Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Founded in 2008, Zalando is one of Europe's leading online platforms for fashion and lifestyle, connecting customers, brands and partners. We bring head-to-toe fashion to more than 51 million active customers across 25 markets, offering clothing, footwear, accessories and beauty. More than 7,000 brands are currently offered by Zalando, from world famous names to local labels, as well as our own products. Our platform is a one-stop fashion shop for inspiration, innovation and interaction. As Europe's most fashionable tech company, we work hard to find digital solutions for every aspect of the fashion journey: for our customers, partners and every valuable player in the Zalando story. Our vision is to become the starting point for fashion and a sustainable platform with a net-positive impact for people and the planet. Zalando's localized offering addresses the distinct preferences of its customers in each of the 25 European markets being served. The logistics network has 12 centrally located logistic sites in seven countries (Germany, Italy, France, the Netherlands, Sweden, Poland and Spain) and allows Zalando to efficiently serve its customers throughout Europe with a focus on local customer needs. Zalando offers over 20 payment options and 130 delivery and return options. The company's management believes that the integration of fashion, operations and online technology provides the capability to deliver a compelling value proposition to both customers and fashion brand partners. To give its customers a broad service, Zalando's offering has been extended and enhanced with Lounge by Zalando and the 13 brick-and-mortar outlet stores in Germany, which serve as additional sales channels for excess inventory. Lounge by Zalando offers registered members special offers at reduced prices. In addition, in 2020 Zalando expanded its spectrum of value for European customers further by adding a Pre-owned category to the Zalando Fashion Store. In 2022, Zalando also expanded the selection in its outlets to include pre-owned products.

In the face of global developments like climate change, we see a pressing urgency to reimagine our industry in a way that benefits all stakeholders involved in the fashion ecosystem. Creating value for everyone involved also includes taking responsibility for the people and environment along our value chain. Therefore, our sustainability strategy do.MORE is anchored in our group strategy. The strategy combines our long-term vision to be a sustainable fashion platform with a net-positive impact for people and the planet with specific commitments. Having a net-positive impact means that we run our business in a way that gives back more to society and the environment than we take. This aspiration calls for us to continuously reduce and mitigate the

negative impact our business may have on society and the environment, while we aim to increase and amplify the value we create not just for customers, brands and shareholders, but also for people more generally and the planet. We have set ourselves a set of six commitments for the short- and mid-term guided by the three focus areas - Planet, Products, People.

PLANET
- By 2025, we achieve our science-based targets to reduce carbon emissions in line with the Paris Agreement, including an 80% reduction in emissions of our own operations compared to 2017.
- By 2023, we design our packaging to minimize waste and keep materials in use, specifically eliminating single-use plastics.
PRODUCTS
- By 2023, we generate 25% of our GMV (Gross Merchandise Volume) with more sustainable products.
- By 2023, we apply the principles of circularity and extend the life of at least 50 million fashion products.
PEOPLE
- By 2023, we have continuously increased our ethical standards and only work with partners who align with them.
- By 2023, we have supported 10,000 people in the workforce by providing skilling opportunities that match future work requirements.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
Januar 1, 2022

End date
Dezember 31, 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
5 years

Select the number of past reporting years you will be providing Scope 2 emissions data for
5 years

Select the number of past reporting years you will be providing Scope 3 emissions data for
5 years

C0.3

(C0.3) Select the countries/areas in which you operate.

Austria
Belgium
Croatia
Czechia
Denmark
Estonia
Finland
France
Germany
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Netherlands
Norway
Poland
Romania
Slovakia
Slovenia
Spain
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	DE000ZAL1111
Yes, a Ticker symbol	ZAL

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	The highest level of responsibility with respect to the oversight of climate-related issues lies with one of our Co-CEOs, who is a member of the Management Board. The Management Board as a whole provides guidance on specific sustainability and climate change-related topics and receives updates about the overall progress with relation to our sustainability strategy on a quarterly basis. The Co-CEO is also chairman of the Sustainability Forum, which is the highest decision-making body for climate-related issues. It serves as the overarching steering committee, keeps the necessary strategic oversight and ensures progress against Zalando's sustainability targets, including the climate targets. Climate-related key decisions made by the Co-CEO in 2022 were: - To launch the learning platform FASHION LEAP FOR CLIMATE, joining forces with the online retailers ABOUT YOU and YOOX NET-A-PORTER. The learning platform supports fashion brands in setting climate targets aligned with science. It provides opportunities for peer learning and step-by-step guidance on measuring emissions and setting targets aligned with climate science with the aim to reduce the brand's greenhouse gas emissions. The Co-CEO was involved in the sign-off of the proposed initiative both in relation to the concept and the related budget. - In addition, our Co-CEO was involved in the budget decisions concerning our climate-related projects for 2022.

| Board-level committee | In August 2021, we established the D&I and sustainability committee of the Supervisory Board. It meets on a biannual basis and deals with the diversity and inclusion strategy as well as the sustainability strategy (including climate targets) and supports the Supervisory Board and its committees in its engagement with their implementation and the related reporting. In addition to this, the D&I and sustainability committee supports the remuneration committee in preparation for setting the ESG targets for the remuneration of the Management Board.

In 2022, the committee acted as sounding board for Zalando's new sustainability strategy for the upcoming 5 years. As a part of Zalando's Group strategy, the new Sustainability strategy aims to embed sustainability even further into the entire business. The sounding sessions included, among others, Zalando's future carbon emission reduction targets, Zalando's future circularity targets which can have an impact on the companies' product-related carbon emissions, as well as Zalando's engagement strategy with regard to these topics. |
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C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets
Overseeing and guiding employee incentives
Reviewing and guiding strategy
Monitoring progress towards corporate targets
Reviewing and guiding the risk management process | The Management Board receives a quarterly Board Member memo, which updates the board about the overall progress of our sustainability strategy and provides guidance on specific sustainability topics. In 2022, the Management Board as a whole was briefed by the Director of Sustainability at least quarterly.

The Co-CEO as a member of the Management Board receives climate-related information through different channels. For example, he has weekly meetings with the Director of Sustainability covering the day-to-day business and monthly deep-dives on different topics (e.g. climate-related topics). In addition, as chairman of the Sustainability Forum, the Co-CEO receives updates on progress against climate goals and targets on a quarterly basis in the Sustainability Forum meetings. The Co-CEO relays climate-related information to the other members of the Management Board.

In 2022, he reviewed and guided amongst others the process of launching the learning platform FASHION LEAP FOR CLIMATE, joining forces with the online |

		retailers ABOUT YOU and YOOX NET-A-PORTER with the aim to support brands to set climate targets aligned with science. In addition, he was involved in budget decisions, for example concerning our goals to reduce carbon emissions. The CFO oversees the Risk Management Team as part of the Corporate Governance business unit. Once risks are identified, which also include climate-related risks if present, they are reported to the top management and, depending on probability of occurrence and potential impact, they are also reported to the Management Board and the shareholders of the company. Following the information flow described, the Board makes decisions regarding risk control measures in relation to the pursuing of company objectives. These governance mechanisms allow the Management Board to maintain close oversight over the company's sustainability and climate performance. The D&I and Sustainability committee of the Supervisory Board in 2022 supported amongst others the remuneration committee in preparation for setting new ESG targets for the remuneration of the Management Board.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	All members of our D&I and sustainability committee have skills and expertise with respect to sustainability and climate. Criteria used to assess the competences entail amongst others a relevant academic background as well as professional experience with respect to sustainability and climate.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Monitoring progress against climate-related corporate targets

Coverage of responsibilities

Reporting line

Other, please specify

Board of Directors

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The highest level of responsibility with respect to climate-related issues lies with our Co-CEO, as we consider climate change a priority requiring high-level management attention and oversight. He is responsible for approving climate-related strategic decisions. The central Sustainability Department, which is in charge of the day-to-day business with respect to sustainability- and climate change-related issues, reports directly to him.

The Co-CEO is chairman of the Sustainability Forum, which is the highest decision-making body for all sustainability strategy topics including climate-related issues. The Forum was assigned the task of monitoring and managing progress against climate-related targets due to the high expertise of the Sustainability Forum's members and the strategic relevance of climate-related topics justifies management by the highest decision-making body. The Sustainability Forum serves as an overarching steering committee and keeps the necessary strategic oversight. The Forum focuses on our six sustainability targets. Each target has executive sponsors as well as project management and expert support from the central Sustainability Department. The committee consisted of our Co-CEO, Director of Sustainability, executive sponsors (SVP Zalando Technology Foundation, SVP Logistics, SVP Corporate Governance, SVP Partner Services, SVP Offprice, VP Women's Category ad Private Label, and VP People Products), representatives from central Sustainability, Corporate Affairs, Marketing, Finance, and Digital Experience teams. The Forum meets every quarter. The highest decision-making bodies are:

- Co-CEO: chairman of the Sustainability Forum, oversees all sustainability targets, including the climate targets;

- Director of Sustainability: oversees and guides the progress against all sustainability targets, including Zalando's environmental performance with a special focus on climate

and packaging, including definition and prioritization of reduction areas and initiatives in line with science-based targets.

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Climate Goal Project Team is the key climate-related committee of our Sustainability Forum and reports directly to our Management Board. Responsibilities include monitoring the progress against Zalando's climate goals and targets for addressing climate-related issues, providing guidance on overall direction of the climate and carbon strategy, and the evaluation of main projects and plans of action on climate protection. The Climate Goal Project team was assigned these tasks as it combines members on different hierarchy levels, allowing the committees to build a bridge between high-level management oversight and the operational execution of climate-related issues. The committee consisted mainly of the following members:
- SVP Zalando Technology Foundation: Sponsor of the Climate Goal Project Team, who reviews, and guides Zalando's climate targets and approves major plans of action.
- SVP Logistics & Head of Logistic Engineering: monitors progress on the reduction of emissions in our warehouses; monitors progress towards increased supplier engagement resulting in packaging and last-mile-delivery partners having set science-based targets.
- VP Real Estate & Logistic Network Expansion and Director of Indirect Procurement: approve significant interventions, such as warehouses retrofitting feasibility studies, and have corporate wide responsibility for the development and operation of buildings (office, retail, logistics).
- Head Logistics Sustainability & Packaging Innovation: monitors progress towards an increased supplier engagement resulting in packaging and last-mile-delivery partners having set science-based targets.
- VP Category Women, Director Private Label Product Supply Women, Director of Partner Go-to-Market, Director Commerce Services: responsible for targets regarding

the climate footprint of our partner brands and our private labels brands, such as the reduction of GHG emissions from private label products and the setting of science-based targets of our partner brands.
- Central Sustainability Team and Business Unit members: Working group owners, responsible for the day-to-day definition, management and implementation of the concrete sustainability initiatives (e.g. drafting of climate strategy and targets together with Co-CEO).

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Zalando applies an executive remuneration system, which is closely linked to the progress of our platform strategy, including our ESG targets. Zalando provides incentives to all employees, including its senior management, to use more sustainable forms of transport, contributing towards reducing travel- and commuting-related GHG emissions.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Other C-Suite Officer

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Shares

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Increased share of renewable energy in total energy consumption
Increased engagement with suppliers on climate-related issues

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)

In 2021, the annual general meeting (AGM) approved the remuneration system 2021 reflecting the next step in the evolution of our compensation framework. The new management compensation system became effective as of June 1, 2021 and is applicable to all new contracts since then.

The ESG targets are connected to the LTIs in a way that up to 20 %-points reduction of Gross Merchandise Volume (GMV) vesting rate will be conducted in case ESG targets are not (fully) achieved.

The ESG targets for the LTI (Long Term Incentive) shares and LTI options comprise a sustainability target aligned with our do.MORE strategy and a diversity and inclusion target aligned with our do BETTER strategy, both clearly defined and measurable. The sustainability target which is weighted with 60% consists of four environmental sub-targets; each sustainability sub-target is weighted with 25% within the sustainability target achievement. The sub-targets concern 1) the reduction of Scope 1 and 2 greenhouse gas (GHG) emissions by 80% by the end of the performance period against a 2017 base year, 2) the increase of the annual sourcing of renewable electricity to 100% by the end of the performance period, 3) the reduction of Scope 3 GHG emissions from private label products by 40% per million Euros gross profit by the end of the performance period from a 2018 base year, and 4) ensuring that 90% of suppliers of the company (by emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery) will have science-based targets by the end of the performance period.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The new remuneration system is closely linked to our platform strategy, entailing our sustainability strategy and ESG targets, including our climate targets.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Other, please specify
    Noncash benefit

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

This position does not have an incentive plan

Further details of incentive(s)

All Zalando employees working in the offices and warehouses are offered a subsidized company ticket for the respective public transport. In doing so, employees are incentivized to reduce or even replace the use of cars or other high emission vehicles, both for reaching the workplace and for private travels. This initiative contributes towards more climate-friendly behavior of our employees.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive contributes to reducing Zalando's Scope 3 GHG emissions.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Other, please specify
Noncash benefit

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

This position does not have an incentive plan

Further details of incentive(s)

Zalando offers its employees a subsidized bike leasing program. Zalando also covers most repairs with an all-inclusive insurance. At the end of the 36-month lease period employees have the chance to own the bike with a final installment. The monthly installments are deducted from the final price, resulting in savings up to 40% compared to a private purchase. Employees with a permanent contract who have passed their probation period are eligible to enroll for a company bike.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive contributes to reducing Zalando's Scope 3 GHG emissions.

Entitled to incentive

Other C-Suite Officer

Type of incentive

Non-monetary reward

Incentive(s)

Other, please specify
Noncash benefit

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Not part of an existing incentive plan

Further details of incentive(s)

Zalando has a car-leasing program on management level, which is available to Vice Presidents, Senior Vice Presidents and our Management Board. The program offers, amongst others, a wide array of electric cars and contributes towards reducing GHG emissions from the car fleet. Furthermore, Zalando is providing the alternative of a BahnCard Business 100 as a substitute for colleagues who do not want to drive a company car.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive contributes to reducing Zalando's Scope 3 GHG emissions.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Other, please specify
Noncash benefit

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

This position does not have an incentive plan

Further details of incentive(s)

Zalando provides rail discount cards with a 25% to 100% discount to employees that regularly travel for business purposes. With this card, employees have a 25% to 100% discount on all rail travel within Germany that can also be used for private purposes. In doing so, employees are incentivized to reduce or even replace the use of high emission vehicles such as cars and airplanes for their inner country travels, for business travels, for reaching the workplace and for private trips.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive contributes to reducing Zalando's Scope 3 GHG emissions.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Time-horizon we consider primarily for business performance and operations planning as well as risk assessment.
Medium-term	1	5	Time-horizon we consider primarily for our financial planning as well as risk assessment.
Long-term	5	30	Time-horizon we consider primarily for our strategic planning as well as risk assessment.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Generally, we define "risk" as a potential future development or an event that could lead to a negative (risk) or positive (opportunity) deviation from the company's targets. Risks and opportunities are defined as top risks or top opportunities (i.e. **having a substantive financial or strategic impact**) if they display a material combination of probability and impact. The probability of occurrence represents the possibility that a specific impact for a risk or an opportunity may materialize within the defined time horizon. The impact assessment is conducted on quantitative or qualitative scales. The quantitative scale refers to the potential financial impact on profit (EBIT) while the qualitative scale considers the impact on Zalando's reputation. The probability is based on a scale from 1 (very low) to 5 (very high) and the financial or reputational impact assessment is based on a scale from 1 (very low) to 6 (critical), in accordance with Zalando's Risk Management Manual.

