



# **Brand Performance Check**

**TOTEME AB**

**Publication date: December 2024**

This report covers the evaluation period 01-05-2023 to 30-04-2024

# About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Scoring overview

Total score: 164

Possible score: 204

Benchmarking Score: 80

Performance Benchmarking Category: Leader



Foundational  
system's criteria

100%



Sourcing strategy

94%



Identifying  
continuous human  
rights risks

87%



Responsible  
purchasing  
practices

85%



Quality and  
coherence of  
prevention and  
remediation system

60%



Improvement and  
prevention

77%



Communication,  
transparency and  
evaluation

82%

## Summary:

TOTEME has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 80, the member is placed in the Leader category.

TOTEME's sourcing strategy emphasizes increased influence through consolidation and maintaining long-term relationships. This year, the strategy has been updated to incorporate unified SMART goals for both production and sustainability teams. A key focus is placed on ensuring freedom of association in production locations, alongside fostering collaboration with other brands and incorporating stakeholder input.

TOTEME adopts a systematic approach to identifying human rights risks throughout its supply chain. Using Fair Wear's platform, it has conducted comprehensive risk assessments at both the country and facility levels. These assessments consider the full spectrum of risks and ensure they are addressed with precision, taking a gender lens into account

Over the past year, TOTEME has enhanced its purchasing practices by introducing a Responsible Purchasing Practices policy for all suppliers. The company's collaborative approach to planning—both internally, with production and sustainability teams, and externally, with suppliers—has been a priority. This ensures that all stakeholders work closely together to plan, monitor, and evaluate the production process.

Fair Wear recommends that TOTEME further strengthen the gender lens within its action plans, making it more comprehensive. Steps to promote Freedom of Association and effective Social Dialogue should be integrated into all corrective action plans. Fair Wear also suggests that TOTEME consistently involve suppliers and worker representatives when evaluating the factory-level grievance mechanisms.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for members. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

# Performance Category Overview

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

# Company Profile TOTEME AB

## Member company information

Member since: 1 Jan 2021

Product types: Garments, clothing, fashion apparel, Bags, Accessories, Footwear and Sunglasses, jewellery

Percentage of turnover of external brands resold 0%

Member of other MSI's/Organisations GOTS and Textile Exchange

Number of complaints received last financial year 0

## Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Membership fee has been paid? Yes

## Production countries, including number of production locations and total production volume.

| Production Country | Number of production locations | Percentage of production volume |
|--------------------|--------------------------------|---------------------------------|
| China              | 9                              | 36.52%                          |
| Italy              | 26                             | 33.16%                          |
| Türkiye            | 3                              | 10.33%                          |
| Portugal           | 16                             | 9.62%                           |
| Romania            | 3                              | 7.58%                           |
| Lithuania          | 1                              | 1.6%                            |
| Spain              | 2                              | 1.19%                           |



# Layer 1 Foundational system's criteria

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**Possible Points: 8**

**Earned Points: 8**

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1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: Yes

**Comment:** TOTEME has updated their Responsible Business Conduct Policy and management has adopted a Human Rights and Anti-Slavery Policy and a Living Wage Policy. TOTEME has worked to implement this approach across their organization

1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

**Comment:** TOTEME discloses 100% of production locations internally through Fair Wear's information management system.

**1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.:** Yes

**Comment:** All suppliers are added to the open supply hub as well as under each product on the TOTEME website.

**1.8 Member complies with the basic requirements of Fair Wear's communication policy.:** Yes

## Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

**Possible Points: 90**

**Earned Points: 80**

### Indicators on Sourcing strategy

| Performance indicators                                                                                                                | Result   | Relevance of indicator                                                                                                                                                                                                                                                    | Documentation                                                       | Score | Max | Min |
|---------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------|-----|-----|
| 2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions. | Advanced | Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices. | Strategy document; consolidation plans, examples of implementation. | 6     | 6   | 0   |

**Comment:** TOTEME has a sourcing strategy addressing influencing labour conditions.

The member has 60 active suppliers. 76% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 11% of the production volume comes from suppliers where TOTEME buys less than 2% of its total FOB.

This is comparable to the previous year.

TOTEME's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients. TOTEME's sourcing strategy has been updated to include common SMART goals for production and sustainability teams. The importance of freedom of association of the production locations, cooperation with other brands as well as stakeholder input is being emphasised in the strategy.

| Performance indicators                                                                 | Result   | Relevance of indicator                                                                                                                                           | Documentation                                                                                                                                                                                                           | Score | Max | Min |
|----------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.2 Member company's sourcing strategy is focused on building long-term relationships. | Advanced | Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions. | Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting. | 6     | 6   | 0   |

**Comment:** TOTEME has a sourcing strategy that focuses on maintaining long-term relationships. 63% of the member's total FOB volume comes from suppliers with whom TOTEME has had a business relationship for at least five years.

