

1.3 Corporate governance statement

In the following, our Management Board and Supervisory Board submit the corporate governance statement pursuant to Sections 289f and 315d HGB (German Commercial Code) as the core instrument of corporate governance reporting (Principle 22 of the German Corporate Governance Code). In accordance with Sections 289f and 315d HGB, this statement forms part of the combined management report.¹ Corporate governance, as practiced by Zalando, involves responsible management and control of the company geared towards long-term goals. Our Management Board and Supervisory Board value good corporate governance very highly and align their approach to the recommendations set out in the German Corporate Governance Code.

1.3.1 Declaration of conformity

The Management Board and Supervisory Board of ZALANDO SE issued the following declaration regarding the recommendations of the Government Commission German Corporate Governance Code in accordance with Section 161 AktG (German Stock Corporation Act) in December 2021 and published it on the company's website:

The last annual declaration of conformity of the Management Board and the Supervisory Board of ZALANDO SE regarding the recommendations of the Government Commission German Corporate Governance Code was published in December 2020 and updated in March 2021. Pursuant to Section 161 AktG, the Management Board and the Supervisory Board of ZALANDO SE declare the following:

Since the publication of the last annual declaration of conformity in December 2020, ZALANDO SE has acted in conformity with the recommendations of the Government Commission German Corporate Governance Code in its version of December 16, 2019, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) on March 20, 2020 (Code) with the exceptions of the recommendations B.3 and G.7 explained below. ZALANDO SE acts and will continue to act in conformity with the recommendations of the Code with the exception of the recommendation G.7 explained below.

Deviation from recommendation B.3 of the Code

Pursuant to recommendation B.3 of the Code, the first-time appointment of Management Board members shall be for a period of not more than three years. In deviation hereof, the member of the Management Board, Dr. Astrid Arndt, has been appointed as a member of the Management Board for an initial period of four years commencing on April 1, 2021. In view of the qualification and experience of Dr. Astrid Arndt and in consideration that Dr. Astrid Arndt has been with ZALANDO SE for several years prior to the appointment, the company considers an initial appointment of four years to be appropriate. Further, for the best possible implementation of long-term strategic decisions and objectives, ZALANDO SE considers an initial term of four years to be in the best interest of the company.

¹⁾ The statements on corporate governance in accordance with Sections 289f and 315d HGB are an unaudited part of the combined management report.

Deviation from recommendation G.7 of the Code

Pursuant to recommendation G.7, sentence 1 of the Code, referring to each forthcoming financial year, the Supervisory Board shall establish performance criteria for each Management Board member covering all variable remuneration components; such performance criteria mainly being, besides operating targets, strategic targets.

The new remuneration system for the Management Board, which has been approved by the Supervisory Board in March 2021 and by the annual general meeting in May 2021, became effective as of June 1, 2021. The new remuneration system provides for a total compensation consisting of cash and of variable components. The variable components include a Long-Term Incentive plan (“LTI”) which accounts for the largest share in the total compensation. The LTI is share-based and is linked to strategic performance targets including financial and ESG criteria. Next to the LTI component, the new remuneration system for the Management Board as well as the remuneration granted to the member of the Management Board Dr. Astrid Arndt appointed as of April 1, 2021, further include a second variable component which incorporates the equity plan for the next leadership levels under the Management Board, the Zalando Ownership Program (“ZOP”), in order to align the remuneration system for the Management Board with the company’s overall compensation framework. The ZOP is also a share-based remuneration component and as such linked to the share price increase to ensure the alignment with the shareholders’ interest. The ZOP component provides *inter alia* for the possibility to issue virtual options similar to restricted stock units (“ZOP Shares”) which are commonly used to compensate executives on the international talent market and allow the company to be internationally competitive. The Supervisory Board deems the combination of the performance link in the LTI component and the share price link in the ZOP component to be suitable to promote the sustainable and long-term development of the company. However, as no specific performance targets are set for the ZOP component, we declare a deviation from recommendation G.7, sentence 1 of the Code.

1.3.2 Corporate governance

Our corporate governance is determined by applicable law, the recommendations set out in the German Corporate Governance Code, as well as internal policies and rules of procedure. Our sustainability efforts form an integral part of our corporate governance. More information on Zalando’s sustainability strategy and activities can be found in our [sustainability progress report](#) which can be found on our corporate website.

Our Code of Ethics sets expectations and provides guidance on how we want to do business and is the basis of all group policies. It is available on the corporate website and has been communicated to the employees in various languages. Under the Code of Ethics, all employees are required *inter alia* to comply with the law and our group policies, including, but not limited to, anti-corruption practices, antitrust regulations, data protection, insider compliance and tax provisions. Our Code of Ethics also sets our expectations with regard to Diversity & Inclusion, respectful behavior and avoidance of conflicts of interest. Fostering a speak-up culture so that employees actively participate and raise concerns or report compliance breaches is an essential part of Zalando’s culture. This expectation is complemented by the promise to protect all those who report an incident in good faith from negative consequences.

