

1.2 Report of the Supervisory Board

Dear shareholders,

In 2021, COVID-19 continued to have us in its grip: the restrictions to public and social life followed the pandemic waves. Zalando adjusted to this 'new normal' early on and its vision to be the Starting Point for Fashion has remained fully intact. Zalando grew its active customer base, expanded to six new European countries and enabled more brands and retailers to accelerate their online activities through our platform, our customers and brands as well as an inclusive company culture at Zalando that welcomes employees from more than 140 different countries. Zalando took the lead with initiatives on various levels. Thus, not only the range of more sustainable products has been increased to more than 140,000 articles but also the Pre-owned category in the Zalando Fashion Store grew more than tenfold from 20,000 to 245,000 product choices to allow customers to reflect their values in their purchasing decisions. Zalando kicked off its transition from plastic shipping bags to paper bags to work toward our goal of eliminating single-use plastics in packaging by 2023. Over the past year, we have reached out to new partners from groups that are underrepresented in the European fashion industry and onboarded more than 40 black-owned brands. Acknowledging that we still have to go a long way to achieve our goal of becoming a net-positive company and the Starting Point for Fashion that is welcoming to everyone, the Supervisory Board committed itself even further to these topics. We established an expert committee dedicated to Diversity & Inclusion and sustainability to support the Management Board even more in their respective strategic efforts related to Diversity & Inclusion as well as sustainability and to ensure our close involvement in initiatives and reporting related thereto.

In the past year, the composition of the Management Board changed. Rubin Ritter decided to leave the company on June 1, 2021, after more than eleven years of dedicated commitment to the success of Zalando. The Supervisory Board wants to thank Rubin Ritter for his successful tenure and dedication. With Rubin Ritter leaving, we took on the task to refine the Management Board and to set it up for continuous, long-term success: the founders Robert Gentz and David Schneider continue as Co-CEOs, Dr. Astrid Arndt, an internal candidate, was newly appointed as of April 1, 2021, to serve as the company's dedicated Chief People Officer (CPO), and Jim Freeman's previous role as Chief Technology Officer (CTO) evolved into a Chief Business and Product Officer (CBPO) role. David Schröder, our current Chief Financial Officer (CFO), will assume the newly created role of Chief Operating Officer (COO) as of March 1, 2022, and hand over his responsibilities as CFO to Dr. Sandra Dembeck, who will join the Management Board from the outside. We are very confident that Zalando is thus well positioned to achieve its strategic ambitions and financial goals in the future. The Supervisory Board will continue to maintain an active focus and dialog with the Management Board on executive development and succession planning.

We look forward to 2022 in which Zalando will continue its journey to become even more the customers' Starting Point for Fashion with the support and for the benefit of our brand partners, retail partners, employees 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 future of work approach. 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 D&I and sustainability committee, **Anders Holch Povlsen** Member of the Supervisory Board, member of the nomination committee, member of the remuneration committee, **Anika Mangelmann** Member of the Supervisory Board, member of the remuneration committee, **Niklas Östberg** Member of the Supervisory Board, member of the audit committee, **Cristina Stenbeck** Chairperson of the Supervisory Board, chairperson of the remuneration committee, member of the nomination committee, **Matti Ahtainen** Member of the Supervisory Board, member of the audit committee, **Kelly Bennett** Deputy chairperson of the Supervisory Board, chairperson of the nomination committee, chairperson of the D&I and sustainability committee, member of the audit committee, **Mariella Röhm-Kottmann** Member of the Supervisory Board, chairperson of the audit committee, **Jade Buddenberg** Member of the Supervisory Board, member of the D&I and sustainability committee

Meetings of the Supervisory Board and its committees

The plenum of the Supervisory Board held four meetings in fiscal year 2021, the audit committee held five meetings, the remuneration committee held four meetings, the nomination committee held three meetings and the D&I and sustainability committee, which was established in August 2021, held one meeting in fiscal year 2021. The Supervisory Board established a committee for the share buy-back program of the company, which held one meeting. In addition, the Supervisory Board passed three circular resolutions and the nomination committee passed one circular resolution. 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. Niklas Östberg was unable to attend one meeting of the Supervisory Board. Jennifer Hyman was unable to attend one meeting of the Supervisory Board, two meetings of the remuneration committee

and one meeting of the D&I and sustainability committee. The other members of the Supervisory Board attended all meetings of the Supervisory Board and all meetings of their respective committees.

It was planned to hold at least one meeting of the plenum and each committee as presence meetings. Due to the ongoing COVID-19 pandemic however, all meetings were held as video conferences.

