

2.5 Corporate governance statement⁵⁸

In this statement, our Management Board and Supervisory Board report on the corporate governance at our company pursuant to Sections 289f and 315d HGB (German Commercial Code) and as stipulated in Principle 23 of the German Corporate Governance Code.

2.5.1 Corporate governance

Corporate governance describes the system how a company is managed and supervised. It comprises the structure of all relevant regulations, processes and practices.

We believe that good corporate governance is the basis for our corporate success. It ensures that our company is managed transparently, effectively and responsibly towards sustainable prosperity. Good corporate governance creates trust in our company by our shareholders, partners, employees and all other stakeholders.

Our sustainability efforts including our efforts to foster diversity and inclusion (D&I) form an integral part of our corporate governance. More information on the company's sustainability and D&I activities can be found in our Sustainability Progress Report and in our D&I Report which are available on our corporate website under <https://corporate.zalando.com/en>. The Sustainability Progress Report 2022 will be published in April 2023.

We are constantly monitoring our corporate governance efforts and consider the recommendations and suggestions set out in the German Corporate Governance Code.

2.5.2 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 2022 and published it on the company's website:

The last annual declaration of conformity by the Management Board and Supervisory Board of ZALANDO SE with the recommendations of the "Government Commission German Corporate Governance Code" was published in December 2021. At that time, the German Corporate Governance Code as amended on December 16, 2019 (GCGC 2019) was applicable. On April 28, 2022, the Government Commission German Corporate Governance Code presented a new version of the Code, which came into force upon publication in the official section of the Federal Gazette on June 27, 2022 (GCGC 2022).

The Management Board and the Supervisory Board of ZALANDO SE declare the following pursuant to Section 161 of the German Stock Corporation Act (AktG):

ZALANDO SE has acted in conformity with the GCGC 2019 since issuing its last annual declaration of conformity in December 2021, with the exception of recommendation G.7

⁵⁸ The statements on corporate governance in accordance with Sections 289f and 315d HGB are an unaudited part of the combined management report.

explained below. ZALANDO SE is acting and will continue to act in conformity with the GCGC 2022 with the exception of recommendation G.7 explained below.

Deviation from recommendation G.7 of the GCGC 2022 (and GCGC 2019)

Pursuant to recommendation G.7, sentence 1 of the GCGC 2022 (and GCGC 2019), 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, Dr. Sandra Dembeck appointed as of March 1, 2022 and David Schröder reappointed with effect from April 1, 2023, 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 GCGC 2022 (and GCGC 2019).

2.5.3 Two-tier board system

Our company is organized as a European stock corporation (Societas Europaea – SE) with its registered office in Berlin, Germany. In accordance with the applicable German and European stock corporation law, our company has a two-tier board system with a Management Board and a Supervisory Board.

The management of our company is exclusively assigned to the Management Board. The Supervisory Board monitors the work of the Management Board, advises and appoints the members of the Management Board. Both bodies are strictly separated from each other in terms of competencies and members. They work, however, closely together in a spirit of trust for the benefit of the company.

The composition, competencies and processes of our boards are defined primarily by the German Stock Corporation Act, the SE Act, the European SE regulation, our articles of association and the respective board's rules of procedure. The articles of association of the company and the rules of procedure for the Supervisory Board are available on our [corporate website](#).

2.5.4 Management Board

In the fiscal year 2022, Robert Gentz and David Schneider continued to lead our company as Co-CEOs. Dr. Astrid Arndt (CPO), Jim Freeman (CBPO) and David Schröder also continued to be members of the Management Board during the reporting period. When Dr. Sandra Dembeck newly joined our Management Board as of March 1, 2022, she took over the position as CFO from David Schröder who became the company's COO.

