

2.8 Sustainability statement

2.8.1 General information

Basis for preparation

This combined non-financial declaration (hereinafter also referred to as “sustainability statement”) has been prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 (hereinafter the “EU Taxonomy Regulation”) as well as to meet the requirements of Sections 315b and 315c of the German Commercial Code [Handelsgesetzbuch, HGB] for a group non-financial declaration and Sections 289b to 289e HGB for a non-financial declaration of Zalando SE. The combined non-financial declaration relates to the period from 1 January to 31 December 2024.

In accordance with Sections 289b and 315b HGB, Zalando SE as the parent company has to prepare a non-financial (group) declaration for Zalando SE and the Zalando group. The following contents represent the combined non-financial declaration for the financial year 2024 for Zalando SE and the Zalando group (hereinafter “Zalando”). In accordance with Section 289d HGB, the group non-financial declaration was prepared on the basis of the European Sustainability Reporting Standards (ESRS) as a framework. As all the aspects described apply equally to Zalando SE and the group, there was no separate application of a framework with regards to Section 289d HGB for the parent company.

The content of this statement is based on the results of a 2024 Double Materiality Assessment (DMA) performed in accordance with the requirements set out in the CSRD and ESRS, and includes topics that are relevant to our stakeholders or required by the national regulations which Zalando follows. The sustainability statement therefore contains disclosures on environmental matters, employee matters, social matters, respect for human rights, and anti-corruption and bribery matters. We also comply with the disclosure requirements of the EU Taxonomy Regulation.

Overview HGB matters and ESRS topics

| HGB matter | ESRS topic |
|-------------------------------------|---|
| Environmental matters | ESRS E1 Climate change ESRS E2 Pollution ESRS E3 Water resources ESRS E5 Resource use and circular economy |
| Employee matters | ESRS S1 Own workforce ESRS S2 Workers in the value chain |
| Social matters | ESRS S4 Consumers and end-users |
| Respect for human rights | ESRS S1 Own workforce ESRS S2 Workers in the value chain |
| Anti-corruption and bribery matters | ESRS G1 Business conduct General disclosures: GOV-1 |
| Additional | Innovation and partnerships |

This sustainability statement has been prepared on a consolidated basis and according to the same principles as the financial statements. Thus, the consolidated quantitative Environmental, Social and Governance (ESG) data comprises the parent company Zalando SE and subsidiaries controlled by Zalando SE. The number of subsidiaries included in the basis of consolidation is 58 in financial year 2024 (prior year: 58). Associates and joint ventures are not included in the consolidated ESG metrics. The consolidation of all quantitative ESG metrics follows the principles outlined above, unless otherwise specified in the sustainability-related accounting policies described next to each reported metric in sections E, S and G.

We actively manage impacts, risks and opportunities (IROs) identified through our activities, and we adjust our group strategy on a regular basis to reflect our priorities and economic, financial and regulatory conditions. As a general principle, our policies, actions, and targets are applicable across the Zalando group. In cases where a policy, action or target pertains only to a particular activity or business unit or where certain activities or business units are excluded, this is clearly outlined in the sustainability statement.

This sustainability statement covers the upstream and downstream value chain as follows:

- Upstream value chain: raw material sourcing, manufacturing and production (we do not own any manufacturing or production facilities), packaging suppliers and brand partners.
- Downstream value chain: logistics and transportation, customer use phase (customers include anyone purchasing products from our websites and outlets), end-of-life and circularity, customer engagement and platform partners.

The scope of our DMA concerning our upstream and/or downstream value chain is detailed in the Impacts, risks and opportunities section below. The extent to which policies, actions, targets and metrics incorporate value chain information is detailed in the relevant disclosure requirements. The identified metrics, the basis for preparation, the resulting level of accuracy and the planned actions to improve accuracy in the future are specified in the sustainability-related accounting policy described next to each reported metric.

We use assessments and estimates for the reporting of some metrics. For example, we rely on industry averages or estimates for some scope 3 emissions categories due to challenges concerning data availability. Visibility into Tier 2 and Tier 4 suppliers is still developing across the whole fashion industry. Customer use phase impacts are estimated based on available research. For the outcome uncertainty of each metric, we disclose the sources of the estimates contributing to the uncertainty. We regularly reassess our use of estimates and judgements based on experience, the development of ESG reporting as well as on a number of other factors. Besides the limited assurance engagement conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, the metrics were not additionally validated by any external body.

We did not use the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

References to additional information in other parts of the management report, the financial statements and notes demonstrate the interconnectivity between sustainability reporting and

financial reporting. If mandatory information is fulfilled through a statement in other parts of the management report, this is marked as “Incorporation by reference”.

In accordance with transitional provisions in the ESRS:

- Certain information related to our value chain is omitted in cases where no data with satisfactory integrity was available at the time of reporting. This applies to ESRS S2, as we currently do not have information at that level of detail and we only have limited data on individual groups of workers across our entire value chain. Due to the complexity of the fashion supply chain, we have so far focused on information-gathering via (local) organisations and multi-stakeholder initiatives. They provide us with insights into groups of workers that are specifically risk-exposed to certain types of legal violations by industry actions to help us carry out due diligence. While such assessments lack a connection to individual entities and/or workers, they are useful in helping us identify material risks. Our ambition is to improve over time our understanding of how workers in our value chain are materially impacted by our business.
- We do not provide comparative data for the first year of preparing the sustainability statement, except in cases where data has been disclosed in our capital market communication in previous years and is comparable, meaning it aligns in terms of scope and methodology with the current year's figures. These comparative figures are included alongside the annual data.

In line with the signed purchase agreements with Otto GmbH & Co KG and with Aktieselskabet af and the statement of intent made on 11 December 2024, on 20 January 2025 we submitted a voluntary public takeover offer to the shareholders of ABOUT YOU Holding SE, Hamburg (ABOUT YOU), to acquire up to 100% of its share capital. As of the date of authorisation for issue of this report, the closing of our acquisition of ABOUT YOU shares via our public takeover offer and these two purchase agreements remains subject to anti-trust and supervisory approval. For additional information, please refer to section 3.5.8 (11.) Subsequent events in the notes to the consolidated financial statements. The anticipated acquisition of ABOUT YOU is expected to impact our future sustainability statement.

