



Child Labour Prevention and Remediation Policy

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1. Introduction: Our commitment to combat Child Labour

The Child Labour Prevention and Remediation Policy (hereinafter “**Policy**”) serves as an addition to our Code of Conduct¹ and our Human Rights Strategy². Zalando Private Labels is committed to meeting our responsibility to respect and support Human Rights, including the protection of the rights of minors in our supply chain, in line with the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*), equivalent laws and UN Guiding Principles on Business and Human Rights and the Children’s Rights and Business Principles. We will continue to monitor the child labour risks in our supply chain following international and regional trends, local economic and labour situations and industry trends.

This Policy was developed with guidance from an international children’s rights organisation and outlines Zalando Private Labels’ guiding principles to respect and support the rights of children. It also specifies Zalando SE’s expectations and requirements on child labour risk assessment and identification, prevention, mitigation and remediation towards Zalando Business Partners in the supply chain. Zalando Private Labels & Product Supply Managing Director is accountable for the implementation of this policy, which has been made publically available.

2. Scope: Who does this policy apply to?

This Policy applies to the contractual partners of Zalando Private Labels (hereinafter “**Business Partners**”) and also obliges them through contractual means to ensure that these policy standards are upheld within their contractual relationships to the suppliers which are used as part of the Zalando Private Labels’ supply chain - including but not limited to suppliers, agents, trading companies, production facilities, service providers, subcontractors, and any other part of their supply chain. Existing and newly onboarded Business Partners have access to training on the relevant content of this policy and associated guidance.

In compliance with our Code of Conduct and our Human Rights Strategy, we require all our Business Partners to be strongly committed to the elimination of child labour, starting with its worst forms, and of all forms of slavery, human trafficking, forced or compulsory labour and prison labour. Business Partners must also ensure that their subcontractors do not violate the child protection principles in this policy by implementing written rules as well as establishing and documenting suitable control mechanisms.

In order to verify the adherence of our Business Partners to requisite standards, we refer to our right to conduct audits as stated in our **Private Labels Ethical Trade & Sustainability Factory Compliance Manual** (Section 6.3. *Right of Access for Compliance Assessments*).

3. Our Expectations

The following standards must be complied with when conducting business with Zalando Private Label:

¹ Zalando’s Code of Conduct, https://corporate.zalando.com/sites/default/files/media-download/Zalando-SE_Code-of-conduct_2021.pdf

² Zalando’s Policy Statement on Human Rights Strategy, https://corporate.zalando.com/sites/default/files/media-download/Zalando-SE_Policy_statement_on_Zalando%27s_Human_Rights_strategy_0.pdf

a. Standards of admission to employment and work

General Minimum Age for Admission to Employment or Work

- In line with our Code of Conduct, no children under the age of 15 or under the local legal working age, whichever is higher (hereinafter “*minimum working age*”), may be employed.
- No person aged 18 years or younger shall be engaged in hazardous work³.

Standard of Admission to Employment for Young Workers

- Zalando fully respects and protects the rights of young workers⁴ to work. Where young workers have reached the legal minimum working age, we welcome initiatives from Business Partners to offer decent work⁵ opportunities to youth.
- When young workers are hired, employers must comply with all legal requirements including overtime and working conditions to ensure they are not subjected to harm or hazardous work.
- Our Business Partners shall maintain an up-to-date list of all young workers, identifying a list of appropriate job positions and responsibilities for them and not engaging them in hazardous work or working in hazardous conditions.

Prohibition on Forced or Compulsory Labour

Based on ILO’s four dimensions of forced labour of children⁶ and in line with international and industrial standards and national legislations, we strictly prohibit any form of compulsory labour for children under 18. This prohibition covers work performed by a child as a direct result of their parents being engaged in forced labour. This can be further elaborated in the following four dimensions:

- **Unfree recruitment of children:** Involves coerced or deceitful recruitment, where children are either forced to work for specific employers or recruited under false pretences.
- **Work and life of children under duress:** Encompasses adverse working or living conditions imposed on children through coercion, penalties, or threats, including excessive workloads, tasks beyond their physical or mental capacity, and limitations on freedom.
- **Impossibility for children to leave their employer:** Refers to situations where leaving a job results in penalties, loss of benefits, threats, or violence against the child or their family.
- **Coercion of children:** threats, violence, restrictions on movement, debt bondage, wage withholding, retention of documents, and exploitation of vulnerability, which may stem from third parties or, rarely, the child's parents.

b. Practices to Prevent Child Labour

³ Refer to [Appendix I](#) for the definition of *hazardous work* as used in this policy.

