

THE PUBLIC ESTABLISHMENT
HUMANA PEOPLE TO PEOPLE BALTIC

ANNUAL REPORT 2023



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THE PUBLIC ESTABLISHMENT HUMANA PEOPLE TO PEOPLE BALTIC

THE MISSION STATEMENT

- HUMANA PEOPLE TO PEOPLE BALTIC wants to see a world with better prospects for all its inhabitants to live their lives without poverty, sickness and lack of freedom.
- HUMANA PEOPLE TO PEOPLE BALTIC wants to support people's efforts to create development in their communities.
- HUMANA PEOPLE TO PEOPLE BALTIC supports projects dealing with health, education and environment. We believe that work within these areas is one of the main preconditions for sustainable development.

THE HISTORY

Humana People to People Baltic (HPP Baltic) was founded in the beginning of 1998. The idea was to establish an organization in Lithuania that could raise funds to support development of poor and disadvantaged people in the world. To do this through a network of shops selling second hand clothes and using the surplus from this activity for Humana People to People's projects in developing countries.

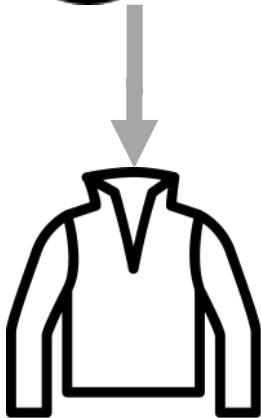
The first Humana shop and the Sorting Centre in Lithuania have been opened in 1998. Steadily growing over 25 years, the HPP Baltic has become one of the biggest second hand clothes sorters and sellers in Lithuania and Baltic countries. At the end of 2023, the Humana shops network was 64 shops, spread in 30 towns all over the country.

HPP Baltic is a member of the Federation for Associations connected to the International Humana People to People movement (more about Humana People to People organizations see page 6) and supports many very good sustainable development and education projects in Africa, Asia, Central and Latin Americas and Europe while also being an expert source of fashionable and good quality clothes at very affordable prices for many Lithuanians.

HPP BALTIC WAY OF FUNDRAISING FOR DEVELOPMENT ASSISTANCE AND SOCIAL PARTNERSHIP PROJECTS



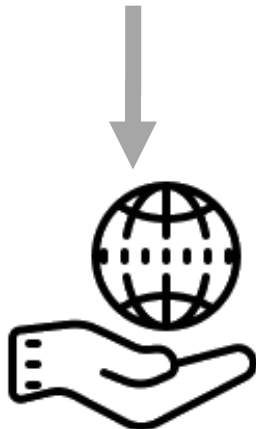
PURCHASING Fundraising at HPP Baltic starts with purchasing from suppliers on the second hand clothes and footwear market.



SORTING To pursue the highest environmental benefits, HPP Baltic strives to reuse the second hand textiles. This requires a detailed sorting and distribution to different parts of the world. Through the long term relationships built across the sector, HPP Baltic is able to ensure a high quality and transparency throughout the supply chain.



SELLING Around 50% of the sorted goods are exported. In Lithuania, HPP Baltic operates 64 Humana second hand clothes shops network and sells sorted clothes to minor sellers. To facilitate changing consumption patterns in developed countries, Humana stores are at the forefront of sustainable fashion, enabling customers to shop for high quality second hand clothes at affordable prices, as well as addressing global resource challenges.



SPONSORING After paying taxes, the profit is used to finance socially important projects.

In 2023 HPP Baltic engaged and contributed **7 011 540** EUR, 154% more than last year, to support the implementation of 54 partnership projects in 13 countries all over the world.

THE HUMANA PEOPLE TO PEOPLE INTERNATIONAL NETWORK

Humana People to People Baltic is a member of the Federation of Associations Associated with the International Humana People to People Movement (FAIHPP). FAIHPP was founded in 1996 by 16 national associations in Europe and Africa who wanted to strengthen their cooperation and improve the quality and impact of their work.

At present, FAIHPP has 29 independent associations as members from Europe and North America, as well as Africa, Asia, and South America, implementing more than 1,200 project units reaching 10 million people annually.

FAIHPP's members are independent national charities that base their work on an intimate knowledge of the needs and potential of the communities in which they operate. FAIHPP's International Headquarters are located at Murgwi Estate, Shamva, Zimbabwe, in a rural setting 85 km outside the capital city of Harare.

