# do.BETTER Diversity & Inclusion Report 2023



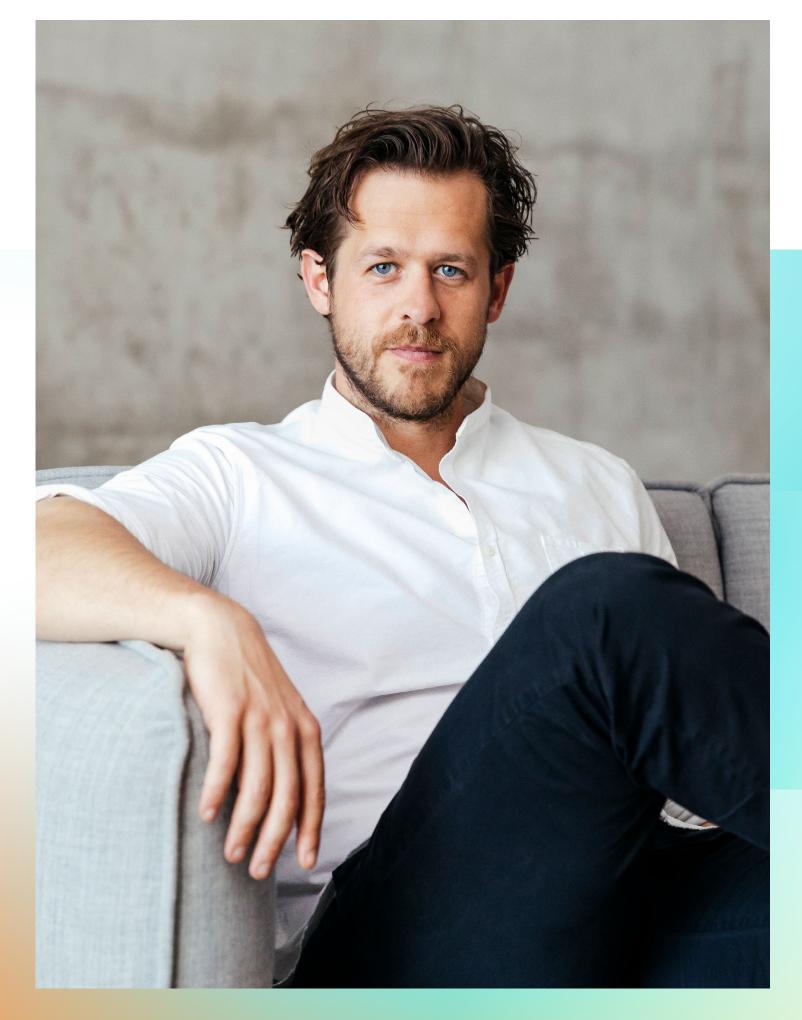
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# Embedding D&I into the heart of Zalando

As the leading European e-commerce destination for fashion and lifestyle, personal expression is our starting ground. We want to empower our customers to express themselves fully through fashion. With this in mind, we foster an internal environment where our colleagues feel embraced and included. This enables us to develop inclusive experiences that resonate with our customers and partners. It's an approach we call inclusive by design – weaving Diversity and Inclusion (D&I) into every aspect of our business, in our teams, strategies, concepts, and features.

In this report, we want to highlight some of our major achievements of 2023, sharing our observations from a year when we embedded best practices across different D&I dimensions, as well as communicate our plans for the future. Based on customer feedback since the successful launch of our Adaptive Fashion collections last year, we



Robert Gentz Co-CEO, Zalando SE

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have worked hard on improving the digital customer experience on our Adaptive Fashion hub. This hub showcases clothing, footwear or accessories that cater to the disabled community, as these items are specifically designed to improve accessibility and provide independence for people living with permanent or temporary disabilities. Over the last year, we have been developing detailed Product Detail Pages (PDPs) that illustrate and describe adaptive features on products, and creating Adaptive Fashion search filters for magnetic buttons, pull-up loops or one-handed zippers to make the browsing and assessing of the assortment easier.

In 2023, we also made progress towards our goal of more authentic representation on our platform by developing and updating clear product, content and brand guidelines for our creative teams and partners. These guidelines provide direction on how to portray fashion in an inclusive way across our campaigns and assortments. By challenging historical beauty standards regarding scars, body hair or acne and by color-grading images to respect all skin tones, we aim to celebrate what makes every individual unique.

We also launched our first Disability Inclusion Action Plan in 2023, in which we outline various measures to help overcome stigma and the exclusion of disabled people from and in the workplace. We are committed to creating an accessible and welcoming working environment where everyone can fulfill their potential.

Zalando's story is one of collective success – a 15-year transformation from our Berlin roots to today's expansion across various German and European locations. In 2023, we combined the teams working on the

"We believe that an integrated, holistic approach will accelerate our efforts toward lasting change, both for Zalando and the wider fashion industry."

**Robert Gentz** 

Co-CEO, Zalando SE

Sustainability and D&I strategies and embedded them into the strategic heart of the organization as part of the Corporate Development team. This team is tasked to harmonize goals across departments and achieve a more aligned strategic execution that will help future proof the organization. We believe that an integrated, holistic approach will accelerate our efforts toward lasting change, both for Zalando and the wider fashion industry. In parallel, we conducted a program to reduce complexity throughout the organization. While these transformations have contributed to slower progress on certain commitments temporarily, they will better equip Zalando to drive consistent progress on D&I in the long term.

I strongly believe that the diversity of our 15,000 colleagues representing 140 nationalities worldwide makes us who we are as a company, a culture, and a community. Because of this, we affirm our unwavering commitment to diversity, inclusion, openness and equal opportunity, and we reject anything that opposes these values. I'm very proud of every colleague who challenged the status quo and contributed to driving progress on our commitments.

I now cordially invite you to read the report and navigate this journey with us.

**Robert Gentz** 

Co-CEO, Zalando SE

## Our do.BETTER strategy

In 2021, we published our <u>do.BETTER strategy</u>, reflecting our desire to build a company in which respect and inclusive behavior are second nature. The strategy defines 12 diversity and inclusion commitments driven by four pillars: talent, leadership, customer, and partner. The commitments aim to create an inclusive workplace for our talents, strengthen leadership accountability and diversity, provide inclusive experiences for our customers, and promote D&I in the wider fashion industry together with our partners.

In 2023, we decided to bring together our Sustainability and D&I teams under one strategic umbrella, and merge it with the Corporate Development team. This synergistic approach creates a stronger, more holistic path toward achieving our goals in areas that are pivotal for positive transformation at Zalando and beyond. Together, these teams will set the overall business strategy and work alongside Zalando's

business units (BUs) to integrate our policies, processes, and values. To ensure consistency, the D&I and Sustainability Committee of the Supervisory Board meet twice a year to review the company's D&I-related topics and strategy.

Beyond our dedicated D&I teams, we believe that D&I at Zalando is everyone's responsibility. For each of our 12 commitments, we have sponsors and teams across the business working on them as part of their formalized work agreement. This way, our D&I ambitions are embedded into daily life at Zalando, enhancing our internal culture. We want to integrate inclusion into everything we do — we call this being **inclusive by design**.

In this report, we outline the progress we have made on our commitments in the chapters on talent & leadership and customer & partner. We invite you to discover more about our work and projects by reading <u>interviews with Zalando colleagues</u> that mark the performance within our commitments.

### Our commitments

#### Talent & leadership

#### 01 Women in tech

By 2023, we will increase the share of women in tech job families to 40–60%.

#### 02 Women in leadership

By 2023, we will increase the share of women in each of our five<sup>2</sup> top leadership levels to 40–60%.<sup>3</sup>

#### 03 Disability inclusion

By 2025, employees who self-identify as having a disability feel included and supported as measured by the Zalando Inclusion Index.

#### 04 D&I action plans

From 2022 onwards, we will have Diversity and Inclusion action plans in all business units.

#### 05 Inclusive policies and practices

By 2025, we will ensure equity in policies and practices (hiring, promotion, development) by conducting audits to proactively identify and eliminate biases and systematic barriers.<sup>4</sup>

#### 06 Inclusive leadership

By 2025, all leaders will champion Diversity and Inclusion in the way they lead people and teams.

#### 07 Cultural diversity and intersectionality

By 2025, we commit to broaden the representation of visible and invisible diversity dimensions and backgrounds in our senior leadership levels.

#### Customer & partner

#### 08 Inclusive assortment

By 2025, we commit to offer a truly diverse assortment for underrepresented groups<sup>5</sup> by providing product choices and thoughtful experiences in every category across price, size and style.

#### 09 Diverse partner portfolio

By 2025, we will be the European e-commerce partner of choice for brands and retailers that serve or stem from underrepresented groups.

#### 10 Inclusive experience

By 2025, we commit to provide an equally accessible, relevant and welcoming digital

experience for customers from underrepresented groups and regularly evaluate our digital experience by an independent external panel.

#### 11 Representative content

By 2023, our customer experience and communications reflect and celebrate diversity through our visuals, language, and narratives — we also encourage and support our partners to do the same.

#### 12 D&I partnerships

By 2025, we will be a central collaboration point in fashion, bringing together brands, retailers, NGOs, academia, community thought-leaders, and members of the media to systematically empower and amplify underrepresented voices in the industry.

<sup>1</sup> By setting a corridor for this target we aim to achieve a balanced representation of both women and men, hence a share of 40–60% for both genders.

