

Annual Report 2018



Zalando.

**The
Starting
Point
for
Fashion.**

Corporate Responsibility

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1.2 Corporate Responsibility

1.2.1 do.THINK Ahead

Corporate responsibility and sustainability are increasingly important drivers of business success at Zalando, and it is our bold ambition to become a leading online destination for sustainable fashion in Europe by 2020.

We want to run our business responsibly and use our tech and fashion expertise to enable our customers, brands and the industry to make more sustainable choices.

For the first time, we are reporting transparently and comprehensively on the clear targets we set in 2017 for each of our four do.STRATEGY focus areas: employees, products, environment and society.

Welcome from Rubin Ritter

"2018 was a landmark year for Zalando as we celebrated our 10th anniversary. Since 2008, we have worked hard to make Zalando the company it is today: Europe's leading online platform for fashion and lifestyle, which provides access to exciting products and great service to millions of customers.

GRI 102-14

As we look ahead to the next ten years, we know that sustainability will be an even more important driver of our future business success. As part of our strategy, we want to take responsibility for our environmental and social impacts and embrace the opportunities associated with economic, environmental and social developments.

We are eager to continue learning how we can run our business responsibly and enable customers, brands and the industry to make more sustainable choices. In 2018, we worked hard towards contributing to systemic changes in our industry and achieving our targets in four key areas – employees, products, environment and societal engagement. We are proud that our efforts are being recognized. This year, Zalando was named Germany's most valuable fashion retailer in a study assessing societal contributions of companies from several industries.¹

Going forward, we will focus even more on three key areas where we believe we can and need to have an impact. The first area is the sustainability of e-commerce. We are focusing our efforts on reducing our carbon footprint across customer deliveries, energy and travel, and we are optimizing packaging to reduce waste. This year, we achieved a reduction of 16% in our carbon footprint, switched to almost 100% green energy in Germany and Poland and participated for the first time in the CDP² rating. Using our expertise in fashion and technology, we believe we can also play an important role in driving change in the industry going further.

1) <https://www.imwf.de/pressemitteilung/deutschlands-wertvollste-unternehmen-studie-untersucht-firmen-aus-drei-branchen-auf-gesellschaftlichen-mehrwert/>, <https://fashionunited.ch/nachrichten/einzelhandel/zalando-ist-deutschlands-wertvollster-modehaendler/2018082915581>

2) Previously Carbon Disclosure Project

The second area is sustainable fashion: We know that many customers want to make more sustainable fashion choices. As a platform with more than 26 million active customers in 17 countries and around 2,000 brands, we have the opportunity to connect millions of customers to more sustainable fashion products, making it easier, more convenient and more inspiring for customers to find and choose sustainable fashion. Brand collaborations like our RE:CYCLE collection with Viktor&Rolf and improving the visibility of sustainability information in our Fashion Store are just two steps toward our bold ambition to become a leading online destination for sustainable fashion in Europe by 2020.



zln.do/en-sustainability

The third is supply chain transparency. We are convinced that the use of digital technology can help the entire industry overcome one of its greatest challenges: creating more transparency along complex value chains in order to protect human rights, decent work and the environment. With our newly founded zImpact program, we are systematically investing in innovative solutions that help to create this transparency along the value chain for the good of all. We have already identified more than 70 promising organizations that use digital technologies, for example to enable the complete traceability of raw materials or to make the origin of products comprehensible to customers.



zln.do/en-supply-chain

Of course, we could not have done this without the tremendous effort of the Zalando team, and we remain committed to building a place to thrive and investing in development opportunities for our people as well as good leadership. In 2018, we launched a new strategy to become a more diverse and inclusive workplace, focusing among other things on achieving greater gender diversity within leadership. We have taken the first steps by debiasing our promotion process, which led to more fairness and increased the share of women being promoted within leadership positions compared to 2017 numbers, and by launching a new internal mentorship program.

We know that we are just at the beginning of our journey to become a more sustainable company, and we value the power of partnership and collaboration along this way. Your feedback on our latest report is both encouraged and appreciated.”



zln.do/en-CR-Contact

Rubin Ritter

Our do.STRATEGY

At Zalando, we are driven by a powerful purpose to reimagine fashion for the good of all. We believe that our industry can and should find new ways to produce, sell and consume fashion, today and for generations to come. To truly deliver on this purpose, we know that we must take action to help address the fashion industry’s significant and complex challenges regarding human rights and decent work as well as the usage of resources and climate change.

Our do.STRATEGY

→ 1

do.STRATEGY vision

By running our business responsibly and enabling customers, brands and the industry to make more sustainable choices, we are helping to reimagine fashion for the good of all.

do.GROW

Employees

We aim to provide a workplace for the future and impact the future of work.

By building a place to thrive and investing in development opportunities for our people as well as great leadership.

→ Specific targets and our progress from p. 14 onward



do.KNOW

Products

We aim to contribute to a more sustainable fashion industry.

By connecting millions of customers to a better choice of and improved information on more sustainable fashion.

→ Specific targets and our progress from p. 21 onward



do.PROTECT

Environment

We aim to decouple our environmental footprint from our economic growth.

By improving sustainability in our offices, operations and packaging.

→ Specific targets and our progress from p. 30 onward



do.CONNECT

Societal Engagement

We aim to reimagine how corporations contribute to societal challenges.

By teaming up with relevant stakeholders to bring existing solutions to scale.

→ Specific targets and our progress from p. 36 onward



We want to run our business responsibly and enable customers, brands and the industry to make more sustainable choices. We will do this strategically, using our expertise in technology and fashion to contribute to the necessary systemic changes in our industry.

While we are still at the beginning of this journey, we can build on a solid foundation with our materiality analysis, previous work and a clear understanding of our biggest issues. Inspired by our action-oriented culture, our do.STRATEGY is about concentrating our efforts where the biggest change is needed and where we can make the greatest difference. This means focusing on four areas – employees (do.GROW), supply chain and products (do.KNOW), environment (do.PROTECT) and society (do.CONNECT) – against which we have set out clear impact visions regarding systemic changes we want to contribute to and specific targets to measure our progress.

How We Manage Sustainability

Strategic responsibility for Corporate Responsibility (CR) within Zalando lies with the Management Board, supported by the General Counsel. The CR Team, which reports to the General Counsel, drives the implementation of the do.STRATEGY and collaborates closely with our colleagues in other teams across Zalando. The Management Board receives updates twice a year, if not more frequently, about the overall progress with relation to our do.STRATEGY and also provides guidance on specific sustainability topics. We formed committees to steer specific focus topics such as sustainability at zLabels and environmental management. These steering committees meet on a quarterly basis and are attended by senior management and at least one member of the Management Board.

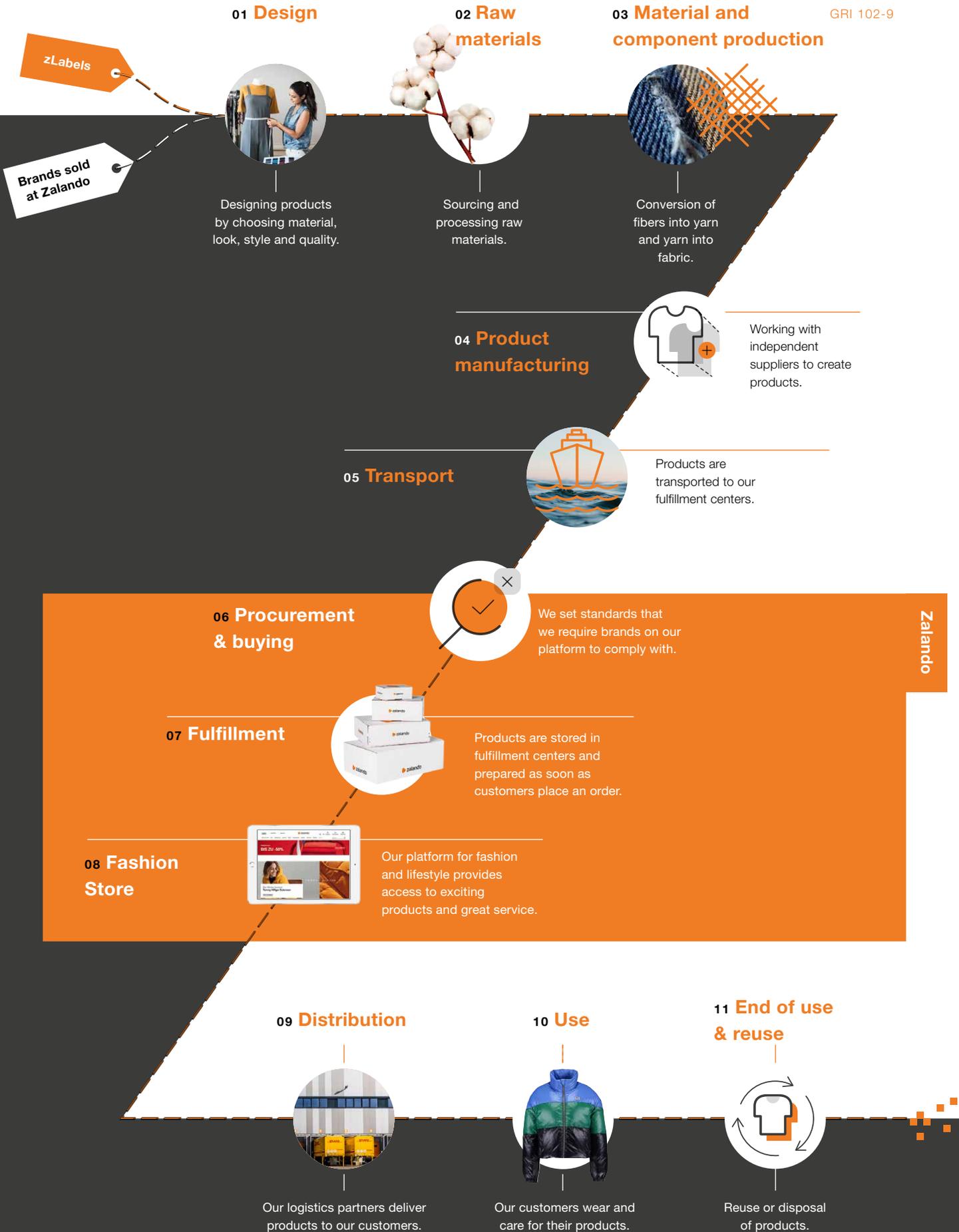
GRI 102-18

We strive to manage sustainability risks and opportunities as strategically and effectively as possible. This means embedding sustainability priorities and principles into the roles and responsibilities of various teams; turning internal experts into co-creators of more sustainable solutions. For example, the CR Team collaborates with Category Buying Teams to drive the growth of sustainable fashion in the Fashion Store and with the Packaging Team to improve the sustainability of our packaging.

