

## 2.1.4 Combined non-financial declaration<sup>20</sup>

The text presented below is the combined non-financial declaration for Zalando SE and the Zalando group in accordance with Section 289b (1) and (3) in conjunction with Section 315b (1) and (3) HGB (German Commercial Code) and Article 8 of the EU Taxonomy Regulation. All information, including relevant key performance indicators (KPIs), is provided separately for Zalando SE and the Zalando group wherever possible. Due to the different approaches of the GRI Standards as referenced in the Zalando Sustainability Progress Report and the German implementation of the CSR Directive on Non-Financial Reporting (CSR-RUG) regarding materiality requirements, we have not applied any framework to the non-financial declaration 2023.

The selection of material topics for our non-financial declaration is based on the materiality analysis that we finalized in 2019. In order to identify our most material topics, we created a shortlist of 18 sustainability topics categorized along three key aspects of our value chain: product manufacturing, operations, and consumers. We validated and ranked the list based on customer and employee surveys, as well as expert interviews. The shortlist was assessed in terms of the business relevance and impact – both positive and negative – of our business model on the corresponding topics. Eight topics were identified as material in accordance with CSR-RUG. Relevant information on each of these topics is set out in the table below.

### Overview non-financial declaration 2023

CSR-RUG required aspects	Topic reported	Reported in
<b>Environment</b>	Transportation and delivery	Planet: "Driving down greenhouse gas emissions in line with climate science"
	Packaging and product waste	Planet: "Reimagining packaging, minimizing waste"
<b>Human rights</b>	Human rights	People: "Continuously increasing our ethical standards"
<b>Employee matters</b>	Employee development	People: "Preparing the workforce for the future"
<b>Social matters</b>	Community engagement	People: "Corporate citizenship: Being part of the solution"
<b>Anti-corruption</b>	Anti-corruption	"Corporate governance practices" (see 2.5.8. in the corporate governance statement)
<b>Additional</b>	Sustainability assortment, incl. product design and product transparency	Products: "Enabling change through informed choices"
	Sustainability services	Products: "Extending the life of fashion"

A description of Zalando's business model is provided in [2.1.1 Business Model](#) of the combined management report.

<sup>20</sup> The non-financial declaration has been reviewed with separate limited assurance engagement in accordance with ISAE 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

## Sustainability strategy and governance

In October 2019, we launched our do.More sustainability strategy with the goal of creating a meaningful transformation of our business. Our strategy was connected with the vision to be a fashion platform with a net-positive impact for people and the planet. Helping us to direct resources and prioritize activities was the 2019 materiality assessment. In preparation for upcoming reporting requirements, we conducted a materiality analysis in the second half of 2022. The results confirmed the current material reporting topics that provide the basis for this non-financial declaration 2023.

As we conclude the do.MORE strategy cycle in the financial year 2023, we are implementing a comprehensive double-materiality assessment aligned with the Corporate Sustainability Reporting Directive (CSRD) requirements. This also marks our transition to a new Sustainability Strategy, applicable starting in 2024. The double-materiality analysis allows us to gain a deeper understanding of our interconnectedness with the environment, prioritize sustainability efforts to identify and mitigate risks, and make more informed strategic decisions that support sustainable growth. Additionally, this assessment will guide the development of new sustainability goals that align with our long-term vision and the evolving needs of our stakeholders.

For us, having a net-positive impact means that we do our best to run our organization in a way that gives back more to society and the environment than we take. We continue to see growing expectations from stakeholders confirming the necessity to future-proof our business and the increasing requirement to be part of the solution to global challenges. Our ambition in the do.MORE strategy culminated in the form of six concrete goals covering three strategic pillars affecting the entire Zalando group:

### Planet

- By 2025, we achieve our science-based targets (SBTs)<sup>21</sup> to reduce carbon emissions in line with the Paris Agreement, including an 80% reduction in emissions of our own operations compared to 2017.
- By 2023, we design our packaging to minimize waste and keep materials in use, specifically eliminating single-use plastics.

### Products

- By 2023, we generate 25% of our GMV (Gross Merchandise Volume) with more sustainable products.
- By 2023, we apply the principles of circularity and extend the life of at least 50 million fashion products.

### People

- By 2023, we have continuously increased our ethical standards and only work with partners who align with them.

<sup>21</sup> In 2020, we set science-based emissions reduction targets (SBTs) for our Scopes 1, 2 and 3 that are aligned with the criteria of the Science Based Targets initiative (SBTi). In this non-financial declaration, the term "science-based targets" refers to targets in line with the criteria of the SBTi.

- By 2023, we have supported 10,000 people in the workforce by providing skilling opportunities that match future work requirements.

Key to achieving our goals is a clear governance structure allowing us to integrate sustainability into all business units. Each goal is managed in a work stream structure with an executive sponsor and multifunctional teams across the business. In 2023, the Sustainability team merged with the Diversity & Inclusion (D&I) team and became part of the Corporate Development department, creating a centralized department responsible for developing the strategic direction of these two topics as part of the Zalando Group Strategy definition. In parallel, we are working with relevant business units and their sustainability experts to operationalize these strategies.

We also shifted our approach to internal sustainability reporting, moving from hosting quarterly Sustainability Forums to delivering monthly reports (scorecards) directly to Goal Sponsors/ Senior Vice Presidents (SVPs) and the Management Board. These scorecards provide an overview of progress against our sustainability goals and are jointly reviewed and discussed with the Management Board during dedicated quarterly Goal Steering Committee meetings. In these meetings, Goal Sponsors delve deeper, presenting more detailed information on progress towards specific goals. By adopting this new format, we aimed to elevate the visibility of sustainability initiatives to the Management Board, provide a more accurate representation of internal changes and gather more holistic feedback from Zalando's leadership.

In addition to the Management Board meetings, we continued to work with the Diversity & Inclusion and Sustainability Committee of the Supervisory Board throughout 2023. This committee, which convenes on a half-yearly basis, oversees both the D&I strategy and the Sustainability strategy, and provides guidance to the Supervisory Board and its committees in their implementation and related reporting. More information about the D&I and Sustainability Committee of the Supervisory Board is provided in [2.5.5 Supervisory Board](#)<sup>22</sup> of the combined management report.

