

Factory closures

BHRRRC is collecting and publishing an aggregated list of closed factories in the supply chains of 50 global apparel brands.

1.a. Are you keeping a list of factories that have closed in your supply chain since March 2020, (including those that you stopped sourcing from during the pandemic) **Y/N**

b. Is your company willing to share a list of closed factories, including names and addresses? (Please share list here or as an attachment)

c. Are you willing to provide BHRRRC with updated lists in the future? **Y/N**

No, we are not aware of any factory closures due to the COVID-19 pandemic.

Purchasing practices

2. a. Have you implemented a policy specifying that your sourcing team must not ask for price reductions or discounts relative to comparable items from last season? **Y/N**

b. If yes, can you share this policy with BHRRRC?

c. If no, have you implemented any pandemic- related policy designed to ensure your sourcing staff do not pressure suppliers on price or production times and can you share this policy? **Y/N**

Yes, in light of the pandemic, we created a policy around re-negotiations and cancellations in cases where the order is not in process or finished. The policy is in line with Purchasing Practices commitments of [ACT](#), of which we are a signatory, and which includes that we are not canceling any finished or in-process orders, and we continue to pay our suppliers following our general terms. Any actions we take related to the current situation are always aligned with our respective suppliers.

Worker wage and severance payments

3.a Have you received reports of non-payment of full salaries for workers in your supply chain? **Y/N**

b. Is your company actively involved in resolving each of these payment disputes? **Y/N**

4.a. When garment workers lose their jobs, are you monitoring if they are receiving all outstanding wages and legally mandated severance payments? **Y/N**

b. Is your company actively involved in ensuring workers are paid outstanding wages, severance, and benefits? **Y/N**

No, we have not received any reports regarding non-payments of full salaries or severance payments and no such cases were identified during audit procedures. In the event we were to learn about any allegations of non-payment, we would follow-up immediately with the supplier or factory.

Discriminatory dismissals and human rights violations

5.a Have you implemented a pandemic-related policy with your suppliers to ensure vulnerable demographics of workers are not being disproportionately targeted for layoffs (e.g. union members & leaders, pregnant women, migrant workers)? **Y/N**

b. Are you tracking lay-offs and suspensions by demographic? **Y/N**

c. If Y can you provide a list of the categories being monitored?

d. If N, what steps are you taking to ensure discriminatory dismissals are not being carried out?

6.a Are there one or more factories supplying your company where advocates have alleged workers have been criminally charged or imprisoned in violation of their human rights (freedom of expression, freedom of assembly & association, collective bargaining etc.)? Y/N

b. In all such cases, have all workers been released from custody with all charges dropped? Y/N

No, we have not received any reports with regards to discriminatory dismissals or alleged human rights violations and no such cases were identified during audit procedures. In the event we were to learn about any allegations of discriminatory dismissals or human rights violations, we would follow-up immediately with the supplier or factory.

Questions included in previous questionnaire, please provide current responses:

7. a. What were your payment times prior to the pandemic (in days)?

On average we are paying within 60 days. The maximum period is 90 days after shipment.

b. Have you extended these payment times for the current pandemic period? Y/N

No, we have not extended any payment terms to our suppliers. In specific cases we have offered the possibility to quicker payment for the suppliers that were in a strong need of it. We also offer: 1) letters of credit to the suppliers that would prefer this payment option 2) Pre-mature settlement for the suppliers with longer payment days (60 or 90 days) meaning that the supplier can get the money at sight based on European interest rates from our bank.

The endorsed International Labor Organization's (ILO) [Call to Action](#) also contemplates the commitment of the organizations on a joint effort to engage with financial institutions, governments and donors, to support rapid and innovative fund-mobilization through emergency relief funds, credit and short-term loans to provide quick income-support to workers and individuals.

c. What are the maximum number of days from invoice date within which you pay your suppliers currently (e.g. 30, 60, 90, 180 days)?

On average we are paying within 60 days. The maximum period is 90 days after shipment.

8. Have you committed to pay in full for all in-production and completed orders? Y/N

As we are one of the signatory brands of [ACT](#), we are following their Purchasing Practices commitments in times of COVID-19, which includes that we are not canceling any finished or in-process orders, and we continue to pay our suppliers following our general terms. Any actions we take related to the current situation are always aligned with our respective suppliers.

Zalando also has endorsed the International Labor Organization's (ILO) [Call to Action](#) in support of developing a global garment industry response towards the COVID-19 supply chain impacts. A key piece of this commitment is to fully pay our suppliers for any finished goods and goods in production.

9. Have you requested a discount for any orders? Y/N

10. Are you supporting suppliers with access to local finance with a letter of credit or through other means? Y/N

No, we have followed our general rule and we always paid the price initially agreed. In addition, during COVID-19 outbreak we have remained very flexible lifting production delay penalties to suppliers that 1) close down factories due to country regulations 2) were not able to get materials for production from other countries affected by COVID-19 restrictions.

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