



Sustainable Sourcing Policy

- Third-party brand and retail partners -

EFFECTIVE FROM: March 1, 2023

VERSION: 1.0

RESPONSIBLE DEPARTMENT: Buying and Procurement Department

Explanation of terms

The following definitions and classification offer guidance concerning the meaning of the policy's content and wording. Next to defining repetitive wordings, the applied classification of requirement and compliance levels is also outlined.

Definitions

Business Partner

In this policy, the term "**Business Partner**" includes all third-party brand partners and retail partners that ABOUT YOU has a direct business relationship with and sources products from. All private label suppliers and Second Love partners are excluded.

More sustainable

"**More sustainable**" is an attribute given to the alternative which proves to have a more positive environmental and/ or social impact than the conventional option.

Tier 1-3 Factories

"**Tier 1 Factories**" include the facilities for product assembly, product preparation and coloration, product printing, product washing and finishing. "**Tier 2 Factories**" include the facilities for textile/ material formation, coloring and finishing, parts and trims, and tanning. "**Tier 3 Factories**" include the facilities for raw material processing, such as fiber production, yarn spinning, down/ hide finishing, and plastic pellet creation.

Scope 1-3

"**Scope 1**" includes the direct emissions from operations such as fossil fuel combustion (boilers, vehicles, etc.). "**Scope 2**" includes indirect GHG emissions associated with purchased heating, electricity, steam, or cooling. "**Scope 3**" includes the indirect emissions in the own supply chain outside of the organization.

Documentary Proof

"**Documentary Proof**" refers to all necessary proofs expected upon request to officially confirm Business Partners' compliance with the **Sustainable Sourcing Policy**. The required proofs are further specified in the respective chapters and include, but are not limited to, country of origin (COO), third-party documentation, or supplier declarations.

Requirement & compliance levels

Requirement

"**Requirements**" are the foundation on which the partnership between ABOUT YOU and Business Partners is currently based.

Goal

"**Goals**" define the future requirements, which we expect Business Partners to adopt and demonstrate progress towards by 2025.

Should and encourage

Requirements and Goals labeled with "**should**" or "**encourage**" are to be seen as firm recommendations by ABOUT YOU to Business Partners. Goals and Requirements as such are not mandatory, but we urge Business Partners to seek compliance with them as they offer guidance to ensure continuous progress within their operations.



Must

Requirements and Goals labeled with “**must**” are mandatory for all Business Partners. Proof of the compliance for each mandatory goal or requirement must be provided by the Business Partner upon request. An internal escalation process for non-compliant Business Partners is established. Non-compliance may result in the review and discussions on the commercial conditions of the supplier relationship up to the extraordinary termination of the business relationship.

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1. Purpose and audience

ABOUT YOU Holding SE, ABOUT YOU SE & Co. KG, and its affiliates (hereinafter "**ABOUT YOU**" and "**we**") assume responsibility for the planet and people to become a *more sustainable* fashion e-commerce platform of scale. This translates into our commitment to a net positive environmental impact and the management of social risks by acting more ethically, transparently, and responsibly. We collaborate with industry peers and partners, work with existing environmental, social, and governance (ESG) frameworks, and aim for industry alignment.

At ABOUT YOU, we are aware that this is also reflected in the products sold on our e-commerce platform. With this policy ("**Sustainable Sourcing Policy**"), we set current and future sourcing requirements for Business Partners and products sold on the ABOUT YOU e-commerce platform to actively shape our assortment and our impact on the environment and people.

We plan to review this Sustainable Sourcing Policy continuously and update it if necessary. The Sustainable Sourcing Policy supplements the provisions of our Business Code of Conduct¹.

The Sustainable Sourcing Policy applies to our Business Partners. This Sustainable Sourcing Policy excludes all private label suppliers as they have to abide by additional standards specified in our Private Label Sustainable Sourcing Policy. Excluded are also all second-hand products offered in ABOUT YOU's Second Love category. This policy is **effective from March 1, 2023** and applies to Business Partners from that date onwards.

