

Zalando SE (Zalando)

TICKER
ETR:ZAL

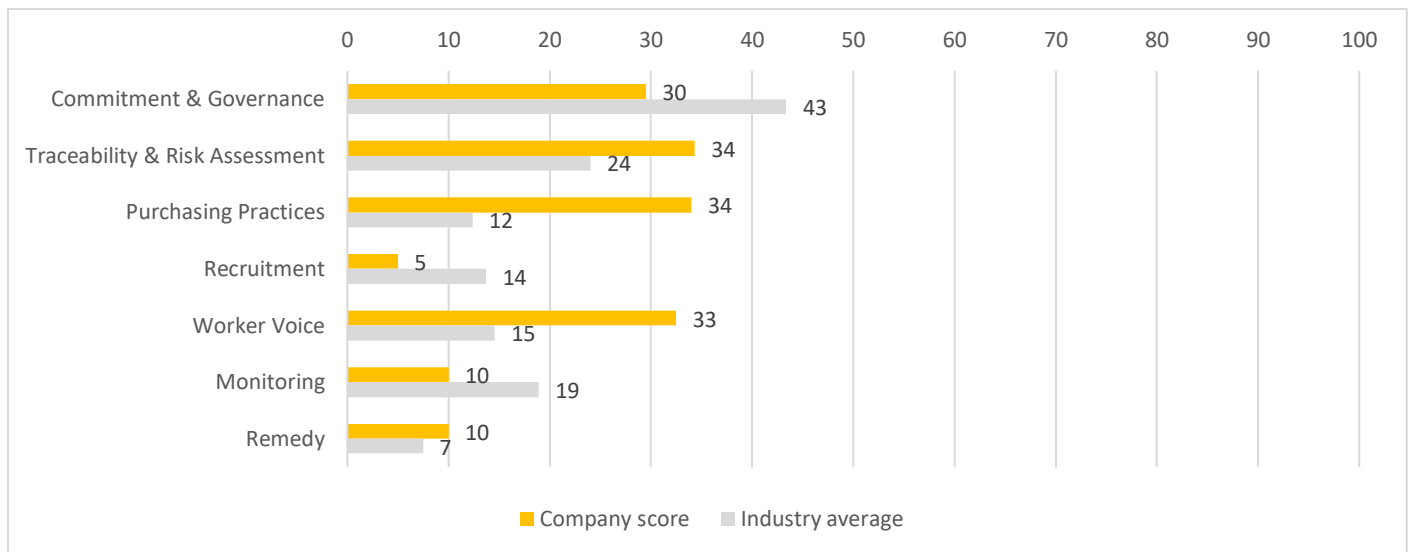
MARKET CAPITALISATION
US\$17.17 billion

HEADQUARTERS
Germany

DISCLOSURES
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: Not applicable

Australia Modern Slavery Act: Not applicable

OVERALL RANKING
23 out of 65
[2021 Rank:](#) 25 out of 37

OVERALL SCORE
24 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

Yes (one data point)

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK RAW MATERIALS¹
 Cotton, leather, viscose, wool

SUMMARY

Zalando SE (Zalando), a German online apparel retailer, ranks 23rd out of 65 companies. Compared to 2021 the company improved its rank by two places. This is because the company began disclosing partial detail on its second-tier suppliers and additional information on its risk assessment process. It did not demonstrate improvement across other themes. The company is the third highest scoring online apparel retailer in the benchmark. Its score is based on above average performance across the themes of Traceability & Risk Assessment, Purchasing Practices and Worker Voice. The company performs particularly poorly on the themes of Recruitment and Monitoring: it does not demonstrate the implementation of policies that prohibit migrant worker fees or evidence of fee repayment in practice, and it did not publicly disclose the findings of its monitoring reports.

The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company is a member of [ACT](#) (Action, Collaboration, Transformation), the company is encouraged to provide detail on the steps it has taken to adopt responsible purchasing practices as a result of its membership. To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment, and disclose quantitative data evidencing the implementation of responsible purchasing practices. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: While the company discloses a policy that prohibits recruitment fees in its supply chains, it is encouraged to strengthen its policy by requiring that such fees be paid by the employer (“Employer Pays Principle”). It is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

Remedy: While the company provides some information on its process to ensure that remedy is provided to workers in its supply chains in cases of forced labour, it is encouraged to disclose more granular information on responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers’ workers.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain’s 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company’s positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).