Our Governance & Risk team identifies, assesses and monitors risks that might impact our business performance in a biannual risk cycle. The scope of the cycle also includes social and environmental risks. As part of the biannual risk cycle and in preparation for our non-financial declaration, the Sustainability and Governance & Risk teams jointly analyzed risks and potential negative impacts that emanate from our business operations, business relationships, as well as from our products and services in relation to the material topics identified. As a result, we currently do not consider any material net risks<sup>23</sup> that are likely to have or will have severe negative effects on the material topics. We aim to manage potential negative implications through the involvement of relevant teams with due diligence processes and measures.

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<sup>22</sup> This part of the combined management report is not a mandatory part of this non-financial declaration and is therefore not covered by the external assurance.

<sup>23</sup> The net risk reflects the residual risk after all implemented mitigation measures are considered.

## Planet

### Driving down greenhouse gas emissions in line with climate science

We recognize fashion's ability to bring people and ideas together in ways that foster creativity and belonging. At the same time, we are very much aware of the industry's environmental footprint, particularly its current and potential future impact on climate change, which is why we support the Paris Agreement goals and have set emissions reduction targets in alignment with the Science Based Targets initiative (SBTi). Our task is to implement these effectively and to continue to push forward until we achieve our goals:

- To align with a 1.5°C pathway, Zalando commits to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 80% by 2025 against a 2017 base year. Zalando also commits to increase annual sourcing of renewable electricity (Scope 2) from 34% in 2017 to 100% by 2025.
- Zalando commits to reduce Scope 3 GHG emissions from private label products by 40% per million EUR gross profit by 2025 from a 2018 base year. Zalando also commits that 90% of its suppliers (by emissions, including goods and services sold on its platform, packaging and last-mile-delivery partners) will have SBTs by 2025.

Compared to 2022, our total GHG emissions (Scope 1, 2 and 3) decreased by 10% to 4,767,366 metric tons of carbon dioxide equivalent (t CO<sub>2</sub>e). When applying the location-based method in Scope 2, our total emissions were 4,828,443 metric tons – a 10% decrease from 2022.

We reduced our Scope 1 and 2 GHG emissions by 78% against a 2017 base year (compared to 77% in 2022). This achievement is related to our commitment of switching to renewables, a practice that complements our efforts to reduce overall electricity and energy consumption. We have procured 100% of our electricity from renewable sources since becoming an RE100 initiative member in 2020. Our energy management system is certified by the ISO 50001.

Gas heating in our logistics centers is the largest source of our Scope 1 and 2 emissions, followed by heating in our office and retail spaces. Zalando's heating related emissions decreased in 2023 compared to 2022 due to lower heating demand associated with milder external temperatures and ongoing site management improvements. In 2023, we completed the assessment of options to switch to electricity-powered heating and internally signed off a project to replace gas boilers in the office areas of three of our warehouses in Poland. This project is expected to lead to further emissions reductions in the next few years.

The majority of our emissions stem from Scope 3 sources. This includes emissions from manufacturing, packaging, and transportation of the products we sell on our platform. In 2023, Scope 3 emissions accounted for 99.9% of our total emissions.

To minimize the emissions from products we sell through our retailing and platform businesses, we work closely with our brands, logistics and packaging partners to support them in emissions reduction target setting in line with the SBTi criteria. During 2023, we likewise continued engaging with brand partners, scaling the FASHION LEAP FOR CLIMATE

("LEAP") learning platform that we launched in 2022 with collaborators ABOUT YOU and YOOX NET-A-PORTER. Using the platform, brands can leverage peer learning opportunities and receive step-by-step guidance on measuring emissions and setting targets. Brand, packaging and last-mile delivery partners accounting for approximately 65% of our 2023 supplier-related emissions had set SBTs as of the end of 2023. In 2022, partners with SBTs accounted for 57% of supplier-related emissions.

The products sold on our platform and via our outlet stores account for 71% of our total emissions, with private label products accounting for 6.6% of that total. We continue to work towards reducing emissions generated by our Zalando Private Label products. Our private labels have made a consistent effort to incorporate materials that help reduce their carbon footprint (read more about this in the [Products](#) section of this report). In addition, 2023 marked the completion of the first year of our Facility Improvement Program (FIP), involving 12 Tier 1<sup>24</sup> and Tier 2<sup>25</sup> supply chain partners. Together, we have developed action plans focused on lowering greenhouse gas emissions through energy efficiency measures and the use of renewable energy sources. In 2023, private label emissions decreased by 43% per million EUR gross profit from a 2018 baseline. This progress is mostly driven by Zalando's gross profit performance and variations in the number of goods delivered. However, we are taking important steps to future-proof our carbon accounting for our private label products by integrating more granular materials datasets and primary supply chain energy data. This allows us to account for emissions reductions from lower-carbon materials and supply chain decarbonization.

#### Greenhouse gas emissions by Scope

In metric tons CO <sub>2</sub> equivalent (t CO <sub>2</sub> e)	2023	2022 <sup>26</sup>
Scope 1 <sup>27</sup>	5,193	5,776
Scope 2 (market-based) <sup>28</sup>	884	566
Scope 3 <sup>29</sup>	4,761,289	5,267,960
Total	4,767,366	5,274,302
Purchased carbon removal credits	420,237	419,347

<sup>24</sup> We define Tier 1 suppliers and factories as those involved in the final manufacturing stage of a product and its packaging for shipping.  
<sup>25</sup> We define Tier 2 suppliers and factories as those being related to core final material manufacturers and leather tanneries for our shoes and accessories products.

<sup>26</sup> Numbers differ from 2022 reported data. This is mainly due to methodological changes applied to our GHG inventory accounting as well as improved data quality.

<sup>27</sup> Our Scope 1 emissions include emissions from fuel consumption by company vehicles and from gas and oil consumption for heating as well as emissions caused by refrigerant losses.

<sup>28</sup> Our Scope 2 emissions include emissions from purchased or generated electricity as well as from district heating. The location-based value for Scope 2 emissions in 2023 is 61,961t CO<sub>2</sub>e.

