

**LPP**

ESG FACTSHEET  
2021/22



RESERVED

CROPP

 **house**

M O H I T O

**sinsay**

# With ESG brought to the fore

Only a year ago, the whole world was led to think that the omnipresent pandemic that had dominated the previous 18 months of our lives was one of the toughest periods of modern history – both from a social and economic perspective. However, no one suspected that even more difficult events were about to unfold early in 2022 that would transform reality as we know it....

Despite the pandemics, disrupted supply chains and difficulties in sourcing raw materials for production, we can proudly consider the past year a successful one for LPP. After a tough 2020 and numerous lockdowns, the customers finally resumed their old habits, although within the pandemic regime. On almost all markets, we could observe a trend of the so-called deferred demand. The return to schools and offices triggered people's desire to refresh their wardrobes again. Interest in the collections of our brands increased. Customers were eager to visit our stores –

both physical and online ones. Today, almost a third of all transactions concerning LPP brands are carried out online. Therefore, during the year we had been consistently improving our technological and logistical solutions in order to meet our customers' expectations. We expanded our distribution network by almost a half. We launched further logistics construction projects. We designated a separate IT company from our structures – Silky Coders – to boost our operational efficiency in the area of state-of-the-art technologies. Our customers were also offered the first Reserved mobile app, and – at the beginning of the year – we accelerated the implementation of RFID technology in Mohito, Cropp, and House brands.

Regardless of the pace of changes, we did not let up on implementing our business strategy, as well as our efforts in the area of sustainable development. We knew that consistent and gradual development in the

spirit of the omnichannel model, with full development of our business digitisation and respect for LPP's closer and more distant environment, constitutes a good and reliable signpost on the road to further growth.

The world is moving forward, but today the title of a good and strong company is no longer reserved only to those who prioritise only financial results. A forward-looking company is characterised by its awareness of climate challenges and ability to respond to them by following a clear action plan. This is the result of the ongoing evolution of the market in which three letters – ESG – have come to the fore. In today's reality, companies are assessed through the perspective of their values. Keeping that in mind and at the same time remaining faithful to our business philosophy, we consistently worked towards achieving the successive goals enshrined in our sustainability strategy „For People For Our Planet”.

One of them consists in complete elimination of single-use plastics and entails acting in full respect for natural resources. For several years now, we have been pursuing a new packaging policy of transitioning from plastics towards cardboard solutions. In parallel, we are increasing the share of ecologically-sound fabrics, including cellulose ones, in our collections. Naturally, following up on that approach, in the middle of last year we decided to start cooperating with Canopy – an organisation that aims to develop practices for the sustainable use of the world's forests.

Last year, we also partnered with Cotton made in Africa – a renowned international standard for sustainable production of African cotton. Not only was this move driven by our commitment to continually increasing the share of ecologically-sound products in our collections. It was also our response to the desire to implement best practices and social standards. In fact, by joining this initiative, we are contribut-



ing to improving the social conditions of around one million farmers in Sub-Saharan Africa.

Last year also saw fully measurable outcomes of our joining the global Zero Discharge of Hazardous Chemicals (ZDHC) initiative for sustainable chemical safety in the textile industry. At present, up to 70% of LPP garments produced in Bangladesh and Pakistan meet ZDHC's stringent sustainable chemical safety standards.

Over the past 12 months, we effected many changes on the path to improving LPP and responding to the climate challenges of today. We added more facilities to our portfolio that meet BREEAM certification for sustainable construction. We signed the largest renewable energy purchase contracts in Poland. Our Distribution Centre in Brześć Kujawski got equipped with photovoltaic power supply, and we were continuously expanding the range of sustainable collections with the Eco Aware label.

Aware of the enormity of challenges still ahead of us, in December 2021 we decided to create, within the structures directly reporting to me, the position of ESG director. We have entrusted them with the responsibility for planning and coordinating the implementation of responsible business standards in all three pillars – environmental, social and corporate governance of LPP.