We included the Supervisory Board level in external communication of the goal to achieve a share of 40–60% in each of the top six leadership levels. We focus now only on leadership levels within Zalando where specific internal support measures apply.

<sup>3</sup> By setting a corridor for this target we aim to achieve a balanced representation of both women and men, hence a share of 40–60% for both genders.

<sup>4</sup> Equity refers to the act of ensuring that processes and programs are impartial and fair, and that they provide equal possible outcomes for every individual.

<sup>5</sup> Underrepresented refers to a person or group of people who are insufficiently or inadequately represented – in this specific case, referring to the fashion industry across Europe.

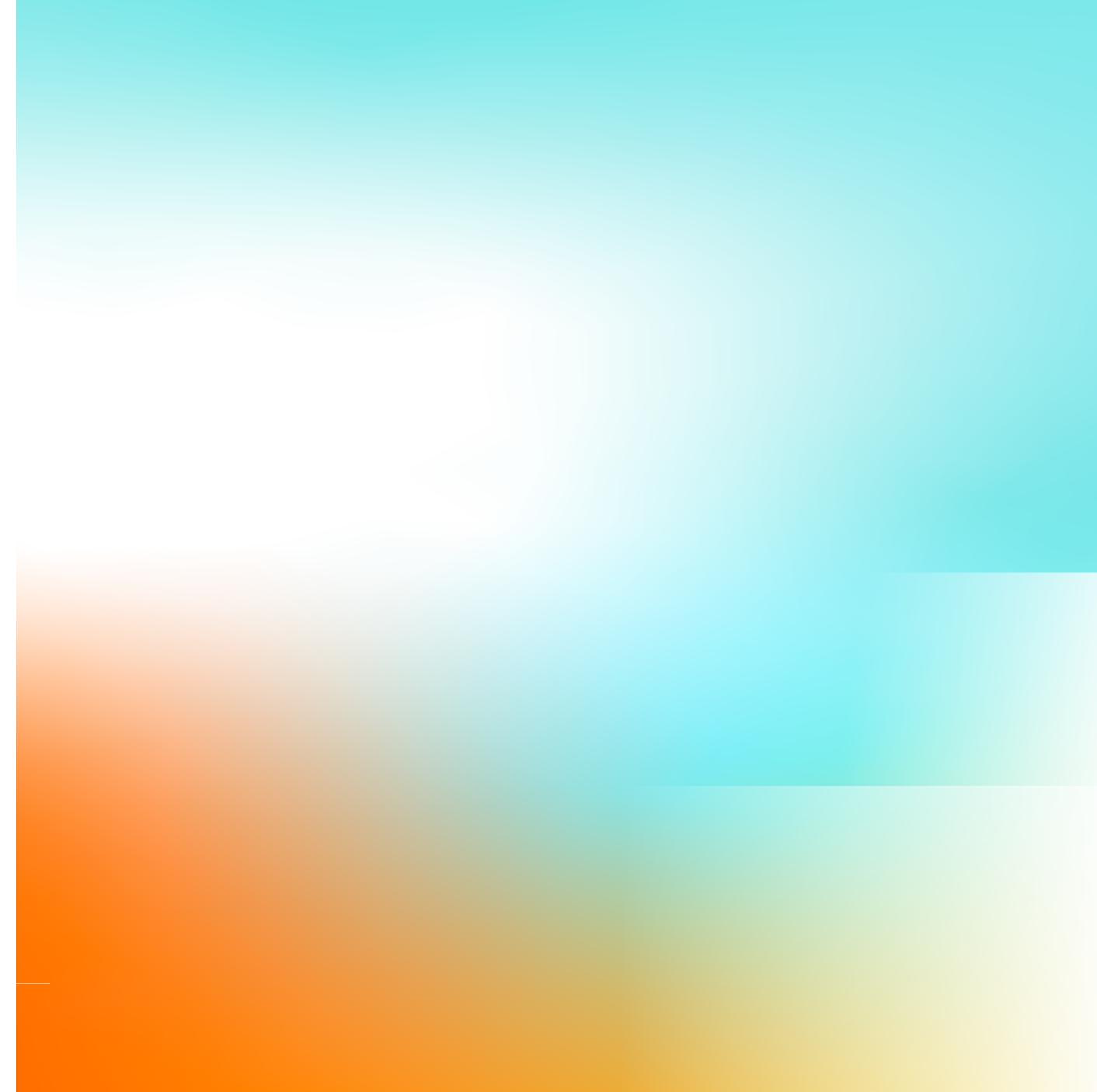
## Talent & leadership

Our work starts from within. To cultivate an inclusive workplace that provides support, accessibility and equitable opportunities, we depend on our leadership to model a culture in which employees feel valued and heard.

Zalando's talent and leadership pillars are expertly guided. Our People and Organization (P&O) teams update and improve policies, best practices and toolkits to support our employees on their personal journey to creating a more inclusive culture.

To illustrate our progress, we have clustered the commitments by topic area: our people at Zalando, and projects that drive impact towards gender equity, disability inclusion, and inclusive culture.



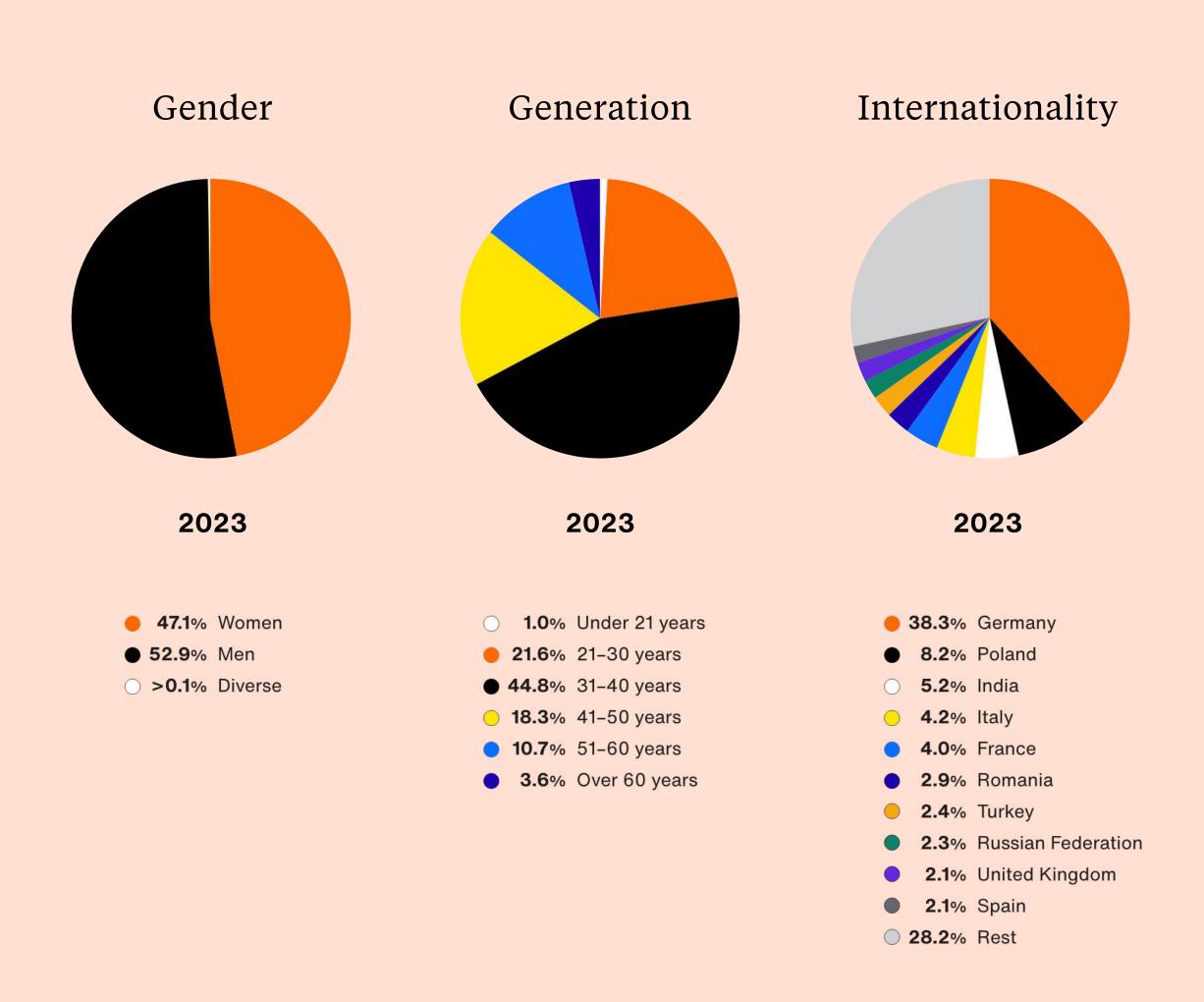


## Our people at Zalando

Zalando began as a Berlin-based online shoe retailer in 2008 and has since grown into the leading multi-brand fashion destination in Europe. With offices and tech hubs in eight locations, a logistics network of 12 fulfillment centers across Europe and 15 outlet stores across Germany, we serve around 50 million customers in 25 European markets.

