

THE PUBLIC ESTABLISHMENT
HUMANA PEOPLE TO PEOPLE BALTIC

ANNUAL REPORT 2020



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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 (HPPB) 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.

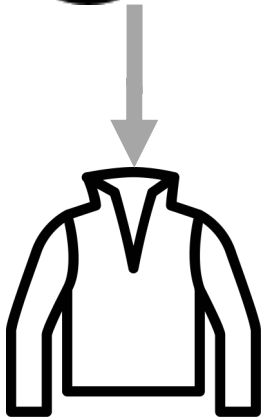
The first Humana shop and the Sorting Centre in Lithuania have been opened in 1998. Steadily growing over 19 years, the HPPB has become one of the biggest second hand clothes sorters and sellers in Lithuania. At the end of 2020, the Humana shops network was 63 shops, spread in 28 towns all over the country.

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

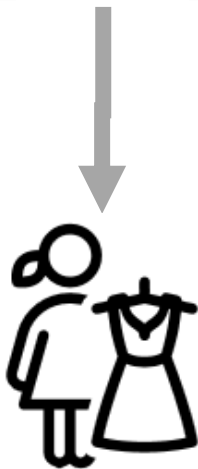
HPP BALTIC WAY OF FUNDRAISING FOR DEVELOPMENT ASSISTANCE AND SOCIAL PARTNERSHIP PROJECTS



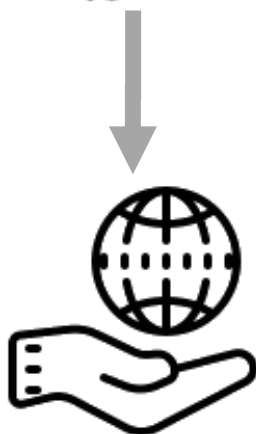
PURCHASING Fundraising at HPP Baltic starts with purchasing from suppliers on the second hand clothes and footwear market.



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 63 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 2020 HPPB engaged and contributed **3 372 030 EUR** to implement 70 partnership projects in 11 countries.

THE HUMANA PEOPLE TO PEOPLE INTERNATIONAL NETWORK

Humana People to People Baltic is a member of the Federation for Associations connected to the International Humana People to People movement (FAIHPP). FAIHPP was formed in 1996, by the then 16 national associations in Europe and Africa, as they wanted to strengthen their cooperation and improve the quality and impact of their work.

Today FAIHPP has 30 independent associations as members from Europe and North America, and from Africa, Asia and South America, reaching more than 9.5 million people annually.

Members of FAIHPP are independent national charitable organizations who base their work on keen knowledge of the needs and potential of the communities where they are situated. The International Headquarters of FAIHPP are situated on Murgwi Estate, Shamva in Zimbabwe, in rural setting 85 km outside of the capital Harare.

Member organizations in Europe and North America collect and sell second-hand clothes for reuse and expend the surplus to support social development projects. These projects build human capacity and encourage people to join forces to make changes that improve their lives and their communities.

FAIHPP is committed to adhering to the highest standards of accountability, transparency and good governance. Annually members of FAIHPP spent approximately EUR 90 million on education and social development projects world-wide. FAIHPP received the SGS NGO Benchmarking Certification—a voluntary system measuring accountability to stakeholders and compliance with best practices—as proof of its conformity and compliance with best practices in governance, measured against the SGS NGO Benchmarking Standards.

FAIHPP is governed by a Committee, elected by members at the Annual General Assembly, which is the highest authority of the Association. All members have policies, guidelines, internal controls and external audits in line with international standards, to ensure that funds received are spent for the purpose intended.

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

THE HUMANA PEOPLE TO PEOPLE INTERNATIONAL NETWORK

There are four main areas of movement members engagement into activities for social development:

Community Development

Community Development happens in villages, towns and the slums, where Village Action Groups get together to solve the pressing issues by working in close cooperation with traditional leaderships, health and education institutions, government agencies, local organizations and faith based groups. Community Development activities include taking care of children, assisting the elderly and the sick, addressing the need for clean water, sewage and rubbish disposal, nutrition by growing more vegetables, campaigning against child marriages, tackling illiteracy and creating income generating activities.

Education

Humana People to People movement members believe education is a vital tool to alleviate poverty and essential to national and global development, providing the foundations for a brighter future. Humana People to People members work to empower girls and women, encouraging more girls to stay in education. Teacher Training programs educate teachers for mainly rural communities across Africa and Asia. Vocational Training programs include formal training courses and short skills training courses. The concept of the Preschool of the Future has grown up to a professional movement what is changing parents and teachers understanding of Early Childhood Education as basically different from Primary School Education.

