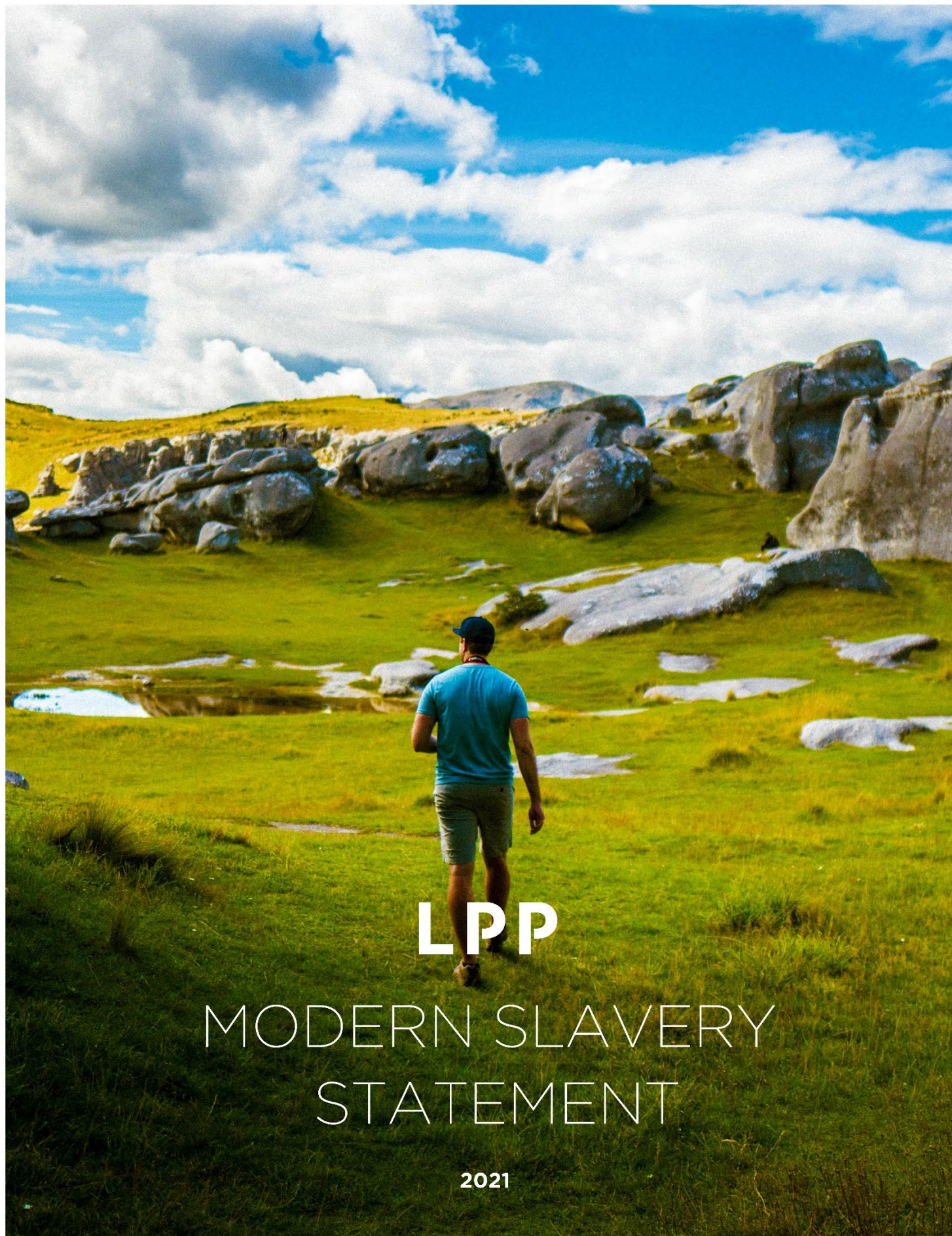




LPP

MODERN SLAVERY STATEMENT

2021

RESERVED

CROPP

 **house**

M O H I T O

sinsay

INTRODUCTION

We tune in to the needs of the world around us and the challenges we all face today. Human rights and environment protection concern every single one of us. We cannot be and are not indifferent. It is our duty to limit the environmental impacts of our operations to a minimum.

