



TOTEME

Responsible Business Conduct Policy 2024

INTRODUCTION

The purpose of this Responsible Business Conduct (RBC) Policy is to ensure our business practices consider the environment, our society and the economy and result in positive actions that help us drive sustainable development. By promoting responsible business conduct we reinforce our ambition to be an environmentally and socially responsible company, securing the long-term sustainability of our business and contributing to the wellbeing of the communities in which we operate.

OUR FRAMEWORK

We follow different types of legislation and guidelines to inform our business practices. These include the Organisation for Economic Co-operation and Development (OECD)'s Due Diligence Guidance for Responsible Business Conduct and the United Nations' Guiding Principles on Business and Human Rights (UNGPs).

In cases where there is a potential risk of negatively impacting vulnerable people or groups, we consider additional international standards and principles, such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the United Nations Convention on the Rights of the Child (UNCRC), to protect the rights of women and children, indigenous peoples, disabled individuals, migrant workers and their families, human rights defenders, and national, ethnic, religious and linguistic minorities.

As active members of the Fair Wear Foundation (FWF), we follow their Code of Labour Practices, which is based on the International Labour Organization (ILO)'s conventions and the Universal Declaration of Human Rights (UDHR). The Code of Labour Practices addresses the following topics:

- Freely chosen employment
- Freedom of association and the right to collective bargaining
- No discrimination in employment
- No child labor exploitation
- Payment of a living wage
- Reasonable working hours
- Safe and healthy working conditions
- Legally binding employment relationships

OUR COMMITMENT

This policy is the foundation of our sustainability work and, as such, it is signed by our Chief Executive Officer and executive board and followed by our direct employees and managers, as well as our suppliers and business partners.

To fulfill our duty to promote responsible business conduct, we have taken the following actions:

POLICY IMPLEMENTATION:

Implementing a policy to promote responsible business conduct across our operations and supply chain, in line with the European Union's Corporate Sustainability Reporting Directive (CSRD).

COMPLIANCE:

Complying with all relevant laws, regulations and industry standards related to responsible business conduct, including but not limited to environmental protection, labor and human rights, and corruption.

DUE DILIGENCE:

Exercising due diligence to identify and assess risks related to sustainability issues in our operations and supply chain, including environmental, social and governance risks.

REPORTING:

Reporting on our sustainability performance and progress toward achieving our sustainability targets, in accordance with the CSRD.

ENGAGEMENT AND COLLABORATION:

Engaging with our stakeholders, including employees, suppliers, customers, investors and communities, to promote responsible business conduct; and collaborating with industry groups, non-governmental organizations (NGOs) and government agencies to promote sustainable practices across the industry.

OUR RESPONSIBLE BUSINESS PRACTICES

RESPONSIBILITY AND RISK ASSESSMENT

We acknowledge our responsibility to human beings, animals and the planet and believe we have the potential to create a positive impact by using our buying power as well as collaborating with industry partners and peer brands.

There are environmental and social risks that may arise in our business. These include:

ENVIRONMENTAL

Materials, waste, emissions, water use and handling, energy consumption, pollution of water and soil, and packaging.

SOCIAL

Living wage, training & education, diversity & equal opportunities, marketing & labeling, human rights, occupational health & safety, non-discrimination, forced labor and child labor.

We take a precautionary approach to minimize these risks and prevent issues from arising in our business and supply chain. This approach includes promoting better living conditions, paying fair wages, nominating female representation, improving transparency across our supply chain and exercising Human Rights Due Diligence (HRDD) in our own operations.

We consider different principles and policies to guide our responsible practices:

PRINCIPLES

- Freedom of association and worker representation
- Supplier development and partnership
- Countries affected by trade boycott
- Gender-based violence
- Living wages
- Freedom of association and worker representation
- Social dialogue

POLICIES

- Sustainability Commitment for suppliers
- Human Rights
- Responsible Purchasing Practices (RPP)
- Anti-corruption
- Whistleblowing

HUMAN RIGHTS DUE DILIGENCE

We exercise due diligence to ensure responsible business conduct and respect for human rights. Due diligence involves conducting risk assessments to identify potential negative impacts on people, society and the environment and to prevent, mitigate and stop such impacts. If we cause any harm or damage, we will seek to remedy the situation and communicate any measures taken to the affected parties. As per the OECD's guidelines, if one of our suppliers is responsible for any harm or damage, they are also responsible for providing a remedy. Our Sustainability team regularly monitors the measures we have in place and their effectiveness, especially before onboarding new suppliers or assessing potential markets.

RESPONSIBLE PURCHASING PRACTICES (RPP)

Responsible Purchasing Practices are one of our most important tools for responsible business conduct. An example of an RPP is setting the price, quantity and deadline for an order in advance and respecting the terms agreed to by both parties. Our RPP policy helps us establish fair relationships with our suppliers by considering both our needs and theirs. We work closely with suppliers who show a willingness and ability to facilitate positive developments in the supply chain and work together with them to meet our goals concerning people, animals and the environment.

