

LYNKA SUSTAINABILITY REPORT 2020/2021

ENVIRONMENT



COMMUNITY



WORKPLACE



MARKETPLACE

WHO IS LYNKA?

Lynka is one of Europe's top suppliers of corporate clothing, casual fashion and sportswear. Lynka manufactures, decorates and distributes a wide variety of apparel and accessories. Founded in 1992 by two young American entrepreneurs in Krakow, Poland, Lynka today services thousands of clients in 32 countries from its 10,000 m² facility.

With over 50 awards for quality apparel decoration, Lynka is synonymous with quality. Indeed, Lynka has won more awards for screen printing and embroidery than any other European company. And having decorated more than 85 million garments over its almost 30-year history, no one in the EU has more experience. Today, Lynka has capacity to print more than 50,000 garments every day. At the same time, no order is too small for Lynka – even a single piece.

Lynka was also the first multi-brand, authorized apparel wholesaler in the EU to introduce the One-Shop-Stop model. Whatever the client needs: garment, embellishment, sublimation, finishing, re-labelling, digital printing, Print-on-Demand (POD), special make-ups, or other value-added services, Lynka is up to the challenge.

Sustainability has been important at Lynka long before it became imperative for each respectable company. Lynka is one of the very few WRAP certified apparel



manufacturing companies in Europe – receiving its first certification in 2013. WRAP stands for Worldwide Responsible Apparel Production and ensures employee respect and fair treatment, work safety, regulatory compliance as well as environmentally sustainable practices.

In 2020, Lynka received its sixth consecutive Gold Wrap certificate and a Silver Certification by EcoVadis. Lynka is also a signatory member of the United Nations Global Compact on corporate sustainability. Plans for 2021 include implementation of GOTS production certification process as well as ethical SMETA audit by Sedex.



LYNKA BY THE NUMBERS:

- 85,000,000** Clothing articles decorated
- 1,500,000** Items in stock
- 10,000** m² production/distribution center
- 1992** The year it all began!
- 250** Awesome employees
- 53** International printing awards
- 32** Countries served
- 28** Years in business
- 1** One-stop-shop solution
- #1** In quality across the EU



**Lynka HQ & Main Production
& Distribution Center Skawina (Poland)**



Sales Office DACH Markets, Rybnik (Poland)



Sales Office Northern Germany



Sales Office Helsinki (Finland)



Sales Office Lyon (France)

Dear Friends & Partners,

When it comes to ecology, **sustainability** is the idea that goods should be produced in ways which replace resources and that do not damage the environment. But the world today looks at sustainability as a part of the broader Corporate Social & Environmental Responsibility:

"A continuing commitment to behave ethically and contribute to economic development while improving the environment and the quality of life of the workforce and their families as well as of the local community and society at large".

At Lynka, we have recently united our CSR and ecological activities under our **Lynka Cares** program. In the ordinary course of business, we will strive to operate in ways that **enhance society** and the environment. The **four pillars** of our Lynka Cares program are:

Environment. Reduced environmental impact.

Workplace. Improved employee health & safety.

Community. Support the "greater good" via charity & volunteerism.

Marketplace. Legal, ethical & improved business efficiency – CSR must be economically viable.

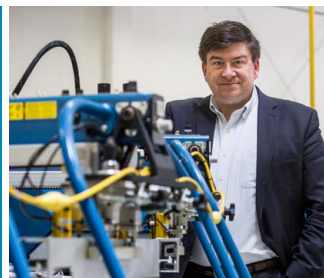
As a proud holder of a WRAP Gold Certification since 2013, each year Lynka submits itself to external scrutiny by a professional team of WRAP auditors who spend the better part of a week analyzing our processes, testing our safety protocols, reviewing our records, and even interviewing our employees. It is always an enlightening experience, and we can proudly say that thanks to WRAP, we are a better, safer, more responsible company today.

