

2.5 Corporate governance statement⁶⁸

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

2.5.1 Corporate governance

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

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

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

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

2.5.2 Declaration of conformity

The Management Board and Supervisory Board of Zalando SE issued the following declaration regarding the recommendations of the Government Commission German Corporate Governance Code in accordance with Section 161 AktG (German Stock Corporation Act) in December 2023 and published it on the company's website:

The Management Board and Supervisory Board of Zalando SE issued the last annual declaration of conformity with the recommendations of the "Government Commission German Corporate Governance Code" in December 2022. The Management Board and the Supervisory Board of Zalando SE declare the following pursuant to Section 161 of the German Stock Corporation Act (AktG):

Zalando SE has acted in conformity with the recommendations of the "Government Commission German Corporate Governance Code" in the version of April 28, 2022 (GCGC 2022) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on June 27, 2022 since the last annual declaration of conformity was issued in December 2022, with the exception of recommendation G.7 explained below. Zalando SE complies and will continue to comply with the GCGC 2022 with the exception of recommendation G.7 explained below.

⁶⁸ The statements on corporate governance in accordance with Sections 289f and 315d HGB are an unaudited part of the combined management report.

Deviation from recommendation G.7 of the GCGC 2022

Pursuant to recommendation G.7, sentence 1 of the GCGC 2022, referring to each forthcoming financial year, the Supervisory Board shall establish performance criteria for each Management Board member covering all variable remuneration components; such performance criteria mainly being, besides operating targets, strategic targets.

The remuneration system for the Management Board which became effective as of June 1, 2021 provides for a total compensation consisting of cash and of variable components. The variable components include a long-term incentive plan (LTI) which accounts for the largest share in the total compensation. The LTI is share-based and is linked to strategic performance targets including financial and ESG criteria. Next to the LTI component, the new remuneration system for the Management Board as well as the remuneration granted to the members of the Management Board in the years 2021 to 2023, further include a second variable component which incorporates the equity plan for the next leadership levels under the Management Board, the Zalando Ownership Program (ZOP). The ZOP is also a share-based remuneration component and as such linked to the share price increase to ensure the alignment with the shareholders' interest. The ZOP also provides for the possibility of issuing virtual options that are comparable to the usual remuneration of executives on the international talent market. The Supervisory Board deems the combination of the performance link in the LTI component and the share price link in the ZOP component to be suitable to promote the sustainable and long-term development of the company and to enable Zalando to recruit the best talent for the company. However, as no specific performance targets are set for the ZOP component, we declare a deviation from recommendation G.7, sentence 1 of the GCGC 2022.

2.5.3 Two-tier board system

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

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

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

2.5.4 Management Board

Composition

In the fiscal year 2023, Robert Gentz and David Schneider continued to lead our company as Co-CEOs. Dr. Sandra Dembeck (CFO), David Schröder (COO) and Dr. Astrid Arndt (CPO), also continued to be members of the Management Board during the reporting period.

The Co-CEOs Robert Gentz and David Schneider were reappointed as members of the Management Board for a period of four years starting December 1, 2023 until November 30, 2027. Further, David Schröder was reappointed as member of the Management Board as of April 1, 2023 for a period of four years until March 31, 2027. Jim Freeman (CBPO) left the company after the expiration of his service term on March 31, 2023.

Composition of the Management Board

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

The Supervisory Board appoints the members of our Management Board and ensures that all members of our Management Board shall have the knowledge, skills and professional expertise required to duly fulfill their tasks and responsibilities. While qualification and specific needs of the company shall be the decisive criterion with regard to the Management Board's composition, the Supervisory Board emphasizes the importance of diversity.

Diversity is understood in a broad sense as the combination of individual identities and experiences. These identities and experiences include gender, nationality, ethnicity, life experience, and background (such as social or academic background). The Supervisory Board strives to adequately consider the various fields of core competences of the business model. The Supervisory Board also takes the following aspects into account, in particular:

- The Management Board as a whole should have appropriate management experience.
- The Management Board as a whole should, if possible, have knowledge and balanced experience based on different training and professional backgrounds, in particular in the fashion, technology and e-commerce industry and should have international experience.
- The Management Board as a whole should, if possible, possess several years of experience in the fields of strategy, finance as well as personnel management.
- The Supervisory Board aims for a balanced gender representation in the Management Board and has resolved on a corresponding target in accordance with Section 111 (5)

AktG (see below: section 2.5.6 Target of female representation on the Supervisory Board, the Management Board and on management levels below the Management Board according to Sections 76 (4), 111 (5) AktG).

