



TOTEME

Human Rights & Anti-Slavery Policy 2024

INTRODUCTION

Ensuring the dignity and wellbeing of those involved in the manufacturing of our products is extremely important for us at TOTEME. We are guided by the sentiment that no one along our supply chain should experience any mistreatment, including discrimination, abuse and slavery, which is why we treat our employees with kindness, fairness and respect and work hard to ensure that those working for our suppliers receive the same treatment.

There are several guidelines we follow to inform our stance, policies and projects on human rights and slavery prevention. These include:

- Fair Wear Foundation (FWF)'s Code of Labour Practices
- The United Nations (UN)'s Universal Declaration of Human Rights (UDHR)
- The International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work
- The Organisation for Economic Co-operation and Development (OECD)'s Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- The Kimberley Process (KP) for diamonds

COMPANY STRUCTURE

TOTEME AB is headquartered in Stockholm, Sweden. We run our operations from offices in the United States, the United Kingdom and China and have a total of 13 stores spread across these countries and South Korea. Currently, we have approximately 180 employees.

We collaborate with 47 manufacturing suppliers (factories) and five agents in China, Italy, Portugal, Spain, Romania, Turkey and Lithuania, as well as with 130 material suppliers. We have good and close relationships with most of our suppliers.



OUR HUMAN RIGHTS COMMITMENT

Human rights are inherent to all human beings, regardless of nationality, ethnicity, gender or any other identity category. There is no room for human rights violations such as mistreatment, abuse or slavery in any stage of our supply chain.

We believe that prioritizing the wellbeing and dignity of those working in our supply chain by providing fair, safe and healthy working conditions will contribute to a more sustainable and equitable future for everyone. It is both TOTEME's and its suppliers' responsibility to ensure that no individual, whether they are employed by TOTEME, its suppliers or its supplier's sub-contractors, is denied their basic needs or human rights or be at risk of abuse or injury in their workplace.

That is why we comply with national and international guidelines and laws on human rights and exercise Human Rights Due Diligence (HRDD) by regularly developing mechanisms, including policies like this one, to avoid and address human rights violations.

OUR ANTI-SLAVERY COMMITMENT

Modern slavery is an extreme violation of human rights and happens when an individual is exploited and denied their basic rights to freedom, security and dignity. TOTEME is committed to fighting modern slavery and human trafficking by following the law and other international human rights guidelines mentioned in this policy and taking appropriate actions to prevent, detect and address such practices. We additionally share information with our employees and business partners to raise awareness about these issues and demand that our suppliers and subcontractors equally abide by the law and follow these guidelines.

As a company operating in the UK, we additionally follow the Modern Slavery Act 2015, which forces companies to be transparent about and assume responsibility for those involved in their supply chains. This act requires companies to proof that they do not engage in modern slavery, including bondage, servitude, forced or compulsory labor, and human trafficking.

CODE OF LABOR PRACTICES

The following labor practices, which are based on guidelines by the ILO and Fair Wear, are basic standards that must be followed along our supply chain – within our own offices and stores and at the factories and workspaces led by our suppliers and their subcontractors. They are in place to ensure that all workers are offered fair and healthy working conditions where their human rights are not compromised in any way. TOTEME, its suppliers and its suppliers' subcontractors must demonstrate their social responsibility and commitment by agreeing to and complying with these labor practices before collaborating with us.

FREELY CHOSEN EMPLOYMENT

Forced labor happens when an individual is forced to work or provide a service against their will or under threat. Bonded labor happens when an individual is forced to work to pay off a debt they have no control over, leading them to work for free or earn a very small salary. Individuals working for TOTEME, its suppliers, or its suppliers' subcontractors must be able to choose to work for these entities. As per ILO's Conventions 29 and 105, there can be no forced labor or bonded labor in our supply chain.

NO DISCRIMINATION IN EMPLOYMENT

Recruitment, admittance to training programs, wages, promotions, job termination, retirement and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of gender, race, ethnicity, nationality, social origin, religion, political affiliation, trade union membership, age, sexual orientation or disability (ILO Conventions 100 and 111).

GENDER-BASED DISCRIMINATION

Gender-based discrimination happens when a distinction, exclusion or restriction made based on gender has the effect or purpose of impairing or nullifying the recognition, enjoyment, or exercise by women. This is based on the equality of men and women, human rights and fundamental freedoms and even applies to scenarios where discrimination was not intended. Equal or neutral treatment of women and men might constitute discrimination against women if such treatment results in women being denied the exercise of a right because there is no recognition of the pre-existing gender-based disadvantage and inequality women face (UN Convention on the Elimination of All Forms of Discrimination against Women). Female workers should be given equal access to employment and wages and should not face discrimination on the basis of marital status, pregnancy, breastfeeding or caretaking duties.

NO CHILD LABOR

Child labor happens when a child who is 15 years old or younger works for someone else's benefit. Child laborers often find themselves in vulnerable situations in which they are exposed to deception, mental and/or physical violence, isolation, financial indebtedness, threats and punishments. Child workers may also be exposed to human trafficking, which is when someone is transported without their consent or exploited. There shall be no child labor in TOTEME's supply chain: an employee's age shall not be less than the age of completion of compulsory schooling and, in any case, no less than 15 years (ILO Convention 138). There shall be no slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, and forced or compulsory labor [...]. Children [aged 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety, or morals (ILO Convention 182).

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

The right that all workers have to form and join trade unions and bargain collectively shall be recognized (ILO Conventions 87 and 98). TOTEME shall, in situations where the right to freedom of association and collective bargaining is restricted under the law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be subjected to discrimination and shall have access to all workplaces necessary to carry out their functions (ILO Convention 135 and Recommendation 143).