The minimum thresholds for material combination of probability and impact (and vice versa) that classify risks and opportunities as top risks and opportunities are the following: medium & very high; high & medium; very high & low. For example, a risk is considered a top risk if it has a low probability but a very high impact (and vice versa). In the assessment, gross and net risks are considered, whereas material net risks are monitored closely by the Management Board.

We apply the following quantifiable indicators:

Probability: very low ≤ 10%; low: >10-25%; medium: >25-50%; high: >50-75%; very high: >75%

Impact: very low <1m EUR; low: 1-5 m EUR; medium: 5-20 m EUR; high: 20-60 m EUR; very high: 60-200m EUR; Critical risks >200m EUR

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Upstream

Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term

Medium-term

Long-term

Description of process
a) Describe the organization's processes for identifying and assessing climate-related risks.

At the corporate level, Zalando has a dedicated Risk Management Team, whose key objective is the identification, assessment and reporting of risks that could threaten Zalando as a going concern. In this capacity, the Central Risk Management Team assesses risks and opportunities in a 1-3 year horizon within the Zalando Group. The Risk Management Team uses multiple instruments, such as workshops and self-assessments, for the identification and assessment of risks and opportunities. To enable risk monitoring between the bi-annual risk cycles, Zalando has implemented an ad-hoc reporting which informs the Risk Management Team and Management Board about current risk events and changes. The Risk Management Team closely cooperates with the Sustainability Team in order to identify climate related risks; the risk management team for example, was one of the key stakeholders for the central sustainability team in the 2022 process of identifying short/medium/ long term climate-related risks and opportunities based on climate scenario analysis.

Risks identification and assessment steps:

1. Scoping: Coverage of relevant company & subsidiaries as well as relevant partners within the value chain;

2. Detection: Interdisciplinary Risk Identification Approach;
3. Evaluation: Qualitative/Quantitative Assessment of identified risks including probability of occurrence & impact. For the impact evaluation we are using the scenario technique to assess the impact for the predicted time point of the defined scenario and assess the financial implications for the defined time horizon.

In 2022, Zalando conducted a climate scenario analysis for two different climate scenarios (1.5 °C and 4 °C) and in 3-time frame perspective. The goal of the project was to identify and assess climate-related risks and opportunities using Recommendations of the Task-Force on Climate-Related Financial Disclosures (TCFD).
The analysis process consisted of several steps:
1. Identification and creating a long list of climate-related risks and opportunities specific to the retail sector, the fashion industry and the Zalando company. The list was created based on desktop research, benchmarks of peer's companies and experts' knowledge.
a. Climate-related risk – potential negative effect for an organization in two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.
b. Climate-related opportunities - efforts to mitigate and adapt to climate change can create opportunities for organizations e.g., resilience in the supply chain. They depend on the location, market, and industry.

2. Scenario Risk Assessment - selection of the analyzed climate scenarios in accordance with the TCFD recommendations. The analysis focuses on the Risk Management element, supporting organizations to identify, assess, and manage climate-related risks.

3. Risk assessment based on an assessment of probability and financial and / or reputational impact according to a scale provided in Zalando's Risk Management Manual. Analysis and calibration of risk assessments in individual scenarios:
- First, an assessment in the nearest 2025 scenario.
- Second, an extrapolation for further scenarios (2030 and 2050).

4. Identification of key climate risks and opportunities for the Zalando company.

b) Describe the organization's processes for responding climate-related risks

Risk management steps:
Risk Owners define Mitigation Strategies and Measures for their risks. These mitigation strategies are factored into the evaluation of qualitative/quantitative assessments as described above. Thereafter the risk management team reports on the aggregated summary of risks and opportunities to senior management, the Management Board and the Supervisory Board on a half-yearly basis.

The following risk control measure categories are assessed within the organization risk assessment process (in accordance with IDW PS 981):
Risk Avoidance: Exit from activities if control measures are not cost-efficient and/or benefits are in unfavorable proportion to the risk.

Risk Mitigation: Reduction of the probability of occurrence and/or reduction of the amount of loss through appropriate measures.
Risk Transfer: Transfer of risk control and/or the financial impact of the risk to third parties, e.g. insurance companies.
Risk Acceptance: The occurrence of the risk is accepted, and no further mitigating measures are planned.
For the management of risks, the units and the dedicated owners are in charge. The Sustainability Team will identify gaps and provide advice on appropriate countermeasures.

c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.

As of 2022, short-term climate-related risks identified through climate scenario analysis were benchmarked against the company-wide risks registry. Most critical short-term climate-related risks that overlap with listed risks in the company risks registry are managed and monitored in line with the company-wide risk management process. In 2022 we implemented a network of Risk Champions. Risk Champions are selected employees in business functions such as Central Sustainability that are involved in daily operations but also have in-depth knowledge of the company's risk management tools and methodology. The Risk Champion role is designed to liaise with the Central Risk Management Team and the dedicated Risk Owners with the aim to strengthen the risk identification/assessment procedures. Further, the Risk Champion is responsible for monitoring and aligning the risk reporting with the dedicated Risk Manager, during the year as well as part of the bi-annual risk cycle.

Case study for the process used to determine which climate related risk could have a substantive financial or strategic impact:
- Situation: Cotton is the main natural i.e. cellulose fiber material used by most clothing brands. Water stress caused by extreme weather events, such as droughts and heavy rainfall, can negatively affect cotton cultivation, especially in regions where most of the world's production is concentrated. In the long term, this may result in the unavailability of the raw material, and thus an increase in prices.
- Task: In order to be able to prioritize this risk, its probability and financial impact has to be assessed.
- Action: To do so we follow the assessment process described in the text above and in C2.1b including the comparison against the outlined threshold.
- Result: This particular risk was assessed as 4 (high) for probability and 3 (medium) for financial impact (i.e. moderate financial impact on EBIT > EUR 5m - 20m). Due to the combination of probability and impact, this risk has a substantive impact.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations are part of our risk assessment, fall under the risk cluster "Compliance", and are defined as potential risks arising from compliance issues with current laws and regulations. Close cooperation between Zalando's Legal, Sustainability and Risk Management Teams is established to ensure that current regulatory requirements are considered and followed. Additionally, a regulatory watch process is implemented to identify potential future regulations or changes. Example of specific current regulations considered in our assessment is the German implementation of the CSR Directive on Non-Financial Reporting (CSR-RUG) (Section 289b (1) and (3) and Section 315b (1) and (3) HGB (German Commercial Code), the EU Taxonomy - Regulation (EU) 2020/852 and the upcoming (effective in 2023) Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG).
Emerging regulation	Relevant, always included	The regulatory environment is constantly evolving and requires continuous monitoring and anticipation of policy actions. Risks related to the emergence of new regulations are systematically identified and assessed and fall under the risk cluster "Compliance". Through the risk cycle, Zalando's Public Affairs, Sustainability, Legal and Risk Management Teams collaborate to ensure that relevant upcoming regulatory requirements are considered, and implementation actions planned. A regulatory watch process is implemented to identify potential future regulations or changes. Example of a specific risk considered in our assessment is the emergence of regulations on carbon-related product labeling requiring a life cycle assessment to allow products comparability and certain claims towards customers
Technology	Relevant, always included	As an e-commerce company, we look at new technologies or technological improvements in the energy and energy efficiency fields primarily (for example, technologies such as solar hot-water, solar panels, etc.). The major risk associated with these technologies is financial, related to the higher cost of these technologies. Transitioning to these technologies whether voluntarily or as a compliance matter requires significant CAPEX and might impact our overall profitability. While these technologies might pose a financial risk, we believe their benefits (i.e. lower or no GHGs emissions) outweigh their short-term risks. For example, another climate-related risk we anticipate (qualitative

		assessment) is increasing temperatures may require more intensive use of air conditioning in warehouses, office buildings and physical stores already now and within the short to medium time horizon. This may result in an increase in energy consumption, and thus an increase in expenses. This impacts our own operations emissions and related costs directly (short-term profitability).
Legal	Not relevant, included	Due to our business model, the occurrence of legal risks associated with climate-related litigation claims is very unlikely. However, legal risks in general are constantly monitored and evaluated in the risk cluster "Compliance".
Market	Relevant, always included	Market risks are part of our risk assessment and fall under the risk cluster "Strategic". We are continuously analyzing and incorporating market signals (e.g. macro-economic developments, social and environmental aspects, consumer behavior, etc.) into the risk identification and subsequent assessment and reporting. One example for a market risk considered in our assessment is the risk of changes in customer preferences resulting in changes in consumer behavior and decisions (for example: attitude towards slow fashion changes as it no longer enables status in a world affected by global warming). This might result in lost revenues if not addressed and if addressed, in financial costs linked to providing products transparency to customers (materials, places and factories of manufacturing, facilities EMS, workers conditions, etc.). We are responding to this risk through our corporate sustainability, circularity and products sustainability strategies as well as by constantly monitoring customers/ markets signals. Please refer to section C3 for detailed information on our strategy.
Reputation	Relevant, always included	Reputational risks are part of our risk assessment and fall under the risk cluster "Reputation and Sustainability". An example for reputational risks considered in our assessment relates to the increasing importance of climate change to our customers. Thus, the failure to manage our climate (and also social) issues appropriately might significantly damage our reputation.
Acute physical	Relevant, always included	Physical climate risks are part of our risk assessment and fall under the risk cluster "Operational". An example for acute physical risks considered in our assessment are extreme weather events specific to some regions, such as floods, cyclones, etc., can disrupt the continuity of production processes and affect the continuity of the supply chain. In addition, extreme weather events such as sea level rise or cyclones can damage ports important for the supply chain and delay transport, especially by sea. This may

		result in the lack of availability of goods for the end customer and a negative impact on sales.
Chronic physical	Relevant, always included	As described in C2.3a, changes in weather patterns can significantly influence Zalando's business performance, are therefore included in the risk identification process and fall under the risk cluster "Operational / Sales".
		For example, changes in weather conditions affect seasonality and thus product selection, purchasing and sales forecast. Due to changing weather patterns and associated unpredictability, we identified the risk of mismatch between demand and offer. In addition, we identified the risk of a decrease in employee efficiency in warehouses and physical stores due to rising temperature (climate comfort).

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

In 2022, Zalando served products to more than 50 million active customers across 25 European countries. Due to changing weather patterns and associated unpredictability, there is a risk of mismatch between demand and offer. Zalando's purchase and sales forecasts are based on common weather patterns, which include seasonality. Blurring seasons and the occurrence of extreme weather changes cause that there is a risk of mismatching the type of collections available to the customer to the current weather conditions. More extreme variations in weather conditions due to climate change and

the associated effects, such as the late start to the autumn/winter season, can have a significant impact on sales targets and therefore have implications to the business model.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
20.000.000

Potential financial impact figure – maximum (currency)
60.000.000

Explanation of financial impact figure
The identified opportunities and risks were assessed regarding the probability (scale: 1-5) and financial or image impact (scale: 1-5). The scale of the assessment is in accordance with Zalando's Risk Management Manual.
For the year 2025 this particular risk was assessed as 4 for financial impact (i.e. high financial impact on EBIT 20-60 m EUR).

Cost of response to risk
2.800.000

Description of response and explanation of cost calculation
We approach this weather-induced uncertainty with more flexible procurement and planning processes as well as by expanding our product-range in non-seasonal areas. Dependency on weather effects, as one inherent risk of the business, cannot completely be eliminated. A residual risk therefore has to be accepted.

Our Wholesale business does not give us that much short-term flexibility to adapt our assortment to the changing weather conditions. However, we have more flexibility with our Partner Program (PP) and Connected Retail program models that enable brands and retailers to sell their merchandise via Zalando, while they maintain full control over their offer, content and pricing. To gain more flexibility, we aim to scale our Partner GMV share up to 50% of our Fashion Store GMV by 2025. By making it easier to join our platform and to internationalize, we were able to grow our Partner Business GMV and have reached a Partner share of 36% of our Fashion Store GMV in 2022. We further internationalized the PP by adding new markets in Eastern Europe.

Cost of response to risk: The investments made in 2022 as part of delivering initiatives and work supporting the achievement of our do.MORE sustainability strategy is factored in the cost of response. By working towards our goals, we mitigate the environmental and social impacts of climate change. The ~ 2.8m EUR refers to the budget that we have allocated in 2022 for reaching our circularity, climate and product sustainability targets. Amongst others, it includes central spent data on circularity, climate and product sustainability initiatives.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Increased direct costs

Company-specific description

As an e-commerce player delivering to customers in 25 countries, Zalando sells thousands of brands and owns six labels. For these six labels, we source products from 14 different countries, and currently work with 118 sourcing partners and 203 active Tier 1 factories. Zalando may face the risk of limited availability of raw materials (including organic and cellulose fibers) for production by business partners and suppliers (for private label) and the resulting increase in product prices.

In particular, cotton is the main raw material used by most clothing brands. Water stress caused by extreme weather events, such as droughts and heavy rainfall, can negatively affect cotton cultivation, especially in regions where most of the world's production is concentrated. In the long term, this may result in the unavailability of the raw material, and thus an increase in prices. During the years 2020 to 2022, prices for cotton skyrocketed due to a high volatility (peak increase of roughly 300% from 2020 to 2022). Additionally, increasing demand for organic cotton and limited supply make a further price increase likely.

While price increases will be budgeted going forward, recent price developments make it hard to predict the organic cotton prices. Apart from deviations from planned price increases, which are assessed in this risk, also budgeted increases reduce the margin and need to be compensated. This climate-related risk applies to our brand partners; for

us as an e-tailer this could translate in reduced stock from partners and increase in product prices.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
5.000.000

Potential financial impact figure – maximum (currency)
20.000.000

Explanation of financial impact figure
The identified opportunities and risks were assessed regarding the probability (scale: 1-5) and financial or image impact (scale: 1-5). The scale of the assessment is in accordance with Zalando's Risk Management Manual.
For the year 2025 this particular risk was assessed as 3 for financial impact (i.e. moderate financial impact on EBIT 5-20 m EUR).

Cost of response to risk
6.000.000

Description of response and explanation of cost calculation
Our efforts to maintain and build a resilient textile value chain focus on:

a) Maintenance of a widespread supplier network with reduced dependency on single suppliers/ areas
b) Zalando commitment to positively impact the entire value chain having 90% of its brand partners (based on GHGs emissions) set science-based targets by 2025
c) Our target to reduce our private label emissions by 40% per M EUR gross profit. Since 2019, we have required Tier 1 factories that produce our sustainability assortments to complete the Higg Index's Facility Environmental Module and share their results back with us, allowing us to track the environmental impacts of our supply chain activities — including GHG emissions, water use and waste. In 2022, 178 factories (Tier 1) representing 93% of our production volume took part. Based on the data collected and with reference to industry reports, we identified key carbon hotspots. In 2022, 80 Tier 2 facilities covering a significant portion of Zalando business completed the Higg FEM (Facility Environmental Module), with the goal to expand Tier 2 coverage going

forward. This will help us implement improvement programs (pilot launched in Q4 2022) directly in our supply chain including in Tier 2 where our climate and water impacts are particularly significant.

d) Our circularity strategy which includes the launch of circular design criteria on Earth Day 2022 and the investments in textile regeneration technologies which help us with maximizing resources value by keeping them in use for longer and diversifying materials sourcing.