- A Management Board member should not be older than 65 years when elected.

As of December 31, 2023, the share of female representatives in the Management Board amounts to 40% and thus, the target set in accordance with Section 111 (5) AktG has been met within the determined timeline. We have committed ourselves to continue to aim for a balanced gender representation on the Management Board and determined a new timeline until December 31, 2027. Also the other criteria of the company's diversity concept are fulfilled by the current composition of the Management Board.

Our Supervisory Board and Management Board work together closely to ensure a long-term succession planning for the composition of the Management Board. The Supervisory Board aims to fill Management Board positions with the most suitable candidates. It is in continuous contact with the Management Board, monitors senior management personnel within Zalando as well as respective talent on the market in order to identify and develop candidates to fill Management Board positions.

Dr. Sandra Dembeck is a non-executive director at Exor N.V., the Netherlands, since June 2023. Further, the former member of the Management Board Jim Freeman is a member of the board of directors of SoftwareONE Holding AG, Switzerland. Apart from that, the members of the Management Board of Zalando SE are not members of a statutory supervisory board or members of a comparable controlling body in Germany or abroad.

Tasks

The Management Board is overall responsible to independently and diligently manage our company's business with the goal of achieving sustainable growth. The Management Board develops the strategic direction of our company, coordinates it with the Supervisory Board and ensures its implementation. This includes the company's sustainability strategy with the vision of being a sustainable fashion platform with a net-positive impact for people and the planet as well as the company's diversity and inclusion strategy bringing to life the diversity of our talent, leaders, customers and partners.

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

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

Our two co-chairpersons of the Management Board Robert Gentz and David Schneider jointly coordinate all responsibilities of the Management Board. They act to ensure that the management of all business areas is uniformly guided by the objectives set and approved as a whole by the Management Board. All members of our Management Board work collaboratively together and inform each other constantly about any significant measures and events within their areas of responsibility.

The Management Board meets regularly, typically every week. There is a constant and constructive exchange between the Management Board and the Supervisory Board members. In particular, the chairperson of the Supervisory Board is informed regularly, typically every week, on the progress of our business and the situation of the company and other group entities and the Management Board consults with him on our strategy, planning, business development and risk management. Should an important event occur or should any business issue arise that could be of significance to the evaluation of the situation, the development or the management of our company, the Management Board will inform the chairperson of the Supervisory Board immediately. Further, our CFO and the chairperson of the Supervisory Board's Audit Committee have a regular monthly exchange with regard to Audit Committee related matters.

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

Conflict of interests

Each member of the Management Board is required to disclose any conflicts of interest to the Supervisory Board immediately. All transactions between the company or group entities on the one hand and the members of the Management Board as well as their related parties on the other must be conducted at arm's length and material transactions require Supervisory Board approval and are published to the extent legally required.

Remuneration

The remuneration report for the fiscal year 2023, the opinion of the auditor pursuant to Section 162 AktG and the currently valid remuneration system for the Management Board are published on our [website](#). The remuneration report for the fiscal year 2023 is contained in section [1.3 Remuneration report](#) of this annual report.

2.5.5 Supervisory Board

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

Composition

Our Supervisory Board has set targets for its composition. From a general point of view, our Supervisory Board strives for a composition that takes account of and safeguards the specific needs of the company so that the Management Board is monitored, supervised, and advised in a competent and professional manner.

Each member of the Supervisory Board shall have the knowledge, skills and professional experience required for her or him to duly fulfil its tasks and responsibilities and shall make sure that she or he has sufficient time to perform his or her duties. The competence profile of the Supervisory Board as a whole comprises industry competence (in particular in the fields of fashion, technology and commerce) and finance competence as well as competencies in the areas of strategy, supervision, innovation and sustainability. The members of the Supervisory Board as a group shall be familiar with the sector in which the Company is operating. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one further Supervisory Board member must have expertise in the field of auditing accounts.