¹ ABOUT YOU (2021) - ABOUT YOU Business Code of Conduct

2. General principles and requirements

2.1. Overview

The following table summarizes all Requirements to be imposed at Business Partner level. It also offers guidance on the additional 2025 Goals that we have identified as essential for the development of the Business Partner and its supply relationship with ABOUT YOU.

Generally, we encourage Business Partners to follow the [Sustainable Terms of Trade Initiative](#) (STTI) guidance for all purchasing and sourcing decisions².

Criteria	Requirements	Goals 2025
Transparency & traceability	Business Partners should strive to increase supply chain transparency continuously.	Business Partners should have full supply chain transparency (100%) within Tier 1 and 2 Factories.
Risk management	Business Partners should conduct an environmental and social risk assessment at least every two years.	Business Partners should track developments of their environmental and social risk assessment at least every two years and adhere to the industry standards and goals.
GHG emissions & science-based targets (SBT)	Business Partners should analyze and reduce greenhouse gas (GHG) emissions. Public disclosure of progress is encouraged. Business Partners should set science-based targets and receive approval by the Science Based Targets initiative.	No additional Goals apply.
Higg Brand & Retail Module (Higg BRM)	Business Partners should complete the Higg BRM, verify their results and share them with ABOUT YOU annually.	No additional Goals apply.

2.2. Transparency and traceability

One of the main challenges as a retailer is ensuring transparency across the whole supply chain. We believe in transparency to enable traceability - internal and external - and have therefore set the goal to improve both. Transparency and traceability are the basis to identify any human rights and environmental risks arising from business activities. Therefore, they can be a powerful driver of transformative change towards more sustainable, accountable, and fair fashion supply chains.

To achieve transparency throughout the supply chain, we rely on Business Partners' cooperation. Supply chain transparency should focus on each step of the supply chain including but not limited to raw materials, material and product manufacturing, transportation, warehousing, and point of sale.

² STTI (2022) - A unique, global manufacturer driven initiative focused on creating fairer purchasing practices in the textile and garment industry.

Requirements

Business Partners **should** strive to **increase supply chain transparency within Tier 1 to 3 Factories** continuously.

Goals

Business Partners should have full supply chain transparency (100%) within Tier 1 and 2 Factories by 2025.

2.3. Risk management

Risk management systems serve companies to identify environmental and social risks in their supply chain and prioritize them based on their nature, likelihood, and severity. An adequate risk management system enables companies to prevent or mitigate the potential and prevailing risks in their supply chains, hence improving their environmental and social impact.

Requirements

Business Partners **should conduct an environmental and social risk assessment** at least every two years. Along the supply chain, the risk assessment should include the perspectives of Business Partners' stakeholders and should be implemented as the basis for the management of environmental and social risks. Thereby, Business Partners should follow the guidance of the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)³.

Goals

By 2025, the risk assessment **should** be used to **track year over year developments** to mitigate risks and **adhere to standards and goals** aligned within the industry.

2.4. GHG emissions and science-based targets (SBT)

The fashion industry generates significant greenhouse gas (GHG) emissions. A management program consists of three essential building blocks: 1) Continuous assessment of GHG emissions in a company's own operation and supply chain; 2) Based on that setting targets to reduce GHG emissions; 3) Public reporting on progress.

The Science Based Targets initiative (SBTi) is a multistakeholder initiative that works with companies to set ambitious targets to reduce GHG emissions in line with the 1.5 °C pathway outlined in the Paris Agreement.

Requirements

Business Partners **should analyze greenhouse gas (GHG) emissions** of their own operations (Scope 1 & 2) and their supply chain (Scope 3). Business Partners are **encouraged to reduce GHG emissions continuously**, and **publicly disclose their progress annually**.