<sup>29</sup> Our Scope 3 emissions include the following emission categories: purchased goods and services (Private Labels, Wholesale, Partner Program, Offprice, Recommerce, packaging), purchased goods and services (non-product), capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and investments. For upstream and downstream transportation and distribution, and use of sold products, electricity generation emission factors used do not include 'Well-to-Tank' emissions. In 2023, the three main Scope 3 emissions sources were emissions from manufacturing of products that we purchase and commission, the use of sold products and the transportation of products to customers. For calculating emissions from products within the category of purchased goods and services, the main parameters used are the weight and the material composition of such products. As Zalando does not directly purchase or acquire Partner Program products at any stage, and instead provides a marketplace service to partners, the emissions of Partner Program goods would not fall under Scope 3 emissions (category 1) according to the Greenhouse Gas Protocol and can be excluded from the Scope 3 inventory. However, in order to give a representative view of our business impacts, we have optionally included Partner Program products in our footprint. Emissions from Partner Program products were 1,227,626t CO<sub>2</sub>e in 2023, 25.75% of total emissions. Emissions from Partner Program trim, end-of-life, and use phase are not included.

In addition to the above reduction measures, we have compensated emissions from our own operations (Scope 1 and 2) and from packaging<sup>30</sup>, upstream transportation, and distribution (incl. deliveries and returns)<sup>31</sup>. We have procured carbon removal credits for 420,237t CO<sub>2</sub>e (compared to 419,347 in 2022).

### Reimagining packaging, minimizing waste

We are committed to move away from a linear take-make-waste system towards a circular approach to packaging. Our sustainability strategy requires us to find a balance between packaging functionality and environmental impact reduction. However, finding scalable solutions to eliminate single-use plastic poly bags remains our key challenge. In addition, the industry is facing increasing pressure from expanded sustainability regulations, such as the revised and amended Packaging and Packaging Waste Directive (PPWD) under the European Green Deal and the Circular Economy Action Plan. These regulations, particularly those related to data transparency, will have a significant impact on our business operations and require us to secure reliable data, not only from our own operations but also from our suppliers, to enable informed decision-making.

In 2023, the Zalando group used more than 52,000t of packaging materials<sup>32</sup> (62,000t in 2022), 82% of which stem from recycled input materials (86% in 2022). The reduction in packaging material usage is mainly attributed to the increased use of paper shipping bags compared to cardboard boxes, a measure implemented in 2023 to reduce overall packaging weight and waste. Due to the higher virgin content required for paper shipping bags to meet minimum specifications and product protection standards, this measure also resulted in a slight reduction in the proportion of recycled materials used.

Moreover, 99% of our total packaging was recyclable (a figure that remained consistent with 2022 levels)<sup>33</sup>. The remaining 1% results from shipping labels and tape which are not recyclable. The volume of single-use plastic packaging per item produced for our private labels<sup>34</sup> increased by 6% to an average of 5.7g (compared to 5.4g in 2022). We decided to increase the share of shipping bags used relative to corrugated boxes, as well as postponing the completion of our transition from plastic to paper shipping bags, resulting in a higher procurement of plastic shipping bags in the first half of the year. The procured amount of single-use plastic packaging per item shipped from Zalando group<sup>35</sup> increased by 46% to an average of 7.4g (compared to 5.1g in 2022).

In our packaging design, we have implemented a redesign of our corrugated and paper bag portfolio to minimize weight, translating into reduced waste and material consumption. We have introduced mandatory contractual requirements in all new and renewed packaging supplier contracts, mandating FSC Certification<sup>36</sup> for all virgin fibers and incorporating SBTs conditions to include sustainability commitments. Furthermore, we took part in a pilot

<sup>30</sup> Only the emissions from packaging procured by Zalando are considered, not from the packaging that is procured by third-parties.

<sup>31</sup> Emissions from transportation and distribution here comprise emissions from deliveries to customers including returns as well as network transportation.

<sup>32</sup> Packaging considered in the calculation: Cardboard, low-density Polyethylene-Foil, Paper, PP-Foil, and Polystyrol procured for our own operations in Fashion Store, Lounge, IDCs, Private Labels, and Outlets.

<sup>33</sup> Recyclability refers to packaging material that is suitable for high-quality and mechanical recycling as per the German Packaging Act (VerpackG).

<sup>34</sup> In scope is all customer-facing single-use plastic packaging procured by Zalando private labels (our own fashion brands).

<sup>35</sup> In scope is all customer-facing single-use plastic packaging procured by Zalando group as an online retailer (excl. private labels and items shipped by brand partners).

<sup>36</sup> The Forest Stewardship Council GmbH is an international non-profit, multi stakeholder organization established in 1993 that promotes responsible management of the world's forests via timber certification.

assessment of nature-related risks in our packaging base to evaluate how to integrate these factors into our mid-term strategy.

While we were unable to meet our goal of fully eliminating single-use plastic from our business by the end of 2023, we have made progress in reducing our reliance on this material and have continued to explore new approaches to reduce our packaging material and waste. Over the past year, we have achieved several milestones:

- **Void fill.** We have eliminated single-used plastic void fill in our Zalando Fashion Store shipments. Void fill is the plastic matter we insert in boxes, providing stability and protection. In doing so, we eliminated approximately 153 metric tons of plastic waste in 2023.
- **From plastic to paper shipping bags.** In the Zalando Fashion Store, our transition to paper-based solutions for our shipping bags will be 100% completed in 2024. In 2023, we had achieved a reduction of approximately 17% in our use of single-use plastic shipping bags.
- **Beauty packaging.** We reduced the impact of approximately 785,000 items by replacing the mini and single inlay in our beauty packaging, reducing up to 61% and 4%, respectively, of the material weight normally used in this process, and moving from a paper mix with adhesive sealing stripes to mono-material cardboard.
- **Poly bags.** Poly bags provide protection for products during transport from manufacturing to fulfillment centers and eventually to retail stores or consumers' homes. To reduce their environmental impact, we initiated a transition to 100% post-consumer recycled content<sup>37</sup> achieving 52% of our procured volume. We aim to complete this transition in 2024.

We remain committed to keep working on identifying the key levers for improving our volumetric efficiency across the portfolio and all packaging layers to reduce and optimize packaging material consumption. Simultaneously, we are dedicated to developing a robust baseline and control systems to provide transparency in our carbon accounting and waste generation data. On reusable packaging, we are focusing our efforts in closing the loop of boxes used for transportation between logistics centers. This entails extending the reusability of existing boxes, redesigning loading units to fit each process, and continue exploring customer-facing alternatives to enable the implementation of reusable packaging and related processes.