Composition of the Management Board

Name	Title	Last appointment as of	Appointed until
Robert Gentz	Co-Chief Executive Officer (Co-CEO)	December 1, 2018	November 30, 2023
David Schneider	Co-Chief Executive Officer (Co-CEO)	December 1, 2018	November 30, 2023
Dr. Sandra Dembeck	Chief Financial Officer (CFO)	March 1, 2022	February 28, 2025
David Schröder	Chief Operating Officer (COO)	April 1, 2023*	March 31, 2027
Dr. Astrid Arndt	Chief People Officer (CPO)	April 1, 2021	March 31, 2025
Jim Freeman	Chief Business and Product Officer (CBPO)	April 1, 2019	March 31, 2023

*) The Supervisory Board resolved upon David Schröder's reappointment in December 2022.

Composition

The Supervisory Board appoints the members of our Management Board and ensures that all members of our Management Board shall have the knowledge, skills and professional expertise 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.

Diversity is understood in a broad sense as the 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 (see [2.5.6 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](#)).
- A Management Board member should not be older than 65 years when elected.

In the reporting period, the share of female representatives in the Management Board has been increased from 20% to currently 33.33%. We see this as a significant step towards the target of balanced gender representation in the Management Board. The other criteria of the company's diversity concept are fulfilled by the current composition of the Management Board.

Our Supervisory Board and Management Board work together closely 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.

Since May 2022, Jim Freeman has been a member of the board of directors of SoftwareONE Holding AG, Switzerland. Apart from that, 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.

Tasks

The Management Board is overall responsible to independently and diligently manage our company's business with the goal of achieving sustainable growth. The Management Board develops the strategic direction of our company, coordinates it with the Supervisory Board and ensures its implementation. This includes the [company's sustainability strategy](#) with the vision of being a sustainable fashion platform with a net-positive impact for people and the planet.

The Management Board prepares the company's quarterly statements and half-year financial report, the annual separate financial statements of ZALANDO SE, the consolidated financial statements of Zalando group and the combined management report of ZALANDO SE and Zalando group. In addition, the Management Board has established an internal control system and risk management system as further detailed out in [2.3 Risk and opportunity report](#). Further, it ensures compliance with statutory provisions and the company's internal policies and works towards their group-wide observance (compliance).

The Supervisory Board has set up rules of procedure for the Management Board that further specify the collaboration within the Management Board and distribute the responsibility for the different business areas between the members of the Management Board. Notwithstanding their joint responsibility for managing the company, each member of the Management Board has sole responsibility for the business area allocated to him/her.

Our 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. All members of our Management Board work collaboratively together and inform each other constantly about any significant measures and events within their areas of responsibility.

The Management Board meets regularly, typically every week. There is a constant and constructive exchange between the Management Board and the Supervisory Board members. In particular, the chairperson of the Supervisory Board is informed regularly, typically every week, on the progress of our business and the situation of the company and other group entities and the Management Board consults with her on our strategy, planning, business development and risk management. Further, our CFO and the chairperson of the Supervisory Board's Audit Committee have a regular monthly exchange with regard to Audit Committee related matters. 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 our company, the Management Board will inform the chairperson of the Supervisory Board immediately.

The Management Board supports structures that foster a constructive and open exchange with the company's employees and their representatives to the benefit of our company and our employees.

Conflict of interests

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 and are published to the extent legally required.

Remuneration

The remuneration report for the fiscal year 2022, the opinion of the auditor pursuant to Section 162 AktG and the currently valid remuneration system for the Management Board are published on our website here: <https://corporate.zalando.com/en>. The remuneration report for the fiscal year 2022 is contained in [1.3 Remuneration report](#) of this financial report.

2.5.5 Supervisory Board

Our Supervisory Board consists of nine members, six of which are shareholder representatives and three are employee representatives. The representatives of the shareholders in the Supervisory Board are elected by the annual general meeting without being bound to election proposals. The participation of representative of employees in the Supervisory Board and the appointment procedure in this respect are determined by the applicable statutory provisions as well as a co-determination agreement concluded in accordance with the provisions of the SEBG.

Composition

Our Supervisory Board has set targets for its composition. In December 2022, these targets were revised and refined to better connect them with the 'Our Founding Mindset' principles of the company. Further, the Supervisory Board has introduced a broader definition of the term diversity that adequately corresponds with the variety of relevant factors.