The member commits to long-term contracts with its suppliers. These usually range 5-10 years. The long-term contracts are embedded in TOTEME's sourcing strategy, ensuring they are implemented across its supplier base.

| Performance indicators                                                                | Result   | Relevance of indicator                                                                                                                                                                                                  | Documentation                                                                                                                                                                                                                                                             | Score | Max | Min |
|---------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy. | Advanced | Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners. | HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations. | 6     | 6   | -2  |

**Comment:** TOTEME conducts risk scoping and includes the following risk factors: sector; country; business model; sourcing model; and product level. Regarding sourcing model-related risks, the more specific risk assessment areas include the country where the supplier operates; supplier-specific risks; and product group-related risks. TOTEME uses the Fair Wear platform to assess risks on a country and supplier level. TOTEME has also conducted a materiality assessment which looked at the business model, sourcing model and product-level risk factors. Additionally, TOTEME is conducting product group-related risk assessments. In its risk scoping, the member has assessed the impact and prevalence of the risks correctly.

The risk scoping includes a gender lens. The member particularly looks at discrimination concerning hiring practices, differences in wage levels and employment terms; health and safety regarding sexual harassment and gender-based violence; and legally binding employment relationships referencing maternity leave as per legal standards.

Input from workers is included through Fair Wear audits and trainings in countries where Fair Wear is active. The member brand also invites the worker representation to supplier meetings. TOTEME also gathers information from audit reports; information collected through physical presence in its production locations; and data from the media and other internationally recognised human rights organisations in the risk scoping.

The member adjusts its sourcing strategy based on the risk scoping, as outcomes of the scoping are incorporated in the decision-making. For example, for new suppliers, the brand always looks at alternative countries where Freedom of Association is possible. However, they often have to remain in countries where this is limited, like China, due to the nature of their products.

TOTEME's sourcing strategy privileges countries where workers can freely form or join a trade union or bargain collectively.

| Performance indicators                                                                                                                             | Result   | Relevance of indicator                                                                                                                               | Documentation                                                                                                                                                                                             | Score | Max | Min |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order. | Advanced | Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward. | Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies. | 4     | 4   | 0   |

**Comment:** It is the standard process for TOTEME to inform new suppliers about its HRDD policy and Fair Wear membership through their onboarding process where suppliers are emailed before production starts - in this email, they outline all the sustainability requirements they must comply with before finalising the first purchase order. This includes informing them of the Fair Wear partnership; asking them to put the WIS in all factories and getting all factories and subcontractors to complete the supplier questionnaire.

This process has been followed for all 13 suppliers added last year, this includes three new factories in China.

Additionally, the brand started a dialogue with suppliers about human rights and how the supplier and TOTEME can cooperate on this topic. TOTEME has increased the amount of dialogue with suppliers this year by organising meetings with factory management and workers by sending out their new sustainability requirements and onboarding material.

| Performance indicators                                                                                                                      | Result   | Relevance of indicator                                                                                                                                                                                                                                   | Documentation                                                                                                                                                                                                                                                                                                               | Score | Max | Min |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order. | Advanced | Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders. | Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers. | 6     | 6   | 0   |

**Comment:** TOTEME collects human rights information of potential new suppliers by collecting existing audit reports, organising factory visits during which it conducts health and safety self-assessments, and signed copies of the Sustainability Agreement and Fair Wear questionnaire.

They have now added the collection of stakeholder and worker input to the initial supplier risk evaluation process before onboarding a new supplier. They have also added a requirement for social dialogue on Fair Wear's CoLP with the factory management before the first production order is made.

Additionally, they have made the following updates to their supplier questionnaire: adding a tick box for suppliers to fill in about having a grievance system in place; adding questions about whether the workers of the factory belong to a trade union; if the factory has worker representatives and if these representatives are involved in improving the working conditions at the factory.

Moreover, TOTEME's sourcing strategy privileges suppliers where workers are free to form a trade union or bargain collectively. TOTEME followed this process for the suppliers added in the previous year.

| Performance indicators                                                                                                                                           | Result       | Relevance of indicator                                                                                                                                                                                                                                                                                                                                        | Documentation                                                                                                                                                                                                                                                            | Score | Max | Min |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, and social dialogue mechanisms within the first year of starting business. | Intermediate | This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level. | Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP. | 4     | 6   | 0   |

**Comment:** TOTEME has added 13 new suppliers. TOTEME has shared information about Fair Wear's CoLP and the grievance mechanism within the first year of doing business. The Worker Information Sheet has been posted and the member asks for pictures of WIS from their suppliers and instructs to place them in an easily accessible and safe place for workers. The member double-checks the placement of the WIS during supplier visits.

TOTEME organised onboarding sessions for workers and the management of new suppliers - they did this themselves and Fair Wear approved of them. The members organised these sessions to raise awareness about the Fair Wear CoLP and the grievance mechanism.

The onboarding sessions included discussions to raise awareness about social dialogue. Workers discussed how they would like to provide feedback and report grievances to management about workplace issues.

The majority of new suppliers this year are based in countries where Fair Wear doesn't operate, so Fair Wear training hasn't been provided. However, awareness about social dialogue has increased between TOTEME and suppliers, for example by organising meetings that include management and worker representatives in new factories.

**Recommendation:** TOTEME is recommended to organise onboarding sessions specifically focusing on the CoLP and the grievance mechanism within the first year of doing business.

