

RESERVED

CROPP

HOUSE

M O H I T O

sinsay



LPP

MODERN SLAVERY
STATEMENT

2023

INTRODUCTION

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, (including LPP Reserved UK Limited).

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 2023.

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 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

LPP is a Polish family business, one of the most dynamically developing in the industry in the Central European region. It has been successfully running its business for 30 years, both in Poland and abroad, based on a network of circa 2,300 stores located in nearly 30 countries, including such prestigious capitals as London, Helsinki, or Milan. Total retail area of the LPP Group covers 1,9 million m². The company manages 5 fashion brands: Sinsay, Reserved, Cropp, House and Mohito, whose offer is also available in the online channel. LPP plays an important role in creating jobs for over 33 thousand people in offices and sales structures in Poland, Europe, Asia and Africa. LPP S.A. is listed on the Warsaw Stock Exchange as part of the WIG20 index and belongs to the prestigious MSCI Index Poland.

In the financial year 2023, the LPP Group consisted of 36 companies – 9 in Poland and 27 abroad. The company's head office is located in Gdansk, where the design departments of Sinsay, Reserved and Cropp operate. Collections of Mohito and House are being built in LPP's office in Krakow. We are pioneer in the field of Fashion Tech, we have our own analytical facilities, and our IT team is on par with the largest IT companies in Poland. We are also one of the largest logistics operators in the country, managing warehouses not only in Poland, but also in Romania and Slovakia. Learn more on: www.lpp.com

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.

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.

LPP has a zero-tolerance policy on modern slavery. Child labour, illegal labour, slave labour, forced labour, forced labour of prisoners, involuntary labour to satisfy debts and all other forms of labour not undertaken of the employee's conscious choice and free will and human trafficking shall be prohibited.

VALUE CHAIN

LPP Group's value chain comprises the activities, resources and relationships we use at all stages of production, distribution, sale and use of LPP brand products. We attach great importance to practices compliant with the principles of social responsibility and care for the environment at every stage of the value chain.

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 LPP Human Rights Policy, Diversity, Equality and Inclusion Policy, LPP Code of Conduct, and LPP rules. Manual for employees. In 2019 we adopted a new strategy for 2020 – 2025, For People For Our Planet, which focuses on reducing our environmental impact. All of these are reflected in the human rights due diligence process.

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 2023 available on www.lpp.com in Polish and English: <https://www.lpp.com/en/sustainable-development/sustainability-report>

HUMAN RIGHTS POLICY

In January 2022 LPP developed the Human Rights Policy approved by Management Board. The document 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. We expect business partners, including suppliers and subcontractors, 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.

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 International Accord, Zero Discharge of Hazardous Chemicals, Cotton Made in Africa, amfori BSCI, EuroCham Myanmar, and BRAC Bangladesh.

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. The Policy is

publicly available at www.lpp.com in Polish and English: <https://www.lpp.com/en/sustainable-development/our-rules/>

THE LPP CODE OF CONDUCT

The LPP Code of Conduct takes account of the provisions of the International Labour Organisation conventions and the Universal Declaration of Human Rights. 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. The document focuses on conditions of employment including compensation policy and working hours, prohibition on forced/involuntary employment and child labour, workplace conditions, freedom of association and employee representation, diversity and inclusion, health, safety and hygiene, environmental awareness, transparency, as well as issues concerning code implementation and verification. According to the Code, any forms of forced and involuntary labour are prohibited, the employees shall not be urged to provide any deposits or personal identity documents to the supplier. The supplier shall cover any fees related to the hiring of employees, including migrant and vulnerable workers on its own. Employees have a right to leave their workplace following the conclusion of their standard work day. Any potential overtime hours must be voluntary, accepted by the employee and compensated at a rate higher than the standard hourly rate.

LPP's Code of Conduct is available in in 5 languages – Polish, English, Chinese, Bengali and Turkish: <https://www.lpp.com/en/sustainable-development/our-rules/>

LPP RULES. MANUAL FOR EMPLOYEES

Rules for employees and employees of retail stores is a document on ethics and business culture that applies to, and should be observed by, employees at all levels. It embraces the manual and practical advice, and is rooted in respect for human rights and labour rights. LPP describes principles and values at work in the areas of mutual respect and trust, diversity, equality and inclusion, prohibition of bribery and corruption, confidentiality, relations with business environment and clients, external communication and ethics in advertising.