Governance

Role of the administrative, management and supervisory bodies

Zalando is organised as a European stock corporation with its registered office in Berlin, Germany. In accordance with the applicable German and European stock corporation law, we have a two-tier board system with a management board and a supervisory board.

The management of Zalando is exclusively assigned to our management board. As of 31 December 2024, our management board comprised five members: Robert Gentz (co-CEO and co-founder), David Schröder (co-CEO), Dr Sandra Dembeck (CFO), David Schneider (co-founder, strategic partnerships) and Dr Astrid Arndt (CPO, corporate functions).

The supervisory board appoints our management board members, ensuring they possess the requisite knowledge, skills and professional expertise. While the primary criterion shall be the member's qualification and Zalando's specific needs, our supervisory board emphasises the importance of diversity. Diversity is understood in a broad sense as the combination of individual identities and experiences, including gender, nationality, ethnicity, life experiences and backgrounds (e.g. social or academic background). Our supervisory board strives to adequately consider the various fields of core competences pertinent to our business model. The management board as a whole should have appropriate management experience and should, if possible, have knowledge and balanced experience based on different training and professional backgrounds, particularly in the fashion, technology and e-commerce industries, along with international experience. In addition, our management board should collectively possess, if possible, several years of experience in strategy, finance and personnel management, and members should not be older than 65 years when elected. Our supervisory board aims for balanced gender representation on the management board. As of 31 December 2024, 40 % of the management board were female which aligns with our gender goal of 40–60 %. For further information, please refer to [ESRS S1 Own workforce](#) in the section 2.8.3 Social information.

Our management board possesses an array of skills and expertise essential for addressing Zalando's key material IROs related to sustainability. Specifically, Robert Gentz oversees the overall Zalando strategy with a particular focus on expanding our B2C growth vector to build the go-to destination for quality fashion and lifestyle shopping as well as inspiration. David Schröder shares responsibility for our strategy, with a focus on building the B2B operating system that enables e-commerce across Europe, both on and off our platform, and further developing our unique capabilities and infrastructure. David Schneider focuses on building group-wide strategic partnerships across our B2C and B2B ambitions. Dr Sandra Dembeck leads the Finance and Corporate Governance teams. Dr Astrid Arndt leads the People & Organisation (P&O) and Corporate Affairs teams, building a diverse and inclusive culture, and also strengthens the corporate functions to enable the effective execution of our ecosystem strategy. Their collective expertise and competencies are crucial for implementing our net-zero ambition for greenhouse gas (GHG) emissions, advancing decent work practices in the supply chain, expanding circular economy initiatives, integrating sustainability topics into the customer experience and ensuring compliance with evolving sustainability regulations. By aligning these diverse skills with our material IROs, we are well positioned to execute our

sustainability strategy as part of our group strategy, to drive innovation and to create long-term value for all stakeholders.

Our supervisory board is responsible for overseeing and advising the management board. The supervisory board consists of nine members: six shareholder representatives and three employee representatives.

Our supervisory board endeavours to maintain a composition that aligns with the specific requirements of Zalando, thereby ensuring competent and professional oversight and advisory support for the management board. Each member shall possess the requisite knowledge, skills and experience to discharge their duties effectively and ensure that sufficient time is dedicated to perform their associated 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 competences 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 we operate. At least one member must have expertise in the field of accounting and at least one in auditing. The supervisory board also considers further core competences of its members in our present and future business models. While qualification shall still be the decisive criterion, our supervisory board strives to adequately consider our international character and places significant emphasis on diversity, especially in professional experience and expertise, cultural and educational background as well as age. The supervisory board shall include a minimum of two international members and strives for balanced gender representation. As of 31 December 2024, the female representation on the supervisory board was 55.6%. A supervisory board member should not exceed 70 years of age when elected.

Supervisory board members shall not be members of governing bodies of, or exercise advisory functions at, significant online platform competitors of Zalando. No more than two former members of the management board shall be members of the supervisory board.

Furthermore, at least four shareholder representatives on the supervisory board shall be independent from Zalando and its management board as defined in recommendation C.7 of the German Corporate Governance Code, and at least two shareholder representatives shall be independent from a controlling shareholder, if any, as defined in recommendation C.9 of the German Corporate Governance Code. The supervisory board considers this to be an adequate number of independent shareholder representatives. As of 31 December 2024, five of the six shareholder representatives (83%) are considered independent. The supervisory board is of the opinion that the current composition of our supervisory board aligns with its established composition targets.

Our supervisory board assembles a diverse set of expertise essential for addressing our sustainability challenges and opportunities. The supervisory board members have expertise and experience in domains such as circular fashion, digital commerce, supply chain management, the social and environmental impact of fashion retail, ESG reporting as well as the scaling of ESG-related business practices. This collective expertise enables us to integrate sustainability into our digital platform, expand circular economy initiatives, address logistics

emissions, transition to more sustainable product offerings, integrate sustainability into financial planning and leverage sustainability as a competitive advantage while supporting brands in becoming more sustainable. In the current reporting period, the members of the supervisory board received a training on sustainability reporting and CSRD.

The table below shows the profile of skills and expertise of our supervisory board as well as an evaluation of the independence of the shareholder representatives:

Composition of the supervisory board

| Name of supervisory board member | Nationality | Profession | Profile of skills and expertise | | | | | | Independence |
|----------------------------------|-------------|--|---------------------------------|---------|----------|-------------|------------|----------------|--------------|
| | | | Industry | Finance | Strategy | Supervision | Innovation | Sustainability | |
| Kelly Bennett | Canadian | Chairperson of the supervisory board 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 | CFO of Sunlight Group Energy Storage Systems Industrial and Commercial Société Anonyme | | ✓* | | ✓ | | ✓ | ✓ |
| Susanne Schröter-Crossan | German | CFO of sennder Technologies GmbH | | ✓* | | ✓ | | ✓ | ✓ |
| Matti Ahtainen | 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.

More detailed information on the composition and responsibilities of the management board and supervisory board can be found in section [2.5 Corporate governance statement](#) of our combined management report.