## Indicators on Identifying continuous human rights risks

| Performance indicators                                                                                 | Result   | Relevance of indicator                                                                                                                                                                                                                 | Documentation                                                                                               | Score | Max | Min |
|--------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.7 Member company has a system to continuously assess human rights risks in its production locations. | Advanced | Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation. | Use of risk policies, country studies, audit reports, other sources used, how often information is updated. | 6     | 6   | 0   |

**Comment:** TOTEME has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for each production location by utilizing Fair Wear's platform to conduct risk assessments on a country and facility level. The risk assessments are updated at least yearly and actions are handled and prioritized by their urgency and severity.

The tools that TOTEME uses for its risk assessment include Fair Wear assessments, third-party audits, training reports and monitoring visits. Additionally, as part of its risk-scoping process, TOTEME has made an audit strategy for all countries it sources from. TOTEME also meets its suppliers at least twice a year in a supplier meeting focusing on topical sustainability matters and risk assessments, sustainability evaluation or audit corrective action plans.

Next to its systematic approach, the brand ensures it uses different tools that include input from workers, suppliers, and other stakeholders. These tools include Fair Wear assessments, third-party audits, training reports and monitoring visits. The worker input feeds back into the member's monitoring tool.

| Performance indicators                                                                                          | Result   | Relevance of indicator                                                                                                                                                                                                                                                                      | Documentation                                                                                         | Score | Max | Min |
|-----------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.8 Member company's human rights due diligence process includes an assessment of freedom of association (FoA). | Advanced | Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention. | Use of supplier questionnaire to inform decision-making, collected country information, and analyses. | 6     | 6   | 0   |

**Comment:** TOTEME has mapped the risks to Freedom of Association in all its sourcing countries and can explain the main risks per country. Examples of the highest risks identified are 'existing Trade Unions or worker representatives are not involved in improving working conditions'; 'workers cannot freely form or join the union of their choice'; and 'management mistreats workers due to their union membership or activities'. China, Turkey and Romania remain the most high-risk countries regarding FoA.

TOTEME uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. TOTEME can demonstrate advanced knowledge and understanding of FoA in all countries where it sources.

The member has supplier-level monitoring in place to assess and understand the risk at suppliers, which it assesses through audits, supplier dialogue and by looking at worker committee meeting minutes when applicable. TOTEME can explain what the main risks of violations to FoA are at all its suppliers, including the risks specific to women workers. The member knows which suppliers have trade unions and CBAs in place.

Additionally, in the past year, TOTEME has adopted a new Human Rights and Anti-Slavery Policy, accepted by the Board of Directors. This policy includes a statement on gender-based discrimination. In this policy, it is stated "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 d

| Performance indicators                                                                                                                                    | Result       | Relevance of indicator                                                                                                                                                                                 | Documentation                                                                              | Score | Max | Min |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.9 Member company includes a gender analysis throughout its human rights risk identification, to foster a better understanding of gendered implications. | Intermediate | Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment. | Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets. | 4     | 6   | 0   |

**Comment:** TOTEME has included gender in its human rights risk identification. The member could show it understands the basic gender risks for its sourcing countries.

Additionally, TOTEME actively collects gender data per factory. They currently collect data on look at discrimination (discrimination in hiring practices, differences in wage levels and/ or employment terms), health and safety (sexual harassment and gender-based violence), living wages (differences in wage levels based on gender) and legally binding employment relationship (maternity leave as per legal standards). This information is collected via a yearly survey.

The member has not yet specifically looked into how its business practices affect gender at its suppliers.

**Recommendation:** Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

| Performance indicators                                                                                      | Result       | Relevance of indicator                                                                                                                                                                                                                                   | Documentation                                                                                                                                                          | Score | Max | Min |
|-------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.10 Member company considers a production location's human rights performance in its purchasing decisions. | Intermediate | Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making. | Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy. | 2     | 4   | 0   |

**Comment:** TOTEME has a strong and systematic evaluation system for assessing suppliers' human rights performance. This system happens every year and includes close collaboration between the product, production and sustainability teams to rank suppliers annually on various indicators related to general collaboration, design, production and sustainability. Sustainability areas included in the evaluation consider human rights and social compliance, environmental performance and governance topics. The evaluation system works well for assessing suppliers' human rights performance and with a predefined framework in which specific, measurable indicators are linked to a score to create consistent evaluation reports per supplier.

Occasionally, the outcome of this evaluation influences purchasing decisions. The member brand can link the outcome of the evaluation to supplier improvement plans and has a phase-out procedure in place for suppliers that do not improve in a set timeframe. However, TOTEME is often unsure how to give preference to suppliers that perform well in contrast to suppliers that do not perform well in compliance.

TOTEME shares the outcome of the evaluation with its suppliers, but not yet with worker representatives.

