

Supplier Policy

ETHICAL SOURCING STANDARDS

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ETHICAL SOURCING STANDARDS

PURPOSE AND AREA OF APPLICATION

All companies of the Zalando Group are committed to trading responsibly. We want our customers to know that the goods we sell and procure have been produced in an ethical, safe and environmentally conscious manner. Further, we want the images portrayed in our assortment to consider social and ethical values.

Complementary to our Code of Conduct for Business Partners, our Ethical Sourcing Standards define which commodities are excluded from sourcing, or will be excluded in the future due to their form of production, materials or thematic depictions. The standards cover three areas:

- Animal welfare and biodiversity policy
- Responsible marketing policy
- Prohibited activities policy

These standards apply to all our business partners, including, but not limited to: suppliers, agents, trading companies and service providers (hereinafter “Business Partners”) of Zalando SE and all its subsidiaries (hereinafter “Zalando”).

ANIMAL WELFARE & BIODIVERSITY

Animal welfare and the conservation of biodiversity are important topics for Zalando. We recognize the responsibility we share with the fashion industry to guarantee animal welfare in the supply chain. Our aspiration is to further strengthen our relationship with partners to mutually learn from experiences and jointly work on solutions to ensure considerate treatment of animals in the fashion supply chain. This policy defines which animal materials must not be used in our products, and which materials can be used but with exceptions.

Zalando expects all its suppliers to adhere to the following conditions and guidelines for animal products:

- Directive 98/58/EG2 (Protection for animals kept for farming purposes)
- OIE animal health standards (World Organisation for Animal Health)
- Five freedoms of the UK Farm Animal Welfare Council¹
- The CITES list of endangered species (Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- The IUCN list of endangered species (International Union for Conservation of Nature)

TRANSPARENCY

Zalando expects its suppliers to have complete information for all products containing animal materials. For clarification purposes, suppliers may be asked to provide the following information:

- Type of animal used (common name)
- Identification of species (scientific/Latin name)
- Country of origin (where the animal was reared and slaughtered)
- Producer's animal welfare standards/any appropriate certification

PROHIBITED MATERIALS

The following animal materials must not be used in our products:

ANIMAL TESTING

Zalando is against animal testing. No cosmetics/beauty products sold on Zalando may be tested on animals, in accordance with the EU ban that came into effect on 11 March 2013.²

EXOTIC AND ENDANGERED SPECIES

Zalando does not use products from exotic animals or endangered species:

- Exotic animals/products include, but are not limited to, alligator, crocodile, lizard, marine mammals, ostrich, freshwater pearls mussel and snake.
- Vulnerable or endangered species as classified in the lists of endangered species from CITES³ and the IUCN⁴.

¹ 1. Freedom from hunger and thirst; 2. Freedom from discomfort; 3. Freedom from pain, injury and disease; 4. Freedom to express normal behavior; 5. Freedom from fear and distress. These five freedoms have been adopted as the foundation of higher animal welfare standards globally.

² European Union ban: https://ec.europa.eu/growth/sectors/cosmetics/animal-testing_en

³ CITES Checklist: <http://checklist.cites.org/>

⁴ IUCN Checklist: <http://www.iucnredlist.org/>

FUR

Zalando is a fur free retailer. In autumn 2012, Zalando implemented a “No Fur Directive” and is now listed as a fur-free company on the “Deutscher Tierschutzbund” website.⁵ In February 2016, Zalando officially joined the Fur Free Retailer Program. The Fur Free Retailer Program provides information concerning fashion companies that have signed an agreement not to use real fur.

NOT PERMITTED	PERMITTED
<ul style="list-style-type: none"> - Fur⁶ from any type of animal including, but not limited to mink, coyote, sable, fox, muskrat, rabbit, and raccoon dog. - Cat and dog fur 	<ul style="list-style-type: none"> - Synthetic materials intended to look like fur. To avoid confusion, the label on the product should make clear that synthetic materials were used.

MATERIALS THAT CAN BE USED BUT WITH EXCEPTIONS

The following animal materials can be used in our products, with some exceptions:

ANIMAL SKIN AND LEATHER

NOT PERMITTED	PERMITTED
<ul style="list-style-type: none"> - Products made from materials obtained from live, newborn or aborted animals. - Leather from horses and from other domesticated animals (e.g. dogs, cats). 	<ul style="list-style-type: none"> - Leather and skins from buffalo, cow, goat, lamb, pig, sheep and yak. These leather and skins must only be products from farm animals that have been bred for meat production i.e. a by-product of the meat industry.

FEATHERS AND DOWN

NOT PERMITTED	PERMITTED
<ul style="list-style-type: none"> - Feathers or down obtained through live-plucking. - Feathers as a by-product of fowl raised to produce foie-gras. - Ostrich, peacock or marabou feathers. 	<ul style="list-style-type: none"> - Down obtained after slaughter and from animals that have been treated ethically.⁷ - The use of Responsible Down Standard (RDS) certified down or Global Traceable Down Standard (TDS) certified down is strongly recommended.

WOOL AND ANIMAL HAIR

NOT PERMITTED	PERMITTED
<ul style="list-style-type: none"> - Any kind of rabbit hair including angora. - Sheep wool from animals on which mulesing is performed. - Wool from newborn animals or aborted animals (e.g. karakul). - Hair harvested by live plucking. 	<ul style="list-style-type: none"> - Cashmere and mohair from livestock/farming animals that are treated ethically.⁸ - Hair from living and domesticated animals including but not limited to alpaca (Vicugna Pacos), buffalo, camel, cow, goat, llama, pig and yak.