Health

The Humana People to People health projects focus on the biggest health challenges in the countries where we are working, continuing the fight for gaining total control of the HIV and AIDS epidemic, fighting the spread of TB, and taking part in eliminating malaria. As diabetes, hypertension and cancer increase premature deaths outside of the industrialized countries, Humana People to People engages in public campaigns of information, detection and referral to treatment for this kind of diseases too. Humana People to People health projects are based on the active participation of the people themselves in their communities, focus on prevention and close cooperation with the public health system.

Sustainable Agriculture and Environment

Small-scale farmers are at the heart of responding to the world's environmental and social crisis. They are the driving force towards ecologically sustainable and socially fair agriculture systems. Globally, small farmers produce most of the food. They feed the world. While much of their production is not reflected in national statistics because it is not traded as a commodity, it does reach those who need it the most: the rural and urban poor.

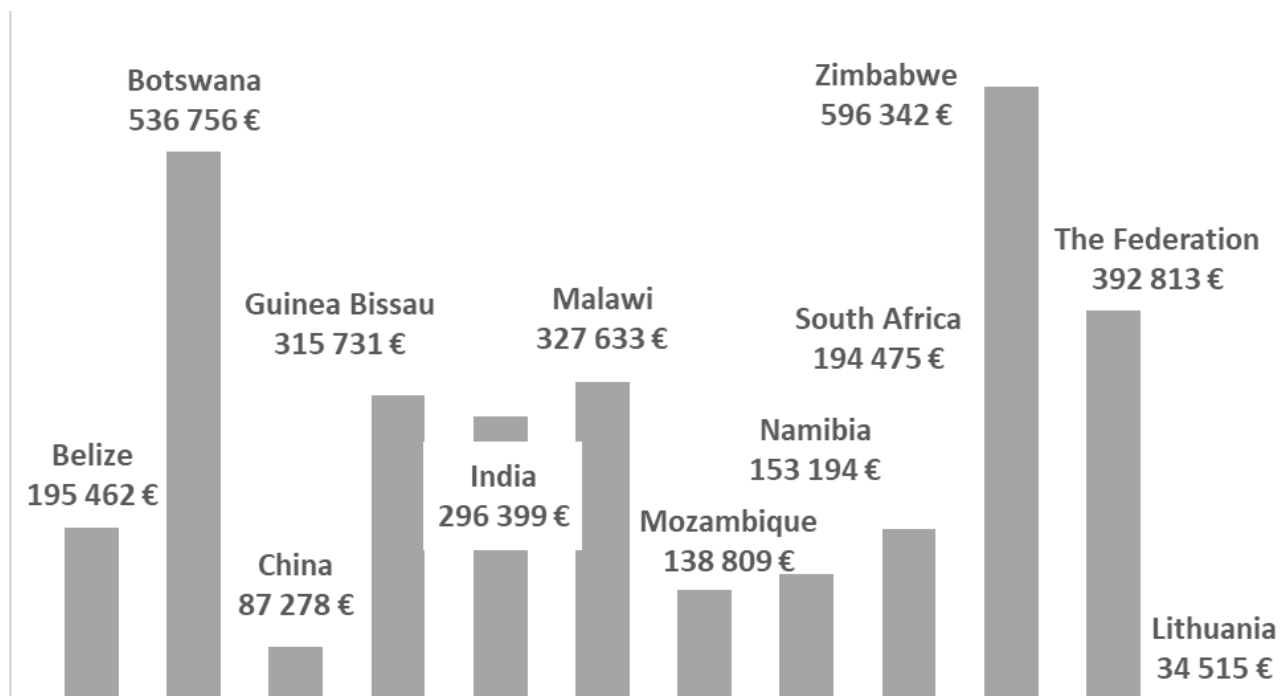
HPP BALTIC DONATIONS USED FOR PARTNERSHIP PROJECTS in 2020