**Recommendation:** Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.

| Performance indicators                                                                                 | Result   | Relevance of indicator                                                                                                                                                                                                                                                                                                 | Documentation                                                                                                                                                                                                                                                                                                                                     | Score | Max | Min |
|--------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting. | Advanced | Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks. | Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators. | 4     | 4   | 0   |

**Comment:** TOTEME uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database.

The member takes measures to prevent unauthorised subcontracting or unknown locations. For example, during the year 23/24, TOTEME paid regular visits to the suppliers during production. TOTEME also reminded suppliers about the requirement to always inform TOTEME first if a new subcontractor was planned to be onboarded (a part of TOTEME's general supplier contract). To ensure the correct subcontractors were in the FW platform, TOTEME sent the supplier questionnaire for renewal to some suppliers.

| Performance indicators                                                 | Result   | Relevance of indicator                                                                                                                                                                                                                       | Documentation                                                                                                    | Score | Max | Min |
|------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.12 Member company extends its due diligence approach to homeworkers. | Advanced | Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions. | Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers. | 4     | 4   | 0   |

**Comment:** TOTEME has identified that no home workers were involved in our production lines and processes during FY 23/24.

The member brand is aware of this information from conducting Fair Wear assessments, third-party audits and factory visits to monitor that homeworkers are not in the supply chain.

## Indicators on Responsible purchasing practices

| Performance indicators                                                                                                                                                                    | Result       | Relevance of indicator                                                                                                                                                                                            | Documentation                                                                                             | Score | Max | Min |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms. | Intermediate | Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain. | Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals. | 2     | 4   | 0   |

**Comment:** TOTEME does use contracts with its suppliers. The member has agreements in the form of Supplier Agreements and separate purchase orders that stipulate terms of payment, liability and penalties. Payment terms are up to 30 days upon delivery.

In case of late deliveries, the contract stipulates that the party responsible for the delay will bear financial responsibility. In case the supplier is at fault, the member has the right to a discount. However, TOTEME has not enforced such penalties. The contract outlines the shared responsibilities of the Code of Labour Practices implementation, and collaborating on monitoring and remediation is part of that.

The contracts stipulate a payment term of a maximum of sixty days upon goods being loaded on the vessel, although the brand has a payment term of thirty days upon goods being loaded on the vessel with most suppliers and also has pre-pays for some of its suppliers. The contracts have a duration of five years with a three-year renewal period and can be terminated by both parties with six months' notice. TOTEME is not aware of the contracts of its suppliers that are paid via an intermediary, however, the member does have dialogue and conduct audits with these suppliers regarding timely payments.

**Recommendation:** TOTEME is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

| Performance indicators                                                                                                                                       | Result   | Relevance of indicator                                                                                                                                                                                                                                                                                                   | Documentation                                                                                                                                                                                                                                                | Score | Max | Min |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in its decision-making processes. | Advanced | Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company. | Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information. | 6     | 6   | 0   |

**Comment:** TOTEME actively shares relevant CSR information with other departments. There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. Regular meetings occur between the planning, production and sustainability teams. Other relevant information is shared with the whole company via internal newsletters.

The member includes responsible business practices in job role competencies. For instance, 'compliance with policies, and keeping Sustainability and quality standards up to date' is included in the job description of 'Product Development and Production Director'.

Sourcing and purchasing staff work with a renewed set of KPIs that support good sourcing and pricing strategies - these are all outlined in their sustainability report.

**Recommendation:** TOTEME could be more specific when including responsible business practices in its job role competencies of sourcing and purchasing staff.

| Performance indicators                                                       | Result   | Relevance of indicator                                                                                | Documentation                                                                                                                                                                                                                                                       | Score | Max | Min |
|------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.15 Member company's purchasing practices support reasonable working hours. | Advanced | Members' purchasing practices can significantly impact the levels of excessive overtime at factories. | Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes. | 6     | 6   | 0   |

**Comment:** In the last year, TOTEME has improved their purchasing practices to support reasonable working hours. TOTEME collaborates with the supplier to plan, monitor, and evaluate the production process.

Suppliers are closely involved in the planning process. Every year, TOTEME asks its suppliers for capacity. Based on this information and the brand's general knowledge about standard minutes per style, it does its planning twice a year per season. The brand works with forecasting, which it shares with its suppliers seven months before production starts. Forecasting is based on adding predicted growth to numbers from the previous seasons. Final purchase orders are made in consultation with suppliers and placed five months in advance. Final purchase orders sometimes have to be altered due to last-minute design changes. The brand is working with stricter deadlines to prevent this from happening in the future.

As overtime still exists with suppliers, mainly in countries where it is part of the work culture, they ask separately for feedback on how to prevent overtime. Targets for overtime have been developed and these will be followed up on during supplier meetings. One new, additional facility is planned for China production to help during peak periods; this will be up and running in Dec 2024.

| Performance indicators                                                                                          | Result       | Relevance of indicator                                                                                                                                                                              | Documentation                                                                                                                                      | Score | Max | Min |
|-----------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations. | Intermediate | Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages. | Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes. | 4     | 6   | 0   |

**Comment:** TOTEME has a basic understanding of the wage levels of its suppliers and connects this understanding to its own buying prices. TOTEME has a basic insight into the labour component of its prices. TOTEME does not know the number of actual sewing minutes needed for a style. TOTEME does not know the labour minute value of most of its suppliers. TOTEME includes changes in legal minimum wage or inflation in its buying prices.