Cost of response to risk: the ~6m EUR refers amongst others to the budget that we have allocated in 2022 realizing our circularity strategy and reaching our science-based scope 3 target.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Risk of non-compliance with some new regulations, including EU Green Deal regulations (especially Corporate Sustainability Reporting Directive - CSRD and Circularity with the EU Textile Strategy) due to the company's failure to implement multiple regulations in a timely manner. This requires preparing reporting and addressing requirements related to, for example, CSRD, as well as implementing data acquisition systems, entails increased personnel and consulting costs.

In addition, there is a financial risk linked to increasing costs associated with data collection and accuracy requirements from non-financial reporting legislations on climate and social issues.

Summary of key regulations:

1) EU circular economy package consisting of: (1) the Textiles Strategy (a non-legally binding strategy document), and two regulatory proposals: (2) a regulation on eco-design for sustainable products and (3) a revision of consumer protection legislation (Empowering consumers in the green transition); (4) The Green Claims Directive

2) Corporate Sustainability Due Diligence and German Supply Chain Act;

3) EU-country specific regulations such as France Climate Resilience and Anti-waste & Circular Economy laws both focused on labelling and information requirements.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1.000.000

Potential financial impact figure – maximum (currency)

5.000.000

Explanation of financial impact figure

The identified opportunities and risks were assessed regarding the probability (scale: 1-5) and financial or image impact (scale: 1-5). The scale of the assessment is in accordance with Zalando's Risk Management Manual.
For the year 2025 this particular risk was assessed as 2 for financial impact (i.e. low financial impact on EBIT 1-5m EUR).

Cost of response to risk

2.000.000

Description of response and explanation of cost calculation

To address the increasing regulatory expectations, Zalando increased its sustainability staff in 2021 both within the central sustainability department and within other central functions such as legal and Public Affairs. This staff is still crucial in the reporting year to address the increasing regulatory expectations. Additional staff includes resources dedicated to reporting and ESG ratings and budgets associated with the execution of associated projects. Most of the 2021-2022 products sustainability and circularity initiatives have been addressing existing or upcoming regulatory requirements (EU Textile strategy).

Cost of response to risk: the ~2m EUR refer to the personnel costs initially needed in 2021 for extending our sustainability operations, Corporate Affairs and Corporate Governance teams as well as the budget allocated in 2022 for realizing our circularity strategy.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Shifting the use of energy sources towards low carbon alternatives as well as engaging in energy efficiency activities generates different benefits: i) decrease in energy consumption and related operational costs; ii) reduced GHG emissions, which reduce cost in case of potential carbon pricing legislation.

Zalando plans to reduce own carbon emissions (Scope 1+2) by 80 Percent by 2025 from a 2017 baseline. Efficient use of energy as well as switching to alternative sources of energy allow the company to operate more efficiently and to minimize its contribution to climate change, as well as building resilience to its impacts. Concrete initiatives relate to long-term contracts for green energy, investments in RES and higher automation.

This is particularly relevant for Zalando as a European company, considering the European Green Deal and the ambitious targets set by the EU for 2030 regarding GHG emission reductions, renewable energy and energy efficiency. In addition, using lower-emission sources of energy and thus reducing our GHG footprint results in reputational benefits.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1.000.000

Potential financial impact figure – maximum (currency)

5.000.000

Explanation of financial impact figure

The identified opportunities and risks were assessed regarding the probability (scale: 1-5) and financial or image impact (scale: 1-5). The scale of the assessment is in accordance with Zalando's Risk Management Manual.
For the year 2025 this particular opportunity was assessed as 2 for financial impact (i.e. noticeable financial impact on EBIT - EUR 1m - 5m).

Cost to realize opportunity

1.046.000

Strategy to realize opportunity and explanation of cost calculation

Our commitment to reduce by 80% our Scope 1+2 emissions by 2025 (from a 2017 baseline year) as part of our approved SBTs is part of our do.MORE strategy and we are currently working to capitalize on the opportunities offered by efficient use of renewable energy. Our German fulfillment centers are heated with biogas. For new warehouses, we avoid using gas by installing electrical heat pumps, as it was done in Verona and Rotterdam. In 2020, we became a member of the RE100 initiative and reached our goal of using 100% renewable electricity. We continued to fulfill this commitment in 2022. We source renewable electricity, purchase guarantees of origin, and have solar panels on our fulfillment centers in Lahr, Verona and Rotterdam. Our energy management system is certified to the latest ISO 50001 standard. All our new fulfillment centers and offices require a green building certification, guaranteeing maximum resource conservation and minimal greenhouse gas emissions.

Explanation of cost calculation: the ~ EUR 1m refer to activities such as the purchase of Guarantees of Origin (GOs) to cover areas with no green electricity, building operations, sustainability assessment for Corporate Real Estate Management and gas replacement assessment for warehouses.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Our customers are at the core of everything we do and we are acting on their increasing demand to make less impactful fashion choices. To help customer's close the gap between their sustainability values and their purchasing behaviors we highlight products that have sustainability information regarding their materials and processes. In our web shop, we make our sustainability-related product information available through tappable icons on the product images. Customers can then discover information including the percentage of certified material in a product. We are constantly working both with our private labels and with our brand partners to expand the offering of products with sustainability related information (in 2022, we grew our "sustainability assortment" to more than 180,000 products, compared with around 140,000 a year earlier).

We are committed to ensuring the information is simple, credible, and substantiated. We are continuing to learn how we can improve our offering to be relevant, accurate and transparent, while supporting the industry to share the required data. Our do.MORE strategy already addresses this opportunity through our commitment to generate 25% of our GMV from more sustainable items.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

20.000.000

Potential financial impact figure – maximum (currency)

60.000.000

Explanation of financial impact figure

The identified opportunities and risks were assessed regarding the probability (from very low to very high) and financial or image impact (scale: from very low to critical). The scale of the assessment is in accordance with Zalando's Risk Management Manual. For the year 2025 this particular opportunity was assessed for financial impact (i.e. noticeable financial impact on EBIT - EUR 20m - 60m)

Cost to realize opportunity

2.000.000

Strategy to realize opportunity and explanation of cost calculation

Zalando is providing our customers with product sustainability information that is simple, credible, comparable, and substantiated, and we want to close the gap between our customers' sustainability values and their purchasing behaviors. That's why we continue to highlight more sustainable aspects of our products, including materials and processes.

Following more than a year of work, we stopped using our sustainability flag, which previously highlighted products, that fulfilled at least one sustainability attribute, and in-house criteria and shifted our focus to third-party standards. Still, our new approach is based on the same certifications as the previous criteria, including the Global Organic Textile Standard (GOTS) and trademarked/ licensed fibers, such as TENCEL™, Lyocell, and Infinna™. The full list of accepted certified, licensed, and trademark fibers and materials can be found at our Fashion Store. We now require more data from brand partners which allows for better substantiation and validation of sustainability information.

To support our customers, we make our sustainability-related product information available through tappable icons representing various sustainability attributes. This information access including the percentage of certified material in a product is available to all customers.

With our enhanced transparency, we increase the awareness of our customers with respect to sustainability and offer them the option to shop more sustainably. We measure our success by the progress towards reaching the following target: By 2023, we generate 25% of our GMV (Gross Merchandise Volume) with more sustainable products.

Our sales of products with sustainability-related attributes accounted for 17.0% of GMV in 2022, compared to 21.6% under the previous criteria reported last year.

The decline was mainly due to adjustments to our criteria, to ensure that the certifications we accept provide sufficient traceability, in line with EU regulatory guidance. Over the coming months, we will continue to work with certification bodies and brand partners to address traceability requirements.

Explanation of cost calculation: the ~ EUR 2m refer to our 2022 activities regarding our updated approach to sustainability-related product information as described above.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Growing customer awareness of climate change is driving changes taking place in the fashion sector.

Sticking to a linear make-dispose fashion model only becomes a significant risk. This is an opportunity to build a new market or develop a new segment in the area of circularity. A lot of environmental impact is baked in during the design stage, where there are few standards for circular design. After that, when it comes to product use, consumers struggle to translate their values into actions, with 58% saying they would like to repair but only 23% doing so. Some 82% of clothing that goes to waste could be cleaned, repaired and reworn, or resold. Just 1% are recycled back into high-quality products. Given the scale of the challenge, a system shift is required. Our mission is to use our unique position as a platform, our millions of customers, and our brand partnerships to close the attitude-behavior gap and enable more reuse, resale, and recycling. At Zalando we have incorporated this opportunity in our do.MORE strategy, specifically in our commitment to extend the life of 50M fashion articles.

Beyond fashion items, circularity principles can be applied to packaging as well with the opportunity to develop reusable packaging. Our environmental strategy incorporates this opportunity through our packaging commitment to design our packaging to minimize waste and keep materials in use, specifically eliminating single use plastics by 2023.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

5.000.000

Potential financial impact figure – maximum (currency)

20.000.000

Explanation of financial impact figure

We estimated the potential financial impact of this opportunity as EUR 33m to 50m. This number includes the estimated impact on GMV by end of 2023 driven by the initiatives planned across the various stages of circularity (design & manufacturing, use, reuse, close the loop).

Cost to realize opportunity

5.500.000

Strategy to realize opportunity and explanation of cost calculation

To address this opportunity, we committed to extending the life of at least 50m fashion products by 2023 through the application of circularity principles. Since 2020, we have extended the life of more than 4 million fashion products mainly through our Recommerce business. Our pre-owned assortment has grown to more than 400000 items and 1000 brands since the category launch in September 2020, with fresh items added every day. All items are delivered in plastic-free packaging. In 2022, we also scaled our Pre-owned category to a total of 13 markets. When customers sell items to Zalando, they are offered credit in the form of either a non-expiring Zalando gift card or a donation to selected initiatives. For items that do not meet our eligibility criteria, customers can choose either to have them returned or donated to charity.

On Earth Day 2022, we announced the launch of our first Circular Design Criteria, co-developed with our partner circular.fashion. In 2022, our private labels designed and produced about 775000 items in line with circular design principles, allowing us to test the criteria and encourage a mindset shift in the design and manufacturing process. In 2022, in partnership with Save Your Wardrobe, we continued our care and repair services pilot in Berlin and found that flexibility, convenience and options such as zero-emissions delivery and reusable packaging are important. To help us meet these needs, we onboarded a green logistics partner. Through usability testing, we identified challenges in the booking journey and worked to improve the customer experience. We discovered that most customers' repair requests were for rips, tears, broken zippers, and shoe cleaning. We are investing and partnering to support innovation and scaling in

recycling, logistics, and automated sorting. Building on the foundations we laid with Infinited Fiber Company and Ambercycle last year, we invested in Circ™, a US-based company that has developed a technology to recycle blended cotton and polyester fabric in a fully circular textile-to-textile process. In addition, we have started to support a footwear sorting and dismantling project launched by the innovation platform CETIA and joined a footwear recycling group run by Fashion for Good and recycler Fast Feet Grinded, which aims to support the development of footwear recycling at scale.

Explanation of cost calculation: the ~ 5.5m EUR refers to the circularity 2022 budget and circularity investments in 2022.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
> No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
> The roadmaps we have for our products, packaging and circularity are additional elements of our strategy to minimize our environmental impact in line with 1.5C.
> As Zalando currently has not publicly set long-term net-zero GHGs targets, we have not developed a public transition plan aligned with CDP technical note.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 2.6	Company-wide		Zalando used two counterbalancing global paths of greenhouse gas emissions for the scenario analysis: - AR5 IPCC RCP 2.6, which assume an increase in global temperature below 2°C, and - AR5 IPCC RCP 8.5, assuming an increase to 4°C, which were built using publicly available datasets (inter alia the Intergovernmental Panel on Climate Change (IPCC) scenarios and Nationally Determined Contributions). Each of the scenarios was adjusted to local conditions and potential impact on the retail sector was assessed along three time horizons, in accordance with the TCFD guidelines: by 2025 (short term), by 2030 (medium term) and by 2050 (long term). In line with the IPCC's findings on the impact of climate change in the short term, the differences in temperature rise up to the year 2035 for both RCP scenarios are negligible. These findings were confirmed in the context of Germany, using the World Bank's modeling tool, based on the scenarios used by the IPCC. For both scenarios, the following parameters were analyzed: increase in average monthly temperatures, amount of precipitation and the number of hot days in a year (>35°C). We have superimposed the local context on the principles contained in the global emission paths. The assumptions included: - availability of new technologies, - applied and expected regulations, - macroeconomic factors and - maturity of markets, Further assumptions related to the specificity of our business and sector, including: - Zalando business model, - strategic, financial and investment plans, - market trends, including customer and stakeholders' expectations, - business environment, including activities of competitors.

| Physical climate scenarios RCP 8.5 | Company-wide | | Zalando used two counterbalancing global paths of greenhouse gas emissions for the scenario analysis:

- AR5 IPCC RCP 2.6, which assume an increase in global temperature below 2°C, and
- AR5 IPCC RCP 8.5, assuming an increase to 4°C, which were built using publicly available datasets (inter alia the Intergovernmental Panel on Climate Change (IPCC) scenarios and Nationally Determined Contributions).

Each of the scenarios was adjusted to local conditions and potential impact on the retail sector was assessed along three time horizons, in accordance with the TCFD guidelines: by 2025 (short term), by 2030 (medium term) and by 2050 (long term). In line with the IPCC's findings on the impact of climate change in the short term, the differences in temperature rise up to the year 2035 for both RCP scenarios are negligible. These findings were confirmed in the context of Germany, using the World Bank's modeling tool, based on the scenarios used by the IPCC. For both scenarios, the following parameters were analyzed: increase in average monthly temperatures, amount of precipitation and the number of hot days in a year (>35°C).
We have superimposed the local context on the principles contained in the global emission paths. The assumptions included:

- availability of new technologies,
- applied and expected regulations,
- macroeconomic factors and
- maturity of markets,

Further assumptions related to the specificity of our business and sector, including:
- Zalando business model,
- strategic, financial and investment plans,
- market trends, including customer and stakeholders' expectations,
- business environment, including activities of competitors. |

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The scenarios disclosed in C3.2a have been selected to respond to the following focal questions:

1. How do climate risks & opportunities linked to potential warming scenarios impact our business?

2. How do we back the need for short-to-medium term investments required to achieve a science-based net-zero target?

3. What are the long term risks and opportunities related to different degrees of warming and what should influence our post-2023 sustainability strategy?

Results of the climate-related scenario analysis with respect to the focal questions

The purpose of the climate scenario analysis process initiated in 2022, was to enhance strategic planning and identify gaps in risk management so we can take the necessary preparations and demonstrate our resilience to stakeholders.