As the president of LPP, but also the founder, I know that it is on my shoulders that the responsibility for our future and the next generations rests. However, with a team that for years has been proving an unparalleled level of professionalism and drive, I am convinced that despite the spectrum of challenges and new goals ahead of the company, we are ready to meet them. Still, life wrote a very difficult scenario, the root of which dates back to 24 February 2022. On that day we were all deprived of the most precious thing – world peace. For us as LPP it was an unimaginable blow and a testimony of responsibility for our colleagues in Ukraine. In 2023, we would have celebrated the 20th anniversary of our presence in this country. Meanwhile, on the eve of the jubilee and in the face of hostilities across our eastern border, we proceeded to fight for the safety of nearly 2,000 of our

Ukrainian employees and their families. As an act of solidarity with Ukraine and in the wake of sanctions imposed on the aggressor country, we have decided to suspend our over 20-year-long operations in Russia – the second most important market for our brands after Poland. This difficult decision has at the same time become an impulse for us to change our current business strategy and set new directions for our further development. Today, we are having a closer look at the countries of the European Union, where we want to strengthen our presence, but also to open new perspectives that will allow us to popularise Polish fashion on other European markets.

I do believe that the reality we knew at the beginning of this year will return, although undoubtedly in a changed form. I also believe that when I will be preparing the foreword to next year's report, it will be possible to write about the war in the past tense, recalling it only as a warning for future generations, and we will be richer in experiences that teach humanity and genuine social responsibility in the world.

**Marek Piechocki**  
**President of the management board LPP**

# 4 Directions and 21 strategic objectives in the area of sustainable development



## Product and production



## Chemical safety



## Plastics under control



## Buildings of the headquarters and retail network

2020	<ul style="list-style-type: none"> <li>Implementing Eco Aware Production programme in the areas of water management and energy sourcing.</li> </ul>	<ul style="list-style-type: none"> <li>ZDHC membership.</li> </ul>	<ul style="list-style-type: none"> <li>100% of online orders packaging of Mohito and Reserved without single use plastics.</li> <li>100% of film for House, Cropp and Sinsa online orders shipment from recycling.</li> <li>Limiting single-use film for commercial samples packaging by 50%</li> </ul>	<ul style="list-style-type: none"> <li>Implementing Eco Aware STORES programme.</li> </ul>
2021	<ul style="list-style-type: none"> <li>25% of clothes produced by LPP are Eco Aware collections.</li> <li>30% of factories in Southern Asia covered by Eco Aware Production programme.</li> </ul>	<ul style="list-style-type: none"> <li>100% of products containing wool or down with RDS/RWS certificate.</li> </ul>	<ul style="list-style-type: none"> <li>100% of price tags film-free.</li> </ul>	<ul style="list-style-type: none"> <li>100% of green energy powering our servers and online stores.</li> </ul>
2023	<p>100% of denim production factories covered by Eco Aware Production programme.</p> <p>Used garments collection system in 100% of stores.</p> <p>PLN 1m on investment in new technologies allowing for textile waste utilisation.</p>		<p>100% of our cardboard boxes recycled or FSC certified.</p> <p>100% of store packaging recycled.</p>	<p>All new buildings with environmental certification (BREEAM/LEED)</p>
2025	<p>50% of Reserved garments in Eco Aware collection.</p> <p>CO<sub>2</sub> reduction by 15%.</p>	<p>Full compliance with ZDHC standards.</p>	<p>100% of plastic in packaging suitable for re-use, recyclable or biodegradable.</p>	<p>100% of stores covered by Eco Aware STORES programme.</p>

✓ Objectives attained

# Key activities completed and results generated as part of the sustainable development strategy in 2021/22



## Product and production

Implementing **Eco Aware Production scheme** in the areas of water management and energy sourcing.

**26% of the clothes offered by all LPP brands** (7% increase YoY) and **38% by Reserved** (6% increase YoY) are **Eco Aware collections**.

Joining the group of partners of **Cotton made in Africa** – a renowned international standard for sustainable production of African cotton.

**The result:** 20% of the LPP brands collections scheduled for sale in 2023 will be made from cotton originating from sustainable cultivation.

Joining **Canopy** initiative

**The result:** in the purchases, we are aiming to increase the proportion of cellulose fabrics that contain at least 50% of recycled fibres or agricultural residues.



## Chemical safety

Further cooperation with **Zero Discharge of Hazardous Chemicals (ZDHC)**.

**70% of LPP garments** produced in Bangladesh and Pakistan compliant with the ZDHC's sustainable chemical safety standards. **25 factories in Pakistan and 72 in Bangladesh** produced our collections in line with the ZDHC standards.

100% of products containing down with RDS certification.



## Plastics under control

Standardisation of the size and durability of bulk cardboard boxes, thereby increasing reusability – **50% of packaging recovered**.

Only recycled plastics used in the e-commerce packaging of House, Cropp and Sinsay orders.

Continued cooperation with the **Polish Plastics Pact** and the **New Plastics Economy Global Commitment initiative**.