Bringing attention to some fundamental rules which determine the type of company LPP is, the Rules facilitate daily operations and decision-making process. According to the document, we do not accept any form of discrimination, harassment or mobbing. In addition, all individuals who are promoted to leadership positions take part in the Management Academy – a series of management training sessions that include the company values and ethical principles. Also, our internal e-learning platform offers Ethics in Business training dedicated in particular to buyers, which allows them to refresh and consolidate the ethical principles applicable in cooperation with suppliers. We also remind store personnel about ethics in their daily work.

LPP Rules. Manual for employees is available at www.lpp.com in Polish and English: <https://www.lpp.com/en/sustainable-development/our-rules/>

HUMAN RIGHTS DUE DILIGENCE

LPP Group implements human and labour rights due diligence process in business relationships and across the value chain. The purpose of the process is to continuously identify the exerted impact, counteract and minimize the risks associated with it by implementing appropriate remedial and

corrective actions. We monitor their effectiveness, stay in touch with stakeholders affected by the business activities of the LPP Group and provide a mechanism for reporting irregularities. In implementing the process, we rely on the involvement of our stakeholders. Our commitment to the implementation of the human and labour rights due diligence process is part of the adopted Human Rights Policy.

The implementation of the due diligence process is overseen by a dedicated team established in 2023 in cooperation with the ESG Committee.

We base our activities on:

- the OECD Due Diligence Guidance for Multinational Enterprises for Responsible Supply Chains in the Garment and Footwear Sector,
- the provisions of the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- other information, including reports of international institutes and NGOs.

As a result of the analysis carried out in 2021 in cooperation with the Polish Institute for Human Rights and Business and representatives of key areas of our activity, the Management Board of LPP, managers, employees of the head office, Polish companies and the Distribution identified the most significant risk areas on human and labour rights in the value chain. These are:

- forced labour (including human trafficking);
- safe and healthy working conditions (including the right to rest);
- health (right to health);
- equal treatment and non-discrimination;
- the right to family life (work-life balance);
- child labour;
- social insurance;
- living wage.

The assessment of the risks related to these areas is updated every two years (last update – December 2023) and presented at meetings organised by the Procurement and ESG department.

THE REMEDIAL AND CORRECTIVE ACTIONS IMPLEMENTED IN 2023 RELATED TO THE HUMAN RIGHTS AND LABOUR DUE DILIGENCE PROCESS

- Publication of the LPP Code of Conduct in Chinese, Bengali and Turkish versions - all language versions can be found on the LPP website in section: Our Rules/ Code of Conduct.
- Conducting a survey concerning risks (including forced labour and child labour as well as human trafficking), remedial and corrective actions related to human and labour rights among suppliers in India, Pakistan and Bangladesh.
- Updating the risk assessment related to human and labour rights:
 - In line with the OECD Guidelines for Multinational Enterprises, in December 2023 we performed the update of the map of the most significant human and labour rights risks, in the form of a workshop. The workshop was attended by directors, managers, experts and specialists representing the departments of: Procurement and ESG, Central Procurement, HR, Brand Communication and Social Relations Department, Internal Control and Risk Management, Logistics, Administration and Information Security. The main objective of this initiative was the assessment of the risks related to the company's staff, employees working in the value chain, communities affected by our impact as well as consumers and end users, taking into account people or stakeholders from particularly exposed groups. Moreover, the

stages of the due diligence process were presented, as well as the results of a survey in which risks, and possible remedial and corrective actions were consulted with representatives of the production chain in India, Pakistan and Bangladesh. The results of the survey were taken into account when updating the risk map.

- Development of the programme and implementation of the ESG Academy, created based on the results of a survey among the suppliers of goods and services of the non-production chain in Poland. Topics of the six-month course include issues derived from the “LPP Group Code of Conduct” and the “Human Rights Policy (LPP Group)”, best practices from Diversity, Equity & Inclusion, carbon footprint calculation, circular economy activities, health and safety compliance and ESG reporting. The course, which started in December 2023, will provide essential information on the EU directives coming into force and the associated new challenges for businesses.