We are equally proud to be a signatory to the United Nations corporate sustainability program. The **UN Global Compact** is the largest corporate sustainability initiative in the world, with over 10,000 companies and 3,000 non-business signatories based in over 160 countries. It is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

One of Lynka's most cherished Core Values is *Continuous Improvement*. In this spirit, we have taken many small steps during the past few years to increase the spread of sustainability across the company. On the following pages, we will highlight a few of the activities Lynka is engaged in under our **Lynka Cares** program.

John Lynch
Founder & CEO Lynka

"Successful businesses have a responsibility to make the world a better place."



THE 4 PILLARS OF LYNKA CARES SUSTAINABILITY PROGRAM





ENVIRONMENT



ENVIRONMENTAL SUSTAINABILITY IS ONE OF THE MOST IMPORTANT ISSUES OUR INDUSTRY IS FACING.

The first pillar of our Lynka Cares program is to reduce the overall environmental impact of our activities. We have been proactive in our eco-friendly practices and policies since our early days, and continue to make positive strides year-after-year. Our environmental activities can be broadly categorized in these three areas:

Printing & Operations. Printing and embellishment using more eco-friendly inks, materials and technologies, plus making our overall operations more environmentally sustainable.

Packaging & Logistics. Finding alternative solutions that leave a lighter carbon footprint than the industry's historical ones. Using packaging sources that support sustainable forest management.

Products & Fabrics. Sourcing and supplying more garments made from organic, recycled and other sustainable fabrics is the clear route forward. Reconsidering the entire supply-chain, including the countries in which we manufacture garments.

As one of Europe's largest and most well-established garment suppliers and decorators, since our early days, Lynka has always out-performed the standards for emissions, waste-water and other pollutants. We use safer, more expensive, imported equipment and chemicals. We were one of the first printers in Central Europe to create an eco-friendly screen department with screen wash / reclaiming system which introduced eco-friendly solvents from the USA and Sweden. We were one of the first CEE promo apparel suppliers to receive WRAP certification, which includes environmental requirements.

Below are a few of the activities we are engaged in to make our embellishment operations greener than ever before.

PRINTING & OPERATIONS



We **recycle water** in our screen department with **Eco-Text** waste-water reclaiming system.



Reduce Waste. We exercise waste segregation throughout the company.



Reuse. We employ 'heat regeneration' system (heat from our driers is being recycled back to heat the building).



Recycle paper and carton stock throughout the company.



Energy-saving measures in production. Sky-lights provide healthy, natural light for workers, while reducing lighting needs.



Reduce energy usage via low-energy LED light-bulbs throughout the company.



Kornit Direct-to-Garment dramatically reduces water usage, decreases waste, minimizes carbon footprint and eliminates harmful chemicals. Eco-friendly, GOTS 3V certified.



Low consumption premium **Virus** brand water-based inks for eco-friendly textile screen printing.



Our **Rutland** plastisol inks are PVC and phthalate free.

PACKAGING & LOGISTICS



Logistics & Packaging. We are actively finding ways to reduce our carbon-footprint via eco-friendly logistics solutions and certified packaging producers.



Forest Stewardship Council. Our packaging producers are certified that the trees that were in our packaging comes from approved forests.



Program for the Endorsement of Forest Certification is an international, non-profit organization which promotes sustainable forest management through independent third-party certification.

PRODUCTS & FABRICS

One of the most important aspects of environmental sustainability are the products themselves. There are several ways apparel can be more eco-friendly:

Organic Cotton. Sourcing and supplying more garments made from organic cotton is a great way to show commitment to sustainability. No toxic chemicals are used in the growing of organic cotton. It doesn't damage the soil, has less impact on the air, and uses 88% less water and 62% less energy. Conventional cotton uses about 16% of the world's insecticides and 7% of pesticides.

Garments from recycled fabrics. Textile recycling saves energy and reduces pollution. Recycling provides both environmental and economic benefits. Textile recycling reduces pressure on new resources and reduces the demand for dyes and fixing agents.

Garments from recycled PET bottles. Recycled polyester (rPET) is almost the same as virgin polyester in terms of quality, but its production requires 59 percent less energy compared to virgin polyester. WRAP estimates rPET's production to reduce CO2 emissions by 32 percent in comparison to regular polyester. Using recycled polyester lessens our dependence on petroleum as a source of raw materials.