<sup>37</sup> We define a packaging material as a "monomaterial" if it constitutes 95-100% of the packaging by weight. In this case, considering that low-density polyethylene makes up 95% or more of the packaging, with the remaining <5% being additives, we consider it 100% Post-Consumer Recycled. This definition aligns with the German Packaging Act (VerpackG), which stipulates that monomaterials must consist of at least 95% of one main material.

## Products

### Enabling change through informed choices

We recognize that our customers want greater transparency regarding the sustainability-related attributes of products, in order to facilitate informed purchasing decisions that align with their sustainability values. Additionally, we acknowledge the evolving regulatory landscape and policy changes that are raising the minimum requirements for green claims, as well as shaping the design of products with environmental stewardship at the forefront. These developments have presented us with an opportunity to provide our customers with more specific and reliable product information, whilst positioning ourselves for future industry shifts.

In 2017, our Fashion Store initiated a focus on highlighting products with sustainability-related attributes to facilitate customer purchasing decisions aligned with their sustainability values. Later, in 2019, we set a target to achieve 25% of our GMV by 2023 from products that have sustainability-related attributes which are meeting our criteria. Since we first started providing this information to customers, there has been an increasing demand for traceability, transparency, and credibility regarding product sustainability information. At Zalando, we continuously work on our criteria and customer experience to provide accurate, reliable, detailed, and transparent information, and adhere to legal requirements.

The landscape of sustainability standards and certifications has also undergone significant changes in recent years. There has been a growth in innovative, next-generation materials, textile-to-textile recycled fibers and regeneratively grown fibers. Our product sustainability criteria have evolved in the past years to reflect these industry changes. In 2023, we further updated our criteria to align with emerging developments within the broader industry landscape. As part of these changes, we also increased the specificity of the sustainability-related attributes we showcase, to meet growing expectations from stakeholders, customers, and regulatory bodies. Our customer experience is now attribute-based, founded on third party certifications such as the Global Organic Textile Standard and other branded materials, such as TENCEL™ Lyocell and Infinna™. The list of Zalando's accepted standards can be found in our Fashion Store.

However, disclosing this more specific and detailed information in our customer experience also requires additional data from our brand partners. This includes specific information such as the percentage of sustainability related materials used in a product, and the point within the supply chain at which the final certification becomes valid. Upon collecting this information from our partners, we conduct automatic validation procedures through our internal systems to determine whether a product is eligible to be highlighted in our customer experience. Obtaining such information requires significant time and effort from our partners and their supply chains. After an integration period for our partners, we also removed the sustainability related attributes for products that did not adhere to the updated criteria. Together this has resulted in a reduced assortment of products labeled with sustainability related attributes in 2023.



As of December 31, 2023, we offered our customers more than 108,000 products with sustainability-related attributes (compared to over 180,000 in 2022). These products contributed to 10.5% of our GMV (compared to 17% in 2022).<sup>38</sup> Additionally, around 43% of our Fashion Store customers made the decision to buy at least one product with a sustainability-related attribute, down from 54% in 2022 (the decrease is due to changes in data collection and in the requirements to receive a valid sustainability attribute).<sup>39</sup> The reduction of our assortment of products with sustainability-related attributes in 2023 meant that we did not achieve our 25% GMV goal as set out in our do.MORE strategy. Nevertheless, we have greatly enhanced the criteria for identifying and showcasing articles with sustainability-related attributes and have therefore improved the data quality of these products. This results in more specific and accurate information provided in our customer experience. Furthermore, we observed an increase in our assortment of products with sustainability-related attributes during the second half of 2023, and we are optimistic that this positive trend will continue.

### Extending the life of fashion

We are on a journey to a more circular fashion industry, recognizing that establishing a circular ecosystem will require ongoing efforts. The circular economy has faced some hurdles in 2023, slowing its advancement across industries<sup>40</sup>.

At Zalando, we can relate to both the challenges and the opportunities that a circular economy can bring. As we come to the end of our do.MORE strategy, it gives us an opportunity to reflect on our progress, identify learnings, and refine our approach for future advancement. Throughout 2023, we continued to make progress towards our do.MORE goal to extend the life of 50 million items by 2023, all while developing and implementing our comprehensive circularity strategy. This strategy centers on four key pillars: design and manufacturing, use, reuse, and closing the loop.

While we have made strides towards our goal in 2023, it is clear that this target was highly ambitious and, as we acknowledged previously, it was not achieved. Since 2020, we were able to extend the life of 6.3 million fashion items, with an increase of 2.6 million items in 2023. While we are aware that this falls short of our target, we are encouraged by the progress we have made over the past three years, encompassing the launch of a Circularity Strategy, along with the accumulation of valuable learnings and insights that can shape our approach moving forward.

**Design and manufacture:** In 2023, Zalando continued to focus on incorporating our circular design criteria, launched on Earth Day 2022, to a wider range of items and styles<sup>41</sup>. Since establishing our goal, private labels designed and produced approximately 2.5 million items in line with the circular design principles. We also launched ZIGN Studio, a new Private Label collection focused on premium quality and material innovation. ZIGN Studio features 80 styles

<sup>38</sup> For the Zalando group, after returns

<sup>39</sup> For the Zalando Fashion Store, before returns

<sup>40</sup> According to The Circularity Gap Report 2023, the world's circularity rate has declined from 9.1% in 2018 to 7.2% in 2023. Also the white paper on Circular Transformation of Industries: Unlocking New Value in a Resource-Constrained World (2023) by the World Economic Forum in collaboration with Bain & Company, University of Cambridge, and INSEAD notes that an estimated 58% of circular business models in the fashion industry remain in the pilot phase due to a combination of factors, including a challenging short-term business case, unclear long-term strategies, and macroeconomic headwinds. Textile-to-textile recycling is also in its early stages, with limited facilities in operation.

<sup>41</sup> Styles refers to Stock Keeping Units (SKUs), which represent unique identifiers for specific product variations, including style and color. For instance, a single t-shirt design in one color would have one SKU. If the same design is available in three colors, each color would correspond to a separate SKU, resulting in three SKUs in total.

in men's and women's textiles, footwear and accessories. Material innovations include recycled materials, such as Naia renew, and improved manufacturing processes. Private Label also continued in-person training on circular design for production teams, delivering it to multiple internal stakeholders in collaboration with circular.fashion.

