

I D E A L O F S W E D E N

HUMAN RIGHTS DUE DILIGENCE POLICY

1. INTRODUCTION

IDEAL OF SWEDEN (“IDEAL” or “We”) is a Swedish fashion and lifestyle brand with a global presence, and we continuously strive to operate with transparency and trust as the business grows. We are highly committed to maintaining the highest possible standards of ethical and legal conduct. Our Human Rights Due Diligence Policy (the “Policy”) aims to define and clarify the framework for how we work to ensure that our business is good for the people and the planet and that no human rights are violated within our supply chain.

2. OUR POLICY COMMITMENT

We are committed to respecting and protecting human rights of all people throughout our business, in our own operations as well as in our supply chain. We commit to respect and comply with all international human rights standards, including:

- The Universal Declaration of Human Rights
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic
- Social and Cultural Rights
- The International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work

Furthermore, we are committed to meeting our responsibilities as set out in the German Supply Chain Due Diligence Act (Ger. Lieferkettensorgfaltspflichtengesetz) and as defined by the UN Guiding Principles on Business and Human Rights. We comply with national law and respect internationally recognized human rights wherever we operate.

3. IMPLEMENTATION

Our commitment to respecting human rights is reflected in policies, guidelines, goals, roadmaps, and ways of working throughout the organization and is implemented through the following practices:

- We are continuously monitoring sustainability news, as well as upcoming or changing legislation
- We engage with our suppliers through regular contact and have visited them and invited them to visit our offices in Sweden. From time to time, we arrange internal digital capacity-building training for our suppliers to progress within more complex areas. In addition, we’re constantly working to improve knowledge sharing with our suppliers
- We are continuously identifying and assessing risks in our supply chain
- We take actions concerning the most salient risks, for instance, by contacting concerned parties and putting corrective measures and actions in place
- We follow up on corrective measures to ensure they have been complied with and implemented

In addition, we communicate our expectations and requirements for ethical business conduct through our internal Code of Conduct and our Business Code of Conduct, which forms a part of our contractual agreements with all business partners. The Business Code of Conduct applies to the entire value chain and illustrates what we expect of our suppliers and business partners. It shows requirements, offers guidance about how we should conduct ourselves to our

stakeholders, and describes the directives and principles we follow as part of our operations. The code is the most vital part of our company's ethical framework.

Besides being a helpful document to establish the values of our organization, the Code of Conduct also drives our actions and supports the principles that underlie decision-making. It assumes compliance with legislation and regulations. Based on international standards such as the UN's Declaration of Human Rights, the UN Global Compact principles, the ILO (International Labour Organization) guidelines, OECD, as well as national legislation.

4. OUR DUE DILIGENCE PROCESS

Before introducing a new supplier, we always conduct a thorough due diligence and we also have an ongoing due diligence process that enables us to identify and address risks in supply chain as well as in the business as a whole. We also have a supplier self-assessment tool where the supplier is able to self-assess their social and environmental performance.

We currently have 8 manufacturing suppliers, all located in China. We seek to find partners who are in it for the long run, who wants to be a part of the Ideal of Sweden story, and who wants to grow with us. It is our understanding that having long-term relationships with our suppliers helps us to ensure that we are working with the right partners who share our views on, values relating to, and respect for, human rights.

Despite this, we evaluate all our suppliers twice per year. The evaluation is conducted by an internal team at IDEAL and takes the following aspects in account: price-performance ratio, compliance with the delivery dates, quality, status quo of social and environmental standards, the degree of innovation as well as communication and level of transparency.

Our continuous due diligence process consists of the following steps:

- Identify and assess risks and impacts in our operations and supply chain
- Implement preventive as well as mitigating or remedying measures and actions
- Follow up on implemented measures and actions
- Communicate and report on our work through our Sustainability Report and through ESG-reporting to our investors.

If any human rights-related issues are identified, we will seek to both address and understand the root of the violations. We will work with relevant stakeholder groups to drive improvement and to remedy the identified violations appropriately.

5. GRIEVANCE MECHANISM

Our grievance mechanism is implemented through a whistleblower tool that enables employees, people working in our supply chain and external partners and stakeholders to anonymously report on any unlawful acts, non-compliance or misconduct within the company. This process is an important part of our sustainability and human rights related work and helps us to identify potential impacts and strengthen aspects of the due diligence process. Any complaints reported through the whistleblower tool are handled with outmost seriousness.