GOTS The Global Organic Textile Standard (GOTS) is the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.



100% Recycled Polyester by Global Recycled Standard certified and inspected by Control Union. The goal of the GRS is to increase use of recycled materials in products and reduce/eliminate the harm caused by its production.



The official EU label for Greener Products. Eco-labelled products have a comparatively modest impact on air, water, soil, quality, natural resource consumption, global warming and biodiversity. Products must pass rigorous tests with results verified by an independent body.



Products are made from Organic Cotton with a certification process other than GOTS.



OCS 100 covers the processing, manufacturing, packaging, labelling, trading and distribution of a product that contains at least 95 percent certified 'organic' materials.



The Recycled Claim Standard (RCS) is used as a chain of custody standard to track recycled raw materials through the supply chain. The RCS verifies the presence and amount of recycled material in a final product.



The Oeko-Tex 100 Standard comprehensively addresses the human ecology component of textile products. It evaluates and screens for any harmful substances present within processed textiles, which are intended to come into contact with consumers.



The Fairtrade Certification Mark is your independent guarantee that the cotton in this product has been certified in accordance with international Fairtrade Standards.

OUR ORGANIC & ECO-FRIENDLY BRANDS

Lynka offers a wide range of eco-friendly garments from Europe's leading sustainable brands:

STANLEY/STELLA

Neutral
Certified Responsibility™

mantis



cotton
fare

JAMES &
NICHOLSON

B&C
COLLECTION

Westford
Mill

Stedman
collection

TEE JAYS

KARIBAN

R
russell

There are other brands in our collection that include organic cotton garments, as well as a wide selection of recycled fabrics:



WORKPLACE



“A GREAT PLACE TO WORK”

This was one of the Lynka founders' goals from the very first days: to create a 'special atmosphere' where honest, fun, talented, and motivated people could come to work. Back in 1992 Poland, this wasn't so common. Today, we employ numerous practices to maintain and improve this special atmosphere:

- **Family-friendly** functions such as parties, picnics and open-house events.
- Healthy, **transparent communications** including an open-door policy and regular information sharing via our Intranet and employee-focused social media platforms.
- **Integrating** non-Polish employees into our team.
- An employee-elected **Worker's Representative** body to increase engagement and communication, which has been invaluable during the Covid-19 crisis.
- Monthly **Safety** inspections.

To achieve ambitious goals, a first-class team of people is essential. We must find them, invest in their development and insure they stay with us. This is one of Lynka's most cherished Core Values.

Whenever possible, Lynka promotes from within. Lynka does not discriminate in any way. Moreover, almost 60%

of our 250-strong workforce and 65% of our managers are women. We are an honest employer.

Of course, to be considered a great work place, its equally important to adhere to local laws and workplace regulations, maintain a healthy and safe workplace, and pay fair and competitive wages.

Lynka is a WRAP certified manufacturer since 2013, and a signatory to the UN Global Compact for sustainability, as well as a member of the Ethical Trading Initiative. More recently, we received a Silver rating during our first Eco-Vadis audit in 2020. Finally, we are very proud to be one of the very few certified NIKE apparel manufacturing vendors in Central Eastern Europe, which we possess since 2012 – the year Lynka was the authorized Nike apparel decorator for the European Football Championships.

FAIR & SAFE LABOR PRACTICES



The Summer picnic! Lynka parents and their children meet for a day of sport, BBQ and fun-in-the-sun



The Annual Christmas Party where outstanding employee contributions are recognized and rewarded.

Lynka believes in fair wages, employee health & safety plus conducting business in an ethical way. The company adheres to these core principles:

- Compliance with laws & workplace regulations
- Health and safety of workforce
- Prohibition of forced labor
- Prohibition of child labor
- Prohibition of harassment or abuse
- Compensation and benefits as required by law
- Hours of work as limited by law
- Limited use of Temporary Labor
- Prohibition of discrimination
- Freedom of association & collective bargaining



United Nations
Global Compact



Ethical
Trading
Initiative

Respect
for workers
worldwide

ecovadis





COMMUNITY



GIVING BACK TO OUR COMMUNITY AND SUPPORTING THE “GREATER GOOD” VIA CHARITY & VOLUNTEERISM.