In order to respond to the focal questions reported in the previous column, a climate related risks and opportunities assessment has been conducted: a group of Zalando stakeholders from across functions and business units has contributed to assessing the likelihood and magnitude of impact of a wide range of risks and opportunities linked to different degrees of warming.

The climate scenario analysis provided us with a global understanding of exposure to climate-related risks, defining our list of climate-related risks (including the refinement of previously identified climate-related risks and opportunities) and establishing the basis for a more conclusive in-depth analysis for the key climate-related risks, as well as development and the implementation of mitigation measures. Through scenario analysis, we considered a range of different climate-related risk combinations and assessed their financial, reputational, and strategic ramifications. We identified specific climate-related risks that could generate costs ranging from 0 to over 60m EUR (for the specific climate-related risk). The analysis also revealed climate-related opportunities, which could generate an estimated total profit of up to around 230m EUR and/or have a strong positive reputational impact. Zalando has not yet publicly committed to or set a science-based long term net-zero GHGs emissions reduction target; however this outcome is feeding into the decision making process and the supporting documentation that outlines the business case in the upcoming year.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Zalando might face negative or positive consequences from climate-related impacts (see C2.3a Risk 1 and 2 and C2.4a Opp. 1 and 3). Our do.MORE strategy product pillar addresses these risks/opportunities through the goals of generating 25% of our GMV from more sustainable products by 2023 and of extending the life of at least 50m fashion products by 2023 through the application of circularity principles.

1) 1 in 4 Zalando customers consider sustainability when making a purchasing decision. Zalando highlights products based on third-party standards, including the Global Organic Textile Standard (GOTS) and trademarked/licensed fibers (e.g. TENCEL™, Lyocell, Infinna™). The full list of accepted certified, licensed, and trademark fibers and materials can be found at our Fashion Store. We now require more data from brand partners which allows for better substantiation and validation of sustainability information. To support our customers, we make our sustainability-related product information available through tappable icons representing various sustainability attributes. In 2022, we grew our more sustainable assortment to more than 180000 products, compared with around 140000 a year earlier. Our sales of products with sustainability-related attributes accounted for 17% of GMV in 2022, compared to 21.6% reported last year. The decline was mainly due to adjustments to our criteria, to ensure that the certifications we accept provide sufficient traceability, in line with EU regulatory guidance. Overall, we believe that increasing our customers awareness with respect to sustainability and offering them the option to shop more sustainably represents an opportunity to Zalando.

2) For our owned brands, we are working to ensure that all private label products will qualify for our sustainability flag and 100% of our sustainability flagship brand ZIGN already do. In 2022, we generated 58% of our private label GMV with more sustainable products.

3) On Earth Day 2022, we announced the launch of our first Circular Design Criteria, co-developed with our partner circular.fashion, aligned with the Ellen MacArthur |

		Foundation's circular design guidelines. In 2022, in partnership with Save Your Wardrobe, we continued our care and repair services pilot in Berlin and we are investing and partnering to support innovation and scaling in recycling, logistics, and automated sorting.
Supply chain and/or value chain	Yes	Zalando might face negative or positive consequences from climate-related impacts to our value chain (see C2.3a Risk 1 and 2). Our value chain refers to 1) Zalando own fashion brands 2) Zalando brand partners 3) Zalando logistics and packaging partners. As an e-commerce player delivering to customers in 25 countries, we work with more than thousands of business partners including 7,000 brands. 1) Private labels: Zalando has set science-based targets. We commit to reduce scope 3 GHG emissions from private label products 40% per EUR m Gross Profit by 2025 from a 2018 base year. Our private labels play an important role in helping us test new sustainable sourcing and production strategies, and we share our learnings with our brand partners. In line with our do.MORE strategy, we aim to extend the share of more sustainable materials for our private labels, i.e. more sustainable man-made cellulosics (includes LENZING™ TENCEL™, LENZING™ viscose, generic lyocell, and responsible modal and viscose); more sustainable leather (includes from Leather Working Group-rated tanneries, chrome free leather, and innovative leather alternatives); more responsible animal fibers (includes organic and recycled standards as well as Responsible Wool Standard and Responsible Down Standard. 2) Fashion and logistics partners: Zalando has set science-Based targets (SBTs) and as part of our SBTs, we commit to 90% of our suppliers by emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery partners will have science-based targets by 2025. 3) We also set ambitious targets with respect to sustainable packaging: By 2023, we will design our packaging to minimize waste and keep materials in use, specifically eliminating single-use plastics. This goal enables global efforts to move away from fossil-fuels extraction and reduce the impact of plastics production; additionally, this goal aims at reducing global plastics waste (and its related emissions) and plastics pollution, protecting land and water, biodiversity.
Investment in R&D	Yes	Zalando aims to have a positive impact on people and the planet. This is not only critical in order to minimize impact on

the environment which increasingly created financial and regulatory risks for business, it's also critical to our customers, which position sustainability as a key value. We consider this in our R&D strategy, which covers 2 main aspects:

a) Reusable packaging: we are committed to designing our packaging to be recyclable and recycled. We are prioritizing mono-materials that are widely recyclable, such as paper-based materials and low-density polyethylene plastic. In 2022 in our private label packaging, we raised the proportion of recycled content from around 60% in 2021 to around 85% in 2022. We continued to roll out 100% recycled shoeboxes and transition to 100% recycled polybags. When designing packaging, we prioritize materials that contain a high proportion of recycled content and are easily recyclable. Our polybags are made of 90% recycled content, comprising 50% pre-consumer waste and 40% post-consumer waste. In 2022, we tested 100% post-consumer recycled plastic polybags. Additionally, we continued to explore further reusable packaging possibilities. As part of that process, we conducted a Life Cycle Assessment (LCA) to understand its environmental impacts. As a result we have launched a project to reuse cardboard boxes when transporting goods between fulfillment centers. In 2022, this allowed us to avoid the use of 980 metric tons of new boxes.

b) In 2021 we launched our circularity strategy across 4 pillars: design and manufacture, use, reuse, and close the loop. In 2022 we focused on the last stage of our circularity strategy, close the loop. To scale textile-to-textile recycling and reduce our industry's reliance on virgin raw materials, we have invested in one new innovator. Circ™ is a US-based company that has developed a technology to recycle blended cotton and polyester fabric in a fully circular textile-to-textile process. In addition, we have started to support a footwear sorting and dismantling project launched by the innovation platform CETIA, which aims to unlock scalable technology solutions for automated shoe sorting and dismantling and joined a footwear recycling group run by Fashion for Good and recycler Fast Feet Grinded, which aims to support the development of footwear recycling at scale (see C2.4a Opp.3).

Operations	Yes	Influenced by climate-related risks and opportunities (as reported in C2.3a Risk 1 and C2.4a Opportunity 1) Zalando adapted its operations strategy. By mitigating our contribution

to global emissions, we are also mitigating the risks resulting from global warming. In 2020 we have set 1.5°C aligned GHGs emissions reduction targets validated by the Science Based Targets initiative. As part of our SBTs, we aim to achieve an 80% absolute reduction in emissions of our own operations and purchased electricity emissions (Scope 1+2) compared to 2017 and an increase in annual sourcing of renewable electricity from 34% in 2017 to 100% by 2025.

Since joining the RE100 initiative in 2020, we have obtained all our electricity from renewable sources, ensuring alignment with the RE100 Technical Criteria. We use a combination of procurement tools, primarily green tariffs and onsite power purchase agreements. Additionally, our energy management system is certified to the latest ISO 50001 standard. Our German fulfillment centers are heated with biogas.

Gas heating in our logistics centers is the largest source of our Scope 1 and 2 emissions, followed by heating in our office and retail spaces.

Our first priority is to reduce emissions in line with our SBTs. In addition, to take immediate action to remove carbon from the atmosphere, we compensate any remaining emissions in our own operations (Scope 1 and 2), as well as deliveries, returns and packaging (Scope 3) by purchasing carbon credits from high-quality afforestation and reforestation projects. Working with the environmental consultancy FORLIANCE, we have committed to Gold Standard certified reforestation projects in Colombia, Panama, and Indonesia. Forests are among the most powerful carbon sinks, so it's vital to plant new trees, rehabilitate damaged forests, and enrich green spaces.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs	A) Revenues: Zalando's financial planning and revenues might be impacted by the following risks and opportunities:

Indirect costs	
	1. Shift in consumer preferences (as disclosed in C2.4a) may lead to increased demand for products. Zalando expects to expand sales generated by more sustainable products, with an increase in revenues having a medium to high estimated financial impact in the short to medium term. Increasing environmental awareness will spur this shift towards sustainable products. In 2022, we grew our sustainability assortment to more than 180,000 products, compared with around 140,000 a year earlier.
	2. Changes in precipitation and chronic weather events might influence the ability of Zalando to generate expected revenues (as reported in C2.3a, risk 1). Extreme weather events, such as long seasons, may cause a late or early start of the following season leading to uncertain and decreased revenues with a high estimated financial impact and a short-term period. Therefore, we have expanded our product range including non-seasonal items in order to mitigate the effect of longer seasons caused by weather conditions.
	B) Direct Cost: The potential consequences of damages from weather events (as explained in C2.3a Risk 2) might lead to increased operating costs by impacting the price of raw materials. One concrete example is cotton, which is the main raw material used by most clothing brands. Water stress caused by extreme weather events, such as droughts and heavy rainfall, can negatively affect cotton cultivation. In the long term, this may result in the unavailability of the raw material, and thus an increase in prices. During the years 2020 to 2022, prices for cotton skyrocketed due to a high volatility (peak increase of roughly 300% from 2020 to 2022). Additionally, increasing demand for organic cotton and limited supply make a price increase for this commodity likely We have put in place a more flexible procurement and a more robust planning process in order to reduce dependency on single suppliers and areas of supply. We also aim to positively influence our value chain by having 90% of our brand partners (based on GHGs emissions) set science based targets by 2025. The financial planning will be impacted by a medium level of magnitude in a short-term period.
	C) Indirect Costs: The increasing number of EU regulations is likely to lead to increasing operating costs (as described in C2.3a, Risk 3), which would affect our financial planning. Increasing costs are likely to be associated with more resources needed for data collection, ensuring data accuracy, detailed documentation for internal and external auditing and any other additional process aimed at meeting requirements from non-financial reporting legislations on climate and social issues.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

4.537

Base year Scope 2 emissions covered by target (metric tons CO2e)

22.725

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
27.262

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2025

Targeted reduction from base year (%)
80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

5.452,4

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
5.512

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
588

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

Does this target cover any land-related emissions?
    No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
    Underway

Please explain target coverage and identify any exclusions
    Zalando set a science-based target with 2017 as the base year covering 100% market-based GHG emissions of scope 1 and 2 (for absolute emissions).

Plan for achieving target, and progress made to the end of the reporting year

Our roadmap to achieve Scope 1+2 SBTs is based on: renewables, energy efficiency and identifying opportunities for electrification. Significant gains have been resulting from more accurate data collection as for example in our monitoring and tracking of refrigerants refills. This has enabled us to move away from industry averages in our emissions calculations and annual progress reporting. For new warehouses, we avoid using gas by installing electrical heat pumps, as it was done in Verona and Rotterdam. In 2020, we became a member of the RE100 initiative and reached our goal of using 100% renewable electricity. We continued to fulfill this commitment in 2022. We source renewable electricity, purchase guarantees of origin, and have solar panels on our fulfillment centers in Lahr, Verona and Rotterdam. Our energy management system is certified to the latest ISO 50001 standard. Looking forward, we will continue to develop our data capabilities, and equip our fulfillment centers with solar panels. All our new fulfillment centers and offices require a green building certification.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method

Scope 3 category(ies)
Category 1: Purchased goods and services

Intensity metric

Other, please specify
Metric tons CO2e per EUR m Gross Profit

Base year
2018

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
98

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
   98

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
   98

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
   10

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
> 7

% of total base year emissions in all selected Scopes covered by this intensity figure
> 10

Target year
> 2025

Targeted reduction from base year (%)
> 40

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
> 58,8

% change anticipated in absolute Scope 1+2 emissions
> 0

% change anticipated in absolute Scope 3 emissions
> 0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

84

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
> 84

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
> 84

Does this target cover any land-related emissions?
> No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
> 35,7142857143

Target status in reporting year
> Underway

Please explain target coverage and identify any exclusions
> In 2020, we set a science-based target to reduce scope 3 GHG emissions from private label products by 40% per EURm Gross Profit by 2025 from a 2018 base year.

Plan for achieving target, and progress made to the end of the reporting year

In 2022, our private label emissions fell by 14% per million EUR gross profit, from a 2018 baseline. This reduction is the result of gross profit performance. Since this is a relative target, it is impacted by changes both in the numerator and the denominator. Compared to the baseline year (2018), the numerator (private label emissions) grew by 53% but the denominator (Zalando gross profit) grew by 78%, thus leading to a relative reduction of emissions. We will scale investments in more sustainable materials and low-carbon manufacturing to ensure target achievement by 2025. Alongside this, we will build on improvements made in data collection processes and analysis to ensure quality data sources while taking the steps necessary to align our GHG accounting methodology with emissions reduction tracking from materials and manufacturing efforts.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2017

Consumption or production of selected energy carrier in base year (MWh)
22.580

% share of low-carbon or renewable energy in base year
34

Target year
2025

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
100

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Is this target part of an emissions target?
Abs1

Is this target part of an overarching initiative?
Science Based Targets initiative

Please explain target coverage and identify any exclusions
Zalando commits to increase annual sourcing of renewable electricity from 34% in 2017 to 100% by 2025. We reported progress against the same renewable energy consumption target in C4.2 last year. This target is part of our absolute Scope 2 emissions reduction target Abs 1. As a member of the RE100 initiative, this target covers all consumed electricity in our direct operations.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target
In 2020, we became a member of the RE100 initiative and reached our goal of using 100% renewable electricity. We continued to fulfill this commitment in 2022. We source renewable electricity, purchase guarantees of origin, and have solar panels on our fulfillment centers in Lahr and Verona. Last year, we also installed solar panels at our new fulfillment center in Rotterdam, with the capacity to double our consumption of solar energy.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

Percentage of suppliers (by emissions) with a science-based target

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

90

Figure or percentage in reporting year

58

% of target achieved relative to base year [auto-calculated]

64,4444444444

Target status in reporting year

Underway

Is this target part of an emissions target?

Int2

Is this target part of an overarching initiative?

Science Based Targets initiative – approved supplier engagement target

Please explain target coverage and identify any exclusions

Zalando commits that 90% of its suppliers (by emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery partners) will have science-based targets by 2025.

Plan for achieving target, and progress made to the end of the reporting year

To minimize the emissions from products we sell through our retailing and platform businesses, we work closely with our brands, packaging and last-mile-delivery partners to support them in emissions reduction target setting in line with the SBTi criteria. To support brands in setting climate targets aligned with science, we launched a pilot program offering one-on-one support. In 2021 and the first half of 2022, 15 partners took part, with seven committing to set SBT. To scale our efforts, we joined forces with the online retailers ABOUT YOU and YOOX NET-A-PORTER to launch FASHION LEAP FOR CLIMATE, a learning platform that provides opportunities for peer learning and step-by-step guidance on measuring emissions and setting targets aligned with climate science. By the end of 2022, brand, packaging and last-mile-delivery partners accounting for around 58% of our 2022 supplier-related emissions had set SBTs. This represents a 6% progress from the previous year, when partners with SBTs accounted for 52% of supplier-related emissions.