- Marek Piechocki - Founder, CEO

This Statement has been published in accordance with the Section 54 of the UK Modern Slavery Act 2015. The statement concerns all companies belonging to the LPP Group, further referred to as LPP. It outlines the activities we take as a business to prevent slavery and human trafficking in our own operations and supply chain for the financial year 2021 (ended 31 January 2022).

We recognise that Modern Slavery is a growing global issue and we understand our responsibility to prevent, mitigate and remediate where necessary, the risks of human trafficking, forced, bonded and child labour and to respect human rights in our operations and our supply chain.

Openness, diversity, responsibility for our shared development and mutual respect create our company's unique culture. Yet, the most important foundation of our work is freedom. We fully, completely and unconditionally oppose any form of forced labour. This objection is made known along with the company's values and is an intrinsic part of our DNA. In this document, you will find information on actions we take to counteract modern slavery.

ABOUT US

We are a **Polish family company** operating in the clothing industry which was set up 30 years ago in the region of Pomerania. Ever since its founding, LPP has been growing dynamically, increasing its presence in more and more foreign markets and effectively implementing Polish creative ideas wherever we sew and sell the collections of our **five diverse fashion brands: Reserved, Cropp, House, Mohito and Sinsay**. Today we operate as the LPP SA Capital Group consisting of 33 companies. LPP products are available to our customers in 39 markets. Already 60.7% of our PLN 14bn revenue is generated outside of Poland.

Yet, it is in Poland where we develop our brand concepts and make all the strategic decisions. Our main headquarters are located in Gdańsk and so are the design departments of Reserved, Cropp and Sinsay. Mohito and House collections are devised in LPP's offices in Cracow. We are a stable employer and a reliable business partner. We were one of the first clothing producers to make it on the Worker Rights Consortium (WRC) list of companies that meet their obligations towards suppliers.

We have:

- 30 years of experience in the industry.
- 31,808 employees worldwide, including 15,163 in Poland
- almost 412m items of clothing sold annually
- 2,244 stores with the combined space of 1,888,000 m² across 26 countries.

Since 2019, LPP has been a signatory of the United Nations Global Compact and we commit to respect and promote its ten universally recognized principles. These include the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

We also contribute to the achievement of selected goals of the 2030 Agenda for Sustainable Development adopted by the UN General Assembly in 2015. We identify areas of our impact and take actions that are consistent with our business activity and our approach to social involvement.

In April 2020 LPP became the founding member of the Union of Polish Retail and Services Employers (ZPPHiU), an industry organization set up in the face of the crisis caused by the COVID-19 pandemic and the (resultant) economic shutdown and reorganization of the operations of shopping centres. The primary goal of ZPPHiU's actions is to save jobs in the retail and services sector. The organization supports dialogue between tenants and property managers to work out solutions adapted to the new reality and adjust rents to the situation currently seen in shopping centres.

HUMAN RIGHTS AT LPP

We believe that respecting human rights is the cornerstone of ethical and responsible business. That is why we work to ensure that all our employees, suppliers, clients and other stakeholders are treated with dignity. Our approach to human rights protection is detailed in the LPP More Sustainable Development Strategy for 2017–2019, which rested on the following pillars: practices involved in clothes design and production, friendly workplace and employee well-being, ethics and transparent norms of behaviour, as well as working for the benefit of local communities. In 2019 we adopted a new strategy for 2020 – 2025, For People For Our Planet, which focuses on reducing our environmental impact.

We respect human rights in all aspects of our business model and expect the same from our suppliers. We protect human rights through actions that regulate and promote fair treatment of our employees, vendors, customers and other stakeholders. For more information about human rights at LPP, please see our Sustainability Report for 2020/2021: <https://www.lppsa.com/wp-content/uploads/2022/04/LPP-Sustainability-report-for-2021-2022.pdf>

HUMAN RIGHTS POLICY

In January 2022 LPP developed its first Human Rights Policy <https://www.lppsa.com/wp-content/uploads/2018/02/LPP-Human-Rights-Policy-EN.pdf>

The LPP Human Rights Policy sets forth the commitment and direction for the activities of LPP SA and companies belonging to the LPP Group as regards the respect for

human rights, understood in line with the United Nations Guiding Principles on Business and Human Rights. It also reflects the importance that LPP Group attaches to respecting human rights in all its operations, for both ethical and business reasons.