Lynka has been active in Poland for almost 30 years. During that time, we have helped our community by supporting local aid initiatives, either financially or in kind.

We believe that social solidarity, especially in these demanding Covid-19 times, is needed more than ever. Lynka is awestruck by the outpouring of human compassion and generosity from every corner of Poland both on the side of companies, foundations as well as individuals wanting to help hospitals, small local businesses or simply other people.

Moved by the situation of hospitals left to their own resources, Lynka has decided to broaden its scope of its humane / non-profit actions by donating part of protective masks sales income to relief actions for the benefit of children's hospitals.

Lynka's charity activities are united under our Lynka CARES program. The heart – a modified version of the Lynka icon – symbolizes love, good will, and humanity – all timeless values that we have always cherished.

CHARITABLE ACTIVITIES



Lynka donated face masks to the patients and staff of Children's hospitals in Krakow and Warsaw.



AMCHAM MEMBERS LEND THEIR SUPPORT

AmCham Poland join forces in the fight against Coronavirus.

From the very beginning, American investors in Poland representing many sectors of the Polish economy have actively joined forces to fight against the Coronavirus. A large number of member companies have joined the campaign voluntarily, supporting health care personnel on the front line of the fight against the Coronavirus. Companies like Lynka are sewing masks, 3D printing visors and supporting the local senior community. Their creativity and willingness to help every day inspire us to work together and win the fight against the Coronavirus.

LYNKA'S GOODHEARTED ACTIONS INCLUDE:

Donations in kind e.g. face masks, apparel, bags, accessories to Children's hospitals

Support of our employees' social engagement or aid actions (e.g. Great Orchestra of Christmas WOŚP, Szlachetna Paczka)

Transferring a percentage of face masks sales to the Children's University Hospital in Krakow or to Friends of Children's Hospitals Foundation in Warsaw

Free of charge or preferentially priced printing services on goods ordered for the actions whose beneficiaries are children or children's hospitals

Engagement or support of charities initiated by our clients

Lynka has made since 1997 annual donations to the American Chamber of Commerce charitable drive to support 8 orphanages in the most economically depressed areas of Poland and a single mother's shelter.



Lynka has been an active member of AmCham since 1994, taking part in many charitable initiatives over the years



MARKETPLACE



THE FOURTH PILLAR OF CORPORATE SOCIAL RESPONSIBILITY IS ETHICAL BEHAVIOR AND IMPROVED BUSINESS EFFICIENCY. FOR CSR TO WORK, IT MUST BE ECONOMICALLY VIABLE.

Lynka has been active in Poland for almost 30 years. During that time, we have been true to our Core Values on each of the following tenets:

Anti-corruption. Ethical behavior. Lynka conducts business in an honest and ethical fashion. We honor our commitments.
Paying local taxes. We contribute to our local community through paying taxes and hiring hundreds of local, tax-paying citizens.

Customs Compliance. We import products legally.
Security Regulations. We respect and enforce data and other security regulations including GDPR (General Data Protection Regulation).
Supply Chains organized in a socially beneficial manner.

OUR CORE VALUES

OUR PURPOSE IS TO HELP OUR CLIENTS PROMOTE THEIR COMPANIES AND THEIR BRANDS.

QUALITY in everything we do

Quality is essential in everything we do: quality of products, quality of service, quality of relationships, quality of our communications, quality of our promises.

We care about our CUSTOMERS

Great customer service is much more than just a slogan at Lynka. We care deeply about our customers, we know them by name, we know their businesses. When we let them down, we lose sleep at night.

Great PEOPLE. Great PLACE to work

To achieve our goals, we need a team of great people. We must find them, invest in their development and insure they stay with us.

INTEGRITY & RESPONSIBILITY

Lynka is a good corporate citizen. We care about our community and the world around us. LYNKA conducts business in an honest and ethical fashion. We honor our commitments.