List the actions which contributed most to achieving this target

---

Target reference number

Oth 2

Year target was set

2019

Target coverage

Other, please specify

(Scope 1 and 2) and in packaging and upstream transportation and distribution (incl. deliveries and returns).

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify

Other, please specify

Carbon Neutrality pledge; Metric: metric tons CO2e

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

0

Target year

2022

Figure or percentage in target year
419.347

Figure or percentage in reporting year
419.347

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Since the launch of our do.MORE strategy in October 2019, we have compensated our residual emissions from our own operations (Scope 1 and 2) and from packaging and upstream
transportation and distribution incl. deliveries and returns (Scope 3) every year on an annual basis.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target
To achieve this target on an annual basis, we procured carbon removal credits for 419,347 t CO2e (compared to 438,931 t CO2e in 2021), in order to offset all residual emissions from our own operations (Scope 1 and 2) and from packaging and upstream transportation and distribution (incl. deliveries and returns). We procured verified emission reductions (VERs) from Gold Standard certified reforestation projects in Ethiopia, Uganda, Panama, Colombia and a Verified Carbon Standard (VCS) certified project in Indonesia.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	2	3.419
Implementation commenced*	0	0
Implemented*	1	53.753
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type
> Low-carbon energy consumption
> Large hydropower (>25 MW)

Estimated annual CO2e savings (metric tonnes CO2e)
> 23.800

Scope(s) or Scope 3 category(ies) where emissions savings occur
> Scope 2 (market-based)

Voluntary/Mandatory
> Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
> 0

Investment required (unit currency – as specified in C0.4)
> 0

Payback period
> <1 year

Estimated lifetime of the initiative
> >30 years

Comment

Initiative category & Initiative type
> Low-carbon energy consumption
> Other, please specify

Mix of hydropower, wind and solar

Estimated annual CO2e savings (metric tonnes CO2e)

23

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption
Small hydropower (<25 MW)

Estimated annual CO2e savings (metric tonnes CO2e)

4.780

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

4.834

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

Sustainable Biomass

Estimated annual CO2e savings (metric tonnes CO2e)

18.639

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

> 0

Payback period

> <1 year

Estimated lifetime of the initiative

> >30 years

Comment

Initiative category & Initiative type

> Low-carbon energy consumption
> Wind

Estimated annual CO2e savings (metric tonnes CO2e)

> 11.816

Scope(s) or Scope 3 category(ies) where emissions savings occur

> Scope 2 (market-based)

Voluntary/Mandatory

> Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

> 0

Investment required (unit currency – as specified in C0.4)

> 0

Payback period

> <1 year

Estimated lifetime of the initiative

> >30 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	The Sustainability Team collaborates with different teams and business units in order to develop and implement measures to reduce Zalando's climate-related impact by means of employee engagement

Compliance with regulatory requirements/standards	The Sustainability Team identifies regulatory requirements connected to climate protection and informs the affected internal business units. For example, regulations in terms of renewable energy have led the Construction team to evaluate the installation of solar panels in European warehouses.
Financial optimization calculations	Financial optimization calculations are our main driver and projects are implemented in general according to the strength of the business case. However, some projects are implemented in spite of a weaker financial case. An example of this is in relation to our do.MORE strategy packaging goal and moving away from single use plastic: paper bags are way more expensive than plastic ones.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)

| Row 1 | Yes, a change in methodology | In 2022, we were able to improve data quality and apply methodological changes to our GHG inventory accounting.

Improved data quality:
One of the key contributors to the additional progress towards our scope 1&2 reduction target in 2022 was the availability of supplier-specific emission factors for district heating, which reflects the switch to lower-carbon energy sources for district heating by our suppliers. We now also have access to actual refrigerant leakage data from our logistic locations and are applying this data in our emissions calculation instead of industry averages. This updated leakage rate has been applied to both logistic and non-logistic locations as of the 2017 base year. As a result, annual cooling emissions are 92% lower compared to previously reported figures for the years 2017–2021.

GHG inventory accounting changes:
In 2022, as part of an overall effort to optimize data management for sustainability metrics, we have implemented refinements to product emissions calculation to improve accuracy of emissions from Zalando's purchased products according to the GHG Protocol. The refinements included assigning weights to products that previously had no weight assigned, as well as improvements to the accounting methodology related to product assembly (Tier 1) emissions. These changes triggered a recalculation of 2017–2021 emissions related to private labels and Wholesale product manufacturing. Recommerce and Partner Program product emissions calculations, which are partly based on proxy data from Wholesale, were also updated. Emissions calculations for our Offprice product emissions category were previously based on spend data. As of this year (and retroactively for all years since our base year 2017), we have switched to an improved data source which is based on materials and weights. These changes resulted in adjustments to previously calculated emissions reduction targets progress. |
|---|---|---|

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based	Zalando's recalculation policy is mainly based on Chapter 5 of the GHG Protocol Corporate Accounting and Reporting Standard. The following cases shall trigger a recalculation of the base year emissions:	Yes

		Scope 2, market-based Scope 3	- Structural changes: mergers, acquisitions, and divestments, as well as outsourcing and insourcing activities. When significant structural changes occur during the middle of the year, the base year emission should be recalculated for the entire year. Similarly, current year emissions should be recalculated for the entire year to maintain consistency with the base year recalculation. - Changes in calculation methodology: situations where the same sources of carbon emissions as in previous years are calculated, but the measure or calculation method is different. The different measures, or calculation methods, aim to obtain more accurate reporting. If however the differences in emissions resulting from such a change are significant, historical data should be recalculated by applying the new data and/or methodology back to the base year. When more accurate data input is not reasonably available for the past years, data points have to be back-casted, or the change may simply be acknowledged and disclosed in order to enhance transparency. - Discovery of significant errors or a number of cumulative errors that are collectively deemed significant. Organic growth or decline (i.e. increases and decreases in sold products, changes in product mix, and closures and openings of business units owned or controlled by Zalando) and any changes in emission factors or activity data that reflect real changes in emissions (e.g. changes in fuel type) do not trigger the recalculation of emissions. Base year emissions shall be retroactively be recalculated to reflect changes within Zalando that would otherwise compromise the consistency and relevance of reported emissions. Zalando deems any change or a number of cumulative changes that drive an increase or decrease in emission of more than 5% as being significant. Zalando may also choose to	

| | | | | recalculate emissions for changes less than 5% if appropriate.

The changes in methodology introduced in the 2022 reporting year resulted in the following adjusted base year emissions:

- Our 2017 scope 1 and 2 market-based emissions (base year for our scope 1 and 2 targets) were adjusted from 27,681 tCO2e to 27,262 tCO2e.

- Our 2018 scope 3 emissions (base year for our scope 3 target) was adjusted from 3,315,056 tCO2e to 3,420,059 tCO2e. | |

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
Januar 1, 2017

Base year end
Dezember 31, 2017

Base year emissions (metric tons CO2e)
4.537

Comment

Scope 2 (location-based)

Base year start
Januar 1, 2017

Base year end
Dezember 31, 2017

Base year emissions (metric tons CO2e)
29.307

Comment

Scope 2 (market-based)

Base year start
Januar 1, 2017

Base year end

Dezember 31, 2017

Base year emissions (metric tons CO2e)
22.725

Comment

Scope 3 category 1: Purchased goods and services

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)
2.176.994

Comment

Scope 3 category 2: Capital goods

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)
210.658

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)
6.194

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

214.800

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

582

Comment

Scope 3 category 6: Business travel

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

6.297

Comment

Scope 3 category 7: Employee commuting

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

3.267

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not applicable

Scope 3 category 9: Downstream transportation and distribution

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

2.978

Comment

Scope 3 category 10: Processing of sold products

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not applicable

Scope 3 category 11: Use of sold products

Base year start

Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)

762.443

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)
32.632

Comment

Scope 3 category 13: Downstream leased assets

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment
Not applicable

Scope 3 category 14: Franchises

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment
Not applicable

Scope 3 category 15: Investments

Base year start
Januar 1, 2018

Base year end

Dezember 31, 2018

Base year emissions (metric tons CO2e)
3.214

Comment

Scope 3: Other (upstream)

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment
Not applicable

Scope 3: Other (downstream)

Base year start
Januar 1, 2018

Base year end
Dezember 31, 2018

Base year emissions (metric tons CO2e)

Comment
Not applicable

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
5.512

Start date
Januar 1, 2022

End date
Dezember 31, 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
8.320

Start date
Januar 1, 2021

End date
Dezember 31, 2021

Comment
Emissions for historic years have been updated to ensure consistent reporting across years, following a change in the calculation methodology for emissions from refrigerant losses, updates to previously reported data as well as changes in emission factor sources.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
6.488

Start date
Januar 1, 2020

End date
Dezember 31, 2020

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following a change in the calculation methodology for emissions from refrigerant losses, updates to previously reported data as well as changes in emission factor sources.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

4.894

Start date

Januar 1, 2019

End date

Dezember 31, 2019

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following a change in the calculation methodology for emissions from refrigerant losses, updates to previously reported data as well as changes in emission factor sources.

Past year 4

Gross global Scope 1 emissions (metric tons CO2e)

4.953

Start date

Januar 1, 2018

End date

Dezember 31, 2018

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following a change in the calculation methodology for emissions from refrigerant losses, updates to previously reported data as well as changes in emission factor sources.

Past year 5

Gross global Scope 1 emissions (metric tons CO2e)

4.537

Start date

Januar 1, 2017

End date

Dezember 31, 2017

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following a change in the calculation methodology for emissions from refrigerant losses, updates to previously reported data as well as changes in emission factor sources.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
67.716

Scope 2, market-based (if applicable)
588

Start date
Januar 1, 2022

End date
Dezember 31, 2022

Comment
The location-based value differs from the reported value (AR 2022) due to an update to energy consumption values received in Q2/23.

Past year 1

Scope 2, location-based
68.087

Scope 2, market-based (if applicable)
638

Start date

Januar 1, 2021

End date

Dezember 31, 2021

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following updates to previously reported data as well as changes in emission factor sources. For district heating, under the market-based reporting methodology, we are now using supplier-reported emission factors, where available.

Past year 2

Scope 2, location-based

63.091

Scope 2, market-based (if applicable)

292

Start date

Januar 1, 2020

End date

Dezember 31, 2020

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following updates to previously reported data as well as changes in emission factor sources. For district heating, under the market-based reporting methodology, we are now using supplier-reported emission factors, where available.

Past year 3

Scope 2, location-based

60.866

Scope 2, market-based (if applicable)

2.136

Start date

Januar 1, 2019

End date

Dezember 31, 2019

Comment

Emissions for historic years have been updated to ensure consistent reporting across years, following updates to previously reported data as well as changes in emission factor sources. For district heating, under the market-based reporting methodology, we are now using supplier-reported emission factors, where available.

Past year 4

Scope 2, location-based
42.935

Scope 2, market-based (if applicable)
1.616

Start date
Januar 1, 2018

End date
Dezember 31, 2018

Comment
Emissions for historic years have been updated to ensure consistent reporting across years, following updates to previously reported data as well as changes in emission factor sources. For district heating, under the market-based reporting methodology, we are now using supplier-reported emission factors, where available.

Past year 5

Scope 2, location-based
29.307

Scope 2, market-based (if applicable)
22.725

Start date
Januar 1, 2017

End date
Dezember 31, 2017

Comment
Emissions for historic years have been updated to ensure consistent reporting across years, following updates to previously reported data as well as changes in emission factor sources. For district heating, under the market-based reporting methodology, we are now using supplier-reported emission factors, where available.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4.428.964

Emissions calculation methodology

Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Primary data: Private Label, Wholesale and Offprice Lounge apparel and footwear products:
- Number of units purchased, by 3 levels of commodity group and Zalando brand name
- Primary and secondary materials used in the product
- Primary and secondary material percentage
- Unit weight of the product (grams)
Partner Program: Number of sold items per brand
Offprice Lounge home and electronics products and non-product related purchases:
Procurement spend respectively per material type and per commodity group
Offprice Outlets: Number of units sold in physical outlet stores
Recommerce: Volume of products purchased and sold by number of units.
Packaging: Volume and material types used for each business unit.

Secondary data: Private Label, Wholesale and Offprice Lounge apparel and footwear products: To calculate emissions Higg Materials Sustainability Index (MSI) factors were allocated to each material. For estimating the impact related to the assembly of finished products the Quantis study on the Environmental Impact of the Global Apparel and Footwear Industries was used to apply a scaling factor to the material-related impacts.
Partner Program, Offprice Outlets and Recommerce: Average weight and emission factor per item and product type calculated using Wholesale data as a proxy
Offprice Lounge home and electronics products and non-product related purchases: EEIO factors
Packaging: Most up-to-date BEIS (DEFRA) conversion factors for different packaging materials.

Methodology:

Private Label, Wholesale and Offprice Lounge apparel and footwear products:∑Volume of purchased material per material type(kg)* MSI factor(kgCO2e) + Volume of purchased material per material type(kg)*production emissions factor

Partner Program:∑Number of sold items per brand*average emission factor per item and brand + Volume of purchased material per material type(kg)*production emissions factor

Offprice Lounge Home and electronics products:∑Procurement spend (€)*Exchange rate($/€)*EEIO factor(kgCO2e/$)

Offprice Outlets:∑Number of sold items * average emission factor per item

Recommerce:∑Number of purchased items per product type * average weight per item and product type * average emission factor per product type

Packaging:∑Weight of purchased packaging(kg)*material emission factor(kgCO2e/kg)

Non-product related purchases:∑Procurement spend(€)*Exchange rate($/€)* EEIO factor(kgCO2e/$)

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
169.523

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Primary data: Total euro spend on capital goods for each business unit at the second commodity group level.

Secondary data: calculations were made by using environmental extended input-output (EEIO) analysis, which uses the OPEN IO database originally developed by the University of Arkansas. This analysis is based on financial spend, coupled with GHG emission factors which convert this spend into GHG emissions. These EEIO emissions factors calculate the average GHG emissions per US dollar of economic value, for various sectors in the economy. The IO database has a collection of economic input-output emission factors for sectors of the economy. To account for the changes in emissions efficiency (for example, grid decarbonisation) and inflation since the IO database was created, the EEIO emission factors are updated accordingly. The EEIO emission factors are updated using World Bank figures for the kg CO2e improvement per purchasing power parity (PPP) of GDP, which takes into account both changes in efficiency and inflation.

Methodology: Zalando's full list of capital goods purchases (in Euros) are summarized at the second commodity group level. The Euro spend is converted to US$, and each

commodity group is matched to a specific capital goods category, for which there is an associated EEIO factor (in kgCO2e/€). To ensure the accuracy of the converted dollars, the conversion factor for EUR to USD has to be updated each year.
CO2e emissions capital goods = ∑Procurement Spend (€) Type of capital good x Exchange rate ($/€) x EEIO factor(kgCO2e/$)Type of capital good

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
9.539

Emissions calculation methodology
Average data method
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Primary data: Scope 1 and 2 energy consumption data

Secondary data: The most up-to-date BEIS (DEFRA) conversion factors are used to calculate the upstream emissions (WTT) of purchased fuels and electricity by country, including transport and distribution (T&D) losses.