PAYMENT OF A LIVING WAGE

TOTEME expects its suppliers to pay their employees a living wage. Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet the basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Salary deductions for disciplinary reasons are not allowed, nor are any deductions from wages not provided for by national law. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages, including wage rates and pay period.

REASONABLE WORKING HOURS

Working hours shall follow applicable laws and industry standards. In any event, workers shall not regularly be asked to work more than 48 hours per week and shall be provided at least one day off every seven days. Overtime shall be voluntary, not exceed 12 hours per week, not be demanded regularly, and shall always be compensated at a premium rate (ILO Convention 1).

SAFE AND HEALTHY WORKING CONDITIONS

A safe and hygienic working environment shall be provided and best occupational health and safety practices shall be promoted, bearing in mind prevailing industry knowledge and potential hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry. For example, TOTEME prohibits the use of denim sandblasting due to its likelihood of causing health problems. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual or other types of harassment, and intimidation by the employer are strictly prohibited. It is the responsibility of the employer (TOTEME, its suppliers, or its suppliers' subcontractors) to ensure that their working environments are safe and healthy.

LEGALLY BINDING EMPLOYMENT RELATIONSHIPS

There should be a legally binding, written employment contract between the employer and the employee. Every worker should receive a written contract clearly stating legal and social security charges to be made. Contracts should also be in place for workers employed on a short-term and part-time basis. Obligations to employees under labor or social security laws or in regular employment shall not be avoided through labor-only contracting arrangements or apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Young workers shall be allowed to participate in education and training programs.

OUR ACTIONS

HUMAN RIGHTS DUE DILIGENCE (HRDD)

HRDD involves monitoring, identifying and resolving any human rights or slavery-related issues that may arise in our operations and supply chain through a series of mechanisms and tools, such as policies, risk-detection audits, action plans and reviews, communication and remediation. Some of the reasons we follow HRDD are to ensure that we comply with the law, be aware of what is happening in our supply chain, have leverage with our suppliers, protect those involved in the manufacturing of our products, and build our reputation as a transparent and accountable company.

This Human Rights & Anti-slavery Policy is signed off by our executive board and enforced by our Chief Executive Officer (CEO) and Sustainability Director. It is shared with our direct employees in the form of mandatory training as part of our onboarding process and with our suppliers as a non-negotiable requirement for establishing or maintaining a business partnership with us. If a supplier is found to breach the requirements outlined in this policy, we will terminate our contract with them.

As Fair Wear members, we strive to have a dialogue with our suppliers based on transparent communication and continuous learning. When we start a partnership with a supplier we ask them to fill out and sign a Supplier Questionnaire and we carry out yearly follow-up meetings to get updates on new developments, such as certifications, environmental checks and compliance documentation. Our suppliers must also agree to be audited by FWF, third-party organizations or directly by a member of our Product Development or Production teams.

Additionally, we carry out risk assessments prior to beginning a partnership with a supplier and once a year thereafter. These are health and safety checklists that help us rate our suppliers' operations and react to them based on the risk level and the supplier's country. Some actions that may result from risk assessments include training, follow-up meetings or audits. We also keep an internal supplier ranking based on sustainability and production attributes. You can read more about all these actions in our [2023 Social Report](#).

Finally, we collaborate with Fair Wear and may consult external agents and organizations to learn more about and inform our work on human rights and slavery prevention.

WHISTLEBLOWING

It is clear to us that we must act to identify and address actual and potential risks relating to human rights and slavery, regardless of whether we are directly or indirectly involved. When it comes to reporting mistreatment cases, we have different channels available. If one of our direct employees is dissatisfied with their work conditions, they can speak to their manager or human resources representative. If an employee working for one of our suppliers wants to file a complaint, they can refer to a Worker Information Sheet (WIS) poster which has information in the local language on worker rights, filing complaints and Workplace Education Programs (WEP). If any individual, whether it is an employee, customer or external agent, wishes to anonymously report instances of gross misconduct or mistreatment, they can use our Whistleblowing service, [WhistleB](#), which is an early warning tool to flag criminal offenses, violations, irregularities or other actions breaching local or European Union laws.

TRANSPARENCY AND COMMUNICATION

We believe in being transparent about our practices and manufacturing facilities and see it as an essential requirement for HRDD. Before initiating a relationship with a supplier, we ask them to read and sign documents in which we outline our requirement to be informed about and publish factory locations and raw-material sources. Currently, we publish our manufacturing and fabric suppliers on [Open Supply Hub](#) and expect to do the same with yarn and fiber suppliers in the coming years.

We regularly report on our work and progress regarding human rights and slavery. For example, every year we create a [Social Report](#) as part of our membership with Fair Wear.

REMEDIATION

If, as a company, we were to cause any mistreatment or harm or infringe any human rights laws or guidelines, we would have the duty to compensate the affected individual or individuals. If our suppliers or their subcontractors were to cause mistreatment or harm, it would be their responsibility to compensate the affected individual or individuals. Examples of remediation include establishing worker representatives in countries where trade unions do not exist so that workers have a point of contact and a means to file complaints, and ending a partnership with a supplier with multiple displays of misconduct and no signs of change.

CONTINUOUS IMPROVEMENT

We are continuously learning from the latest research and listening to a wide range of stakeholders such as workers, local communities, retailers, suppliers, unions, governments and non-governmental organizations to develop and improve this policy, which will be reviewed and updated regularly.