Our business attracts talent from around the globe, with our colleagues representing more than 140 nationalities worldwide. We are proud of the growing diversity within the Zalando community of around 15,000 employees.<sup>6</sup>

#### **Employee demographics**



<sup>6</sup> All employee-related data is now collected and reported per calendar year and therefore may differ from previous reports. It excludes employees at Highsnobiety. To acknowledge that some of our D&I initiatives involve early-career hiring, we've included apprentices, working students and interns.

## Gender equity

In this section, we share our commitments toward gender equity. Women account for almost half (47.4%) of our workforce and the overall population. We therefore want to work proactively to support women's advancement through equal opportunities, mentorship, fair pay, and by mitigating bias.

Our commitments were written in the binary sense. However, our dedication to D&I includes recognizing gender identity beyond the binary and taking an intersectional approach toward our strategies and interventions internally at Zalando. This for example means that when we design interventions to boost the number of women who are working in tech, we design them for all those who identify as women.

#### Gender wage gap

At Zalando group level,<sup>7</sup> when comparing the wage gap between women and men in similar positions (roles with similar working hours, tenure, location, and age), our adjusted gender wage gap is at 1.1%. The Zalando group includes all entities such as our HQ, logistics centers, outlet stores across Germany, and our tech hubs in other European cities.



When comparing women and men independently of their roles and any other factors, the unadjusted wage gap is 14.4%. This figure reflects the fact that there are currently more men than women employed in jobs paying higher salaries, referring to leadership positions or job families like tech. Our efforts within the D&I strategy to increase the share of women both in leadership and tech job families aim to narrow this unadjusted wage gap in the long term.

For comparison, the unadjusted gender wage gap in Germany's private sector was 19% in 2023, with significant variations across sectors. For example, transportation and storage averaged 1%, wholesale

and retail trade averaged 21%, information and communication averaged 21%, and professional, scientific, and technical averaged 26%.<sup>9</sup>

#### Women in tech

Our commitment: By 2023, we will increase the share of women in tech job families to 40–60%.<sup>10</sup>

At Zalando, we're striving to achieve a balanced representation of all genders in our workforce. We are especially committed to improving gender representation within our tech job families, understanding that gender-balanced teams will positively impact our ability to build inclusive technologies. Tech job families account for 3,075<sup>11</sup> positions at Zalando.

<sup>7</sup> The gender wage gap for Zalando SE employees (which includes a majority of overhead roles) shows an adjusted wage gap of 0.8%. The unadjusted wage gap amounts to 21.2%.

Statistisches Bundesamt (Link), 2024 | As of: 01.02.2024.

<sup>9</sup> Statistisches Bundesamt (<u>Link</u>), 2024 | As of: 01.02.2024 (Table: 62361-0046, 2023 Q4).

<sup>10</sup> By setting a corridor for this target we aim to achieve a balanced representation of both women and men, hence a share of 40–60% for both genders.

<sup>11</sup> Number of employees in tech job families as of December 31, 2023.

At the end of 2023, women held 25.9% of roles across Zalando tech job families. In previous years, our progress on gender diversity was significantly driven by an increase in employee numbers as we expanded our organization and hired intensively. There was also a conscious effort and planned initiatives to hire women into tech roles. That's how we doubled the share of women in tech roles over five years to 25.1% in 2022. Due to slowed hiring, our progress toward this commitment decelerated in 2023 to 25.9% (year-on-year (YoY) growth went from +3.5% in 2022 to +0.8% in 2023).

Despite these obstacles, we created several different pathways in 2023 to remain an attractive employer for women in tech job families:

- The Zalando GroWiT (Growing Women in Tech) initiative is an Early Careers program to support women entering the tech world. The initiative allows women to kickstart their tech careers at Zalando by becoming back-end and front-end engineers with the expertise to excel in development. In 2023, Zalando hired ten interns and working students into the program.
- The Future Women program, in collaboration with StartSteps, was designed for women to begin new careers in tech. We created a six-month

- training program for 18 participants on utilizing various Zalando technologies. Upon completion of the program, Zalando prioritizes candidates who apply for open roles at Zalando.
- opened its doors to more than 70 participants of the <u>Deploy(impact) program</u>. It is a six week course created by <u>Women++</u>, a Swiss community-driven initiative that gathers women who share a passion for tech. Participants worked together in diverse teams, guided by mentors, to develop tech-driven solutions for selected non-profit organizations, in order to provide tech project experience for future roles and job applications.
- enables us to invest in and support Black and People of Color (BPOC) within the tech community. In 2023, Zalando hosted the Black Girl Tech Summit (BGTS) for the second time, providing workshops and panel talks to over 180 women. Members from the Black Employee Connection (one of Zalando's Employee Resource groups) also took an active role in the event and shared their experiences of working at Zalando. The summit ended with 30 participants undertaking dedicated career coaching sessions with Zalando recruiters and gaining access to Zalando's talent community for future open roles.

#### **Share of women**

in tech



#### per job family

Software Engineering	18.3%
	2022   17.5%
Product Design	55.5%
	2022   58.6%
Applied Science	22.3%
	2022   21.5%
Product Management	43.7%
	2022   39.8%
Enterprise Technology	29.0%
	2022   25.1%
Software Project Management	49.4%
	2022   57.0%

In light of our challenges in meeting this commitment, we are currently re-assessing our target timeline for women in tech. We knew from the beginning that this was an ambitious goal, but one that is vital if we wish to see necessary change. However, being conscious of the current state of the hiring market, we must admit that we won't advance fast enough with the current solutions at hand. To move us in the right direction, we have restructured the core working group for this commitment, allocating ownership for delivery and progress to our senior leaders. Our new working structure will focus on three key areas: hiring and attraction, internal development, and culture and engagement.

#### Women in leadership

Our commitment: By 2023, we will increase the share of women in each of our five<sup>12</sup> top leadership levels to 40–60%.<sup>13</sup>

At Zalando, we want our leadership levels to reflect the diversity of our customers. Gender-balanced leadership brings diversity of thought and experience, which equips us to understand our customers and partners better. In 2023, we can say that we reached the target of 40% on two leadership levels (Manage-

ment Board and Vice Presidents). However, we did not reach the target at every level (an average of 35.6% women across leadership levels, compared to 37.6% in 2022). This is in part due to lower hiring rates than in previous years, as well as the fact that we were not able to strengthen women's representation in existing leadership roles.

We are determined to change patterns and have implemented a four-pronged plan to continue to drive this commitment forward:

- Accelerated hiring of women for senior leadership roles by ensuring a 50/50 gender balance in the candidate pool for shortlists and by intensifying recruitment strategies.
- Accelerated development through personal coaches, leadership role models and a peer-to-peer network designed to support women in Stretch Assignments.<sup>14</sup>

## Share of women in leadership



35.6%

2022 37.6%

#### in top five leadership positions

Management Board	40.0
	2022   33.3
Senior Vice President	36.4
	2022   33.3
Vice President	40.0
	2022   37.5
Director	33.9
	2022   34.5
Head	35.6
	2022   38.8

<sup>12</sup> This includes senior roles up to the Management Board level.

The target for the Supervisory Board features in our Annual Report.

<sup>13</sup> By setting a corridor for this target, we aim to achieve a balanced representation of both women and men, hence a share of 40–60% for both genders.

<sup>14</sup> Stretch Assignments are a development opportunity for employees who want to apply for a job at a higher job grade. The program ensures that employees have the appropriate development support to identify any skill or knowledge gaps before they are expected to fulfill the requirements of their next role. The program aims to ensure candidates are promoted within one evaluation cycle.

- Allyship workshops for men leaders to increase awareness of D&I strategy, gender bias, and the impact of being an active ally and role model in leadership.
- Diversity Champions to increase awareness of gender bias in Zalando's formal feedback process by enabling HR professionals to intervene when biased statements or conclusions are made in the promotion evaluation process.

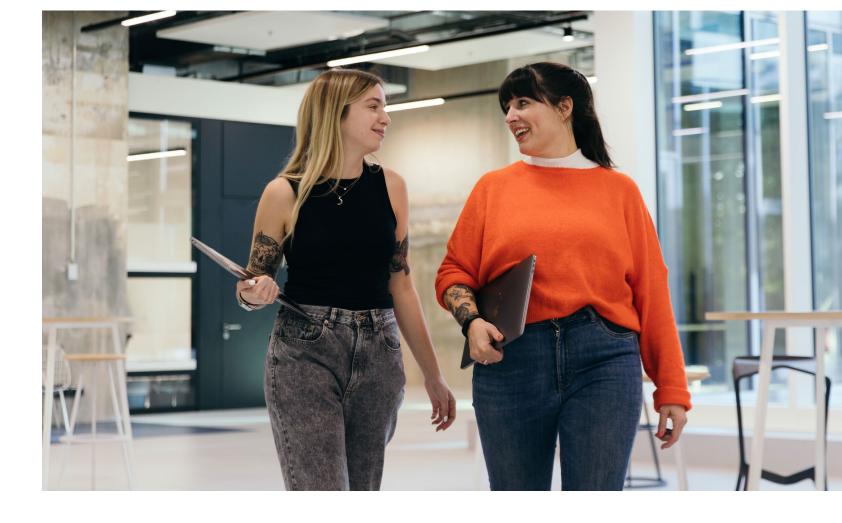
We also believe in peer-to-peer support and dedicated communities to strengthen an inclusive culture for women at Zalando. In 2023, the Women's Network ERG (one of Zalando's Employee Resource groups) developed a workshop series titled "The Elephant in the Room". The series tackles issues of gender imbalances in the workplace and beyond. Each session attracted between 200 and 350 people. Women who participated in these sessions expressed a sense of community and found valuable guidance on effectively navigating workplace situations. Moreover, they perceived that the topics discussed in these sessions contributed to both their professional and personal development. By popular demand, this workshop series will be continued in 2024. Workshop series like these also help us understand how we at Zalando can build more interventions tackling the root causes of such workplace situations, as we strive for a trusting environment and inclusive culture.