Member organizations in Europe and North America collect, sort and sell used clothing for reuse and use the surplus to support social development projects. Reuse is the preferred option over recycling, and the social development projects build human capacity and encourage people to work together to make changes that improve the living standards of individuals, families and communities.

FAIHPP is governed by a committee elected by members at the annual general meeting, which is the highest authority of the association. For Humana People to People, transparency is essential. Agreed reports are provided to collaborators and relevant authorities, and the Humana People to People website contains annual progress reports, various specific reports, and information on where to request additional information.

FAIHPP is committed to the highest standards of accountability, transparency and good governance. Each year, FAIHPP members spend €90 million on education, environment, health, and social development projects around the world. Humana People to People entities use various audit and certification systems to document their activities, systems, and material flows. These include ISO certification, Bureau Veritas system audit, Mepex transparency reporting, SGS NGO benchmarking, and the Global Reporting Initiative.

The members of the FAIHPP movement believe in the power of people working together to create lasting change by equipping people with the tools, knowledge and skills to build their bright futures.

THE HUMANA PEOPLE TO PEOPLE INTERNATIONAL NETWORK

There are five main areas in which members of the movement are involved in social development and environmental protection activities:

Community Development

Community development takes place in villages, towns and slums, where Village Action Groups come together to solve pressing problems by working closely with traditional leaders, health and education institutions, government agencies, local organisations and faith-based groups. Community development activities include caring for children, helping the elderly and the sick, addressing the need for clean water, sanitation and waste disposal, nutrition by growing more vegetables, campaigning against child marriage, tackling illiteracy and creating income-generating activities.

Education

Humana People to People members believe that quality education is a vital tool for poverty alleviation and essential for national and global development, providing the foundation for a better future. Humana People to People members work to empower girls and women and encourage more girls to stay in education. Teacher training programmes train teachers for primarily rural communities in Africa and Asia. Vocational training programmes include formal courses and short-term skill training courses. The Preschool of the Future concept has become a professional movement, changing the way parents and teachers view early childhood education as fundamentally different from primary school education.

Health care

Humana's People to People health projects focus on the greatest health challenges in the countries where we work, continuing the fight to bring the HIV and AIDS epidemic under control, combating the spread of tuberculosis and coronaviruses, and helping to eradicate malaria. As diabetes, hypertension and cancer continue to cause premature deaths outside the developed world, Humana People to People is committed to public health education, detection and referral for treatment of these diseases.

Farming

Farming projects integrate concepts of sustainable climate-resilient ecosystems. Families are encouraged to use more natural resources doing minimum harm and contamination. In Ecuador, Brazil, Malawi, and Zimbabwe rural farmers employ organic and conservation methods to grow healthy food, reclaim soil, retain moisture, and recover fertility.

Reuse of used clothing

Population growth, improved living standards, an increasing range of textile materials and the decreasing life cycle of textile products have all contributed to global fibre consumption, generating a significant amount of post-industrial and post-consumer fibre waste. Humana's People to People network is playing an increasingly important role in reducing this waste by reusing nearly 80% of the used clothing it collects.

HPP BALTIC DONATIONS (EUR) USED FOR PARTNERSHIP PROJECTS in 2023

Belize	Child Aid (CA)	36 850
	Full Circle	4 635
	Community Development (CDP) - Economic Inclusion	62 113
	CDP - Community Hubs	37 082
	CDP - Solar	24 822
	Total	165 502
Botswana	CA Phikwe	56 587
	CA Ghantsi	49 060
	Total Control of the Epidemic (TCE)	45 487
	HOPE	154 763
	Total	305 897
China	Preschools of the Future (POF) Qiaojia	100 819
	POF Tengchong	24 603
	Yunnan Tengchong Early Childhood Development	17 842
	POF Huize	10 357
	Farmers' Clubs (FCs) Nanjiang	39 877
	GAIA, Climate Change Awareness	6 292
	Development and Expansion of POF Programme	69 174
	Total	268 987
Ecuador	FCs South - Zamora	114 955
	FCs Coast - El Empalme	16 516
	Total	131 472
Gvinea Bissau	Vocational School	149 534
	Teacher Training College (TTC)	230 632
	TCE	56 656
	Conference Centre	208 976
	Bridge Funding	176 469
	Total	822 267
India	Teacher Training	230 218
	Tejaswini, Women Empowerment	118 853
	HIV/AIDS & TB Programme	152 404
	Action Against Child Labour	15 349
	CD, Women Empowerment, Health and Environment	94 139
	Total	610 964