<u>Country</u>	<u>Project</u>	<u>Amount (EUR)</u>
Belize	Child Aid Toledo	88 017
	Farmers' Clubs	42 977
	Disaster Risk Reduction	45 555
	Refugees and Asylum Seekers	18 913
Botswana	Child Aid Phikwe	106 298
	Child Aid Ghanzi	39 203
	HOPE Humana CATCH	66 671
	HOPE Humana Kanye	107 017
	HOPE Humana 90-90-90	88 637
	Institutional Strengthening	128 930
China	Pre-schools of the Future (POF) Longling	19 035
	POF Louwu	32 270
	POF Qiaojia	19 078
	Community Development Puge	16 896
Guinea Bissau	Vocational School Bissora	61 936
	Teacher Training College Cacheu	52 004
	Youth in Action	26 810
	Total Control of Epidemics (TCE)	4 331
	Farmers' Clubs	75 364
	Establishing the Sorting Centre	95 286
India	Uttar Pradesh Teacher Training	111 247
	Bihar and Jharkhand Teacher Training	12 703
	HIV/AIDS and TB	74 636
	Educational Programmes	19 086
	Women Empowerment	52 696
	Community Development	15 104
	Jharkhand Tejaswini Community Development	10 926

HPP BALTIC DONATIONS USED FOR PARTNERSHIP PROJECTS in 2020

<u>Country</u>	<u>Project</u>	<u>Amount (EUR)</u>
Malawi	Vocational School Mikolongwe	148 126
	Institutional Strengthening	65 673
	TB Prevention, Care and Support	100 699
	Emergency Response to Cyclone <i>Idai</i>	13 135
Mozambique	Hope Cabo Delgado	19 241
	Nutrition	119 568
Namibia	Child Aid	30 448
	School	25 191
	TCE	97 555
South Africa	Child Aid	38 077
	HOPE Bushbuckridge	13 065
	HOPE uPhongolo and Child Aid Mthatha	24 840
	TCE	44 953
	Teacher Training	1 547
	Institutional Strengthening	55 870
	HIV and AIDS Prevention	16 122
Zimbabwe	Frontline Institute	184 207
	Farming	73 888
	Child Aid Rushinga	29 006
	Farmers' Clubs Masvingo Rural	12 947
	Child Aid Chimanimani	89 323
	Ponesai Vanhu Technical College	136 501
	Ponesai Vanhu Junior School	70 470
The Federation	HPP Clinic	214 883
	Membership Contribution	177 930
Lithuania	„Eat wisely“ Programme (19 partner schools)	34 515

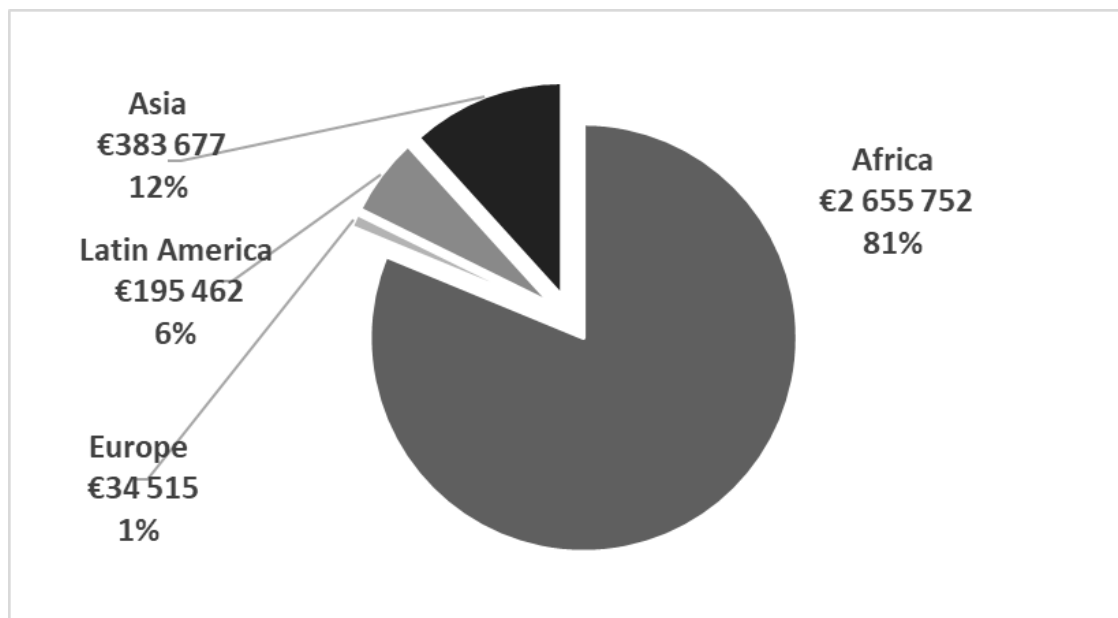
HPP BALTIC DONATIONS USED IN 2020 BY FAIHPP MEMBER ORGANIZATIONS FOR DEVELOPMENT PROJECTS