Continuous IMPROVEMENT

We strive to improve in everything we do – including our organization, processes and standards of excellence. Continuous improvement helps us build long-term competitive advantage.

PROFIT

Although profit is not the only goal of our company, we must nonetheless be an efficient and profitable business, or else we limit our ability to be of service to our clients. Healthy profits must be a result of our activity.

ETI Base Code



The ETI Base Code is an internationally recognised set of labour standards based on ILO conventions. It is used by ETI members and others to drive improvements in working conditions around the world.

www.ethicaltrade.org



Employment is freely chosen



Freedom of association and the right to collective bargaining are respected



Working conditions are safe and hygienic



Child labour shall not be used



Living wages are paid



Working hours are not excessive



No discrimination is practised



Regular employment is provided



No harsh or inhumane treatment is allowed

"LYNKA is one of the premier apparel-decorating and promotional product facilities in all of Europe - in fact, let us make that all the world."

Printwear Magazine
USA



COMPLIANCE AND ACCREDITATION



WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION

Lynka is one of the very few and very first WRAP certified apparel manufacturing companies in CEE – we first received our certification in 2013.

The Worldwide Responsible Accredited Production (WRAP) program is the world's most accepted independent certification for the apparel/textile, footwear, and sewn products industry. WRAP insures employee-safe, compliant and environmentally-friendly, sustainable practices. The program monitors and certifies lawful, humane and ethical production.

WRAP's accredited experts conduct independent audits to ensure that the facility fulfills requirements according to WRAP principles. The audit determines whether criteria have been met or if it warrants changes/additions to the system in order to achieve certification.

WRAP is supported by the International Apparel Federation, the American Apparel & Footwear Association and as well as more than 20 international trade and industry associations.



United Nations Global Compact

A PRINCIPLES-BASED APPROACH TO DOING BUSINESS

Lynka formally became a signatory to the UN Global Compact in 2020, although Lynka has been aligned with the Ten Principles since they were first created in 2000.

The UN Global Compact is unparalleled in its ability to unite companies with every stakeholder group working to advance sustainable development, including Governments, civil society, investors, academia and the United Nations. Together, through bold actions and collaboration between all sectors of society, we can end extreme poverty and hunger, fight inequalities and address climate change, ensuring no one is left behind.

Launched as a special initiative of the UN Secretary-General, the UN Global Compact provides a framework for developing a more sustainable and responsible business. Today, the UN Global Compact is the largest corporate sustainability initiative in the world, with over 10,000 companies and 3,000 non-business signatories based in over 160 countries.

It is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



EcoVadis was launched in 2007, to address the needs of Procurement Executives which were looking for reliable Sustainability indicators on their suppliers. EcoVadis is an evaluation of how well a company has integrated principles of Sustainability/CSR into their business and management system in the following areas: environment, labor & human rights, ethics and sustainable procurement. The rated company can see how their score compares to the benchmark in their industry and set goals to achieve global best practice.

The assessment framework is aligned with GRI G3, Global Compact, and ISO 26000. To date, EcoVadis has rated over 60,000 trading partners worldwide, positively impacting the environments, fostering transparency and driving innovation.



WRAP STANDARDS - CODE OF ETHICS

In the creation and development of the organization Lynka introduces the principles and actions in order to meet all the requirements:

1. Compliance with laws and workplace regulations
2. Prohibition of forced labor
3. Prohibition of child labor
4. Prohibition of harassment or abuse
5. Compensation and benefits
6. Hours of work
7. Prohibition of discrimination
8. Health and safety
9. Freedom of association and collective bargaining
10. Environment
11. Customs compliance
12. Security



THE 4 PILLARS OF LYNKA CARES



ENVIRONMENT COMMUNITY WORKPLACE MARKETPLACE



United Nations
Global Compact

ecovadis



LYNKA LTD.
UL. MAJZIKA 16
SKAWINA, POLAND 32-050
CSR@LYNKA.EU

LEARN MORE ABOUT OUR LYNKA CARES SUSTAINABILITY PROGRAM AT:

WWW.LYNKA.EU/CSR