

Business Partner Declaration **on Sustainability**

To all Otto Group Marketplace Partners

Preamble

The quality of our merchandise is defined not only by the products themselves, but also by the way in which they are manufactured. Responsibility towards humanity and the environment is enshrined in the Otto Group's mission statement and must be reflected in our collaboration with business partners.

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1. Formal conditions

1.1 Scope

The Business Partner Declaration on Sustainability (hereinafter referred to as "Business Partner Declaration") applies to all business partners of the national as well as international group companies of the Otto Group (hereinafter also referred to as "Otto Group"). The Otto Group includes all companies affiliated with Otto (GmbH & Co KG) in accordance with § 15 of the German Stock Corporation Act (AktG). It refers to all stages of the value chain for the procurement of merchandise that is sold to the customer via an Otto Group platform.

1.2 Integral part of the contractual agreements

The *Business Partner Declaration* is an integral part of the Terms of Use for Marketplace Partners. All conditions referred to in this declaration and in the Terms of Use are mandatory for the business partner.

1.3 Requirements for business partners

We expect our business partners to comply with and to apply all the terms of *this Business Partner Declaration* in a binding manner. The *Business Partner Declaration* is supplemented by mandatory annexes, which are part of the *Business Partner Declaration*. If there are any changes in the annexes, the Business Partner will be informed about them in the course of the regular update of the Terms of Use. The Business Partner is then requested to familiarize himself with the changes and implement them.

1.4 Values and basic principles of the Otto Group

In addition to the requirements set out in this *Business Partner Declaration*, the following principles apply:

Compliance with applicable laws: All business partners are expected to conduct themselves in a law-abiding manner.

Precedence of stricter regulations: Where several requirements exist to regulate the same Business Partner Declaration matter and provide divergent specifications, the stricter requirement that offers greater protection of the specific legal right or objective shall apply in all cases.

Ethical standards: The ethical standards apply that are enshrined in recognised and applicable international conventions such as the United Nations Universal Declaration of Human Rights or the conventions of the International Labour Organization in particular.

Avoidance of negative impacts: The principle applies that neither people nor the environment may be harmed by actions or omissions. These precepts are declared indispensable in the

United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises in particular.

Precautionary principle: A robust risk management system must be installed that, in addition to risk analysis, includes the implementation of measures to ensure that risks are identified at an early stage, eliminated or minimised as far as possible to prevent any infringement of rights or other damage. Effective remedial action must be taken if any infringements and/or damages occur.

Equal treatment of the various stakeholders: Efforts must be taken to ensure the involvement of direct and indirect stakeholders and/or their representatives – e.g., trades unions or other interest groups – when eliminating or minimising risks and remedying infringements and/or damages in particular. This active involvement creates a valuable and often necessary foundation for effective risk management.

Cascade effect: Business partners undertake to adequately address the requirements of this Business Partner Declaration, also with their pre-final supply chain facilities along the value chain, including home-based workers. The target is to ensure a gradual development of the deeper supply chain in regard to responsible and sustainable business practices in the spirit of personal accountability.

1.5 Equivalence

We expect our business partners to comply with the standards, requirements, and principles of this *Business Partner Declaration*. Alternative standards, requirements, and principles may be applied, providing they are at least equivalent to the objectives and contents listed here in accordance with the equivalence principle. The responsibility for this lies with the business partner.

2. Human rights – requirements

Requirement

As an amfori BSCI member, the Otto Group has signed the Code of Conduct and is committed to passing on these principles for responsible business practices within the supply chain. The respectively valid version of the amfori BSCI Code of Conduct is therefore a mandatory component of this *Business Partner Declaration*. All Otto Group business partners undertake to comply with the principles of the amfori BSCI Code of Conduct and to encourage their business partners to do the same. The business partner itself does not automatically become a signatory of the amfori BSCI Code of Conduct by confirming the Terms of Use.

The current and therefore valid amfori BSCI Code of Conduct in several languages as well as additional materials can be found [here](#) and furthermore in Annex 1.

3. Animal welfare – requirements

Requirements for materials of animal origin

Animal welfare is an important concern for the Otto Group as a responsible company along the entire supply chain. We are committed to ensuring that the animals from which the animal-derived materials in the merchandise we offer are treated in an ethical and appropriate manner. We adhere to the following principles with respect to our animal welfare-related products:

- We are committed to animal welfare based on applicable national and international conventions and laws, as well as the Farm Animal Welfare Committee's (FAWC) "Five Freedoms".
- We do not allow products or product ingredients from endangered¹ or wild-caught animals.
- We continuously develop our approaches in collaboration with relevant stakeholders and on the basis of new knowledge in the areas of animal welfare and animal protection. Our requirements are regularly reviewed to ensure their relevance and to live up to our claim.

The detailed requirements per material and product group for business partners can be found in Annex 2 and Annex 3. The business partner agrees to follow the requirements in Annex 2 and Annex 3 accordingly.