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 to assure a safe and fair working environment and to commit to compliance with applicable laws and regulations regarding human and labor rights, environmental protection as well as fair and ethical business practices (the latter includes anti-corruption and anti-financial crime, privacy law and fair competition as well as intellectual property). We also require appropriate management systems and due diligence processes to be in place.

Zalando's Compliance & Business Ethics Team is responsible for monitoring, managing, documenting and reporting on compliance risks deriving from breaches of the law, group policies and ethical standards in business on a group-wide level. Our compliance management system encompasses policy management, a help desk function, whistleblowing management (including internal investigations where required), business partner due diligence, compliance-related trainings, and monitoring of certain types of expenses.

All our employees in scope (as described in more detail in the following) are trained on compliance, our Code of Ethics, Code of Conduct and group policies, including anti-corruption related policies, e.g. our group policy benefits, gifts, events & expenses. Mandatory compliance training is conducted as face-to-face training courses for leads, and generally as e-learning courses for employees without leadership responsibility. The e-learning courses are mandatory for all employees who have a Zalando email address (except for defined roles with low compliance risks in logistics and stores). Employees at entities outside Berlin² receive classroom training instead of e-learning courses to facilitate personal contact with the central Compliance & Business Ethics Team. Due to the ongoing COVID-19 pandemic in the reporting period, the face-to-face format was conducted via video chat.

In the reporting period, 27 compliance basics face-to-face training courses were carried out. Compared to 2020 (43), we reduced the number of training courses by combining courses and raising the average number of participants. In sum, we trained a comparable number of colleagues. 5,409 employees completed the compliance basics e-learning courses (2020: 4,116), among them 2,995 employees of ZALANDO SE (2020: 2,277). Each mandatory training course is followed by mandatory refresher courses every other year. Employees receive an automatic reminder to fulfill their training obligations. If the employees do not fulfill their obligations, the lead will be informed and reminded repeatedly until the training is completed.

The Code of Ethics also stipulates the obligation for all employees to comply with our data protection standards, as set out in internal policies, principles and guidelines. Protecting personal data and collecting, processing, and using the data in accordance with the law is fundamental to us because it is essential not just for our employee and partner data but especially for our customers and their trust in our products and services. Our customers' trust is the basis for long-term customer relationships. Zalando ensures regular employee privacy training and has designed actionable privacy principles to create awareness and guardrails for privacy compliant business design and conduct. For our employees we have a dedicated online resource with guidance on how it handles employee data and sets out rights employees have

2) Includes all logistics entities as well as entities in Dublin, Helsinki, Zurich and China.

in relation to personal data they share with Zalando. Specialized privacy roles support all business divisions with guidelines and standards to ensure proper safeguards are implemented across the company and its group entities. Zalando is regulated under European and national data protection regulations and we closely monitor changes in legislation in order to properly adopt regulatory requirements.

Various communication channels are available to facilitate the reporting of presumed compliance infringements to the Compliance & Business Ethics Team. They can *inter alia* be reported – in various languages – via a whistleblowing tool from a third-party provider, on an anonymous basis if preferred. The anonymous and protected reporting channel is available to employees as well as third parties. All reported cases are managed by the Compliance & Business Ethics Team; serious cases of (potential) compliance violations are additionally managed by a compliance panel. Information on detected compliance infringements, important updates of processes or policies, as well as training attendance quotas are reported to the Management Board and the audit committee of the Supervisory Board at least on a quarterly basis.

The standards and scope of our Code of Conduct were revised in 2021. The roll-out is planned for 2022. The revised version reflects the most recent regulatory developments and aims to appropriately cover and stress all salient topics. We have included a section on corporate digital responsibility and highlighted the importance of a digitally inclusive and sustainable future. We encourage all business partners to recognize their own digital responsibility in line with the Corporate Digital Responsibility Code³. Moreover, we have included an even clearer statement of consequence management with regards to violations of our standards. Also according to the revised Code of Conduct, business partners are expected to comply with applicable national and international regulations and must establish appropriate anti-bribery and anti-corruption policies and communicate these to all business areas. Zalando carries out business partner due diligence reviews (sanction list screening and compliance database and adverse media checks, followed by an in-depth review carried out by the Compliance & Business Ethics Team if any findings are made) for defined groups of business partners⁴ and in cases where potential compliance risks are apparent.