From a general point of view, our Supervisory Board 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.

Each member of the Supervisory Board shall have the knowledge, skills and professional experience required for her or him to duly fulfil its tasks and responsibilities and shall make sure that she or he has sufficient time to perform his or her 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 shall be familiar with the sector in which the Company is operating. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one further Supervisory Board member must have expertise in the field of auditing accounts.

In addition, the Supervisory Board also considers further core competences of its members in the company's present and future business models. While qualification shall still be the decisive criterion, our Supervisory Board strives to adequately consider the international character of the company's business. At the same time, the Supervisory Board pays attention to diversity, in particular to variety as regards professional experience and expertise, cultural and educational background as well as age. In order to accommodate the international character of the Company, the Supervisory Board shall as a rule have no less than two international members. The Supervisory Board members should not be older than 70 years when elected.

Our Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at significant competitors of our company in the area of online platforms. No more than two former members of the Management Board shall be members of the Supervisory Board. Further, no less than four shareholder representatives on the Supervisory Board shall be independent from the company and its Management Board as defined in recommendation C.7 of the German Corporate Governance Code and no less than two shareholder representatives shall be independent from a controlling shareholder, if any, as defined in recommendation C.9 of the German Corporate Governance Code. In the view of the Supervisory Board, this is an adequate number of independent shareholder representatives.

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 (see 2.5.6 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).

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 an 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 for the election of Supervisory Board members.

The composition of our Supervisory Board in fiscal year 2022 met the composition targets it had set itself in all respects; in particular, the required expertise is represented in the Supervisory Board and the targets of the diversity concept are met.

The following overview shows the profile of skills and expertise of our Supervisory Board as well as the evaluation on 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	Super- vision	Inno- vation	Sustain- ability	Indepen- dence
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.	✓		✓	✓	✓	✓	✓
Niklas Östberg	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 Ahtainen	Finnish	Employed at Zalando Finland Oy	✓	✓**					***
Jade Buddenberg	German	Employed at ZALANDO SE	✓		✓		✓	✓	***
Anika Mangelmann	German	Employed at ZALANDO SE	✓						***

*) Expertise according to Sec. 107 (4) 3, 100 (5) German Stock Corporation Act (AktG) in the field of auditing and accounting

**) Expertise according to Sec. 107 (4) 3, 100 (5) German Stock Corporation Act (AktG) in the field of accounting

***) 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)
Niklas Östberg	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) until July 2022 Donau Agro Invest P/S (member of the Board of Directors) since July 2022
Mariella Röhm-Kottmann	ZF Services España, S.L., Spain (member of the Board of Directors) ZF India Pvt. Ltd. (chairperson of the Board) Compagnie Financière de ZF SAS, France (chairperson of the Supervisory Board)
Matti Ahtiainen	-
Jade Buddenberg	-
Anika Mangelmann	-

Tasks

Our Supervisory Board advises and monitors the Management Board on the management of our company. The Management Board consults with the Supervisory Board on strategy, planning, business development, risk situation, risk management and compliance of our company. The Supervisory Board works with the company's best interest in mind in close and trusting collaboration with the Management Board. It is committed to the company's culture and its founding mindset.

The Supervisory Board examines and approves the annual financial statements and consolidated financial statements as well as the combined management report of ZALANDO SE and Zalando group taking into account the report of the independent auditors. In addition, the Supervisory Board approves the Management Board's proposal for the appropriation of distributable profit and the Report of the Supervisory Board to the annual general meeting. Further, it monitors observance with statutory provisions and the company's internal policies (compliance).

The Supervisory Board appoints the members of the Management Board and determines the remuneration of the Management Board on the basis of the remuneration system approved by the general meeting.

The Supervisory Board has adopted rules of procedure that are published on our [corporate website](#). They govern the procedures and allocation of duties of the Supervisory Board and its committees. Our Supervisory Board holds at least one meeting per quarter. Further meetings are convened as necessary. Our Supervisory Board meets regularly without the Management Board.

