

1.2 Report of the Supervisory Board

Dear Shareholders,

The world changed in 2020: the COVID-19 pandemic has fundamentally impacted our lives, transforming both our social and business routines completely. The entire industry has been confronted with challenges that have prompted needs to transform. The Zalando vision to become the Starting Point for Fashion has remained intact and has enabled Zalando to accelerate its platform transition in these times. We have witnessed both a pronounced consumer shift toward online shopping and an urgent need for digitization within the fashion industry. Zalando was able to become part of a range of solutions, to give important leverage to its brand partners, to discover new partners to add to the platform and to drive increased support for offline retailers by extending its Partner Program and Connected Retail program. Despite a high degree of unpredictability and volatility in the overall market environment in 2020, Zalando delivered a very strong financial performance, significantly outperforming its initial full-year guidance both in terms of business growth and profit generation.

Ever since the start of the pandemic, the Management Board has made the continued health, ongoing safety and well-being of all Zalando employees the utmost priority. The Supervisory Board appreciates these efforts and the consistent commitment of the Management Board, senior management and all employees. The reciprocal commitment that we have witnessed among the teams has been inspiring.

We expect that the year 2021 will continue to be impacted by the pandemic, but we are confident that Zalando will continue to progress on its journey to become the Starting Point for Fashion with the support and for the benefit of its employees, partners, brands, customers and shareholders.

Consultation and Monitoring

The Supervisory Board duly performed its duties in accordance with statutory requirements, the Articles of Association, the Supervisory Board's Rules of Procedure and the German Corporate Governance Code. It received regular and detailed written and oral reports on the intended business strategy, material issues regarding financial, investment, personnel planning and the progress of business as well as risks and opportunities. In particular, the Management Board consulted the Supervisory Board on the group's general strategy and the crisis management measures in handling the COVID-19 pandemic. The Supervisory Board was directly involved in all material decisions and in giving input to the comprehensive COVID-19 pandemic plan and any related material decisions. Transactions requiring approval were presented by the Management Board.

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The Supervisory Board – from top left to bottom right:

Jennifer Hyman Member of the Supervisory Board, member of the remuneration committee, **Anders Holch Povlsen** Member of the Supervisory Board, member of the nomination committee, **Anika Mangelmann** Member of the Supervisory Board, member of the remuneration committee, **Jørgen Madsen Lindemann** Member of the Supervisory Board, chairperson of the remuneration committee, member of the audit committee, member of the nomination committee, **Cristina Stenbeck** Chairperson of the Supervisory Board, chairperson of the nomination committee, **Matti Ahtiainen** Member of the Supervisory Board, member of the audit committee, **Kelly Bennett** Deputy chairperson of the Supervisory Board, member of the audit committee, member of the remuneration committee, **Mariella Röhm-Kottmann** Member of the Supervisory Board, chairperson of the audit committee, **Jade Buddenberg** Member of the Supervisory Board

Meetings of the Supervisory Board and its Committees

The plenum of the Supervisory Board held nine meetings in fiscal year 2020, the audit committee held six meetings, the remuneration committee held six meetings and the nomination committee held one meeting. The Supervisory Board established a committee for the issuance of a dual tranche of convertible bonds, which held two meetings. In addition, the Supervisory Board passed six circular resolutions. The Supervisory Board and its committees also convened regularly without the Management Board as necessary to deliberate on items that pertained to the Management Board or required internal discussion among Supervisory Board members alone. The plenum of the Supervisory Board was informed about the results of meetings of the committees at its subsequent plenary meetings. Anders Holch Povlsen was unable to attend one extraordinary meeting and recused himself once from discussions on a particular agenda item in one meeting due to a conflict of interest. Matti Ahtiainen was unable to attend one extraordinary meeting of the Supervisory Board. Jennifer Hyman was unable to attend one extraordinary meeting of the Supervisory Board and two meetings of the remuneration committee. The other members of the Supervisory Board attended all meetings of the Supervisory Board and all meetings of their respective committees.

Due to the COVID-19 pandemic, all but one meeting were held as video conferences.