4. Materials – requirements

4.1 Wood

All commercial goods containing components made of wood, such as wooden furniture, are affected.

All existing national and international regulations, e.g., CITES, Lacey Act, European Timber Trade Regulation (incl. the upcoming successor regulation for the Timber Trade Regulation), FLEGT and the EU Species Protection Regulation for protected timber species must be complied with for the use of timber (incl. the resulting products).

All trade in all wood species that fall under Appendix I and II of CITES² is **forbidden**. For the import of timber species listed in Appendix III of CITES, a valid FSC®³ (Forest Stewardship Council) certificate is mandatory. The valid FSC® certificate must be held by the business

¹ As defined in CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) Appendix I and II. CITES is the Washington Convention on International Trade in Endangered Species of Wild Flora and Fauna, which oversees international trade in endangered and protected species.

² CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) is the Washington Convention on International Trade in Endangered Species, which oversees international trade in endangered and protected species.

³ FSC® (Forest Stewardship Council®) certificate is required in addition to the official documents required for these species: The FSC guarantees that the wood comes from responsibly managed forests that have been certified by an independent organization in accordance with the FSC's ecological, social and economic standards. For more information about the FSC, visit: www.fsc.org

partner and must be able to be presented upon request.

The use of tropical wood is only permitted if it is certified according to the FSC® standard. The valid FSC® certificate must be available from the business partner and must be able to be presented upon request.

The purchase or sale of products whose raw materials were obtained from illegal logging as well as from HCVF forests (High Conservation Value Forest) is **forbidden**.

4.2 Polyvinyl chloride (PVC)

Polyvinyl chloride (PVC) is a plastic used in a wide variety of sectors ranging from the construction industry to the textile industry. Due to the possible release of chemical substances such as dioxin, which are produced, for example, when PVC is incinerated, as well as the often used additives that are hazardous to health, such as plasticizers, lead and cadmium, the Otto Group avoids the use of PVC wherever possible.

The detailed requirements per product group for business partners can be found in Annex 4. The business partner agrees to comply with the requirements in Annex 4 accordingly.

4.3 Sandblasting

Sandblasting (GER: "Sandstrahlen") is a surface treatment process using quartz sand. Sandblasting produces a crystalline quartz dust that can enter the lungs through inhalation and cause the dangerous lung disease silicosis. Due to this existing health hazard for workers who work with it, sandblasting is forbidden in the production of all product groups, unless there is no contact with quartz sand and the process therefore does not pose a health hazard to the workers.

4.4 Fluorescent tubes

Fluorescent Tubes contain quicksilver, which is toxic to humans and nature. When the lamp breaks, the quicksilver can be released and have a harmful effect on the health of people in the vicinity. For this reason, the sale of Fluorescent Tubes containing quicksilver, as well as products in which they are installed (such as lamps, furniture, among others), is **forbidden**. For this reason, no products containing Fluorescent Tubes may be sold through the platform.

4.5 Peaty articles

Peat is an organic sediment formed from dead plants standing in shallow water. When peat is degraded, the moorland also disappears as the soil dries out and the moorland plants die. As moorlands act as an important reservoir of greenhouse gases and are therefore an essential

part of combating the climate crisis, the sale or distribution of items containing peat is **forbidden**, with the exception of seedlings and plants.

5. Compliance with foreign trade law

The Otto Group including its contractual partners are obligated to comply with all applicable laws and regulations, including export control regulations as well as 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, "partners of the business partner") 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.

Likewise, 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 Company / Listed Person or any of its affiliates and that no Listed Company / Listed Person holds direct or indirect interests in its business amounting to 50% or more or (co-)controls its business.

Furthermore, should the business partner establish a business relationship with a listed company/person with his company at a later point in time, the business partner must inform his contractual partner at the Otto Group without delay. Moreover, the business partner confirms that the relevant foreign trade regulations of import and export control will be complied with.

6. Non-compliance with the Business Partner Declaration

Since 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. In particular, this may mean that we temporarily or permanently, partially or completely, restrict the services provided by us to the business partner or, if necessary, terminate the business relationship entirely.

7. Dealing with reports and infringements

The Otto Group can be notified at any time - also in anonymous form - via the [SpeakUp](#) whistleblower system, of complaints and information on human rights-related and environmental violations of our requirements and the amfori BSCI Code of Conduct.

Alternatively, you can use the complaint management system in OTTO Market's "[OTTO Partner Connect](#)" retailer portal.

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

Ombudsman

Lawyer Dr. Rainer Buchert Dr. Buchert & Partner Rechtsanwälte Part GmbH

Bleidenstraße 1

60311 Frankfurt am Main

Germany

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

Fax: +49 (0) 69 710 34 44 4

Email: dr-buchert@dr-buchert.de

All complaints we receive (regardless of channel) are carefully investigated by the Otto Group. Depending on the outcome, we will take appropriate remedial action. All business partners must guarantee to refrain from disadvantageous measures or disciplinary action against the person reporting potential violations.