Information on sustainability matters addressed by Zalando's governance bodies

In 2023, the Sustainability team and the Diversity and Inclusion (D&I) team merged to form a centralised Sustainability and D&I (SDI) team within the Corporate Development department, with the aim of integrating both into our group strategy. The team is now led by Senior Vice President (SVP) Corporate Development, who reports directly to management board member and co-CEO Robert Gentz. The SDI team establishes the overarching direction, and together with embedded teams located across the business, from sustainability in logistics to product sustainability, drives progress towards the strategic goals. These efforts are particularly

supported by three governance bodies: Zalando Senior Executive team (consisting of SVPs), the management board and the D&I and sustainability committee of the supervisory board.

The SVPs translate strategic ambitions into annual goals and oversee the IROs. In 2024, SDI goals and ambitions were owned at the following levels:

- CPO — goals for the P&O part of the organisation.
- SVP — goals and ambitions related to SDI, net zero for GHG-emissions, decent work.

SVPs are informed monthly about goals and project progress and hold monthly meetings with co-CEO David Schröder to strategise on advancing sustainability objectives. This process is led by the Finance team and incorporates SDI goals and projects. The goals' owners are responsible for ensuring the delivery of the target. They address project setup challenges and are kept informed of the team's capabilities through their direct reports. This enables them to assess whether the skill sets within the project teams align with the intended SDI impacts. Based on this evaluation, they can determine whether the existing expertise is adequate or whether additional specialists are needed to enhance the project's effectiveness.

The second governance body is our management board who is responsible for the overall Zalando group strategy, including SDI ambitions. They attend the monthly meetings mentioned above once a quarter. Additionally, they receive quarterly reports from the Finance team that include updates on SDI ambitions and conduct biannual progress reviews with detailed evaluations of achievements and future plans. The biannual progress review for SDI is conducted with Robert Gentz (co-CEO).

The D&I and sustainability committee supports the management board and supervisory board in planning the strategic framework for all group-wide SDI measures. The committee conducts six-monthly steering reviews to contribute to the development of these strategies.

In 2024, we updated our group strategy which was formally approved by the management board. This process involved discussing several IROs, particularly those related to our net-zero ambition (carbon emissions and reductions, and the role of circularity and material substitution) and decent work (with a focus on workers in the value chain). In order to embed these topics into our strategy, the related IROs were integrated into the relevant discussions taking place in the organisation's three governance bodies.

Integration of sustainability-related performance in incentive schemes

We have a remuneration system for our management board members that integrates sustainability matters. This integration is a part of the commitment to sustainable corporate governance, aligning executive compensation with long-term value creation that includes ESG targets. The remuneration system was updated in 2024 and applies to all service agreements with our management board members that were concluded after 18 May 2024. The service agreements with our management board members that were in place at the beginning of the reporting year were concluded under the previous remuneration system from the year 2021, and also contained sustainability-related targets which are described in detail in our [1.3 Remuneration report](#), table "Remuneration structure based on the remuneration system 2021" (incorporation by reference: ESRS 2 GOV-3 paragraph 29).

Subsequently, all service agreements with our management board members have been moved from the previous remuneration system to the current remuneration system. During the financial year 2024, the service agreement with our management board member Dr Astrid Arndt (CPO) was renewed for another four-year term. The service agreements with our management board members David Schröder (co-CEO) and David Schneider (co-founder) were moved to the new remuneration system in connection with the change in their roles within our management board. The service agreement with our co-founder and co-CEO Robert Gentz was also changed to the current remuneration system with legal effect as of 1 January 2025. The service agreement with our former CFO Dr Sandra Dembeck, as the last remaining service agreement under the previous remuneration system, expired on 28 February 2025 and was not renewed as Dr Sandra Dembeck had decided to leave our management board after the completion of her regular term of office. For more details on Zalando's previous and current remuneration system and its links with ESG targets as well as the sustainability-related performance targets in the service agreements with our management board members, please refer to the corresponding description in our [1.3 Remuneration report](#).

The key characteristics of Zalando's incentive schemes for the management board include a mix of financial performance targets and ESG performance targets. The target total remuneration of the updated remuneration system is composed as follows: the fixed remuneration represents between around 10% to around 30% of the target total remuneration; it consists of the fixed salary and fringe benefits (the latter in the amount of up to around 1% of the target total remuneration). The Zalando Growth Incentive 2024 (ZGI) represents between around 10% to around 30% and the Rolling Long-Term Incentive 2024 (LTI) corresponds to around 60% of the target total remuneration.

The LTI is a long-term incentive plan under which virtual options are granted to members of the management board. Options under the LTI are granted on a yearly basis with a performance period of three years. During the performance period, certain financial and ESG targets need to be achieved. The ESG targets include goals such as reducing carbon emissions and increasing D&I at Zalando.

Specific ESG-related targets are defined by the supervisory board for each performance period under the LTI. The ESG targets need to be ambitious, measurable and transparent, and based on Zalando's ESG strategies that are applicable at the time.

As described above, our management board members David Schröder, David Schneider and Dr Astrid Arndt concluded service agreements with Zalando under the new remuneration system for the management board in the reporting year 2024. Accordingly, these three management board members were granted virtual options under the LTI that included the following specific ESG targets:

- **Sustainability:** 1) Reduction of scope 1 and 2 GHG emissions by 5% annually until the end of the performance period (against a baseline of the financial year 2022) (25% weighting) and 2) Reduction of scope 3 GHG emissions by 3% annually until the end of the performance period (against a baseline of the financial year 2022) (weighting 25%). These targets are in line with our net-zero ambition. For more information, please refer to

Targets related to climate change mitigation and adaptation in section 2.8.2

Environmental information.

- **D&I:** Achieving a share of 40–60% women in Zalando's four top leadership levels below the management board (weighting 50%). This target is in line with our women in leadership target. For more information please refer to Targets related to own workforce in section 2.8.3 Social information.

