gases
Waste
Supplier requirements
Environmental impacts of products and services
Social impact
Employee health and safety
Diversity and equal opportunities
Content-labelled products
Customer health and safety

Key performance indicators, environment

Consumption of raw materials	2020	2019	2018
Sheet metal, tonnes	210,129	232,442	268,023
Oils, m ³	91	70	68
Paints, tonnes	433	442	474
Solvents, m ³	17	19	16
Rubber, tonnes	1,745	1,930	1,946

Waste & scrap metal	2020	2019	2018
Sheet metal scrap, tonnes	19,458	20,114	19,689
Hazardous waste, tonnes	707	744	615
Total other waste, tonnes	6,921	6,868	6,094
Recycling rate, %	88	88	88

Greenhouse gas emissions	2020	2019	2018
In total, tonnes	66,734	70,852	71,532
Scope 1	52,741	56,438	58,274
Scope 2 (market based)	13,993 ¹⁾	14,414 ¹⁾	13,257

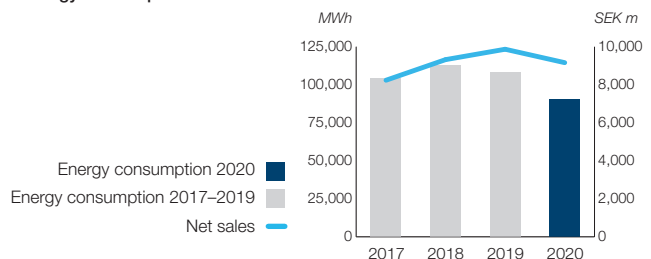
Consumption of packaging materials	2020	2019	2018
Corrugated cardboard, tonnes	3,587	4,125	3,227
Plastics, tonnes	1,273	1,382	1,251
Wood, tonnes	12,257	13,125	12,241

1) Calculated according to "market-based-method" (origin marking/residual mix). If the "location-based-method" (the entire mix) were used instead, CO₂ emissions for 2020 would have amounted to 12,273 tonnes and for 2019 to 11,542 tonnes.

Energy	2020	2019	2018
Total, MWh	90,069	108,387	112,428
Direct energy, MWh	31,614	45,028	50,732
Indirect energy, MWh	58,455	63,359	61,697

1 MWh=0.0036 TJ

Energy consumption



Energy-efficient production and reduced travel, together with lower business activity meant that energy consumption decreased by 17 percent in absolute terms in 2020. Emissions of greenhouse gases decreased by 5.8 percent. Measured as a share of sales, emissions increased by 1.4 percent. Read more on page 15.

GRI Index

Key issues	Reported indicators
Financial stability	201-1
Anti-corruption	205-1, 205-2, 205-3
Fair competition	206-1
Use of materials in production	301-1, 301-2
Energy consumption	302-1, 302-2, 302-4
Greenhouse gas emissions	305-1, 305-2, 305-4
Waste	306-2
Supplier requirements	308-1, 308-2, 414-1, 414-2
Employee health and safety	403-2
Diversity and equal opportunities	405-1
Environmental impacts of products and services	416-2
Customer health and safety	416-2
Content-labelled products	417-1

About the Sustainability Report

Lindab reports its sustainability work as part of the company’s Annual Report. The sustainability data reporting guidelines issued by the international organisation Global Reporting Initiatives (GRI) have been applied since 2009. GRI is the world’s most frequently used framework for sustainability reporting and facilitates comparable and structured reporting. This year’s Sustainability Report, which pertains to calendar year 2020, has been prepared in accordance with GRI Standards, Core level. The overview to the left lists the GRI indicators that have been applied to reflect the issues judged most important for Lindab and that are described on page 123. The references in the attached GRI Index indicate the relevant pages in the Annual Report, with clarifications being provided for certain indicators. The report has not been reviewed by a third party. The preceding report was published together with Lindab’s 2019 Annual Report on 27 March 2020.

Contact: Lindab Group HR/CSR Manager

GRI stan- dard	Disclosures	Page reference	Comment
GRI 101:	FOUNDATION 2016		
GRI 102:	GENERAL DISCLOSURES 2016		
Organisation profile			
102-1	Name of organisation	60	
102-2	Activities, trademarks, products and services	29–35, 60	
102-3	Location of head office	60	
102-4	Location of operations	60, 116	
102-5	Ownership and company form	42–43	
102-6	Markets in which the organisation operates	28	
102-7	Size of the organisation	60, 69–73	
102-8	Information about employees and other personnel	24, 92	Employees by category and degree of employment are not reported due to technical data-collection limitations.
102-9	Supply chain	39	
102-10	Significant changes to the organisation and supply chain	-	
102-11	Precautionary principle	-	The precautionary principle is applied in accordance with the Rio Declaration.
102-12	External sustainability initiatives that the organisation supports/is covered by	36	
102-13	Membership of organisations	37	
Strategy			
102-14	Statement from the CEO	6-7	
Ethics and integrity			
102-16	Values, principles, standards and ethical guidelines	25, 64–65	
Governance			
102-18	Corporate governance	46–57	
Stakeholder dialogue			
102-40	List of stakeholder groups	123	
102-41	Collective agreements		Lindab operates in countries where collective agreements are not permitted. Slightly more than 45 percent of Lindab’s employees are covered by collective agreements, all of whom are employed in the Nordic countries.
102-42	Identification and selection of stakeholders	123	
102-43	Stakeholder dialogue approach	123	
102-44	Key issues raised in stakeholder dialogue	123	
About the report			
102-45	Units included in the financial accounts	116	
102-46	Process for defining report content and demarcation of sustainability areas	123–124	
102-47	List of key issues	123	
102-48	Adjustments to previous disclosures	-	
102-49	Changes to the report	123	
102-50	Reporting period	124	
102-51	Date of publication of preceding report	124	
102-52	Reporting cycle	124	
102-53	Contact person for reports	124	
102-54	Reporting in accordance with GRI Standards	124	
102-55	GRI Index	124-126	
102-56	External verification	126	