- Continuing the activities conducted as part of international associations and initiatives, including International Accord for Health and Safety in the Textile and Garment Industry, Cotton made in Africa, Zero Discharge of Hazardous Chemicals:
 - Since 2013, we have been an active member of the International Accord for Health and Safety in the Textile and Garment Industry, which works on behalf of the fashion industry to improve working conditions in Bangladesh. Through it, we monitor the safety level of the sewing room where our collections are produced. Inspections are carried out at suppliers, and corrective plans are developed and implemented if irregularities are found. We continuously monitor the effectiveness of the actions taken. Factory workers receive training and have access to the whistleblowing mechanism for reporting OHS irregularities. The mechanism is in line with the UN Guiding Principles on Business and Human Rights. In 2023, we joined the signatories of the International Accord Pakistan agreement working to improve safety and working conditions in clothing manufacturing plants in Pakistan.
 - As part of the supply chain, we care about ethical and sustainable sourcing of raw materials. An example of this is our partnership with Cotton made in Africa, which is the standard for sustainable cotton cultivation in Africa. Thanks to this, in addition to obtaining raw material, we can support local communities in Africa. The funds obtained from the paid use of licenses are used to finance training for farmers (trainings include the topics of child labour criteria), improve working conditions and promote gender equality and respect for children’s rights. The funds also finance social projects in the field of education, health and safety of children and support for women on the local labor market. In 2023, we extended the partnership for another 2 years.

- In addition to inspections conducted through International Accord, we regularly subject factories cooperating with us to social audits. In 2022 we started our collaboration with amfori BSCI, which is one of the leading organizations acting for sustainable production and trade, also in the clothing industry. The membership gives us access to training, educational materials and tools to verify and monitor, above all, ethical and labour issues as well as environmental protection in the cooperating factories. Our goal is for 100% of the clothing and accessories factories we collaborate with to be included in the assessment system provided by amfori BSCI. In 2023, it comprised factories in China, Bangladesh, Myanmar, India, Pakistan, Türkiye and Cambodia.

- We organise the Awareness Day, the training addressed to our cooperating suppliers which is intended to promote awareness of human and labour rights among them. Such training courses are organised on an annual basis and last full two days. We organised the first training in 2018 in Bangladesh. Since then, around 100 representatives of the local factories have been trained. In 2023, we expanded the programme to include full-day online courses

in other countries where our product are manufactured. In Pakistan, 72 representatives participated, and in India, 67 people representing current suppliers. Participation in the training was voluntary and the participants had the opportunity to obtain certificates of participation. During the training, issues relevant from the “Code of Conduct” perspective are discussed such as the prohibition of child labour, forced labour, discrimination and harassment, protection of young workers, freedom of association, legal working hours, adequate wages and bonuses, occupational health and safety, conditions of employment and environmental protection. We prepare the training materials taking into account local legislation and the main industry risks occurring in the country concerned.

- In 2023, we joined the EuroCham Myanmar, the European-Myanmar Chamber of Commerce to monitor the situation of workers and develop solutions to eliminate abuses and promote the conduct of business according to the strictly defined standards that guarantee the compliance with human rights. Our collaboration focuses on social and environmental standards related to human rights and gender equality, decent wages, socio-economic resilience in the post-pandemic context and after the coup in 2021.
- Since 2023, we have also been collaborating with BRAC, the largest international NGO in Bangladesh, which creates systemic labour market solutions. Since 1972, it has helped more than 100 million people living in poverty and suffering from inequality by offering them opportunities for development and social change. At selected factories we work with, we are introducing a training programme developed by BRAC, “Leadership and supervisory skills training”. It aims to train female factory workers in, among others, the scope of developing team management and effective communication skills. During meetings with the local management staff and HR teams, the important role of women in the textile and clothing sector and the benefits of providing them with access to senior positions is highlighted. The pilot project is underway and will be continued until autumn 2024 in three factories in Dhaka.
- We carry out activities and social cooperation of the LPP Foundation
 - The LPP Foundation’s activities support in particular children and young people, as well as local communities in Pomerania – where the LPP headquarters and distribution centre are located, in Malopolska where the House and Mohito brands are based.
- The implementation of the human and labour rights due diligence process is supported by training conducted by trainers and available on the internal training platform of LPP Education and EduStores.