Depending on the issue, the level of influence we have and our impact, we try to develop own internal solutions or partner up with external stakeholders. Beyond Zalando, we closely collaborate with partners as well as brands and international organizations, such as the Sustainable Apparel Coalition and Fashion For Good, to drive system change in our industry.

GRI 102-12
GRI 102-13
GRI 102-42
GRI 102-43

GRI 102-9



Materiality and Reporting Standards Applied

The content of our report is based on our latest materiality analysis that we finalized in 2015. In order to identify the most material topics for Zalando, we conducted a media analysis, surveys among 5,000 customers and 1,200 employees and further internal workshops. The analysis resulted in 16 material topics.

GRI 102-46
GRI 102-47

With the exception of our non-financial report 2018, we apply international standards of the Global Reporting Initiative (GRI) to our CR reporting. This report has been prepared in accordance with the GRI Standards: Core option. Readers can find the full GRI Index on p. 220 of this annual report.

GRI 102-54
GRI 102-55

Our Non-Financial Report 2018

Our CR chapter includes our combined non-financial report for ZALANDO SE and the Zalando group in accordance with Section 289b (1) and (3) and Section 315b (1) and (3) HGB (German Commercial Code). Information of the non-financial report can be identified by the indentation of the paragraph and the black line next to the text. All information, including relevant key performance indicators (KPIs), is provided separately for ZALANDO SE and the Zalando group wherever possible.

GRI 102-1
GRI 102-5

Due to the different approach of the GRI Standards and the German implementation of the CSR Directive on Non-Financial Reporting (CSR-RUG) regarding materiality requirements, we do not apply any frameworks for our non-financial report 2018. The preselection of material topics for our non-financial report is based on the materiality analysis mentioned above. The 16 topics that we identified in that materiality analysis were assessed in terms of the business relevance and impact – positive as well as negative – of our business model on the corresponding topics. We revised the list of material topics in 2018, which led to the addition of sustainable fashion as one of the most material topics in the materiality definition of the CSR-RUG. As a result, we identified six topics that we have to report on. Relevant information on each of these topics is set out below. The information on our business model can be found in section 2.1.1 Business Model of our combined management report.



Further Information
Business Model
p. 83

Overview Non-Financial Report Zalando 2018

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CSR-RUG required aspects	Topic reported	Reported in
1. Employee matters	Social standards in our logistics	1.2.2 do.GROW, "Providing Fair and Decent Work in Our Logistics", p. 19
2. Human rights	Social audits in the supply chain of our private labels	1.2.3 do.KNOW, "zLabels – Improving the Social and Environmental Footprint of Our Private Labels", p. 24
3. Environment	Climate protection	1.2.4 do.PROTECT, "Reducing our Ecological Footprint", p. 31
4. Social matters	Tech4transparency	1.2.5 do.CONNECT, "Using Tech for Good", p. 38
5. Anti-corruption	Anti-corruption	1.4.2 Corporate Governance, p. 50
6. Additional: products in our sustainability category	Sustainable fashion	1.2.3 do.KNOW, "Promoting Sustainable Fashion", p. 23

The Management Board receives updates on progress and gives guidance on our material topics twice a year, if not more frequently.

Our Risk Management Team monitors risks that might impact our business performance in bi-annual risk workshops. The Risk Management Team's scope also includes social and environmental risks. An overview of material risks and opportunities are summarized in section 2.4.4 Risk and Opportunity Report. In preparation for our non-financial report, the CR and Risk Teams jointly analyzed risks as well as potential negative impacts that emanate from our business and business relationships as well as from our products and services on the six material topics identified. As a result, we currently do not consider any net risks assessed to have a high probability and high negative impact on the material topics. The reason for this conclusion is that potential negative impacts are managed by the corresponding teams with adequate due diligence processes and measures.

GRI 102-11



Further Information
Risk and Opportunity Report
p. 110

1.2.2 do.GROW – Employees

We want to reimagine fashion for the good of all – and that starts with caring for and empowering our own people. As we continue to grow at a rapid pace, it is crucial we stay focused on building a strong company culture that encourages employees to be their best at work. This includes promoting a diverse and inclusive workplace, creating an attractive and healthy work environment and ensuring fair and decent standards in our operations.

GRI 103-1/-2/-3 MA
Employment

This is not just about doing the right thing for its own sake. We are a business with bold aspirations – aspirations that we can only achieve with our employees. That is why we are committed to building a meaningful people platform.



do.GROW Our Performance Against Targets

→ 4

	Targets	Timeline	Progress 2018	Status	Outlook 2019
Aspired outcome I: We empower people to be at their best at work.	Increase the representation of women in leadership positions to 25% on the first and 30% on the second level below the Management Board.	2022	We launched our new diversity strategy, which currently focuses on the recruitment, development and retention of women. In 2018, we saw initial progress as for example debiasing our promotion process led to more fairness and increased the share of women being promoted within leadership positions compared to 2017 numbers.		Roll out our mentoring program and implement enhanced diversity hiring measures.
	Create an attractive and healthy work environment that fosters collaboration and entrepreneurial spirit.	2019	We launched Project Health in our Logistics and Customer Care Teams and repeated our health days successfully, including workshops on mindfulness.		Roll out best practices like health talks and work toward achieving ISO 45001 standards.
	Provide fair working conditions and continuously improve standards in all fulfillment centers, regardless of location, start date or size of center.	2020	We changed our auditing company to work with local auditors at each site who are familiar with country-specific working conditions.		Review our social audit process to further increase robustness and accuracy.
Aspired outcome II: We are one of the best-led tech and fashion companies in Europe, with a meaningful people platform.	Enable continuous growth and development for each employee by creating a culture that fosters real-time performance feedback.	2020	We focused on fairness in performance evaluation and developed our own feedback tool. Our efforts resulted in significant progress: based on our employee surveys, the number of employees who feel rewarded fairly for their contributions increased by 62%.		Further simplify our performance review process and encourage peer-to-peer feedback.
	Help employees to kickstart their leadership career and provide comprehensive support to new leaders.	2019	We have launched new leadership development programs for the group and our Logistics in which almost 1,000 and 400 leads respectively took part.		Launch leadership principles and focus on our leads' ability to inspire collaboration and inclusiveness.
	Bring voluntary turnover down to 10% overall by 2020.	2020	We identified the causes of voluntary turnover through exit surveys and invested in fair performance evaluation and development opportunities to improve retention.		Enhance leadership training and development opportunities.

Started

Ongoing

Substantial progress

Achieved

Empowering People to Be at Their Best at Work

Promoting Diversity and Inclusion

Whether they are a colleague or customer, we believe every person we interact with is unique and should feel both accepted and empowered to express themselves. Indeed, we are proud that our business is driven by employees representing more than 130 different nationalities. By embracing different perspectives and backgrounds, we are constantly improving our talent acquisition, making better business decisions and generating fresh ideas to help serve the varied needs of our customers. To demonstrate our commitment to diversity, this year ZALANDO SE signed the Charta der Vielfalt (Diversity Charter)³, which we celebrated with employees across our locations on national Diversity Day.

GRI 102-13
GRI 103-1/-2/-3 MA Diversity
and Equal Opportunity

This year, we analyzed our current diversity performance and used the insights to shape our new diversity and inclusion strategy. As a result of our research, we now streamlined our work toward achieving greater gender diversity at senior levels and within specific job groups, such as our technical roles. On top of this improved focus, we remain committed to increasing female leadership – our target is to have 25% of positions at the first level and 30% at the second level below the Management Board filled by women by 2022 (currently 11% and 16% respectively). To achieve this, we are looking at how we recruit, promote and retain staff and have hired a full-time Diversity & Inclusion Officer to drive and monitor our progress. Additionally, we have both invested in a new internal mentorship program to support leadership development for women and dedicated efforts to remove potential bias from our promotion processes. We believe these initiatives will help us nurture a more equal playing field for new and developing talent.

GRI 405-1

Family friendliness continues to be vitally important to our workforce planning and employee satisfaction. As such, we are constantly improving our support for parental leave as well as expanding the capacity of our Kita (Kindertagesstätte, or German day care facility). In Zalando Logistics, we continue to offer mom-dad shifts, a shift system designed in collaboration with our employees that flexes to fit pre-existing family routines.

As in previous years, our Diversity Guild (employee diversity network) has continued its grassroots efforts to champion diversity and inclusion throughout the company. In 2018, for example, the guild led local events in celebration of International Women's Day. Our LGBTQI+⁴ employee network is also very active in supporting the community, including leading our representation at the 2018 Christopher Street Day in Berlin.

As well as encouraging employee-led initiatives, we have tightened up our internal policies, too. Last year, we strengthened our discrimination reporting process in line with the German Equal Treatment Act and hired a Health & Equality Manager to support our ongoing compliance.

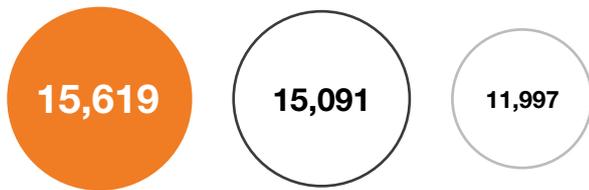
GRI 102-16
GRI 103-1/-2/-3 MA
Non-Discrimination

Our diversity strategy looks beyond 2018 and will focus on greater gender and national diversity in 2019 and the diversity of backgrounds while continuously supporting the inclusiveness of our culture.

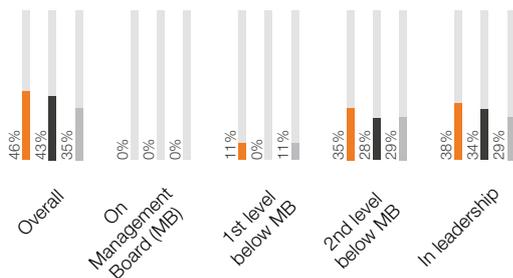
3) <https://www.charta-der-vielfalt.de/en/>
4) LGBTQI+ stands for Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex and is inclusive of other identities of the community that are not listed.



