



Modern Slavery Statement 2024

This is our eight Zalando Modern Slavery Statement and relates to our progress throughout 2023. Our former versions can be found on our [website](#).



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Modern Slavery Statement 2023



Our commitment

Human trafficking and forced labour (modern slavery) are human rights violations. Zalando SE and all its subsidiaries (hereinafter commonly referred to as Zalando) are committed to respecting internationally recognized human rights in line with the International Bill of Human Rights and the Conventions of the International Labor Organization (ILO) No. 1, 29, 87, 95, 98, 105, 111, 131, 138 and 155.

We acknowledge our responsibility to have the appropriate codes, policies and processes in place to address actual and potential human rights impacts, in line with the United Nations Guiding Principles on Business and Human Rights, including ILO Conventions and the Universal Declaration of Human Rights (UDHR). Our commitment is aligned with the broader objectives detailed in our Sustainability Progress Report and are consistent with the commitments made in our Human Rights Policy Statement. Additionally, our efforts to manage human right risks arising from our supply chain are displayed in our “Supply Chain Act Compliance report” as required under the German Supply Chain Due Diligence Act (*Lieferkettenschutzgesetz*). Referred reports can be found [here](#).

Building on these efforts, we want to ensure that our business creates a positive impact and does not take advantage of workers and affected communities along our value chain. This goal requires us to maintain constant awareness of ethical risks — including those relating to equal treatment, working conditions, and modern slavery — and to take action when we see potential wrongdoing.

Please find more details in our [Sustainability Progress Report](#).

Our business

Our vision is to build the leading pan-European fashion and lifestyle e-commerce ecosystem and to leverage our best-in-class e-commerce platform capabilities that we have developed over the past 15 years to enable our updated vision. What started as a Berlin-based online shoe store in 2008 has grown into a leading European fashion and lifestyle e-commerce platform in just a few years. We connect customers and brand partners, offering a one-stop shopping experience with a curated selection of the latest fashion trends. We want to



inspire through a high degree of personalization, creating the right choice for every customer.

We serve around 50 million active customers in 25 markets across Europe with our fashion and lifestyle offering that includes clothing, footwear, accessories, and beauty. The assortment of international brands ranges from world-famous names to local labels. Our localised offer caters to the different tastes of customers in each of our 25 markets. Our pan-European logistics network of twelve fulfilment centres enables us to serve our customers across Europe fast and seamlessly. We offer our customers multiple propositions to meet their shopping needs, ranging from Fashion to Beauty, Pre-owned, Designer, Lounge by Zalando or our loyalty program Zalando Plus.

We are significantly investing in three areas that are essential for the success of our business and boost future growth: customers, partners and infrastructure. Please find more details in our [Annual Progress Report](#).

Progress against our 2023 commitments

We acknowledge that the industries in which we are active are at-risk for human rights violations. We therefore take steps to prevent, detect and respond to modern slavery. Thus, throughout 2023, we worked to strengthen our procedures in line with the next steps established in our [Modern Slavery Statement 2023](#).

Steps planned for 2023	Our progress
We will conduct our first company-wide human rights risk assessment for all direct suppliers.	Our human rights risk assessment was conducted and served as the starting point to build on our existing risk mitigating measures by widening them to the full (direct) supplier landscape and introducing additional measures. Details can be found in the Supply Chain Act Compliance report on our website.
We will implement additional preventive and remedial measures, with a focus on (very) high risk suppliers.	We developed self-assessment questionnaires for direct suppliers with a high-risk profile in order to gain deeper insights into their due diligence approach. Based on the answers, we provided tailored recommendations on how to enhance their risk management within the identified areas.
We plan to review our audit processes for effectiveness,	Through social audits, we continued to review compliance of our direct suppliers and Tier 1



and align them with a risk-based approach.

suppliers, especially the high-risk area of our private label business. Tier 1 suppliers provide us with third-party social audits. Additionally, we initiate audits in the area of logistics and customer care. Audits are evaluated against an internal matrix, based on our Code of Conduct, applicable local legal requirements, and either our Social Standards for logistics and customer care or industry standards including SMETA (Sedex Members Ethical Trade Audit) and BSCI (Business Social Compliance Initiative) for private label suppliers. In 2023, we aligned the future audit process with the results of the group wide risk assessment mentioned above to follow a risk-based approach.

We will implement an updated, formalised management process for potential human rights violations in our supply chain.

In 2023, based on our group-wide risk assessment and in execution of our obligations under the German Supply Chain Due Diligence Act, we have developed a concept for identifying and analysing abstract risks more specifically. We use our Code of Conduct as a minimum standard for contractual relationships with Zalando and apply additional measures for high-risk business partners to identify and mitigate their specific risk of human rights violations, including modern slavery.

We will communicate our updated grievance mechanism to suppliers.

