

# TOKMANNI GROUP'S HUMAN RIGHTS POLICY

01.12.2016	<i>Document published</i>
14.12.2023	<i>Document updated</i> <ul style="list-style-type: none"><li>• Version 2 updated based on stakeholder feedback, double materiality analysis (conducted in 2023), alignment with UN Guiding Principles on Human Rights and the updated amfori BSCI Code of Conduct (2022 update), as well as the upcoming EU regulations</li><li>• The new update includes Tokmanni Group</li></ul>

## 1. Purpose

This Policy is to complement the Tokmanni Code of Conduct and relevant existing principles linked with human rights. It gives guidance and describes the objectives, organization and responsibilities in respecting human rights throughout the entire organization and value chain.

Tokmanni Group's (hereafter referred to as "Tokmanni" or "Company") operations impact especially the human rights of the following groups: personnel, customers, the supply chain and the societies where Tokmanni operates. This Policy is applicable to all employees of Tokmanni, and Tokmanni expects Business Partners to have the same level of human rights commitment as Tokmanni. Business partner refers to any legal entity Tokmanni is engaged in doing business with. Business Partners for Tokmanni includes, but is not limited to, suppliers, service providers and contractors.

This Policy will be reviewed annually.

## 2. Tokmanni Group Human Rights Commitment

Tokmanni is committed to respect human rights and to remediate adverse human rights impacts throughout its business operations. Tokmanni expects its Business Partners to have the same commitment to respect and remediate. Tokmanni shall promote positive practices that facilitate the fulfilment of human rights for its Rights-holders. In line with the [UN Guiding Principles on Business and Human Rights](#), Tokmanni respects the rights and values laid down in the [International Bill of Human Rights](#) (comprised of the Universal Declaration of Human Rights and codified in two main instruments, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights) and the fundamental rights in the eight core conventions of the International Labour Organization as set out in the [ILO Declaration on Fundamental Principles and Rights at Work](#) and the [OECD Guidance on Multinational Enterprises](#).

As a member of the amfori Business for Social Compliance Initiative (BSCI), Tokmanni is committed to abide with the [amfori BSCI Code of Conduct](#). Tokmanni requires its Business Partners to comply with the BSCI Code of Conduct and to require the same standards from their suppliers.

Tokmanni is also a signatory of the [United Nations Global Compact](#) and abides by its ten principles.

Tokmanni's sourcing is guided by principles and guidelines of responsible sourcing as well as sustainable development-oriented product range policies. These guidelines particularly apply to the sourcing of products that contain raw materials deemed critical from a social and environmental responsibility perspective. The principles and guidelines for responsible sourcing were updated in 2021 and are regularly trained to Tokmanni's procurement and purchasing staff, as well as implemented on a Group-level. <https://www.amfori.org/sites/default/files/amfori%20BSCI%20Code%20of%20Conduct%20-%20English%20-%20December%202021.pdf>

Tokmanni's minimum standard is compliance with all applicable laws and respect for internationally recognized human rights. Where national law and international human rights standards differ, Tokmanni will seek to follow the higher standard and seek solutions to respect those standards with relevant Stakeholders.

Tokmanni demonstrates its commitment and addresses its human rights impacts by carrying out human rights due diligence. Tokmanni believes that increased protection for human rights and labour standards globally is best achieved by working together with Stakeholders. Tokmanni actively seeks opportunities to collaborate with key Stakeholders and to use its leverage for continuous improvement and realization of human rights.

When necessary, Tokmanni takes corrective actions in line with human rights due diligence, and communicates about them according to its involvement, possibilities and influence.

Tokmanni is continuously improving and assessing its human rights work. Human rights due diligence is carried out on an on-going basis.

Recognizing that corporate activities play a major role in the realization of rights enjoyed by people, Tokmanni is committed to promote positive human rights impacts. Tokmanni promotes the realization of human rights in its supply chains through, for example, audits of suppliers and certification of high-risk raw materials. Tokmanni also takes special care when operating or procuring products from conflict areas.

Tokmanni's potential human rights impacts can be divided into direct and indirect impacts. The direct impacts are related to Tokmanni's own operations, i.e., for example the safety of customers and staff as well as equality and non-discrimination. Indirect impacts are related to Tokmanni's supply chains through Business Partners, i.e., for example the realization of the human rights of workers in factories used by Tokmanni.

Tokmanni avoids violating the human rights of others and intervenes in negative human rights impacts that it has been directly or indirectly involved in or that it has influenced through other actors.