HPP BALTIC DONATIONS (EUR) USED FOR PARTNERSHIP PROJECTS in 2023

Malawi	TTC	171 506
	Vocational School	194 682
	DREAMS	604 443
	Total	970 631
Mozambique	TTC Chimoio	130 618
	TTC Maputo	48 926
	TTC Nametil	152 053
	TTC Tete	141 787
	ISET - One World	200 832
	Recovery in Cabo Delgado	58 436
	HOPE Cabo Delgado	17 442
	TCE and TB in Matola	71 365
	Machava Centre	371 911
Total	1 193 370	
Namibia	TCE Program Namibia	210 879
	The School	11 592
	FCs	4 210
	Total	226 681
Zimbabwe	Frontline Institute	311 426
	Ponesai Vanhu Technical College	29 064
	FCs Chivi/Mutasa	5 374
	Production Park Estate	178 513
	Production Kukwanisa Farm	27 235
	HOPE Bindura	27 903
	Cash Flow Buffer	35 350
Total	614 866	
Federation	The Clinic	435 718
	Membership Contribution	373 373
	Total	809 090
Ukraine	Medical Supplies and Equipment	52 000
Lithuania	Partnership with Schools and NGOs	35 700

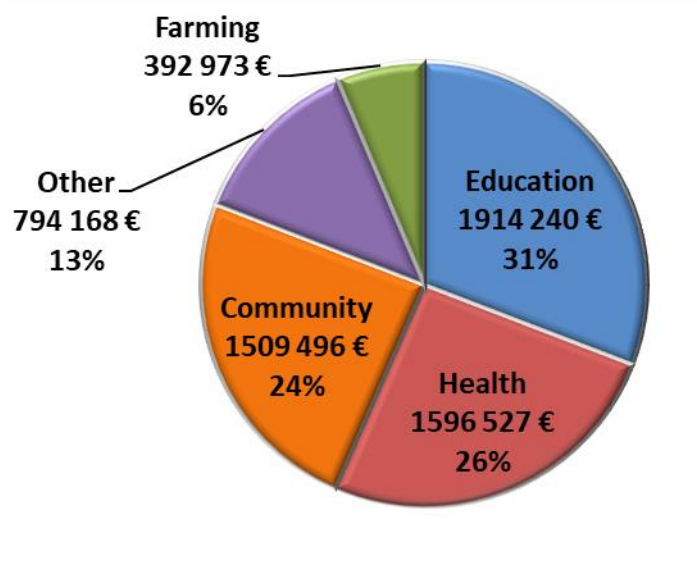
BREAKDOWN OF HPP BALTIC SUPPORT FOR PARTNERSHIP PROJECTS BY AREA AND COUNTRY IN 2023

In 2023, HPP Baltic has donated a total of **€7,011,540** to the implementation of the 54 partnership in human development projects in 13 countries around the world.

Partnership projects are implemented in four areas and are designed and implemented by national HPP organisations.