⁴ Refer to [Appendix I](#) for the definition of *young worker* as used in this policy.

⁵ Refer to [Appendix I](#) for the definition of *decent work* as used in this policy.

⁶ ILO’s Hard to See, Harder to Count. Survey Guideline to Estimate Forced Labour of Adults and Children.

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182096.pdf

In line with Zalando's Human Rights Strategy and in accordance with the recommendations set out in the OECD's Due Diligence Guidance for Responsible Business Conduct, to prevent and remediate child labour in our supply chain we require our Business Partners to comply with the following practices:

Before Onboarding or Renewing Business Contract

Our Business Partners should have mechanisms in place to identify the risk of child labour within their business partner landscape and consider it when choosing suppliers. It is important to select partners who have a clear understanding of child labour and its impact and have suitable countermeasures in place.

Clear Policy and Procedure on Child Labour

Business Partners shall have their own policy and procedure on child labour in place and communicate their policy and procedures to the next tier suppliers verbally and in writing.

Robust Age Verification Mechanism

Business Partners must ensure a robust age-verification mechanism as part of the recruitment process, that is in line with international and national legislation and targets all workers, including migrant workers, temporary workers, and student workers or apprentices.

The Business Partners must verify the existence of such proper hiring systems throughout its own supply chain. Where the Business Partners are not in direct control of the recruitment procedure, it is recommended that the Business Partners conduct regular monitoring to check the implementation of age verification procedures at the sites where workers are employed.

Train Key Supply Chain Stakeholders

We expect our Business Partners to understand their roles and responsibilities as specified in this Policy, and to further cascade the knowledge to their lower tiers. When needed and considered reasonable effort, Zalando Private Labels can support by providing training material to ensure that our Business Partners are aware of and comply with our legal requirements on child labour.

Monitoring Practice

All our Business Partners (i.e. facilities for final product manufacturing & assembly) must regularly assess and ensure their compliance with our standards.

c. Child Labour Remediation

In the event of finding children in employment who are under the legal minimum working age or who are above the minimum age but under 18 and engaging in hazardous work, the concerned Business Partners and the concerned party in the supply chain are expected to take the following steps to ensure fast and fair remediation, and prevent further cases arising in the future:

- **Act in the overall best interest of children** within the requirements of relevant laws.
- **Report it to Zalando** within 24 hours of the case being identified. Our reporting channel for such severe violations is the **Zalando SpeakUp tool**⁷; anonymous reporting is possible. Telephone calls in the local language serve as an intake point and country numbers are referenced on the website. You can also directly contact compliance@zalando.de.

4. Requirements for Child Labour Remediation

To ensure a fair, independent and effective remediation for the concerned child/children, the Business Partner is required to develop — if possible with the support of a child rights organisation⁸ — a plan for remediation, with reviewing and support from Zalando.

Business Partners should not undertake any form of remediation without prior discussions with Zalando and the relevant child rights organisation —if involved—, except in cases where immediate intervention is imperative to cease a potential violation, such as the prompt removal of the child from the working environment. In concrete, we expect the following to be applied:

a. The Remediation Plan for the Concerned Individuals and Action Plan

The concerned Business Partner is required to create a remediation plan for the concerned individuals based on best practices examples, with the support of a child rights organisation (where available). This remediation plan must be created with the agreement of the child and their legal guardians. All parties should at a minimum reach an agreement about the plan for the concerned individuals within 30 working days of identifying the child labour case. The plan is subject to approval by Zalando. Zalando also reserves the right to add to or amend the remediation plan when necessary.

The Business Partner is also required to develop and implement a corrective action plan addressing gaps in their child labour management system.

All remedial and corrective actions need to be carried out in a timely manner according to the timeline and standards defined in the Zalando Child Labour Prevention and Remediation Guidance.