Number of employees



International employees



Number of nationalities



Parental leave



Employment types

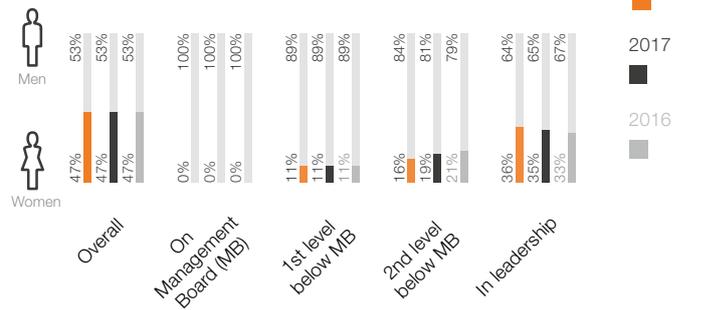
Employees working part-time:
Total (and in %)

1,635 (10%)
1,171 (8%)
890 (7%)

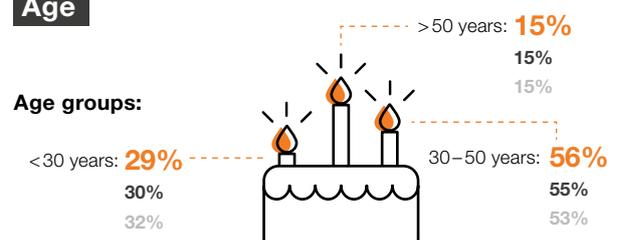
Thereof share women / men:

73% Women	27% Men
75%	25%
73%	27%

Share of women and men



Age



Average age:

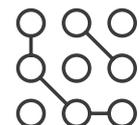
37 (2018), 37 (2017), 36 (2016)

Excluding logistics:

33 (2018), 32 (2017), 32 (2016)

Share of women in specific job groups

Share of women in technical job groups:



Share of women in logistics:



Contracts

Temporary contracts:
Total (and in %)

4,364 (28%)
4,984 (33%)
3,962 (33%)

Thereof share women / men:

48% Women	52% Men
47%	53%
46%	54%

Enhancing Employee Well-Being

By promoting the physical, mental and social well-being of employees in all occupations, we strive to provide the right conditions for people to be their best at work. To achieve our aspirations, we need our employees to be healthy and engaged. It is essential that our people feel comfortable and motivated to contribute to our collective success.

We demonstrate part of that ambition through our commitment to addressing the causes of absenteeism. Our absentee rate in 2018 was 10.5% in Zalando Logistics and 5.0% in the rest of the Zalando group. We have also enhanced our process for when employees return to work after long-term absence.

Through our commitment to Vision Zero⁵, we are determined to eliminate accidents within our business completely. Going beyond that, we try to protect and promote employee health as much as possible. To help achieve this, we assess physical and psychological health hazards in our work environments and analyze our reports on a monthly basis. This approach, based on international standards such as the European Agency for Safety and Health at Work (EU-OSHA) and, in the future, ISO 45001, enables us to both identify areas for improvement and learn from best-practice environments. Across the company, we apply expert advice on healthy workplaces to help us shape current and future offices and fulfillment centers. For example, in 2018 we offered our employees a range of health initiatives, such as fitness programs and mindfulness training.

We have also launched a new health project in our fulfillment centers which offers both short-term practical measures and initiatives to develop long-term behavioral changes. In this project, we closely engage leads in our fulfillment centers, including team leads on the first leadership level. Building on their knowledge and close connection to all employees in our fulfillment centers, we enable them to adopt a mindful leadership style and to promote health within their teams. This is a key lever for us to understand the drivers of our sickness rate and derive adequate and sustainable measures to reduce absenteeism.

In 2018, we also rolled out health-focused leadership training to our Customer Care Departments. Constantly striving for outstanding customer satisfaction can create a challenging work environment, so we need to provide high levels of engagement and psychological support. Our newly implemented leadership training program includes regular and relevant health talks and guidance on supporting returners from long-term sick leave. We have also hired a social counsellor to give employees in our Customer Care confidential assistance on personal, private, health-related or conflict-related matters.

In 2019, we will continue to take a holistic approach to occupational health management. We aim to establish a growing number of structures and processes that promote health, including the roll-out of health talks between teams and the sharing of best practices in our fulfillment centers and Customer Care Departments. To further improve our safety processes, we are working towards achieving the ISO 45001 standard in the future.

GRI 103-1/-2/-3 MA Occupational Health and Safety

GRI 102-16



zln.do/en-health

5) <https://www.dguv.de/en/prevention/visionzero/index.jsp>

Health Indicators

→ 6

GRI 403-2

	2018	2017
Absentee rate Zalando Logistics*	10.5%	10.6%
Absentee rate Zalando excluding Zalando Logistics**	5.0%	4.6%

*) Includes our fulfillment centers in Brieselang, Erfurt, Mönchengladbach and Lahr.

**) The numbers do not include Anatwine, Kickz, ifansho Portugal, zLabels China, zLabels Trading Southern Europe, zLabels Trading Ltd., Logistics Entities, Zalando Outlets.

Providing Fair and Decent Work in Our Logistics

With their high level of commitment, our logistics employees ensure that the more than 26 million customers across 17 European markets experience convenient and reliable services every day. A large part of our logistics continues to be handled by the fulfillment centers operated by Zalando. Creating high standards in our logistics is a priority for us and also a business necessity in the face of high competition for a good workforce. Therefore, one of our targets in our do.STRATEGY is focused on offering employees consistently fair working conditions at all our locations.

We have set out our expectations for our own fulfillment centers and those of our partners in clear social standards, and we have implemented an auditing system to assess compliance. Our social standards are based on our Code of Conduct as well as relevant local regulations and cover key topics such as equal opportunities, remuneration, working hours and freedom of association.

Compliance with our standards is reviewed twice a year through an unannounced audit by an external auditor at our own Fashion Store fulfillment centers. The average result of the audits in 2018 at our own logistics sites in Brieselang, Erfurt, Lahr and Mönchengladbach was 1.51 (on a scale of 1 = very good to 4 = not sufficient).

GRI 102-4

Additionally, in 2018 compliance with our social standards was reviewed in locations of our fulfillment partners including those of our subsidiaries Lounge and zLabels⁶. With the audits, we want to assess whether business partners fulfill our expectations regarding decent working standards.

The results of the audits form the basis to agree on measures to address the findings at the sites. Zalando monitors the implementation of these measures through regular meetings.

In 2018, we changed the auditing company to work with local auditors at each site who are familiar with country-specific working conditions.

Fairness and equal treatment are key elements of our social standards, particularly when it comes to remuneration. Salaries at Zalando Logistics are based on the respective regional collective bargaining agreements for the logistics industry. Temporary staff contributes to our success every day, and our social standards stipulate that temporary workers shall receive the same hourly wage as our permanent employees.

6) We cannot publish the audit results of our business partners, as this would allow to draw conclusions about the performance of individual service providers.

All employees, including temporary staff at our own fulfillment centers, have the opportunity to speak to social workers to receive counseling, also in private matters, during their working hours.

Our employees help us to further develop the work experience in our fulfillment centers. Various bodies of employee participation (i.e. works councils, round tables) are actively engaged in improving the environment at their respective sites. We promote various opportunities for dialogue between employees and management by asking our employees, such as in engagement surveys or personal interviews, for feedback and ideas on how we can make working at Zalando an even better experience.

GRI 103-1/-2/-3 MA Labor /
Management Relations

Building a Place to Thrive with a Strong Culture

We are committed to creating opportunities for our employees to thrive. We think that access to development opportunities is a key factor in our employees' satisfaction, so we invest in this area to help improve retention. Voluntary turnover was at 13.0% in 2018 (11.1% in 2017). Levels improved in the second half of the year with initial measures showing positive effects. This makes us confident that we will achieve our target of bringing voluntary turnover down to 10% across Zalando by 2020.

GRI 103-1/-2/-3 MA
Employment

To build a workplace where our employees can thrive, we made three assumptions about the future of work. Firstly, we understand that we need to build new and meaningful learning experiences and a feedback culture that helps employees in their personal and professional development.⁷ Secondly, we believe that the nature of work will change through the growing use of technology, so we closely analyze the skills that are in high demand and for which demand will rise as those changes unfold. As an example, in 2018, we offered machine learning training to our Berlin-based employees, which more than 400 people attended. Lastly, we think that great leaders attract and develop new leaders, and this principle is central to our aspiration to become one of the best-led tech and fashion companies in Europe. Because we are open and explicit about the behaviors we expect to see from each other and we support each other to be our best, we are able to drive a positive, high performance culture. We believe in the community spirit that has helped Zalando become what it is today, and working closely with great colleagues and leaders is a large part of what drives us. To do this, we refined our mindset and culture through a revised set of principles that we have launched in Q1 2019. In addition, we invest in building leadership skills at all levels of Zalando; from our executive group to team leads in our fulfillment centers. In 2018, almost 1,000 leads have participated in at least one of our training offers.

GRI 103-1/-2/-3 MA Training
and Education
GRI 404-2

In our fulfillment centers, we invited leads to embark on a leadership development journey. The program provides a platform where participants can choose learning interventions to suit their individual needs, based on themes such as self-management, conflict management, feedback culture and motivational, healthy and mindful leadership. To date, about 400 leads have joined the program, participating in about 1,500 learning interventions. Thanks to its initial success, we intend to develop the program further in 2019. In our fulfillment centers, we will focus on our leads' ability to inspire and foster collaboration within the team, while also acknowledging cultural diversity. To support this, we will offer ways to measure and grow team effectiveness and performance.

⁷) Please see more detailed information on our work in this regard in our annual report 2017 from p. 17 onwards.

Employment Indicators

→7

GRI 401-1

	2018	2017
Voluntary turnover rate overall*	13.0%	11.1%
Share of women	48%	49%
Share of men	52%	51%
Share of age group below 30	55%	47%
Share of age group 30 – 50	40%	47%
Share of age group above 50	5%	6%
New hires overall	4,515	5,997
Share of women	46%	45%
Share of men	54%	55%
Share of age group below 30	53%	48%
Share of age group 30 – 50	40%	44%
Share of age group above 50	7%	8%

*) Exits due to termination by the employee; excluding termination agreements

1.2.3 do.KNOW – Products

As the fashion industry grows, so does its impact on people and the planet. At the same time, supply chains remain complex and intransparent. Our bold ambition is to become a leading online destination for sustainable fashion, and we want deliver on this ambition by using our expertise in both tech and fashion to enable customers and brands to make more sustainable choices. The basics in quality, safety and ethical sourcing are a strong foundation for all products on our platform, and we set even higher standards for our private-label products.



do.KNOW Our Performance Against Targets

→ 8

	Targets	Timeline	Progress 2018	Status	Outlook 2019
Aspired outcome I: We are a leading online destination for sustainable fashion in Europe.	Grow the selection of sustainable fashion in our Fashion Store.	2020	We increased the number of products with a sustainability benefit in our Fashion Store.	👤 👤 👤	Focus on growing our selection through closer collaboration with third-party brands.
	Improve the signposting, navigation and visibility of sustainable fashion in our Fashion Store.	2018	We developed a filter for products with a sustainability benefit on our website, introduced new certification labels and rolled out a dedicated microsite to all countries.	👤 👤 👤	Further improve the navigation, information and visibility of sustainable products in our Fashion Store.
	Use our unique position as a tech and fashion company to increase transparency in the fashion value chain.	2020	We launched the zImpact accelerator program, hosting various events and Hackathons with partners. You can find more information on this in our do.CONNECT section on p. 36 of this report.	👤 👤 👤	Invest in the most promising tech ventures and collaborate with partners.
Aspired outcome II: The social and environmental footprint of our private labels has improved.	Increase worker well-being in factories by sourcing 25% of private label business volume from factories that take part in our Factory Improvement Program.	2018	We sourced 25% of private label business volume from factories that take part in our Factory Improvement Program.	👤 👤 👤 👤	Sustain the 25% level for 2019 and expand our focus to new areas like chemical management and productivity.
	Reduce the carbon, water and waste footprint of our clothing by 10% to meet European Clothing Action Plan targets.	2019	We joined the Better Cotton Initiative as a way to source more sustainable cotton at scale and decrease our water footprint. We collaborated with MADE-BY and Fashion for Good to identify startups and projects that aim to reduce and reuse waste throughout the manufacturing process.	👤 👤 👤 👤	Increase the Better Cotton share of our cotton sourcing to 30% by the end of 2019.
	Eliminate critical heavy metals from our manufacturing process.	2020	We stabilized the fail rate caused by critical heavy metals by identifying safe materials (working in close collaboration with suppliers). We introduced stricter and more robust testing at source.	👤 👤 👤 👤	Work on an overall compliance manual that covers all our requirements (from a chemical, physical and labelling perspective) to give partners a more comprehensive overview of our quality expectations.