Methodology: Emissions are calculated by multiplying fuel and electricity consumption quantities by relevant WTT emission factors, ensuring quantities match scope 1&2. For fuels, fuels were first separated out into similar categories and then multiplied by the most appropriate factors.
CO2e emissions from fuel and energy related = ∑ Energy consumption (kWh)energy type x WTT factor (kgCO2e/kWh)energy type

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
410.446

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

80

Please explain

This includes inbound logistics, outbound logistics (i.e. fulfilment of sold products, if Zalando has paid for/purchased the service) and product returns, when paid for by Zalando. This category also includes the carbon impact of third-party warehousing.

Primary data: supplier specific reports from the forwarders for Private Label inbound emissions. For Wholesale and Offprice this data is only partly available and therefore the emissions for Wholesale and Offprice are extrapolated based on Private Label emissions. For network transportation: distances travelled, amount of trips and mode of transportation. For back to supplier: Volume of returned items. For third party warehousing: square meter of third party warehousing. For Deliveries and returns: number of parcels and a carrier and country specific emission factor.

Secondary data: Secondary data has been sourced from a number of different resources. This includes emission factors for fuel consumption and tonne.km activity, and supplier specific emission factors for the emissions per parcel. Each of Zalando's business models has a slightly different way of gathering transporting data and calculating transportation emission. Inbound transportation, warehousing and back-to-supplier emissions are, where relevant, calculated for all business models together. For the network transportation and Deliveries and Returns specific calculation methods are applied.

Methodology: The general principle behind each mode of transportation is as follows.

CO2e from inbound transportation=∑Supplier specific total emissionsforwarder+On-carriageforwarder

CO2e from inbound transportation=∑Volume of purchased material(kg)business unitx average inbound emissions Private Label(kg CO2e/kg)business unit

CO2e from back to supplier=Volume of returned items(kg)x average inbound emissions Private Label(kgCO2e/kg)

CO2e from third party warehousing=∑Area of third party warehousing(sqm)Locationx average emission logistics location(kgCO2e/sqm)Location

CO2e from network transportation=∑number of trips (#)between locationsx energy consumption(L)vehicle typex emission factor(kgCO2e/L)

CO2e from Deliveries and Returns=∑Number of parcels(#)carrier/ countryx carrier specific emissions factor location(kgCO2e/parcel)country

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

692

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Primary data: total waste by tonnage, waste category and waste treatment for all offices, retail sites and warehouses operated by Zalando.

Secondary data: For waste generated in operations, the most up-to-date BEIS (DEFRA) conversion factors are used to calculate the different waste streams and disposal routes. This takes into account the end of life treatment of the waste, as well as the waste category.

Methodology: The total tonnage of waste, along with details on waste type and the end of life treatment are available. The volume of waste is multiplied by the appropriate emission factor, based on disposal method and waste type.

CO2e emissions from waste generated in operations = ∑ Volume of waste (ton)Type of waste x Emission factor (kgCO2e/ton)Type of waste

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1.633

Emissions calculation methodology

Distance-based method
Other, please specify
Average-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

60

Please explain

This includes emissions that are caused due to employees travelling by air, rail and rental cars. It also includes the emissions associated with stays in hotels.

Primary data: all rail-related business travels broken down to short- and long distance; all the business-related flights broken down based on distance and cabin type journey;

distance travelled by rental cars and car type; night spent in hotel by Zalando's employees.

Secondary data: Business travel emissions are already calculated by Zalando's travel partners, and these calculations are reviewed by the travel team before including it in the carbon footprint. For hotel nights, the most up-to-date BEIS (DEFRA) conversion factors are used to calculate the emissions for all hotel stays.

Methodology: Business travel emissions are already calculated by Zalando's service providers using known activity data split by transport type. Hotel-related emissions are calculated by multiplying the total number of nights by hotel stay emission factor.

CO_2e from hotel stays = number of hotel nights (#) x Emission factor (kgCO_2e/night)

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6.891

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Primary data: Number of employees within each Country.

Secondary data: the most up-to-date BEIS (DEFRA) emissions factors are used for each method of travel. Countries are split into five categories based upon income. These categories are taken from UN country classifications on the UN website. High-income countries are further categorized into those with good public transport and relatively dense populations, and those with poor public transport links and relatively sparse populations. Research was undertaken: to determine the average return trip distance per day per country group of operation; to find out the average number of working days per year per country group; and the proportion travelling by each travel mode per country group.

Methodology: Average emission factors for commuting by country classification have been calculated and are multiplied by the total number of employees within each country.

CO_2e emissions from employee commuting = $\sum$ Number of full time employees (#) Country x Emission factor (kgCO_2e/employee)Country

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

With regard to our boundary set-up, all rented facilities were included in Scope 1 and 2. Emissions related to leased warehouse space and data centers have already been included in Categories 4 and 1 respectively.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7.462

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream transport and distribution covers the transport of sold finished goods to third party retailers and end consumers, only if paid for by a third party. Zalando's own fleet transportation is included in Scope 1&2 emissions, and all inbound and outbound logistics are captured in Category 4. As such, only warehousing and retail space not operated by Zalando is included in this category. Any transport / storage of sold products paid for by Zalando is included in category 4 and excluded from this category. This category is only of relevance to Zalando products that are sold on to third party retailers to be resold (e.g. Amazon). To calculate the emissions in this category assumptions provided by Zalando on the number of products sold through this channel, and the typical length of time a product may spend in a third party warehouse.

Primary data: Number of products sold on to third party retailers to be resold, and the typical length of time a product may spend in a third party warehouse.

Secondary data: The emissions related to third party warehouse storage are calculated using the average emissions per m2 per day. This emission factor has been developed by using bench-mark warehouse energy consumption data from CIBSE.

Methodology: The Storage Emissions at warehouses are calculated using the following formulas:

CO2e Emissions from downstream warehousing = ((Number of sold items (units) x portion to third party retailers (%)) / (stacking ratio (unit/sqm)) x Days in stock (days) x

warehouse emission factor (kgCO2e/sqm/day)

CO2e Emissions from downstream transportation = total network transportation emissions (kgCO2e) * portion of downstream transportation

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Emissions resulting from processing of intermediate products sold are not reported. This category is not applicable to Zalando's climate-related activities as we only sell final products. The sold items on our platform (including the small share of products from our private labels) are used directly by the final client. There is no processing of intermediate products.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

779.653

Emissions calculation methodology

Methodology for indirect use phase emissions, please specify
   see explanation

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This includes indirect emissions from customers washing, drying and ironing fashion products while using the products.

Primary data: total number of products sold (after accounting for returns), split by product type.

Secondary data: The assumptions on consumer behavior and appliance energy consumption has been sourced from a literature review of life cycle assessments related to apparel. Based on this study the electricity used for washing, drying and ironing are calculated. The EU average electricity emission factor is used to calculate carbon emissions from the electricity use. The EU emission factors are provided each year by EEA.

Methodology: The calculated emission factor, which is dependent upon product type and market in which the product is used, is multiplied by the total number of units sold,

net of any returns (as returned goods will have no use phase). Use phase is relevant to Private Label, Wholesale, Offprice and Recommerce goods.

CO2e emissions use of sold products = ∑ Number of sold items (#)product type x use phase electricity use (kWh/item)product type x emission factor(kgCO2e/kWh)

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
56.236

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Primary data: Total mass of material for clothing purchased, as calculated for in Category 1; total mass of material for trim and packaging purchased.

Secondary data: End of Life emission factors are sourced from the End of Life factors for specific product types (e.g. clothing, paper, plastic), as found in BEIS conversion factors. The BEIS conversion factors are updated annually, and therefore, the most up-to-date version has to be used.

Methodology: For clothing the total mass of material purchased is multiplied by the appropriate clothing end of life emission factor. No data is available on the actual end of life of Zalando's products, thus a conservative assumption (landfill) is applied. For trim and packaging material the total mass of material purchased is multiplied with the appropriate material emission factor for combustion with energy recovery:

CO2e emissions from End of Life of sold products = ∑ Mass of sold items (kg)Material type x end of life emission factor (kgCO2e/ kg)Material type

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Please explain
Scope 3 emissions resulting from downstream leased assets are not reported since corresponding emissions are not material and there are no long-term plans to have downstream leased assets in Zalando's portfolio.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions resulting from franchises assets are not reported because Zalando has no commercial arrangements that could be considered franchises.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4.219

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Primary data: Total value of investments split by investment class and business sector where applicable.

Secondary data: Emission factors used were calculated for kgCO2e/$million-invested based on TruCost data by the Carbon Trust.

Methodology: Euro investment has been used as a proxy and Carbon Trust emission factors have been multiplied by the US dollar equivalent investment in each sector.

CO2e emissions from investments = ∑ Total value of investment ($)Investment category x Emission factor (kgCO2e$)Investment category

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions resulting from other upstream are not reported because this category is not applicable to Zalando.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions resulting from other downstream are not reported because this category is not applicable to Zalando.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

Januar 1, 2021

End date

Dezember 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)

4.554.167

Scope 3: Capital goods (metric tons CO2e)

194.621

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

9.998

Scope 3: Upstream transportation and distribution (metric tons CO2e)

435.441

Scope 3: Waste generated in operations (metric tons CO2e)

660

Scope 3: Business travel (metric tons CO2e)

623

Scope 3: Employee commuting (metric tons CO2e)

7.027

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

7.205

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

939.134

Scope 3: End of life treatment of sold products (metric tons CO2e)

63.338

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
3.122

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date
Januar 1, 2020

End date
Dezember 31, 2020

Scope 3: Purchased goods and services (metric tons CO2e)
3.814.960

Scope 3: Capital goods (metric tons CO2e)
141.208

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
8.002

Scope 3: Upstream transportation and distribution (metric tons CO2e)
319.247

Scope 3: Waste generated in operations (metric tons CO2e)
538

Scope 3: Business travel (metric tons CO2e)
2.397

Scope 3: Employee commuting (metric tons CO2e)
6.212

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

4.231

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)
857.463

Scope 3: End of life treatment of sold products (metric tons CO2e)
57.246

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
2.183

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 3

Start date
Januar 1, 2019

End date
Dezember 31, 2019

Scope 3: Purchased goods and services (metric tons CO2e)
2.865.952

Scope 3: Capital goods (metric tons CO2e)
214.157

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
7.510

Scope 3: Upstream transportation and distribution (metric tons CO2e)
259.428

Scope 3: Waste generated in operations (metric tons CO2e)
413

Scope 3: Business travel (metric tons CO2e)
4.838

Scope 3: Employee commuting (metric tons CO2e)
5.997

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)
2.882

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)
800.351

Scope 3: End of life treatment of sold products (metric tons CO2e)
42.247

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
2.304

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 4

Start date
Januar 1, 2018

End date
Dezember 31, 2018

Scope 3: Purchased goods and services (metric tons CO2e)
2.176.994

Scope 3: Capital goods (metric tons CO2e)
210.658

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

6.194

Scope 3: Upstream transportation and distribution (metric tons CO2e)

214.800

Scope 3: Waste generated in operations (metric tons CO2e)

582

Scope 3: Business travel (metric tons CO2e)

6.297

Scope 3: Employee commuting (metric tons CO2e)

3.267

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

2.978

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

762.443

Scope 3: End of life treatment of sold products (metric tons CO2e)

32.632

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

3.214

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 5

Start date

Januar 1, 2017

End date
Dezember 31, 2017

Scope 3: Purchased goods and services (metric tons CO2e)
1.904.966

Scope 3: Capital goods (metric tons CO2e)
238.284

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
5.299

Scope 3: Upstream transportation and distribution (metric tons CO2e)
182.633

Scope 3: Waste generated in operations (metric tons CO2e)
457

Scope 3: Business travel (metric tons CO2e)
5.729

Scope 3: Employee commuting (metric tons CO2e)
6.041

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)
2.312

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)
318.823

Scope 3: End of life treatment of sold products (metric tons CO2e)
29.006

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
6.693

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0,59

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6.100

Metric denominator

unit total revenue

Metric denominator: Unit total

10.345

Scope 2 figure used

Market-based

% change from previous year

32

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in methodology

Change in physical operating conditions

Please explain

With revenues practically unchanged, the decrease (-32%) of emissions per unit of revenue compared to the previous year was solely due to the decrease of Scope 1 and 2 emissions, by -32% compared to 2021. In 2022, one of the key contributors to the additional progress was the availability of supplier-specific emission factors for district heating, which reflects the switch to lower-carbon energy sources for district heating by our suppliers. Emissions from gas consumption at logistic and non-logistic locations for heating decreased by 35.8% in 2022 compared to 2021. The reduction in 2022 can be further attributed to efficiency measures, warmer temperatures, and higher gas consumption in 2021 required for fresh air supply related to the COVID-19 pandemic.