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

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

The Supervisory Board aims for a balanced gender representation in the Supervisory Board. It has met the set target in accordance with Section 111 (5) within the determined deadline as of December 31, 2023. The Supervisory Board has renewed its commitment to a balanced gender representation and has resolved to maintain the target of at least 40% women and at least 40% men in the Supervisory Board (which corresponds to a minimum number of four female and four male members) until December 31, 2027 (see [2.5.6 Target of female representation on the Supervisory Board, the Management Board and on management levels below the Management Board according to Sections 76 \(4\), 111 \(5\) AktG](#)).

Candidates, who are likely to be confronted with an increased level of conflicts of interest, should not be proposed for election by the annual general meeting. The regular limit of length of membership for members of our Supervisory Board shall be twelve years. The Supervisory Board is convinced that such a composition ensures an independent and efficient consultation and oversight of the Management Board.

The nomination committee of the Supervisory Board considers the above-described targets regarding the composition of the Supervisory Board when it prepares the proposals of the Supervisory Board to the general meeting for the election of Supervisory Board members.

In the reporting period, Susanne Schröter-Crossan was newly appointed as member of the Supervisory Board by resolution of the annual general meeting on May 24, 2023. She succeeded Cristina Stenbeck on the Supervisory Board, who did not stand for re-election to the Supervisory Board after serving as a member of our Supervisory Board from 2014 to 2016 and from 2019 to 2023. The composition of our Supervisory Board in fiscal year 2023 met the composition targets it had set itself in all respects; in particular, the required expertise is represented in the Supervisory Board and the targets of the diversity concept are met.

The following overview shows the profile of skills and expertise of our Supervisory Board as well as the evaluation on independence of the shareholder representatives.

Composition of the Supervisory Board

Name of Supervisory Board member	Nationality	Profession	Profile of skills and expertise						
			Industry	Finance	Strategy	Super- vision	Inno- vation	Sustain- ability	Indepen- dence
Cristina Stenbeck (member until May 24, 2023)	Swedish	Investor and public company director			✓	✓	✓	✓	✓
Kelly Bennett	Canadian	Supervisory Board member and Executive Advisor	✓		✓		✓	✓	✓
Jennifer Hyman	US-American	CEO, Chair of the Board and Co-founder at Rent the Runway Inc.	✓		✓	✓	✓	✓	✓
Niklas Östberg	Swedish	CEO and Co-founder of Delivery Hero SE	✓	✓	✓		✓		✓
Anders Holch Povlsen	Danish	CEO of Bestseller A/S	✓		✓	✓		✓	
Mariella Röhm-Kottmann	German	Senior Vice President Finance of ZF Friedrichshafen AG		✓*		✓		✓	✓
Susanne Schröter-Crossan (member since May 24, 2023)	German	CFO of sender Technologies GmbH		✓*		✓		✓	✓
Matti Ahtiainen	Finnish	Employed at Zalando Finland Oy	✓	✓**					***
Jade Buddenberg	German	Employed at Zalando SE	✓		✓		✓	✓	***
Anika Mangelmann	German	Employed at Zalando SE	✓						***

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

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

***) In accordance with the German Corporate Governance Code, as a principle, the Supervisory Board does not take the independence of employee representatives into consideration.

The following overview lists all of the companies and enterprises in which the members of our Supervisory Board are currently members of a statutory supervisory board of such companies or members of a comparable controlling body in Germany or abroad.