👤 👤 👤 Started

👤 👤 👤 Ongoing

👤 👤 👤 👤 Substantial progress

👤 👤 👤 👤 Achieved

Striving to Become a Leading Online Destination for Sustainable Fashion

As one of the few companies with expert capabilities in both tech and fashion, we are in a unique position to respond to two key challenges. Firstly, transparency in supply chains, which you can read more about in the do.CONNECT section of this report, and secondly the consumer attitude-behavior gap. We strongly believe that many customers want to make more sustainable fashion choices, and we know that a new generation of customers deeply cares about sustainability. However, that attitude is not yet fully reflected in the purchasing choices they make when it comes to fashion. As a platform with around 2,000 brands, we want to leverage our reach and make it easier for consumers to find more sustainable fashion.

Promoting Sustainable Fashion

Customers interested in sustainable fashion currently face a big challenge: finding relevant products. The market is fragmented, and information is complex, confusing and often difficult to find. Our ambition is to help solve this challenge by offering an attractive and relevant assortment and improving our user journey to include more information on sustainability. In fact, our vision is to be a leading online destination for sustainable fashion by 2020. While we want to empower customers to make their own choice about what sustainability means to them, we had to decide on what basis to highlight certain articles and sustainability information. There is no widely accepted standard for sustainability but a wealth of ratings, certificates and industry frameworks. We chose to start on product level by highlighting articles that have at least one certificate out of a predefined list (e.g. GOTS or Fairtrade cotton) with a sustainability flag in the catalog. The list of certificates that we accept is published on our microsite dedicated to sustainable fashion, which we introduced in Germany in 2017. In 2018, we rolled out this microsite to all our markets. In order not to limit what sustainability information we make transparent to customers, we also show benefits like when an article is made with more environmentally friendly fibers or with recycled material. This information is collected from brands in the buying process along with other data like size and material composition.

We are still at the beginning of understanding what information is relevant to customers at what point. We are conducting surveys and interviews to gain customer insights and testing different features. In 2018, we implemented a filter for products with a sustainability benefit. We will continue to invest in our user experience to make it increasingly easier for customers to buy sustainable fashion on our platform.

In terms of offering an attractive assortment in this space, we will extend the breadth of available items with a sustainability benefit and work with brands leading in this field. We are also working on dedicated brand collaborations regarding sustainability in order to offer an exciting experience to our customers and give more visibility to the topic in general. We plan to collaborate closely with our brand partners to achieve our vision of becoming a leading online destination for sustainable fashion.

Partnering to Create Change

We want our customers to shop with confidence, knowing that they are buying from a responsible company. We are committed to protecting the environment and the people within fashion supply chains. To deliver on this commitment, we set standards that we require our third-party brands to comply with and are continuously improving our procedures.

GRI 103-1/-2/-3 MA Materials



www.zalando.co.uk/sustainable-fashion/

Our Code of Conduct sets the standards that we expect our business partners and their subcontractors to comply with, such as minimum wage, freedom of association and the absence of forced labor, child labor, and discrimination. It is based on the internationally recognized principles of the Universal Declaration of Human Rights (UDHR) and the Conventions of the International Labor Organization (ILO).

GRI 102-16
GRI 103-1/-2/-3 MA
- Freedom of Association and Collective Bargaining
- Child Labor
- Forced or Compulsory Labor
- Human Rights Assessment
- Supplier Social Assessment

Our Ethical Sourcing Standards are based on Directive 98/58/EC concerning the protection of animals kept for farming purposes and the standards of the World Organisation for Animal Health (OIE). We do not sell any products that originate from endangered species listed in international conventions, and we are a Fur Free Retailer. We stopped selling products made of fur in 2012 and have been a member of the Fur Free Retailer Initiative since 2016. Our Ethical Sourcing Standards also cover responsible marketing and prohibited activities such as sandblasting.

GRI 102-12
GRI 102-13
GRI 102-16

Our Restricted Substance List (RSL) specifies the chemical limits permitted in our products in line with (EG) No 1907/2006 REACH and standards set by international markets. Our contractual partners and suppliers are obliged to deliver products in compliance with the requirements of the RSL.

GRI 102-16
GRI 103-1/-2/-3 MA Customer Health and Safety

We continuously review the standards in our Code of Conduct, our Ethical Sourcing Standards and our RSL. To ensure ongoing compliance with the RSL, we carry out random testing across our product range, with the RSL regularly reviewed and updated in line with legislation (latest revision August 2018). We expect our brands and supply partners to implement a robust chemical management system.

We monitor product compliance proactively and reactively. Proactively: as part of our onboarding process we introduced a product safety questionnaire to create better transparency. Reactively: we monitor a variety of information streams, including the EU Rapex Alert system and our Customer Care, to react quickly to any safety concerns.

We will keep working closely with partners in the industry to manage issues that arise, update standards regularly and develop a range of detailed policies. Our testing regime is constantly monitored to identify specific areas for improvement.

zLabels – Improving the Social and Environmental Footprint of Our Private Labels

11 of the around 2,000 brands we sell belong to our subsidiary zLabels. At zLabels, we source products from 23 different countries, and currently work with 240 sourcing partners and 425 factories, a 12% decrease in comparison to 2017. Our five main sourcing countries in 2018 were China (45%), Turkey (11%), India (10%), Bangladesh (8%) and Spain (4%). Due to the size and variety of our assortment, we do not own any of the factories in our supply chain, but are focusing on strengthening our relationships with key sourcing partners. Our vision at zLabels is to play an active role in building an industry where workers are safe, empowered and financially secure. We want to rethink how we design and make our products to improve lives and reduce waste. We aim to collaborate with business partners who share our vision of making a positive contribution to the wider community and the environment. We are in the early stages of a long journey towards shaping a more sustainable fashion industry through a range of partnerships with organizations, NGOs, governments and brands.

GRI 102-9
GRI 102-10



www.zlabels.com

Enhancing Worker Well-Being

A crucial part of our work at zLabels is checking that our sourcing partners comply with our Zalando group-wide Code of Conduct⁸ and treat workers with dignity. As members of the Social Labor and Convergence Project⁹, we have aligned our audit program with their standards to reduce audit fatigue across the industry. We also joined ACT (Action, Collaboration, Transformation), a multi-stakeholder agreement to progress towards living wages through collective bargaining at industry level. A Steering Committee is held quarterly with a member of the Management Board and other stakeholders to ensure appropriate oversight.

GRI 102-13

We evaluate all audits against our internal non-compliance matrix, which is based on our Code of Conduct and local legal requirements. The findings on non-compliance are grouped into minor, major and critical, and a rating is then given to the factory and a Corrective Action Plan (CAP) is sent. We updated our country requirements, building on country risk categorization and developing new policies, including subcontracting and contract workers policies, and updating our migrant workers and homeworkers policies. As in 2017, we continued our Supplier Partnership Program (SPP), led by our Sourcing Team, which evaluates sourcing partner performance across a range of areas, of which Ethical Trade contributes 12.75% to the score, to improve performance and incentivize improvement by incentivizing high-performing sourcing partners.

GRI 103-1/-2/-3 MA
- Freedom of Association and Collective Bargaining
- Child Labor
- Forced or Compulsory Labor
- Human Rights Assessment
- Supplier Social Assessment
GRI 308-2
GRI 407-1
GRI 408-1
GRI 409-1
GRI 412-1
GRI 414-1
GRI 414-2

As part of our onboarding process, new sourcing partners must sign our Code of Conduct and provide an audit from the last twelve months. Factories must meet all ethical requirements before orders can be placed. If critical findings are observed, we do not begin the relationship without evidence that they have been corrected. In the past year, we rejected the onboarding of 51 factories due to non-compliance.

For existing factories, we require new audits every twelve months to monitor and reassess factory conditions. In 2018, we evaluated 446 audit reports for new and existing factories. If a critical instance of non-compliance is found at an existing factory, the factory has seven months to remediate the critical instance along with a new audit. We require evidence of improvement to continue our relationship with the sourcing partner.

In 2018, our Vendor Summits in India, China and Spain were attended by 183 of our sourcing partners. Through a series of workshops and panel discussions, we engaged our business partners to collaborate and build stronger partnerships that meet both of our goals.

Our Ethical Trade Team visited 64 factories in 2018, working closely with our partners to develop customized improvement plans to address specific social challenges.

In order to further educate our wider staff, we developed an Ethical Trade e-learning course, which is mandatory for all zLabels' employees. To support the factories of our sourcing partners in meeting our standards, we have also launched a tailored training video that provides information on our standards and policies in an accessible way. The video was sent to all sourcing partners.

Gaining transparency throughout our supply chain is an important focus for us, and we have 100% visibility of our Tier 1 sourcing partners. In 2018, we also worked to increase visibility of Tiers 2 and 3, with a focus on cotton and leather. As part of our commitment to transparency, we will be

8) Our Code of Conduct sets the standards that we expect our business partners and their subcontractors to comply with, such as minimum wage, freedom of association and the absence of forced labor, child labor, and discrimination.
9) <https://silconvergence.org/>

disclosing our strategic Tier 1 supplier list by the end of 2019, which represents the vast majority of our business.

As part of our commitment to enhancing worker well-being, our Factory Improvement Program (FIP) goes beyond auditing to support our sourcing partners and factories on the ground through capacity building and awareness-raising. Our FIP has continued to grow this year, with 25% of our business volume sourced from participating FIP factories. We have nine programs and initiatives across eight countries (see figure 9), each program tailored to each specific factory.