TOTEME has had dialogue with all its most important suppliers to inquire about employees' wage levels - especially those where they suspect the wage level to be lower than the living wage. If it is lower than the living wage, TOTEME asks if a supplier has plans to increase their wages to reach the local living wage and if a supplier needs support with this.

TOTEME has encouraged its suppliers that do not yet offer living wages to their employees to use the Fair Price app to increase transparency on labour costing.

**Recommendation:** TOTEME could use information from suppliers about what they need in terms of orders to pay at least minimum wage or current wage as input for a plausibility check.

| Performance indicators                                                                                                                                                      | Result   | Relevance of indicator                                                                                                                                                                                          | Documentation                                                                                                     | Score | Max | Min |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 2.17 All sourcing intermediaries play an active role in upholding HRDD and Fair Wear's Code of Labour Practices and ensure transparency about where production takes place. | Advanced | Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP. | Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc. | 4     | 4   | 0   |

**Comment:** TOTEME has informed its sourcing intermediaries of Fair Wear requirements and could show they informed production locations.

Next to that, the intermediaries actively support HRDD and the implementation of the CoLP by actively being involved in the continued communication on prevention and remediation. Moreover, TOTEME agents conduct health and safety checks in the brand's production locations. TOTEME conducts health and safety checks for its sub-contractors itself. TOTEME has discussed the Common Framework of Responsible Purchasing Practices (CFRPP) with its intermediaries but has not yet started to check whether its intermediaries uphold the purchasing practices as mentioned in the (CFRPP) by for example checking whether its intermediaries have fair prices and timely payments.

**Recommendation:** TOTEME could require its intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.

## Layer 3 Prevention, mitigation and remediation

**Possible Points: 92**

**Earned Points: 66**

### Indicators on the quality and coherence of a members' prevention and remediation system

| Performance indicators                                                                                                                             | Result   | Relevance of indicator                                                                                                                                                      | Documentation                                                                      | Score | Max | Min |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------|-----|-----|
| 3.1 Member company integrates outcomes of human rights risk identification (layer 2) into risk prioritisation and creates subsequent action plans. | Advanced | Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes. | Overview of supplier base with accompanying risk profile and follow-up programmes. | 6     | 6   | 0   |

**Comment:** Based on the risk identification described in Chapter Two, TOTEME has linked factory risks to appropriate follow-up for factories covering all its suppliers. The member uses the Fair Wear platform to connect its risk assessments and audit findings to time-bound actions per factory and prioritised countries that fall under the enhanced monitoring programmes.

For example, in China, TOTEME focuses on addressing issues like excessive overtime, living wages and restricted freedom for workers to associate. Additionally, TOTEME addresses Corrective Action Plans (CAPs) generated after each audit together with the respective factories and intermediaries. The focus is naturally on the high-risk suppliers. The action plans detail the different approaches to prevent, mitigate and remediate the prioritised risks and include a timeline.

| Performance indicators                                   | Result | Relevance of indicator                                                                                                                                                                                            | Documentation                                                                                   | Score | Max | Min |
|----------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.2 Member company's action plans include a gender lens. | Basic  | The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender. | Proof of incorporation of the gender lens in follow up programmes, including stakeholder input. | 2     | 6   | 0   |

**Comment:** TOTEME has partially included a gender lens in its improvement and prevention programmes. In the past year, TOTEME has introduced a new policy that includes a statement on gender-based discrimination based on marital status; pregnancy; breastfeeding; or caretaking duties.

TOTEME has started to collect gender data per factory via a yearly survey and the member has started discussing where their highest risks are. These risks have not yet informed gender-specific actions.

**Recommendation:** TOTEME is recommended to extend its gender lens to all action plans and make it more comprehensive.

| Performance indicators                                                                                             | Result | Relevance of indicator                                                                                                                                                                                    | Documentation                                                                 | Score | Max | Min |
|--------------------------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------|-----|-----|
| 3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue. | Basic  | Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas. | Available prevention and improvement programmes, including stakeholder input. | 2     | 6   | 0   |

**Comment:** TOTEME included comprehensive steps to encourage FoA and effective social dialogue in some of its action plans.

These steps include prioritizing trade unions and worker representatives in yearly supplier sustainability meetings and evaluation meetings by having worker representatives participate. TOTEME has also requested FW training for four Chinese suppliers during 23/24 and wants all high-risk suppliers to participate in this training to learn more about FoA and effective social dialogue.

TOTEME's sourcing strategy also includes a statement to prefer countries and suppliers where workers can freely form or join a trade union / or bargain collectively and they have updated the social sustainability ranking criteria used for supplier evaluations by adding the existence of trade unions, CBA and worker reps as positively affecting criteria.

The member has started to implement these steps, however, they have yet to apply a gender lens and ensure its steps to promote FoA and effective social dialogue address the specific risks for female workers.