The Risk Management Team creates transparency on risks and opportunities for decision makers, fosters the risk and opportunity culture and creates a common understanding of risks and opportunities throughout the company. The risk and opportunity management system (RMS) is designed to support the decision-making process with consistent, comparable and transparent information via a standardized process to identify, assess, monitor, document, and report on strategic, operational and financial risks and opportunities as well as on compliance risks. Further information can be found in the risk and opportunity report. A system of internal controls over financial reporting is in place to support the accuracy of bookkeeping and accounting and the reliability of financial reporting, which comprises preventive, monitoring and detection measures. In 2021, processes, risks and controls related to sustainability, Diversity & Inclusion and general performance aspects were documented in order to include non-financial KPIs to the system of internal controls.

3) Further information on the Code of the CDR initiative launched by the Federal Ministry of Justice and Consumer Protection (BMJV) is available under <https://cdr-initiative.de/en/kodex>.

4) According to commodity groups, namely logistic services, professional services, corporate property, packaging and direct business partners in sourcing for private labels and in overstock management.

The Internal Audit Team provides independent, objective assurance and advisory services through a risk-based and systematic approach to evaluate the effectiveness of governance, risk management and control processes at Zalando. It governs itself by the adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Code of Ethics. The Internal Audit Team provides the Management Board and the Supervisory Board with a report on its activities on a regular basis. These reports include an account of the audits completed in relation to the semi-annual audit plan, significant findings identified in these audits and the status of the implementation of management action plans.

The Compliance & Business Ethics Team and the Risk Management Team work closely together with the Legal and Internal Audit Teams in fulfilling their tasks in a cross-functional approach. The Management Board bears overall responsibility for the proper functioning of the risk and compliance management system as well as the system of internal controls and the Supervisory Board monitors the effectiveness of the systems.

1.3.3 Management Board and Supervisory Board procedures

Management Board procedures

The Management Board bears responsibility for managing the company's business. It is bound to act in the interest of the company and to increase the long-term value of Zalando. The five members of the Management Board, Robert Gentz, David Schneider, Dr. Astrid Arndt, Jim Freeman and David Schröder are responsible for the company's strategy and its day-to-day implementation. They work collaboratively and inform each other constantly about any significant measures and events within their areas of responsibility. The Management Board develops the strategy, consults regularly with the Supervisory Board on it, and ensures that it is implemented. It also manages the business transactions with the diligence of a prudent and conscientious manager. The Management Board's collaboration with other corporate and employee representative bodies is open and trusting for the benefit of Zalando.

The collaboration and responsibilities of the Management Board members are determined in the Rules of Procedure set out by the Supervisory Board. Each member of the Management Board has sole responsibility for the area of business allocated to them. Each area of business is managed consistently by aligning it to targets agreed upon by the Management Board. The two co-chairpersons of the Management Board Robert Gentz and David Schneider jointly coordinate all responsibilities of the Management Board. They act to ensure that the management of all business areas is uniformly guided by the objectives set and approved as a whole by the Management Board.

The Management Board meets regularly, typically every week. It is in regular contact with the chairperson of the Supervisory Board, typically every week, informs her on the progress of our business and the situation of the company and other group entities and consults with her on our strategy, planning, business development and risk management. Should an important event occur or should any business issue arise that could be of significance to the evaluation of the situation, the development or the management of Zalando, the Management Board informs the chairperson of the Supervisory Board immediately.

Each member of the Management Board is required to disclose any conflicts of interest to the Supervisory Board immediately. All transactions between the company or group entities on the one hand and the members of the Management Board as well as their related parties on the other must be conducted at arm's length and material transactions require Supervisory Board approval.

Composition of the Management Board

The members of the Management Board shall have the knowledge, skills and professional experience required to duly fulfill their tasks and responsibilities. While qualification and specific needs of the company shall be the decisive criterion with regard to the Management Board's composition, the Supervisory Board emphasizes the importance of diversity.

The Supervisory Board understands diversity of the Management Board as a combination of individual identities and experiences. These identities and experiences include gender, nationality, ethnicity, life experience, and background (such as social or academic background). The Supervisory Board strives to adequately consider the various fields of core competences of the business model. The Supervisory Board also takes the following aspects into account, in particular:

- The Management Board as a whole should have appropriate management experience.
- The Management Board as a whole should, if possible, have knowledge and balanced experience based on different training and professional backgrounds, in particular in the fashion, technology and e-commerce industry and should have international experience.
- The Management Board as a whole should, if possible, possess several years of experience in the fields of strategy, finance as well as personnel management.
- The Supervisory Board aims for a balanced gender representation in the Management Board. The Supervisory Board has resolved on a target until December 31, 2023 in accordance with Section 111 (5) AktG (please see section 1.3.4).
- The Management Board members should not be older than 65 when elected.

The Supervisory Board works together with the Management Board to ensure a long-term succession planning for the composition of the Management Board. The Supervisory Board aims to fill Management Board positions with the most suitable candidates. It is in continuous contact with the Management Board, monitors senior management personnel within Zalando as well as respective talent on the market in order to identify and develop candidates to fill Management Board positions.

