

Business Partner Declaration **on Sustainability**

To all Otto Group Marketplace partners

Preamble

The quality of the merchandise is defined not merely by the products themselves but by the way they were manufactured. Responsibility for people and the environment is firmly anchored in the Otto Group's mission statement and is to be reflected in our cooperation with business partners.

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Formal conditions

Scope of application

The *Business Partner Declaration on Sustainability* (referred to hereinafter as the “*Business Partner Declaration*”) applies to all business partners of both the domestic and international members of the Otto Group (referred to hereinafter as the “Otto Group”). The Otto Group comprises the businesses affiliated in accordance with Section 15 AktG with Otto (GmbH & Co KG).

It refers to all the value chain steps for procuring merchandise that is sold to customers through a platform of the Otto Group.

Integral part of the contractual provisions

The *Business Partner Declaration* is an integral part of the terms of use for Marketplace partners. All the requirements referred to in that declaration and the terms & conditions are binding on the business partner.

Requirements for business partners

We expect our business partners to adhere strictly to the *Business Partner Declaration*.

The *Business Partner Declaration* is supplemented by a number of annexes that are an integral part of the *Business Partner Declaration*. If amendments to the annexes become necessary, the business partner will be notified in the course of regular updates to the terms of use. The business partner is then required to familiarise themselves with the changes and implement them.

Values and guiding principles of the Otto Group

Alongside the provisions given in the Business Partner Declaration, the following principles apply:

Adherence to applicable legislation: All business partners are required to comply with current legislation at all times.

Give precedence to the stricter provision: Where there are several sets of stipulations affecting the same matter but which deviate from each other, the provision offering the greatest protection for the legal position or objective is deemed to apply.

Ethical standards: The ethical standards regulated by recognised and applicable international conventions, such as the United Nations Universal Declaration of Human Rights and the conventions of the International Labour Organisation, apply.

Avoiding negative effects: There is a guiding principle that no action or inaction that might harm a person or the environment is permitted. These principles are mandated in the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Principle of due diligence: Within the framework of a sound risk management system, in addition to risk analysis, measures must be taken to ensure that risks are identified at an early stage,

eliminated or minimised as far as possible so that there is no infringement of rights or other damage. If violations and/or damage does occur, it must immediately be dealt with and prevented for the future.

Equal treatment of the various stakeholders: In particular, when eliminating or minimising risks and remedying or preventing violations and/or damage, the involvement of directly and indirectly affected persons and/or their representatives, e.g. trade unions or other interest groups, should be sought. This active involvement provides a valuable and often necessary basis for effective risk management.

Cascade effect: Business partners are also required to apply the provisions contained in the *Business Partner Declaration* with respect to their subcontractors throughout the value chain, including home workers, in an appropriate manner. The goal is continuous development of the deeper supply chain with regard to responsible and sustainable business practices in the sense of taking responsibility oneself.

Equivalence

We expect our business partners to adhere to the standards, requirements and principles of the current *Business Partner Declaration*. Alternative standards, requirements and principles may be applied provided they secure at least the same objectives and contents, on the basis of the equivalence principle. The responsibility for this lies with the business partner.

Human rights - requirements

Requirements

As an amfori BSCI member, the Otto Group has signed up to the code of conduct and committed to passing responsible business practices on within the supply chain. This means that the amfori BSCI code of conduct, as amended, is a binding and integral part of the current *Business Partner Declaration*. All business partners of the Otto Group undertake to adhere to the principles included in the amfori BSCI code of conduct and, in turn, to impose these principles on their subcontractors. The business partner himself does not automatically become a signatory to the amfori BSCI code of conduct simply by signing the terms of use.

The current, i.e. applicable, amfori BSCI code of conduct is available in several languages together with a range of ancillary materials [here](#) and also in Annex 1.

Animal welfare - requirements

Requirements for materials of animal origin:

For the Otto Group as a responsible enterprise, animal welfare is a crucial issue throughout the

entire supply chain. We take steps to ensure that the animals whose animal products are part of goods offered by us for sale are sourced and treated ethically and appropriately. We comply with the following principles with regard to products subject to animal welfare.

- We are committed to protecting animal welfare on the basis of current domestic and international conventions and legislation and the “Five Freedoms” of animal protection published by the Farm Animal Welfare Committee (AWC).
- We do not permit products or product components that are sourced from endangered¹ animals or those caught in the wild.
- We develop our approach together with key stakeholders and on the basis of new knowledge gained in the fields of animal protection and animal welfare. Our requirements are regularly monitored to ensure they are relevant and our standards are being adhered to.