Intensity figure

23,36

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6.100

Metric denominator

Other, please specify

number of customer orders in m

Metric denominator: Unit total

261,1

Scope 2 figure used

Market-based

% change from previous year

34

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in methodology

Change in physical operating conditions

Other, please specify

Change in number of customer orders in m

Please explain

The decrease (-34%) of emissions per number of customer orders compared to the previous year was due to both: i) the increase of orders of about 4% compared to the prior year, and ii) the decrease of Scope 1 and 2 emissions, being 32% less than 2021. In 2022, one of the key contributors to the additional progress was the availability of supplier-specific emission factors for district heating, which reflects the switch to lower-carbon energy sources for district heating by our suppliers. Emissions from gas consumption at logistic and non-logistic locations for heating decreased by 35.8% in

2022 compared to 2021. The reduction in 2022 can be further attributed to efficiency measures, warmer temperatures, and higher gas consumption in 2021 required for fresh air supply related to the COVID-19 pandemic.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	5.459	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	53	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Germany	3.348
Poland	2.161
Ireland	3
Finland	0
Italy	0
Netherlands	0
Switzerland	0
United Kingdom of Great Britain and Northern Ireland	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Emissions from company car fleet	414
Emissions from combustion of fuel for heating in the logistic sites	4.834
Emissions from combustion of fuel for heating in the non-logistic sites	210
Emissions from fugitive emissions (refrigerant leaks for cooling) from logistic sites	20
Emissions from fugitive emissions (refrigerant leaks for cooling) from non-logistic	33

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Germany	27.003	378
Poland	31.558	0
Ireland	135	114
Finland	50	36
Italy	6.328	0
United Kingdom of Great Britain and Northern Ireland	28	17
Switzerland	54	44
Netherlands	2.559	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)

Scope 2 - Logistics electricity	60.854	0
Scope 2 - Non-logistic electricity	4.772	0
Scope 2 - Non-logistic district heating	2.084	588
Scope 2 - Fleet - electricity	6	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2.416	Decreased		In 2022, we avoided about 2416 tCO2e thanks to the production and consumption of electricity generated by solar panels on our warehouses in Germany, Italy and the Netherlands. The total Scope 1+2 market based emissions in 2021 were 8958 tCO2e, therefore the related decrease equals 27% calculated as (-2416/8958)*100=-27%.
Other emissions reduction activities				Not applicable
Divestment				Not applicable

Acquisitions				Not applicable
Mergers				Not applicable
Change in output	2.858	Decreased	32	In 2022, our total Scope 1+2 market based emissions decreased by 2858 tCO2e compared to 2021. The total Scope 1+2 market based emissions in 2021 were 8958 tCO2e, therefore the related decrease equals 32% calculated as (2858/8958)*100 = 32%
Change in methodology				Not applicable
Change in boundary				Not applicable
Change in physical operating conditions				Not applicable
Unidentified				Not applicable
Other				Not applicable

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes

Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	26.674	26.674
Consumption of purchased or acquired electricity		120.881	0	120.881
Consumption of purchased or acquired heat		0	10.880	10.880
Consumption of self-generated non-fuel renewable energy		8.570		8.570
Total energy consumption		129.451	37.554	167.005

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes

Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment

Other biomass

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment

Coal

Heating value
LHV

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
9

Comment
The data refers to oil consumed for heating.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
25.021

Comment
The data refers to gas consumed for heating. The total gas consumed for heating includes biogas certificates purchased for the German based warehouses. These certificates guarantee that the same amount of biogas is injected in the natural gas network as the German warehouses use in natural gas. The German warehouses use natural gas as provided by the utility network. Based on the draft version of the "GHG Protocol Land Sector and Removals Guidance, draft for pilot Testing and Review, Part 2, annex B.2" Scope 1 emissions are direct emissions occurring from sources owned and controlled by the reporting company and are required to be reported independent of any trades or purchases of certificates or credits. For this reason, biomethane certificates purchased have not been used to adjust Scope 1 emissions resulting from the combustion of gas delivered via a common carrier pipeline

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
1.644

Comment
The data refers to diesel and motor gasoline consumed for company fleet.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

26.674

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	8.570	8.570	8.570	8.570
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Germany

Consumption of purchased electricity (MWh)

57.234

Consumption of self-generated electricity (MWh)

1.499

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

9.737

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

68.470

Country/area
Poland

Consumption of purchased electricity (MWh)
39.715

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

39.715

Country/area
Ireland

Consumption of purchased electricity (MWh)
142

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
594

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

736

Country/area

Finland

Consumption of purchased electricity (MWh)

76

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

187

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

263

Country/area

Italy

Consumption of purchased electricity (MWh)

15.370

Consumption of self-generated electricity (MWh)

2.348

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

17.718

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)

61

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
87

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

148

Country/area
Switzerland

Consumption of purchased electricity (MWh)
96

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
276

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

372

Country/area
Netherlands

Consumption of purchased electricity (MWh)
8.187

Consumption of self-generated electricity (MWh)
4.723

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

12.910

C8.2h

(C8.2h) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Country/area of consumption of purchased renewable electricity

Germany

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

46.877

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Norway

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Germany

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

8.018

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Finland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Germany

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

712

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Norway

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Poland

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

4.084

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Poland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2021

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Poland

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Sustainable Biomass

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

23.456

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Poland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2021

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
We consider the biogas mentioned here as sustainable due the following details regarding its source:
- Plants producing from biomass originating from forests or agriculture
- Plants producing from farm biogas
- Plants producing from mixed biomass

Country/area of consumption of purchased renewable electricity
Poland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
4.160

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Poland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2021

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Poland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Small hydropower (<25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
6.016

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Poland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2021

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Italy

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

4.367

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Finland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

We consider the biogas mentioned here as sustainable due the following details regarding its source:
- Plants producing from biomass originating from forests or agriculture
- Plants producing from farm biogas
- Plants producing from mixed biomass

Country/area of consumption of purchased renewable electricity

Italy

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
11.216

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Italy

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Netherlands

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
10.691

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity

Netherlands

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Finland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
76

Tracking instrument used
Contract

Country/area of origin (generation) of purchased renewable electricity
Finland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify
Not specified

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
96

Tracking instrument used
Contract

Country/area of origin (generation) of purchased renewable electricity
Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Switzerland

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Renewable electricity mix, please specify

hydropower, wind and solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

96

Tracking instrument used

Contract

Country/area of origin (generation) of purchased renewable electricity

Switzerland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

Germany

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

1.871

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Hungary

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

United Kingdom of Great Britain and Northern Ireland

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

23

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

Hungary

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity

United Kingdom of Great Britain and Northern Ireland

Sourcing method

Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Renewable electricity mix, please specify

Not specified

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

38

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity

United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
46

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Hungary

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

Country/area of consumption of purchased renewable electricity
Poland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
2.000

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Italy

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year

Additional, voluntary label associated with purchased renewable electricity
EKOenergy label

Comment

C8.2i

(C8.2i) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area..

Sourcing method
Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling

Germany

Energy carrier

Heat

Low-carbon technology type

Other, please specify

district heating

Low-carbon heat, steam, or cooling consumed (MWh)

9.737

Comment

We included the district heating consumption here.

Sourcing method

Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling

Ireland

Energy carrier

Heat

Low-carbon technology type

Other, please specify

district heating

Low-carbon heat, steam, or cooling consumed (MWh)

594

Comment

We included the district heating consumption here.

Sourcing method

Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling

Finland

Energy carrier

Heat

Low-carbon technology type

Other, please specify

district heating

Low-carbon heat, steam, or cooling consumed (MWh)

187

Comment

We included the district heating consumption here.

Sourcing method

Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

Energy carrier

Heat

Low-carbon technology type

Other, please specify

district heating

Low-carbon heat, steam, or cooling consumed (MWh)

87

Comment

We included the district heating consumption here.

Sourcing method

Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling

Switzerland

Energy carrier

Heat

Low-carbon technology type

Other, please specify

district heating

Low-carbon heat, steam, or cooling consumed (MWh)

276

Comment

We included the district heating consumption here.

C8.2j

(C8.2j) Provide details of your organization's renewable electricity generation by country/area in the reporting year.

Country/area of generation

Germany

Renewable electricity technology type

Solar

Facility capacity (MW)

1.500

Total renewable electricity generated by this facility in the reporting year (MWh)

1.499

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

1.499

Energy attribute certificates issued for this generation

No

Type of energy attribute certificate

Comment

Country/area of generation

Italy

Renewable electricity technology type

Solar

Facility capacity (MW)

2.500

Total renewable electricity generated by this facility in the reporting year (MWh)

2.348

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

2.348

Energy attribute certificates issued for this generation

No

Type of energy attribute certificate

Comment

Country/area of generation
Netherlands

Renewable electricity technology type
Solar

Facility capacity (MW)
8.600

Total renewable electricity generated by this facility in the reporting year (MWh)
4.723

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)
4.723

Energy attribute certificates issued for this generation
No

Type of energy attribute certificate

Comment

C8.2k

(C8.2k) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

Our sourcing strategy contributes to the energy transition firstly by actively and deliberately choosing to begin sourcing renewable electricity and by publicly committing to 100% renewable electricity. We source renewable electricity through green tariffs, purchase guarantees of origin, and have solar panels on our fulfillment centers in Lahr (Germany), Verona (Italy) and Rotterdam (Netherlands). In 2022, we more than doubled our consumption from these photovoltaic plants, consuming approximately 8,570 MWh of solar energy. Going forward, we also plan to consume electricity from newly installed photovoltaic plants at our fulfillment centers in Giessen (Germany) and in Paris (France) (both fulfillment centers currently under construction).

C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity
Row 1	Yes, in specific countries/areas in which we operate

C8.2m

(C8.2m) Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

Country/area	Reason(s) why it was challenging to source renewable electricity within selected country/area	Provide additional details of the barriers faced within this country/area
Poland	Arbitrary grid usage charges Lack of credible renewable electricity procurement options (e.g. EACs, Green Tariffs) Regulatory instability	Last year we had to deal with difficulties in procurement. From our point of view, the reasons for this were manifold. Very uncertain market due to the energy crisis (e.g. some suppliers decided to cancel contracts), but also high demands within the framework of our sustainability requirements. Other barriers were faced in Poland related to instability in regulations and arbitrary grid usage charges.
Italy	Lack of credible renewable electricity procurement options (e.g. EACs, Green Tariffs) Regulatory instability	Last year we had to deal with difficulties in procurement. From our point of view, the reasons for this were manifold. Very uncertain market due to the energy crisis (e.g. some suppliers decided to cancel contracts), but also high demands within the framework of our sustainability requirements.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

📎 Zalando Annual Report 2022.pdf

Page/ section reference
Page 83, 262-265

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

◍ Zalando Annual Report 2022.pdf

Page/ section reference
Page 83, 262-265

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

◍ Zalando Annual Report 2022.pdf

Page/ section reference
Page 83, 262-265

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Investments
Scope 3: Downstream transportation and distribution
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

⌇ Zalando Annual Report 2022.pdf

Page/section reference
Page 83, 262-265

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISAE3000	We publish in our Annual Report 2022 information on our progress against targets, mentioned in question C4.1a. This section of the report has a limited assurance.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Afforestation

Type of mitigation activity

Carbon removal

Project description

CO2OL Tropical Mix (Panama) Gold Standard certified. Initiated in 1995, Tropical Mix is one of the oldest forest carbon projects in the world and one of the first carbon projects to be certified with the Gold Standard. It is a special project because it combines afforestation with native tree species and agroforestry cacao plantations.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

277.822

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2017

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Gold Standard

Method(s) the program uses to assess additionality for this project

Positive lists

Other, please specify

A/R CDM Tools

Approach(es) by which the selected program requires this project to address reversal risk

Other, please specify

Gold Standard requires i) that no trees are cut to make room for new plantations, ii) fixed 20% contribution for a pooled compliance buffer, which remains untouched after crediting period of the project.

Potential sources of leakage the selected program requires this project to have assessed

Activity-shifting

Provide details of other issues the selected program requires projects to address

The owner is required to ensure that the project is designed and implemented in a sustainable and participatory way. This includes a Do-No-Harm Assessment in order to ensure that minimum social and ecological safeguards are set. Furthermore, a continuous dialogue with stakeholders for participatory implementation is ensured as the Local Stakeholder Consultation and Input & Grievance Mechanism address further potential issues.

Comment

Project type

Peatland protection and restoration

Type of mitigation activity

Project description

Sumatra Merang Peatland Project (Indonesia) Verra certified. On the large Indonesian island of Sumatra, home to many endangered and vulnerable species, such as the Sumatran tiger, sun bear and rhinoceros hornbill. The Sumatra Merang Peatland Project is an outstanding example of a holistic project approach where activities are beneficial to biodiversity conservation, climate change mitigation and the restoration of degraded ecosystems, all through involving and benefiting local communities.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

111.525

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2017

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Other, please specify

Use of specific analysis tool which identifies credible alternative land use scenarios and evaluates both the alternatives and the proposed project scenarios

Approach(es) by which the selected program requires this project to address reversal risk

Other, please specify

The VCS requires all AFOLU Projects to assess the reversal risks by using the Non-Permanence Risk tool. The scoring that results from this tool will then determine the buffer (credits set aside to compensate in case of reversals)

Potential sources of leakage the selected program requires this project to have assessed

Activity-shifting
Ecological leakage
Other, please specify

Displacement of pre-project agricultural activities

Provide details of other issues the selected program requires projects to address

The project is compliant with the VCS Version 4 Program Guide, Standard, AFOLU Requirements, CCB Standards (Third Edition), selected methodology (VM0007), and all associated updates.

Comment

Project type

Reforestation

Type of mitigation activity

Carbon removal

Project description

Vichada Climate Reforestation (Colombia) Gold Standard certified. The project is located in the Vichada Department of Colombia. Geographically speaking it sits in the Bita river basin. Being one of the country's greatest natural treasures, the Bita watershed has been designated as a wetland of international importance under the Ramsar Convention helping to conserve one of the most biodiverse ecosystems in the country.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

30.000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2019

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Gold Standard

Method(s) the program uses to assess additionality for this project

Other, please specify

A/R CDM Tools

Approach(es) by which the selected program requires this project to address reversal risk

Other, please specify

Gold Standard requires i) that no trees are cut to make room for new plantations, ii) fixed 20% contribution for a pooled compliance buffer, which remains untouched after crediting period of the project.

Potential sources of leakage the selected program requires this project to have assessed

Activity-shifting

Provide details of other issues the selected program requires projects to address

The owner is required to ensure that the project is designed and implemented in a sustainable and participatory way. This includes a Do-No-Harm Assessment in order to ensure that minimum social and ecological safeguards are set. Furthermore a continuous dialogue with stakeholders for participatory implementation is ensured as the Local Stakeholder Consultation and Input & Grievance Mechanism address further potential issues.

Comment

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

6

% total procurement spend (direct and indirect)

22

% of supplier-related Scope 3 emissions as reported in C6.5

14

Rationale for the coverage of your engagement

In 2022, we conducted a hotspot analysis of our private label product-related emissions. This served as the basis for a roadmap for switching to more sustainable materials and supporting investment in manufacturing energy efficiency and renewable energy; especially in wet processing facilities, where textile substrates are treated with colorants and/or chemicals, which requires significant energy and water.

Based on the results of the hotspot analysis, we launched a Facility Improvement Program at some of our strategic private label facilities, finished production assembly (Tier 1) and material production (Tier 2). The program is focused on reducing fossil fuel and water usage, expanding use of renewable energy, and enabling knowledge building and sharing. It supports facilities in identifying carbon emissions hotspots, creating action plans for reducing and tracking carbon and water use/consumption. To further improve our supply chain energy efficiency and renewable energy performance, we plan to deepen our engagement with supply chain partners. We will continue to support facilities with action plan implementation and expand the program to more facilities. The 6% of suppliers by number refer to our share of tier 1 suppliers (7) involved in this initiative in 2022 out of all private label suppliers. In 2022, we also had 4 tier 2 suppliers participating in the facility improvement program, to ensure consistency, they are not included in the share calculated here.

The 14% of supplier-related Scope 3 emissions includes the tier 1 suppliers only. We selected this particular group of suppliers based on the results of our hotspot analysis and included suppliers based on their proportion of emissions, geography and product type (ie. textiles, leather, PU mix).

Impact of engagement, including measures of success

Our measure of success for the Facility Improvement Program is the reduction of our supplier's emissions and thus our own scope 3 emissions. We plan to engage our top 100 factories by emissions by 2025.

A concrete example of positive outcome achieved relates to the fact that the majority of the initiative involved suppliers established their own carbon target and a personalized action plan to achieve it in the reporting year.

Comment

n/a

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Provide training, support, and best practices on how to set science-based targets

% of suppliers by number

1

% total procurement spend (direct and indirect)

0

% of supplier-related Scope 3 emissions as reported in C6.5

58

Rationale for the coverage of your engagement

Zalando commits that 90% of its suppliers (by emissions, generated by brands products, packaging, and last-mile-delivery partners) will have set SBTs by 2025.
To support brands in setting climate targets aligned with science, we launched a pilot program offering one-on-one support.
To scale our efforts, we joined forces with the online retailers ABOUT YOU and YOOX NET-A-PORTER to launch FASHION LEAP FOR CLIMATE, a learning platform that provides opportunities for peer learning and step-by-step guidance on measuring emissions and setting targets aligned with climate science.

