

LPP Spolka Akcyjna

TICKER WAR:LPP MARKET CAPITALIZATION US\$4 billion HEADQUARTERS Poland

TARGETS None

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Not applicable

LPP Spolka Akcyjna (LPP), the largest Polish apparel manufacturer,¹ has taken basic steps to address forced labor risks in its supply chains. It discloses less information than the global sector average. Since its inclusion in the 2018 benchmark, it has taken limited steps to improve, namely by disclosing that it coordinates with its suppliers to plan their capacity three months ahead of production. Other apparel retail companies such as Primark or H&M disclose taking stronger steps. LPP does not disclose any steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers.

STEPS TAKEN TO ADDRESS FORCED LABOR RISKS IN SUPPLY CHAINS

NO STEPS	BASIC STEPS	SOME STEPS	INTERMEDIATE STEPS	ADVANCED STEPS
	LPP has taken basic steps to address forced labor risks in its supply chains. It is among 38% of companies in this sector to do so, with 50% of companies having taken stronger steps.			
SUPPLY CHAIN TRANSPARENCY Supplier List Information on Supply Chain Workers		No No		
HIGH-RISK RAW MATERIALS ² Cotton, silk, wool, and others		-	HIGH-RISK SOURCING COUNTRIES China, India, and Vietnam	

¹ LPP, "<u>About Us</u>." Accessed 14 January 2020.

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2021 Apparel and Footwear Benchmark Report.



SUBSET OF INDICATORS

NOT MET PARTIALLY MET	Policy / Process	Outcomes
Supplier Code of Conduct and Integration into Supplier Contracts	\bigcirc	\bigcirc
Management and Accountability Internal Management Board Oversight		Not Applicable
Stakeholder Engagement Local Stakeholders Peers	\bigcirc	Not Applicable
Risk Assessment	\bigcirc	\bigcirc
Purchasing Practices	$\overline{}$	\bigcirc
Recruitment Fees	\bigcirc	\bigcirc
Freedom of Association Working with Unions Examples of Improvements		Not Applicable
Grievance Mechanism	\bigcirc	\bigcirc
Remedy Programs / Remedy Outcomes and Response to Allegations	\bigcirc	\bigcirc

LPP discloses internal responsibility for the implementation of its supply chain policies that address forced labor and states that its purchasing department is primarily responsible for the management of social issues.

Additional steps the company could take include

- disclosing the names and addresses of its suppliers and data points on its suppliers' workforce;
- assessing forced labor risks in its supply chains and disclosing the risks identified; and
- developing a formal mechanism to report grievances regarding labor conditions in its supply chains for its suppliers' workers and relevant stakeholders.

COMPANY ENGAGED WITH KNOWTHECHAIN³

Informal (i.e., engaged outside the formal three-month engagement period).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset <u>here</u>. For information on a company's positive and negative human rights impact, see the <u>Business & Human Rights Resource Centre website</u>.