The detailed requirements for business partners relating to each material and product group can be seen in Annexes 2 and 3. The business partner undertakes to adhere to the requirements contained in Annexes 2 and 3.

Materials - Requirements

Wood

This applies to all merchandise containing wood, such as wooden furniture.

All existing national and international regulations, e.g. CITES, Lacey Act, European Timber Trade Regulation (Including the pending successor regulation for the Timber Trade Regulation), FLEGT and the EU Species Protection Regulation for protected wood species must be adhered to.

All trade in any species of wood listed in Appendix I and II of the CITES² is **prohibited**. For the import of wood species listed in the Appendix III of the CITES, a valid FSC^{®3} (Forest Stewardship Council) certificate is mandatory in addition to the official documents required for these species. The currently valid FSC[®] certificate must be stored with the business partner and it must be possible to present it on request.

The use of tropical woods is only permitted if they are certified according to the FSC[®] standard. The currently valid FSC[®] certificate must be stored with the business partner and it must be possible to present it on request.

¹ In accordance with the definition in CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) Annexes I and II. CITES, or the Washington Convention, is a multilateral treaty to protect endangered plants and animals from the threats of international trade.

² CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) or the Washington Convention, is a multilateral treaty to protect endangered plants and animals from the threats of international trade.

³ FSC[®] (Forest Stewardship Council[®]): The FSC guarantees that wood is from responsibly managed woodlands that have been certified by an independent organisation in compliance with environmental, social and economic standards of the FSC. Further information on the FSC can be found at: www.fsc.org

The purchase and sale of products whose raw material was sourced from High Conservation Value Forest (HCVF) is **prohibited**.

Polyvinyl chloride (PVC)

Polyvinyl chloride (PVC) is a plastic used in a wide range of situations from construction to the textile industry. As a result of the possibility that certain chemical substances, such as dioxins, may be released, e.g. when PVC is burnt, and due to other substances harmful to health, such as plasticisers, lead and cadmium, the Otto Group avoids the use of PVC wherever possible.

The detailed requirements for business partners relating to each material and product group can be seen in Annex 4. The business partner undertakes to adhere to the requirements contained in Annex 4.

Sandblasting

Sandblasting is a surface finishing process using quartz sand. Sandblasting releases fine fibrogenic quartz dust which is inhaled into the lungs and triggers a dangerous illness called silicosis. As a result of this potential danger to workers involved in the process, sandblasting in the manufacture of all product groups is prohibited unless it can be shown that there is no contact at all with quartz sand so the process does not represent a risk to workers.

Fluorescent tubes

Fluorescent tubes contain mercury, which is poisonous to both humans and the environment. If a tube breaks, the mercury may be released and this can cause serious injury to people in the vicinity. For this reason, the sale of fluorescent tubes containing mercury and products in which they are incorporated (such as lamps, furniture, among others) is **prohibited**. For this reason, no products containing fluorescent tubes may be offered for sale through the platform.

Items containing peat

Peat is an organic sediment that is created from rotting vegetation growing in shallow water. When peat is collected, the moorland disappears because the ground dries out and the vegetation dies. Since peatlands have developed into immense carbon reservoirs and are, as a result, an essential contributor to combatting the climate crisis, it is **prohibited** to source or offer for sale any items containing peat with the exception of seedlings and plants.

Foreign trade compliance

The Otto Group, including its contractual partners, is obliged to comply with all applicable laws and regulations, including export control regulations, embargoes and financial sanctions. To ensure compliance, Otto Group companies check whether their business partners are on a

sanctions list relevant to the Otto Group. Accordingly, our business partner confirms that a review of its own business relationships (to the extent that they are directly or indirectly related to activities for the Otto Group), including its suppliers, subcontractors and other partners (collectively, “business partner's partners”) is conducted on a regular basis to identify any involvement of companies and/or individuals listed on one or more of the sanctions lists applicable to your company, as well as the EU, US, UK and/or Swiss sanctions lists.

Similarly, the business partner confirms that, as a result of this review, it has determined that, for its part, it has no business relationship (direct or indirect) with any listed entity/person or any affiliate thereof and that no listed entity/listed person has any direct or indirect ownership interest in its business of 50% or more or is involved in controlling its business.

In addition, should the business partner at a later point in time become aware of a business relationship with a listed company/person with his company, the business partner must immediately inform his contractual partner at the Otto Group.

In addition, the business partner confirms that the relevant foreign trade regulations of import and export control will be complied with.