All Business Partners should **set Science-Based Targets (SBT)** and receive approval by the [Science Based Targets initiative](#) (SBTi)⁴. The **publication of targets and progress towards targets is encouraged**.

2.5. Higg Brand & Retail Module (Higg BRM)

As a member of the [Sustainable Apparel Coalition](#)⁵, we work with global consumer goods industry's leading companies to develop the [Higg Index](#), a suite of sustainability self-

³ OECD (2018) - OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

⁴ SBTi (2022) - Science Based Targets: Driving Ambitious Corporate Climate Action

⁵ SAC (2022) - A Coalition For Collective Action

assessment tools that measure social and environmental supply chain impacts in a standardized way⁶.

The Higg Brand and Retail Module (Higg BRM) helps brands and retailers assess their sustainability risks comprehensively and drive continuous improvements. Across the supply chain segments, the Higg BRM measures a business' overall sustainability performance. The module identifies sustainability risks, impacts, and opportunities along the global supply chain and helps brands and retailers align sustainability strategies and goals⁷.

Requirements

Business Partners **should complete and share the Higg BRM** with ABOUT YOU annually. Business Partners are also encouraged to verify their Higg BRM results through an approved, independent verifier body.

2.6. Circularity

At ABOUT YOU, we believe that extending the life of products by deviating from the linear model is key in transitioning into a *more sustainable* future within the textile and footwear industry. Therefore, we encourage Business Partners to rethink their business model to include circular business opportunities, such as repurposing, or reselling pre-worn products. These allow for an extension of product and fabric life cycles and help us to reduce resource consumption.

3. Product requirements

3.1. Overview

The following table summarizes the product-level Requirements and additional Goals for Business Partners. Further details can be found below.

Criteria	Requirements	Goals 2025
Manufacturing processes	Products must be compliant with EU REACH regulations ⁸ and all applicable international markets' standards. Business Partners must set up chemical management systems and ban sandblasting.	In addition to the Requirements, Business Partners should show progress in eliminating the release of hazardous chemicals. Further, Business Partners should establish strategies and action plans to reduce the environmental impact of the supply chain.
Cotton and other natural fibers	The sourcing of cotton from Turkmenistan, Syria, or the Xinjiang region in China is prohibited.	Business Partners should source at least 50% cotton (by volume) sustainably. Public targets and annual reporting of progress should be established. Sourcing more sustainably sourced natural fibers wherever possible is encouraged.
Synthetic fibers	Business Partners should continuously decrease the amount of conventional	In addition to the Requirements, Business Partners should substitute

⁶ SAC (2022) – The Higg Index
⁷ SAC (2022) - Higg Brand & Retail Module
⁸ ECHA (2007) - Understanding REACH

	synthetic fibers.	min. 50% of polyester (by volume) with recycled fibers. Public targets and annual reporting of reducing synthetic fibers should be established.
Forest fibers	Business Partners should show progress towards eliminating conventionally sourced man-made cellulosic fibers (MMCF). The sale of products from species listed on IUCN and CITES is prohibited. Upon request, key sourcing information must be provided ⁹ .	Business Partners should source 100% of MMCF (by volume) from low-risk suppliers. Business Partners should source 100% of wood, paper, cork, and caoutchouc (by volume) sustainably.
Innovative fibers	Business Partners should explore the environmental benefits of <i>more sustainable</i> , innovative materials compared to conventional fibers.	Business Partners should increasingly use more innovative, <i>more sustainable</i> fibers and materials.
Metal and jewelry	Business Partners must comply with EU REACH regulations. Business Partners should demonstrate progress towards <i>more sustainable</i> sourcing.	Traceability should be ensured. Diamonds should be compliant with KPCS ¹⁰ and WDCSW . Business Partners should have public targets for <i>more sustainable</i> sourcing of precious materials or stones and monitor annual progress.
Animal welfare	All minimum requirements can be found in our Animal Welfare Policy.	Documentary Proof must be provided upon request to ensure that all wool is mulesing-free. Further, Business Partners should demonstrate progress towards more sustainably sourced wool and hair. Business Partners should source 50% of their feathers and down (by volume) sustainably. Business Partners should source 50% of their leather (by volume) sustainably or demonstrate a significant reduction in the use of leather.
Use of packaging	All packaging must comply with legal requirements regarding recyclability of the packaging act ¹¹ and ABOUT YOU's Order-, Shipping- and Invoicing requirements.	No additional Goals apply.