Business Partners will be responsible for ensuring that the remediation plan is implemented if child labour cases are identified in their subcontracting facilities.

In addition to the remedial actions with the concerned individuals, the Business Partner shall also identify gaps in their or their facility's hiring and management process and devise a corrective action plan regarding this within the agreed timeframe. This plan shall include training on child rights and child labour prevention measures for their relevant internal staff and concerned facilities, and it must be completed within the agreed timeframe.

For creating such corrective plans, please refer to Section 3.c of Zalando Child Labour Prevention and Remediation Guidance. For guidance on how to identify the areas for improvement in their management system, please refer to Appendix 4 of Zalando Child Labour Prevention and Remediation Guidance.

⁷ <https://zalando.speakup.report/raiseyourconcern>

⁸ If a child rights organisation is available in the region where the case took place, they must be involved.

b. Consequences of the violation of this Policy

Child labour is considered a Zero Tolerance finding. Zalando reserves the right to put business on hold with the concerned Business Partner and their facilities until all parties reach an agreement on the remediation plan and determined remedial actions are completed.

We will hold our direct Business Partners responsible for urging, monitoring and supporting their suppliers and production facilities to fulfil their obligations for remediation as requested in this Policy, including the remediation process at their sub-contractor units.

In the event there is a suspected case of child labour or a connected issue, it is mandatory for the business partner to immediately report this to Zalando within the laid out process. Zalando expects full cooperation of the business partner and thereby to act in good faith with regards to child labour according to industry best practice.

The consequences will be fair and thoughtful. **Particular consideration will be given in the event that a Business Partner identifies and proactively reports a case of child labour to Zalando. Remediation will always be the primary choice**, reflecting our commitment to working together while upholding this policy standards.

Zalando Private Labels reserves the right to terminate its business relationship with any Business Partner who fails to act in accordance with this Policy.

If you observe any violation to this policy, please contact us at compliance@zalando.de or via **Zalando SpeakUp Tool**⁹, where anonymous reporting is possible.

⁹ <https://zalando.speakup.report/raiseyourconcern>

● Appendix I: Terms and Definitions

Child: According to the UN Convention on the Rights of The Child, a child means every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier.

Child Labour: According to the ILO, child labour refers to work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and/or mental development. It refers to work that:

- Is mentally, physically, socially, or morally dangerous and harmful to children; and
- Interferes with their schooling by:
 - Depriving them of the opportunity to attend school.
 - Obliging them to leave school prematurely.
 - Requiring them to try to combine school attendance with excessively long and heavy work.

In our daily operations, this definition applies to the following situations and individuals:

- Any individual employed who is below the age of 15 or under the local legal working age, whichever is higher
- Any individual below the age of 18 who is engaged in or exposed to any forms of hazardous work, which is considered as the worst form of child labour.
- Children under the age of 18 who are exposed to forced or compulsory labour.

Decent work: Decent work has been defined by the ILO and endorsed by the international community as being productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work involves opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for workers and their families; offers better prospects for personal development and encourages social integration; gives people the freedom to express their concerns, to organise and to participate in decisions that affect their lives; and guarantees equal opportunities and equal treatment for all.

Hazardous work/hazardous child labour: as defined by ILO as the work, that by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children¹⁰. Normally each country will have a list of hazardous work that young workers (above min. working age but under 18) should avoid. Hazardous work is one of the worst forms of child labour.

Light work: per ILO Minimum Age Convention No. 138, “light work” refers to work that is:

- Not likely to threaten their health or development.
- In line with child rights, the work should not negatively impact the development and education of the child, it should not compromise their attendance at school or time dedicated to homework, playtime and sleeping time, their participation in vocational orientation or training programmes approved by the competent authority.
- Not taking place on a continuous basis (e.g. only after school or during holidays) or under exploitive conditions

Note: Each country may have specific regulations related to light work.

¹⁰ As defined in Article 3 (d) of ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999.

<https://www.ilo.org/ipecc/facts/WorstFormsofChildLabour/Hazardouschildlabour/lang--en/index.htm>

Worst forms of child labour as defined by Article 3 of ILO Convention No. 182:

- All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children ("hazardous child labour")

Young worker: Refers to children who have reached the minimum legal working age but are still under eighteen years old.