SUPPLIER DEVELOPMENT

To ensure that our suppliers grow alongside us, we keep a close dialogue with them and share knowledge, training and resources to ensure they comply with our requirements on responsible business conduct. We additionally support them in ceasing, preventing and mitigating harm by identifying potential risks. This approach is a foundation for collaborative relationships based on a willingness and ability to work toward the positive development of people, society and the environment.

CORRUPTION

As outlined in our Anti-corruption Policy, TOTEME employees must not offer or receive illegal or inappropriate monetary gifts or other remuneration that benefit them or their customers, agents or suppliers.

COUNTRIES AFFECTED BY TRADE BOYCOTT

Neither TOTEME, its suppliers nor its partners can trade with partners who carry out activities in countries where a trade boycott is imposed by United Nations bodies.

WHISTLEBLOWING

At TOTEME, we strive to achieve transparency and a high level of business ethics. We have a [Whistleblowing Policy](#) and a [whistleblowing service](#) that offer the possibility to confidentially report suspicions of misconduct. Both are important tools for reducing risks and maintaining trust in our operations by enabling us to detect and act on possible misconduct at an early stage.

GENDER-BASED VIOLENCE

The ILO's Violence and Harassment Convention No. 190 defines gender-based violence and harassment, including sexual harassment, as "violence and harassment directed at persons because of their sex or gender or affecting persons of a particular sex or gender disproportionately." We understand that gender-based violence and harassment are critical issues within the fashion industry and commit to continuing to acknowledge and address them within our supply chain.

LIVING WAGES

Everyone working for TOTEME should earn fair wages and be able to meet the standard level of basic needs, as outlined in the ILO's No. 26 and No. 121 conventions.

SOCIAL DIALOGUE

All workers have a right to form and be part of trade unions and engage in collective bargaining, as outlined in the ILO's No. 87 and No. 98 conventions. In the spirit of inclusivity and fair representation and as stipulated by ILO's Convention No. 135 and Recommendation No. 143a, we work toward ensuring that workers and their representatives are not subjected to discrimination and have access to the spaces needed to fulfill their functions. We wish to foster a two-way communication atmosphere between workers and management. Workers in particular should feel empowered to voice their concerns and advocate for their rights on topics such as health and safety, working hours, equal pay, protection against violence and harassment, vacation time and benefits.

HOW WE ENFORCE THIS POLICY

TOTEME EMPLOYEES

It is the responsibility of TOTEME's CEO and management team (who are in turn overseen by the Board of Directors) to supervise the implementation of this Responsible Business Conduct Policy from a strategic and operational perspective.

The Sustainability team is responsible for implementing and updating the policy and its procedures as well as reporting on its progress to the Board of Directors and leadership team regularly. Our Sustainability team collaborates with organizations such as Fair Wear Foundation to drive progress on these topics.

All TOTEME employees and partners must adhere to this policy in addition to the laws and regulations that apply in the countries where the brand is present.

SUPPLIERS AND PARTNERS

We expect our suppliers, partners and all other stakeholders we collaborate with to abide by this and all of our policies that are relevant to them. From our suppliers, we additionally ask for evidence showing that they and their potential subcontractors comply with the guidelines established in this document. If after several requests our supplier does not show the willingness or ability to comply with the guidelines, we may cancel our contract with them.

EXAMPLES OF EVIDENCE INCLUDE:

- Carrying out risk assessments that help identify real and potential scenarios where people, society and the environment could be negatively affected.
- Preventing, mitigating or ceasing such situations.
- Tracking existing measures by monitoring and evaluating their effect.
- Communicating such measures to those affected by the suppliers' actions.
- Remediating negative impact or damage; if our supplier is liable for it, they must provide a remedy themselves.

NON-COMPLIANCE

CONSEQUENCES

- Most sections of this Code of Conduct are aligned with laws that apply in countries where TOTEME operates. Therefore any deliberate violation of this policy may be considered or lead to a criminal act and may lead to receiving a warning or disciplinary measure, including employment termination or facing criminal charges. The company may also face consequences such as fines, lawsuits or investigations, or suffer damages to its reputation.

REPORTING

- Any violation or suspicion of violation of this Code of Conduct should be reported to either a relevant manager or to a member of the People & Culture team at TOTEME.
- For serious malpractice cases involving senior management, TOTEME employees, stakeholders and the general public may consult our [Whistleblowing Policy](#) or file a report directly through our provider, [WhistleB](#).

UPDATES

- TOTEME reviews and updates its policies and procedures regularly, therefore this Code of Conduct can be subject to changes. The latest version of this document is available to our employees on the platform BambooHR.
- We will inform all concerned employees whenever this Code of Conduct is changed or updated. Each employee is responsible for staying up-to-date with the most current version.

EMPLOYEE COMMITMENT

- TOTEME employees must ensure they understand and follow the contents of this Code of Conduct.
- By signing this document, you confirm that you have been informed about TOTEME's Code of Conduct, that you have read and understood its contents and that you commit to comply.
- You should always strive to support TOTEME's efforts to prevent corruption and bribery by ensuring that the company's operations are shaped by honesty, transparency, integrity and fairness.
- If you have questions concerning the meaning or application of this Code of Conduct, please contact a relevant manager, the People & Culture Director or the Sustainability Director.