Committees

In the fiscal year 2022, the Supervisory Board had four regular committees in accordance with its rules of procedure – the audit committee, remuneration committee, nomination committee and D&I and sustainability committee. In addition, the Supervisory Board formed one ad hoc committee, the share buyback committee (SBB). These committees comprise at least three members each. The chairperson of each committee reports regularly to the Supervisory Board on the activities of the committee.

Audit committee

The audit committee monitors the accounting and the financial reporting process. It deals intensely with the annual financial statements and, the consolidated financial statements, both including the combined management report. On the basis of the independent auditors' report, it makes recommendations with respect to the approval of the annual financial statements and the consolidated financial statements. Further, it makes recommendations to the Supervisory Board with regard to the resolution on the appropriation of distributable profit. The audit committee also reviews and discusses the annual, half-year and quarterly financial reports and the auditor's review of the annual and half-year financial report prior to publication.

Further, the audit committee monitors the effectiveness of the internal control system including the internal accounting control system and the risk management. It is also competent for matters of strategic importance provided that the Supervisory Board has delegated the authority to the audit committee accordingly.

The audit committee supervises the auditing process and is competent in particular for the selection of the statutory auditor and for monitoring the audit quality. It discusses the audit reports with the auditor as well as its findings and provides recommendations in this respect to the Supervisory Board. The chairperson of the audit committee discusses regularly the progress of the audit with the auditor and reports thereon to the audit committee. The audit committee consults with the auditor on a regular basis without the Management Board.

Members of the audit committee

Mariella Röhm-Kottmann (chairperson)

Matti Ahtiainen

Kelly Bennett

Niklas Östberg

According to Sections 107 (4) and 100 (5) AktG, at least one member of the Audit Committee must have expertise in the field of accounting and at least one further Audit Committee member must have expertise in the field of auditing accounts. As it follows from Recommendation D.3 of the German Corporate Governance Code, the expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance.

The chairperson of our Audit Committee, Mariella Röhm-Kottmann, has the required expertise in the area of accounting and auditing. She has passed the certified German chartered accountant exam (*Wirtschaftsprüfer*) and has many years of professional experience as an auditor. In her current position as Senior Vice President, Head of Corporate Accounting at ZF Friedrichshafen, she is regularly involved in a high variety of accounting and auditing topics. Mariella Röhm-Kottmann is an independent member of the Supervisory Board representing the shareholders.

The member of the Audit Committee, Matti Ahtiainen, has the requisite expertise in the area of accounting. After graduating from Helsinki School of Economics, Matti Ahtiainen has started his professional career as accountant. Over the last years, he has held various responsible positions in finance departments of different companies. In these positions, Matti Ahtiainen acquired special knowledge and experience in the application of accounting principles and internal control and risk management systems.

To further strengthen their expertise in the fields of auditing, Mariella Röhm-Kottmann and Matti Ahtiainen attended a training tailored to the financial experts of the Audit Committee and provided by an external international audit company with specific focus on non-financial reporting (see below under [Trainings](#)).

Remuneration committee

The remuneration committee deals with all questions related to the Management Board's remuneration. This includes in particular the responsibility for the company's remuneration system for the Management Board as well as the amount and appropriateness of the Management Board remuneration. The remuneration committee reviews the performance of the Management Board members on a regular basis. It also supports the Supervisory Board regarding the annual position planning for the two management levels below the Management Board and material changes thereto as well as the corresponding compensation framework for these positions. The remuneration committee provides recommendations as a basis for decision-making by the Supervisory Board.

Members of the remuneration committee

Cristina Stenbeck (chairperson)

Anika Mangelmann

Anders Holch Povlsen

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. It prepares the proposals of the Supervisory Board to the annual 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 inter-views. In these interviews it seeks to determine whether the candidate in question is suitable and will have sufficient time available to perform the duties on the Supervisory Board with due care. It 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)

Anders Holch Povlsen

Cristina Stenbeck

D&I and sustainability committee

Our D&I and sustainability committee supports 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.