Non-adherence to the *Business Partner Declaration*

As the *Business Partner Declaration* is part of the terms of use, we reserve the right to exercise the rights defined in more detail in the terms of use in the event of non-compliance by the business partner. This may mean, in particular, that we temporarily or permanently, partially or completely, restrict the services we provide to the business partner or, if necessary, terminate the business relationship altogether.

Dealing with comments and violations

Complaints and information on human rights-related and environmental breaches of duty against our requirements and the amfori BSCI code of conduct can be reported to the Otto Group at any time - also in anonymised form - via the [SpeakUp](#) whistleblower system.

Complaints management system on the SELLER portal “[OTTO Partner Connect](#)“ operated by OTTO Market

In addition, Dr Buchert, lawyer, is available worldwide as an independent and confidential ombudsman:

Ombudsman
Dr Rainer Buchert, lawyer
Dr. Buchert & Partner Rechtsanwälte Part GmbB
Bleidenstraße 1
60311 Frankfurt/Main

Germany

Tel.: +49 (0) 69 710 33 33 0 or +49 (0) 6105 921 355

Fax: +49 (0) 69710 34 44 4

Email address: dr-buchert@dr-buchert.de

All the complaints received by us, irrespective of the channel used to contact us, are assiduously evaluated by the Otto Group. Depending on the results, we will take appropriate action. All business partners are required to guarantee that individuals passing on potential infringements will not be subject to any disadvantages or disciplinary measures.

**Annex 1 to the Business Partner Declaration on
Sustainability:
amfori BSCI code of conduct**

To all Otto Group Marketplace partners

Integral part of the Business Partner Declaration

The amfori BSCI code of conduct is an integral part of the Business Partner Declaration. All the terms & conditions referred to in this declaration and the Business Partner Declaration are binding on the business partner.

It is not necessary for the business partner to sign up to the amfori BSCI code of conduct separately.

The amfori BSCI code of conduct can be called up [here](#).

Annex 2 to the Business Partner Declaration on Sustainability: Animal welfare

To all Otto Group Marketplace partners

Integral part of the Business Partner Declaration

The annex is an integral part of the *Business Partner Declaration*. All the terms & conditions referred to in this declaration and the *Business Partner Declaration* are binding on the business partner.

Detailed requirements regarding animal welfare

The following requirements apply to animal-sourced materials in textiles and hardware:

Furs

Requirements

- The use of genuine furs is **prohibited**.
- Synthetic furs may be used but must be clearly marked as being synthetic.

Leather and skins⁴

Requirements

- **With effect from 1.1.2024:** only leather and skins from the following domesticated animal species are permitted: cows, buffaloes, pigs, goats, sheep and yaks, while the use of skins from new-born and aborted animals (also known as astrakhan, broadtail, Karkul lamb, karakulcha, krimmer, Persian lamb, breitschwanz, swakara, amongst other names) is explicitly prohibited.
- We recommend using sustainable vegan alternatives for leather.

Down and feathers

Requirements

⁴ In contrast to furs which are from animals bred and killed exclusively for the production of furs, skins are a byproduct of the food industry.

- Down and feathers from birds that are plucked live or from force-fed birds are **prohibited**.
- **Until 31.12.2027:** Products from non-certified⁵ downs and feathers from birds other than ducks, geese and chickens may only be offered for sale if the species is domesticated, not endangered and the product is a byproduct of food production.
- **From 1.1.2028:** All down and feathers must be certified in accordance with an independent recycling or animal welfare standard accepted by Otto Group⁵.

Angora wool

Requirements

- The use of angora wool is prohibited.

Mohair wool

Requirements

- The use of mohair wool is prohibited.

Sheep's wool

Requirements

- The wool from sheep subjected to “mulesing” is prohibited. The use of Australian wool is only permitted if it has been certified in accordance with an independent animal welfare standard that is accepted by Otto Group⁵.
- **From 1.1.2028:** All wool must be certified in accordance with an independent recycling or animal welfare standard accepted by Otto Group⁵.

Alpaca wool

Requirements

- Products from non-certified⁵ alpaca wool may only be offered for sale if the species is domesticated, not endangered and where no significant animal welfare risks are known.
- **From 1.1.2028:** All alpaca wool must be certified in accordance with an independent recycling or animal welfare standard accepted by Otto Group⁵.

Kashmir wool

Requirements

⁵ See Annex 3 for the certificates and standards accepted by Otto Group

- Products from non-certified⁵ kashmir wool may only be offered for sale if the species is domesticated, not endangered and where no significant animal welfare risks are known.
- **From 1.1.2028:** All kashmir wool must be certified in accordance with an independent recycling or animal welfare standard accepted by Otto Group⁵.