The ESG-related performance metrics are considered in the form of ESG modifiers that adjust the number of exercisable options under the LTI by a factor of 0.8 to 1.2, and hence have a direct impact on the total variable remuneration outcomes. The percentage of variable remuneration that depends on ESG-related targets can vary. On the basis of 60% of the target total remuneration being in the form of LTI, the total target remuneration would increase by a total of 12% if all ESG criteria were fully met. Given that not achieving the ESG targets could also result in a malus, up to 24% of the target total remuneration could be impacted by outcomes of the ESG targets (assuming 100% financial target achievement). Taking into account that the sustainability (GHG emissions reduction) targets are weighted with 50% in the ESG modifiers for the virtual options granted to the management board members under the LTI in the financial year 2024, 12% of the total target remuneration could be impacted by the outcome of the ESG targets that include GHG emissions performance targets. The proportion of the variable remuneration dependent on ESG targets that is recognised in our consolidated income statement is 13.4% in the financial year 2024. Of this, 6.7% relates to sustainability targets and 6.7% to D&I targets.

The terms of the incentive schemes, including the sustainability-related targets, are approved by the supervisory board. The supervisory board is responsible for setting ambitious financial and ESG performance targets. The supervisory board also reviews and adjusts these targets as necessary to align with our strategic objectives and sustainability commitments. These disclosures reflect our comprehensive approach to integrating sustainability into its executive compensation frameworks, ensuring that leadership is incentivised to meet both financial and ESG goals.

The members of our supervisory board receive a purely function-related fixed remuneration in accordance with G.18 of the German Corporate Governance Code. No performance-related remuneration or financial or non-financial performance criteria are provided for. For further details please refer to our 1.3 Remuneration report.

Statement on due diligence

The following table shows how and where the application of the main aspects and steps of the due diligence process are reflected in our sustainability statement:

Statement on due diligence

| Core elements of due diligence | Description | Paragraphs in the Sustainability Statement | Reference |
|--|--|--|---------------------|
| a) Embedding due diligence in governance, strategy and the business model | Details the structure and responsibilities of Zalando's management and supervisory boards, including their role in overseeing sustainability matters. Describes how these bodies are informed about and address sustainability issues. Outlines Zalando's strategy, business model and value chain, including how sustainability is integrated into these elements. | ESRS 2 GOV-1: Role of the administrative, management and supervisory bodies | 4 |
| | | ESRS 2 GOV-2: Information on sustainability matters addressed by Zalando's governance bodies | 6 |
| | | SBM-1: Strategy, business model and value chain | 12 |
| b) Engaging with affected stakeholders in all key steps of the due diligence | Explains how Zalando engages with various stakeholder groups, including customers, brand partners, suppliers, employees, investors, and local communities. Describes specific processes for engaging with employees, such as surveys and feedback mechanisms. Outlines engagement with workers in the value chain, including collaborations with organisations like the International Labour Organization (ILO) BetterWork and the Fair Wear Foundation (FWF). | SBM-2: Interests and views of stakeholders | 15 |
| | | S1-2: Process for engaging with own workforce | 87 |
| | | S1-3: Processes to raise concerns | 88 |
| | | S2-2/3: Workers in the value chain engagement: Impacts, concerns, and remediation channels | 95 |
| c) Identifying and assessing adverse impacts | Details Zalando's DMA process, including how IROs are identified and prioritised. Provides an overview of the material IROs identified, including their time horizons and levels of responsibility. | IRO-1: Identification and assessment of material IROs | 18 |
| | | SBM-3: Material IROs and their interaction with strategy and business model | 25 |
| d) Taking action to address these adverse impacts | Describes specific actions taken to address impacts related to Zalando's employees, such as implementing working time management systems and disability inclusion initiatives. Outlines actions taken to address impacts in the value chain, including joining the FWF and membership in industry associations. | E1-3: Actions and resources related to climate change policies | 48 |
| | | E2-2: Actions and resources related to pollution | 61 |
| | | E5-2: Actions and resources related to resource use and circular economy | 67 |
| | | S1-4: Actions and resources related to own workforce | 88 |
| | | S2-4: Actions and resources related to workers in the value chain | 97 |
| | | G1-3: Prevention and detection of corruption and bribery | 116 |
| | | | |
| e) Tracking the effectiveness of these efforts and communicating how impacts are addressed | Explains how Zalando uses metrics to evaluate performance and effectiveness in relation to material sustainability matters. Describes how targets are used to track the effectiveness of policies and actions, including the process for setting and monitoring these targets. | E1-4: Targets related to climate change mitigation and adaptation | 51 |
| | | E1-5: Energy consumption and mix | 54 |
| | | E1-6: Gross scopes 1, 2, 3 and total GHG emissions | 56 |
| | | E3-4: Metrics for our water consumption | 63 |
| | | E5-3: Targets related to resource use and circular economy | 69 |
| | | E5-4: Resource inflows | 70 |
| | | E5-5: Resource outflows | 72 |
| | | S1-5: Targets related to own workforce | 91 |
| | | S1-11: Social protection | 81 |
| | | S1-14: Health and safety metrics | 83 |
| | | S1-15: Work-life balance metrics | 82 |
| | | S1-17: Incidents, complaints and severe human rights impacts | 86 |
| | | G1-4: Incidents of corruption and bribery | 117 |

Risk management and internal controls over sustainability reporting

Given the first-time application of ESRS, we have set up a dedicated project in order to prepare underlying assessments, structures and processes that enable us to implement the requirements of the ESRS and report on our sustainability matters. The governance mechanisms for reporting on project progress, next steps and any critical issues included weekly updates to project sponsors through the Zalando Group Portfolio management process, monthly meetings with CSRD steering committee, and quarterly updates to the audit committee of the supervisory board. Moreover, following the newly-established SDI and our governance structures, as outlined in the "Information on sustainability matters addressed by Zalando's governance bodies" section above, a monthly update to the SVP Corporate Development was provided as part of the goal review process specifically for the project's progress and next steps. Finally, a project update was provided on a monthly basis to the SDI team and key collaborators through our SDI portfolio reporting.

The following risks were identified during the project phase:

- **Resource constraints:** Processes have been established to mitigate potential resourcing challenges related to recruitment. These measures aim to ensure that the project is adequately supported throughout its life cycle.
- **Interpretation ambiguity:** Interpreting the ESRS presents a significant level of ambiguity, particularly concerning their implementation for Zalando. To address this, the CSRD project team initiated early communication with the auditors to align on project milestones and interpretations, ensuring clarity.
- **Technical risks:** The first-time implementation and assurance of ESRS metrics introduces risks related to auditor observations that may necessitate changes to metric definitions or their implementation. To mitigate this, the CSRD project team has proactively engaged with the auditors to clarify areas of ambiguity and has ensured that key requirements on metric methodologies are reviewed before year-end procedures.