**Recommendation:** Fair Wear recommends TOTEME to apply a gender lens and ensure its steps to promote FoA and effective social dialogue address the specific risks for female workers.

| Performance indicators                                                    | Result | Relevance of indicator                                                                                                                                                                                                                                                                | Documentation                                                                                                                                                                                                                                              | Score | Max | Min |
|---------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.4 Member company actively supports a factory-level grievance mechanism. | Basic  | Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers. | Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue. | 2     | 6   | 0   |

**Comment:** TOTEME actively supports internal grievance mechanisms. They do this by inquiring annually if suppliers have an internal grievance system in place in the yearly supplier evaluation meetings. Almost all suppliers had an internal grievance system in place.

TOTEME has added extra scores for having an internal grievance system into the sustainability criteria of supplier evaluation - suppliers are therefore incentivized to have a functional internal system in place. TOTEME actively monitors the effectiveness of factory-level grievance mechanisms by asking suppliers about it.

**Recommendation:** Fair Wear recommends TOTEME to always involve suppliers and worker representatives in the assessment of the factory-level grievance mechanism and share and discuss the outcome of the assessment with the above stakeholders, who should be encouraged to lead a discussion on how the mechanisms can be improved.

Fair Wear recommends TOTEME to support and monitor the internal grievance mechanisms at suppliers.

| Performance indicators                                                                                | Result   | Relevance of indicator                                                                                                                                                                                                                              | Documentation                              | Score | Max | Min |
|-------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------|-----|-----|
| 3.5 Member company collaborates with other Fair Wear members or customers of the production location. | Advanced | Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers. | Communication between different companies. | 6     | 6   | 0   |

**Comment:** TOTEME collaborates with other Fair Wear members and other customers of the production location to prevent and respond to human rights violations. During the year they have shared audits and training with several brands and TOTEME plans to meet with a few of these brands later this year. One of the main topics of this meeting will be living wage. Besides remediation, TOTEME is also working on preventative measures with these brands.

## Indicators on implementation: improvement and prevention

| Performance indicators          | Result | Relevance of indicator                                                                                                                                                                                            | Documentation                               | Score | Max | Min |
|---------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------|-----|-----|
| 3.6 Degree of verified actions. | 75.04% | Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem. | Progress reports on improvement programmes. | 6     | 6   | -2  |

**Comment:** During the performance check, TOTEME could demonstrate it has followed up 75% of actions out of all outstanding actions. These actions are linked to CAPs of full assessments conducted in the previous financial year. Examples of improvement actions taken include identifying the root cause of overtime; health and safety improvements such as ensuring machine safety guards are installed and taking regular measurements of the air quality. Examples of time-based action plans on a factory level can be seen in 3.1.

The CAP issues that require improvement actions and are still open are issues that are more complex or structural and therefore need more time to be remediated.

| Performance indicators                                                 | Result                | Relevance of indicator                                                                                                                                                                                                                | Documentation                    | Score | Max | Min |
|------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------|-----|-----|
| 3.7 Degree of progress towards implementation of prevention programme. | Intermediate progress | Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe. | Update on prevention programmes. | 4     | 6   | -2  |

**Comment:** TOTEME has identified some root causes of the CAP issues and discussed these with its suppliers. The member has implemented some preventive steps. Examples of the discussed root causes include employees not understanding the wage calculation system at its Chinese suppliers. The member has implemented preventive steps to address root causes, for example working collaboratively with suppliers to develop a more understandable wage record system.

**Recommendation:** Fair Wear recommends TOTEME to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

| Performance indicators                                                                                                  | Result       | Relevance of indicator                                                                                                                                                                            | Documentation                                                                                                                                                             | Score | Max | Min |
|-------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.8 Member company validates risk profile and maintains regular dialogue with factories where no action plan is needed. | Intermediate | When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses. | Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo. | 4     | 6   | 0   |

**Comment:** The member has a system to ensure possible human rights risks are regularly discussed with suppliers. TOTEME regularly reviews changes to the risk situation. The member includes worker representatives in discussions with factory management on possible human rights risks. During these discussions, they reassess the need for improvement/prevention programmes at these factories. The member stays informed about possible human rights risks by conducting Fair Wear assessments and third-party audits.

**Recommendation:** TOTEME is recommended to create a systematic plan which details at which interval the member will discuss possible human rights risks at its suppliers and which human rights risks should be discussed.

| Performance indicators                                                          | Result       | Relevance of indicator                                                                                                                                                                            | Documentation                                                                                                                                                                                                                                                                                                                                                     | Score | Max | Min |
|---------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.9 Degree to which member company mitigates root causes of excessive overtime. | Intermediate | Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays. | This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc. | 4     | 6   | 0   |

**Comment:** In the previous year, 1 audit report of a total of 9 audits mentions excessive overtime.

TOTEME analysed the root causes of these findings. According to the member, planning and material delays are a significant cause for excessive overtime. The member has addressed this and promotes transparency about working hours by engaging in dialogue with its suppliers.

The member has taken action to address the root causes of the 1 audit report findings. They have been in regular contact with factory management and have meetings planned to discuss the issue. This issue will also be discussed in the upcoming third-party audit to ensure it's effectively remediated.