VISCOSE

Viscose used in our products should be ethically sourced and not come from endangered forests.

⁵ <http://www.tierschutzbund.de/pelzfreie-warenhaeuser>

⁶ Fur means any animal skin or part thereof with hair or fur fibers attached thereto, either in its raw or processed state or the pelt of any animal killed solely for its fur. Source: <http://www.furfreeretailer.com/about.php>

⁷ According to the Directive 98/58/EG2, the OIE animal health standards and the Five Freedoms of the UK Farm Animal Welfare Council

⁸ According to the Directive 98/58/EG2, the OIE animal health standards and the Five Freedoms of the UK Farm Animal Welfare Council

RESPONSIBLE MARKETING

The products we sell impact different stakeholders, including the general public. Consequently, our assortment needs to also consider social and ethical values for the benefit of the societies we operate in. This policy defines which commodities are excluded from sourcing due to the thematic depictions they portray.

PROHIBITED PRINTS & THEMATIC ILLUSTRATIONS

Zalando does not source or sell commodities that have pornographic, discriminatory, politically extreme prints and/or illustrations, or those that glorify violence. Any items depicting cruelty, bestiality, rape, incest, sadism, masochism, graphic violence or degradation are not allowed.

REVIEW RIGHT

Zalando will review the content of the product description, images, and texts on the print to determine if an item is allowed.

DEFINITIONS

GLORIFYING VIOLENCE is understood by Zalando, in accordance with § 131 of the German Criminal Code (StGB), as cruel or otherwise inhuman acts of violence against humans or animals in a way as to glorify or trivialize such acts of violence or that represent cruel or inhuman aspects in a manner that violates human dignity.

PORNOGRAPHIC is understood by Zalando, in accordance with the interpretation given by the German Federal High Court in criminal cases (BGHSt 23, 44; 37, 55), as depictions excluding human references and focusing on sex and sexuality in an intrusive and attention-grabbing way, aimed at the interest of the viewer in sex and sexual objects. Any images of nude or partially nude minors (under 18 years of age) or described as nude teen, child, young or nudist including vintage images are not allowed.

DISCRIMINATORY is understood by Zalando as derogatory or irrelevant representations based on ethnic or national origin, gender, religion, political views, disability, age or sexuality.

POLITICALLY EXTREME is understood by Zalando as thematic depictions of ideologies, actions, mindsets or ways of thinking that are directed against the free democratic basic order, according to the explanations of the Office for Protection of the Constitution regarding left and right wing extremism, available at: <http://www.verfassungsschutz.de/de/arbeitsfelder>.

PROHIBITED ACTIVITIES

Human rights, health and safety of workers, product safety and environmental protection are important topics for Zalando. This policy, defining prohibited activities, highlights which methods and tools for material processing are to be avoided when producing articles sold on Zalando. Concerning Business Partners from our subsidiary zLabels GmbH, please refer to zLabels' Prohibited Activities policy.

CURRENT BANS

COTTON FROM UZBEKISTAN AND TURKMENISTAN

As clearly outlined in our Code of Conduct, Zalando does not, under any circumstances, accept the use of forced labor, child labor or any other form of modern slavery. There have been ongoing concerns regarding the use of government backed, state-orchestrated systems of forced labor in cotton cultivation. Anti-Slavery International (ASI) states that approximately half of all Uzbek cotton was picked by state-sponsored forced labor, involving what was estimated to be hundreds of thousands of children and adults each year.⁹ The government of Turkmenistan uses a forced labor system of cotton production as well.¹⁰ Therefore, Zalando does not accept materials containing cotton sourced from Uzbekistan or Turkmenistan. Country of origin certificates may be requested for cotton products.

PLANNED BANS

SANDBLASTING AND RELATED PROCESSES

Sandblasting is a technique for refining jeans and other denim products to give them a used look. In this method, the material is irradiated with sand under high pressure. Sand contains a material called silica. The silica dust, if inhaled, can cause severe respiratory problems in workers. In cases of intense or long-term exposure, it may even lead to the contraction of fatal diseases such as silicosis and lung cancer, posing an extremely high health risk for those involved in the production of denim items. Additionally, the chemicals used in this process cause extreme damage to the environment when discharged without filtering into the waste water.

Starting Summer 2019, Zalando will not sign any contracts on commodities that were produced by using sandblasting (or any other technique of smoothing, shaping or cleaning denim by applying abrasive particles at high speed). Until then, suppliers should switch to alternatives for the treatment of denim products, such as:

- Washing and stone-washing
- Chemical treatment
- Laser/ozone treatment
- Hand sanding/manual treatment using sandpaper
- Hand brushing
- Machine sanding¹¹

By accepting this policy, Business Partners and all subcontractors agree to a commitment to banning this process until Summer 2019.

⁹ <https://www.antislavery.org/take-action/campaigns/end-uzbek-cotton-crimes/>

¹⁰ <http://www.ethicaltrade.org/blog/ending-forced-labour-in-turkmenistans-cotton-sector>

¹¹ Series of cylinders arranged and rolling in horizontal arrangement, wrapped in either abrasive paper or a chemically coated surface.