By addressing these risks through strategic processes and open dialogue with the auditors, the CSRD project team has aimed to enhance project stability and its compliance. Throughout the preparation of our sustainability statement, we also conducted several internal review rounds to gather comprehensive feedback, incorporating insights from SVPs, Vice Presidents (VPs), the steering committee and the management board.

In 2024, we launched a project to update the existing internal control system (ICS) for non-financial information and extend it to new processes to control risks related to the sustainability statement metrics. The ICS identifies, assesses and manages operational risks affecting the content and presentation of our sustainability statement through preventive, monitoring and detective controls and validation steps. Our ICS is integrated into various processes that significantly influence non-financial reporting. For more general information on our ICS, please refer to section [2.3.2 Internal control systems](#) of our Risk and opportunities report.

Strategy

Strategy, business model and value chain

Group strategy

In line with our updated group strategy, we have expanded our capabilities around two sets of customers: B2C (business-to-consumer) and B2B (business-to-business). Our vision is to build the leading pan-European ecosystem for fashion and lifestyle e-commerce around these two growth sectors by leveraging best-in-class e-commerce platform capabilities developed over the past 16 years. For more detailed information, please refer to our group segments in the section [2.1.2 Group structure](#) and our group strategy in section [2.1.3 Group strategy](#) of the combined management report.

Zalando's average number of salaried employees (excluding apprentices and working students) was 15,309 in financial year 2024 (prior year: 15,793). For more information about our own workforce, please refer to [ESRS S1 Own workforce](#) in section 2.8.3 Social information. The total revenue of Zalando according to IAS 1.82(a) amounts of 10,572.5m EUR, as disclosed in our 2024 consolidated financial statements and under section [3.5.7 \(1.\) Revenue](#) in the notes to the consolidated financial statements.

Creating value through sustainability and D&I

In 2023, we completed the do.MORE strategy cycle, in which we made significant progress on carbon reduction, human rights and circularity. The progress we have made, challenges we have faced and lessons we have learned over the past years have served as the basis for planning the next steps on our journey to further empower our organisation and our partners to drive change in our industry and beyond.

In addition to our do.MORE strategy, we strive to ensure our company and culture reflect the rich diversity of our customers. In our 2021 do.BETTER strategy, we therefore set out our plans to build a workplace where respect and inclusive behaviour are second nature. At the same time, we set out to create an inclusive assortment and representative content for our customers. Our do.BETTER strategy is divided into four pillars of talents, leadership, customers and partners. Each pillar holds equal importance for our growth, learning and impact. With our do.BETTER strategy, we set 12 D&I ambitions and targets around these four pillars and work towards these. We strive to create an inclusive workplace for our talents, accelerate leadership accountability and diversity, provide inclusive experiences and content for our customers, and foster D&I in the wider fashion industry together with our partners. The do.BETTER strategy cycle concluded at the end of 2024, with an update scheduled for 2025.

Strategy update

Sustainability and D&I are core elements of our updated strategy, integrated across all business models to create a competitive advantage. This represents an evolution from our previous do.MORE strategy, embedding sustainability more deeply into our operations and decision-making processes.

Our ambition is to be a key enabler of a more sustainable and inclusive fashion industry at scale. We are working towards this by leveraging our platform to:

- Enable our customers to make informed choices with an assortment and brands that align with their values.
- Enable partners in working towards their sustainability ambitions and adapting to evolving regulatory environment.
- Foster innovation to reduce negative environmental and social impacts at an industry level.

Moving beyond our previous do.MORE strategy, we are now embedding sustainability across all areas of our updated group strategy and operations:

- We have established **two key long-term sustainability ambitions**:
 - **Net-zero emissions** by 2040 in our own operations and private labels, and by 2050 for the remaining company value chain emissions (which include fashion brand partners, packaging and transportation emissions). Currently we do not have net-zero targets for the 2024 financial year, but in March 2024, we announced our ambition to achieve net-zero GHG emissions aligned with the definition by the Science Based Targets initiative (SBTi). Targets have been submitted to the SBTi for validation. Once net-zero targets have been established (validated by the SBTi), we will communicate the related targets in the first half of 2025. For more information on our net-zero ambition, please refer to [Targets related to climate change mitigation and adaptation](#) in section 2.8.2 Environmental information.
 - Further empower workers through **decent work** by deepening human rights due diligence in our own operations and those of our partners, as well as further evolving our purchasing practices and wage management systems in our private labels by 2028. For more information on our decent work ambition, please refer to [Targets related to workers in the value chain](#) in section 2.8.3 Social information.

To achieve these ambitions, our work on SDI considers the impact of our products, services, markets and customer segments on sustainability:

- **Fashion and apparel**: Our core business, including our private labels and brand partners, has significant environmental and social impacts throughout the value chain. We are continually enhancing our supply chain monitoring to achieve our long-term sustainability goals and to ensure responsible practices throughout the value chain. We are working with our brand partners to align their practices with our long-term sustainability objectives, including encouraging the adoption of science-based targets (SBTs).
- **Circular economy initiatives**: We are improving our circular economy through our second-hand business and continuing the implementation of packaging waste reduction programmes to support our long-term sustainability goals:
 - **Second-hand business**: Our growing Pre-owned fashion segment contributes to our circular economy goals and helps extend the lifespan of garments.
 - **Packaging** (not a revenue stream, but crucial for sustainability): We have introduced alternative packaging initiatives to reduce waste and improve recyclability, aligning with our sustainability strategy.

- **Markets:** We operate across diverse European markets, each having varying implications relating to sustainability. Factors such as local renewable energy availability, recycling infrastructure, and customer attitudes towards fashion that seek to improve our environmental and social impact influence our approach in each market.
- **Customer segments:** Our customer base spans different groups and purchasing behaviours with varying engagement levels in more sustainable offerings. We are strengthening our ambition to be “inclusive by design”, recognising that greater D&I leads to better innovation, deeper customer relationships and a more positive industry impact. Thus, we are evolving our strategies to cater to the growing demand for sustainable and inclusive fashion.