3.2. Manufacturing processes

The manufacturing processes of textiles involve various environmental risks. Together with Business Partners, we strive to reduce the environmental impact of production by banning

⁹ IUCN (2022) – The IUCN Red List of Threatened Species; CITES (2022) – Checklist of CITES Species

¹⁰ Kimberly Process (2022) - Stronger Together: Stemming the tide in conflict diamonds, to safeguard lives the world over.; World Diamond Council (2022) - System of Warranties

¹¹ Germany's Federal Cabinet (2021) - German Packaging Act - Amendment 2021, Important Modifications

methods that are considered harmful across the industry and by promoting *more sustainable* and innovative production alternatives.

Requirements

We encourage Business Partners to use **Higg FEM** to track and measure the environmental impact of the production facilities along their supply chain.¹²

Goals

In addition to the Requirements, Business Partners **should implement strategies and action plans to reduce the environmental impact** of the supply chain, including, but not limited to, implementing environmental management systems, reducing energy consumption, and transitioning to renewable sources; reducing greenhouse gas emissions, water consumption, solid waste, and wastewater.¹³

Further, Business Partners are **encouraged to continuously reduce the environmental impact** by also transitioning to circular processes within their manufacturing. This includes but is not limited to reusing water, procuring, or generating renewable energy, and minimizing solid waste. Progress should also be tracked by key metrics such as, energy consumption, freshwater use, and waste going to landfills.

3.2.1. Chemical management

Requirements

Business Partners **must have an established chemical management system** to track, control, and steer the use and discharge of (hazardous) chemicals within their supply chain.

The limitations to use certain chemical substances in products of the **EU REACH** regulations apply. All Business Partners **must exercise due diligence testing** to ensure compliance.

Goals

In addition to the Requirements, Business Partners **should demonstrate progress in eliminating the release and/or use of hazardous chemicals.**

3.2.2. Sandblasting

Sandblasting, also known as abrasive blasting, is a finishing technique used to give denim fabrics (and other apparel) a pre-worn look by projecting sand onto the fabric under high pressure with compressed air. The workers executing this operation are exposed to a significant health risk, since inhaling elements of the sand can lead to silicosis, a potentially fatal lung disease.¹⁴

Requirements

To address this issue, **sandblasting is banned** for all products sold to ABOUT YOU.

3.2.3. Wet processes

Wet processes are mainly used for the purpose of dyeing, printing, and finishing. This production step is a major cause of environmental pollution and the use of resources due to the use of large quantities of water, dyes and chemicals.

Requirements

We **encourage** Business Partners to implement strategies and action plans targeted to **reduce the environmental impact of their wet processes.**

¹² SAC (2022) – Higg Facility Tools

¹³ Higg (2022) - An Introduction to FEM

¹⁴ Fair Trade Center (2010) - Fashion victims – a report on sandblasted denim

3.3. Use of materials

The environmental impact of a product is determined by choice of materials and production processes. Therefore, we set material requirements and goals to reduce the environmental impact and social risks of textile production.

Since a product's material also determines its ability to be functional in a circular supply chain, we encourage Business Partners to reassess their processes to design for circularity. This includes, but is not limited to, exploring reuse solutions for textiles, such as fiber-to-fiber post-consumer recycled materials, limitations of material mixes, and exploring viable material alternatives.

In line with the developments at the EU level, requirements for the physical durability and recyclability of material will be considered further¹⁵.