**Recommendation:** Fair Wear advises TOTEME to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable.

| Performance indicators                                                                                                                                                                | Result       | Relevance of indicator                                                                                                                                                                                                                                                                                                      | Documentation                                                                                                                                                                                       | Score | Max | Min |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid. | Intermediate | Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law. | Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved. | 2     | 4   | -2  |

**Comment:** In the previous year, 2 out of 9 audits included findings regarding non-payment of legal minimum wage/ legally required wage elements. All of these audits were in China where "Piece rate workers are not guaranteed legal minimum wages". The member has been informed that the supplier has paid the legal minimum wages but has not had a system to prove that they guarantee legal minimum wages

TOTEME responded immediately to these findings by having many conversations with their suppliers in China repeating what's expected of them on their side regarding wages. TOTEME has included workers' representation in finding a solution to these findings.

**Recommendation:** Fair Wear strongly recommends TOTEME to always verify whether legal minimum wage issues have been resolved in case factory management claims. TOTEME could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check remediation.

| Performance indicators                                                                                                             | Result | Relevance of indicator                                                                                                                                                              | Documentation                                                                                                                                                                                                                             | Score | Max | Min |
|------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations. | Basic  | Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach. | Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc. | 2     | 6   | 0   |

**Comment:** TOTEME has done a thorough root-cause analysis to find out why wages at suppliers are below the living wage in two of their production countries: China & Turkey.

TOTEME has done a thorough root-cause analysis to find out why wages at suppliers are below the living wage. TOTEME has communicated clearly to all its suppliers that together they must achieve living wages by 2030. TOTEME's living wage policy, signed by the Board of Directors, helps to stress the importance of this.

**Recommendation:** Fair Wear encourages TOTEME to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach. It is advised to start with suppliers where the member is responsible for a large percentage of production and has a long-term business relationship.

| Performance indicators                                      | Result   | Relevance of indicator                                                                                                      | Documentation                                                           | Score | Max | Min |
|-------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------|-----|-----|
| 3.12 Member company determines and finances wage increases. | Advanced | Member companies should have strategies in place to contribute to and finance wage increases in their production locations. | Analysis of wage gap, strategy on paper, demonstrated roll out process. | 6     | 6   | 0   |

**Comment:** TOTEME has started analysing the costs of financing wage increases across its supply chain. Working with its suppliers, TOTEME has developed a time-bound plan to increase wages, including target wages which increases gradually to finally reach the living wage estimate. TOTEME has a complete understanding of the costs of increasing wages across its supply chain and will finance this from its retail prices.

Regarding last year's recommendation, TOTEME has investigated its supplier's wage levels and has encouraged all of them to start working toward the living wage of the area.

**Recommendation:** In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

| Performance indicators                                                                                    | Result | Relevance of indicator                                                                                                       | Documentation                                                                                                                                                            | Score | Max | Min |
|-----------------------------------------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.13 Percentage of production volume where the member company pays its share of the living wage estimate. | 35%    | Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker. | Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc. | 4     | 6   | 0   |

**Comment:** TOTEME uses fact-based costing to ensure its prices support the payment of a living wage estimate at suppliers responsible for 35% of TOTEME's FOB. The member brand demonstrated this by sharing its overviews as well as supporting Collective Bargaining Agreements.

**Recommendation:** TOTEME is encouraged to roll out its approach to other suppliers.

| Performance indicators                                                                                                             | Result                 | Relevance of indicator                                                                                                                                                                                                                                                          | Documentation                                                                          | Score | Max | Min |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------|-----|-----|
| 3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear's Access to Remedy Policy. | No complaints received | Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain. | Overview of supporting activities, overview of grievances received and addressed, etc. | N/A   | 4   | -2  |

**Comment:** TOTEME received no complaints in the past financial year.

| Performance indicators                                                                   | Result       | Relevance of indicator                                                                                                                                                                                                     | Documentation                                                                                                                             | Score | Max | Min |
|------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.15 Degree to which member company implements training to address the risks identified. | Intermediate | Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed. | Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc. | 4     | 6   | 0   |

**Comment:** TOTEME has some CAP findings where training is a recommended follow-up action. TOTEME has implemented training for all factories where this is part of the improvement and prevention programme. During the year 23/24, four FW trainings have been conducted at TOTEME's Chinese suppliers. After the trainings, TOTEME read the training reports and discussed the findings with its suppliers in supplier meetings.

**Recommendation:** TOTEME is recommended to implement training for all factories, also where this is not part of its action plan.

| Performance indicators                                                     | Result   | Relevance of indicator                                                                                                                                                              | Documentation                                                                                                                                                                                   | Score | Max | Min |
|----------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.16 Degree to which member company follows up after a training programme. | Advanced | Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact | Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts. | 6     | 6   | 0   |

**Comment:** TOTEME followed up on all training results by discussing the training reports with its suppliers, as well as discussing how worker representation committees could be set up within the factory. Additionally, the member used the results of the training as input for its human rights due diligence, by adjusting its risk assessments according to the input it received from the training and subsequent dialogues.

| Performance indicators                                                                            | Result   | Relevance of indicator                                                                                                                                                                                                  | Documentation                                              | Score | Max | Min |
|---------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------|-----|-----|
| 3.17 The member company's human rights due diligence system includes a responsible exit strategy. | Advanced | Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy. | Exit strategy policy, examples of supplier communications. | 4     | 4   | 0   |