In accordance with the due diligence principle, Tokmanni assesses the human rights impacts of its operations, monitors them, takes corrective measures when necessary and communicates them according to its involvement, opportunities and influence. The evaluation is monitored by the company's Compliance group, which meets 4 times a year and as needed for urgent matters.

### **3. Tokmanni Group Human Rights Principles**

The following five human rights principles are the ones considered as most salient and will set the standards for a human rights-based approach in Tokmanni's business decisions, while upholding the best practices and ethical business conduct. Special attention and protection is to be provided to vulnerable groups. Tokmanni expects its Business Partners to comply with and share Tokmanni's ambition and commitments vis-à-vis Tokmanni's Rights-holders impacted by Tokmanni's and its Business Partner's operations and actions.

## **3.1. Occupational Health and Safety**

### **3.1.1. Health and Safety**

Health and safety is a top priority at Tokmanni. Tokmanni is committed that its employees and workers operating across its business areas, including their immediate family members, have the right to the highest attainable standard of physical and mental health, which includes access to medical care, sanitation, adequate food and potable water, decent housing, healthy working conditions and clean working environment.

Tokmanni is committed to taking the necessary measures to guarantee the safety and quality of the products and services they manufacture, distribute, and market to their clients.

### **3.1.2. Safety at work**

Tokmanni undertakes to provide working conditions that allow for safe working practices and supports the occupational health and well-being of employees. Tokmanni's occupational safety action plan describes the operating principles and objectives of occupational safety. In addition, store-specific risk assessments and our other guidelines guide our safety operations. Tokmanni has safety management systems in place for identifying, preventing, mitigating and tracking health and safety hazards and accidents.

Tokmanni expects its suppliers to provide a safe and healthy working environment that complies with local laws and minimizes occupational hazards. If suppliers provide residential facilities for their workers, they must be safe and sanitary.

## **3.2. Employment**

### **3.2.1. Just and Favourable Conditions of Work and Decent Working Hours**

Tokmanni adheres to all applicable national legislation, industry benchmark standards and/or collective agreements within the international framework set out by the ILO, whichever may be more stringent, relating to wages, working hours, overtime and benefits. Wage deductions as a disciplinary measure shall not be permitted unless provided by national legislation. Employees shall be given reasonable breaks while working and sufficient rest periods between shifts. Tokmanni promotes a healthy work-life balance.

### **3.2.2. Fair Remuneration**

Tokmanni adheres to the legal minimum wage established by the government of the country in which Tokmanni operates or sources from. Tokmanni assesses the pay gap accurately through amfori BSCI audits and strives to provide workers with remuneration that ensures an adequate standard of living and satisfies basic needs for them and their immediate family. Tokmanni also encourages suppliers to commit to the betterment of wages and benefits to improve the lives of workers and their families in the communities where they live.

### **3.2.3. Freedom of Association and Collective Bargaining**

Tokmanni respects the right of its employees to be represented in order to pursue their legitimate interests without fear of retaliation. This right includes the right to form and join trade unions of their own choosing, or to refrain from doing so, the right to bargain collectively and the right of internal and/or external freely elected employee representatives to be acknowledged as partners in negotiations and consultations subject to local laws. The nature of industrial relations in the country and the needs, size and possibilities of company concerned shall be taken into account. In case no legally recognised union exists in the area of operations, or if only state-authorised organisations are allowed, Tokmanni will not hinder and shall respond favourably to initiatives to establish alternative means to achieve effective freedom of association and collective bargaining.

## **3.3. Equal treatment**

### **3.3.1. Diversity and non-discrimination**

Equality and fairness are key principles in hiring, employment-related benefits and compensation, access to education and job advancement. Tokmanni respects and values diversity in its workforce, in its Business Partners and the global marketplace. Tokmanni do not tolerate any sort of discrimination in any areas of employment regarding race, colour, religion, sex, national origin, ancestry, age, disability, medical condition, marital status, pregnancy, gender, gender expression, sexual orientation, political or trade union activity or any other characteristic protected by local law or regulation.

### **3.3.2. Prohibition of violence or harassment**

Tokmanni is committed to providing a workplace free of any form of physical, mental, sexual, verbal or written harassment or bullying.

Tokmanni employees are expected to treat co-workers, Business Partners, Stakeholders and all Rights-holders with dignity. Tokmanni expects the same from its Business Partners.

## **3.4. Children and Young Workers**

### **3.4.1. Prohibition of child labour**

Tokmanni follows the International Labour Organization's definition of the minimum age for admission to employment or work. This age should not be less than the age of compulsory schooling completion and, in any circumstance, should not be less than 15 years for regular work. Tokmanni prohibits child labour, which means Tokmanni does not allow children under the minimum age for admission to employment or to be engaged in work that deprives them of their childhood, their potential and their dignity, and that is harmful to their physical and mental development, within its facilities. Furthermore, Tokmanni is committed to programmes aimed at elimination of child labour and any form of exploitation throughout the value chain.