The 1% of suppliers by number refer to our share of brands, packaging, and last-mile-delivery partners, which had set a SBT until and including 2022, out of all tier 1 suppliers.
The 58% of supplier-related Scope 3 emissions include the suppliers with SBT in 2022. We selected this particular group of suppliers based on their proportion of emissions.

Impact of engagement, including measures of success

Our measure of success is to reach the following target and the respective threshold: Zalando commits that 90% of its suppliers (by emissions, including goods and services sold on its platform, packaging, and last-mile-delivery partners) will have set SBTs by 2025.
Regarding our LEAP Initiative specifically, we are using the number of partners recruited as a measure of success, which were 65 brands in 2022.
A concrete example of positive outcome achieved relates to the 65 brand partners recruited for this initiative gaining more expert knowledge on SBT target setting.

Comment

n/a

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number

88

% total procurement spend (direct and indirect)

93

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

In 2022, 178 Tier 1 factories (out of 203) supplying our private labels, representing 88% of our total factories and 93% of our production volume at Tier 1, completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM) and shared their results. This tool provides facilities a picture of their environmental impact. It helps them identify and prioritize opportunities for performance improvements, including energy use and GHG emissions . It helps us to track and reduce the negative environmental impacts of our supply chain activities.

The 88% of suppliers by number refer to our share of factories participating in HIGG FEM out of all private label factories.

The % of total procurement spend refers to our production volume.

Impact of engagement, including measures of success

Our measure of success is to reach the following target: Factories, representing 100% of our Tier 1 private label production volume, to fill out the Higg Index's Facility Environmental Module.

A concrete example of positive outcome achieved relates to our suppliers being enabled to identify and prioritize opportunities for performance improvements, including energy use and GHG emissions

Comment

n/a

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Following more than a year of work, we stopped using our sustainability flag, which previously highlighted products that fulfilled at least one sustainability attribute, and in-house criteria and shifted our focus to third-party standards. Still, our new approach is based on the same certifications as the previous criteria, including the Global Organic Textile Standard (GOTS) and trademarked/ licensed fibers, such as TENCEL™, Lyocell, and Infinna™. The full list of accepted certified, licensed, and trademark fibers and materials can be found at our Fashion Store. We now require more data from brand partners which allows for better substantiation and validation of sustainability information.

To support our customers, we make our sustainability-related product information available through tappable icons representing various sustainability attributes. This information access including the percentage of certified material in a product is available to all customers.

Impact of engagement, including measures of success

With our enhanced transparency, we increase the awareness of our customers with respect to sustainability and offer them the option to shop more sustainably. We measure our success by the progress towards reaching the following target: By 2023, we generate 25% of our GMV (Gross Merchandise Volume) with more sustainable products.

Our sales of products with sustainability-related attributes accounted for 17.0% of GMV in 2022, compared to 21.6% under the previous criteria reported last year.

The decline was mainly due to adjustments to our criteria, to ensure that the certifications we accept provide sufficient traceability, in line with EU regulatory guidance. Over the coming months, we will continue to work with certification bodies and brand partners to address traceability requirements. However, our 2023 target is now likely beyond reach.

One example of a positive outcome achieved relates to our customers' increased awareness with respect to sustainability. With our sustainability related product information, we enable them to make more informed choices and we give them the option to shop more sustainably.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

10

Please explain the rationale for selecting this group of customers and scope of engagement

Within the life cycle of a textile product, textile care represents up to 40% of its environmental impact (Ginetex). At the same time, 70% of Europeans follow the textile

care instructions featured on the labels (Ginetex, international Association for Textile Care Labeling: European Barometer: European and Textile Care Labelling). In order to leverage those two mechanisms and educate our customers about the climate change impacts of using our private label products, we adapted all our care labels starting in 2018 to include the Clevercare logo and promote washing at 30°C. Washing at 30°C i) extends the product's life and ii) reduces energy and subsequently CO2 emissions.

Impact of engagement, including measures of success

With the implementation of the Clevercare logo we help our customers reduce their impact on the planet and extend the life of their clothing. We measure our success by the share of customer-related Scope 3 emissions (use of sold products) generated by our private label products. The 10% is a rough estimate.
One example for a positive outcome relates to our customers reducing energy consumption by washing at 30°C.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

In addition to our suppliers and customers, we are also engaging our employees in climate-related activities, who are in general very interested in our sustainability approach and our efforts in reducing carbon emissions.
In order to promote alternative solutions for mobility and to reduce commuting-related emissions generated by cars and other high-emission vehicles, all Zalando employees working in the offices and warehouses are offered a subsidized company ticket for the respective public transport. In addition, we are offering a car-leasing program on management level, which is available to Vice Presidents, Senior Vice Presidents and our Management board. The program offers amongst others a wide array of electric cars and contributes towards reducing GHG emissions from the car fleet.

Furthermore Zalando is providing the alternative of a BahnCard Business 100 as a substitute for colleagues who do not want to drive a company car. For employees that travel regularly for business purposes, Zalando provides rail discount cards. With this card, employees have a discount from 25% up to 100%on all inner country rail travels within Germany that can also be used for private purposes. In doing so, employees are incentivized to reduce or even replace the use of high emission vehicles such as cars and airplanes for their inner country travels, for business travels, for reaching the workplace and for private traveling.

Zalando also offers a company bike program that gives the opportunity to lease bicycles cheaply for a period of 36 months. When the leasing contract ends, there is an option to buy the bike with a final payment. The monthly installments are deducted from the final price, resulting in savings of up to 40% compared to a private purchase. All Zalando employees with a permanent contract, a successful trial period and no current unpaid absences, can register for the Company Bike Program. Zalando also pays an all-inclusive insurance that covers most repairs.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Our Code of Conduct for business partners sets the minimum standards by which business partners who produce or supply goods and services for us must abide. It is published on the corporate website. We expect every business partner to acknowledge these standards, which include minimizing the negative impacts of their operations on the environment, including energy consumption.

Our private label Tier 1 suppliers and factories provide us with audits annually or on a timeframe recommended by the auditing standard. All of our audits are evaluated against an internal non-compliance matrix based on our Code of Conduct, local legal requirements, and industry standards. Findings of non-compliance are classified as minor, major, critical and zero tolerance, and based on these the factory is issued an overall rating and a corrective action plan (CAP). If a zero tolerance non-compliance issue is found, the factory must remediate the issue and provide a new audit. In 2022, we evaluated 302 audit reports (175 in 2021) and declined to onboard 4 factories or suppliers (5 in 2021) for not meeting audit requirements.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

On-site third-party verification

Response to supplier non-compliance with this climate-related requirement

Retain and engage

Climate-related requirement

Waste reduction and material circularity

Description of this climate related requirement

We are committed to raising standards across the board. With that in mind, all of our business partners, including, but not limited to: suppliers, agents and trading companies (hereinafter "Business Partners") must adhere to our Sustainable Sourcing Policy, Product and Content Guidelines and Restricted Substances List (RSL).

Our Sustainable Sourcing Policy ensures that all products (not just those attached to sustainability claims) are produced with minimum levels of ethical and environmental responsibility. The policy defines minimum requirements for use of specific fibers, materials, and manufacturing methods. Our Product and Content Guidelines highlight offensive, illegal, or otherwise inappropriate matters. Finally, our Restricted Substances List specifies permitted limits of toxic and harmful substances, in line with the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and other rules.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

Zalando commits that 90% if its suppliers by emissions covering purchased goods and services sold on its platform, packaging and last-mile delivery partners will have SBT by 2025. 58% of our suppliers (by emissions) have set SBTs (52% in 2021).

Guided by understanding and listening to our partners, we have rolled out an engagement strategy for brand, packaging and last-mile-delivery partners, that includes webinars and Q&As, and have offered our partners customized guidance on SBT setting.

Together with our partners ABOUT YOU and YOOX NET-A-PORTER we launched the initiative FASHION LEAP FOR CLIMATE, a learning platform that provides opportunities for peer learning and step-by-step guidance on measuring emissions and setting targets aligned with climate science.

For brand partners we trialed an escalation mechanism in 2022. If a brand in scope was

unwilling/ unable to set targets by the end of 2025, there was a risk of ending the business relationship. This mechanism was dropped, as we are now focusing on enabling brands, e.g. by our LEAP initiative, mentioned above.

For our logistics and packaging partners we integrated SBTs as an additional agenda topic to existing business review meetings and added it as a requirement for new partnerships.

The 100% suppliers by procurement spend that must comply refer to new logistic and packaging partners.

As we did not onboard any new logistics and packaging suppliers, % suppliers by procurement spend in compliance is 0 at this point.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

0

Mechanisms for monitoring compliance with this climate-related requirement

Off-site third-party verification

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Zalando's Public Affairs Team leads engagement with the Sustainability Team and the Corporate Affairsn Team to align policy work and communication. The Sustainability Team is responsible for company-wide coordination and ensures

alignment on all external sustainability engagements in order to have a consistent approach in regard to our climate protection efforts.

In monthly to quarterly meetings, the Sustainability Team assures a common approach that is aligned with our overall sustainability strategy and focus.

In addition, ad-hoc meetings are held whenever needed and whenever possible to leverage the diverse perspectives across the different business functions and divisions.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

EU's first circular economy package and associated regulations. The package contains new directives relating to sustainability claims, eco-design, packaging waste, corporate due diligence, and reporting rules. The legislation will protect consumer interests and encourage companies to improve their sustainability performance.

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Circular economy

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

Europe

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

We participate in stakeholder consultations and workshops.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify
Policy Hub

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The Policy Hub unites the apparel and footwear industry to speak in one voice and propose policies that accelerate circular practices. Among others, circularity measures or transparency on environmental footprint are supported.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
31.400

Describe the aim of your organization's funding
We are part of the Policy Hub to represent a progressive voice in the fashion industry, e.g. pushing for more circularity and more transparency on the environmental impact of the supply chains. This is the amount that we paid to SAC, which includes our participation in the Policy Hub.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify
Ecommerce Europe (ECE)

Is your organization's position on climate change policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Ecommerce Europe is an association representing 150,000+ companies selling goods and/or services online to consumers in Europe. ECE acts at European level to help legislators create a better framework for online merchants, so that their sales can grow further. The association is made up of Working Committees, issue-based bodies that determine the overall public affairs strategy on legislative issues at European level. One of these committees is the Sustainability Working Committee that aims at bringing forward the expertise and experience of the e-commerce sector to help shape the right regulatory framework for a twin digital and green transition/recovery. The Committee covers policy workstreams ranging from packaging, product policy, consumer policy to sustainable mobility and "green" taxation. The Committee also leads the work on Ecommerce Europe's Collaborative Report on Sustainability and e-Commerce, where members, including Zalando, share a variety of information, studies, best practices, also related climate change topics, that can be a useful source of information for businesses and policymakers across the EU.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

15.000

Describe the aim of your organization's funding

We are participating in ECE to monitor regulatory developments on sustainability and logistics.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

📎 Zalando Sustainability Progress Report 2022.pdf

Page/Section reference

All pages

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

n/a

Publication

In mainstream reports

Status

Complete

Attach the document

📎 Zalando Annual Report 2022.pdf

Page/Section reference

Primarily 1.3 Remuneration Report and 2.1.4 Combined non-financial declaration

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

n/a

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment

Row 1	RE100	The main frameworks, initiatives and/or commitments related to environmental issues for which we are a signatory/member are listed below:
	Other, please specify	
	Sustainable Apparel Coalition (SAC), Global Fashion Agenda, Textile Exchange, Sustainable Markets Initiative, Fashion for Good, Ellen MacArthur Foundation	RE100: Since joining the RE100 initiative in 2020, we have obtained all our electricity from renewable sources, ensuring alignment with the RE100 Technical Criteria.
		Sustainable Apparel Coalition: As a member of the Sustainable Apparel Coalition's (SAC) we use the Higg Brand & Retail Module (Higg BRM) for our strategic brand partners and the Higg Facility Environmental Module (Higg FEM) assessment.
		Global Fashion Agenda: Since 2020, Zalando joins Global Fashion Agenda, the leadership forum for industry collaboration on fashion sustainability, as Associate Partner together with TAL Apparel, Nike and VF Corporation amongst others.
		Textile Exchange: Zalando is member of Textile Exchange, a global non-profit working closely with every sector involved in the fashion and textile supply chain, that guide and support a growing community of over 800 brands, manufacturers, farmers, retailers, and others committed to climate action toward more purposeful production from the very start of the supply chain. Textile Exchange members come together to create a more sustainable and responsible fiber and materials industry and access learning opportunities, tools, relevant data, insight reports, industry networks, and more.
		Sustainable Markets Initiative: Zalando is partner of Sustainable Markets Initiatives, launched by the former Prince of Wales at The World Economic Forum 2020 Annual Meeting in Davos, and under the mandate of the Terra Carta, with the mission to build a coordinated global effort to enable the private sector to accelerate the transition to a sustainable future.
		Fashion for Good: Since 2018, Zalando has been a partner of Fashion for Good, a global initiative to inspire change and drive the collective movement to make fashion a force for good and that work directly with the fashion industry to innovate towards solutions that are better for people and the planet. To promote recycling, Zalando took part in the

		Fashion for Good's Sorting for Circularity project, which brings together brands and industry players to analyze textile waste in major European sorting facilities. The results point to promising opportunities in recapturing value while diverting textiles from downcycling and incineration. In addition, we have joined a footwear recycling group run by Fashion for Good and recycler Fast Feet Grinded, which aims to support the development of footwear recycling at scale. Ellen MacArthur Foundation: In 2021 Zalando signed the membership with the Ellen MacArthur Foundation, joining the world's leading circular economy network. This collaboration is in line with our commitment to applying the principles of circularity by 2023. Indeed, the Ellen McArthur Foundation aims to accelerate the global transition into a circular economy, which is based on three principles: designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, executive management-level responsibility	The highest level of responsibility with respect to the oversight of sustainability issues, and thus biodiversity, lies with one of our Co-CEOs in his capacity of chairman of the Sustainability Forum, which is the highest decision-making body for climate-related issues. It serves as the overarching steering committee, keeps the necessary strategic oversight and ensures progress against Zalando's sustainability targets.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments
Row 1	Yes, we have made public commitments only	Commitment to avoidance of negative impacts on threatened and protected species Commitment to no trade of CITES listed species

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness Law & policy

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
Other, please specify	Content of biodiversity-related policies or commitments	Zalando SE Sustainable Sourcing Strategy, p. 7 "Animal-Derived-Materials", "Wood, Paper, Cork, Rubber – Minimum Requirements" Zalando SE Animal Welfare Policy, p. 3 Zalando Forest Protection Policy.pdf 📎 1, 2, 3

📎 [1]Zalando SE Animal Welfare Policy.pdf

📎 [2]Zalando Forest Protection Policy.pdf

📎 [3]Zalando SE Sustainable Sourcing Strategy.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Co-CEO and Founder	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options		Public