Collaboration is at the heart of our programs, and throughout 2018 we worked closely with six independent partners and their wider networks to tackle issues endemic to the industry. One of our newest partners this year is Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which we are currently working with to improve chemical management practices in our shoe supply chain in China. This project, driven by our Ethical Trade and Quality Management Teams, is explained further in the section Ensuring the Quality of Our Products on p. 29.

Additionally, we found a strong correlation between improved working conditions, increased factory productivity and better financial performance, which led us to expand the “Benefits for Business and Workers Program” with Impactt to our strategic shoe factories in Agra, India. We also expanded the scope of our FIP work through a partnership with Swasti Health Catalyst to empower women through training on health, financial literacy and gender-related topics.

zLabels Factory Improvement Program in 2018

GRI 102-13

→ 9

zLabels “Factory Improvement Program” (FIP)

Romania In Romania, we rolled out a bespoke zLabels-run FIP to shoe factories, providing training on ethical trade issues where they need support.

China factory improvement collaboration

China We ran a collaboration program with the ethical trade consultancy Impactt and seven other brands to improve working conditions across strategic factories, with classroom training and follow-up support.

“Promising Future” social insurance project

China We worked with the consultancy Carnstone and a group of nine brands to increase awareness among factory workers about the benefits of signing up for social insurance.

Improving chemical management through more sustainable practices in Chinese PU shoe factories

China In China, we started a cooperation project with GIZ to undertake chemical mapping, Volatile Organic Compound (VOC) emissions testing and expert training to workers in polyurethane (PU) and vulcanized shoe factories.

“Ethical Trading Initiative” (ETI) working group

Turkey and Mauritius We continued our engagement with two ETI working groups in Turkey and Mauritius to address systemic ethical trade issues together with sourcing partners, trade unions, brands, NGOs and local governments.

“Benefits for Business and Workers Program”

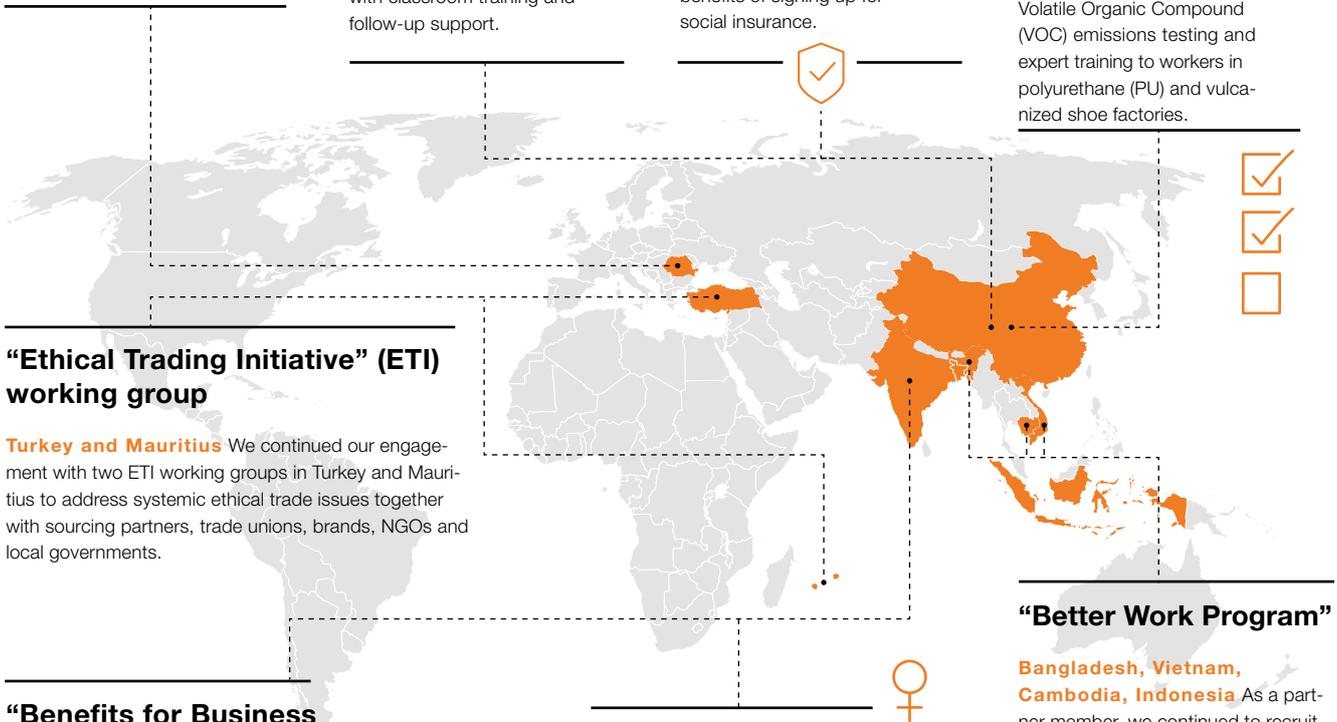
India In India, key apparel, shoe and accessory factories are participating in the “Benefits for Business and Workers Program” delivered by Impactt to improve productivity and working conditions.

Empowering women at work

India We launched a program with Swasti Health Catalyst to empower and support women in our South Indian factories through training on women’s health, respect and financial literacy.

“Better Work Program”

Bangladesh, Vietnam, Cambodia, Indonesia As a partner member, we continued to recruit our partner factories in Bangladesh, Cambodia, Vietnam and Indonesia into the International Labour Organization (ILO) “Better Work Program,” which trains factories on various topics including health and safety, improving dialogue with workers and supervisory skills.



Rethinking Design and Materials

The global fashion industry accounts for an estimated 5–10% of all greenhouse gas emissions¹⁰, consumes significant amounts of resources and recycles less than 1% of clothing into new garments¹¹. As a fashion company, we are dedicated to reducing our environmental impact. We want to do this by using more sustainable materials, designing products with their next lives in mind and making sure we only produce what our customers really want through better use of data and improved stock management. As part of the European Clothing Action Plan (ECAP), we have committed to reducing the carbon, water and waste footprint of our clothing by 10% by 2019, switching to more sustainable alternatives for the most important materials we use.

In 2018, we launched a sustainable collection as part of our womenswear brand mint&berry. The collection was made from environmentally friendly materials such as lyocell, Lenzing viscose™ and organic cotton. We will continue to increase our use of sustainable materials in the mint&berry range and are increasing the number of sustainable products across the entire zLabels portfolio as shown through the steps listed in the table below.

GRI 102-12
GRI 103-1/-2/-3 MA
- Materials
- Water
GRI 301-1
GRI 301-2
GRI 303-1

- 10) <https://unfccc.int/news/un-helps-fashion-industry-shift-to-low-carbon>, Measuring Fashion, Quantis (2018), Pulse of the Fashion Industry, Global Fashion Agenda & The Boston Consulting Group (2017)
11) A New Textiles Economy: Redesigning Fashion's Future, Ellen MacArthur Foundation (2017)

Our Key Materials

→ 10

Material by volume	Challenge / issue	Progress	Plans
Cotton 48% (apparel)	Traditionally a resource-intensive crop, cotton requires large amounts of water and pesticides to grow.	We became a member of the Better Cotton Initiative (BCI), which trains farmers to use water efficiently, care for soil health and natural habitats, reduce harmful chemicals and respect the rights and well-being of workers. In 2018, we sourced 6.8% (233 metric tons (MT) of Better Cotton lint out of a total of 3,426 MT).	We are committed to sourcing 30% (or 1,229 MT) of our cotton as Better Cotton by the end of 2019. We are focused on scaling the use of recycled and organic cotton across all our products.
Polyester 28% (apparel)	Polyester is made from non-renewable fossil fuels which require significant amounts of energy to be manufactured into fabric.	Using recycled polyester helps us save energy, reduce greenhouse gas emissions and divert plastic bottles or existing garments from landfill. In 2018, we used 0.53 MT of recycled polyester and are working to increase this volume year on year.	We plan to address the increased cost of recycled polyester by sourcing directly from yarn producers.
Viscose 12% (apparel)	Viscose is a semi-synthetic fiber made from wood pulp, with a risk of being sourced from ancient and endangered forests. The production of viscose can also be associated with negative environmental impacts.	We joined the CanopyStyle initiative in February 2018 to address the risk of deforestation of ancient and endangered forests. We have now mapped 36% of our viscose use down to producer level. Additionally, we added extra requirements to our Prohibited Activities Policy to address the production of viscose fiber in collaboration with the Changing Markets Foundation.	We will continue to engage with our sourcing partners in China, our largest sourcing country, and will explore more sustainable alternatives to conventional viscose, such as EcoVero™, modal and lyocell.
Leather 32% (footwear and soft accessoires)	The production process is complex and associated with social and environmental issues, such as chemical management and waste water treatment.	We became members of the Leather Working Group (LWG) in 2017. We have 100% visibility on the tanneries used by five of our strategic sourcing partners in India and have mapped 100% of our raw material suppliers in Spain and Portugal (representing 10% and 15% of our total leather volume, respectively).	We will continue to shift production to LWG-certified tanneries.

Collaboration is key for us, and we work with a number of independent experts including the University of Santiago de Compostela and MADE-BY. We developed a sustainable material toolkit based on the Sustainable Apparel Coalition's Materials Sustainability Index, MADE-BY's Environmental Benchmark for Fibres and Textile Exchange's Preferred Fiber & Materials Market Report to help our Product Teams make more informed decisions. We regularly review these criteria to reflect industry developments, and we are in the process of working with brand partners to extend this framework to include footwear. Additionally, we commissioned two training resources from MADE-BY on sustainable trims and design for circularity and are rethinking traditional design principles to identify and reduce waste, including using new technologies such as digital sampling, which reduces the production of physical samples by up to 60%.

GRI 102-16
GRI 103-1/-2/-3 MA Materials

Respecting the Natural World

At zLabels, we hold ourselves to high standards when it comes to respecting the natural world. In line with Zalando's Ethical Sourcing Standards, we have now banned the use of mohair from the autumn/winter (AW) 2019 season onwards and are currently investigating more sustainable alternatives to conventional virgin wool, such as the Responsible Wool Standard (RWS) and recycled wool. In 2018, we also became certified to the Responsible Down Standard (RDS), which ensures holistic respect for animal welfare throughout the supply chain and prohibits force-feeding and the removal of down and feathers from live birds. All our down is now certified to this standard. We are committed to offering our customers more vegan options, and in 2018 we further expanded our range of vegan products to over 1,000 PETA-approved shoe styles.

GRI 102-16

As a member of the Sustainable Apparel Coalition (SAC), we work with brands, manufacturers and NGOs to create alignment, drive transparency and increase sustainability performance across the industry. We use the Higg Index to measure and improve our own sustainability performance and that of our sourcing partners in our own operations and to compare this to other leading brands. We joined the SAC in 2017 and identified improvement opportunities in water and waste management as well as greenhouse gas emissions. This year, 19% of our Tier 1 supply base (based on business volume) completed the Facility Environment module, more than twice the amount compared to last year. We aim to enroll 60% of our sourcing partners in the Higg Index by 2020.