Current and past mandates of the Supervisory Board

Name of Supervisory Board member	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises
Cristina Stenbeck (member and chairperson until May 24, 2023)	Spotify Technology S.A., Luxembourg (member of the Board of Directors until March 29, 2023)
Kelly Bennett (deputy chairperson until May 24, 2023, chairperson since May 24, 2023)	-
Jennifer Hyman	The Estée Lauder Companies Inc., USA (member of the Board of Directors)
Niklas Östberg	trivago N.V., Germany (member of the Supervisory Board)
Anders Holch Povlsen	Heartland A/S and various entities of the Heartland group (including entities in the Bestseller group and Intervare A/S and subsidiaries) as well as entities with a family connection (member of the Board of Directors)
Mariella Röhm-Kottmann (deputy chairperson since May 24, 2023)	J.Lindeberg Holding (Singapore) Pte. Ltd. and subsidiaries, Singapore (member of the Board of Directors)
	Donau Agro Invest P/S (member of the Board of Directors)
	ZF Services España, S.L., Spain (member of the Board of Directors)
Susanne Schröter-Crossan (member since May 24, 2023)	ZF India Pvt. Ltd., India (chairperson of the Board of Directors)
	Compagnie Financière de ZF SAS, France (chairperson of the Supervisory Board)
	Siltronic AG, Germany (since May 2023) (member of the Supervisory Board)
Matti Ahtiainen	HelloFresh SE, Germany (member of the Supervisory Board)
Jade Buddenberg	-
Anika Mangelmann	-

Tasks

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

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

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

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

Committees

In the fiscal year 2023, the Supervisory Board had four regular committees in accordance with its rules of procedure – the audit committee, remuneration committee, nomination committee and D&I and sustainability committee. These committees comprise at least three members each. The chairperson of each committee reports regularly to the Supervisory Board on the activities of the committee.

Audit committee

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

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

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

Members of the audit committee until May 24, 2023

Mariella Röhm-Kottmann (chairperson)

Matti Ahtiainen

Kelly Bennett

Niklas Östberg

Members of the audit committee since May 24, 2023

Mariella Röhm-Kottmann (chairperson)

Matti Ahtiainen

Susanne Schröter-Crossan

Niklas Östberg

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

The chairperson of our audit committee, Mariella Röhm-Kottmann, and the member of the audit committee, Susanne Schröter-Crossan, both have the required expertise in the area of accounting and auditing.

Mariella Röhm-Kottmann holds a degree in Economic Engineering (Diplom-Wirtschaftsingenieurin), has passed the certified German chartered accountant (Wirtschaftsprüfer) as well as the tax advisor (Steuerberater) exam and has many years of professional experience as an audit partner at one of the big four audit companies. In her current position as Senior Vice President Finance at ZF Friedrichshafen AG, she is responsible in particular for external and internal accounting, ESG reporting, the risk management and internal control system as well as global shared services for the entire group and is therefore regularly involved in a high variety of accounting and auditing topics. Mariella Röhm-Kottmann is an independent member of the Supervisory Board representing the shareholders.

Susanne Schröter-Crossan holds a degree in Business Administration (Diplom-Kauffrau). Between July 2020 and March 2023, Susanne Schröter-Crossan was Chief Financial Officer of LEG Immobilien SE, where she was responsible for Investor Relations, Finance & Controlling, Portfolio Management and Accounting & Taxes. Susanne Schröter-Crossan is a member of the Supervisory Board of HelloFresh SE since May 2021, where she is a member of

the audit committee, and since February 2024 CFO of sender Technologies GmbH. In these positions, she is regularly involved in a high variety of accounting and auditing topics.

The member of the audit committee, Matti Ahtiainen, has the requisite expertise in the area of accounting. He started his professional career as an accountant after graduating from the Helsinki School of Economics. In recent years, Matti Ahtiainen has held positions of responsibility in the finance department at various companies, where he has gained specialist knowledge and experience in the application of accounting principles and in internal controlling and risk management systems.

Remuneration committee

The remuneration committee deals with all questions related to the Management Board's remuneration. This includes in particular the responsibility for the company's remuneration system for the Management Board as well as the amount and appropriateness of the Management Board remuneration. The remuneration committee reviews the performance of the Management Board members on a regular basis. It also supports the Supervisory Board regarding the annual position planning for the two management levels below the Management Board and material changes thereto as well as the corresponding compensation framework for these positions. The remuneration committee provides recommendations as a basis for decision-making by the Supervisory Board. By resolution of the Supervisory Board on May 24, 2023, the remuneration committee was enlarged from three to four members by appointing Susanne Schröter-Crossan as additional member of the Remuneration Committee. Susanne Schröter-Crossan adds financial expertise inter alia with respect to financial KPIs as part of management board remuneration. Kelly Bennett took over the chair of the committee from Cristina Stenbeck. He is an independent member of the Supervisory Board representing the shareholders.