## Buildings of the headquarters and retail network

Implementing **Eco Aware Stores** scheme.

Start of the **telemetry system installation** project in stores. Replacement of lighting – energy-efficient LED.

**Four thousand photovoltaic panels** on the roof of the LPP Distribution Centre in Brześć Kujawski.

Signing a Power Purchase Agreement with Figene Energia securing the energy needs of the majority of LPP office buildings in Poland and the Distribution Center in Pruszcz Gdański for the period of **10 years**.

## AWARDS AND RANKINGS

The title of **Climate Aware Company** in the 3rd edition of the study by the Stock Exchange Issuers Association, Reporting Standards Foundation, and Bureau Veritas Polska.

**Silver CSR Leaf** – an award granted by Polityka Magazine editorial board to companies implementing best practices and solutions in the area of CSR and sustainable development.

The **Best Office in the Tri-City** title in the Office Superstar competition for the new LPP office building in Gdańsk. The jury appreciated, among others, the combination of tradition and modernity in architecture, as well as the use of elements supporting employee welfare and user experience, spatial and material-related solutions implemented in the building.

Distinction in the **“Innovation and Technology”** category of the Office Superstar competition for the new LPP office building in Gdańsk. The jury appreciated the pro-environmental solutions applied in the building.

As every year, our projects featured in the prestigious report prepared by the Responsible Business Forum: **“Responsible Business in Poland 2021. Good Practices”**.

Second place in the general classification of the best WIG20 and mWIG40 listed companies reporting on climate issues: **“Climate Strategy Benchmark”**.

In the **CDP Climate Change 2020** study conducted by the international organisation Carbon Disclosure Project, LPP **ranked high with “B-” grade**.

# Environmental area

E – Environmental

## ENERGY AND EMISSIONS

GRI 302-1

Energy consumption within the organization [GJ]	FEB 2021 - JAN 2022	
	LPP Group	Including LPP SA and stores in Poland
Electricity consumption	1,296,513	604,099
Heating	4,089,275	1 108,942
Natural gas	83,768	40,410
Diesel fuel	16,347	12,573
Petrol (gasoline)	10,980	6,839
<b>Total [GJ]</b>	<b>5,496,883</b>	<b>1,772,863</b>

### Method applied

Data for all LPP Group The consumption of fuels was converted into GJ using the conversion factors published by the Polish National Centre for Emissions Management (KOBiZE)

GRI 305-1, GRI 305 -2, GRI 305 -3, GRI 102-49

Emissions	Scope 1	Scope 2	Scope 3
Greenhouse gas emissions [t CO <sub>2</sub> e]	4,420.67 (0.15%)	11,985.14 (0.40%)	3,017,744.90 (99.45%)

### Method applied

Data for all LPP Group for the 02.2021 - 01.2022 reporting year. For the first time, we calculated the carbon footprint of the entire LPP Group taking into account all scopes and all categories defined according to the GHG Protocol method. In the previous year, scope 3 calculations included 7 categories out of 15, this year emissions were calculated in all categories (emissions in three categories amounted to zero). The allocation of emissions to categories and even scopes also changed due to the lack of definition of the type of consolidation in the previous year (this year consolidation based on operational control was used).

Scope 3 of emissions: emissions per source type

	t CO <sub>2</sub> e	%
<b>Scope 3</b>	<b>3,017,744.90</b>	<b>100%</b>
Cat. 1 Raw materials and services purchased	1,911,943.33	63.36%
Cat. 2 Investment goods (CAPEX)	264,768.80	8.77%
Cat. 3 Emissions related to consumption of energy and fuels not included in scope 1 and 2	54,710.36	1.81%
Cat. 4 Transport and distribution of products purchased	155,156.82	5.14%
Cat. 5 Waste generated in the course of activity	386.83	0.01%
Cat. 6 Business trips	2,390.09	0.08%
Cat. 7 Employees commuting to work	22,008.43	0.73%
Cat. 8 Assets leased - sales outlets	365,807.46	12.12%
Cat. 9 Transport and distribution of products sold (e-commerce transport)	28,945.86	0.96%
Cat. 10 Processing of products sold	0.00	0.00%
Cat. 11 Use of products sold	169,307.20	5.61%
Cat. 12 Disposal of products sold	41,036.18	1.36%
Cat. 13 Assets leased	0.00	0.00%
Cat. 14 Franchise	1,283.55	0.04%
Cat. 15 Investments	0.00	0.00%

## Data compilation

GRI 305-4

Greenhouse gas emissions intensity	02.2021 - 01.2022
GHG emissions of the LPP Group in the scope 1 and 2 in terms of revenue [t CO <sub>2</sub> e/PLN 1 M]	1.15

### Method applied

Data reflect the emissions of all LPP Group in scope 1 and 2 in the 02.2021 - 01.2022 reporting year per LPP Group revenue.