**Use:** In 2023, we decided to pause our Care and Repair services pilot in Berlin. Launched in partnership with Save Your Wardrobe in October 2021, the pilot has provided us with a lot of insights on the care and repair business model, notably on the logistical operations, customer booking journey and customer demand. Our decision to scale-down the pilot was based on challenges around customer convenience of the online model and data integration that would better enable us to support our customers. We continue to share our learnings internally and with the industry to support progress on this topic.

**Reuse:** The Pre-owned Category continues to be available in 13 markets, and we have established Pre-owned corners in ten outlet stores across Germany. We offer a selection of about 270,000 items in the pre-owned area with the same level of service as for new products - free delivery and free returns.

**Closing the loop:** To scale the circular economy, we recognize that a significant amount of investment will be required to support the necessary infrastructure and technology to enable textile-to-textile recycling at scale. In 2023, we built on our investments in textile recyclers - Ambercycle and Circ - in a couple of key ways. We made follow-on investments in Ambercycle to support the construction of their facilities. We are actively engaged in discussions for offtake agreements with Ambercycle and Infinited Fiber Company as we seek to provide innovators with a reliable demand forecast that can support their scaling and fundraising efforts. Beyond these investments, we have continued our partnerships to gain a better understanding of footwear recycling through our involvement in key initiatives with FastFeetGrinded, in collaboration with Fashion for Good, and Reshoes, led by CETIA<sup>42</sup>.

Additionally, it is important to highlight that sales returns are managed separately from our circularity strategy, even though both share the common goal of minimizing waste and maximizing product lifespan. Zalando adheres to its duty of care under the German Circular Economy Law (KrWG) in managing product returns. All returned products, irrespective of their market value, undergo a comprehensive inspection and sorting procedure. Accordingly, they are immediately sent to the center's outbound area where they are compiled for transport to one of our customer-facing logistics centers<sup>43</sup>. If the fashion item was classified as perfect in the first place, or if the refurbishment of minor defects was successful, it is sent to the outbound area. The checked items are not shipped directly from the return centers for the next customer order. Instead, they are first consolidated and brought back in bulk to one of the 12 logistics centers within our network from where they start their journey to our customers again. We decide where to store the items based on factors such as the likelihood of resale in the region or market. Returned products that are no longer suitable for resale through the Zalando online store are assessed for alternative pathways - offer them at reduced

<sup>42</sup> A French-based innovative platform working on solutions to transform textile and leather articles into materials ready for recycling.

<sup>43</sup> The precise storage location of these items is determined based on factors such as the anticipated demand for resale in the respective region or market.

prices through Zalando Outlet and "Lounge by Zalando" platform, donate to organizations such as humedica, or sell it to wholesale partners.

## People

### Continuously increasing our ethical standards

An important aspect of our sustainability challenge involves maintaining high ethical standards, both in our own operations and those of our partners around the world. We want to guide positive action on issues such as low pay, inequality, long working hours, and working conditions. To move towards solutions, we continue to maintain a due diligence process, both in our own operations and across our supply chain. We have aligned our efforts with the German Supply Chain Due Diligence Act<sup>44</sup>, which defines a range of requirements for responsible supply chain management.

Our commitment in this area has not had a quantifiable KPI attached to it, making it more difficult to measure success. While we can state that our ethical standards have undergone continuous review and refinement since 2019, and our established due diligence system supports us in preventing, identifying, managing, and remediating potential violations of our standards, this endeavor will remain an ongoing process.

Our human rights due diligence program supports our efforts, helping us identify and act on risks in our operations, supply chains, and business partnerships. The governance of our due diligence program is grounded in our Code of Conduct and our Policy Statement on Zalando's Human Rights Strategy, which together set out principles we strive to attain. It is implemented through four cyclical steps:

**1. Analyze:** The first step in the cycle is an analysis of our direct suppliers' exposure to human rights risks<sup>45</sup> and, to a limited extent, environmental risks, using a holistic risk assessment methodology for all direct suppliers based on their location, industry, and our spend with them.

**2. Prioritize:** By using the risk profiles created through the analysis of direct suppliers (categorized as very high, high, medium, or low risk), we enhance generic risk information with internal findings and expertise to prioritize plans for prevention, remediation, and risk management.

**3. Manage:** We deploy a comprehensive, supplier-focused risk management approach that operates on two fronts: proactive risk prevention and reactive risk identification and mitigation.

- **Prevent:** Based on the assessed and prioritized risks, we develop further preventive measures in the individual business units where necessary to mitigate specific risks.

<sup>44</sup> The German Supply Chain Act (SCA) obliges companies to respect human rights by implementing defined due diligence obligations. It applies to an enterprise's own business area, to the actions of a contractual partner (direct supplier) and – to a limited extent – to the actions of other (indirect) suppliers.

<sup>45</sup> Data from Maplecroft's Global Risk Dashboard (GRiD) in the categories of: Child Labour, Decent Wages, Decent Working Time, Discrimination in the Workplace, Freedom of Association and Collective Bargaining, Healthcare Capacity, Indigenous Peoples' Rights, Land, Property, and Housing Rights, Modern Slavery, Occupational Health and Safety, Poverty, Security Forces and Human Rights, Migrant Workers, Informal Workforce, Young Workers, Women's and Girls' Rights, Right to Privacy, Minority Rights, Food Security, Water Security, Environmental Regulatory Framework, Water Pollution, Air Quality, Waste Generation, Rule of Law.

Our Code of Conduct serves as the standard foundation for contractual relations with Zalando. The Code sets out binding principles for ethical, fair, and sustainable practices, and it is embedded in our contracts with business partners. To monitor the alignment of our business relations with our ethical standards, we implemented a tracking mechanism to evaluate the implementation status within the company's contractual landscape. We follow up on potential violations of our ethical standards and have related consequence management in place.

Through social audits, we continued to review compliance of our direct suppliers and Tier 1 suppliers. These audits are evaluated against an internal non-compliance matrix, which is based on our Code of Conduct, applicable local legal requirements, and either our Social Standards for logistics and customer care or industry standards including SMETA (Sedex Members Ethical Trade Audit) and BSCI (Business Social Compliance Initiative) for private label suppliers.