This committee deals with the diversity & inclusion strategy as well as the sustainability strategy of the company and supports the Supervisory Board and its committees in its engagement with their implementation and the related reporting. In addition to this, it 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

Share buy-back committee

The share buy-back committee discussed the contemplated share buy-back program as well as its conditions and approved thereof in January 2022. The committee took essential decisions regarding the execution of the share buy-back program.

Members of the share buy-back committee

Cristina Stenbeck (chairperson)

Mariella Röhm-Kottmann

Matti Ahtiainen

Trainings

We believe that good corporate governance requires a high level of awareness for the statutory requirements. Therefore, we conducted trainings with our Supervisory Board members that dealt with a variety of legal and compliance topics: In the fiscal year 2022, there was a tailored training for members of the Audit Committee, in particular for its financial experts. The training was held by an external international audit company and had a specific focus on non-financial reporting. Further, Cristina Stenbeck as chairperson of the Supervisory Board was briefed in depth in a virtual session concerning her governance roadshow. And last but not least, an in person training session on Corporate Governance matters was conducted by the General Counsel for the Supervisory Board members, including but not limited to corporate bodies' roles, personal suitability, key tasks and personal liability as well as a discussion on the specific mandate of the Supervisory Board of Zalando.

Self-Assessment

Our Supervisory Board regularly assesses the effectiveness of its own activities and those of its committees.

In November 2022, a questionnaire was sent to the Supervisory Board members to monitor the level of efficiency in a self-assessment. The questionnaire focuses 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 structure of the Supervisory Board, its succession planning as well as the level of information on specific focus topics the Supervisory Board has been involved with. No noteworthy shortcomings were identified in the self-assessment.

Conflicts of interest

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 should resign from office.

Remuneration

The remuneration report for the fiscal year 2022, the opinion of the auditor pursuant to Section 162 German Stock Corporation Act and the latest resolution of the general meeting regarding the remuneration of the Supervisory Board pursuant to Section 113 German Stock Corporation Act are published on our [corporate website](#). The remuneration report for the fiscal year 2022 is included in this financial report.

2.5.6 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 2022 which can be found on our [corporate website](#).

We aim for a more balanced gender representation in our leadership positions. 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 for the representation of women 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 have determined the deadline for target achievement in each case to be December 31, 2023.

As of December 31, 2022, 55.6% women are represented on the Supervisory Board, 33.3% women are represented on the Management Board.

At the four management levels below the Management Board, the representation of women is as follows:

- 33.3% at the first management level below the Management Board,
- 37.5% at the second management level below the Management Board,
- 34.5% at the third management level below the Management Board and
- 38.8% at the fourth management level below the Management Board.

2.5.7 Annual general meeting and Investor Relations

Our shareholders can exercise their rights at the annual general meeting that takes place within the first six months of a business year. Every shareholder is entitled to attend the annual general meeting, to speak on items on the agenda and to ask relevant questions and propose relevant motions. Each share has one vote. Since the COVID pandemic, the annual general meeting may – under certain circumstances – take place as a virtual meeting.

The general meeting decides in particular on the appropriation of distributable profit, the discharge of the Management Board and the Supervisory Board, the election of Supervisory Board members and the appointment of the auditor. In addition, it decides on all amendments of the articles of association. The general meeting generally adopts advisory resolutions on the approval of the remuneration system for the Management Board members prepared by the Supervisory Board, on the actual remuneration of the Supervisory Board, as well as proposing resolutions on the approval of the remuneration report for the preceding financial year. The Management Board presents to the annual general meeting the annual financial statements and the consolidated financial statements, both including the combined management report of ZALANDO SE and Zalando group.

The next annual general meeting will take place on May 24, 2023 as a virtual meeting. The convocation and all relevant documents will be published on our [corporate website](#).

We focus on a continuous, transparent and trustworthy exchange with all capital market participants. Our investor relations team informs on our [corporate website](#) regularly on all relevant business developments. All relevant dates can be found on the corporate website in our financial calendar. The investor relations team can be contacted via email at investor.relations@zalando.de in case of any capital market related questions.

2.5.8 Corporate governance practices

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 and compliance-related training.