Overview of Plenary and Committee Meetings and Attendance on an Individual Basis in Fiscal Year 2020

	Tenure	Plenum	Audit Committee	Remuneration Committee	Nomination Committee	Convertible Bond Committee
Matti Ahtiainen	Since June 2020	4 / 5	4 / 4	--		2 / 2
Kelly Bennett	Deputy Chairperson, since May 2019	9 / 9	6 / 6	4 / 4	--	--
Anthony Brew	May 2018 – June 2020	4 / 4	--	--	--	--
Jade Buddenberg	Since June 2020	5 / 5	--	--	--	--
Jennifer Hyman	Since June 2020	4 / 5	--	2 / 4	--	--
Jørgen Madsen Lindemann	Since May 2016	9 / 9	6 / 6	6 / 6	1 / 1	--
Anika Mangelmann	Since June 2020	5 / 5	--	4 / 4	--	--
Anders Holch Povlsen	Since December 2013	8 / 9	--	--	1 / 1	--
Mariella Röhm-Kottmann	Since May 2019	9 / 9	6 / 6	--	--	2 / 2
Alexander Samwer	December 2013 – June 2020	4 / 4	--	2 / 2	--	--
Konrad Schäfers	June 2015 – June 2020	4 / 4	2 / 2	--	--	--
Beate Siert	June 2015 – June 2020	4 / 4	--	2 / 2	--	--
Cristina Stenbeck	Chairperson, since May 2019	9 / 9	--	2 / 2	1 / 1	2 / 2

Plenary Meetings

In each of its ordinary quarterly meetings the plenum of the Supervisory Board analyzed and discussed the management reports on the development of the business and the company's strategy as well as capital markets developments. The chairpersons of the committees of the Supervisory Board reported regularly to the full Supervisory Board on the activities of each of the committees. In addition, the Supervisory Board dealt with the following focus areas:

At its ordinary meeting on February 25, 2020, the Supervisory Board dealt with the financial statements for 2019, the consolidated financial statements for 2019 and the non-financial report 2019 presented by the Management Board. In accordance with the recommendations of the audit committee, the Supervisory Board adopted the financial statements for 2019 and approved the consolidated financial statements for 2019 and the non-financial report 2019.

It followed the proposal of the Management Board for the appropriation of profit for fiscal year 2019. In addition, the Supervisory Board adopted a resolution regarding its report for the fiscal year 2019 and dealt with the agenda for the annual general meeting 2020. The Supervisory Board also reviewed the results of its 2019 efficiency self-assessment. Using a questionnaire, the self-assessment focused on the supply of information to the Supervisory Board, the structure and efficiency of meetings, the setup and procedures of the Supervisory Board's committees, the composition of the Supervisory Board, its succession planning, the quality of the audit and the company's internal control system and level of information on specific focus topics

the Supervisory Board has been involved with. No noteworthy shortcomings were identified. Further, the Supervisory Board discussed opportunities to further grow the business. Anders Holch Povlsen recused himself from the discussion of this item and left the meeting.

After an initial informal briefing of the Supervisory Board on the effect of the COVID-19 pandemic on the company, at its extraordinary meeting on March 17, 2020, the Supervisory Board received an update on the impact of the COVID-19 pandemic on the company and the strategy of the Management Board to steer the business and protect the employees but also to devise ways to become an impactful part of the solution for the fashion industry. The Supervisory Board put into effect a new weekly reporting practice to be informed of such measures of the Management Board. The Supervisory Board further addressed the treatment of Zalando Equity Plans under U.S. tax rules and solutions for the impacted members of the Management Board and employees.

At its extraordinary meeting on April 2, 2020, the Supervisory Board received an update on the measures taken by the Management Board to manage the effects of the COVID-19 pandemic in order to protect the company as well as its employees and to deepen customer and supplier relationships.

At its ordinary meeting on May 6, 2020, the Supervisory Board received an update on the performance of the company and business development plans in light of the COVID-19 pandemic. The Supervisory Board approved the amended budget for 2020 and the amendment of the employee remuneration program.