Overview of plenary and committee meetings and attendance on an individual basis in fiscal year 2021

	Tenure	Plenum	Audit committee	Remuneration committee	Nomination committee	D&I and sustainability committee	Share buy-back committee	Total attendance rate (rounded)
Matti Ahtiainen	Since June 2020	4 / 4	5 / 5	--	--	--	1 / 1	100%
Kelly Bennett	Deputy chairperson, since May 2019	4 / 4	5 / 5	3 / 3	1 / 1	1 / 1	--	100%
Jade Buddenberg	Since June 2020	4 / 4	--	--	--	1 / 1	--	100%
Jennifer Hyman	Since June 2020	3 / 4	--	2 / 4	--	0 / 1	--	56%
Jørgen Madsen Lindemann	Since May 2016, until May 2021	1 / 1	2 / 2	3 / 3	2 / 2	--	--	100%
Anika Mangelmann	Since June 2020	4 / 4	--	4 / 4	--	--	--	100%
Anders Holch Povlsen	Since December 2013	4 / 4	--	1 / 1	3 / 3	--	--	100%
Niklas Östberg	Since May 2021	2 / 3	3 / 3	--	--	--	--	83%
Mariella Röhm-Kottmann	Since May 2019	4 / 4	5 / 5	--	--	--	1 / 1	100%
Cristina Stenbeck	Chairperson, since May 2019	4 / 4	--	1 / 1	3 / 3	--	1 / 1	100%
Total attendance rate								94%

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, including its financial performance, and the company's strategy as well as capital markets developments.

The chairpersons of each of the committees of the Supervisory Board reported regularly to the full Supervisory Board on the activities of the committees. In addition, the Supervisory Board dealt with the following focus areas:

At its ordinary meeting on March 15, 2021, the Supervisory Board discussed and in accordance with the recommendations of the audit committee adopted the financial statements for 2020 (including the combined management report for 2020) and approved the consolidated financial statements for 2020 (including the combined management report for 2020) as well as the non-financial report 2020 as presented by the Management Board. It followed the proposal of the Management Board for the appropriation of profit for fiscal year 2020. In addition, the Supervisory Board adopted a resolution regarding its report for fiscal year 2020 and dealt with the agenda for the annual general meeting 2021. The Supervisory Board also reviewed and discussed the new remuneration system for the Management Board as presented by the remuneration committee. Further, the Supervisory Board appointed

Dr. Astrid Arndt as member of the Management Board and resolved on the amended Rules of Procedures of the Management Board. Last but not least, the Supervisory Board discussed the progress of the platform ambitions of the company. Due to a potential conflict of interest, Anders Holch Povlsen and Jørgen Madsen Lindemann had received condensed pre-read material with selected information on this topic.

At its ordinary meeting on May 19, 2021, the Supervisory Board dealt in particular with the (re-)election of the members of the Supervisory Board's committees as well as the strategic partnership with Sephora SAS to join the Zalando platform. The Supervisory Board further focused on the Diversity & Inclusion strategy and discussed the approach on the future of work post-COVID-19 pandemic.

At its ordinary meeting on August 26, 2021, the Supervisory Board took the opportunity to discuss the strategic priorities of the company for 2022 and potential growth opportunities. The Supervisory Board further resolved on the setup of the D&I and sustainability committee.

At its ordinary meeting on December 6, 2021, the Supervisory Board dealt *inter alia* with growth opportunities, the groups financial and operational plan for fiscal year 2022 and the refined setup of the Management Board and the appointment of a new CFO, Dr. Sandra Dembeck. The Management Board and the Supervisory Board jointly resolved the annual declaration of conformity with the German Corporate Governance Code. The Supervisory Board also reviewed the results of its efficiency self-assessment for fiscal year 2021.

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 and measures discussed by the Supervisory Board included *inter alia* the partnership with Sephora SAS, the budget for a new fulfillment center, the increase of the reverse factoring facility and the delegation of approval matters relating to the share buy-back to an ad hoc committee (the share buy-back committee). The Supervisory Board has delegated the power to approve fulfillment center investments to the audit committee, as far as these require approval under the Management Board's Rules of Procedure.

The Supervisory Board and the Management Board implemented an internal procedure for complying with approval requirements for related party transactions pursuant to Section 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 2020 and the consolidated financial statements for 2020, including the combined management report for 2020 and the non-financial report 2020, as well as the quarterly statement for the first quarter, the half-year report and quarterly statement for the third quarter of 2021. The audit committee regularly reviewed and discussed the focus and the quality 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

2021 for the appointment of the auditor and group auditor and discussed the status and development of the establishment of a non-financial internal control system. The chairperson of the audit committee conferred with the auditors on the audit focus. Further, the budget for a new fulfillment center was approved by the audit committee in accordance with its delegated powers.