3.3.1. Cotton and other natural fibers

Cotton

Cotton is one of the most used materials in the textile industry. Growing cotton conventionally is very resource-intensive and often involves numerous environmental and/or social issues¹⁶.

Requirements

In line with our Business Code of Conduct, **cotton from countries with credible reports of forced labor is banned**. Based on this, sourcing cotton from **Turkmenistan and the Xinjiang region in China**¹⁷ is prohibited. Sourcing cotton from **Syria is also banned** due to the ongoing political instability and heightened risk of human rights violations against workers¹⁸.

If sourcing cotton from current high-risk regions, we encourage Business Partners to **establish thorough human rights due diligence processes** based on the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)¹⁹. High-risk regions are defined in the [Global Forced Labour Risk Assessment](#) by the [Better Cotton Initiative](#)²⁰, the [Material Change Insights Report](#) by Textile Exchange²¹, the [MVO NEDERLAND' risk checker](#)²², or the annual [Countries' Risk Classification](#) by [amfori](#)²³,

Goals

Business Partners **should** source at least **50% more sustainable cotton** (by volume), based on the definition the [CottonUP Guide](#)²⁴ and [Textile Exchange's Sustainable Cotton Matrix](#)²⁵. Business Partners **should set public targets** for the transition to more sustainably sourced cotton.

Other natural fibers

Next to cotton, we procure products made of other natural fibers, including, but not limited to, hemp, organic linen, and jute. Their cultivation is less resource-intensive than for

¹⁵ The Policy Hub – Circularity for Apparel and Footwear (2021) - Sustainable Product Policy – Setting Design Requirements for Apparel and Footwear, Position Paper (Summary)

¹⁶ Textile Exchange (2019) - How companies can source cotton more sustainably

¹⁷ Fashion Revolution(2022) - Fashion Transparency Index

¹⁸ amfori BSCI (2022) - Countries' Risk Classification

¹⁹ OECD (2018) - OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

²⁰ BCI (2021) - Global Forced Labour Risk Assessment Methodology

²¹ Textile Exchange (2021) - Preferred Fiber & Materials Market Report 2021

²² MVO Netherland (2022) – Risk Checker World Map

²³ Amfori (2022) - Countries' Risk Classification

²⁴ Cotton 2040 (2018) – Cotton Up: A Practical Guide to Sourcing More Sustainable Cotton

²⁵ Textile Exchange (2022) - Sustainable Cotton Matrix

example conventional cotton, and no pesticides or fertilizers must be used²⁶. Due to this and additional other advantages, they are valuable alternatives to conventionally grown cotton or synthetic fibers.

Goals

We **encourage** Business Partners to choose **more sustainably sourced natural fibers wherever possible**.

3.3.2. Synthetic fibers

Synthetic fibers (such as polyester and polyamide) are commonly made from non-renewable fossil fuels. Their manufacturing accounts for a considerable amount of resources and energy²⁷. Hence, we are dedicated to increasing the recycled share of synthetics and promoting innovative alternatives.

Requirements

Business Partners **should increasingly replace conventional synthetic fibers** with more sustainable or recycled alternatives wherever possible.

Goals

Business Partners **should** replace **at least 50% conventional synthetic fibers (by volume)** with recycled fibers. Business Partners **should** set **public targets** for sourcing renewable or recycled fibers. The use of fiber-to-fiber recycled fibers, bio-based synthetics or other innovative fibers is encouraged.

3.3.3. Forest fibers

Man-made cellulosic fibers (MMCF)

Regenerated or man-made cellulosic fibers (MMCF) for textiles are made from dissolved wood pulp (cellulose) and turned into semi-synthetic fibers in energy and chemical-intensive processes²⁸. Since MMCF are from a renewable resource, they have the potential to be a more sustainable option but still bear environmental risks associated with logging. We believe in their potential and are determined to contribute to their risk reductions by selling more sustainable alternatives.