Members of the remuneration committee until May 24, 2023

Cristina Stenbeck (chairperson)

Anika Mangelmann

Anders Holch Povlsen

Members of the remuneration committee since May 24, 2023

Kelly Bennett (chairperson)

Anika Mangelmann

Anders Holch Povlsen

Susanne Schröter-Crossan

Nomination committee

The nomination committee is exclusively composed of shareholder representatives. It prepares the proposals of the Supervisory Board to the annual general meeting regarding the election of Supervisory Board members, taking into account the specific targets of the Supervisory Board regarding its composition. On the basis of a target profile, the nomination committee creates a shortlist of available candidates with whom it conducts structured interviews. In these interviews it seeks to determine whether the candidate in question is suitable and will have sufficient time available to perform the duties on the Supervisory Board with due care. It then recommends a candidate to the Supervisory Board for its approval including an explanation of its recommendation. Furthermore, the nomination committee reviews intended sideline activities of the members of the Management including board mandates and issues the required approval. Kelly Bennett has served as chairperson of the nomination committee during the full reporting period.

Members of the nomination committee until May 24, 2023

Kelly Bennett (chairperson)

Anders Holch Povlsen

Cristina Stenbeck

Members of the nomination committee since May 24, 2023

Kelly Bennett (chairperson)

Anders Holch Povlsen

Niklas Östberg

D&I and sustainability committee

Our D&I and sustainability committee supports the Management Board and Supervisory Board in measures related to Diversity & Inclusion as well as sustainability and to ensure the close involvement of the Supervisory Board in these areas.

This committee deals with the diversity & inclusion strategy as well as the sustainability strategy of the company and supports the Supervisory Board and its committees in its engagement with their implementation and the related reporting. In addition to this, it supports the remuneration committee in preparation for setting the ESG targets for the remuneration of the Management Board. By resolution of the Supervisory Board on May 24, 2023, the D&I and sustainability committee was enlarged from three to four members. Mariella Röhm-Kottmann was appointed as an additional member adding her distinct expertise and experience related to ESG reporting whose importance and complexity is continuously increasing. Susanne Schröter-Crossan took over the chair of the committee from Kelly Bennett.

Members of the D&I and sustainability committee until May 24, 2023

Kelly Bennett (chairperson)

Jade Buddenberg

Jennifer Hyman

Members of the D&I and sustainability committee since May 24, 2023

Susanne Schröter-Crossan (chairperson)

Jade Buddenberg

Jennifer Hyman

Mariella Röhm-Kottmann

Trainings

We believe that good corporate governance requires a high level of awareness for the statutory requirements. The Supervisory Board members take responsibility for undertaking any training or professional development measures necessary for the performance of their duties and are supported in this by the company. New members of the Supervisory Board are supported with an onboarding training which includes topics like the tasks, rights and duties of the Supervisory Board, the internal organization and the tasks of the committees of the Supervisory Board, conflicts of interest and directors' dealings as well as insights into our business model. In the fiscal year 2023, Cristina Stenbeck as chairperson of the Supervisory Board at the time as well as Kelly Bennett as her successor were briefed concerning the annual governance roadshow which took place at the beginning of the year to discuss governance related topics with institutional investors. Furthermore, the General Counsel conducted a training with Kelly Bennett on his role as chairperson of the Supervisory Board and the associated rights and duties. Mariella Röhm-Kottmann received a legal training on chairing the annual general meeting. Upon her election, Susanne Schröter-Crossan received our onboarding training for Supervisory Board members.

Self-Assessment

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

In December 2023, a questionnaire was sent to the Supervisory Board members to monitor the level of efficiency in a self-assessment. The questionnaire focuses on the supply of information to the Supervisory Board, the structure and efficiency of meetings, the setup and procedures of the Supervisory Board's committees, the structure of the Supervisory Board, its succession planning as well as the level of information on specific focus topics the Supervisory Board has been involved with. No noteworthy shortcomings were identified in the self-assessment.