In the reporting period, the Co-CEO Rubin Ritter resigned from the Management Board with effect as of June 1, 2021. Robert Gentz and David Schneider continue to lead the company as Co-CEOs. The Supervisory Board appointed Dr. Astrid Arndt to the newly created position of Chief People Officer as of April 1, 2021. At the same time, the former Chief Technology Officer Jim Freeman assumed the newly created role of Chief Business and Product Officer responsible for developing, marketing and growing Zalando's consumer offerings while David Schröder continued to oversee the financial development of the group as Chief Financial Officer. As of March 1, 2022, David Schröder will assume a newly created role of Chief Operating Officer, focused on building and scaling unique capabilities and enabling the company's growth and Dr. Sandra Dembeck will join the Management Board as new Chief Financial Officer.

The members of the Management Board of ZALANDO SE are not members of a statutory supervisory board or members of a comparable controlling body in Germany or abroad.

Supervisory Board procedures

The Supervisory Board advises and monitors our Management Board on the management of Zalando. It is directly involved in decisions of fundamental importance to Zalando. The Supervisory Board works with Zalando's best interest in mind in close and trusting collaboration with other corporate bodies, in particular with the Management Board. ZALANDO SE's Supervisory Board has nine members, three of whom are employee representatives.

The Supervisory Board has adopted Rules of Procedure. The Rules of Procedure are published on the [corporate website](#). They govern the procedures and allocation of duties of the Supervisory Board and its committees. The Supervisory Board convenes at least one meeting per quarter; further meetings are convened as necessary. The Supervisory Board regularly assesses the effectiveness of its own activities and those of its committees. It reviewed the results of its 2020 efficiency self-assessment in January 2021. Using a questionnaire, the self-assessment focused on the supply of information to the Supervisory Board, the structure and efficiency of meetings, the setup and procedures of the Supervisory Board's committees, the composition of the Supervisory Board, its succession planning, the quality of the audit and Zalando's internal control system as well as the level of information on specific focus topics the Supervisory Board has been involved with. No noteworthy shortcomings were identified. In December 2021, the efficiency self-assessment for fiscal year 2021 was supported by an external service provider who conducted individual interviews with all members of the Supervisory Board and three members of the Management Board, distributed an anonymous online survey with a questionnaire provided to all members of the Supervisory Board and performed a light desktop review of all plenum and committee agendas since 2019. The self-assessment 2021 focused on the supply of information to the Supervisory Board, the structure and efficiency of meetings, the setup and procedures of the Supervisory Board's committees, the composition of the Supervisory Board, its succession planning, the level of information on specific focus topics the Supervisory Board has been involved with. No noteworthy shortcomings were identified but it was agreed to address specific areas of improvement over the next few months. Each member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board, particularly those that might arise as a result of an advisory or committee function at customers, suppliers, creditors, borrowers or other third parties. If a member of the Supervisory Board has a significant, non-temporary conflict of interest, that member of the Supervisory Board should resign from office.

The Supervisory Board has set up an audit committee, a remuneration committee, a nomination committee and a D&I and sustainability committee that was established in 2021. These committees comprise at least three members each.

Composition of the Supervisory Board

The Supervisory Board of ZALANDO SE has set targets regarding its composition. It strives for a composition that takes account of and safeguards the specific needs of the company so that the Management Board is monitored, supervised, and advised in a competent and professional manner. The members of the Supervisory Board must have the knowledge, skills and professional experience required to duly fulfill their tasks and responsibilities and must make sure that they have sufficient time to perform their duties. The competence profile of the Supervisory Board as a whole comprises industry competence (in particular in the fields of fashion, technology and commerce) and finance competence as well as competencies in the areas of strategy, supervision, innovation and sustainability. The members of the Supervisory Board as a group must be familiar with the sector in which the company operates.

No more than two former members of the Management Board shall be members of the Supervisory Board. Further, the Supervisory Board members shall not accept appointments to corporate bodies of or advisory tasks for important competitors of the company.

With regard to its composition, while qualification shall still be the decisive criterion, our Supervisory Board strives to adequately consider the international character, the various fields of core competences of the business model as well as the competence profile of the Supervisory Board, and, at the same time, to pay attention to diversity, in particular to variety as regards professional experience and expertise. To accommodate the international character of Zalando, the Supervisory Board shall as a rule have no fewer than two international members. The Supervisory Board members should not be older than 70 when elected.

The Supervisory Board aims for a balanced gender representation in the Supervisory Board and has resolved on a target until December 31, 2023 in accordance with Section 111 (5) AktG (please see section 1.3.4).

Further, no fewer than four shareholder representatives on the Supervisory Board shall be independent from Zalando and the Management Board as defined in Recommendation C.7 of the Code and no fewer than two shareholder representatives shall be independent from a controlling shareholder, if any, as defined in Recommendation C.9 of the Code. Candidates, who are likely to be confronted with an increased level of conflicts of interest, should not be proposed for election by the general meeting. The regular limit of length of membership for members of our Supervisory Board shall be twelve years. The Supervisory Board is convinced that such a composition ensures the independent and efficient consultation and oversight of the Management Board.