Other animal fur or hair

Requirements

- Products from non-certified⁶ horse or camel hair may only be offered for sale if the species is domesticated, not endangered and where no significant animal welfare risks are known.
- The use of other animal fur or hair that has not been certified in accordance with an independent recycling or animal welfare standard accepted by Otto Group⁶ is prohibited.

Horn and bone

Requirements

- **With effect from 1.1.2024:** only horn and bone from the following domesticated animal species are permitted: cows, buffaloes, pigs, goats, sheep, yaks and deer.

Shells and pearls

Requirements

Only shells and pearls from species that are not endangered may be used.

Silk

- The use of silk is permitted.

Other animal-based materials (e.g. coral)

Requirements

- The use of other materials sourced from animals not named here is prohibited.

⁶ See Annex 3 for the certificates and standards accepted by Otto Group

Overview of Latin names of the animal-based materials permitted by Otto Group

Name (DE)	Name (EN)	Latin name
Leather and skins	Leather and hides	
Rind	Cow	Bos taurus Bos frontalis
Büffel	Buffalo	Bubalus bubalis
Schwein	Pig	Sus scrofa domesticus
Ziege	Goat	Capra aegagrus hircus
Schaf	Sheep	Ovis aries
Yak	Yak	Bos grunniens
Horn und Knochen	Horn and bones	
Rind	Cow	Bos taurus, Bos frontalis
Büffel	Buffalo	Bubalus bubalis
Schwein	Pig	Sus scrofa domesticus
Ziege	Goat	Capra aegagrus hircus
Schaf	Sheep	Ovis aries
Yak	Yak	Bos grunniens
Hirsch	Deer	Cervus, Cervus elaphus montanus, Axis axis
Daunen und Federn	Down and feathers	
Ente	Duck	Anas platyrhynchos domesticus, Anas domestica cristata
Gans	Goose	Anser cygnoides domesticus, Anser anser domesticus
Huhn	Chicken	Gallus gallus domesticus

Shells and pearls: Overview of prohibited animal species as defined by CITES

Lithophaga lithophaga	Conradilla caelata
Cyprogenia aberti	Dromus dromas
Epioblasma curtisi	Epioblasma florentina
Epioblasma sampsonii	Epioblasma sulcata perobliqua
Epioblasma torulosa gubernaculum	Epioblasma torulosa rangiana
Epioblasma torulosa	Epioblasma turgidula
Epioblasma walkeri	Fusconaia cuneolus
Fusconaia edgariana	Lampsilis higginsii
Lampsilis orbiculata	Lampsilis satur
Lampsilis virescens	Plethobasus cicatricosus
Plethobasus cooperianus	Pleurobema clava
Pleurobema plenum	Potamilus capax
Quadrula intermedia	Quadrula sparsa
Toxolasma cylindrella	Unio nickliniana
Unio tampicoensis tecomatensis	Villosa trabalis

Sustainability: Animal welfare - accepted certificates and standards

To all Otto Group Marketplace partners

Integral part of the Business Partner Declaration

The annex is an integral part of the Business Partner Declaration. All the terms & conditions referred to in this declaration and the Business Partner Declaration are binding on the business partner.

The following certificates and standards are accepted by Otto Group for the corresponding animal-based materials:

Feathers and down

- Responsible Down Standard (RDS)
- Downpass
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)

Sheep's wool

- Responsible Wool Standard (RWS)
- NATIVA™
- ZQ Merino
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)

Alpaca

- Responsible Alpaca Standard (RAS)
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)

Cashmere

- Good Cashmere Standard (GCS)
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)

Horse and camel hair and other animal hair and fur

- there are as yet no standards for these animal-based materials that are accepted by Otto Group

Annex 4 to the Business Partner Declaration on

Sustainability:

Polyvinyl chloride (PVC)

To all Otto Group Marketplace partners

Integral part of the Business Partner Declaration

The annex is an integral part of the *Business Partner Declaration*. All the terms & conditions referred to in this declaration and the Business Partner Declaration are binding on the business partner.

Detailed requirements regarding the use of polyvinyl chloride (PVC):

For textiles (clothing, home textiles):

- The use of PVC in textiles such as clothing, household and home textiles, including prints on textiles, is **prohibited**.

For hardware, shoes, bags:

- For all hardware, shoes and bags, the recommendation is to exclude PVC and replace it with suitable more environmentally friendly substitute materials such as other plastics or plastic alternatives.
- If no replacement is possible, we expressly point out that it is essential that the product complies with the legal requirements.

For packaging:

- The use of PVC in packaging is **prohibited**.

End of Appendix 3