**Comment:** TOTEME's human rights risk monitoring system includes a responsible exit strategy. In the past financial year, the member has not stopped with any suppliers. This strategy has been discussed with all suppliers. Suppliers were asked to read it before being finalised and provide feedback during the yearly supplier meetings held in July 2023. Information about responsible exiting can be found in the contracts signed by the suppliers.

| Performance indicators                                                                                              | Result | Relevance of indicator                                                                                                                                                                                                                           | Documentation                                                                                 | Score | Max | Min |
|---------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------|-----|-----|
| 3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope. | Basic  | Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2. | Overview of Human Right risk monitoring, remediation and prevention activities and processes. | 2     | 6   | 0   |

**Comment:** TOTEME undertakes activities beyond Fair Wear's scope by extending its human rights risk monitoring activities to map tier 2 suppliers. TOTEME would like to start adding them to the Fair Wear platform.

**Recommendation:** Fair Wear encourages members to go beyond Fair Wear policy or scope requirements.

## Layer 4 External communication, outreach, learning, and evaluation

**Possible Points: 22**

**Earned Points: 18**

### Indicators related to communication

| Performance indicators                                               | Result   | Relevance of indicator                                                                                                                                                                                                                                                                                                                                                     | Documentation                                                       | Score | Max | Min |
|----------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------|-----|-----|
| 4.1 Member company actively communicates about Fair Wear membership. | Advanced | Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community. | Member website, sales brochures, and other communication materials. | 4     | 4   | 0   |

**Comment:** TOTEME communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. TOTEME actively spreads the Fair Wear message via the TOTEME Website; internal staff onboarding; bi-weekly newsletters; suppliers, agents/intermediaries; and other business partners via information, requirements and contracts.

| Performance indicators                                                                             | Result                          | Relevance of indicator                                                                                                                                                                                                                                                               | Documentation                                                                                                                                                                                                                                                                          | Score | Max | Min |
|----------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable). | No reselling of external brands | Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information. | External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct. | N/A   | 4   | 0   |

| Performance indicators                                                                                               | Result   | Relevance of indicator                                                                                                                                                                                                                                  | Documentation  | Score | Max | Min |
|----------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----|-----|
| 4.3 Human rights due diligence reporting is submitted to Fair Wear and is published on the member company's website. | Advanced | The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan. | Social report. | 4     | 4   | 0   |

**Comment:** TOTEME has submitted its social report, which Fair Wear approved. TOTEME has also published the report on its website.

TOTEME's first Sustainability report will be published by the end of October this year (2024) following the financial accounting rules in Sweden (must be published 6 months after the end of the financial year).

| Performance indicators                                       | Result       | Relevance of indicator                                                                                                                                                                                                          | Documentation                                                                                                                                                                                                                                         | Score | Max | Min |
|--------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 4.4 Member company engages in advanced reporting activities. | Intermediate | Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report. | Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge. | 2     | 4   | 0   |

**Comment:** TOTEME will report on factory-level data and remediation results in the coming sustainability report following the Transparency Pledge.

**Recommendation:** TOTEME is recommended to include more factory-level data in its reporting and ensure suppliers consent with data sharing. Fair Wear recommends TOTEME to publish concrete remediation action for its suppliers.

| Performance indicators                                                        | Result       | Relevance of indicator                                                                                                                         | Documentation                                                                                                                                                                                | Score | Max | Min |
|-------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 4.5 Member company has a system to track implementation and validate results. | Intermediate | Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made. | Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback. | 4     | 6   | 0   |

**Comment:** TOTEME has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system involves top management. The member has yet to include feedback from workers or other local stakeholders in production countries in its internal evaluation system.

**Recommendation:** The member is advised to include feedback from workers and suppliers in its evaluation system.

| Performance indicators                                                                   | Result   | Relevance of indicator                                                                                                                                                                                                          | Documentation                                                                                                       | Score | Max | Min |
|------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------|-----|-----|
| 4.6 Level of action/progress made on requirements from previous Brand Performance Check. | Advanced | In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach. | Member should show documentation related to the specific requirements made in the previous Brand Performance Check. | 4     | 4   | -2  |

**Comment:** TOTEME followed up on all requirements from the previous Brand Performance Check. They have mapped and discussed internal grievance systems at their suppliers, and their sustainability rating system has been updated to incentivise suppliers to establish functioning grievance mechanisms if they are not yet in place. The supply contract has also been reviewed with the production team and updated with a Force Majeure clause, as advised.

## 5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Not applicable

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

## Recommendations to Fair Wear

TOTEME thinks the Fair Wear platform has been beneficial for consolidating everything in one place, although they think the filtering system, such as factory views for actions, needs improvement. They are open to adding Tier 2 suppliers to the platform and sometimes require more support from the Brand Liaison, an issue currently being addressed. Additionally, they are interested in the bi-annual check option.

## Brand Performance Check details

Date of Brand Performance Check: 03-09-2024

Conducted by: Jason Mandels