These significant products, services, markets and customer segments, along with our recent strategic updates, directly affect our sustainability concerns by influencing and shaping our environmental impact, social responsibility and governance practices. We continue to evolve our offerings and strategies to balance business growth with our sustainability and inclusivity goals across all our operations.

Business model and value chain

In B2C, we offer a multi-brand shopping experience for fashion and lifestyle products to more than 50 million active customers in 25 markets that includes clothing, footwear, accessories and beauty. In B2B, we are opening up our logistics infrastructure, software and service capabilities to become a key enabler for e-commerce transactions of brands and retailers, regardless of whether they take place on or off the Zalando platform. Our own operations comprise the parent company Zalando SE and Zalando's subsidiaries that operate, inter alia, in the areas of logistics services, customer service, payments, product presentation, advertising, marketing, software development, integration services and private labels. Our private labels business involves the design and branding of items, while production is outsourced to external manufacturers. For more information about our business model please refer to section [2.2.1 Business model](#) of our combined management report.

To gather, develop and secure the inputs for our business, we collaborate with suppliers that have years of technical expertise in their respective areas. The Private Label team with product, sourcing, quality and sustainability experts is located primarily in Berlin, with regional sourcing offices in Portugal and China.

Our upstream and downstream value chain includes brand partners, suppliers, logistics providers, and customers as the main business actors. We collaborate closely with brand partners and suppliers for product sourcing and development, we work with logistics providers for distribution, and we serve customers directly through our e-commerce platform. We will only cover the key value chains listed below, as we have multiple value chains, including the private labels and the partner business for third-party brands.

Our key value chains comprise 11 areas of activity through the product life cycle:

- **Design:** Our private labels and brand partners design products based on materials, look, style, and quality.
- **Raw materials:** Our private labels and brand partners work with suppliers to source and process raw materials.
- **Material and component production:** Producers convert fibres into yarn and yarn into fabric.
- **Product manufacturing:** Our private labels and brand partners work with suppliers and factories to create products.
- **Procurement and buying:** We present the creations of thousands of brands to our customers.
- **Transport:** Our logistics partners transport products to our fulfilment and return centres.
- **Fulfilment:** Our products are stored in fulfilment centres and shipped when customers place orders.
- **Distribution:** Our logistics partners and those of our brand partners deliver products to our customers or we sell them from our outlet stores.
- **Use:** Our customers wear, care for and repair their products.
- **Reuse:** Our customers can offer products as second-hand goods in selected markets through “Pre-owned by Zalando”.
- **Close the loop:** We help to scale effective solutions to close the loop through investments in leading technologies, increase the use of recycled content in our product assortment and explore approaches to better support customers and partners on this journey.

Interests and views of stakeholders

Our key stakeholders are characterised by their interdependence with and proximity to us and our activities and include investors, employees, customers and suppliers, authorities, associations, media, and non-governmental organisations (NGOs), at both the local and global level. In the past three years particular, we have received an increased number of SDI-related questions during our annual general meetings. Our former non-financial declaration and our first annual sustainability statement according to the ESRS offer stakeholders an overview of our ESG activities, results, performance, and targets in ESG areas. These efforts aim to build trust and address the concerns of the people within our ecosystem.

Based on the engagements undertaken and as delineated in our 2024 DMA, we are aware of a multitude of topics of concern. Our customers and suppliers, whether brand partners or direct suppliers, expect ethical behaviour from us at all times. Other key focus areas for our stakeholders include circularity and human rights issues, with particular emphasis on fair wages, prevention of child and forced labour and digital security. Further information on our stakeholder engagement can be found in the [Impacts, risks and opportunities](#) section.

In 2024, we continued our engagement with diverse stakeholders across our industry to discuss and act on complex environmental, human rights and D&I issues. We highlight our partnerships in [Entity-specific information: Innovation and partnerships](#) in section 2.8.4 Governance information. We prioritise listening to stakeholders to shape our sustainability efforts, projects and processes, and ensure transparency in our communications.

Concerns are regularly shared with relevant business units and the D&I and sustainability committee.

Stakeholder feedback is crucial for our decisions and strategy setting. For example, during the research for our updated strategy, stakeholder feedback indicated that previous SDI efforts were too broad and not sufficiently in depth. In response, we revised our approach to focus resources on impactful areas. Consequently, our next strategic cycle will concentrate on three key ambitions: 1) net-zero GHG emissions, 2) decent work, and 3) our role as an enabler.

Our progress is bolstered by partnerships with brands and customer input, but the support and insights from industry groups and NGOs are invaluable. Their guidance helps us address current issues, plan for the future and uphold high standards through essential perspectives, inspiration and feedback.

With every new strategic development, the stakeholder engagement approach has been revised to align with the updated established strategic objectives. In addition, legislative changes such as the Corporate Sustainability Due Diligence Directive (CSDDD) mandate deeper connections between Zalando and local stakeholders, potentially altering our current stakeholder list. We engage with policymakers and regulators whose work shapes the frameworks, guidelines and incentives that drive sustainability and transparency. Collaborations have given us key insights into evolving regulations, enabling us to adjust our strategies and operations while contributing our technical and operational expertise. Continued collaboration with all stakeholders is essential for positive, lasting change.

The stakeholders we are currently engaged with include:

Stakeholder engagement

| Why we engage | How we engage | Key topics and concerns discussed |
|---|--|---|
| Customers Engaging with customers helps us to understand their needs and anticipate market trends. Leadership in environmental and social impacts is crucial for retailers. Customers insight programmes enable us to predict preferences and adapt to cultural tastes. We ensure product quality, safety, and compliance with laws, regulations and policies to protect our customers. | <ul style="list-style-type: none"> Customers' questions and feedback via customer care channels Use of customer insight programmes for understanding and cultural insights Using digital tools to enhance insights into consumer trends | <ul style="list-style-type: none"> Climate change Governance and business conduct, ethics, transparency Human rights Innovation capabilities Product environmental and social performance Product quality and safety |
| Brand partners Engaging effectively with our brand partners allows us to anticipate customer needs and market trends, ensuring we provide the right product at the right time. | <ul style="list-style-type: none"> Brand partner questions, feedback and requests received via email and in meetings Brand partner days Customer and industry conferences and events Collaborative relationships with ongoing dialogue through all partner-facing colleagues | <ul style="list-style-type: none"> Climate change Governance and business conduct, ethics, transparency Human rights Innovation capabilities Product environmental and social performance Product quality and safety Responsible sourcing and traceability |
| Suppliers We view our suppliers as partners, collaborating for mutual value creation through open dialogue and supplier-enabled innovation. This engagement ensures high standards for our suppliers in business ethics, respect for people and environmental care. We support their future readiness through active collaboration and by requiring compliance with rapidly changing regulatory requirements thereby enhancing their own offerings and achieving their targets. | <ul style="list-style-type: none"> Assessments Supplier audits Collaborations to improve performance Multi-stakeholder initiatives Supplier events: capacity building, discussing issues Direct engagement with supplier relationship managers | <ul style="list-style-type: none"> Climate change Synthetic fibres Human rights Innovation capabilities Raw material availability Responsible sourcing and traceability |

Stakeholder engagement

| Why we engage | How we engage | Key topics and concerns discussed |
|--|--|--|
| Employees We foster open dialogue and collaboration to identify development initiatives and innovative ideas that drive our business. We protect employees from reprisals, intimidation, threats and negative impacts on their employment, such as termination, demotion, or loss of compensation. Achieving our goals requires unity and a workplace where everyone thrives. | <ul style="list-style-type: none"> Quarterly meetings Quarterly engagement and culture survey Regular D&I survey Encouraging horizontal open feedback culture between employees, peers and leads Strategic Employee Relations team, Zalando Employee Participation (ZEP) and works councils | <ul style="list-style-type: none"> SDI ambitions, actions and concerns People development Employee health, safety and well-being Mandatory compliance trainings on business conduct and ethics |
| Investors and shareholders Our active dialogue with capital markets ensures transparency and helps us improve our reporting practices. Our established relationships with debt investors, financial institutions and credit rating agencies secure funding for investments. The provision of timely and comprehensive information facilitates informed decision-making by investors and shareholders, thereby fostering secure, transparent, and enduring relationships. | <ul style="list-style-type: none"> Annual general meeting Annual investor conferences and investor roadshows Quarterly earnings calls and financial reports Briefings with sell-side analysts Conferences including ESG-focused conferences with investors and other financial stakeholders | <ul style="list-style-type: none"> Climate change D&I People development Economic performance ESG management Governance, business conduct, ethics, transparency Human rights Innovation capabilities Product environmental and social performance Raw material availability Supply chain management Water management Biodiversity |
| Local communities Engaging in open dialogue cultivates positive relationships and facilitates collaboration with communities and neighbourhoods on initiatives and causes that benefit local populations, contribute to the preservation of local ecosystems and support sustainable livelihoods. | <ul style="list-style-type: none"> Local site community engagement programme, e.g. Design Academy connecting young brands and designers with industry experts in collaboration with VORN - The Berlin Fashion Hub Ongoing dialogue with local authorities and organisations Employees volunteering in local social activities through corporate volunteering with the corporate volunteering organisation vostel.de. 16 hours each year, our employees are offered the opportunity to engage in community work Local partners (NGOs e.g. Society for Sports and Youth Welfare (GSJ) - Berlin, Deutsches Rotes Kreuz (DRK), Ukraine Hilfe Berlin) or cooperatives (e.g. Berlin Social Academy) Financial and in-kind donations to local Berlin-based non-profits | <ul style="list-style-type: none"> Collaborating with both European and Berlin communities to drive transformation within the fashion industry and to advance knowledge in fashion innovation Climate change D&I Local community development Humanitarian aid |
| Public and regulatory agencies Engaging with external partners is crucial for inspiring and leading by example as a responsible business entity. Regulatory and legislative decisions can only be influenced effectively through collective action. We engage with local governments and regulators to understand evolving landscapes and address their concerns thereby facilitating the formulation of mutually advantageous solutions. | Amongst those we engage with include: <ul style="list-style-type: none"> ILO Better Work German International Cooperation Society (GIZ) Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ) CDP (formerly the Carbon Disclosure Project) | <ul style="list-style-type: none"> Climate change Governance, business conduct, ethics, transparency Human rights Product environmental and social performance Product quality and safety Responsible sourcing and traceability |
| Innovators and partners We engage in innovative partnerships to expand our internal capabilities and explore extended possibilities and opportunities. Through our collaborations, we access the latest trends and extend our innovation ecosystem globally, accelerating our efforts. We support innovators and partners by providing expertise, industry knowledge and best practices, helping them accelerate innovation and have success. These collaborations foster mutual growth. | <ul style="list-style-type: none"> Global network of accelerators and incubators Partnerships with innovators, accelerators and academia Connected to disruptive and digital trends Co-creation and co-innovation opportunities | <ul style="list-style-type: none"> Climate change Innovation capabilities Product environmental and social performance Product quality and safety |

Impacts, risks and opportunities

Identification and assessment of material IROs

We finalised our first DMA at the beginning of 2024. This comprehensive framework allows us to evaluate and disclose ESG-related IROs. The DMA-approach goes beyond the traditional materiality approach and also considers outward-looking impacts, such as those on the environment, society and the economy, as well as inward-looking risks and opportunities related to sustainability. As a way of aligning our business performance with the expectations of our stakeholders and society at large, the DMA provides a profound understanding of different perspectives. The results of the DMA were used in combination with upstream and downstream stakeholder feedback from civil society organisations, industry, regulators and investors, as well as research conducted to gather feedback on the direction of our strategic goals. We will update our assessment periodically to align with changes in our business operations and external circumstances.

We leveraged our due diligence processes to conduct the DMA by identifying, assessing and prioritising impacts, engaging with stakeholders and following the systematic steps outlined below. The identification of IROs was informed by our operational processes, and these IROs were subsequently incorporated into the DMA. Examples of processes where we identified IROs related to the environment and society are as follows:

- Audit processes (internal, customers, suppliers, authorities)
- Purchasing processes
- Sales and marketing processes
- Stakeholder dialogue
- Human rights risk assessment
- Climate and nature risk assessment

Through the DMA, we identified 16 sustainability matters that are material to our stakeholder groups. These represent the most material sustainability considerations for our business and performance, with potential impacts in the short-term (< 1 reporting year), medium-term (up to 5 years) or long-term (> 5 years). Our previous materiality assessment was conducted in 2019. Following the adoption of the final ESRS, we have been applying the DMA approach since 2023 to gain a deeper understanding of the interests and concerns of our key stakeholders.