Key areas

ECONOMIC STANDARDS			
Economic performance			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	10-13, 123	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and delivered	10-13, 60	
Anti-corruption			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	50, 64-65	
GRI 205 Anti-corruption 2016			
205-1	Operations assessed for corruption-related risks	50	
205-2	Communication on, and training in, anti-corruption policies and procedures	50	
205-3	Confirmed cases of corruption and actions taken	-	No cases of corruption were confirmed during the year.
Competition			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	50, 63-64	
GRI 206: Anti-competitive behaviour 2016			
206-1	Number of legal measures relating to competition-restricting and monopoly-fostering behaviours, and outcome	-	Lindab has not needed to take any legal measures relating to competition-restricting/monopoly-fostering behaviours.
ENVIRONMENTAL STANDARDS			
Materials			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	12-13, 62	
GRI 301: Materials 2016			
301-1	Use of materials	41, 123	
301-2	Percentage of recycled materials	123	
Energy			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	12-13, 62	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	123	
302-2	Intensity of energy consumption	123	
302-4	Reduction of energy consumption	39, 41, 123	
Emissions			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	12-13, 62	
GRI 305: Emissions 2016			
305-1	Direct emissions of greenhouse gases (Scope 1)	41, 123	
305-2	Indirect emissions of greenhouse gases (Scope 2)	41, 123	
305-4	Intensity of greenhouse gas emissions	123	
Waste and effluents			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	12-13, 62	
GRI 306: Effluents and Waste 2016			
306-2	Volume of waste per type and management method	41, 123	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	39	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers analysed using environmental criteria	39	
308-2	Negative environmental impact in the supply chain and measures taken	39	Lindab has not experienced any incidents involving environmental conditions in the supply chain resulting in measures being taken.
SOCIAL STANDARDS			
Occupational health and safety			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	24, 62	
GRI 403: Occupational Health and Safety 2018			
403-2	Identification, risk assessment and investigation of incidents	15, 41	
Diversity and equal opportunities			
GRI 103: Management Approach 2016			
103-1-3	Description of key area, its boundaries and governance	41, 50	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity in governing bodies and among employees	41, 92	

Supplier social assessment				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		12–13, 39	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers reviewed regarding social impact		39	
414-2	Negative social impact in the supply chain and measures taken	-		Lindab has not experienced any incidents involving working conditions in the supply chain resulting in measures being taken.
Customer health and safety				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		12–13, 38	
GRI 416: Customer health and safety 2016				
416-2	Compliance regarding impacts of products and services on health and safety		38	
Marketing and labelling				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		12–13,	
GRI 417: Marketing and labelling 2016				
417-1	Labelling and information requirements of products and services	-		Product information required by the company's product labelling procedures for each product is available at lindab.com.

Page index for Lindab's Sustainability Report in accordance with the Annual Accounts Act (1995:1554)

Subject	Policy (incl. review procedures)	Policy result	Risks and risk management	Result indicators
Environmental issues	50, 62	41, 123	62–65	15, 41
Employees	50, 62	24–25	62–65	15, 24, 92
Social conditions	50, 62	24–25	62–65	15, 24, 92
Human rights	12, 36	12–13, 36–37	62–65	36–37
Anti-corruption	50, 64	125	62–65	125

For a description of Lindab's business model, see page 60.

Auditor's report on the statutory Sustainability Report

To the Annual General Meeting of Lindab International AB (publ), corporate identity number 556606-5446

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for 2020 on pages 36–41 and 123–126 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in

scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 14 March 2021

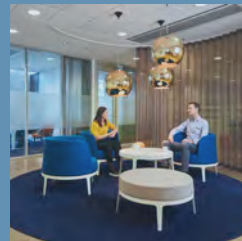
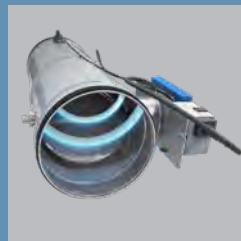
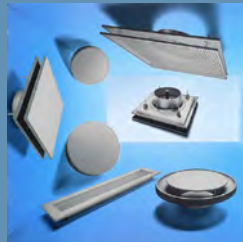
Deloitte AB

Hans Warén

Authorized Public Accountant



A
company
built on
quality



Lindab has a long history. The company was established as far back as 1959, in the small community of Grevie on the Bjäre Peninsula, in southern Sweden.

The business had, however, been started a few years earlier by partners Lage Lindh and Valter Persson in a small sheet metal workshop in Lidhult, Småland. With employees skilled in sheet metal processing, the range comprised aluminium profiles and window sills, and was then expanded to include ventilation ducts in sheet metal. The range was gradually expanded to encompass complete system solutions for the construction and ventilation industries and the business expanded across Europe. Qualities such as customer focus, entrepreneurship, neatness and caring for their employees, enabled Lage and Valter to transform a local sheet metal workshop into an international business.

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