This Policy reflects the commitment of LPP SA and the entire LPP Group towards respecting human rights. It applies to all employees and business partners of all Polish and foreign subsidiaries of the LPP Group. The Policy complements, and is reinforced by other related documents applicable in the LPP Group, relating to the values that guide us: code of Ethics, Principles of cooperation with contractors, code of conduct, Whistleblowing Rules, occupational Health and Safety and HR Guidelines.

HUMAN RIGHTS RELATED RISKS MANAGEMENT & DUE DILIGENCE

While developing this Human Rights Policy, we have identified the salient human rights issues in our value chain. In order to mitigate human rights-related risks, we have also implemented whistleblowing procedures. We ensure the possibility of safe and anonymous reporting of irregularities related to LPP's activities in EU countries through an electronic form available on the corporate website <https://www.lppsa.com/en/sustainable-development/our-rules>. Any retaliation action against whistleblowers is prohibited.

In order to ensure respect for human rights, we will continuously implement a due diligence process, including, among others, carrying out periodic analyses of the actual and potential impact of our operations on human rights. Information on the effectiveness of actions aimed at ensuring the implementation of the Policy will be reported regularly to the LPP Management Board and will be subject to its review on an annual basis at least. The Policy will also be periodically evaluated and, when necessary, updated to reflect as fully as possible the progress of the LPP Group's activities. Tools and guidelines aimed to support the various functions within the company in the area of human rights will also be updated on a regular basis.

TRAINING

In 2021 representatives of the LPP board, together with key managers from Poland and foreign companies, received training and workshops on international human rights guidelines adopted by the UN and the OECD, conducted by the Polish Institute for Human and Business Rights (PIPCB). Moreover, a dedicated webinar on human rights is available for our employees' on our internal e-learning platform. Additionally, LPP employees are continuously trained in our policies (*LPP Principles*, *Anti-Mobbing Procedure* etc.) and company values, thanks to onboarding process and webinars.

Since 2013 have been the only Polish signatory of the Bangladesh Accord on Fire and Building Safety (ACCORD), which unites clothing companies. ACCORD works to improve the working conditions in Bangladeshi factories and educate the factory workers on safety and their rights. We also support occupational health and safety training for the workers, as part of which they learn about a whistleblower system of reporting irregularities, among other things (90% of our suppliers' employees complete the training).

THE LPP CODE OF CONDUCT

This original LPP document takes account of the provisions of the International Labour Organisation conventions and the Universal Declaration of Human Rights. It also requires suppliers to look after the natural environment.

The Code of Conduct drawn up by LPP defines the requirements that must be fulfilled unconditionally by all our suppliers, regardless of the country where they are based. Each of the producers must sign the document before the start of their collaboration with our company. They are also audited before they begin manufacturing for LPP.

LLP's Code of Conduct is available in 5 languages:

1. English: <https://www.lppsa.com/wp-content/uploads/2018/02/LPP-Code-of-Conduct-11-01-2021-EN.pdf>
2. Chinese, Bengali, Turkish: <https://www.lppsa.com/wp-content/uploads/2018/02/LPP-Code-of-Conduct-11-01-2021-CN-BD-TR.pdf>
3. Polish: <https://www.lppsa.com/wp-content/uploads/2018/02/LPP-Kodeks-Post%C4%99powania-11-01-2021-PL.pdf>

AUDITS IN THE SUPPLY CHAIN

We continue our efforts to improve the quality of our collaboration with the suppliers and ensure their compliance with our standards. One of the mechanisms that are helpful in this regard are audits conducted along the supply chain by LPP's sustainable development department and our representative offices in Shanghai and Dhaka. If a supplier is found to be in infringement of our requirements, they receive a Corrective Action Plan with an implementation deadline. In the reporting period, LPP auditors carried out **609 audits** of health and safety, working conditions and respect for human rights.

LOOKING AHEAD

LPP is open to continuous improvement and will continue to develop policies and activities to ensure respect for human rights throughout its value chain. In 2022 we plan to review key issues concerning the Human Rights Policy.

BOARD APPROVAL

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and constitutes LPP's slavery and human trafficking statement for the financial year ending in January 2022. It has been unanimously approved and signed by the Management Board of LPP SA on behalf of LPP SA and all members of the LPP Group on 25 July 2022.

PRZEMYSŁAW LUTKIEWICZ, VICE-PRESIDENT OF THE MANAGEMENT BOARD



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