At its ordinary meeting on June 23, 2020, the Supervisory Board dealt in particular with the (re-)election of the members of the Supervisory Board's committees and the company's efforts to define its brand personality.

The ordinary meeting on September 30, 2020 was specifically devoted to the company's long-term strategy, and the acquisition of Zurich-based Fision AG.

At its ordinary meeting on December 7, 2020, the Supervisory Board was given the opportunity to discuss in more detail the intention of Rubin Ritter to resign from the Management Board with effect as of the end of the annual general meeting 2021 as well as the consequences for the company, the Management Board and next steps for the Supervisory Board. After Rubin Ritter informed the chairperson of the Supervisory Board Cristina Stenbeck on the Sunday prior to the meeting, a press release was issued immediately thereafter. In the meeting, the Supervisory Board dealt *inter alia* with growth opportunities, the budget for the fiscal year 2021 and the new remuneration systems for the Management Board and the Supervisory Board. The Management Board and the Supervisory Board jointly resolved the annual declaration of conformity with the German Corporate Governance Code.

At its extraordinary meeting on December 16, 2020, the Supervisory Board discussed the strategic direction of the company.

At its extraordinary meeting on December 22, 2020, the Supervisory Board and members of the Management Board discussed implications of Rubin Ritter's decision to step down as

member of the Management Board at the end of the next annual general meeting. The Supervisory Board and the Management Board discussed possible next steps to re-allocate Rubin Ritter's business responsibilities.

Based on the law and the requirements laid down in the Articles of Association and the Management Board's Rules of Procedure, certain transactions and measures require the prior approval of the Supervisory Board. These transactions were presented to the Supervisory Board for approval. The transactions discussed by the Supervisory Board included inter alia the budget for a new warehouse, the acquisition of Fision AG and the delegation of approvals required in connection with the issuance of the convertible bonds 2020 to an ad hoc committee (convertible bond committee).

The Supervisory Board and the Management Board implemented an internal procedure for complying with approval requirements for related party transactions pursuant to Sec. 111a et. seq AktG (German Stock Corporation Act). No such transactions required the approval or disclosure during the reporting year.

Audit Committee

The audit committee analyzed the annual financial statements for 2019 and the consolidated financial statements for 2019, including the combined management report for 2019 and the non-financial report 2019, as well as the quarterly statement for the first quarter, the half-year report and quarterly statement for the third quarter of 2020. The audit committee regularly reviewed and discussed the focus of the audit, the status reports on GRC (Governance, Risk & Compliance) including data privacy, litigation and the work of the internal audit, the treasury reports and the approval of non-audit services. The audit committee was involved in the preparation of the Supervisory Board's proposal to the annual general meeting 2020 for the appointment of the auditor and group auditor. The chairperson of the audit committee conferred with the auditors on the audit focus.

Remuneration Committee

The remuneration committee continued its work of the previous year on the review of the Management Board's performance and the design of the new remuneration system for the Management Board under the new regulatory body of ARUG II legislation and the German Corporate Governance Code in its amended version from December 16, 2019. Besides this, the remuneration committee addressed the development of the company's employee incentive programs, Management Board's and senior management's contributions in light of the COVID-19 pandemic as well as the company's succession planning.

Nomination Committee

The nomination committee dealt with the preparation of the proposals of the Supervisory Board to the annual general meeting regarding the election of the members of the Supervisory Board. In doing so the nomination committee considered the targets for the composition of the Supervisory Board as well as the profile of skills and expertise which the Supervisory Board had determined.

Convertible Bond Committee

The convertible bond committee discussed major topics relating to the placing and issuing of the convertible bond in July 2020 and took essential decisions regarding the issuing of the convertible bond on behalf of the Supervisory Board.

Conflicts of Interest

Due to a conflict of interest, Supervisory Board member Anders Holch Povlsen decided to abstain from participating and to recuse from discussions on an agenda item in one ordinary meeting. Apart from that, no conflicts of interest of any Supervisory Board member occurred in the context of the work of the Supervisory Board.