The nomination committee of the Supervisory Board considers the above described targets regarding the composition of the Supervisory Board when it prepares the proposals of the Supervisory Board to the general meeting regarding the election of Supervisory Board members.

The composition of the Supervisory Board of ZALANDO SE in fiscal year 2021 met the composition targets it had set itself in all respects. The required expertise is represented in the Supervisory Board, the competence profile has been completed and the targets of the diversity concept are met.

In the reporting period, Niklas Östberg succeeded Jørgen Madsen Lindemann on the Supervisory Board on May 19, 2021, who did not stand for re-election to the Supervisory Board after serving as a member since 2016.

The following overview shows the profile of skills and expertise of our Supervisory Board as well as the independence of the shareholder representatives.

Composition of the Supervisory Board

Name of Supervisory Board member	Nationality	Profession	Profile of skills and expertise						
			Industry	Finance	Strategy	Supervision	Innovation	Sustainability	Independence
Cristina Stenbeck	Swedish	Investor and public company director			✓	✓	✓	✓	✓
Kelly Bennett	Canadian	Executive Advisor	✓		✓		✓		✓
Jennifer Hyman	US-American	CEO, Chair of the Board and Co-founder of Rent the Runway Inc.	✓		✓	✓	✓	✓	✓
Jørgen Madsen Lindemann (member until May 19, 2021)	Danish	Investor			✓	✓	✓	✓	✓
Niklas Östberg (member since May 19, 2021)	Swedish	CEO and Co-founder of Delivery Hero SE	✓	✓	✓		✓		✓
Anders Holch Povlsen	Danish	CEO of Bestseller A/S	✓		✓	✓		✓	
Mariella Röhm-Kottmann	German	SVP/Head of Corporate Accounting of ZF Friedrichshafen AG		✓		✓		✓	✓
Matti Ahtiainen	Finnish	Employed at Zalando Finland Oy	✓	✓					*
Jade Buddenberg	German	Employed at ZALANDO SE	✓		✓		✓	✓	*
Anika Mangelmann	German	Employed at ZALANDO SE	✓						*

*) In accordance with the German Corporate Governance Code, as a principle, the Supervisory Board does not take the independence of employee representatives into consideration.

The following overview lists all of the companies and enterprises in which the members of our Supervisory Board are currently members of a statutory supervisory board of such companies or members of a comparable controlling body in Germany or abroad.

Current and past mandates of the Supervisory Board

Name of Supervisory Board member	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises
Cristina Stenbeck (chairperson)	Spotify Technology S.A., Luxembourg (member of the Board of Directors)
Kelly Bennett (deputy chairperson)	–
Jennifer Hyman	The Estée Lauder Companies Inc., USA (member of the Board of Directors)
Jørgen Madsen Lindemann (member until May 19, 2021)	–
Niklas Östberg (member since May 19, 2021)	trivago N.V., Germany (member of the Supervisory Board)
Anders Holch Povlsen	Heartland A/S and various entities of the Heartland group (including entities in the Bestseller group and Intervare A/S and subsidiaries) as well as entities with a family connection (member of the Board of Directors)
	J.Lindeberg Holding (Singapore) Pte. Ltd. and subsidiaries, Singapore (member of the Board of Directors)
	Donau Agro ApS. (member of the Board of Directors)
Mariella Röhm-Kottmann	ZF Services Espana, S.L., Spain (member of the Board of Directors)
	ZF India Pvt. Ltd., India (chairperson of the Board)
	Compagnie Financière de ZF SAS, France (chair of the Supervisory Board)
Matti Ahtiainen	–
Jade Buddenberg	–
Anika Mangelmann	–

Audit committee

The audit committee prepares, among other things, the negotiations and resolutions of the Supervisory Board on the audit and ratification of the separate financial statements and the approval of the consolidated financial statements, both including the combined management report, the non-financial report as well as the remuneration report, the proposed resolution of the Management Board on the appropriation of profits, and the proposal of the Supervisory Board to the general meeting on the appointment of the auditor. In addition, the audit committee (i) handles questions regarding accounting, (ii) reviews and discusses the financial reports, (iii) approves the non-audit services by the auditor, (iv) evaluates the quality of the audits, (v) monitors the effectiveness of the internal risk management and control systems and the internal audit system, and (vi) handles questions regarding compliance and the monitoring of the audit. The audit committee also discusses the audit reports with the auditor as well as its findings and provides recommendations in this respect to the Supervisory Board.