Requirements

The sourcing and sale of **MMCF from certain wood types** listed on IUCN and CITES is **prohibited**²⁹. Business Partners should also progress in excluding suppliers from their supply chain, with a high risk of sourcing from endangered and/ or ancient forests, as defined by Canopy³⁰.

Traceability must be ensured. Upon request, we expect Business Partners to share key sourcing information, including Documentary Proof with traceable information.

Goals

Business Partners **should** source **100% of MMCF (by volume) from low-risk suppliers**. Suppliers are defined as low risk upon achievement of "green shirt status"³¹ in the Canopy's Hot Button Ranking³².

²⁶ The Sustainable Fashion Collective (2015) - Jute - Why is it a sustainable fibre?

²⁷ Subramanian Senthilkannan Muthu (2020) - Assessing the Environmental Impact of Textiles and the Clothing Supply Chain (Second Edition), Chapter 1.7 - The production of synthetic fibres

²⁸ Textile Exchange (2019) - How companies can source manmade cellulose more sustainably

²⁹ IUCN (2022) – The IUCN Red List of Threatened Species; CITES (2022) – Checklist of CITES Species

³⁰ Canopy (2022) - Ancient and Endangered forests of the world

³¹ Minimum score of 20 buttons

³² Canopy (2021) - The Hot Button Report

Business Partners **should** also aim to **only use MMCF producers with environmentally friendly practices**, such as the 'closed-loop' manufacturing system, aligned with the roadmap to responsible viscose and modal fiber production. The [Changing Markets Foundation](#)³³ developed the roadmap to provide a guideline on how to shift towards the [EU Best Available Techniques \(BAT\)](#)³⁴.

Other forest fibers

Next to MMCF, we also procure products made from other forest derived fibers, including, but not limited to, cork and caoutchouc. Business Partners are encouraged to apply responsible forestry practices and increase their use of recycled forest content.

Requirements

The sourcing and sale of products made from certain **wood types listed on IUCN and CITES is prohibited**³⁵.

Upon request, Business Partners **must share key sourcing information** including the species name (common and Latin) and country of origin.

Goals

Business Partners **should source 100% of paper, wood, cork, and caoutchouc (by volume) more sustainably**. This includes, but is not limited to, fiber and product level certifications, like [FSC](#)³⁶, [PEFC](#)³⁷, [RCS](#) and [GRS](#) by Textile Exchange³⁸, [LENZING](#)³⁹, recycled sources, and agricultural crop residues. Documentary Proof is expected upon request.

3.3.4. Innovative fibers

We believe that it is important to promote the development and share of more sustainable innovative fibers that provide new opportunities in the responsible use of materials.

Requirements

Business Partners **should explore** the environmental benefits of more sustainable, **innovative fibers** compared to conventional fibers. To be considered an innovative fiber, fibers must have an **environmental advantage** compared to the conventional counterpart that they are substituting.

Goals

Business Partners are **encouraged to use more sustainable, innovative fibers**.

3.3.5. Metal and jewelry

The exploitation and production of jewelry, metal, and stones materials holds various environmental and social risks⁴⁰. Hence, we only sell products of Business Partners that are conscious of their responsibility attached to sourcing such materials.

³³ Changing Markets Foundation (2022) - The Changing Markets Foundation partners with NGOs on market focused campaigns.

³⁴ European Commission (2022) - Sustainable production: best available techniques

³⁵ IUCN (2022) – The IUCN Red List of Threatened Species; CITES (2022) – Checklist of CITES Species

³⁶ FSC (2022) - The future of forests is in our hands

³⁷ PEFC (2022) - Rubber is Everywhere. PEFC is, Too.