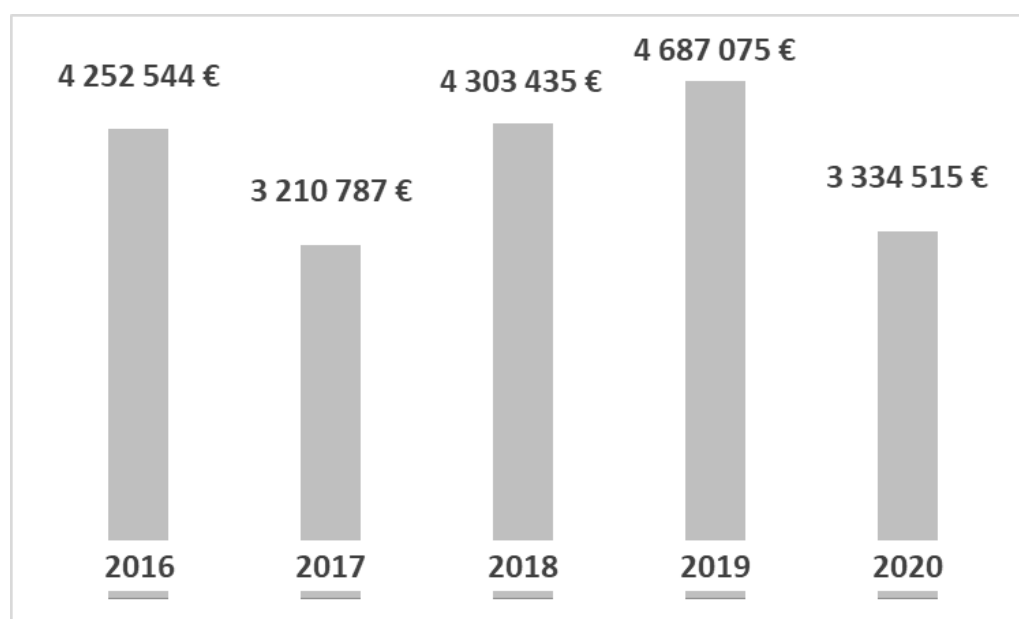
HPP BALTIC DONATIONS FOR DEVELOPMENT in 2020 (EUR)

Donated in 2019 to use in 2020	1,045,252
Donated in 2020	3,372,030
Used in 2020	3,269,406
Donations to use in 2021	1,147,875

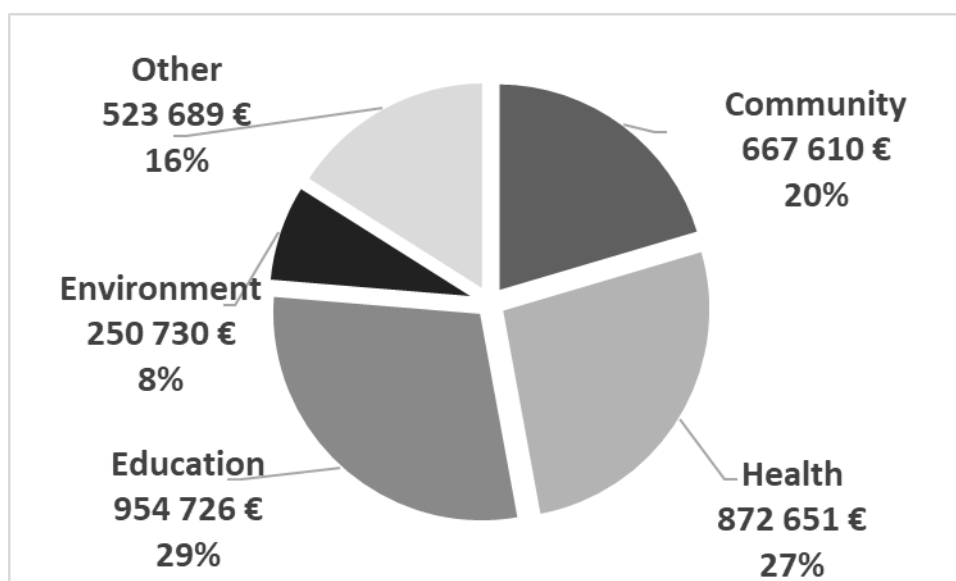
HPP BALTIC DONATIONS USED IN 2020 FOR DEVELOPMENT PROJECTS BY CONTINENTS



HPP BALTIC DONATIONS FOR DEVELOPMENT PROJECTS IN THE PERIOD OF 2016-2020



HPP BALTIC DONATIONS USED IN 2020 BY PARTNERSHIP AREAS



After two decades of progress the number of people affected by hunger has increased since its low of 628 million in 2014. In 2019 the number was 688 million, up 60 million in only five years. Estimates for 2020 range from 780 million to 829 million.