GRI 102-13
GRI 102-16
GRI 103-1/-2/-3 MA
- Water
- Supplier Environmental
Assessment
GRI 303-1

As we build towards designing for circularity, we are also focusing on reducing waste throughout our supply chain by implementing various efficiency measures in our sourcing partners' factories. In 2019, we plan to launch a manufacturing pilot to re-use material offcuts in production. To help our customers reduce their impact on the planet and extend the life of their clothing, we adapted all our care labels to include the Clevercare logo and promote washing at 30°C. We also continue to explore more sustainable packaging solutions.¹²

Ensuring the Quality of Our Products

At zLabels, we go beyond compliance and monitoring legal parameters. We want to improve product quality and customer experience while looking after workers and the environment.

As part of this, our Quality Assurance and Ethical Trade Teams have joined forces with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to implement a new training program, "Improving Chemical Management through More Sustainable Practices in Chinese Shoe Factories." The project is part of the develoPPP.de program by the German Federal

GRI 102-12

¹²⁾ Further information on our corporate environmental strategy can be found from p. 30 onwards.

Ministry for Economic Cooperation and Development (BMZ). The project seeks to tackle the industry-wide challenge faced by the polyurethane (PU) shoe sector of addressing the increasingly high levels of volatile organic compounds (VOCs) observed in factories from chemical use and the harmful impact this can have on workers, the environment and end product.

Over two years, the project will carry out chemical mapping and VOC emissions testing in each factory to understand the current VOC levels and how chemicals are currently being managed and handled by workers. Once the baseline is established, we will work with each factory to develop an action plan, identifying the hotspot areas to improve. The second part of the project will work with a local partner in China to deliver expert chemical management training to factory workers to reduce chemical hazards and instill more sustainable chemical management practices, thereby protecting our workers and bringing compliant end-to-end products to our consumers.

Beyond this project to tackle VOCs, the zLabels Quality Assurance Team has also set up a program that aims to remove heavy metals from our supply chain. While this initiative has already successfully eliminated many of the failures connected with heavy metals, certain aspects of the program require further action. During the last year, we adjusted the setup to focus especially on two heavy metals – chromium VI (Cr(VI)) and lead (Pb). Chromium VI is a parameter of great interest throughout the industry as very strict legal regulations are in place and the complexity of controlling is well known. To minimize associated chromium failures, we are connecting to leather tanneries via our suppliers, ensuring that the processes and chemicals used are fulfilling necessary quality standards. Lead on the other hand is mainly seen in small metal parts, so the method of prevention is to ensure that suppliers are using trims from a safe origin, e.g. through pre-testing or from a certified source.

GRI 103-1/-2/-3 MA Supplier
Environmental Assessment
GRI 308-2

1.2.4 do.PROTECT – Environment

We take the challenges of climate change and resource scarcity seriously and are committed to growing our business in a responsible way while reducing our environmental impact.

We are working toward decoupling our environmental footprint from our economic growth in two ways: by reducing our carbon footprint across energy, logistics and travel and by optimizing our packaging to reduce waste.¹³

13) For more information on the environmental performance of our products, please see the do.KNOW section of this report on page 28.



do.PROTECT Our Performance Against Targets

→ 11

	Targets	Timeline	Progress 2018	Status	Outlook 2019
Aspired outcome I: We have mobilized our full climate protection potential across our value chain.	Reduce CO ₂ emissions per order by 10% by 2020, compared to 2017 levels.	2020	We switched to renewable energy, which led to a 16% reduction in CO ₂ emissions per order.		Further testing and implementation of climate measures in the areas of energy and logistics.
	Require and enable 100% of our packaging suppliers and nationwide carrier partners to provide us with CO ₂ data and commit to reducing CO ₂ emissions by 2020.	2020	We informed all nationwide carriers about our climate strategy, with more than 80% providing CO ₂ data.		Continued engagement with packaging suppliers to provide CO ₂ data.
Aspired outcome II: We have taken sustainable packaging to the next level.	We want 100% of the packaging procured by Zalando to be sustainable.	2020	We conducted a life-cycle analysis of alternative packaging materials to evaluate their environmental impact and switched to shipping bags with 80% post-consumer recycled content (Blue Angel certified).		Identify and test sustainable alternative materials for three packaging product groups and engage with partner brands, encouraging them to switch to sustainable materials.

Started

Ongoing

Substantial progress

Achieved

Non-financial report 2018

Reducing Our Ecological Footprint

Climate change is one of the defining challenges of our time. It poses significant risks to our business, employees, partners, customers and communities across the world. In order to tackle this challenge, we launched our first climate protection strategy this year. This strategy sets out our ambition to decouple our growth from our environmental footprint, with a twin focus on resource efficiency and renewables. The strategy was signed off by senior management and the Management Board. They also monitor progress against targets and the status of implemented measures in a quarterly steering committee.

In the past years, the main sources of CO₂ emissions have been customer deliveries, energy and packaging. This performance data has informed and shaped our climate protection strategy, and mitigating these emissions is a key strategic focus for us. We are targeting a per-order carbon emissions reduction of 10% by 2020, against a 2017 baseline. In 2018, we achieved a 16% reduction per order by switching to renewable energy throughout all our German and Polish fulfillment centers and almost all of our offices. We collaborate closely with our suppliers and partners to reduce our collective carbon footprint. By 2020, we want 100% of our packaging suppliers and nationwide carrier partners to provide us with CO₂ data and commit to reducing CO₂ emissions. This year, over 80% of our nationwide carriers provided us with CO₂ data, enabling us to measure our impact more accurately. We also responded for the first time to CDP, helping us to drive better performance through transparent disclosure.

GRI 103-1/-2/-3 MA Emissions

Cutting Our Carbon Footprint

Due to our business growth this year, our total market-based greenhouse gas (GHG) emissions increased by 18% to 247,841 metric tons of carbon dioxide equivalent (t CO₂e)¹⁴. This increase was mainly driven by a 31% rise in our scope 3 emissions, with 62% of that figure coming from customer deliveries. Our total location-based emissions were 287,161 metric tons – a 29% increase from 2017.

Relative metrics such as emissions per order help us to track and improve the efficiency of our overall operations. In 2018, this totaled 2.13 kg CO₂e per order, a 16% decrease from 2017.

Greenhouse Gas Emissions

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IN METRIC TONS CO ₂ EQUIVALENT (T CO ₂ E)	2018	2017
Scope 1	5,701	4,935
Scope 2*	1,678	21,290
Scope 3	240,462	183,425
Total (Scope 1, 2, 3)	247,841	209,650
Emissions neutralized by carbon offset projects	700	–
Net carbon emissions	247,141	209,650
Carbon intensity (kg CO₂e / order)**	2.13	2.54

GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-4

*) The Scope 2 emissions displayed are market-based values. The location-based value for 2018 is 42,134 t CO₂e.

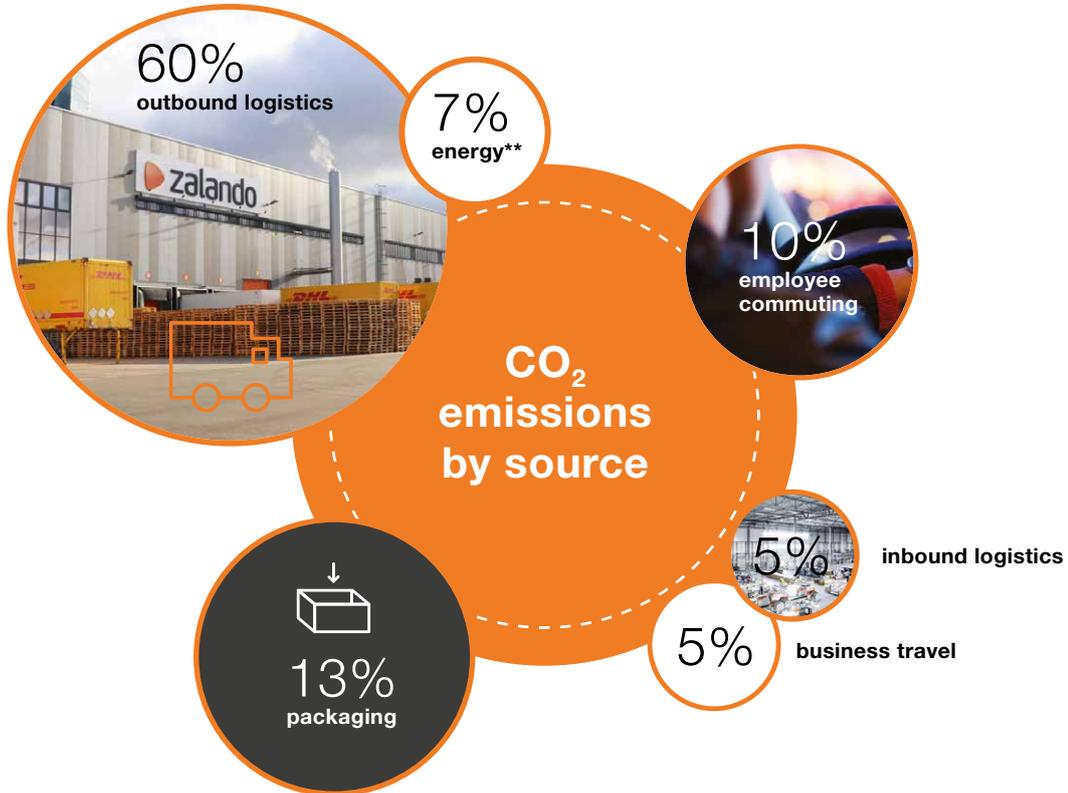
***) This indicator has been calculated based on the net carbon emissions.

The main triggers for CO₂ emissions in the reporting year were the transportation of parcels from our fulfillment centers, including returns (60%), and the production of packaging materials for the products we sell (13%).

14) Greenhouse gas emissions are disclosed as CO₂ equivalents (CO₂e). All greenhouse gases regulated by the UN Kyoto Protocol have been accounted for: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs). For better legibility, the emissions are simply referred to as carbon emissions and reported in metric tons of CO₂.

CO₂ Emissions by Source* (2018)

→ 13



*) Outbound logistics considers customer deliveries incl. returns from Fashion Store, zLabels, Zalando Lounge, Zalon and Partner Program; packaging considers the production of packaging materials; inbound logistics considers the upstream transportation of zLabels products and packaging materials, and also storage in spoke warehouses; employee commuting calculated based on commuting scenarios; energy incl. energy consumption as well as fuel and energy-related activities.