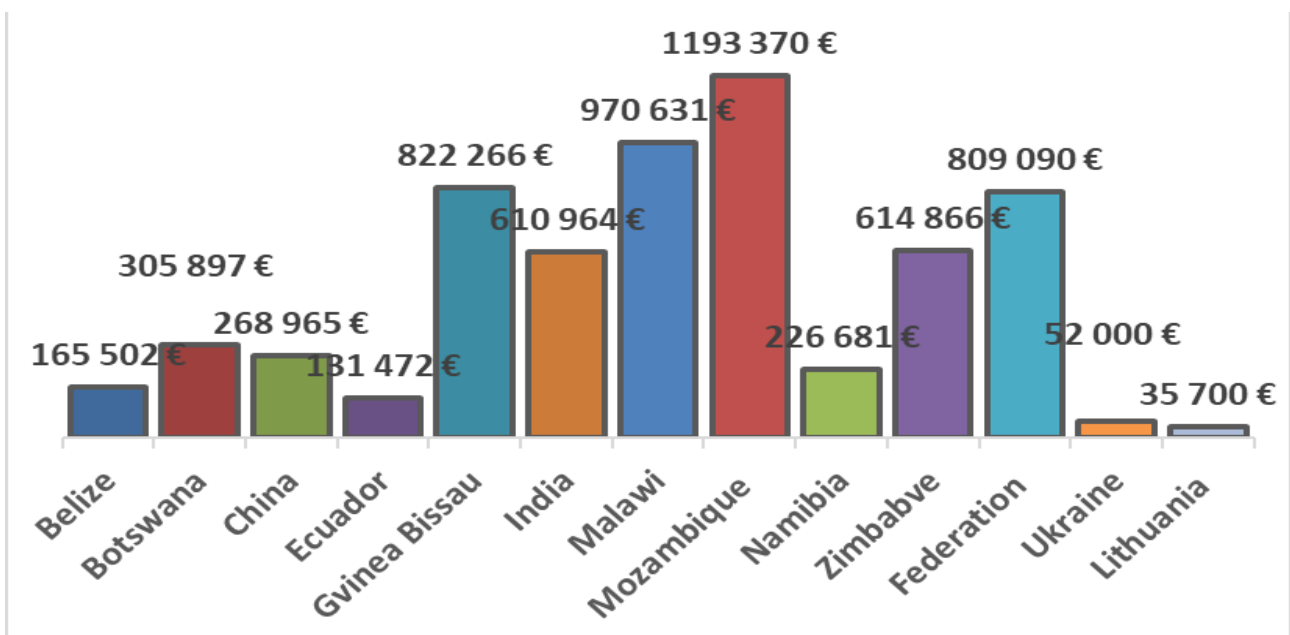
Compared to 2022, HPP Baltic's support in 2023 has increased from €4.5 million to €7 million. Since 2003, HPP Baltic has supported environmental and social development partnerships with a total of €54 million.

The development support is generated by the Second-Hand clothing trade, an economic activity that in itself effectively contributes to the preservation of the environment and natural resources and successfully solves the problem of clothing humanity.



Partnerships in 2023

Education	17
Health	8
Community	14
Other	4



HPP BALTIC ENGAGEMENT IN HUMANITARIAN RELIEF ACTIONS IN UKRAINE



In cooperation with Human Bridge Sweden, Oliva Foundation Ukraine and HPP Ukraine, more than 63 thousand food parcels have been ordered, delivered and distributed.

The beneficiaries are municipal institutions, hospitals, etc., which distribute the parcels to the final recipients, such as poor families with disabled members. Some of the products will be used by the institution to prepare meals in its own kitchen for the permanent residents of the institution. The packs are distributed in batches every other month. Only in 2023, Humana provided a total of €489,950 for the food aid project. When food parcels are purchased in Ukraine, they are subject to VAT and other taxes paid to the Ukrainian government.

The food parcels contain: tinned turkey, buckwheat, rice, sunflower oil, sardines in oil, condensed milk, butter, sugar. Total weight: 5 kg. The contents may vary depending on the comments made by recipients. Recipients rate 'our' food parcel as the best.

In cooperation with the Swedish organisation Human Bridge, HPP Baltic has pledged to contribute to the supply of medical equipment and supplies to hospitals in Ukraine in 2023, with a donation of 52,000 euros towards the cost of transport to hospitals and social institutions in four cities. The project is ongoing in 2024.

To strengthen the protection of the Ukrainian population, Humana contributed to the Blue and Yellow Campaign with a donation of €50,000.



SUSTAINABLE STYLE:



Closing the Loop on Clothing

Our used clothing sorting and selling policy promotes textile sustainability and circularity. It reduces waste, conserves resources through reuse, and provides affordable clothing options globally. This, in turn, allows us to fund vital development work.

The Power of Second-Hand

The used clothing sector plays a critical role in the global textile industry and circular economy. By collecting, sorting, and reselling garments, extends their lifespan and diverts millions of tons of textiles from landfills and incineration. Additionally, it reduces the environmental impact associated with producing new clothing, including CO₂ emissions, water usage, and chemical pollutants. This global value chain stretches from northern collection and

sorting facilities to southern resale and recycling plants.