TRAINING

The implementation of the human and labour rights due diligence process is supported by communication activities, e.g. trainings conducted by trainers and available on the internal training platform of LPP Edukacja and EduStores.

Additionally, LPP employees are continuously trained in our policies (LPP Principles, Code of Conduct, Anti-Mobbing Procedure etc.) and company values, thanks to onboarding process and webinars.

In 2022, we launched an e-learning training course "Counteracting harassment and discrimination in the workplace" for employees of all stores of each LPP brand in Poland, which supported preventive actions against negative and undesirable behavior. It was compulsory for all employees.

In 2023, we continued training activities related to diversity and inclusion in order to build a friendly and discrimination-free workplace. Three webinars were held as part of the DEI Academy at the head office: “Neurodiversity”, “ABC LGBT+” and “Intergenerational communication”. In January 2024, we launched the DE&I Academy for stores in Poland.

We make sure that the management of LPP Retail undergo regular training in applicable labour law regulations. We held a cycle of five training courses whose curriculum was developed on the basis of questionnaires filled in by managers in order to adjust the training to their needs. Each block of topics responded to 368 questions asked by the respondents. The training was attended by officers and managers of various levels and brands of the LPP Group. The meetings were held online and were highly appreciated: they were attended by over 900 people. Taking into consideration various learning styles and individual preferences, we prepared diversified educational tools, like webinars, sets of answers to the most frequent questions, and comprehensive presentations. Therefore, everyone can learn the material at their own pace and use it in practice.

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 listed in the Code of Conduct. One of the mechanisms that are helpful in this regard are audits conducted along the supply chain by LPP’s sustainable development department, our representative offices in Shanghai and Dhaka, and external auditors.

Our audit team, independent audit firms and representatives of international organizations (e.g. International Accord and amfori BSCI) regularly monitor the compliance with the principles laid down in the Code. In 2023, we conducted a total of 998 human rights audits.

If a supplier is found to be in infringement of our requirements, they receive a Corrective Action Plan with an implementation deadline.

Significant violations or a failure to cooperate in eliminating them on the part of the LPP Group's business partners may lead to our decision to gradually reduce the number of orders or resign from cooperation with such a supplier. If the nature of the violations so requires, the resignation may be immediate.

GRIEVANCE AND QUERIES MECHANISMS

Any negative or undesirable behavior that contradicts or potentially violates our values and principles may – and should – be reported. There are ethics officers at the headquarters and at LPP brand stores who receive whistleblowing reports and provide support. LPP has a Whistleblowing Policy and a special electronic form on our corporate website. It allows employees, suppliers and subcontractors to report irregularities related to LPP Group activities. Each submission is assigned an automatic identification number and a password. This way, one may log in to the tool anonymously in order to follow the processing of the report and for further communication. We handle reported irregularities with confidentiality and do not pursue and strongly oppose any form of retaliation against whistleblowers.

The Whistleblowing Rules in the LPP Group define the procedures for reporting irregularities involving, among others, violations of the law, internal procedures and ethical standards in force in LPP by interested persons. The Rules shall apply to LPP and its subsidiaries, taking into account local laws regulating differently the issues covered by the Rules. The rules arising from this document do not violate or limit the obligations to report irregularities to the relevant authorities in the countries

in which LPP operates. The document is available in Polish and English:
<https://www.lpp.com/en/sustainable-development/our-rules/>

LOOKING AHEAD

We are committed to respecting internationally recognised human rights and prevent forced labour. We are committed to respecting human rights of people employed in LPP, people cooperating with LPP and all other people working for LPP directly or indirectly. 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.

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 2024 we plan to expand our scope of activities in regard to conducting a systemic change in the value chain, in accordance with newly introduced EU directives.

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 2023 ending in January 2024. It has been unanimously approved and signed by the Management Board of LPP SA and accepted by all members of the LPP Group on July 22th 2024.