## PACKAGING AND WASTE

GRI 306-3

Total packaging out on the market by LPP Group (in kilograms)	FEB 2020 - JAN 2021	FEB 2021 - JAN 2022
Cardboard	19,707,329	29,449,770
Plastic film	2,105,243	3,986,450
Wood	50,324	88,200
Glass	Reported from the 2021/22 reporting year	6,840

### Method applied

Data relate to the weight of packaging put on the market by LPP Group companies in a given reporting year. The increase in the number of packaging put on the market is due to the dynamic development of the business and the increase in the share of e-commerce sales in total sales.

<sup>1</sup> Cardboard packaging, price tags, courier labels.

GRI 306-4

Total recycled waste (in kilograms)	FEB 2020 - JAN 2021		FEB 2021 - JAN 2022	
	LPP Group	LPP SA	LPP Group	LPP SA
Recycled cardboard <sup>1</sup>	5,901,010	4,572,146	13,168,578	10,178,430
Recycled plastic film	82,302	63,665	890,625	675,104
Recycled wood	118,780	117,580	311,240	311,240
	<b>02.2021 - 01.2022</b>			
% of cardboard boxes used in Distribution Centres reclaimed for further use.				35%
% of cardboard boxes used in Fulfilment Centres Centres reclaimed for further use.				26%
Level of plastic reduction in packaging of Reserved and Mohito brands				100%
The complete abandonment of plastic packaging in Reserved and Mohito brands made it possible to <b>avoid introducing 445 tonnes of plastic into the market</b> in 2021 alone.				

### Method applied

Data relate to recycled waste generated by all companies of the LPP Group. Data cover offices, distribution centres, as well as the stores for which separate information on the scale of waste is available (building administrators do not provide such data for stores located in shopping malls).

## WATER

GRI 303-3

Water withdrawal [in litres]	02.2021 - 01.2022
Total amount of water withdrawn by LPP Group	11,282,622
of which:	
from municipal water supply system	11,272,619
groundwater	973
other sources	11,570

### Method applied

Data concern water consumption by the entire LPP Group, including LPP SA. Data do not include water consumption in stores in Poland. Water intake from municipal water supply system is reported on the basis of contracts with suppliers and invoices.

# Social area

S – Social

Contributions to the state budget [in PLN thousand]	JAN 2019- -JAN 2020	FEB 2020- -JAN 2021	01 FEB 2021- -31 JAN 2022
Value Added Tax (VAT)	604,754	457,190	761,231
Corporate Income Tax (CIT)	107,893	40,458	360,180
CFC from controlled foreign companies	26,138	50,945	31,528
Retail Sales Tax (RST)	-	-	38,024
Customs duty	239,961	115,953	202,426
Personal Income Tax (PIT)	24,459	19,656	31,831
PFRON	945	880	5,022
Total ZUS	88,925	64,267	153,603
Real Property Tax	4,578	4,919	6,018
Means of Transport Tax	4	2	2
<b>TOTAL [IN PLN THOUSAND]</b>	<b>1,097,657</b>	<b>754,270</b>	<b>1,589,865</b>
<b>Change Y/Y</b>	<b>10%</b>	<b>-31%</b>	<b>111%</b>

GRI 102-8, GRI 405-1

## Employee count in LPP Group (as of 31 Jan 2022)

	LPP Group	of which	LPP SA	LPP Retail	Foreign subsidiaries	Other companies
Women	27,778		2,120	11,363	14,130	175
Men	4,020		570	723	2,515	212
<b>TOTAL</b>	<b>31,808</b>		<b>2,690</b>	<b>12,086</b>	<b>16,645</b>	<b>387</b>

### Method applied

Data include persons employed (number of persons) by the LPP Group na under an employment contract or providing work under another type of contract (civil law contract).

## Data include only persons employed by LPP Group companies under an employment contract (number of persons). Status at the end of the reporting period.