Conflicts of interest

Each member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board, particularly those that might arise as a result of an advisory or committee function at customers, suppliers, creditors, borrowers or other third parties. If a member of the Supervisory Board has a significant, non-temporary conflict of interest, that member should resign from office.

Remuneration

The remuneration report for the fiscal year 2023, the opinion of the auditor pursuant to Section 162 German Stock Corporation Act and the latest resolution of the general meeting regarding the remuneration of the Supervisory Board pursuant to Section 113 German Stock Corporation Act are published on our [corporate website](#). The remuneration report for the fiscal year 2023 is included in this annual report.

2.5.6 Target of female representation on the Supervisory Board, the Management Board and on management levels below the Management Board according to Sections 76 (4), 111 (5) AktG

We attach great importance to Diversity & Inclusion throughout Zalando and we are convinced that only a diverse and inclusive culture will ensure that we have the best talent on board and can truly serve our customer base.

We aim for a balanced gender representation in our leadership positions. Balanced representation is defined as a 40/60/*⁶⁹ corridor where Zalando aims for women and men to reach a representation between 40–60% on the Supervisory Board and Management Board. As of December 31, 2023, 55.6% of women are represented on the Supervisory Board, and 40% of women are represented on the Management Board. We reached the target on both levels and have renewed our commitment to continue aiming for a balanced gender representation within the 40–60% corridor by December 31, 2027.

For leadership levels below the Management Board, Zalando's commitment is defined as 40-60% corridor for each leadership level by December 31, 2023. As of December 31, 2023, for the four management levels below the Management Board, the representation of women is as follows:

- 36.4% at the first management level below the Management Board (SVPs),
- 40.0% at the second management level below the Management Board (VPs),
- 33.9% at the third management level below the Management Board (Directors) and
- 35.6% at the fourth management level below the Management Board (Heads).

We reached the target of 40% on the second level below the Management Board, but we did not reach the target set for each of the management levels, due to a challenging economic environment, recognized by lower hiring rates.

⁶⁹ The * acknowledges explicitly non-binary genders and Zalando is committed to actively including candidates who identify as non-binary.

We have renewed our commitment for a balanced gender representation for the leadership levels below the Management Board, defined as a 40/60/* corridor. We continue for women and men representation to reach 40-60% by December 31, 2025. Thereafter, we aim to extend the target by an additional management level (Senior Team Lead) to increase or maintain the proportion of at least 40-60% women until the end of December 31, 2027.

2.5.7 Annual general meeting and Investor Relations

Our shareholders can exercise their rights at the annual general meeting that takes place within the first six months of a business year. Every shareholder is entitled to attend the annual general meeting, to speak on items on the agenda and to ask relevant questions and propose relevant motions. Each share has one vote. The annual general meeting held on May 24, 2023 authorized the Management Board of the company to make provision for a virtual general meeting for a period of two years after the registration of the new provision § 16a of the Articles of Association in the commercial register. The annual general meeting decides in particular on the appropriation of distributable profit, the discharge of the Management Board and the Supervisory Board, the election of Supervisory Board members and the appointment of the auditor. In addition, it decides on all amendments of the articles of association. The general meeting generally adopts advisory resolutions on the approval of the remuneration system for the Management Board members prepared by the Supervisory Board, on the actual remuneration of the Supervisory Board, as well as proposing resolutions on the approval of the remuneration report for the preceding financial year. The Management Board presents to the annual general meeting the annual financial statements and the consolidated financial statements of Zalando SE, together with the combined management report.

The next annual general meeting will take place on May 17, 2024 as a virtual meeting. The convocation and all relevant documents will be published on our [corporate website](#).

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

2.5.8 Corporate governance practices

Zalando's Corporate Compliance Team is responsible for monitoring, managing, documenting and reporting on compliance risks deriving from breaches of the law, group policies and ethical standards in business on a group-wide level. Our compliance management system encompasses policy management, a help desk function, whistleblowing management (including internal investigations where required), business partner due diligence and compliance-related training. Within the reporting period, the Compliance team's scope was widened insofar as the team now also conducts the risk assessment and minimization in the area of business-partner facing Compliance. With that, legal and ethical risks covered by our Code of Ethics and Code of Conduct, including related internal policies, are now centrally managed within the Corporate Governance unit.