³⁸ Textile Exchange (2022) - Recycled Claim Standard (RCS) + Global Recycled Standard (GRS)

³⁹ Lenzing AG (2022) – Innovative by nature

⁴⁰ German Environment Agency (2017) - Responsible mining? Challenges, perspectives and approaches, Summary of the findings of the research project „Approaches to reducing negative environmental and social impacts in the production of raw materials (UmSoRes)“

Requirements

Business Partners **must comply with EU REACH regulations**⁴¹ and all respective **nationally applicable regulations**. Business Partners **should** also demonstrate progress towards **more sustainable sourcing** of precious metals and stones.

Goals

Business Partners **should ensure traceability** for all key raw materials used in metal products. Business Partners selling diamonds should comply with the Kimberley Process Certification Scheme and the World Diamond Council's System of Warranties⁴².

Additionally, Business Partners that are selling jewelry, metal, or stones **should set public targets** for more sustainable sourcing of metal and stones (such as Fairminded Standard⁴³, Responsible Jewellery Council⁴⁴, or the certification of mines) and monitor annual progress.

3.3.6. Animal-derived materials

We recognize our responsibility as a retailer to guarantee high animal welfare standards when sourcing animal-derived material and establish compliance mechanisms for all business transactions.

For ABOUT YOU, the recommendations on animal welfare set out by the World Organisation for Animal Health (WOAH) in their Animal Health Codes⁴⁵ and the Farm Animal Welfare Committee (FAWC)⁴⁶ are at the core of preserving animal welfare. This foundation is substantiated by additional principles, set by us, to increase comprehensiveness. The sale of products with animal-derived materials is generally permitted.

Requirements

Business Partners **must** observe requirements and principles concerning animal-derived materials which can be found in our Animal Welfare Policy, which is available on our corporate website.

Goals

The use of **mulesing wool will be prohibited** from 2025 onwards. Documentary Proof of compliance must be provided upon request (such as the RWS-certification⁴⁷). Progress towards sustainably sourced (i.e., certified, organic, or recycled) wool and hair should be demonstrated by Business Partners.

Business Partners **should source at least 50% of feathers and down (by volume) more sustainably** (such as RDS⁴⁸, GRS⁴⁹).

Business Partners selling leather products **should either source at least 50% of their leather (by volume) more sustainably** (such as LWG⁵⁰ or recycled) or have the ability to demonstrate a **significant and ongoing reduction in the use of leather**, i.e., through using innovative alternatives.

⁴¹ ECHA (2022) - Substances restricted under REACH

⁴² Kimberly Process (2022) - Stronger Together: Stemming the tide in conflict diamonds, to safeguard lives the world over; World Diamond Council (2022) - System of Warranties

⁴³ Fairminded (2022) - The Fairminded Standard for Gold

⁴⁴ Responsible Jewellery Council (2022) - RJC is the world's leading sustainability standard setting organisation for the jewellery and watch industry.

⁴⁵ World Organisation for Animal Health (2022) – Codes and Manuals

⁴⁶ FAWEC (2012) - The farm animal welfare fact sheet - What is animal welfare?

⁴⁷ Textile Exchange (2022) – Responsible Wool Standard (RWS)

⁴⁸ Textile Exchange (2022) - Responsible Down Standard (RDS)

⁴⁹ Textile Exchange (2022) - Recycled Claim Standard (RCS) + Global Recycled Standard (GRS)

⁵⁰ Leather Working Group (2022) – About Us

3.4. Use of packaging

3.4.1. Inbound packaging

Inbound packaging includes all packaging material used by Business Partners to send products to our warehouses.

Requirements

All packaging **must** comply with the **legal requirements** regarding the recyclability of the packaging act⁵¹.

Business Partners **should use** polybags made of low-density Polyethylene (LDPE) consisting of **at least 80% PCR material**. Business Partners **must provide proof** for the PCR packaging material (such as Blauer Engel⁵², RAL⁵³) upon request. Using Polyvinyl Chloride (PVC) or Polyurethane (PUR) foam in plastic packaging is prohibited.