	LPP Group	of which	LPP SA	LPP Retail	Foreign subsidiaries	Other companies
Women	24,943		2,048	8,614	14,111	170
Men	3,750		553	474	2,515	208
<b>TOTAL</b>	<b>28,693</b>		<b>2,601</b>	<b>9,088</b>	<b>16,626</b>	<b>378</b>

### Of which employment contracts of indefinite duration

Women	16,223	1,339	2,989	11,774	121
Men	2,904	357	164	2,271	112
<b>TOTAL</b>	<b>19,127</b>	<b>1,696</b>	<b>3,153</b>	<b>14,045</b>	<b>233</b>

### Method applied

Data include only persons employed by LPP Group companies under an employment contract (number of persons). Status at the end of the reporting period.

## Data compilation

### Employee count in LPP Group per working time

	LPP Group	of which	LPP SA	LPP Retail	Foreign subsidiaries	Other companies
I. Full time						
Women	17,268		2,099	4,548	10,454	167
Men	2,986		569	286	1,922	209
II. Part time						
Women	10,500		21	6,815	3,675	8
Men	1,035		1	437	594	3
<b>TOTAL</b>	<b>31,808</b>		<b>2,690</b>	<b>12,086</b>	<b>16,645</b>	<b>387</b>

#### Method applied

Number of people, as of the end of the reporting period. The data include persons directly employed by LPP Group companies on the basis of an employment contract or providing work on the basis of another type of contract (civil law contract).

### Employment under an employment contract in LPP Group per FTE

	LPP Group	of which	LPP SA	LPP Retail	Foreign subsidiaries	Other companies
Women	21,147		2,042	6,721	12,215	168
Men	3,187		553	373	2,055	207
<b>TOTAL</b>	<b>24,333</b>		<b>2,595</b>	<b>7,094</b>	<b>14,270</b>	<b>375</b>

#### Method applied

The data include employees of all LPP Group companies employed under a contract of employment, per FTE. Status at the end of the reporting period.

### Employee count in LPP Group per place of employment

	Persons employed under an employment contract	Persons employed under another type of contract
I. Hires at the offices		
Women	3,086	76
Men	1,059	21
TOTAL	4,145	97
II. Hires in stores		
Women	21,865	2,749
Men	2,581	249
TOTAL	24,446	2,998
III. Other than offices or stores (including warehouse)		
Women	25	0
Men	97	0
TOTAL	122	0

#### Method applied

The data include persons directly employed by LPP Group companies on the basis of an employment contract or providing work on the basis of another type of contract (civil law contract). Status at the end of the reporting period.

**Number of people working for LPP Group on the basis of a contract with employment agencies**

6,253

#### Comment

Status as of the end of the reporting period. Persons employed by employment agencies are primarily those providing work for LPP Retail.

## Data compilation

### Diversity in the composition of the Management Board and the Supervisory Board

Composition of the Management Board	<ul style="list-style-type: none"> <li>• 5 men</li> <li>• 0 women</li> <li>• 2 people aged 30-50</li> <li>• 3 people over 50</li> </ul>
Composition of the Supervisory Board	<ul style="list-style-type: none"> <li>• 5 men</li> <li>• 1 woman</li> <li>• 2 people aged 30-50</li> <li>• 4 people over 50</li> </ul>

#### Comment

Composition as of 31 JAN 2022 Data for LPP SA.

Number and percentage of people with disabilities	LPP Group	of which LPP SA
Number of employees with disabilities	325	50
Percentage of employees with disabilities	1.02%	1.86%

#### Method applied

Data concern all LPP Group companies (number of people)

#### Comment

While in the stores themselves the number of employees with disabilities is low due to the nature of the work, we work intensively with a group of teleworkers, developing our disability activation project. They assist us in numerous HR and OHS processes.

### Employment per gender, age and level at the companies in Poland

		LPP SA	LPP Retail	LPP Logistics	Silky Coders	LPP Printable
Executives	Total employee count	304	1,095	6	50	3
	Of which women	188	1,029	1	14	2
	Of which men	115	66	5	36	1
	Of which employees under 30	11	499	0	3	0
	Of which employees aged 30-50	276	595	6	46	3
	Of which employees over 50	17	1	0	1	0
Other employees	Total employee count	2,497	10,991	45	474	13
	Of which women	1,995	10,334	7	159	12
	Of which men	502	657	38	315	1
	Of which employees under 30	1,043	9,769	13	180	0
	Of which employees aged 30-50	1,387	1,193	30	286	11
	Of which employees over 50	81	29	2	9	1

#### Method applied

Number of people, as of 31.02.2022. Executives - persons who manage a minimum 2-person team. Data do not include foreign companies.