By extending garment life, the used clothing market fulfills a vital need. It offers an alternative to cheap, new clothing often made from synthetic materials, which contribute further to environmental degradation.

Second-Hand: A Sustainable Choice

The Humana People to People network has been a leader in used clothing collection and sorting and resale for over four decades. Operated by non-profits and socially responsible businesses, our network has developed professional practices to meet market demands for both operations and products.

HOW USED CLOTHING BENEFITS PEOPLE AND THE PLANET

Impact in Numbers

Our current sorting methods achieve a remarkable balance: 78% reuse, 17% recycling, and 5% energy recovery. In 2023 alone, our activities diverted 31,400 tonnes of clothing from waste, saving an estimated 200,000 tonnes of CO₂. We achieve this by prioritizing reuse, with 78% or more of collected clothing finding a second life, and responsible recycling for the remaining items.

Jobs and Opportunities

The Humana People to People network creates 110,000 jobs in Africa and Central America across logistics, sorting, and sales. These opportunities range from formal employment to informal work in trade and handling. Job creation is further enhanced by on-the-job training, fostering local business capacity.

Dignity Through Clothing

Humana People to People prioritizes respect and well-being in all our shops, sorting centers, and wholesale outlets. We believe everyone deserves access to good quality, affordable clothing that reflects their style. This commitment upholds the basic human right to cloth-

ing for millions in low-income countries.

Furthermore, the reuse business creates jobs and income for thousands of directly employed and many more who sell used clothing. We also empower our partners in the global South by providing business skills training, and fostering local market development. Finally, the surplus generated by our reuse activities supports social development projects in 13 countries, as detailed elsewhere in this report.

Connecting People Through Clothing

The Humana People to People system fosters a direct connection between sorting centers in Europe and clothing sales projects in Africa. The care and effort put into preparing the clothing are appreciated by those who receive it.

A People-to-People System

Humana People to People operates on a people-to-people model, fostering rewarding partnerships between European sorting centers and African clothing projects. The recipients of our clothing value the care and effort invested in their selection and preparation.



THE SORTING CENTRE



Aerial photo: HPP Baltic Sorting Centre in Vilnius, Lithuania.

After more than two decades of steadfast growth, HPP Baltic Sorting Centre in Vilnius has become one of the biggest and most experienced sorters in the Baltics. Currently at our Sorting Centre we sort more than 600 tonnes of clothes and footwear every week. These are bought mostly from suppliers in Sweden, the Netherlands, Germany, Finland, Norway, Austria, Italy, and the United Kingdom. By taking care of these clothes, we provide affordable clothing to people all over the world and reduce the environmental burden from textiles. It saves the environment from energy- and chemical-intensive recycling and gives these clothes a second life.

By intelligently handling more than 600 tonnes of post-consumer textiles every week, we reduced greenhouse gas emissions by 200,000 tonnes in 2023 (6.1 tonnes per ton collected).

Reuse and recycling

The textile industry is the fourth biggest user of primary raw materials and water, after food, housing and transport, and fifth biggest source of greenhouse gas emissions. The EU strategy for textiles aims to strengthen industrial competitiveness and innovation in the sector, boosting the EU market for sustainable and circular textiles, including boosting the sorting, re-use and recycling of textiles.

31% of the goods sorted at our Sorting Centre in Vilnius, are sold in the network of Humana shops or to minor sellers in Lithuania; 47% are exported to Humana People to People movement partner organizations and other customers around the world. This means that as many as 78% of the garments are saved from being reduced to raw material and recycled as fibre.

THE SORTING CENTRE

Just 17% are sold to recycling companies and are used, for example, in the production of wiping clothes. The last 5% of the total sorted amount, we hand over for incineration which contributes to energy production. However, to further reduce the incineration, we are looking for new recycling customers. In 2023 we started shredding, i.e., to cut the waste items into 3 cm long pieces what would be used as alternative industrial fuel.

The art of sorting

We sort second hand clothes in several hundred categories, according to the seasons, the quality of each item, requests of a customer, etc. We separate and sort out plastic bags, paper, metal and electronics. For us, reusing is an absolute priority; recycling is a second good option; and as little waste as possible should be left for shredding and incineration.