Non-compliance findings are classified as minor, major, critical and zero tolerance, leading to a rating and potential Corrective Action Plan. In 2023, we evaluated 213 audit reports (302 in 2022) from private label Tier 1 suppliers and declined to onboard 5 factories or suppliers (4 in 2022) due to their failure to meet audit requirements.

- **Remediate:** When potential breaches are identified through one of our established channels, we investigate and respond to them in a systematic way.

To enhance our grievance mechanism and better serve the needs of potential reporters within our supply chain, we have introduced a new tool called SpeakUp. This tool expands our language, reporting, and translation capabilities, making it easier for individuals to report potential supply chain-related incidents compared to our existing Whistleblowing Tool. SpeakUp is available in 42 languages and accessible via web, app, or hotline. It is offered to any external party, with a particular focus on workers in our supply chain.

Our remediation process provides internal teams with a standardized way to investigate and address violations of our Code of Conduct or other ethical standards. If the partner fails to engage, we will pause and eventually end the relationship. In 2023, we opened 40 new internal investigations into alleged violations of our ethical standards in our supply chain (compared to 26 in 2022): 7 were satisfactorily remediated; 2 led to off boarding or termination of business relationships (compared to two in 2022); 6 were closed because no violation was confirmed (compared to two in 2022); and 25 are ongoing.

**4. Report:** Reporting for the cycle is conducted in adherence to the German Supply Chain Due Diligence Act and the guidance of the competent authority (BAFA). The first report will be submitted within the legally mandated time frame for 2024.

In 2023, we subjected our business partner landscape to a human rights risk assessment and conducted a complete review in light of the German Supply Chain Due Diligence Act. This review enabled us to gain even more clarity on risky areas in our business relationships, prioritize preventive measures and manage risks in (future) interactions, as well as in industry-wide collaborations. Additionally, we further integrated operational responsibility for human rights due diligence into the business by transferring it from the central sustainability function to the Compliance team to be further synchronized with company-wide governance.

To address identified sector-level risks, we also collaborate with other retailers, industry players, and business partners, participate in industry initiatives, and engage with external stakeholders, including government bodies and NGOs.

### Preparing the workforce for the future

The Organisation for Economic Co-operation and Development (OECD) estimates that up to 1 billion people need to be reskilled by 2030 to meet demand for new skills.<sup>46</sup> In 2023, we saw a rising demand for expertise in areas such as data science, storytelling, leading through change, feedback transparency and resilience. To meet this challenge, we set ourselves the following goal: By 2023, we have supported 10,000 people in the workforce by providing skilling opportunities that match future work requirements. The scope of the goal is split between our own workforce, the workforce in our private label supply chain and in our brand partner supply chains.

Since 2020, 9,925 people<sup>47</sup> received skilling training (4,714 in 2023, of which 506 in Zalando SE). To support our employees and those working in our supply chain in keeping pace with shifting workplace demands, we offer a range of upskilling and reskilling opportunities. Upskilling means providing additional skills to perform a role where the requirements will change. Reskilling, on the other hand, entails acquiring new skills. Our skilling programs are divided into three pillars:

- **Skilling opportunities linked to future-of-work megatrends:** We believe the future of work will be defined by six megatrends: i) Working more inclusively, ii) embracing new technologies, iii) working in new environments, iv) working more collaboratively, v) being at the forefront of innovation, and vi) working with more empathy. To prepare Zalando's employees, we foster learning opportunities focused on topics including new technologies, leading hybrid teams, and vital soft skills such as inclusivity and empathy. By the end of 2023, we delivered 289 courses, such as Giving and Receiving Effective Feedback, Supporting Career Development, and Figma Level-Up Training.
- **Skilling opportunities linked to changing business needs:** Following our 2022 skilling needs analysis, which identified the evolving needs of our business in the short- and medium term, we implemented various programs across technology, central and operations functions. These include: Women in Tech (providing an opportunity for employees from diverse backgrounds to access reskilling for software engineering roles); several programs for logistics workers, including the opportunity to obtain professional

<sup>46</sup> World Economic Forum, "We need a global reskilling revolution – here's why", 2020.

<sup>47</sup> Includes Zalando SE and Zalando group employees and supply chain workers in private labels.

certification (warehouse logistics specialist), as well as to boost language skills in German and English; financial upskilling covering topics such as external financial reporting.

Additionally, we continued to offer dedicated career development programs.

- **Skilling opportunities linked to our upstream supply chain:** In 2023, we scaled our upskilling program to encompass our upstream supply chain, collaborating with our business partners, Shimmy Technologies and BSR's RISE - HERproject™, in Bangladesh. We trained around 3,904 people in 4 factories in digital literacy, efficiency training, gender equality, financial literacy, workplace communication, and health and well-being.

Although we did not achieve our full target, we are encouraged by the progress made and believe that the programs and structures we have established around this commitment provide a solid foundation for continued efforts.

#### **Corporate citizenship: Being part of the solution**

Our Corporate Citizenship program aims to facilitate real-world solutions in line with three objectives: a social impact position in Europe, good collaboration with communities in our fulfillment and supply chain, and a willingness to engage with and work alongside our customers to drive positive change.

**Humanitarian efforts:** In 2023, we donated over 154,000 Zalando items valued at approximately EUR 450,000 to organizations supporting people in need, with a strong focus on Ukraine, Turkey, and Syria. In addition, we supported disaster relief efforts and sought to promote constructive improvement through strategic partnerships. Overall, we donated around EUR 700,000 in 2023 to a diverse range of local and global initiatives. We made direct contributions to SOS Children's Villages worldwide, humedica or Kinnings Foundation and matched donations from Zalando employees who were organizing bake sales to support global humanitarian efforts.

We also saw progress in efforts related to the SOS Children's Villages worldwide program to reform alternative childcare systems in Ukraine: A Right to Family—De-Institutionalization to Reform the Child Protection System, which we helped to fund in 2022 with a EUR 275,000 donation that will support the project through April 2025. This funding has enabled the program to gain traction through the organization of numerous activities at the local, regional, national, and EU levels. Additionally, a public mobilization campaign has been launched, caregivers have received education, and local social plans have been developed based on the specific needs of families and children.

**Collaborations: Creating the next generation of fashion designers.** We want to provide designers with the knowledge, skills, and innovative mindset to champion sustainable and transformative practices within the industry. By fostering their design expertise in the principles of Circularity and Sustainability, digital product development, and virtual fashion concepts, we aspire to contribute to a shift towards a more responsible and innovative fashion industry.