**Annex 1 to the Business Partner Declaration on
Sustainability:
amfori BSCI Code of Conduct**

To all Otto Group Marketplace Partners

Part of the Business Partner Declaration

The amfori BSCI Code of Conduct in Annex 1 is an integral part of *the Business Partner Declaration*. All conditions referred to in this declaration and in the *Business Partner Declaration* are mandatory for the business partner. A separate signature of the amfori BSCI Code of Conduct by the business partner is not necessary. The amfori BSCI Code of Conduct is available [here](#).

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

To all Otto Group Marketplace Partners

Part of the Business Partner Declaration

The Annex is an integral part of the *Business Partner Declaration*. All conditions referred to in this declaration and in the *Business Partner Declaration* are mandatory for the business partner.

Detailed requirements for animal welfare

The following requirements apply to animal materials in textiles and hard goods:

Fur

Requirements

- The use of real fur is forbidden.
- The use of artificial fur is permitted but must be clearly labeled as such.

Leather and Hides⁴

Requirements

- **From 1/1/2024:** only leather and skins of the following domesticated species are allowed: cow, buffalo, pig, goat, sheep and yak, with leather from newborn and aborted animals (known as Astrakhan, Broadtail, Karakul, Krimmer, Persian Lamb, Swakara, among others) specifically forbidden.
- We recommend the use of sustainable vegan leather alternatives.

Feathers and Downs

Requirements

- Downs and feathers from birds that have been plucked alive or come from foie gras production are forbidden.
- **Until Dec. 31, 2027:** Products containing uncertified⁵ downs and feathers from species other than ducks, geese and chickens may be sold only if species is domesticated, not endangered and a byproduct of the food industry.
- **From 1.1.2028:** 100% of the downs and feathers must be certified⁵ according to an independent recycling or animal welfare standard accepted by the Otto Group.

⁴ Unlike fur, for which animals are bred or killed exclusively for fur production, hides are a byproduct of the food industry.

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

Angora wool

Requirements

- The use of angora wool is forbidden.

Mohair wool

Requirements

- The use of mohair wool is forbidden.

Sheep wool

Requirements

- Wool from sheep on which "mulesing" has been practiced is forbidden. The use of Australian wool is only permitted if it has been certified⁵ according to an independent animal welfare standard approved by the Otto Group.
- **From 1.1.2028:** 100% of the wool must be certified⁵ according to an independent recycling or animal welfare standard accepted by the Otto Group.

Alpaca wool

Requirements

- Products with non-certified⁵ alpaca wool may only be sold if the animal species is domesticated, not endangered and no significant animal welfare risks are known.
- **From 1.1.2028:** 100% of alpaca wool must be certified⁵ according to an independent recycling or animal welfare standard accepted by the Otto Group.

Cashmere wool

Requirements

- Products containing non-certified⁵ cashmere wool may only be sold if the animal species is domesticated, not endangered and no significant animal welfare risks are known.
- **From 1.1.2028:** 100% of cashmere wool must be certified⁵ according to an independent recycling or animal welfare standard accepted by the Otto Group.

Other animal hair

Requirements

- Products containing non-certified⁶ horsehair and camelhair may only be sold if animal species is domesticated, not endangered and no significant animal welfare risks are known to exist.

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

- The use of other animal hair that is not certified to an independent recycling or animal welfare standard accepted by the Otto Group is forbidden.

Horn and bone

Requirements

- **From 1/1/2024:** only horn and bones of the following domesticated animal species are allowed: cow, buffalo, pig, goat, sheep, yak, and deer.

Shells and pearls

Requirements

- Only shells and beads from non-endangered species are allowed.

Silk

- The use of silk is allowed.

Other animal materials (e.g. coral)

Requirements

- The use of any other animal materials not listed here is forbidden.

Overview Latin translation to the animal materials allowed by the Otto Group

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

Shells and pearls: overview of prohibited species according to 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

Annex 3 to the Business Partner Declaration on Sustainability: Animal welfare - accepted certificates and standards

To all Otto Group Marketplace Partners

Part of the Business Partner Declaration

The Annex is an integral part of the *Business Partner Declaration*. All conditions referred to in this declaration and in the *Business Partner Declaration* are mandatory for the business partner.

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

Feathers and Downs

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

Sheep Wool

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

Alpaca Wool

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

Cashmere Wool

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

Horsehair, camelhair and other animal hair

- So far there are no standards accepted by the Otto Group for these animal materials.

Annex 4 to the Business Partner Declaration on Sustainability: Polyvinyl chloride (PVC)

To all Otto Group Marketplace Partners

Part of the Business Partner Declaration

The Annex is an integral part of the *Business Partner Declaration*. All conditions referred to in this declaration and in the *Business Partner Declaration* are mandatory for the Business Partner.

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

For textiles (clothing, household, and home textiles):

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

For hard goods, shoes, bags:

- For all hard goods, 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 the product must necessarily comply with the legal requirements.

For packaging:

- The use of PVC in packaging is forbidden.

End of Annex 3