Our group wide policy landscape is built around two fundamental guidelines which are the Code of Ethics and the Code of Conduct.

The Zalando Code of Ethics outlines the standards to which we as a company adhere. Based on fundamental values of honesty, respect, trust, and fairness, the code forms the basic guideline of our work-related interactions. It sets mandatory standards and clear expectations for professional, ethical, and responsible behavior. Our Code of Ethics requires all employees to follow the law and 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 potential 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. The Code of Ethics has been communicated to all employees in various languages and is available on our corporate website. It 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, as well as collecting, processing, and using the data in accordance with the law is fundamental to Zalando because it is essential not just for our employee and partner-related data but especially for our customers and their trust in our products and services. This customer trust is the basis for long-term customer relationships. Therefore, 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 Zalando handles employee data and sets out rights employees have 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.

In the reporting period, we launched an initiative to onboard local enablers outside the headquarters to serve as a compliance multiplier (“AmbaZador”) and, vice versa, local contact point to the centralized compliance team. This ensures a better understanding of local challenges and helps driving well informed solutions by removing (potential) barriers when seeking for compliance assistance. In line therewith, we approach sites in scope directly to offer onsite training for every employee, regardless of an existing leadership responsibility. The aim is to promote the local Compliance AmbaZador as part of the training and facilitate personal contact with the central Compliance and Business Ethics team. 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.

Making ethical behavior a naturalness internally also leads to comparable expectations towards external partners. Therefore, the Zalando Code of Conduct outlines the standards to which we hold our business partners accountable. It covers the areas of Human Rights and Labour Rights, Environmental Protection, Fair and Ethical Business Practices, Monitoring and Complaints. Our Code of Conduct is published on our corporate website. It applies to all business partners – including suppliers, service providers, platform partners, distributors, consultants and agents of ZALANDO SE and all its subsidiaries. We rolled out an updated version in 2022 and therein 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 Code. We expect every business partner to acknowledge the standards set out in our Code of Conduct and require appropriate management systems and due diligence processes to be in place.

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 partners and in cases where potential compliance risks are apparent.

In preparation for the German Supply Chain Due Diligence Act which came into force on January 1, 2023, we have – as required by law – appointed a Human Rights Officer.

Our compliance training entails our Code of Ethics, Code of Conduct and group policies, including anti-corruption related policies such as our group policy benefits, gifts, events & expenses. We train colleagues with leadership responsibility in person, respectively, as a proven concept during the ongoing pandemic situation, via video chat solutions. In the training sessions we discuss in detail all questions related to the relevant topics. We aim for a high level of knowledge of our leaders in particular about our internal guidelines as these colleagues with leadership responsibility should be role models. Employees without leadership responsibility are made aware of our compliance relevant regulations via e-learning courses. 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).

In the reporting period, 46 compliance basics face-to-face training courses (including Compliance AmbaZador onboardings) were carried out. Compared to 2021 (27) we raised the number of training courses as it was again partly possible to travel and conduct face to face trainings outside Berlin which we made use of via dedicated onsite sessions with limited number of participants, compared to the video chat format. The combination of both training formats (live and video chat) led to a training number comparable to pre-pandemic years. 4,988 employees completed the compliance basics e-learning courses (2021: 5,409), among them 2,785 employees of ZALANDO SE (2021: 2,995).

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. Reported cases which qualify as a potential compliance violation are managed by the Compliance & Business Ethics Team; if a reported scenario qualifies as a potential serious case, a compliance panel takes over decision making. The panel consists of senior executives and our Chief People Officer.

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.

Suggestions of the German Corporate Governance Code

Our company voluntarily complies with the suggestions of the German Corporate Governance Code, with only the following exception:

According to suggestion A.8 of the German Corporate Governance Code, the Management Board should convene an extraordinary general meeting in the event of a take-over offer at which shareholders will discuss the takeover offer and may decide on corporate actions. We do not consider strict adherence to this suggestion being in the best interest of the company and its stakeholders. Convening an extraordinary general meeting is an organizational challenge and may delay the implementation of necessary corporate actions to respond to a take over offer. Therefore, we would only convene an extraordinary general meeting on a case-by-case basis in appropriate situations.