If we didn't know it before, we know it now: with most of 2020 having passed in the grip of the Covid-19 pandemic, it's an undeniable fact that inequality costs lives. Poor nutrition, crowded living spaces, rampant lifestyle diseases and limited access to healthcare make for a perfect storm when a virus attacks. Simple conditions like access to clean water and sanitation, airy and spacious living quarters and healthy food could have saved thousands from Covid-19, but inequality means millions of people can't access even these basic conditions.

Against this backdrop, Humana People to People's approach to health becomes even more relevant. Our health projects build on the active participation of the people themselves in their own communities. As in any other aspect of life, when you can bring people together to take action, things start to move, hope

grows, and new life affirming relationships are built.

Our projects work together with the public health system to get the most out of their efforts and resources and make use of accessible and advanced medical knowledge. Humana People to People's health programmes are aligned with global strategies to fight diseases, including UNAIDS' '95-95-95' strategy to end HIV and AIDS, WHO's 'End TB' strategy, WHO guidelines to fight Covid-19, and the strategy for elimination of malaria in southern Africa. Health activities run through all of our programmes: health campaigns and child health in community development; diversified production, improving nutrition and thus health in Farmers' Clubs; production and use of nutritious food in schools; village action groups organising access to clean water; vegetable gardening in positive-living activities in HIV programmes. In 2020 a myriad of activities have carried messages about protecting against Covid-19 to countless communities around the globe.

HPP BALTIC DONATIONS FOR SOCIAL PARTNERSHIP IN LITHUANIA in 2020

- 1 Gymnasium Linkuva, Pakruojis r.
- 2 School and Multifunctional Centre Aukštelkė, Šiauliai r.
- 3 M.Rimkevičaitė Vocational Training Centre, Panevėžys
- 4 Progymnasium Gytariai , Šiauliai
- 5 Gymnasium P.K.Brzostowski, Šalčininkai r.
- 6 Gymnasium M.Račkauskas, Mažeikiai
- 7 Gymnasium for Adults, Klaipėda
- 8 Gymnasium Versmė, Elektrėnai
- 9 Progymnasium Dainava, Alytus
- 10 Gymnasium Daugai, Alytus r.
- 11 Gymnasium Josvainiai, Kėdainiai r.
- 12 Progymnasium Kalnėnai, Mažeikiai
- 13 Progymnasium Dainų, Šiauliai
- 14 Vocational Training Centre Žirmūnai, Vilnius
- 15 Progymnasium Naujamiestis, Jurbarkas
- 16 Gymnasium L.Ivinskis, Šiauliai r.
- 17 Vilnius Agroecology Training Center, Šalčininkai r.
- 18 Gymnasium Putiniai, Alytus r.
- 19 Children and Youth Centre, Plungė r.

Total support for the social partnership program *Eat wisely* projects in 2020

Earmarked : 72,030 €

Used : 39,515 €

SORTING CENTRE



Photo: HPP Baltic Sorting Centre at Kibirkšties street 6, Vilnius.

Over two decades of well-balanced growth, starting in 1998, HPP Baltic Sorting Centre became one of the biggest sorters in Baltics. It accumulated a great deal of knowledge and skill in sorting the second-hand clothes and textiles and in dealing with the issues related. Currently the Sorting Centre sorts more than 800 tons of clothes and footwear every week. They are bought mostly from the suppliers in Sweden, the Netherlands, Germany, Finland, Norway, Austria, Italy, and the United Kingdom.

31% of sorted goods are supplied to the network of Humana shops or sold to minor sellers in Lithuania; 47% are exported to Humana People to People movement partner organizations and other customers around the world. 17% are sold for recycling companies and are used up, e.g., in production of windscreen wipers. To reduce the landfill waste to zero, the last 5% of the total sorted amount, that can neither be reused nor

recycled in any way, we hand over for incineration towards energy production.

Modern textile and recycling technologies set increasingly higher standards for sorting intelligence. Clothes and footwear are sorted into more than 200 categories according to the seasons, special requests of our customers and the quality of each item.