### **3.4.2. Education and children's health**

Tokmanni respects the rights of the child, including the right to education, the right to rest and play, freedom from violence and exploitation and the right to have the child's basic needs met, such as in relation to nutrition, health and water and sanitation.

### **3.4.3. Special protection for young workers**

Tokmanni shall refrain from hiring workers under the age of 18 for positions that require hazardous work that could jeopardise their health, safety or morals. Furthermore, Tokmanni is committed to, and maintains programmes, aimed at ensuring that workers under the age of 18 will not work in hazardous conditions in its value chain.

Tokmanni shall ensure that it adheres to all applicable laws or industry standards, whichever may be more stringent, relating to wages, working hours, overtime and benefits for young workers. In addition, Tokmanni will proactively support the right to just and favourable work conditions and working hours for young workers.

## **3.5. Forced and Compulsory Labour and human trafficking**

### **3.5.1. Freedom from slavery, servitude and forced labour**

Tokmanni will not engage in, support, or tolerate the use of forced or compulsory labour, such as prison or trafficked labour. Workers shall be allowed to move around freely, leave their place of work when their shift ends as well as terminate their employment without penalty upon providing reasonable notice. Retention of identity documents or work permits is strictly prohibited.

### **3.5.2. Prohibition of illegible and illegal work contracts and bonded or indebted labour**

All Tokmanni employees shall receive a written, comprehensible and legally binding labour contract or employment letter. Tokmanni should not depend on part-time, temporary or casual workers, trainees or false apprenticeships as a means to pay lower salaries or provide fewer benefits.

Tokmanni will not engage in or support the use of bonded or indebted labour and prohibits recruitment fees to be borne by workers.

## **4. Stakeholder Engagement**

Tokmanni believes that effective dialogue with relevant external stakeholders is a crucial element of evaluating our own human rights performance. We appreciate the viewpoints of affected as well as potentially affected stakeholders as their input helps Tokmanni shaping its approach to human rights. Tokmanni engages with relevant stakeholders or their representatives to assess potential and actual human rights impacts. Tokmanni recognizes the need for special attention of those who may be particularly vulnerable or marginalized.

## 5. Remediation

Tokmanni emphasizes, promotes and respects effective recourse to all Rights-holders who allege that their rights have been violated, including efficient grievance mechanisms, effective remedy and access to fair compensation.

### 5.1. Corrective Actions

If direct violations of human rights come to light in Tokmanni's own operations, an investigation will be initiated immediately. After the investigation, Tokmanni seeks to repair any damage. Tokmanni will review and, if necessary, correct its own operating methods so that the situation does not happen again.

If issues related to human rights come to light from Tokmanni's procurement of goods or services, an investigation will also be started immediately. Corrective actions are agreed upon with the involved Business Partner, and their implementation is monitored through, among other things, audits. The cooperation with the Business Partner is primarily not interrupted, because it does not promote the realization of human rights. The cooperation can be terminated if the partner does not commit to developing repeatedly detected deficiencies or does not agree to an independent audit by a third party.

### 5.2. Grievance Mechanisms

Tokmanni is committed to provide remedy if it has failed to meet the standards set out in the Policy. If Tokmanni employee or a Business Partner witnesses or has knowledge of any incidents with respect, or related, to Tokmanni's operations involving a violation of this Policy, such Tokmanni employee, Business Partner or employee of a Business Partner is to report the alleged incident to the whistle-blowing system at Tokmanni Oyj's website: <https://app.falcony.io/tokmanniwb/links/ulkoinen-ilmoitus> and on Dollarstore website: <https://www.dollarstore.se/whistle-blower-temp>

In addition to irresponsible behaviour or operations at Tokmanni, anyone can also notify Tokmanni about irresponsible products sold at Tokmanni.

Tokmanni's whistle-blowing system is available to everyone, including but not limited to Rights-holders. Confidentiality is assured. Tokmanni will not retaliate against anyone who files a report in good faith.

## 6. Responsibilities

Principle Governance Task	Responsible Person/Unit
Document Owner	Head of Sustainability
Document Author	Project Manager, Sustainability
Document Reviewer	VP, People, Culture and Sustainability
Document Approver	The Sustainability and Personnel Committee of Board of Directors
Execution of Principle	Everyone at Tokmanni Group



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