2.6 Takeover law disclosures pursuant to Sections 289a (1), 315a (1) HGB and explanatory report⁵⁹

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 Equity of the Notes.

Restrictions relating to voting rights or the transfer of shares

At the end of the reporting year, ZALANDO SE had 4,558,107 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 2022, 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 [1.4 The Zalando share – 2022 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. Re-appointments 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 (1) 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.

⁵⁹ 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.

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

After partial exercise of a corresponding authorization granted by the annual general meeting on June 23, 2020 based on resolutions of the Management Board and the Supervisory Board on June 13, 2022, 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 99,254,719 by issuing up to 99,254,719 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 new shares participate in profits from the start of the fiscal year in which they are issued. To the extent legally permissible, however, the Management Board may, subject to the consent of the Supervisory Board determine that the new shares shall bear dividend rights from the beginning of an already past fiscal year for which no resolution of the general meeting regarding the appropriation of the net profit had been passed at the time when they were issued.

The share capital of ZALANDO SE is conditionally increased by up to EUR 2,445,140 by issuing up to 2,445,140 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 our Management Board 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 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 issued in accordance with the Stock Option Program 2013, the holders of the subscription rights exercise their rights and Zalando 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 our Management Board.

The share capital of the ZALANDO SE is conditionally increased by up to EUR 3,297,193.00 by issuance of up to 3,297,193 new no-par value bearer shares (Conditional Capital 2014). The Conditional Capital 2014 may only be used to fulfil the subscription rights which have been granted to our 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 of the company on June 3, 2014, as amended by the company's annual general meeting of July 11, 2014, of June 23, 2020 and of May 18, 2022. The conditional capital increase will only be implemented to the extent that such subscription rights have been issued in accordance with the Stock Option Program 2014 as resolved by the annual general meeting on June 3, 2014, as amended by the Company's annual general meeting of July 11, 2014, of June 23, 2020 and of May 18, 2022, 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 ZALANDO SE is conditionally increased by up to EUR 3,089,010.00 against contribution in cash and in kind by the issuance of up to 3,089,010 new no-par value bearer shares with a pro-rata share in the share capital of EUR 1.00 to fulfil subscription rights for shares of the company (Conditional Capital 2016). The Conditional Capital 2016 may only be used to fulfil the subscription rights which have been granted once or several times – partly as a component of stock appreciation rights – in accordance with the resolution of the annual general meeting of the company of May 31, 2016, as amended by resolution of our annual general meeting of May 18, 2022. The new shares shall be 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 authorization of the annual general meeting of May 31, 2016, as amended by resolution of our annual general meeting of May 18, 2022. The conditional capital increase will be implemented only to the extent that subscription rights or stock appreciation rights with subscription rights have been issued in accordance with the resolution of the annual general meeting of May 31, 2016, as amended by resolution of the company's annual general meeting of May 18, 2022, 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 subscription shares will be issued at the lowest issue price of EUR 1.00.

ZALANDO SE's share capital is conditionally increased by up to EUR 1,522,269.00 by the issuance of up to 1,522,269 new bearer shares with no par value (Conditional Capital 2019). The Conditional Capital 2019 exclusively serves the purpose to service subscription rights granted to members of the company's Management Board in connection with the Long Term Incentive 2018 in accordance with the resolution of our annual general meeting on May 22, 2019 under agenda item 7, as amended by resolution of our annual general meeting of May 18, 2022. 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 the company and the company grants no treasury shares or cash payments to fulfil the subscription rights. The new shares under the conditional capital will be issued for the minimum issue amount pursuant to Section 9 para. 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 exclusive 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, by resolution of the annual general meeting of June 23, 2020, 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 our 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 and the Long-Term Incentive 2021/2022 allow for a replacement of option rights held by the Management Board 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, LTI 2021 and LTI 2021/2022 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, we must repay the bonds on the control acquisition date.