Through our sponsorship of VORN<sup>48</sup>, we have co-created an educational format that teaches the principles of Circularity and Sustainability in design to young designers who already have their own labels. Our 2023 Design Academy project focused on designer luxury, with an emphasis on more circular designs, quality, and longevity. The project aimed to empower young design talents, fostering their skills and equipping them with design practices that benefit both people and the planet. Fifty designers from across Europe participated in a ten-week online course led by industry experts, whereof the top ten were awarded scholarships and invited to Berlin to create a collection based on circular design principles and longevity, which was showcased during the Berlin Fashion week in January 2024.

In parallel, Zalando has been working with the Graduate Fashion Foundation to develop a circularity-focused course module to support the education of design students at university level. This module was initially pilot tested with design students at Manchester Metropolitan University (MMU) in September 2023. The initiative sought to equip students at an early stage with the necessary knowledge and critical thinking skills to champion circularity and sustainability principles within the fashion industry.

**Community engagement/volunteering.** Helping others is part of our Zalando core values. Two days (16 hours) each year, our employees are offered the opportunity to engage in community work. We actively partner with NGOs, brand and business partners, who drive positive change. Since 2015, Zalando has partnered with [vostel.de](#), a leading corporate volunteering organization, to facilitate these engagement opportunities.

In 2023, 535 Zalando employees supported 66 projects through 4,281 hours of volunteering. A significant focus was directed towards supporting the Berlin Special Olympics, an initiative aligned with our commitment to diversity and inclusion. Additionally, more than 100 Zalando employees volunteered in filling and decorating more than 800 gift bags for children living in refugee shelters.

Finally, we reaffirmed our commitment to the local Berlin community by sponsoring the Ukrainian Pop-Up Charity Market SKRYNYA, organized by Zalando volunteers, the European Academy Berlin, and many individuals and friends of Ukraine. The SKRYNYA sponsorship supports Ukrainian creatives, including fashion, jewelry, and home brands. The event took place in February and December, attracting a significant audience of over 5,500 attendees. More than 40 fashion, jewelry, and home decorations brands from Ukraine participated, raising over EUR 30,000 for Ukrainian NGOs.

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<sup>48</sup> The VORN Academy is a laboratory for future digital and physical business models with a focus on circular design and closed-loop production and part of our Innovation Lab. It brings together the various players in the sustainable fashion industry and enables knowledge transfer within our community. As an insider, VORN connects all actors in an interdisciplinary way and enables access to advanced programs and knowledge.

## Reporting on the EU Taxonomy Regulation

With the Action Plan on Financing Sustainable Growth published in 2018, the European Commission set the objective to redirect capital flows towards sustainable investment. In this context, a standardized classification system – the EU Taxonomy – was established to define criteria classifying economic activities as being environmentally sustainable. Companies subject to the Non-Financial Reporting Directive (Directive 2014/95/EU) are required to report in line with the EU Taxonomy Regulation (Regulation (EU) 2020/852). Therefore, companies have to extend their non-financial disclosures by reporting on how and to what extent the company's activities are associated with economic activities that qualify as environmentally sustainable.

According to Article 8 of the regulation, reporting companies have to disclose the proportion of the company's turnover, capital expenditure (capex) and operating expenditure (opex) for both Taxonomy-eligible and Taxonomy-aligned economic activities. In order to be deemed as Taxonomy-aligned, a Taxonomy-eligible economic activity has to fulfill the following criteria as defined in Article 3 of the regulation. The economic activity:

- contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16;
- does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17;
- is carried out in compliance with minimum safeguards laid down in Article 18; and
- complies with technical screening criteria in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2).

We started reporting according to the EU Taxonomy Regulation and the corresponding Delegated Acts back in 2021. Based on our first assessment, we identified one material Taxonomy-eligible economic activity within the Zalando group related to the leasing of assets covering our office buildings, outlets and warehouses (economic activity 7.7 listed in Annex I of the Climate Delegated Act) for which we reported Taxonomy eligibility. In 2022, reporting was expanded also to assess Taxonomy alignment of activities within the Zalando group. In 2022, the Commission Delegated Regulation (EU) 2022/1214 has been applied, amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities. We assessed Annex I and Annex II that amend the list of economic activities regarding the first two environmental objectives as well as related technical screening and do no significant harm (DNSH) criteria. Zalando neither performs one of the new activities nor is Zalando affected by the changes to the technical screening criteria.

Moreover, in 2023 the European Commission issued Commission Delegated Regulation (EU) 2023/2485 amending the Climate Delegated Act by establishing additional technical screening criteria as well as Commission Delegated Regulation (EU) 2023/2486 (the Environmental Delegated Act) supplementing Regulation (EU) 2020/852 by establishing economic activities as well as related technical screening criteria for the remaining four environmental objectives. According to the adoption timeline, for fiscal year 2023, Zalando is



required to assess the eligibility of the new activities. As a result, Zalando did not identify any significant activity under the new regulations. The amendments to the EU Taxonomy Regulation also impacted some of the disclosure requirements stated in the Delegated Acts. The changes, that we adopted inside the current reporting, relate to the new table format to outline reporting KPIs. References to the line items of the consolidated financial statements were already included in prior years' reporting.

Our approach of assessing economic activities under the EU Taxonomy Regulation for fiscal year 2023 is explained in more detail below.

### **Our approach**

For our reporting in fiscal year 2023, Zalando is required to assess its alignment regarding the first two environmental objectives as well as to assess - as a reporting relief for financial year 2023 - eligibility for the remaining four environmental objectives according to the Environmental Delegated Act. Disclosures related to the remaining four environmental objectives are therefore limited to the eligibility assessment in this year's reporting. We assessed the Commission Delegated Regulation (EU) 2022/1214, amending Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2021/2178. The changes include additional economic activities related to the energy sector, and they modify the technical screening criteria as regards specific public disclosures for those economic activities. None of these changes affect our Group.