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

The Zalando Code of Ethics outlines the standards to which we as a company adhere. Based on fundamental values of honesty, respect, trust, and fairness, the code forms the basic guideline of our work-related interactions. It sets mandatory standards and clear expectations for professional, ethical, and responsible behavior. Our Code of Ethics requires all employees to follow the law and also sets our expectations with regard to Diversity & Inclusion, respectful behavior and avoidance of conflicts of interest. Fostering a speak-up culture so that employees actively participate and raise concerns or report potential compliance breaches is an essential part of Zalando's culture. This expectation is complemented by the promise to protect all those who report an incident in good faith from negative consequences. The Code of Ethics has been communicated to all employees in various languages and is available on our corporate website. It also stipulates the obligation for all employees to comply with our data protection standards, as set out in internal policies, principles and guidelines. Protecting personal data, as well as collecting, processing, and using the data in accordance with the law is fundamental to Zalando because it is essential not just for our employee and partner-related data but especially for our customers and their trust in our products and services. This customer trust is the basis for long-term customer relationships. Therefore, Zalando ensures regular employee privacy training and has designed actionable privacy principles to create awareness and guardrails for privacy compliant business design and conduct. For our employees we have a dedicated online resource with guidance on how Zalando handles employee data and sets out rights employees have in relation to personal data they share with Zalando. Specialized privacy roles are trained to support all business divisions with guidelines and standards to ensure companywide proper safeguards are implemented. Zalando is regulated under European and national data protection regulations and we closely monitor changes in legislation in order to properly adopt regulatory requirements.

In the reporting period, we successfully continued and widened up our concept of having local enablers outside the headquarters to serve as multipliers for Compliance topics as well as be an additional, local contact point to the centralized compliance team. This ensures a better understanding of local challenges and helps driving well informed solutions by removing (potential) barriers when seeking for compliance assistance.

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

Zalando carries out business partner due diligence reviews (sanction list screening and compliance database and adverse media checks, followed by an in-depth review carried out by the Compliance Team if any findings are made) for defined groups of business partners and in cases where potential compliance risks are apparent.

Our compliance training entails our Code of Ethics, Code of Conduct and group policies, including anti-corruption related policies such as our group policy benefits, gifts, events & expenses. We train colleagues with leadership responsibility in person, respectively via video chat solutions. In the training sessions we discuss in detail all questions related to the relevant topics. We aim for a high level of knowledge of our leaders in particular about our internal guidelines as these colleagues with leadership responsibility should be role models. Employees without leadership responsibility are made aware of our compliance relevant regulations via e-learning courses. The e-learning courses are mandatory for all employees who have a Zalando email address (except for defined roles with low compliance risks in logistics and stores). Each mandatory training course is followed by mandatory refresher courses every other year. Employees receive an automatic reminder to fulfill their training obligations. If the employees do not fulfill their obligations, the lead will be informed and reminded repeatedly until the training is completed.

In the reporting period, 23 compliance basics face-to-face training courses (including Compliance AmbaZador onboarding) were carried out, compared to 46 in 2022. The reduction of our training offer originates from the switch to web-based trainings as default solution, allowing for a bigger number of overall participants per meeting. 3,919 employees completed the compliance basics e-learning courses (2022: 4,988), among them 2,021 employees of Zalando SE (2022: 2,785).

Various communication channels are available to facilitate the reporting of presumed compliance infringements to the Compliance Team. They can inter alia be reported – in various languages – via a whistleblowing tool from a third-party provider, on an anonymous basis if preferred. The anonymous and protected reporting channel is available to employees as well as third parties (further details can be found in the section "People" of the combined non-financial declaration). Reported cases which qualify as a potential compliance violation are managed by the Compliance Team; if a reported scenario qualifies as a potential serious case, a compliance panel takes over decision making about consequences. The panel consists of senior executives and our Chief People Officer.

Information on detected compliance infringements, important updates of processes or policies are reported to the Management Board and the audit committee of the Supervisory Board at least on a quarterly basis. Additionally, the latter receives information about training participation rates.

Suggestions of the German Corporate Governance Code

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

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