## Data compilation

GRI 405-2

Gender pay gap	2020/21	2021/22
<b>LPP SA</b>	4% <sup>2</sup>	4%
Executive positions	2%	+3% <sup>3</sup>
Non-executive positions	4%	6%
<b>Other LPP Group companies in Poland</b>	2%	4%
Executive positions	2%	6%
Non-executive positions	3%	0

### Method applied

The data relate to the sum of base salary and bonus for the period in question, divided by the number of months and converted to FTE.

Previously, the reported ratio was the ratio of median basic pay for women to median basic pay for men converted to FTEs for all contract and B2B employees as at the last day of the reporting period for a particular job title (5% in the 2020/21 report). In the new method we include values for the whole period. The Gender Pay Gap indicator has been determined for homogeneous job groups as the ratio of the average total pay of women to the average total pay of men (employed under a contract of employment). Total pay means the sum paid to the employee as basic salary and bonus in the period in question and then divided by the number of months and converted to FTEs. The table above gives the figures for 2020/21 as per the new method.

<sup>1</sup> Women earn 4% less

<sup>2</sup> Women earn 3% more

## TURNOVER

GRI 401-1

### Employee turnover ratio for LPP Group companies in Poland

	LPP SA	LPP Retail	LPP Logistics	Silky Coders
<b>New hires in the reporting period</b>	<b>866</b>	<b>13,505</b>	<b>51</b>	<b>334</b>
Women	672	12,480	8	155
Men	194	1,025	43	179
Employees under 30	562	12,765	13	122
Employees aged 30-50	298	725	36	204
Employees under 50	6	15	2	8
<b>Number of people who lost company employee status in the reporting period</b>	<b>424</b>	<b>9,874</b>	<b>0</b>	<b>29</b>
Women	333	9,053	0	10
Men	91	821	0	19
Employees under 30	190	9,201	0	9
Employees aged 30-50	229	655	0	19
Employees under 50	5	18	0	1
<b>Overall employee turnover ratio</b>	<b>15.76%</b>	<b>81.70%</b>	<b>0</b>	<b>9.09%</b>
Turnover ratio for women	15.71%	79.67%	0	6.58%
Turnover ratio for men	15.96%	113.55%	0	11.38%
Turnover ratio for employees under 30	18.03%	89.61%	0	4.92%
Turnover ratio for employees aged 30-50	13.77%	36.63%	0	5.72%
Turnover ratio for employees over 50	5.10%	60.00%	0	10.00%

### Method applied

- The turnover data include the number of people employed on the basis of an employment contract or another type of contract (civil law contracts). The data concern LPP Group companies in Poland.
- The general employee turnover ratio is calculated according to the formula: total number of employees who left the organisation in the reporting year (12 months) divided by the total number of employees in the reporting year (employment as of 31.01.2022), multiplied by 100.

- Female/male turnover ratio calculated according to the formula: total number of women/men who left the organisation divided by the total number of employed women/men hired in the reporting year (as of 31.01.2022), multiplied by 100.
- Employee turnover ratio for employees of a given age calculated according to the formula: total number of employees of a given age who left the organisation divided by the total number of employees of a given age in the reporting year (as of 31.01.2022), multiplied by 100.

Level of employee turnover at LPP Retail in the 2021/2022 reporting year, by type of contract	Persons employed under an employment contract	For persons employed under a different type of contract (civil-law contracts)
<b>Overall employee turnover ratio</b>	43.57%	197.26%
Turnover ratio for women	42.80%	195.20%
Turnover ratio for men	57.59%	220.08%
Turnover ratio for employees under 30	47.47%	196.93%
Turnover ratio for employees aged 30-50	26.44%	206.93%
Turnover ratio for employees over 50	0.19%	0.14%

#### Method applied

The data concern LPP Retail, which, due to the model of its operations, is characterised by a high turnover ratio of people working for the company under a contract other than an employment contract. These are mainly young people, including students, who treat work at a store as casual and short-term work.

<sup>4</sup> Since the reporting year of Jan. 2019–Jan. 2020 the incidence rate has been calculated according to the formula: the number of accidents in the reporting period divided by the total number of hours worked by all employees, multiplied by 1,000,000

## TRAINING SESSIONS

GRI 404-1

Number of training days in a year per employee as per employment structure	JAN 2019- -JAN 2020.		FEB 2020- -JAN 2021.		FEB 2021- -JAN 2022.	
	LPP Group	of which LPP SA	LPP Group	of which LPP SA	LPP Group	of which LPP SA
Average number of training day per employee	4.2	13	3.2	7.4	4.5	18.4
Total number of training days	98 226	36 800	70 958	18 752	142 564	50 435

#### Method applied

The data applies to the entire LPP Group, including stationary and e-learning training.