This idea of mentorship and driving change transcends the company walls and as such, we participated in several business initiatives targeted at women leaders, like the inaugural PULSE Women Economic Summit in Düsseldorf and the Women in Tech Global <u>Conference</u>. For the last couple of years, Zalando has been part of the Advisory Board of Beyond Gender Agenda, a German networking organization whose mission is to anchor Diversity, Equity and Inclusion within listed and medium-sized companies in order to strengthen the German economy. By taking part in these, we were able to showcase and celebrate women in leadership and create a space for exchange and recognition. As a result of our ongoing efforts to improve the environment for women in leadership, Zalando was listed in Forbes' World's Top Companies for Women in 2023, as one of the top 5 in Germany and top 35 worldwide.

Over

1400

total views of gender equity workshops "Elephant in the Room"



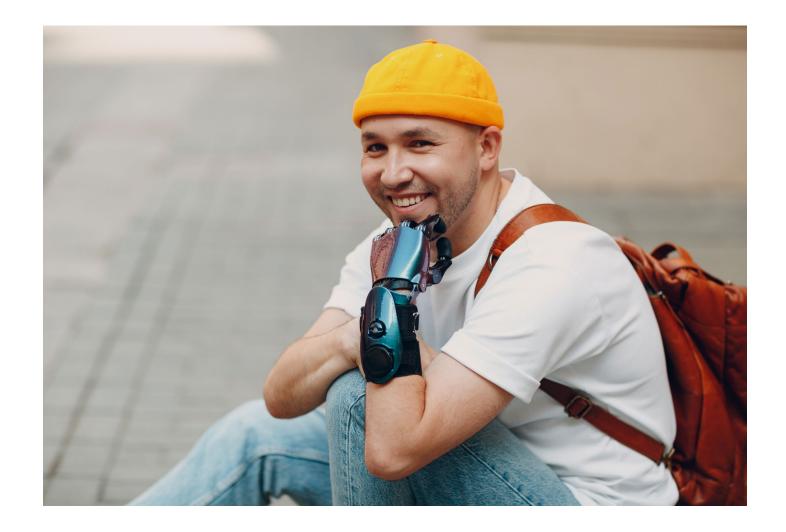
As the initial target across all five leadership levels was set for 2023, we have since renewed our commitment to a balanced gender representation in leadership by 2025. To move forward in our commitment to achieving a 40–60% corridor, we will be focusing on grades of Directors and Heads and will accelerate actions in hiring, promotion, development, and workplace culture. Additionally, we will continue to enable leaders within Zalando on leading diverse teams through our Inclusive Leadership program and to improve our policies to enhance employees' experiences throughout their time at Zalando.

## Disability inclusion

At Zalando, disability inclusion is integral to our vision for the future. Our intention to be inclusive by design means disabled employees should be able to fully participate and thrive in our company culture. We're determined to overcome stigma and societal exclusion, creating an accessible workplace where everyone feels empowered to reach their full potential.

Our commitment: By 2025, employees who self-identify as having a disability feel included and supported as measured by the Zalando Inclusion Index.

At Zalando, we are working preemptively to embed accessibility and disability awareness into our workplace, conscious that statistically, 1 in 6<sup>15</sup> people have a disability. In 2022, we ran our first D&I survey, which measures the Zalando Inclusion Index (see page 16). Our insights from the survey indicated that we need to invest more in upskilling teams and leaders to work with disabled colleagues<sup>16</sup>.



2.5% of Zalando employees have an official <u>German</u> disability pass.<sup>17</sup> To support Germany-based employees in disclosing their disability, we work with the <u>Fürstenberg Institute</u>, which helps people through the formal process of getting their disability recognized.

Since 2021, we have been a proud member of the Valuable 500, an organization that partners with 500 companies around the world to advance disability inclusion in business. In 2022, they released five metrics for disability inclusion that offer a standardized reporting methodology to support business accountability and transparency, which we applied and adapted to create our Disability Inclusion Action

Plan. In 2025, we will deliver our progress and findings at the Valuable 500 Summit for disability inclusion. We value the opportunity to work alongside Valuable 500 and their member companies to create comparable reporting and gain perspective on our progress.

The Disability Inclusion Action Plan, launched in 2023, outlines four areas of focus:

O1 Workplace Adjustments: We aim to smoothly and proactively facilitate workplace adjustments to support our disabled employees.

We understand that there are different types of disabilities (e.g. mobility, sensory, neurodivergent, dynamic) that require different types of support. In 2023, we continued to provide height-adjustable desks, noise-canceling headphones, high-contrast signage, and ergonomic chairs and tables for home-office setups.

<sup>15</sup> World Health Organization (March 2023)

Talando has consciously chosen to use disability-first language when referring to disabled people. This decision is based on a collaboration with the consulting firm "All is for All", which is run by disabled people, as well as an extensive customer survey. We recognize that people-first language (e.g., "people with disabilities") is also commonly used.

<sup>17</sup> The German Disability Pass is a legal document proving that a person living and working in Germany has a degree of disability (GdB) of 30 or higher. This means they are considered to have an "equal status" or "severe disability" and are therefore entitled to reasonable adjustments.

For ergonomic and IT support, employees who do not have access to a German disability pass but still require accommodating measures can ask either a specialist or our company doctor to provide a certificate outlining their needs, and our safety team will provide the adjustments.

Additionally, we have established a Mobile Works Agreement, which gives severely disabled employees and those with equal rights (task- or role-based) the opportunity to work remotely up to five days per week.

O2 Leadership Enablement: We will create opportunities to develop disability awareness amongst our leaders to support their growth as champions of inclusion.

We introduced the Disability Inclusion Toolkit as a comprehensive guide to equip our leaders and business partners with strategies necessary to champion the needs of our disabled employees. Our "Let's talk about well-being" training supports leads with the knowledge and confidence to talk about well-being with colleagues proactively and conscientiously.

**O3** Accessibility Improvements: We commit to creating, upholding, and improving accessibility at every turn.

In 2023, we continued to improve accessibility throughout our Berlin campus. Common working areas are step-free, providing seamless mobility for all. Automatic or easy-to-use doors and accessible toilets are readily available on every floor. We initiated a Telepresence Robots pilot in the summer of 2023, aiming to bridge the gap between onsite and remote employees. These robots (a screen on wheels, navigable remotely), give home-office workers a new possibility to interact with in-office colleagues as they can navigate the robot as if they were present in the office.

Regarding digital accessibility, our current training ensures that a deep understanding of <u>WCAG</u> (Web Content Accessibility Guidelines) allows our employees to quickly identify and resolve issues relating to accessibility. We also introduced live captions for video meetings (via Google Meet) and multi-language captions for Vimeo-hosted videos (e.g. on the internal social media platform zLife), enhancing accessibility for individuals with hearing impairments.

**O4 Allyship:** We will support our disabled employees by establishing communities and furthering awareness through workshops and volunteering initiatives.

### We currently have two groups that focus on disability inclusion:

- The Neurodiversity ERG (Employee Resource Group): Championing the needs of our neurodivergent colleagues, this ERG develops training on neuro-inclusive workplaces and fosters an inclusive community where neurodiversity is celebrated.
- The Disability Inclusion Allyship Network (DIAN): Founded in 2023, DIAN is a group of disabled and non-disabled employees who found each other as Special Olympics World Games volunteers. As an allyship network, they want to gain awareness about the disabled experience in the workplace and how they can support current and future disabled colleagues throughout their Zalando journey.

In 2024, we will develop a comprehensive process to ensure the accessibility of our digital tools (such as Google Suite and other software). Furthermore, we are planning to implement more leadership training sessions and to grow our allyship network, DIAN. For DIAN members, we will be providing training on the adaptations for health management and workplace adjustments at Zalando, how to create accessible products, and how to understand the challenges that caregivers face. For our workforce outside of Germany, we plan to extend our Disability Inclusion efforts to our international sites.

## The D&I survey

In May 2022, Zalando conducted its very first anonymous and voluntary Diversity and Inclusion survey to understand employee experiences, the company's strengths and what gaps still need to be addressed to improve the culture of inclusion and community at Zalando.

The D&I survey was initiated to support the activation of our D&I Strategy by gathering information on the level of inclusivity experienced by Zalando employees. The survey had a 45.5% participation rate, representing 7,876 Zalando employees from across the business.