**) Energy emissions contain all of our offices and offline-stores with more than 40 employees and our logistic locations in Brieselang, Erfurt, Lahr, Mönchengladbach, Szczecin (Gryfino) and Lodz (Gliuchow).

Optimizing our Energy Performance

The consumption of energy is a major contributor to climate change. That is why we are both investing in renewable energy and investigating ways to use less energy, wherever possible.

GRI 103-1/-2/-3 MA Energy

Effective energy management systems play a big part in increasing efficiency. In 2018, we prepared the introduction of an integrated energy management system which will be used across our fulfillment centers in Germany from January 2019 onwards. The computer-based control system allows us to effectively monitor and target our energy consumption. In December 2018, our main administration building on Tamara-Danz-Straße in Berlin received the ISO 50001 certification with a planned rollout for other office buildings in 2019.

GRI 102-4

In 2018, we switched to 100% renewable energy across our German fulfillment centers and almost all our German offices. Our Polish fulfillment centers are also running on 100% renewable electricity. Additionally, we have invested in a gold standard afforestation carbon offset project to account for the emissions generated by our heating consumption at these centers.

Energy Consumption *

→ 14

GRI 302-1

IN MWH	2018	2017
Electricity (total)	74,164	50,840
Electricity from renewable sources	73,887	22,840
District heating	8,235	11,864
Natural gas	20,388	20,296
Car fleet	1,224	1,402
Total	104,011	84,402

*) The figures include the logistics locations in Brieselang, Erfurt, Lahr, Mönchengladbach and Szczecin (Gryfino) and Lodz (Gluchow) and all administrative locations with more than 40 employees as of December 31, 2018.

Improving Our Logistics

In 2018, customer deliveries accounted for 60% of our total carbon footprint. In 2017, we piloted a logistics feature to automatically bundle customer orders. The impact continues to be positive, with more than 1m orders sent to our customers in combined single, rather than multiple, shipments, which reduces the carbon emissions from our deliveries. Additionally, on the return page of our online shop we started to encourage our German customers to return multiple orders in a single shipment by reminding them of the positive impact they can have on the environment by doing this. More than 90,000 shipments have been saved since the option to bundle returns was introduced.

GRI 103-1/-2/-3 MA
Emissions
GRI 305-3

For us, it is important that our suppliers have effective environmental management systems in place. Therefore, we included the ISO 14001 environmental protection standard as a mandatory requirement for all private labels logistic providers this year.

Encouraging Sustainable Travel

Business travel accounts for 5% of our total CO₂ emissions, and an additional 10% results from employees traveling to and from work. To reduce the impact of commuting, we added e-vehicles to our car sharing fleet. Our company car guideline provides financial incentives for employees who select hybrid or e-vehicles as their company cars.

GRI 305-3

We have several offices across Berlin, so we introduced the bike and car-sharing app zMove earlier this year to encourage more sustainable travel between our sites.

We actively encourage employees to take public transport wherever possible, and we have worked closely with local public transport companies to improve routes and connections to and from our fulfillment centers in Erfurt and Lahr. Additionally, we continue to offer a monthly employee public transportation subsidy to all our employees, whether they work in an office or in a fulfillment center.

GRI 102-4

Our Plans

Reaching a 16% reduction in our CO₂ emissions per order within the same year of setting this target is a great accomplishment. Nevertheless, given the growth rate of our business, we only consider our target aspiration to be fulfilled if we still achieve a 10% reduction in 2020 in comparison to our 2017 baseline.

GRI 305-4

In 2019, we will continue to work on reducing the impact of our shipments by piloting climate protection measures for customer deliveries.

In an effort to align our climate protection efforts with climate science, in 2018 we started measuring a science-based metric called X-degree-compatibility (XDC). XDC is a forward-looking indicator which estimates how many degrees Celsius the earth would warm by 2050 if all companies were to operate as emissions-intensively as we do. In 2019, we will further explore how this metric can be integrated into our climate-related risk management.

Reimagining Packaging and Waste

We are more committed than ever to reducing the amount of resources we use, including finding new ways to reuse, recycle and recover post-consumer waste.

GRI 103-1/-2/-3 MA Materials
GRI 301-1
GRI 301-2

Packaging plays an essential role in protecting our products until they reach our customers. In 2018, we used more than 34,000 metric tons of packaging materials, 89% of which came from renewable sources.

With a predicted increase in total volume of deliveries driven by business growth, we anticipate a commensurate increase in the volume of packaging materials we use. Therefore, as part of our journey to decouple our economic growth from our environmental footprint, we are working to improve the sustainability of our packaging materials.

Enhancing Our Sustainable Packaging

We intend to both reduce the volume of packaging we use and switch to 100% sustainable packaging materials by 2020¹⁵. The following principles guide us in assessing the sustainability of our packaging materials:

GRI 103-1/-2/-3 MA Materials

1. Reduce the amount of packaging per shipment
2. Use a life cycle approach to understand the environmental impact of our packaging
3. Use recycled material where possible
4. Source virgin fibers from responsibly managed forests
5. Design packaging to optimize material use and costs and support recycling
6. Use ingredients that are safe for the environment and human health throughout their life cycle

This year, we conducted a life cycle analysis of our packaging materials to obtain a better understanding of their environmental impact. The analysis confirmed that our packaging boxes, which are made from 100% recycled materials, are resource efficient and meet our sustainable packaging principles. We have also invested in our shipping bags, switching from virgin plastic to 80% post-consumer recycled (PCR) content, saving up to 40% of CO₂ emissions per kilogram and diverting

15) Packaging procured by Zalando. For packaging not procured by us, our aim is to work with our partners to achieve the 100% target over time.

waste from landfill. Due to their high content of PCR material, our shipping bags are now Blue Angel certified, meaning they meet high standards when it comes to their environmental, health and performance characteristics.

Reducing Our Waste

A significant proportion of our waste is generated by customer deliveries and returns. We encourage our customers to recycle our packaging, and this year around 50% of our packaging materials were returned to us and recycled. At our fulfillment centers, we also collect and recycle shipping boxes and foil packaging bags that can no longer be used.

GRI 103-1/-2/-3 MA
- Materials
- Effluents and Waste
GRI 301-3

Total Weight of Waste by Type and Disposal Method

→ 15

GRI 306-2

IN METRIC TONS*	2018	2017
Non-hazardous waste	18,912	17,693
Waste disposal method		
Recycling	16,763	15,821
Reuse	20	58
Recovery, including energy recovery	1,916	864
Waste incineration	213	950
Hazardous waste	2	1
Total	18,914	17,694

*) The waste disposal method was determined with information provided by our waste disposal contractors.

Our Plans

Taking the sustainability of our packaging to the next level is a journey and requires a holistic approach. We are evaluating sustainable alternatives for our product packaging, for example for our polybags, the transparent bags that protect each of the apparel items shipped to our customers. Our aim is to test at least one of the alternative materials in 2019.

In addition to this, we will continue to analyze our packaging processes to reduce the amount of materials used and start engaging with our partner brands to encourage them to switch to more sustainable packing materials.

1.2.5 do.CONNECT – Societal Engagement

We know that reimagining fashion for the good of all requires us to also use our social engagement to create new solutions that ensure the fashion industry works in the interests of all people involved. To do this we are committed to investing 1% of our adjusted EBT, and we contribute in two key ways. Firstly, we are committed to scaling innovative solutions for supply chain transparency through zImpact, our accelerator program that supports organizations that use digital technology to increase supply chain transparency in the fashion industry with visibility, funding and know-how. Secondly, we are investing in our local communities around our offices by volunteering both our time and expertise.



do.CONNECT Our Performance Against Targets

→ 16

	Targets	Timeline	Progress 2018	Status	Outlook 2019
Aspired outcome I: Zalando has leveraged its unique mix of resources to scale existing solutions for social impact.	Strengthen the ecosystem by contributing to at least three existing programs that create solutions to societal challenges (including refugee integration, community inclusion and value chain transparency).	2018	We partnered with Fashion For Good, Humanity United Working Capital and the German Neighbourhood Award of the nebenan.de Foundation.	●●●●	We are constantly adapting our role in partnerships according to our best possible contribution.
	Substantially contribute to scaling at least five solutions with the potential to increase value chain transparency in the fashion industry.	2020	We continued our partnership with Fashion For Good and teamed up with Humanity United. We have built a pipeline of more than 70 innovations in supply chain transparency. From this pipeline, we took closer look at 23 solutions to identify our potential contribution to their support.	●●●●	Initial investments in solutions through our zImpact accelerator program.
Aspired outcome II: Zalando employees have become change-makers in their communities.	Leverage the professional expertise of our employees by increasing our skills-based volunteering.	2020	We shifted the focus of our volunteering activities to skills-based volunteering.	●●●●	Extending the offer of skills-based volunteering options to our employees.
	Enable NGOs to collaborate with business in capacity building programs.	2018	Through training with our partner Vostel, we are enabling 22 NGOs to work with corporates. We are partnering with businesses to offer training to NGOs, through platforms including the CSR Network Berlin.	●●●●	
Aspired outcome III: We pioneered ways to increase impact orientation in corporate citizenship.	Test different methodologies to measure our societal impact.	2019	We teamed up with the University of Mannheim and partnered with an impact measurement expert to design a measurement and learning framework based on three areas; - societal impact - employee benefit - business impact We are developing effective measures and KPIs to help steer our activities in corporate citizenship.	●●●●	Look for further partners and methodologies to help us measure the impact of our citizenship activities.

●●●● Started
●●●● Ongoing
●●●● Substantial progress
●●●● Achieved

Using Tech for Good

We are using technology to reimagine fashion for the good of all. This year, we launched zImpact, our accelerator program, to scale innovative digital solutions to increase supply chain transparency. We want to substantially contribute to scaling at least five solutions with the potential to increase value chain transparency in the fashion industry by 2020. At the same time, we want to use our expertise in tech and fashion to start taking a systemic role in our industry and invest strategically in solutions that increase transparency and sustainability in our industry. We support startups, initiatives and NGOs with visibility, funding and the expertise of our employees. We believe that greater transparency is an important way to drive change, enabling companies and consumers to turn information into informed choices and in turn creating a better fashion industry for all.

Our zImpact Accelerator

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zImpact aims at ...

... **supporting innovative digital solutions:** We are supporting early-stage digital transparency innovators with flexible financing, expert guidance and industry connections, to help scale their impact. We are currently working on mapping a pipeline of scalable transparency solutions to share with the fashion industry.

... **showcasing the power of digital solutions for transparency:** We are working with industry partners to connect stakeholders through events, research and programs. Here we showcase innovative technologies that enable transparency in the value chain and raise awareness for the impact of digital solutions on the fashion industry and accelerate the development of new solutions.

... **empowering conscious customers and sustainable brands:** We inspire and empower customers and sustainable brands through research, data and educational material.