Training and Professional Development

The company has supported the Supervisory Board members Jennifer Hyman, Matti Ahtiainen, Jade Buddenberg and Anika Mangelmann upon their appointment with a virtual or face-to-face onboarding training including detailed onboarding materials. The topics covered by the onboarding included tasks, rights and duties of the Supervisory Board, set-up and internal organization, conflicts of interest and directors' dealings. Cristina Stenbeck as chairperson was briefed and trained in depth in a face-to-face session including relevant materials on the content and sequences of the governance roadshow and the role of a chairperson in such a roadshow. Mariella Röhm-Kottmann received two face-to-face training sessions on the annual general meeting and the role of the chairperson of the annual general meeting. Besides, the company educated the members of the Supervisory Board about regulatory changes, such as the new legal and governance framework for Management Board and Supervisory Board remuneration.

Audit and Ratification of the Annual Financial Statements and Consolidated Financial Statements

The Management Board forwarded the annual financial statements and the consolidated financial statements for fiscal year 2020, the combined management report and the non-financial report for ZALANDO SE and the group as well as the proposal of the Management Board for the appropriation of profit to the chairperson of the Supervisory Board and the chairperson of the audit committee immediately upon their completion in February 2021 and before they were finally attested. The annual financial statements for 2020 and the consolidated financial statements for 2020, as well as the combined management report for the company and the group were audited by the auditor who rendered an unqualified auditor's report on them. The financial statements and the auditor's reports were sent to the members of the Supervisory Board.

In a first step, the audit committee closely examined the financial statements and the proposal for the appropriation of profit in the presence of the auditor. The auditor reported on the most significant matters of the audit. Thereafter and based on the audit committee's recommendation, the Supervisory Board discussed the financial statements, the non-financial report and the proposal for the appropriation of profit in detail.

The Supervisory Board examined the annual financial statements and consolidated financial statements, the combined management report and the non-financial report for ZALANDO SE and the group as well as the proposal of the Management Board for the appropriation of profit. The findings of the preliminary audit conducted by the audit committee and the Supervisory

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Board's own findings corroborate the findings of the external auditor. Based on this final review, the Supervisory Board raised no objections to the audit. The Supervisory Board therefore approved and adopted the annual financial statements for 2020 and approved the consolidated financial statements for 2020 and the non-financial report 2020. The Supervisory Board concurred with the proposal of the Management Board for the appropriation of profit (to be carried forward to new account), in consideration in particular of the company's growth trajectory, financial planning, flexibility and strategy.

Corporate Governance

The annual declaration of conformity was issued by the Management Board and the Supervisory Board in December 2020. The complete text of the declaration can be found in section 1.4.1. The declaration is made permanently available in the Corporate Governance section on the company's website.

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More information on corporate governance can be found in the Corporate Governance Statement and the associated declaration. With regard to the remuneration structure for the members of the Management Board for fiscal year 2020 and to avoid repetition, please see the Remuneration Report.

Personnel Matters

Alexander Samwer resigned from his office as a member of the Supervisory Board with effect as of the end of the annual general meeting held on June 23, 2020. Furthermore, the term of office of the employee representatives on the Supervisory Board expired at the end of the annual general meeting on June 23, 2020. The Supervisory Board would like to thank Alexander Samwer, Anthony Brew, Konrad Schäfers and Beate Siert for their valuable contributions to the work of the Supervisory Board and the trust-based cooperation. The annual general meeting 2020 elected Jennifer Hyman as shareholder representative for a term until the end of the general meeting that resolves on the discharge for the fiscal year 2020. Furthermore, the annual general meeting appointed Matti Ahtiainen, Jade Buddenberg and Anika Mangelmann as employee representatives for a term until the end of the general meeting that resolves on the discharge for the fiscal year 2024. Cristina Stenbeck remains chairperson of the Supervisory Board and Kelly Bennett was elected as deputy chairperson of the Supervisory Board.

The Supervisory Board would like to thank the Management Board and all employees of the company for their high level of commitment and the strong achievements in fiscal year 2020.

Berlin, March 15, 2021

Cristina Stenbeck