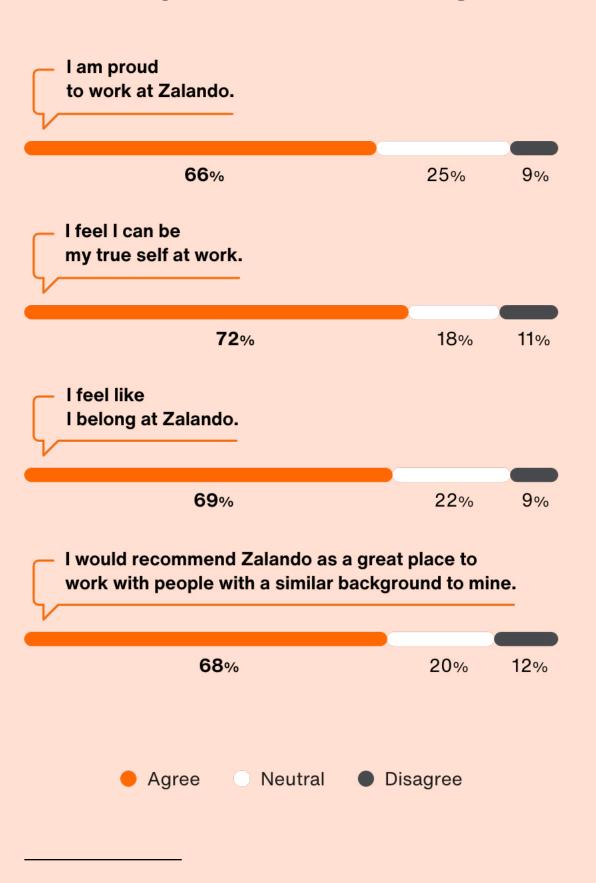
The Inclusion Index<sup>18</sup> is based on the survey participants' average response favorability to four statements that were empirically validated by our external provider People Insight Ltd. to measure the inclusion experience of survey participants.

#### **Inclusion index**



The overall Zalando Inclusion Index was 69% and gave us many insights, including the need to focus more on Disability Inclusion. The results can also be filtered per business unit and were used as a foundation on which to build dedicated D&I action plans.

### Statements and response favourability



<sup>18</sup> The index reflects the opinions of employees on their experiences of inclusion. The average values are included in the index and form an important performance indicator for some of our goals (especially in the areas of employees and the leadership team) and show where we need to improve.

### Inclusive culture

Our goal is to provide equal opportunities to everyone at Zalando, creating conditions that support our employees' growth and well-being. The following commitments outline our steps to develop a more inclusive environment.

#### D&I action plans

Our commitment: From 2022 onwards, we will have Diversity and Inclusion action plans in all business units.

To drive D&I strategically throughout Zalando, it is important to have action plans in place to build leadership accountability and offer clear goals that create an inclusive culture. Zalando is structured into 24 business units (BUs) that comprise different areas of work such as People & Organization, Customer Care or Marketing Services. In 2023, we created D&I action plans for each BU, inspired by the results from the anonymous 2022 D&I Survey in which 7,876 employees participated, 45.5% of eligible respondents.

The survey was broken down into 24 reports that interpreted the employee data from each BU. Thirty members of our P&O team then worked in collaboration with the BU leadership teams to build D&I action plans tailored to their respective business units.

### Examples of measures taken in these D&I action plans include:

- Increasing awareness of our Wellbeing team and the Employee Assistance Program. Sessions were rolled out to inform BU employees of what support and services are available at Zalando. In 2023, we established focused projects that aim to prioritize and enhance the overall wellbeing of our colleagues, such as mediation or psychosocial counseling.
- Roll-out of awareness sessions on workplace equality to encourage inclusiveness across
   Zalando. Sessions were held around employee rights under the <u>German General Act on Equal Treatment</u> and how to raise cases of discrimination.

 Roll-out of posters explaining D&I terminology (e.g. "What does intersectionality mean?") to increase knowledge and contribute to a safer and ethical workplace for employees throughout BUs such as logistics or outlets.

In 2024, we will be working on ways to measure the impact of our activities, such as developing new employee surveys and encouraging engagement. We will also monitor the implementation of the action plans to ensure business unit accountability.

#### Inclusive policies & practices

Our commitment: By 2025, we will ensure equity in policies and practices (hiring, promotion, development) by conducting audits to proactively identify and eliminate biases and systemic barriers.<sup>19</sup>

Zalando aims to build a workplace rooted in equity, free from bias and other forms of discrimination. In order to be accountable for our commitments,

<sup>19</sup> Equity refers to the act of ensuring that processes and programs are impartial and fair, and that they provide equal possible outcomes for every individual.

it is essential to provide our teams with policies and practices that instill structure and direction.

In 2023, we made some important updates to our hiring, promotion and development practices. To ensure more inclusive hiring and reduce possible bias, our Talent Acquisition team has implemented a 50/50 gender balance for the candidate pool of job interviews for leadership and tech positions.

We enhanced our training programs and enablement materials to ensure that unconscious bias is addressed in the two steps of Zalando's promotions process: the leadership nomination step and the Promotion Review Committees. We enabled senior business partners, who work with leaders in each business unit, to advise on topics including hiring and promotion, how to recognize and address bias and offered suggestions on how to moderate fair assessments.

We embarked on a multi-year journey to evolve the way we manage performance at Zalando. One of the key ambitions is to create a more fair and transparent approach, helping provide purpose and direction for each employee. We have introduced focus areas which are priorities that an employee sets with their lead for regular check-ins, and discuss the progress

of focus areas. This allows for a more fact-based, objective review of contributions based on multiple feedback sources. In addition, the setting of focus areas enables us to ensure that performance expectations acknowledge the individual circumstances of our employees. We worked with the Neurodiversity ERG which created an enablement on how to give better feedback. We believe that focus areas and transparent feedback will provide a fairer chance for all employees to be promoted and rewarded.

In 2024, we will continue to work on developing fair and transparent performance processes. This includes implementing the 50/50 gender balance in interview panels amongst a wider pool of job categories. We also plan to review and upgrade our employee benefits and improve policies to smoothen the return of employees from parental leave.



#### **Employee representation**

There are different ways in which Zalando works with Employee

Representatives on facilitating an inclusive work culture and implementing policies and practices that have real impact:

Works Councils: Groups of elected members whose role is to represent and support the rights and interests of the employees they represent.

Zalando currently has 10 works councils representing employees across the group.

Zalando Employee Participation (ZEP) committee: A voluntary committee which is not covered by legal regulations, and acts as an advisor to the Management Board.

#### **International Employee Board (IEB):**

In line with European regulations, the IEB is a permanent employee representation body which consults and discusses the latest developments across the entire group with the Management Board twice per year.

## Corporate benefits

To promote good health and well-being at Zalando, our corporate health services include psychological support, an onsite company doctor, sickness absence support, contact to sport and fitness partners, access to apps, activities and events around mental and physical health, leadership enablement, incident management and other trainings:

Our EAP (Employee Assistance Program) with the <u>Fürstenberg Institute</u> provides confidential psychosocial support by professional consultants and therapists in many languages.

Our internal Employee Assistance Service (EAS) offers instantly bookable counseling sessions for people experiencing crisis or acute stress, with in-house counselors in German or English.

The Peer Power project introduces employees as trainers to facilitate sport classes for their colleagues.

Affordable and convenient mental health support through our online partner platform (BetterHelp) and trained mental health first aiders.

Access to <u>Gympass</u>, a health and well-being platform with different fitness and wellness services tailored to individual interests.

Availability of non-denominational spaces of faith (prayer rooms) across our Berlin campus and various logistics centers.

To make sure that parents are supported while working at Zalando, we have developed various family friendliness benefits:

Different forums for employees who are parents and the Zalando Parents Group ERG.

Free counseling, assistance, and referral service for all matters concerning themselves and their family via the <u>Fürstenberg Institute</u>.

3 fully paid child sick days per year.

An on-campus kindergarten in Berlin.



#### Relaxation rooms across the Berlin campus,

designated areas within the workplace that provide a quiet and calming atmosphere where individuals can take a few moments to relax, meditate, or rest. Relaxation rooms can also support pregnant employees when requiring a private and comfortable space to rest and recharge. Moreover, relaxation rooms can be utilized for breastfeeding purposes as well.

**Supported transition** into and out of parental leave, with a buddy and re-onboarding plan.

In 2023 we introduced a dedicated monthly newsletter for parental leavers and to stay up to date with news and developments, they can now continue to use their existing Zalando accounts throughout their inactive period.

### We also offer some general benefits that help make Zalando a great place to work:

Flexible working hours within a hybrid working model, agreed upon by the different Works Councils, allows office employees the flexibility to work up to 60% from home or up to 100% remotely for disabled employees.

At all our sites we work together with the employee representatives in a spirit of trust to offer our employees more flexibility. In some cases, certain roles may require more onsite presence due to the nature of the work (e.g. front desk employees or employees in our Zalando outlet stores, studios or warehouses).

Home-office equipment available to support employees working from home.

Opportunity to get a company pension scheme (bAV) or occupational disability insurance (BU) with match contribution.

Vouchers for Zalando employees – including interns, working students, and parental leavers – to shop on our platform.

**Option to take sabbaticals** (of 6 to 12 weeks) after two years' tenure.

A 36-month bicycle leasing plan, available for eligible employees.

**Use of public transport** around Berlin/Brandenburg with discounted rates.



#### Inclusive leadership

Our commitment: By 2025, all leaders will champion Diversity and Inclusion in the way they lead people and teams.

In order to embrace D&I as a company culture, we believe our leaders have a responsibility to guide others and to role-model inclusive behavior. We believe that our senior leadership teams should act as D&I champions to ensure that employees have fair access to opportunities and are part of a diverse and inclusive network.