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.

The remuneration committee further addressed the succession planning for the Management Board, the service agreements of new and existing members of the Management Board as well as the termination agreement of the former member of the Management Board Rubin Ritter. The remuneration committee further dealt with the executive position planning and compensation framework for the two management levels below the Management Board.

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 shareholder representatives 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 previously determined. The nomination committee further dealt with the continuation of the succession planning of the Supervisory Board.

D&I and sustainability committee

The D&I and sustainability committee, which was established on August 26, 2021, in its first meeting primarily dealt with the Diversity & Inclusion report of the company and the initiatives of the company in the field of circularity.

Share buy-back committee

The share buy-back committee discussed the contemplated share buy-back program as well as its conditions and approved thereof in May 2021. The committee took essential decisions regarding the execution of the share buy-back program.

Conflicts of interest

Due to a conflict of interest, Supervisory Board members Anders Holch Povlsen and Jørgen Madsen Lindemann received condensed pre-read material with selected information on one agenda item of an 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 supported the Supervisory Board member Niklas Östberg upon his appointment with a virtual 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. He also received insights into Zalando's business model. Cristina Stenbeck as chairperson was briefed and trained in-depth

in a virtual session including relevant materials on the content and sequences of the governance roadshow. A training session on Corporate Governance matters, including but not limited to corporate bodies' roles, personal suitability, key tasks and personal liability, conducted by an external provider in the form of a video conference was offered to all members of the Supervisory Board. Besides, the company educated the members of the Supervisory Board about regulatory changes, such as the new legal and governance framework under the German Financial Market Integrity Strengthening Act (FISG), the Act to supplement and amend the Regulations for the equal Participation of Women in Management Positions in the private and public Sectors (Zweites Führungspositionen-Gesetz, FÜPoG) and the new Transparency Register and Financial Information Act (Transparenzregister- und Finanzinformationsgesetz, TraFinG).

Audit and ratification of the annual financial statements and consolidated financial statements

The annual financial statements and the consolidated financial statements for 2021, both including the combined management report were audited with an unqualified audit opinion. The remuneration report and the non-financial report were audited with unqualified opinions. The Management Board forwarded the annual financial statements and the consolidated financial statements for fiscal year 2021, both including the combined management report, and the non-financial report 2021, the remuneration report 2021 as well as the proposal of the Management Board for the appropriation of profit 2021 as well as the auditors' reports to the Supervisory Board and the audit committee.

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In the first step, the audit committee comprehensively examined and discussed the financial statements, the non-financial report, the remuneration report and the proposal for the appropriation of profit in the presence of the auditor. The auditor reported on the most significant audit matters.

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Thereafter and based on the audit committee's recommendation, the Supervisory Board examined the annual financial statements and consolidated financial statements for fiscal year 2021, both including the combined management report, and the non-financial report, the remuneration report as well as the proposal of the Management Board for the appropriation of profit. The result of the pre-assessment conducted by the audit committee and the Supervisory Board's own results corroborate the result of the external auditor. Based on this final review, the Supervisory Board raised no objections to the audit. The Supervisory Board therefore approved the annual financial statements for 2021, which are therefore adopted, and approved the consolidated financial statements for 2021, the non-financial report 2021 and the remuneration report 2021. 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.

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Corporate governance

The annual declaration of conformity was issued by the Management Board and the Supervisory Board in December 2021. The complete text of the declaration can be found in section 1.3.1. 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 2021 and to avoid repetition, please see the remuneration report.

Personnel matters

The term of office of the shareholder representatives in the Supervisory Board expired at the end of the annual general meeting on May 19, 2021. Jørgen Madsen Lindemann did not seek re-election. The Supervisory Board would like to thank him for his valuable contributions to the work of the Supervisory Board and the years of trust-based cooperation.

The annual general meeting 2021 re-elected Kelly Bennett, Jennifer Hyman, Anders Holch Povlsen, Mariella Röhm-Kottmann and Cristina Stenbeck and newly elected Niklas Östberg as members of the Supervisory Board. All members were elected until the end of the annual general meeting that resolves on the discharge for fiscal year 2022. Cristina Stenbeck remains chairperson and Kelly Bennett remains deputy chairperson of the Supervisory Board. Membership in committees is detailed in section 1.3.3.

The Supervisory Board would like to thank the Management Board and all employees of the Zalando group for their high level of commitment and the strong achievements in fiscal year 2021.

Berlin, February 28, 2022

Cristina Stenbeck