Members of the audit committee

Mariella Röhm-Kottmann (chairperson)

Matti Ahtiainen

Kelly Bennett

Niklas Östberg (since May 19, 2021)

Jørgen Madsen Lindemann (until May 19, 2021)

The chairperson of our audit committee, Mariella Röhm-Kottmann, has the requisite expertise in the area of accounting and auditing pursuant to Section 100 (5) AktG. The member of the audit committee, Matti Ahtiainen, has the requisite expertise in the area of accounting pursuant to Section 100 (5) AktG. Mariella Röhm-Kottmann is an independent member of the Supervisory Board representing the shareholders.

Remuneration committee

The remuneration committee deals with the company's remuneration system and its refinement as well as with the amount and appropriateness of the Management Board remuneration, also in comparison to other enterprises and provides recommendations as a basis for decision-making by the Supervisory Board.

Members of the remuneration committee

Cristina Stenbeck (chairperson and member since May 19, 2021)

Anika Mangelmann

Anders Holch Povlsen (member since May 19, 2021)

Jennifer Hyman (member until August 26, 2021)

Kelly Bennett (member until May 19, 2021)

Jørgen Madsen Lindemann (chairperson and member until May 19, 2021)

The chairperson of the remuneration committee, Cristina Stenbeck, is an independent member of the Supervisory Board representing the shareholders.

Nomination committee

The nomination committee is exclusively composed of shareholder representatives and prepares the proposals of the Supervisory Board to the general meeting regarding the election of Supervisory Board members, taking into account the specific targets of the Supervisory Board regarding its composition. On the basis of a target profile, the nomination committee creates a shortlist of available candidates with whom it conducts structured interviews in which it also determines whether the candidate in question will have sufficient time available to perform the duties on the Supervisory Board with due care. Our nomination committee then recommends a candidate to the Supervisory Board for its approval including an explanation of its recommendation.

Members of the nomination committee

Kelly Bennett (chairperson and member since May 19, 2021)

Anders Holch Povlsen

Cristina Stenbeck (chairperson until May 19, 2021)

Jørgen Madsen Lindemann (member until May 19, 2021)

D&I and sustainability committee

Our D&I and sustainability committee was established in August 2021 to support the Management Board and Supervisory Board in measures related to Diversity & Inclusion as well as sustainability and to ensure the close involvement of the Supervisory Board in these areas.

The D&I and sustainability committee deals with the Diversity & Inclusion strategy as well as the sustainability strategy of the Management Board 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.

Members of the D&I and sustainability committee

Kelly Bennett (chairperson)

Jade Buddenberg

Jennifer Hyman

1.3.4 Target of female representation on the Supervisory Board, the Management Board and on management levels below the Management Board according to Sections 76 (4), 111 (5) AktG

We attach great importance to Diversity & Inclusion throughout Zalando and we are convinced that only a diverse and inclusive culture will ensure that we have the best talent on board and can truly serve our customer base. For further details on Zalando's Diversity & Inclusion strategy, please refer to our [Diversity & Inclusion report 2021](#) which can be found on our corporate website.

We aim for a more balanced gender representation on the Supervisory Board, the Management Board and the four management levels below the Management Board. Balanced representation is defined as a 40/60/* corridor where Zalando aims for women and men to reach a representation between 40–60% of the Supervisory Board, the Management Board and the four management levels below the Management Board. The * acknowledges explicitly non-binary genders and Zalando is committed to actively including candidates who identify as non-binary.

The target figures for the representation of women on the Supervisory Board, the Management Board and on the two management levels below the Management Board according to Sections 76 (4), 111 (5) AktG and in addition the third and fourth management level below the Management Board have been determined as follows:

- at least 40% women and at least 40% men for the Supervisory Board (which corresponds to a minimum number of four female and four male members);
- at least 40% women and at least 40% men for the Management Board;
- at least 40% women and at least 40% men for the first four management levels below the Management Board.

We determine the deadline for target achievement in each case to be December 31, 2023.

As of December 31, 2021, 56% women are represented on the Supervisory Board, 20% women are represented on the Management Board, 33.3% women are represented on the first management level below the Management Board and 36.4% women are represented on the second management level below the Management Board.

1.3.5 Takeover law disclosures pursuant to Sections 289a (1), 315a (1) HGB and explanatory report⁵

The disclosures required according to Sections 289a (1), 315a (1) HGB are listed and explained below.

Composition of issued capital

With respect to the composition of the issued capital, please refer to section 3.5.7 (20.).

5) Takeover law disclosures pursuant to Sections 289a (1), 315a (1) HGB are part of the combined management report and also form part of the corporate governance statement with the declaration of conformity.

Restrictions relating to voting rights or the transfer of shares

At the end of the reporting year, ZALANDO SE had 3,302,861 treasury shares that do not grant rights in accordance with Section 71b AktG.