This means that our leaders act as mentors, represent our D&I values in external panel discussions, and are members of D&I steering committees to help guide the organization.<sup>20</sup> They also act as sponsors to our ERGs, where they have regular check-ins to discuss next steps and provide support. Currently, ten out of our eleven ERGs have an executive sponsor from either the VP, SVP or Management Board level.

In 2023, we launched allyship workshops for men designed to further the learning journey of our leads in topics such as gender bias, microaggressions, and how to challenge non-inclusive behavior. We offer

self-reflective learning sessions and learning sessions on various aspects of D&I to help leads understand the change we want to effect with the do.BETTER strategy.

90%

of Zalando employees have taken the mandatory unconscious bias e-learning in 2023

In 2021, we launched the Unconscious Bias e-learning and have since made it mandatory in 2023 for all employees with access to the Zalando training platform. This 40-minute e-learning course helps our employees understand unconscious bias, reflect on patterns of unconscious decision-making, and have an open mind when working with colleagues from different backgrounds. Since then, 90% of our employees have completed the training.

The Disability Inclusion Toolkit also empowers leads with a reference point on preferred terminology, legal frameworks and strategies to support the rights and well-being of our disabled employees.

In 2024, we will be rolling out a three-module program under the Inclusive Leadership program. It will form an integral part of our culture and leadership expectations. Through this program, we aim to provide leads with knowledge and practical tools for real-life application to foster an inclusive workplace.



<sup>20</sup> The steering committees are advisory and decision-making bodies for strategic projects at Zalando.

## Cultural diversity and intersectionality

Our commitment: By 2025, we commit to broaden the representation of visible and invisible diversity dimensions and backgrounds in our senior leadership levels.

Zalando aims to foster a sense of community where all employees feel included and empowered to share their ideas and experiences. We recognize that in order to succeed, we need to proactively listen and engage with people of diverse backgrounds to lift barriers to entry and provide fairer opportunities for everyone.

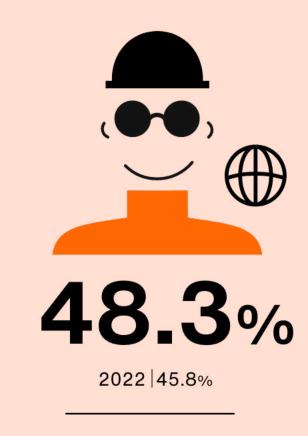
In 2023, 48.3% of our leadership teams held a non-German passport, bringing diversity of thought and skills. While we cannot legally track diversity dimensions such as ethnicity, we recognize that the international make-up of our employees brings us one step closer to having a workforce that reflects the diversity of our customer base.

We are working to broaden the representation of visible and invisible diversity dimensions and backgrounds through two main measures. Firstly, we are strategically widening our hiring pool to include

recruitment agencies that specialize in supporting underrepresented groups. For example, in 2023, we worked with Girls Talk Corporation to build a network with Black and women of color who work in tech. We also continued our partnership with Afro-Diasporic Academics Network (ADAN) to advertise open job roles on their platform to reach their community.

Secondly, we work closely with ERGs, which are employee-led groups formed on the basis of shared identity or experiences. They are our trusted partners regarding issues that affect their respective communities. Examples of our ERGs include the Asia Pacific Connection, Black Employee Connection, Muslim ERG, and the Neurodiversity ERG (see page 23). ERGs are among the stakeholders for our D&I Strategy, touching on the four pillars of talent, leadership, customer, and partner.

### Share of internationals in leadership



#### in top five leadership positions

Management Board	0.0%
	2022   16.7%
Senior Vice President	45.5%
	2022   41.7%
Vice President	55.0%
	2022   52.5%
Director	50.4%
	2022   51.8%
Head	47.7%
	2022   43.7%

In 2023, we developed a new ERG strategy to improve the experience for ERG members. The strategy focuses on the themes of well-being, governance, recognition, and business partnerships. It clarifies the processes and policies for budgeting, planning, and eligibility. We also wanted to provide more recognition for core ERG members<sup>21</sup> to acknowledge their efforts. We view recognition holistically and include this in our formal feedback process. For core ERG members, 5% of working hours can now be dedicated to working within ERGs.

In 2024, we will continue to invest in diverse talent recruitment and work to build an inclusive culture to attract and retain employees. We plan to do this by identifying and partnering with specialist recruitment agencies and enhancing supportive infrastructure for our ERG communities.

#### What are ERGs?

Employee Resource Groups (ERGs) are employeeled groups formed on the basis of shared identity or experiences. The ERG program, officially introduced in 2019, is one of Zalando's core measures for ensuring a more respectful and inclusive company culture. ERGs aim to create safer spaces<sup>22</sup> and communities where colleagues come together to discuss their experiences and share ideas. ERGs amplify employees' voices and

provide constructive feedback and improvement proposals to leadership about the needs of communities. The work of ERGs encompasses awareness campaigns, workshops, events, and support services. As such, it fosters a diverse and inclusive workplace and supports members' growth and development while also supporting Zalando to become an employer of choice for diverse communities.

#### Zalando ERGs (active members)















Network (1494)

Women in **Finance** (324)

Women in Tech (387)

LGBTQI+ (780)

**Diversity** Guild (561)

**Muslim Community Network** (252)



**Asia Pacific Community Circle** (210)



**Black Employee** Connection (321)



**Neurodiversity** (282)



**Zalando Parents** Group (657)



**Mental Wellbeing** Community (552)

<sup>21</sup> ERGs are led by groups of up to six core members who are part of the ERG community and help drive collaboration within the company and across different ERGs. The core members are elected annually by ERG members and can serve for up to three years.

<sup>22</sup> A safer space is a supportive, non-threatening environment where all participants can feel comfortable expressing themselves and sharing experiences without fear of discrimination or reprisal. We use the word "safer" to acknowledge that safety is relative: not everyone feels safe under the same conditions.

## Customer & partner

Zalando takes pride in serving around 50 million customers across

Europe and in working with some of the most inspiring brands globally.

We are passionate about working together with our customers and partners to co-create solutions that enable progress and strengthen inclusion in the fashion industry.

To forge strong relationships, it is important to first establish brand recognition and trust. Therefore, as outlined below, our strategy focuses on building an inclusive offering, improving representation and customer experience, and collaborating with industry partners to drive impact.

## Building an inclusive offering

To become Europe's e-commerce partner and destination of choice, we are committed to building an inclusive assortment. This involves developing private label collections that meet unfulfilled consumer needs, consulting with brand partners to expand their offerings and onboarding new brands with diverse product lines. We also collaborate with brand partners to improve our storytelling and community involvement, creating collections and content that are purposeful and impactful.

#### Inclusive assortment

Our commitment: By 2025, we commit to offer a truly diverse assortment for underrepresented groups by providing product choices and thoughtful experiences in every category across price, size, and style.<sup>23</sup>

Zalando strives to meet the needs of our customers by providing product choices that are considerate of different lifestyles and identity characteristics. By expanding our assortment to include underrepresented groups, Zalando proudly serves customers who may have experienced exclusion or misrepresentation elsewhere in the fashion industry.

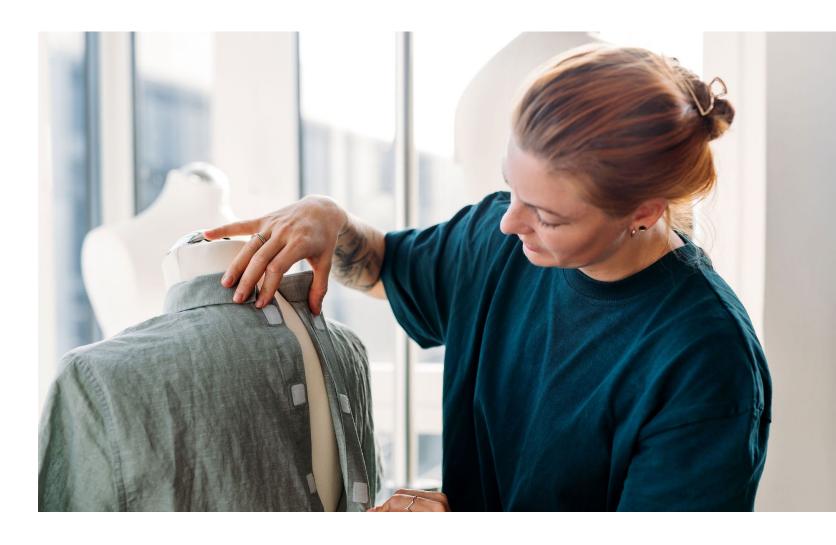
In 2023, we expanded on our inclusive assortment collections in Adaptive, Modest and Genderless Fashion, as well as Inclusive Beauty:

Adaptive Fashion<sup>24</sup>: After we initially launched Adaptive Fashion on our platform in 2022, we continued to add to our collections from private labels,<sup>25</sup> Tommy Hilfiger, Nike and our newest addition Friendly Shoes. In 2023, our customers were able to choose from more than 430 different styles. We continued working with the disability consultancy All is for All, and started a new partnership with Ottobock, a leading manufacturer of prosthetics and wheelchairs. Ottobock invited members of their community to join our customer research panel for Adaptive Fashion, which enables us to receive feedback on the design and functionality of our products and on how best to conduct research for future collections.