Our grievance mechanism was expanded to best cater to the needs of potential reporters within our supply chain via the addition of a tool called SpeakUp, with further language, reporting, and translation capabilities. The tool is easier to navigate when reporting a potential supply chain-relevant incident than our established Whistleblowing Tool. SpeakUp is available in 42 languages, accessible via web, app, or hotline, has been made available to any external party, and is communicated with a focus on workers in our supply chain.

We intend to publish updated information on our progress in line with SCA requirements.

Reporting for the cycle is carried out in accordance with the German Supply Chain Due Diligence Act and the guidance of the competent authority (BAFA). The first report was submitted within the legal deadline for 2024.

The Human Rights Officer will regularly report

The HRO reports quarterly to the Management Board on progress and impact and collaborates

developments to the Management Board.

with Legal and Corporate Compliance.



Governance & policies

Governance

The responsibility for implementation and operationalisation of the Zalando's human rights due diligence program is delegated to the Corporate Compliance team with experts on third party compliance, human rights and equality. The Human Rights Officer (HRO) is the Head of Ethical Responsibility and ensures an independent oversight of ongoing activities.

Policies

Our expectations towards all our employees and business partners are set forth in our policies and standards which highlight, among others, the imperative respect for human rights in all our business activities.

- [Zalando's Code of Ethics](#) sets out Zalando's specific expectations towards every employee regarding social and ethical behaviour. The Code of Ethics has been communicated to our employees in various languages and is publicly available on our website.
- Our commitment to avoid human trafficking and forced labour in our supply chain is underpinned in our [Code of Conduct for Business Partners](#). It is issued by Zalando's Management Board and applies group-wide to our business partners.
- Complementary to our Code of Conduct, we have our [Sustainable Sourcing Policy](#). It includes our commitment to avoid the use of materials containing cotton sourced from Uzbekistan, Turkmenistan or the Xinjiang region in China due to the high risk of forced labour in these countries.
- In line with our Group Policy "Compliance Checks on Business Partners", Zalando carries out business partner due diligence, including sanction list screening and compliance database and adverse media checks for defined groups of business partners of every Zalando group entity and in cases where potential compliance risks are apparent. The check helps us to learn about past incidents or allegations also in the area of forced modern slavery.
- We published our [Human Rights Policy Statement](#), setting out principles for human rights due diligence, which we will embed into our operating standards and management practices in 2024.



Risk assessment & management

The due diligence framework

We are committed to conducting risk-based human rights due diligence across our supply chain on an ongoing basis, in accordance with the recommendations set out in the OECD's Due Diligence Guidance for Responsible Business Conduct. Our due diligence approach is adjusted to take into account operational context and risk, business relationships and the extent to which we may cause, contribute to or be directly linked to adverse human rights impacts. We seek to track the effectiveness of our responses and interventions. Further, we take both feedback, as well as qualitative and quantitative indicators from internal and external sources into account.

The human rights risk management at Zalando is defined in the Human Rights Due Diligence Program. In line with industry standards it is divided into 5 high-level steps:

1. **Govern:** Define and embed human rights standards and expectations in our operations and value chain, clearly communicate them to all stakeholders using the most appropriate channels and monitor program effectiveness;
2. **Analyse:** Identify and analyse supplier risk based on volume, location and industry-specific human rights risks;
3. **Prioritise:** Prioritise sector and supplier risk based on risk analysis and risk profile to define corresponding risk management measures;
4. **Manage:** Ensure that standards and expectations are met and implement preventive, remedial and mitigating measures;
5. **Report:** Publicly disclose efforts and progress in line with Zalando's own standards and legal requirements.

The individual elements are implemented through respective programs, frameworks and processes. Furthermore we are committed to providing employees, Business Partners and any other internal or external stakeholder with appropriate grievance mechanisms. We seek to build awareness and knowledge of our employees and Business Partners on human rights issues, encouraging them to speak up, without retribution and - if desired - anonymously, about any concerns they may have.



Our next steps

Together with many teams across Zalando and in line with our target to continuously increase our ethical standards, we are committed to taking the following steps in 2024:

- To embed due diligence in the company's structure in the most effective way, we will build on the risk analysis we have created and focus our preventive measures not only on risk-exposed business partners, but also on the legal areas that have been highlighted as exposed in our assessments.
- We will continue to increase the automation of our risk assessment activities in order to create a solid and future oriented practice, freeing up even more capacity to focus on preventive measures.
- We will continue to explore industry-wide and supplier focused collaborations with partners in our private label value chains.

This statement has been published in accordance with the United Kingdom's Modern Slavery Act 2015 (UK MSA) and summarises our steps taken against human rights violations including but not limited to modern slavery during the financial year ending 31 December 2023. It was prepared by the Corporate Compliance team and it is available on our corporate website in a readily accessible format. The statement has been approved to be effective from 30 June 2024 onwards by

Robert Gentz
Management Board
Zalando SE

Sarah Wegener
Head of Corporate Compliance (acting)
Zalando SE