Sorting clothes involves thorough manual labour, checking the fibres, quality, stains, repairs and dozens of other nuances of fashion and branding. It requires a great deal of knowledge and perceptions that combine science and art. The categories are constantly changing and new ones are introduced. We pay a lot of attention to our sorting staff, their training and skills development. However, there are still no sorting schools; our sorters receive on-the-job training and normally it takes a year to train a sorter. The Sorting Centre uses a sorting quality monitoring system. No machine can do this increasingly complex job properly and creatively.

To respect the environment

Washing more clothes saves more of them from being recycled instead of reused. For us, this means a greater challenge to invest more in innovative and environmentally friendly measures to reduce energy, water and gas consumption; measures that include only using an ecological fully water-disintegrating detergent. For the operation of washing ma-

chines, we have employed a computer programme that saves time, electricity, water, and detergent. In addition to washing clothes, in 2022 we began dry cleaning clothes. To prevent the discharge of used detergent, the detergent at work is in a closed loop. We dry clean one tonne of clothes each week and wash two tonnes of clothes every day. Currently this represents 3% within the total flow, but that proportion is increasing. To save tap water, we installed a water reuse system in the laundry. In 2023, we cleaned more than 100,000 pairs of shoes.

The first solar panels on the roof of our Sorting Centre were installed in 2019, and in 2020, we doubled the output capacity up to the limit of 1 MW. In 2023 our solar power plant generated 830 MWh of green electricity, an increase of 150% on the previous year. This is ½ of the electricity we need. On non-working days, the surplus is fed into the grid. This volume of green energy has reduced the greenhouse gas emissions by 750,000 tonnes. Our vision is self-sufficiency in climate-neutral energy.

Reaching out to help

We regularly receive requests for donations of clothes and shoes. The requests come from social welfare organizations, law enforcement institutions and refugee organizations. In 2023, we received 10 applications for sponsorship in clothes and donated more than 2 tonnes of intelligently selected clothing, bedding and foot wear. Half of this second-hand clothing donation went to state and municipal institutions. One third of all clothing donations went to organisations working directly with refugees. Cultural and animal welfare organisations are also asking for clothes to donate.

By donating clothes, our employees donate dozens of hours of work time. When each donation is made, we make additional commitments to visit the facility to check how we have benefited the target group and what we could do better.

HUMANA SHOPS



HUMANA SHOPS

In Lithuania, there is a network of 63 Humana stores in 30 cities across the country, as well as an online shop at www.think2.eu.

Think2.eu - an online vintage store that makes second-hand and vintage shopping easily accessible to everyone across Europe. As a hub of the Humana network, it promotes sustainability through the circular economy model of recycling, upcycling and building a close community of like-minded people with different tastes but the same vision.

With the global move towards mindful consumption, more and more eco-conscious fashion lovers are turning to pre-owned clothing to build their sustainable wardrobes. We strongly believe in our vision and are proud to talk about it every day in the hope that it will inspire others and have a positive impact on the community. It's so much easier to find that special piece of clothing when it's described in detail, categorised and you can shop from the comfort of your own home. Find pieces you'll want to keep forever!

Think Twice encourages customers to really think about their impact on the environment and choose wisely when shopping. We try to discourage over-consumption and educate our customers about the different choices they can make - not only on a global scale, but also by choosing to invest in key pieces of clothing rather than buying into new fast-fashion trends. These recurring trends are the embod-

iment of thinking twice - what once looked outdated can now be the focal point of your wardrobe, and you don't have to search for these pieces on fast fashion sites. Vintage pieces have already stood the test of time and their quality and durability will ensure you enjoy wearing them for many years to come.

Buying long-lasting clothes extends the life of the garment, which is a great way to have a more conscious wardrobe. By buying second-hand clothes instead of fast fashion, customers are helping to close the loop on the harmful effects of the fashion industry. By refusing to participate in the exploitation of workers, they are helping to create fairer, more just working conditions.

Last year we introduced a new addition to our online store - the Open Day concept - to give back to our community by inviting them into our warehouse for an exclusive one-day shopping experience. This exciting concept has proved to be very successful and well received by our customers. With each Open Day we build new relationships, bond with our customers and celebrate sustainability!

We are delighted to be part of this network and to have the opportunity to grow bigger and stronger each year!

For more information about our stores, please visit our websites www.humana.lt and www.think2.eu

CONTACTS

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