More than

430

adaptive fashion styles available in our fashion store



<sup>23</sup> Underrepresented refers to a person or group of people who are inadequately considered or catered for — in this specific case, within the fashion industry across Europe.

<sup>24</sup> Adaptive Fashion is apparel made for people with permanent or temporary disabilities that offers additional functionality to make dressing easier.

<sup>25</sup> Products manufactured for and sold under our own brands, <u>Anna Field, Even&Odd, Friboo, Pier One, YOURTURN</u>, and <u>ZIGN</u>.

Modest Fashion<sup>26</sup>: In 2023, we continued to build an assortment that is appealing to Modest Fashion customers. We have developed a guideline for what makes a garment suitable for customers looking for Modest wear. This helps us onboard items from brands, continuously update our hub with new styles and improve SEO<sup>27</sup> discoverability.



- Tenderless Fashion<sup>28</sup>: In 2023, we have continued to add genderless items to the platform and have created more campaigns and inspiration pages to showcase the variety of this type of clothing, such as "influencer picks" (e.g. <u>Barni</u> and <u>Angie</u>). We also teamed up with the Dutch luxury streetwear brand <u>Filling Pieces</u> for a genderless and size-inclusive capsule collection, including items like a genderless statement corset, heeled shoe sizes from 35–46 and ready-to-wear items from XS–XXL.
- Inclusive Beauty: We focus on brands catering to all skin types. For example, BlackUP is a Blackowned cosmetic brand specializing in makeup for Black skin, such as mascara brushes designed specifically for short but curly lashes (more commonly found in people of African descent), extensive shade ranges, and less oily formulations. Another focus was on increasing the assortment that stems from or serves the LGBTQIA+ community. In 2023, we onboarded two new brands, Andrew Fitzsimons and Shakeup Cosmetics.

In 2024, we will be launching our next Adaptive Fashion collections, as well as adding new ranges in kidswear, kids' footwear and sportswear. We will also be adding new styles to our Modest and Genderless offering, as well as expanding our range in Inclusive Beauty.

#### Diverse partner portfolio

Our commitment: By 2025, we will be the European e-commerce partner of choice for brands and retailers that serve or stem from underrepresented groups.

At Zalando, we feel privileged to work with and retail some of the most inspiring brands globally. In order to improve the experience for designers and customers alike, it is essential to identify and onboard brands that stem from or serve underrepresented communities. Together, we can move the dial in advancing diversity and inclusion in the fashion industry.

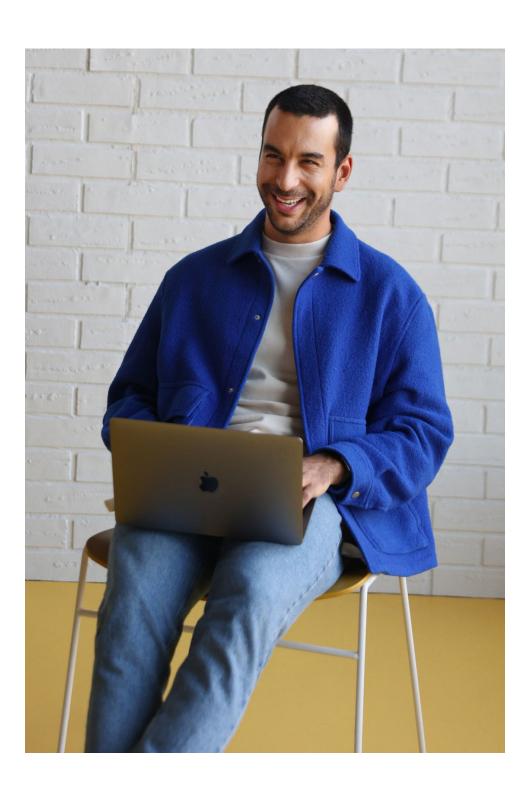
<sup>26</sup> Modest Fashion is designed for people who want their clothes to align with religious or personal preferences.

<sup>27</sup> Search Engine Optimization (SEO) is a process for increasing the relevance of content entered into search terms. In this case search terms to help the customer find items quicker were "modest wear", "modest dress", or "modest trousers".

<sup>28</sup> Genderless Fashion is apparel made to fit all bodies irrespective of a person's gender.

One example is the work we are doing with Black-owned brands. Similar to initiatives like the 15 Percent Pledge in the US, we want to dedicate more shelf space to Black-owned brands. We do this to better represent the communities within the markets we serve.

In 2023, we onboarded seven new brands, taking the total number of Black-owned brands on our Fashion Store to 70. Among them is <u>Ahluwalia</u>, a designer



who combines elements from their dual Indian-Nigerian heritage and London roots. And <u>Yaura</u>, a womenswear brand that draws inspiration from two cultures, merging the vibrant colors and prints of Lagos with the more edgy silhouettes of London.

In 2023, we also focused on investing in the relationship with Black-owned brands already selling on Zalando. We highlighted Black-owned brands through "Stories on Zalando", 29 our newly established, immersive content hub. This enabled our customers to connect with different cultural perspectives and discover curated style content from brands like Saul Nash, Rich Mnisi, Heath, Bloke, Ahluwalia, and Shekudo.

Another example is through the footwear project "Walk a Mile". Our conversations with the organizers of Helsinki Pride, which Zalando sponsors, led to an awareness of an industry-wide failing that often negatively impacts the LGBTQIA+ community: the lack of statement designer shoes in greater size ranges. To address this lack of inclusion and develop a solution, both in our assortment and the industry, Zalando decided to provide seven brands (Filling Pieces, Rejina Pyo, Holzweiler, MISBHV, Elleme, GCDS, and Eckhaus Latta) with investment to create new molds for less common sizes. Following the

Black-owned brands active in our fashion store

capsule collection's launch, the brands were given access to the molds for use in future collections to encourage long-term size diversity and inclusion.

With the goal of increasing the number of Black-owned brands on our platform, we surveyed our current Black-owned brands at Zalando and our buyers to understand how to improve the onboarding process. In 2024, a dedicated accelerator program for onboarding Black-owned brands will integrate these learnings. We will also onboard other brands that stem from and serve underrepresented groups for example from other ethnic groups or the LGBTQIA+ community.

<sup>29</sup> Stories on Zalando allows customers to discover carefully curated inspirational style content, new trends, personalities, exclusive brand collaborations, and connect to broader cultural perspectives, with seamlessly integrated shopping journeys.

## Representation and customer experience

At Zalando, we want our customers to feel represented throughout our platform, not only in the imagery and assortment. We aim to build inclusion into the shopping experience, with navigation and product curation that is accessible to everyone. We also consult with brand partners to improve our guidelines for safeguarding diverse talent and setting ever higher industry standards.

#### Inclusive experience

Our commitment: By 2025, we commit to providing an equally accessible, relevant and welcoming digital experience for customers from underrepresented groups and regularly evaluate our digital experience by an independent external panel.

Zalando's vision is to cultivate a shopping experience that is welcoming for all. Since the launch of our <a href="Adaptive Fashion collections">Adaptive Fashion collections</a> in 2022, we have been

focusing on improving our platform's accessibility and building technical solutions that enable disabled customers to shop with ease. We conducted in-depth customer interviews to understand personal shopping habits and channel this into a more inclusive purchasing experience.

In 2023, we focused our efforts to improve the customer experience in four main areas:

#### 01 Inclusive product development:

We improved product development processes by introducing accessibility design templates, product design accessibility checklists, and training for product designers, engineers and product managers.

#### 02 Digital accessibility:

We offer enablement and accessibility training to software engineers, designers, and product managers across our digital experience teams. More than

70

employees in software engineering, design, and product management

roles across our digital experience department trained on enablement and accessibility

In 2023, 45 employees participated in the Introduction to Digital Accessibility training, and 71 took the Intro to Accessibility for Engineers training.

We formed a central accessibility team and partnered with <u>AxessLab</u> to ensure our digital experience is accessible (and in line with the <u>EU Accessibility Act</u>) and support other teams in the digital experience to guarantee they can prevent and monitor accessibility issues.

#### 03 Research and analysis:

We ran a benchmark analysis across various fashion brands, where we assessed their reputation for accessibility, their dedicated offerings for people with disabilities, and best practices from other industries.

We conducted customer research and usability testing to understand the accessibility-related needs of customers using screen readers and keyboard navigation.

#### **04** Improved customer experience:

We interviewed 16 customers with visual and hearing disabilities and limited mobility and did two usability tests for customers shopping for Adaptive Fashion.

We launched Adaptive Fashion search filters to help customers find adaptive products based on their needs. We enhanced Product Detail Pages (PDPs), highlighting key adaptive features (e.g. adjustable waist, magnetic closures, pull-up loops, one-handed zippers), and collaborated with other teams to better showcase adaptive features through imagery featured in these pages.

For 2024, we will continue to improve our Adaptive Fashion customer experience and digital accessibility for all customers. We plan to implement a customer feedback feature that will enable us to understand Adaptive Fashion customers' needs better and at scale. We will also work to strengthen relationships with people in the disabled community

to expand our network for future projects. We have also scheduled two independent audits in 2024 to help us improve our digital experience.

#### Representative content

Our commitment: By 2023, our customer experience and communications reflect and celebrate diversity through our visuals, language, and narratives — we also encourage and support our partners to do the same.