Shareholdings that exceed 10% of the voting rights

At the end of fiscal year 2021, Baillie Gifford & Co and Anders Holch Povlsen each held an indirect shareholding in ZALANDO SE that exceeded the threshold of 10% of voting rights. Information on the amount of the above-mentioned shareholdings in the company can be found in section 1.5 The Zalando share – 2021 in review.

Statutory regulations and provisions of the articles of association concerning the appointment and removal from office of Management Board members, and concerning modifications to the articles of association

According to Article 9 (1), Article 39 (2) and Article 46 of the SE Regulation, Sections 84 and 85 AktG and Article 7 (4) of the Articles of Association, the Supervisory Board appoints the members of the Management Board for a maximum term of five years. Reappointments are permissible. The Supervisory Board is authorized to revoke the appointment of a Management Board member for an important reason (for details, see Article 9 (1), Article 39 (2) of the SE Regulation, Section 84 AktG). According to Article 7 of the Articles of Association, the Management Board consists of one or more members. The number of members of the Management Board is determined by the Supervisory Board.

The general meeting passes resolutions to amend the Articles of Association.

According to Article 20 (2) of the Articles of Association, amendments to the Articles of Association require a two-thirds' majority of the valid votes cast or, if at least one-half of the share capital is represented, a simple majority of the valid votes cast unless this conflicts with mandatory legal provisions.

According to Article 12 (5) of the Articles of Association, the Supervisory Board is entitled to make changes to the Articles of Association that pertain to the wording only. Pursuant to Article 4 (3) of the Articles of Association, the Supervisory Board is authorized to adjust the wording of the Articles of Association to reflect the implementation of the increase of the registered share capital from authorized capital or after the term of the authorization has expired.

Authority of the Management Board to issue shares or acquire treasury shares

Our Management Board is authorized to increase the registered share capital of the company until June 22, 2025, with the consent of the Supervisory Board, once or several times, by up to a total of EUR 100,266,384 by issuing up to 100,266,384 new no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2020). The shareholders are, in principle, entitled to subscription rights. The Management Board is authorized to exclude the subscription right of the shareholders with the consent of the Supervisory Board in the cases described in the authorization. The total shares issued under the authorization with the exclusion of subscription rights must not exceed 20% of the registered share capital, either at the time the authorization becomes effective or at the time it is exercised. The aforesaid 20% limit includes (i) treasury shares sold with the exclusion of subscription rights, and (ii) shares to

be issued to service bonds with conversion and/or option rights or obligations, insofar as the bonds were issued with the exclusion of shareholders' subscription rights on the basis of the authorization by the annual general meeting of June 23, 2020. The Management Board is authorized, with the consent of the Supervisory Board, to determine any further details of the capital increase, the further content of the rights arising from the shares and the conditions of the share issue.

The share capital of the company is conditionally increased by up to EUR 8,817,500 by issuing up to 8,817,500 new no-par value bearer shares (Conditional Capital 2013). The Conditional Capital 2013 may be used only to fulfill the subscription rights that have been granted to the members of the Management Board of the company in connection with the Stock Option Program 2013 in accordance with the resolution of the annual general meeting of December 18, 2013, as amended by the company's annual general meetings of June 3, 2014, July 11, 2014, and of June 23, 2020. The conditional capital increase will be implemented only to the extent that such subscription rights have been or will be issued in accordance with the Stock Option Program 2013, the holders of the subscription rights exercise their rights and the company does not deliver treasury shares to satisfy the subscription rights. The Supervisory Board is exclusively competent regarding the granting and settlement of subscription rights to the members of the Management Board of the company.

The share capital of the company is conditionally increased by up to EUR 3,442,394 by issuing up to 3,442,394 new no-par value bearer shares (Conditional Capital 2014). The Conditional Capital 2014 may be used only to fulfill the subscription rights that have been granted to employees of the company as well as members of the management bodies and employees of companies affiliated with the company in the meaning of Sections 15 et seq. AktG in connection with the Stock Option Program 2014 in accordance with the resolution of the annual general meeting on June 3, 2014, as amended by the company's annual general meetings of July 11, 2014 and of June 23, 2020. The conditional capital increase will only be implemented to the extent that such subscription rights have been or will be issued in accordance with the Stock Option Program 2014, the holders of the subscription rights exercise their rights and the company does not deliver treasury shares to satisfy the subscription rights.

The share capital of the company is conditionally increased by up to EUR 3,340,236 against contribution in cash and in kind by issuing up to 3,340,236 new no-par value bearer shares with a pro rata share in the share capital of EUR 1.00 to fulfill subscription rights to shares of the company (Conditional Capital 2016). The Conditional Capital 2016 may be used once or several times only to fulfill the subscription rights that have been granted until May 30, 2021 – partly as a component of stock appreciation rights – in accordance with the resolution of the annual general meeting of May 31, 2016. The new shares are subscribed either against a cash payment in the amount of the lowest issue price in the meaning of Section 9 (1) AktG or against the contribution of the participants' remuneration entitlements under the stock appreciation rights granted to them, which are granted in accordance with the resolution of the annual general meeting of May 31, 2016. The conditional capital increase will be implemented only to the extent that subscription rights or stock appreciation rights with subscription rights have been or will be issued in accordance with the resolution of the general meeting of May 31, 2016, the holders of subscription rights exercise their rights and the company grants no treasury shares or cash payments for the satisfaction of the subscription rights.