We have reviewed our prior years' assessment of economic activities as defined in Annex I and Annex II of the Climate Delegated Act. This review has not resulted in a change of our previously identified material Taxonomy-eligible economic activities, hence we still only report on capex related to the leasing of our buildings and corresponding opex (economic activity 7.7 listed in Annex I of the Climate Delegated Act). We have also calculated total value of opex which includes non-capitalized development costs, costs for short-term leases, costs for maintenance and repair as well as costs of day-to-day-servicing of assets. In fiscal year 2023, Zalando has expanded the number of its leased buildings which led to additions to right-of-use assets of EUR 213.5m. This is material from the group's perspective, and should therefore be reported as Taxonomy-eligible capex. The additions are mainly related to a new office building in Germany as well as our new fulfillment centers in Germany and Poland.

We calculated total capex as additions to intangible assets, property, plant and equipment as well as right-of-use assets (excluding any re-measurements) for the fiscal year as disclosed in the notes to the consolidated financial statements under [3.5.7 \(11.\) Intangible assets](#), [3.5.7 \(12.\) Property, plant and equipment](#) and [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#). Additions to right-of-use assets of EUR 231.2m as disclosed in the notes also include EUR 17.7m related to re-measurements that are not included in total capex. Total capex for fiscal year 2023 therefore amounts to EUR 507.3m. This led to a proportion of Taxonomy-eligible capex of 42.1%.

For our leased buildings we have calculated opex of EUR 12.5m for fiscal year 2023 which is related to maintenance and repair as well as day-to-day servicing of those assets. Total opex for 2023 amounts to EUR 182.6m and relates to non-capitalized development costs, costs for

short term leasing, costs for maintenance and repair as well as costs for day-to-day servicing of assets.

Besides for economic activity 7.7, we have not identified any other material capex, opex or Taxonomy-related turnover. Hence, turnover disclosed for Taxonomy-non-eligible activities is the total revenue of the group for fiscal year 2023 according to IAS 1.82(a) in the amount of EUR 10,143.1m as disclosed within our consolidated financial statements 2023 and further described under [3.5.7 \(1.\) Revenues](#) within the notes to the consolidated financial statements. Zalando has allocated all of the calculated capex and opex to the environmental objective of climate change mitigation. In addition, only one economic activity was identified for which capex and opex were calculated. This avoided any double counting.

Furthermore, we assessed which proportion of our capex qualifies as environmentally sustainable and is therefore reported as capex related to Taxonomy-aligned economic activities. This assessment was based on the criteria laid down in Article 3 of the EU Taxonomy Regulation. Because our capex is only related to the purchase of output, we do not have all the necessary information to perform the assessment. As a result, we were not able to qualify our Taxonomy-eligible capex related to the leasing of our buildings as Taxonomy-aligned capex for fiscal year 2023. This correspondingly also applies to related opex. Further, because we did not identify any Taxonomy-eligible turnover, we hence could not calculate any Taxonomy-aligned turnover.

An additional Delegated Act to the Taxonomy Regulation was published in 2023, which set out the technical screening and do no significant harm (DNSH) criteria for the four remaining non-climate related environmental objectives. We analyzed the Environmental Delegated Act and its Annexes. For fiscal year 2023 we did not find any material Taxonomy-eligible activity.

#### **Outlook on future reporting**

Our reporting approach for fiscal year 2023 reflects the current legislative status of the EU Taxonomy Regulation. In this third reporting year, we acknowledge that the European Commission is progressing towards the standardization of the reporting framework, and we are already adapting our approach accordingly. For the next year's reporting, Zalando will be for the first time required to comply with the Corporate Sustainability Reporting Directive, that supports companies to integrate EU Taxonomy disclosures into a comprehensive Sustainability Statement. We continue monitoring further developments of the regulation and will respond to additional specifications of the regulation in coming reporting periods.

## Proportion of capex from products or services associated with Taxonomy-aligned economic activities

2023		Year		Substantial contribution criteria					
Economic activities	Code	Capex (mEUR)	Proportion of capex, 2023 (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water (%)	Pollution (%)	Circular Economy (%)	Biodiversity (%)
<b>A. Taxonomy-eligible activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0						
Of which enabling		0.0	-						
Of which transitional		0.0	-						
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Acquisition and ownership of buildings	CCM 7.7	213.5	42.1						
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		213.5	42.1						
<b>A. Capex of Taxonomy eligible activities (A.1 + A.2)</b>		<b>213.5</b>	<b>42.1</b>						
<b>B. Taxonomy-non-eligible activities</b>									
Capex of Taxonomy-non-eligible activities		293.8	57.9						
<b>Total</b>		<b>507.3</b>	<b>100.0</b>						

DNSH criteria ('Does Not Significantly Harm')

Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular Economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Capex, 2022 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							24.5		
							24.5		
							24.5		
							24.5		

## Proportion of opex from products or services associated with Taxonomy-aligned economic activities

2023		Year		Substantial contribution criteria					
Economic activities	Code	Opex (mEUR)	Proportion of opex, 2023 (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water (%)	Pollution (%)	Circular Economy (%)	Biodiversity (%)
<b>A. Eligible Activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0						
Of which enabling		0.0	-						
Of which transitional		0.0	-						
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Acquisition and ownership of buildings	CCM 7.7	12.5	6.8						
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12.5	6.8						
<b>A. Opex of Taxonomy-eligible activities (A.1 + A.2)</b>		<b>12.5</b>	<b>6.8</b>						
<b>B. Taxonomy-non-eligible activities</b>									
Opex of Taxonomy-non-eligible activities		170.2	93.2						
<b>Total</b>		<b>182.6</b>	<b>100.0</b>						

**DNSH criteria ('Does Not Significantly Harm')**

Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular Economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) opex, 2022 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							6.2		
							6.2		
							6.2		

## Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

2023		Year		Substantial contribution criteria					
Economic activities	Code	Turnover (mEUR)	Proportion of turnover, 2023 (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water (%)	Pollution (%)	Circular Economy (%)	Biodiversity (%)
<b>A. Eligible Activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0						
Of which enabling		0.0	-						
Of which transitional		0.0	-						
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0						
<b>A. Turnover of Taxonomy-eligible activities (A.1 + A.2)</b>		0	0.0						
<b>B. Taxonomy-non-eligible activities</b>									
Turnover of Taxonomy-non-eligible activities (B)		10,143.1	100.0						
<b>Total</b>		<b>10.143.1</b>	<b>100.0</b>						

**DNSH criteria ('Does Not Significantly Harm')**

Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular Economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2022 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							0.0		
							0.0		

Berlin, March 12, 2024

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