At Zalando, we wish to inspire our customers with authentic and inclusive content that feels representative of the markets we serve. We take the responsibility of representation seriously, continuously working with experts on generating and implementing the latest guidance, from outfit styling to image lighting.

### In 2023, we produced new and updated guidelines to solidify our foundation for accurate representation:

- Visual Content & Post-Production Guidelines: Enable retouchers to challenge historical beauty standards and guides creatives on how to colorgrade imagery for the most authentic and representative skin tones. This guidance enables Zalando teams to do their jobs more confidently and ensures our content is honest and representative.
- Compliance Standards for External Talent:
   Focus on setting clear expectations for an inclusive work environment for Zalando employees, creative freelancers and models.

Product, Content & Brand Guidelines: Are now applicable to brand partners (in alignment with the German Supply Chain Act<sup>30</sup>) and outline clear standards on what products, content or brands are not permitted on our platforms. We launched the Product & Content Forum and Escalation Committee to ensure a safe and inclusive experience for all our customers, in compliance with the EU's new Digital Services Act. This Zalando-wide decision-making body quickly handles reports of violations of our ethical standards and decides whether products should be off-boarded in line with our guidelines.

We also provided 17 D&I workshops for over 170 participants in relevant creative and marketing teams at Zalando. The workshops aimed to enable participants on inclusion topics to ensure our campaigns are authentic and appropriate. The sessions covered topics such as inclusive language, size and gender inclusion, cultural appropriation<sup>31</sup> in fashion and representation in imagery.

With new guidance and training in place, our marketing teams produced various inclusive campaigns in 2023. To celebrate <u>Pride</u>, we took a holistic approach to representation, ensuring that

both cast and crew were made up of members of the LGBTQIA+ community and involving our talents closely in how their story would be presented. To celebrate the <u>UK's Black History Month</u> in October, we had a multi-brand fashion editorial showcasing a selection of Black-owned brands on Zalando, celebrating Black models in front of the camera and championing Black creatives behind it.

170

employees in creative and marketing teams

of Zalando participated in 17 D&I workshops for inclusive campaigns

Pleased with the progress we have made so far on our commitment, we want to continue this vital work. We have therefore extended this commitment to 2028. In 2024, we plan to build upon our inclusive marketing training and offer it to brand partners. We want to continue highlighting the important contributions from various communities, such as



LGBTQIA+, and continue to represent and celebrate diversity all year round. We'll also look into our casting guidelines to further diversify our model selection regarding age, body size, skin tone, disability, etc. to represent our customer base in a more authentic way.

<sup>30</sup> The term <u>German Supply Chain Act</u> refers to the German legislation *Lieferkettensorgfaltspflichtengesetz* (LkSG). More information can be found in <u>Zalando's Sustainability Progress Report</u>.

<sup>31</sup> Cultural appropriation is the inappropriate or unacknowledged adoption of an element or elements of one culture or identity by members of another culture or identity. This can be especially controversial when members of a dominant culture appropriate from marginalized groups.

## Working with the industry

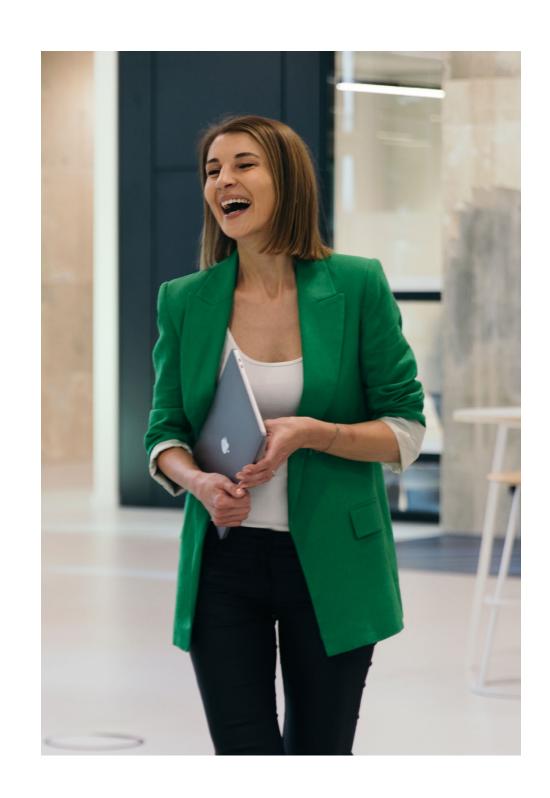
At Zalando, we believe that collaboration with partners is essential if we want to create solutions to industry-wide challenges. Where Zalando can provide influence and operational know-how, industry insiders and grassroots organizers can connect us with the communities we wish to support, enhancing our knowledge and awareness to ensure an inclusive future.

Our commitment: By 2025, we will be a central collaboration point in fashion, bringing together brands, retailers, NGOs, academia, community thought-leaders, and members of the media to systematically empower and amplify underrepresented voices in the industry.

We believe in the power of collaboration and its capacity to incite change and innovation. We want to be recognized as thought leaders for diversity and inclusion in fashion by brands, retailers, NGOs, academia, community thought-leaders, and the media. To achieve this, we listen and learn from our partners<sup>32</sup> to gather ideas on how to be more inclusive and aware.

In 2023, we deepened existing partnerships and also started six new ones. Our collaborations included:

- During London Fashion Week, we facilitated a panel discussion on "designing for the disabled community" at London Represents, an inclusive catwalk event. We also participated in a panel at the Advancing Racial Equity Conference on onboarding Black-owned brands, democratizing fashion and empowering underrepresented communities in fashion.
- We partnered with <u>Ottobock</u> and <u>AxessLab</u> to help us build knowledge about accessibility and how to improve the shopping experience for disabled customers.



<sup>32</sup> ADAN, Girls Talk Corporation, Valuable 500, All is For All, Ottobock, Special Olympics World Games, London
Represents, Start Steps, Outsider's Perspective, AxessLab, Deborah Latouche, Making Spaces, SexedPL, Helsinki Pride.

- Olympics World Games in Berlin. As part of this partnership, we piloted an adaptive fashion course with young fashion designers from the Lette Verein, which was professionally photographed by Mike Meyers and displayed at a showcase for Adaptive Fashion at the Zalando campus.
- Project "Mamy do pogadania" (meaning "We have to talk" but also "Mothers I can talk to") across three Polish cities. With the aim of supporting mothers in their daily lives, the program consisted of three parts: educational social media content, free online consultations with experts, and physical workshops providing meaningful assistance to over 100 participants.
- Helsinki Pride by sponsoring a festival stage with top LGBTQIA+ artists and DJs, including Cristal Snow, Isaac Sene, and Benjamin. In the lead-up to the parade, we hosted a local D&I workshop for our employees in our Helsinki tech hub. In the context of this partnership, we are also part of a "Working with Pride" network of companies, which puts on several events throughout the year and produces Helsinki Pride's inclusivity toolkit, which guides companies in their work towards becoming LGBTQIA+ inclusive.



We are incredibly fortunate to work with so many important organizations that support us on our journey to becoming inclusive by design. In 2024, we aim to share more of our learnings to date with the wider fashion industry through participating in research. We recognize the power and reach of Zalando and our responsibility to create more opportunities to systematically empower underrepresented voices.

## Conclusion & outlook

#### The future is inclusive

2023 was a year of significant transformation. In the uncertainty of the global economic context, the themes of Diversity and Inclusion faced increasing pressure and the fashion world found itself at a crossroads, navigating new terrain and redefining its purpose. As legislative frameworks continue to evolve and elections will be held across Europe and other parts of the world, we expect 2024 to also be a pivotal year of change as well. Against this shifting backdrop, Zalando has made a conscious effort to embrace diversity and inclusion as a fundamental value. We are committed to making meaningful changes and implementing best practices at scale, and in collaboration with our partners. To us, the future is inclusive and we're ready to guard our democratic values.

We're confident the new team set-up will facilitate the right conditions to create meaningful contributions in the near future as well as over the longer term, by building on the great foundation of work that has been done in the last few years. To increase the ownership and effectiveness of our efforts, the now unified teams that steer the strategies for Sustainability and D&I – under the guidance of Pascal Brun, VP Sustainability and D&I, and Padmaja Bommareddy, SVP Corporate Development, Strategy and M&A, Sustainability and D&I – will work closely together with business teams and project owners across our organization.

Over the past year, we have made significant progress in different dimensions of our D&I strategy. We produced and renewed our guidelines framework to ensure accurate representation in the creative process. We formulated our first cohesive Disability Inclusion Action Plan for our employees and future talents, while also focusing on improving the digital customer experience for Adaptive Fashion on our platform.

For next year, we are extremely excited to roll out a three-module Inclusive Leadership Program as well as a dedicated accelerator program for onboarding Black-owned brands. In the field of Adaptive Fashion we are looking forward to expanding our horizons as we apply the learnings from disabled customers into new categories. We are also looking forward to driving further inclusion in the fashion industry by engaging in partnerships with community-driven organizations.

We have revised our Diversity and Inclusion strategy to ensure gender balance in leadership by 2025, instead of by the earlier target of 2023. Additionally, our commitment to representative content has been extended to 2028 and we're currently reassessing the target timeline for our Women in tech commitment. This reflects our dedication to cultivating an authentically inclusive environment for our employees, and to reflecting and celebrating diversity in all our touchpoints with consumers and partners alike in the years to come. We are looking forward to sharing the journey ahead.



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