## HEALTH & SAFETY

GRI 403-9

Work-related injuries	FEB 2019- -JAN 2020		FEB 2020- -JAN 2021		FEB 2021- -JAN 2022	
	LPP Group	LPP SA	LPP Group	LPP SA	LPP Group	LPP SA
Job-related accidents in the reporting period	126	12	78	2	130	9
including fatal accidents	0	0	0	0	0	0
Accident rate <sup>4</sup>	0.8	2.8	3.4	0.6	3.7	2.3
Main types of injuries recorded	Contusions, surface injuries, sprains.					

#### Method applied

The data refers to all workplace accidents recorded by LPP Group companies in the 2021/22 financial year. This data includes the number of accidents on the way to or from work.

Accident rate: From the financial year 01.2019-01.2020, the rate is calculated according to the formula: number of accidents recorded during the reporting period divided by the total number of hours worked by all employees multiplied by 1,000,000. The indicator also captures fatal accidents.

## Data compilation

### Accident rate in the 2021/22 reporting period

	LPP Group	LPP SA	LPP Retail	Foreign subsidiaries
Number of fatal accidents	0	0	0	0
Number of all reported accidents	130	9	78	43
Accidents women	115	8	74	33
Accidents men	15	1	4	10
Number of accidents resulting in loss of working time	118	9	78	31
Accidents women	106	8	74	24
Accidents men	12	1	4	7
Working days lost due to job-related accidents	2,024	0	0	2,024
Number of hours worked	35,267,398	3,875,334	12,495,248	18,211,218

#### Method applied

The data refers to all workplace accidents recorded by LPP Group companies in the 2021/22 financial year.

The data also includes accidents on the way to or from work.

Accident rate: From the financial year 01.2019-01.2020, the rate is calculated according to the formula: number of accidents recorded during the reporting period divided by the total number of hours worked by all employees multiplied by 1,000,000. The indicator also captures fatal accidents.

## SOCIAL

Own measures: Value of donations made, Number of volunteers involved in projects in the reported year

### Assistance provided to local communities

	02.2021-01.2022
Monetary donations (LPP Foundation)	PLN 1,617,517
Assistance in total (both monetary and in-kind donations) (LPP Foundation + companies of the LPP Group)	PLN 6,691,542

#### Method applied

The data includes amounts allocated to social activities by the LPP Group companies in Poland and abroad and the LPP Foundation.

### The scale of activity of the LPP Foundation

	LPP Foundation
Value of donations made in the reporting year	PLN 1,617,517
Including:	
Donations made to support healthcare	PLN 798,533
Donations made to support environmental protection and ecological projects	PLN 32,881
Donations made to support local communities nad projects preventing social exclusion	PLN 786,103
Number of organizations supported by the LPP Foundation	43
Number of volunteers involved in projects in the reported year	374
Number of items of clothing donated for social purposes	123,000
Number of entities that received clothing	120

# Organizational governance area

G – Governance

GRI 102-1 Name of organisation, GRI 102 -45 Reporting entities included in the consolidated financial statements

## Companies comprising the LPP Group and included in this report (as at 31.01.2022)

The LPP Capital Group comprises: LPP SA (parent company), 8 domestic subsidiaries and 25 foreign subsidiaries. Foreign companies are entities which mainly distribute LPP goods outside Poland. All companies are included in this report.

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. LPP SA (head office in Gdańsk)</li> <li>2. LPP Retail Sp. z o.o.</li> <li>3. DP&amp;SL Sp. z o.o.</li> <li>4. IL&amp;DL Sp. z o.o.</li> <li>5. LPP Printable Sp. z o.o.</li> <li>6. LPP Logistics Sp. z o.o.</li> <li>7. Dock IT Sp. z o.o.</li> <li>8. Silky Coders Sp. z o.o.</li> <li>9. Veviera Investments Sp. z o.o.</li> <li>10. LPP Estonia ou</li> <li>11. LPP Czech Republik S.R.O</li> <li>12. LPP Hungary Kft.</li> <li>13. LPP Latvia Ltd</li> <li>14. LPP Lithuania UAB</li> <li>15. LPP Ukraina AT</li> <li>16. LPP Romania Fashion Srl</li> <li>17. LPP Bulgaria EOOD</li> </ol> | <ol style="list-style-type: none"> <li>18. LPP Fashion Bulgaria EOOD</li> <li>19. LPP Slovakia sro</li> <li>20. RE TRADING OOO</li> <li>21. LPP Croatia DOO</li> <li>22. LPP DEUTSCHLAND GmbH</li> <li>23. IPMS Management Services FZE</li> <li>24. LPP RESERVED UK LIMITED</li> <li>25. LLC Re Development</li> <li>26. LPP Reserved DOO Beograd</li> <li>27. P&amp;L Marketing&amp;Advertising Agency SAL</li> <li>28. LPP BH DOO</li> <li>29. LPP Kazakhstan</li> <li>30. Reserved Fashion, Modne Znamke DOO</li> <li>31. Reserved Fashion BIS, Modne Znamke DOO</li> <li>32. LPP Finland OY</li> <li>33. OOO LPP BLR</li> <li>34. LPP Macedonia DOOEL</li> </ol> |
|--|---|

