



HUMAN RIGHTS

POLICY

LPP

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INTRODUCTION

LPP is a Polish family business managing five fashion brands and is one of the fastest growing clothing companies in Central and Eastern Europe. Our collections are distributed across three continents via our chain of stationary stores, as well as online stores. LPP SA is listed on the Warsaw Stock Exchange as part of the WIG20 index.

The 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.

The development of this Policy was preceded by educational activities, as well as a review of processes, procedures and documents, and surveys addressed to persons employed by or providing services to LPP SA and its subsidiaries in Poland, LPP offices in Shanghai and Dhaka, and persons employed with and providing services to the LPP Distribution Centre in Pruszcz Gdański. These activities, in turn, made it possible to identify salient human rights issues. They also laid the foundations for the preparation of a human rights due diligence process (HRDD), the aim of which, in line with the UN Guiding Principles on Business and Human Rights, is to prevent and mitigate the human rights-related risks.

I. PURPOSE

1. This Policy on Human Rights sets out principles to ensure that human rights are respected throughout the LPP Group value chain, counteracting the adverse impact of our activities on respect for human rights. The policy also expresses our commitment to promoting human rights among our stakeholders.

II. SCOPE OF APPLICATION

1. 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.
2. Our business activity would not be possible without an extensive and complex value chain which has an impact on respect for human rights. Therefore, we also expect our business partners, including suppliers and subcontractors, to conduct their activities in accordance with the provisions and spirit of this Policy and the Code of Conduct for Suppliers. We expect them to ensure respect for internationally recognised standards of human rights protection, paying particular attention to individuals and groups most at risk of being negatively affected by their activities, including women, migrant workers and children.
3. 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.
4. Where national law is less restrictive than international human rights standards, we will comply with the international standards in our business activities. If national law proves more restrictive, we will comply with said national law. Where national law conflicts with international human rights standards, the LPP Group will comply with national law, but will endeavour to ensure that international human rights standards are respected. Where local law prohibits adherence to certain aspects of this Policy, we will abide by that law while seeking a solution to ensure respect for human rights.

III. COMMITMENT

We are committed to respecting all internationally recognised human rights as they apply to our business, with the rights laid down in the following international standards considered as a minimum:

- The International Bill of Human Rights, which comprises of the UN Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights,
- the ILO Declaration on Fundamental Principles and Rights at Work which refers to the 8 ILO Fundamental Conventions: No 29, 87, 98, 100, 105, 111, 138 and 182.

LPP Group actions are guided also by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

PEOPLE WORKING FOR LPP

We respect the human rights of people employed with LPP, people working with LPP and all other people working for LPP directly or indirectly. We implement solutions to ensure safe and hygienic working conditions, to counteract mobbing and discrimination, to observe the principle of equal treatment and ensure the respect for all other rights. We commit to the systematic promotion of human rights and education in this area.

BUSINESS PARTNERS

We respect and promote human rights in our relationships with suppliers, subcontractors and other business partners. We expect our business partners to respect the human rights of those they employ and other rights holders within their value chains. We monitor the impact that our business activities have on the environment, particularly in the context of working conditions in developing countries. Therefore, cooperation with suppliers – factories is contingent on compliance with the principles contained, among others, in the “LPP Code of Conduct”.

CUSTOMERS

We respect and promote human rights in our relationship with our customers. We have implemented a number of processes to ensure that garments and other products are safe for health. We will continue to do so at both company and industry level.

LOCAL COMMUNITIES

We are committed to respecting the rights of local communities and will take steps to the extent possible to better understand our impact on them. We are open to dialogue and joint collaboration for solutions. In addition, through the LPP Foundation we carry out activities aimed at preventing social exclusion, equalising opportunities and improving the wellbeing of local communities and other beneficiaries.

IV. HUMAN RIGHTS KEY RISKS

1. As part of our due diligence process, we will, among others, enhance our knowledge of human rights, draw on good industry practices and conduct research and audits.
2. While developing this Policy, we have identified the following salient human rights issues in our value chain:
 - c. forced labour;
 - d. safe and healthy working conditions (including the right to rest);
 - e. health (right to health);
 - f. equal treatment and non-discrimination;
 - g. the right to family life (work-life balance);
 - h. child labour;
 - i. social insurance;
 - j. living wage.
3. We are mindful that the risks we have identified are specific to the entire apparel industry and can only be effectively addressed through collective action. We plan to implement measures to prevent and mitigate these risks, developed in dialogue with stakeholders.
4. We will seek to work with international organizations, government institutions, industry and sector associations, and other companies to eliminate human rights violations in the garment sector.

V. IMPLEMENTATION OF THE HUMAN RIGHTS DUE DILIGENCE AND REPORTING

1. This Policy has been approved by the Management Board of LPP SA. It is applicable both to LPP SA and all companies of the LPP Group, both in Poland and abroad.
2. The implementation of the Policy is supervised by the Vice-President of the Management Board for Finance. At the operational level, the Head of the ESG Department is responsible for coordinating the implementation of the Policy in the LPP Group, supported by directors of other departments, in particular HR, OHS, Purchasing and Logistics.
3. 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.
4. We are aware that in some countries, especially where we carry out manufacturing activities, there is a particularly high risk of a negative impact of our operations on respect for human rights. In order to increase the effectiveness of our activities fostering the respect for human rights, we cooperate with others in the framework of such initiatives as Accord, Zero Discharge of Hazardous Chemicals or Cotton Made in Africa.
5. The LPP Group will also publish information on the effectiveness of the implemented solutions and the outcomes of its actions aimed at ensuring respect for human rights in its annual sustainability reports, available on the corporate website www.lppsa.com in Polish and English.

VI. MECHANISMS FOR REPORTING VIOLATIONS

1. In order to mitigate human rights-related risks, we have 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 **www.lppsa.com**. Any retaliation action against whistleblowers is prohibited.
2. Additionally, persons employed directly by Polish and foreign companies belonging to the LPP Group may use the possibility of reporting by e-mail to the Ethics Officers, at the following addresses: **ethics@lppsa.com** | **etykasalony@lppsa.com**. In the event of any abuse of human rights being identified, we undertake to take corrective action.
3. We will strive to respond to the needs of our stakeholders regarding the availability of whistleblowing channels and, where possible, expand them. Where human rights violations are identified, we are committed to taking corrective actions.

VII. REVIEW AND MONITORING

1. We will continuously strive to improve the results of our efforts to respect human rights and increase the effectiveness of initiatives that promote them. We are aware that as our practices evolve, relevant indicators will change. To reflect these changes, this Policy will be periodically reviewed and, when necessary, updated.

VIII. COMMUNICATION AND DEVELOPMENT

1. This Policy is publicly available at **www.lppsa.com** in Polish and English. It will be translated into other languages of the countries in which LPP Group operates.
2. Its implementation is supported by communication activities, both within the LPP Group and throughout our value chain. Information about it will also constitute trainings section. The Policy will also be disseminated and promoted among our business partners, suppliers and subcontractors, who belong to our manufacturing and non-manufacturing supply chain.

Management Board of LPP SA

Gdańsk, 31.01.2022

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