Business Partners are **encouraged** to use paper and cardboard packaging made of **recycled material** such as FSC-recycled or FSC-mixed quality⁵⁴.

Business Partners **must** follow all additional packaging requirements set out in detail in the ABOUT YOU Order, Shipping and Invoicing Requirements⁵⁵.

3.4.2. Partner packaging

Partner packaging includes all packaging material used by Business Partners to send products directly to consumers after their purchase via the ABOUT YOU e-commerce platform.

Requirements

Business Partners are **encouraged** to **use our packaging** wherever possible. If Business Partners use their **own neutral packaging**, the requirements for inbound packaging (above) apply.

4. Management systems and due diligence

Business Partners are expected to implement the necessary rules and regulations and maintain the appropriate documentation and other suitable processes to ensure compliance with the principles of this Sustainable Sourcing Policy and applicable national and international legislation. This includes an effective monitoring system with clear responsibilities and processes, as well as the appropriate documentation. Monitoring and improving measures are expected to be taken within specified and reasonable timeframes. We reserve the right to obtain more detailed information on the management, monitoring, and auditing systems of our Business Partners.

Business Partners shall establish an appropriate due diligence process for their supply chain. Business Partners must be aware of all plants, locations, and companies in their production network and must be able to provide, upon request, comprehensive and detailed information on the due diligence processes performed in their supply chain. We reserve the right to conduct our own appropriate due diligence on Business Partners and third parties where we believe it necessary to apply our own procedures (such as in the

⁵¹ Germany's Federal Cabinet (2021) - German Packaging Act - Amendment 2021, Important Modifications

⁵² Blauer Engel (2022) – Good for me. Good for the environment.

⁵³ RAL Gütezeichen (2022) – RAL Gütezeichen (Quality Marks)

⁵⁴ FSC (2022) - What's in a label?

⁵⁵ Shared with every Business Partner during onboarding and available in Partner Portal.

absence of due diligence reports or because of significant findings in the course of due diligence).

The direct Business Partner guarantees that ABOUT YOU itself or independent third parties authorized by ABOUT YOU may, if necessary, carry out the verification of compliance with the principles established in accordance with this Sustainable Sourcing Policy at its premises. The Business Partner will designate the workplaces accordingly for this purpose.

If non-compliance is detected, the Business Partner shall be obliged to take appropriate remedial actions without delay. Sufficient time will be granted by ABOUT YOU for the remedial actions. Irrespective of whether the direct Business Partner itself or its agents violate the principles established in this policy and corresponding remedial actions are not taken, the right of extraordinary termination of the business relationship by ABOUT YOU remains unaffected and is not restricted hereby.

5. Compliance and whistleblowing System

We have established a compliance management system to strengthen compliance, prevent compliance violations and, if they do occur, investigate, and sanction them. Any comments or questions regarding the Sustainable Sourcing Policy may be directed to ABOUT YOU.

In addition, we would like to be informed about illegal behavior in our company to be able to clarify and stop such behavior. We therefore encourage anyone to inform us of any legal violations via our special whistleblowing system at [BKMS System](#). We guarantee that all whistleblowers will be treated confidentially. Our whistleblowing system can also be used anonymously. However, we ask you to set up a mailbox at least under a different name that does not allow any conclusions to be drawn to you, so that ABOUT YOU can ask you, if necessary, clarifying questions. Please understand that the whistleblowing system should only be used to report violations of laws, guidelines, policies, or our Code of Conduct. General complaints or product and warranty inquiries will not be processed.

In addition, we expect from our Business Partners to set up their own whistleblowing mechanisms so that violations of the law or of this Sustainable Sourcing Policy can be reported anonymously, while maintaining confidentiality and excluding negative consequences for the whistleblowers.

6. Contact

ABOUT YOU, Domstraße 10, 20095 Hamburg, Germany

Please address your questions to:

Buying & Procurement Department

Team Sustainability

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