GRI 205-2, GRI 205-3, GRI 406-1

	01.2019-01.2020	02.2020-01.2021	02.2021-01.2022
			<b>LPP SA</b>
Percentage of members of the executive bodies informed about the anti-corruption policy and procedures at the organisation	100%	100%	100%
Percentage of employees given anti-corruption training	100%	100%	100%
Percentage of suppliers informed about the anti-corruption policies and procedures at LPP	100%	100%	100%
Number of reports of situations of potential irregularities (notifications via the ethics box) <sup>5</sup>	19	6	LPP SA: 14 LPP Retail: 58
Number of confirmed cases of corruption	0	0	0
Number of confirmed cases of discrimination in the workplace	0	0	0

<sup>4</sup> Submissions that, in the opinion of the reporting employees, require an ethics review. Submissions include issues of supervisor-subordinate relationships and social media communication policies etc.

**TAXONOMY**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 on labelling schemes, is an important part of the EU's response to climate and environmental challenges. It provides companies and investors with uniform criteria for business activities that can be considered environmentally sustainable (i.e. those that make a significant contribution to EU environmental objectives, such as climate change mitigation, without causing serious harm in terms of other environmental objectives) and thus aims to increase transparency and consistency in the classification of such activities. Having regard to the above Regulation and the Commission Delegated Regulation (EU) of 6 July 2021, the LPP Group has undertaken to disclose the percentage of business operations falling into and not falling into the scheme in the total turnover (revenue), capital expenditure (CapEx) and operating expenditure (OpEx). In addition to these key indicators, we publish the methodology developed and qualitative information.

Business operations	Turnover [PLN m]	Share
A. Operations falling into the scheme	0.0	0%
B. Operations not falling into the scheme	14,029.7	100%
<b>Total (A+B)</b>	<b>14,029.7</b>	

**Turnover**

The percentage of turnover shown in the table below has been calculated as the proportion of net revenue from the sale of products or provision of services, including intangible assets, divided by net sales revenue in accordance with International Accounting Standard (IAS) 1 point 82(a). Due to the lack of guidance for the retail sector in which LPP operates, the above mentioned share is 0%.

Business operations	CapEx [PLN m]	Share
A. Operations falling into the scheme	2,503.4	61%
B. Operations not falling into the scheme	1,586.6	39%
<b>Total (A+B)</b>	<b>4,089.9</b>	

**Capital Expenditure**

The percentage of capital expenditure (CapEx) was calculated by dividing the increase in property, plant and equipment, intangible assets and leases in the business areas included in the Technical Eligibility Criteria by capital expenditure as defined in International Financial Reporting Standards (IFRS), which are accounted for under:

- IAS 16 Property, Plant and Equipment, paragraph 73(e)(i) and (iii);
- IAS 38 Intangible Assets, paragraph 118(e)(i);
- IFRS 16 Leases, paragraph 53(h).

CapEx values relate directly to the values in the consolidated financial statements note 13 sum of acquisitions and transfers from fixed assets under construction

Business operations	OpEx [PLN m]	Share
A. Operations falling into the scheme	110.4	98%
B. Operations not falling into the scheme	2.2	2%
<b>Total (A+B)</b>	<b>PLN 112.6</b>	

**Operating expenses**

The percentage of operating expenses was calculated by dividing direct, non-capitalised costs of:

- repair and maintenance services and cleaning in all offices, stores and logistics facilities,
  - salaries of employees maintaining IT equipment (Service Desk) and machinery and equipment
  - car fleet maintenance,
  - electrical fixtures,
- by the sum of expenses defined in the Taxonomy as operating expenses.



# LPP

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to reading your e-mails

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