The share capital of the company is conditionally increased by up to EUR 1,522,269 against contribution in cash and in kind by issuing up to 1,522,269 new no-par value bearer shares with a pro rata share in the share capital of EUR 1.00 to fulfill subscription rights to shares of the company (Conditional Capital 2019). The Conditional Capital 2019 may be used only to fulfill the subscription rights granted to the Management Board of ZALANDO SE in connection with the Long-Term Incentive 2018 in accordance with the resolution of the annual general meeting on May 22, 2019 under agenda item 7. The conditional capital increase will be implemented only to the extent that the holders of the granted subscription rights exercise their right to subscribe for shares of ZALANDO SE and the company grants no treasury shares or cash payments to fulfill the subscription rights. The new shares under the conditional capital will be issued for the minimum issue amount pursuant to Section 9 (1) AktG.

The share capital is conditionally increased by up to EUR 75,199,787 by issuing up to 75,199,787 new no-par value bearer shares (Conditional Capital 2020). The purpose of the conditional capital increase is to grant shares to the holders/creditors of convertible bonds and/or bonds with warrants or a combination of all of these instruments issued until June 22, 2025, by the company or any subordinate group company of the company pursuant to the authorization on which a resolution was passed by the annual general meeting on June 23, 2020, under agenda item 11 lit. b) and that grant a conversion or option right to new no-par value bearer shares of the company or provide for a conversion or option obligation or an option entitling the issuer to deliver shares to the extent that they are issued against cash contributions. The new shares are issued in each case at a conversion price or option price to be stipulated pursuant to the authorization resolution specified above. The conditional capital increase is carried out only to the extent to which use is made of conversion or option rights or conversion or option obligations are fulfilled or an option entitling the issuer to deliver shares is exercised and no other forms of fulfillment of delivery are used. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of conditional capital increases.

The new shares from the Conditional Capital 2013, the Conditional Capital 2014, the Conditional Capital 2016, the Conditional Capital 2019 and the Conditional Capital 2020, participate in the profits from the beginning of the fiscal year in which they are issued; notwithstanding this, the new shares participate in the profits from the beginning of the fiscal year preceding the fiscal year in which such new shares are created if the general meeting has not yet adopted a resolution on the appropriation of the distributable profit of the fiscal year preceding the fiscal year in which such new shares are created.

The Management Board is authorized until June 22, 2025, to acquire treasury shares for any permissible purpose totaling up to 10% of its registered capital as of the date of the resolution or as of the date on which the authorization is exercised if the latter value is lower. Shares acquired may not at any time amount to more than 10% of the total share capital when taken together with other treasury shares held by the company or allocable to the company in accordance with Section 71a et seq. AktG. In addition to this, the Management Board is authorized until June 22, 2025, to use derivatives to acquire treasury shares. All shares that are acquired using derivatives are limited to shares that pertain to at most 5% of the share capital existing as of the date of the resolution of the general meeting or, if the amount is lower, share capital existing at the time this authorization is exercised. We refer to the resolutions proposed by the Management Board and the Supervisory Board in items 8 and 9 of the company's annual general meeting agenda for June 23, 2020, which was published in the Federal Gazette on May 15, 2020, with regard to details of the authorization to acquire treasury shares.

Company compensation agreements that have been entered into with Management Board members or employees in the event of a takeover bid

The Stock Option Program SOP 2013, the Long-Term Incentive LTI 2018, the Long-Term Incentive LTI 2019 and the Long-Term Incentive LTI 2021 allow for option rights held by the Management Board to be supplemented in the case of a change of control. The Supervisory Board and the Management Board are both entitled to request the cancellation of the vested outstanding options in exchange for payment by the company. LTI 2018, LTI 2019 and LTI 2021 options not yet vested at the time of a change in control may be replaced at the discretion of the Supervisory Board by an economically equivalent new program.

Significant company agreements subject to a change of control due to a takeover bid

The material agreements that are subject to the condition of a change of control involve the revolving credit facility, the convertible bonds and various reverse factoring agreements. In the event of a change of control, these agreements provide the right to terminate the agreement and accelerate repayment or, for factors, the right to terminate the agreement or renegotiate the contractual terms. In the event of a change of control, each bondholder is entitled to call all or any of its bonds that have not yet been converted or redeemed. If a bondholder cancels the bonds, the issuer must repay the bonds on the control acquisition date.