As new opportunities arose, in 2020 we have introduced another category of low-quality fabrics for the emerging smart sorting market in Europe. Smart sorting is a technology in which most of the meticulous manual work is done by computer program-controlled mechanisms. Textiles travelling on the conveyor belt are illuminated by a beam of light. A special device analyses the reflection of it and determines the fabric composition of each textile product. It sends a signal to a sorting mechanism, which directs the garment to the appropriate collection compartment.

SORTING CENTRE

For the time being, we sell 3% of the total amount of co-sorted textiles to smart sorting market, i.e., 2.5 tons a month. These garments are used as a raw material to produce a yearn to make new garments.

In addition to washing machines in operation for the third year, in 2020, we begun dry cleaning lightly stained clothes of good quality fabrics. We clean one ton of clothes a week and we wash two tons of clothes every day. On top of that, we started cleaning shoes; we clean about 400 pairs of shoes a day.

In 2020, we have introduced several additional environmentally friendly measures to our laundry. In washing we use only an ecological fully water-disintegrating detergent. For the operation of washing machines, we have also employed a computer program that saves time, electricity, water, and detergent.

The solar panel power plant on the roof of our Sorting Center was installed already in 2019. In 2020, the power plant produced 350 thousand KWh of electricity, which is a half of our annual electricity consumption.

Sorting clothes remotely is not possible. The SARS Cov-2 epidemic has severely affected our day-to-day work. To protect our employees from being infected with a virus that is dangerous to health and life, we have introduced a lot of additional sanitation measures, such as disinfection of the premises with a special equipment and individual testing of individual employees by a rapid test.

We restructured working times so that employees could avoid unnecessary direct contact. In transportation of employees to work, we introduced the requirement for greater distance between passengers on our bus.



HUMANA SHOPS



As awareness of the negative environmental impact of the fashion and textile industry grows, people all over the world are turning to second-hand clothes as a best way forward, reusing clothes rather than buying new ones. In 2020, the network of Humana second-hand clothes shops served the customers 9.7 million times.

In Lithuania, the first Humana shop was opened in May 1998. By the end of 2020, the Humana network contained of 63 shops already, spread across 28 cities all over the country: 16 shops in Vilnius, 12 shops in Kaunas, 3 in Klaipėda, 3 in Šiauliai, 2 in Panevėžys, 2 in Alytus and 2 in Marijampolė. Other 23 shops are in Anykščiai, Biržai, Druskininkai, Elektrėnai, Jonava, Joniškis, Jurbarkas, Kaišiadorys, Kėdainiai, Kupiškis,

Mažeikiai, Lentvaris, Plungė, Radviliškis, Raseiniai, Rokiškis, Tauragė, Telšiai, Trakai, Ukmergė, Utena, Varėna, Vilkaviškis and Visaginas.

The main feature of Humana shops is constantly renewable assortment of goods. With this aim, a five-week cycle was developed: shops are fully restocked every five weeks. In some regional shops the assortment of goods is renewed every two weeks.

Another important aim is to reach out to customers from as many different sections of society as possible. Our client is increasingly becoming the one who appreciates the uniqueness of an original item in a mass-produced market of the high street shops. Millennials who want to look modern and create their own style have also entered the

HUMANA SHOPS



For customers on a lookout for something distinct, we have a special offer: two shops in Vilnius, on Didžioji street 18/2 and Trakų street 16, and one shop in city of Kaunas on Daukšos street 25, sell the original vintage style clothes of the seventies and eighties.

The latest and state of the art Humana project is the successfully launched electronic shop **e-vintage.humana.lt**. Being one of the first e-clothing stores in the Baltics, it is envisioned to serve for all types of vintage lovers in Lithuania, Latvia, and Estonia. The e-vintage shops will soon be launched in more countries under a new trade mark **THINK TWICE**.

Purchasing vintage clothes online has never been that easy. In the electronic shop, we wel-

come our regular and new customers. We offer them carefully selected, better quality, branded and other vintage clothing, accessories, and footwear. We strive to meet the needs of all our customers and refill the e-store's assortment every working day. We take pride in seeing that our unique products are increasingly more desirable and valued.

We regularly share information about the ongoing activities and promotions on our webpage **humana.lt** by sending SMS messages and weekly newsletters. In the section "Contacts" on our webpage you may find full information about each Humana shop opening hours and contact phone number; and a precise location of shops on the google maps.

CONTACTS

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