We are working with startups and brands to drive transparency in supply chains. We successfully launched our zImpact accelerator with a pipeline of more than 70 for-profit and non-profit organizations that use technology to increase supply chain transparency. We have run a series of hackathons and pro bono projects and are focused on improving impact measurement. We have developed an impact measurement framework for the zImpact program and will define further indicators to measure the impact of our efforts.

We continued our partnership with Plug&Play's sustainability accelerator Fashion for Good with eight other partners from the fashion industry to find sustainability innovations also beyond our focus on digital solutions, to invest in them and to support them by entering the market.

We are excited to bring the industry together around the important issue of transparency. This year, we invested in Humanity United's Working Capital fund, which in turn invests in scalable innovations to meet the growing demand for more transparent and ethical supply chains across different industries. We also facilitated several workshops around supply chain transparency challenges with industry players, innovators and experts with over 100 attendees.

Strengthening Diverse Communities

As a large employer, we want to play an active role in our communities around our company's locations. We support all of our employees in doing this by providing two days a year for volunteering. In 2018, 1,158 employees provided support for 91 initiatives in 1,302 shifts, creating shared value for both the charities we support and our employees.

We are proud to be a business with employees representing more than 130 different nationalities. As an international business with employees, partners and customers from countries across the world, diversity and inclusion are hugely important to us. This year, we continued to support refugee integration initiatives, and through our ongoing partnership with the nebenan.de foundation, we supported five projects focused on strengthening inclusion in local neighborhoods. These projects provided the inspiration for The Neighborhood Box, a toolkit shared with local neighborhoods giving them a step-by-step guide on how to organize effective projects to help them develop community cohesion.

Contributing to Humanitarian Aid

In 2018, we donated EUR 80,000 in in-kind donations and set up a disaster relief fund with EUR 100,000 to respond to global crises. We set up a fast and efficient infrastructure via betterplace.org to make sure our contribution is used in a way that is transparent and that allows us to involve our employees and customers in the donation process.

GRI 103-1/-2/-3 MA Local
Communities
GRI 413-1



zln.do/en-volunteering

4.2 GRI Index

GRI G4 Index

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Number	Disclosures	Page	Notes in case of omissions and further explanations
GRI 102: General disclosures			
1. Organizational Profile			
102-1	Name of the organization	13, 83	
102-2	Activities, brands, products, and services	83	
102-3	Location of headquarters	83	
102-4	Location of operations	19, 33, 34, 83	
102-5	Ownership and legal form	13, 83	
102-6	Markets served	83	
102-7	Scale of the organization	17, 83	
102-8	Employee statistics	17	All employee figures reported do not include interns, working students and apprentices. Temporary staff helps us to manage especially high workloads. Those peak-times vary throughout the year, and the number of workers varies accordingly.
102-9	Supply chain	12, 24	
102-10	Significant changes to the organization and its supply chain during the reporting period	24	
102-11	Precautionary principles and approaches	14, 52	
102-12	Support for external initiatives	11, 24, 28, 29	
102-13	Membership of associations / initiatives	11, 16, 24, 25, 27, 29	
2. Strategy			
102-14	Statement from senior decision-maker	8	
3. Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	16, 18, 24, 29	Additionally you find our Code of Ethics and Code of Conduct for Business Partners on our website.
4. Governance			
102-18	Governance structure	11, 83	
5. Stakeholder Engagement			
102-40	List of stakeholder groups		Please find an overview with further information in our annual report 2017 on p. 15
102-41	Collective bargaining agreements		Collective bargaining agreements apply to employment relationships in Finland.
102-42	Identifying and selecting stakeholders	11	Please find more detailed information in our annual report 2017 on p. 15
102-43	Approach to stakeholder engagement	11	Please find an overview with further information in our annual report 2017 on p. 15
102-44	Key topics and concerns raised		Please find an overview with further information in our annual report 2017 on p. 15

4.2 GRI INDEX

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Number	Disclosures	Page	Notes in case of omissions and further explanations
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	83	
102-46	Defining report content and topic boundaries	13	
102-47	List of material topics	13	The full list can be found in our annual report 2016 on p. 22.
102-48	Restatements of information		No restatements required.
102-49	Changes in reporting		No changes have occurred.
102-50	Reporting period		Jan 1 – Dec 31, 2018
102-51	Date of most recent report		March 1, 2018
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	225	
102-54	Disclosures on reporting in accordance with the GRI Standards	13	
102-55	GRI content index	13	
102-56	External assurance		Our non-financial report including relevant key performance indicators (KPIs) was audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.
GRI 200: Economic Topics			
GRI 201: Economic Performance			
103-1/2/3	Management approach	93, 122	
201-1	Direct economic value generated and distributed	93, 122	
GRI 205: Anti-Corruption			
103-1/2/3	Management approach	50	
205-2	Communication and training about anti-corruption policies and procedures	51	
GRI 300: Environmental Topics			
GRI 301: Materials			
103-1/2/3	Management approach	23, 29, 35	
301-1	Materials used by weight or volume	28, 35	
301-2	Recycled input materials used	28, 35	
301-3	Reclaimed products and their packaging materials	36	

4.2 GRI INDEX

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Number	Disclosures	Page	Notes in case of omissions and further explanations
GRI 302: Energy			
103-1/2/3	Management approach	33	
302-1	Energy consumption (within the organization)	34	
GRI 303: Water			
103-1/2/3	Management approach	28, 29	
303-1	Water withdrawal by source	28, 29	We work with partners to assess water withdrawal in our supply chain.
GRI 305: Emissions			
103-1/2/3	Management approach	31, 34	
305-1	Direct (Scope 1) GHG emissions	32	
305-2	Energy indirect (Scope 2) GHG emissions	32	
305-3	Other indirect (Scope 3) GHG emissions	32, 34	
305-4	GHG emissions intensity	32, 35	We chose the number of orders as the denominator of the intensity ratio.
GRI 306: Effluents and Waste			
103-1/2/3	Management approach	36	
306-2	Waste by disposal method	36	
GRI 308: Supplier Environmental Assessment			
103-1/2/3	Management approach	29, 30	
308-1	Percentage of new suppliers that were screened using environmental criteria		In 2018, we included the ISO 14001 environmental protection standard as a mandatory requirement for all private labels logistic providers.
308-2	Negative environmental impacts in the supply chain and actions taken	25, 30	
GRI 400: Social Topics			
GRI 401: Employment			
103-1/2/3	Management approach	14, 20	
401-1	New employee hires and employee turnover by age, gender, and region	21	We do not consider regional aspects to be material and therefore do not track this dimension. Of most strategic relevance to us is voluntary turnover, which is why we focus on reporting this indicator.

4.2 GRI INDEX

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Number	Disclosures	Page	Notes in case of omissions and further explanations
GRI 402: Labor / Management Relations			
103-1/2/3	Management approach	20	
402-1	Minimum notice periods regarding operational changes		We observe all legal requirements regarding the involvement of employee representatives and endeavor to inform employees in a timely manner before operational changes. As far as collective bargaining agreements apply, we of course observe all their special regulations.
GRI 403: Occupational Health and Safety			
103-1/2/3	Management approach	18	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	19	We further improve our data collection processes in order to comply with all requirements of this indicator.
GRI 404: Training and Education			
103-1/2/3	Management approach	20	
404-2	Training programs	20	
GRI 405: Diversity and Equal Opportunity			
103-1/2/3	Management approach	16	
405-1	Diversity of governance bodies and employees	16, 17	
GRI 406: Non-Discrimination			
103-1/2/3	Management approach	16	
406-1	Incidents of discrimination and corrective actions taken		In order to protect the privacy of our employees the number of cases is handled confidentially.
GRI 407: Freedom of Association and Collective Bargaining			
103-1/2/3	Management approach	24, 25	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	25	We consider this indicator particularly relevant for suppliers of our private labels and therefore provide information in this context.
GRI 408: Child Labor			
103-1/2/3	Management approach	24, 25	
408-1	Operations and suppliers at significant risk for incidents of child labor	25	We consider this indicator particularly relevant for suppliers of our private labels and therefore provide information in this context.
GRI 409: Forced or Compulsory Labor			
103-1/2/3	Management approach	24, 25	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	25	We consider this indicator particularly relevant for suppliers of our private labels and therefore provide information in this context.

4.2 GRI INDEX

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Number	Disclosures	Page	Notes in case of omissions and further explanations
GRI 412: Human Rights Assessment			
103-1/2/3	Management approach	24, 25	
412-1	Operations that have been subject to human rights reviews	25	We consider this indicator particularly relevant for suppliers of our private labels and therefore provide information in this context.
GRI 413: Local Communities			
103-1/2/3	Management approach	39	
413-1	Operations with local community engagement	39	We have implemented local community engagement programs, but we have not yet developed methodologies for impact assessment.
GRI 414: Supplier Social Assessment			
103-1/2/3	Management approach	24, 25	
414-1	New suppliers that were screened using social criteria	25	
414-2	Negative social impacts in the supply chain and actions taken	25	
GRI 416: Customer Health and Safety			
103-1/2/3	Management approach	24	
416-1	Assessment of the health and safety impacts of product and service categories		100% of product categories are assessed for risks and improvement possibilities e.g. regarding health and safety impacts by our Product Safety Teams.
GRI 418: Customer Privacy			
103-1/2/3	Management approach	51	
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data		Our Legal Department maintains close contacts with the data protection authorities in Berlin concerning the processing of personal data. In 2018, we received inquiries from government agencies about nine cases for the entire Zalando group. The inquiries concern, for example, data information and deletion requests from customers or the receiving of advertising messages. German authorities are legally obliged to investigate customer complaints. A violation of the protection of personal data was reported in a case in which the data of individual employees was affected.

4.3 Financial Calendar 2019

Financial Calendar

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Date	Event
Thursday, May 2	Publication of the first quarter results 2019
Wednesday, May 22	Annual general meeting 2019
Thursday, August 1	Publication of the second quarter results 2019
Thursday, October 31	Publication of the third quarter results 2019

4.4 Imprint

Editorial Team and Contact

ZALANDO SE

Valeska-Gert-Straße 5

10243 Berlin

corporate.zalando.com

Investor Relations

Patrick Kofler/Team Lead Investor Relations

investor.relations@zalando.de

Corporate Communications

René Gribnitz/VP Corporate Communications

Milena Ratzel/Team Lead Corporate Branding & Publishing

Hilke Lengersdorf/Project Lead

press@zalando.com

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Statement Relating to the Future

This annual report contains statements that relate to the future and are based on assumptions and estimates made by the management of ZALANDO SE. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. ZALANDO SE makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this annual report. It is neither the intention of ZALANDO SE nor does ZALANDO SE accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this report is published.

The annual report is available in English. If there are variances, the German version has priority over the English translation. It is available for download in both languages at corporate.zalando.com/en/investor-relations.