Step 1: Long-list and short-list of topics identification

To establish a foundation for our 2024 DMA, we conducted a comprehensive review encompassing over 150 ESG topics. The compilation of topics was informed by legal mandates, notably ESRS 1, alongside external reports, including industry and global risk reports, peer and consumer publications, ESG reporting frameworks, our prior materiality assessment, and input from employees. These topics were meticulously categorised and grouped into a condensed list of subjects for deeper examination. Ultimately, a final list of 20 topics for assessment was derived, aimed at determining the material considerations pertinent to us.

Step 2: Detailed IRO identification

We conducted a detailed analysis of our value chain to evaluate the impacts of our operations, and the risks, opportunities and dependencies related to the identified sustainability topics. We assessed the primary activities and impacts within our entire value chain and our own operations. Our internal teams collaborated to identify the environmental, social, and governance IROs. We specifically analysed the key materials sourced, the production of raw materials, the manufacturing processes and the primary regions from which we source. We examined our business model to confirm that no significant variations in IRO profiles were observed across our segments that would necessitate further steps in the materiality analysis. Additionally, we mapped the IROs across our value chain in terms of time horizons and our role in relation to the impacts or risks and opportunities.

Step 3: IRO assessment

IROs were assessed via categories defined by the ESRS. Impact materiality considers the likelihood and severity of impacts, and financial materiality considers the likelihood and magnitude of potential financial effects. In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.

Impact materiality scoring methodology: The impacts were assessed and rated based on their severity and likelihood. Severity is determined by factors such as scale, scope and irremediable character, as outlined in ESRS 1. The severity and likelihood of impacts were scored on a scale ranging from low (1) to high (5), for positive and negative impacts refer to the tables below.

Impact materiality | Negative impact rating scales

| Likelihood | | Severity | | | | | |
|---------------------------|---|------------------------|------------------|----------------------------------|--|---|---|
| | | Scale | | Irremediable character | Scope | | |
| Probability of occurrence | | Severity of the impact | | Reversibility of negative impact | Number of affected stakeholders; geographical reach | | |
| 5 | >75% The impact scenario will occur once a year or more frequently | 5 | Very high impact | 5 | Irreversible | 5 | Very high number of stakeholders (> 10 million); global impact |
| 4 | >50–75% The impact scenario will occur every one to two years | 4 | High impact | 4 | Reversible with difficulty in the long term | 4 | High number of stakeholders (> 1–10 million); multi-regional impact |
| 3 | >25–50% The impact scenario will occur every two to four years | 3 | Medium impact | 3 | Reversible with difficulty in the short to medium term | 3 | Medium number of stakeholders (> 10,000–1 million); regional impact |
| 2 | >10–25% The impact scenario will occur every four to ten years | 2 | Low impact | 2 | Easily reversible in the long term | 2 | Low number of stakeholders (> 100–10,000); local impact |
| 1 | 0–10% The impact scenario will occur in ten years or less | 1 | Very low impact | 1 | Easily reversible in the short to medium term | 1 | Very low number of stakeholders (0–100); highly localised impact |

Impact materiality | Positive impact rating scales

| Likelihood | | Severity | |
|---------------------------|--|------------------------|---|
| | | Scale | Scope |
| Probability of occurrence | | Severity of the impact | Number of affected stakeholders; geographical reach |
| 5 | >75% The impact scenario will occur once this year or more frequently | 5 Very high impact | Very high number of stakeholders (> 10 million); global impact |
| 4 | >50–75% The impact scenario will occur every one to two years | 4 High impact | High number of stakeholders (> 1–10 million); multi-regional impact |
| 3 | >25–50% The impact scenario will occur every two to four years | 3 Medium impact | Medium number of stakeholders (> 10,000–1 million); regional impact |
| 2 | >10–25% The impact scenario will occur every four to ten years | 2 Low impact | Low number of stakeholders (> 100–10,000); local impact |
| 1 | 0–10% The impact scenario will occur in ten years or less | 1 Very low impact | Very low number of stakeholders (0–100); highly localised impact |

Financial materiality scoring methodology: ESRS 1 requires companies to consider financial effects related to sustainability matters that are not (yet) reflected in the financial statements but could have significant effects on the company's financial position, earnings, cash flows, access to finance or cost of capital over the short-, medium- or long-term, such as human capital and natural capital. Risks and opportunities were assessed and scored considering the likelihood of occurrence and the magnitude of potential financial effects. We considered the connections between impacts and dependencies with the associated risks and opportunities by mapping these elements, ensuring a comprehensive understanding of their interdependencies. This process involved identifying each impact's dependencies and systematically analysing how these could trigger specific risks or opportunities.

The scales used are aligned with our risk management system (RMS) and are summarised in the tables below.

Financial materiality | Risk rating scales

| Likelihood | | Magnitude | |
|---------------------------|---|---|---|
| | | Risk | |
| Probability of occurrence | | Magnitude of potential financial effect | |
| 5 | >75% The impact scenario will occur once a year or more frequently | 5 | Quantitative: >70m EUR EBIT impact, OR qualitative: International media reports with long-term effects (>1 month) NPS change by 15 percentage points |
| 4 | >50–75% The impact scenario will occur every one to two years | 4 | Quantitative: >20–70m EUR EBIT impact, OR qualitative: National media reports with long-term effects (>1 month) NPS change by 10–15 percentage points Influence on >1,000 employees |
| 3 | >25–50% The impact scenario will occur every two to four years | 3 | Quantitative: >6–20m EUR EBIT impact, OR qualitative: National media reports with long-term effects (>1 week) NPS change by 5–10 percentage points Influence on <1,000 employees |
| 2 | >10–25% The impact scenario will occur every four to ten years | 2 | Quantitative: >1–6m EUR EBIT impact, OR qualitative: Local media reports with long-term effects (<1 week) NPS change by 2–5 percentage points Influence on >=100 employees |
| 1 | 0–10% The impact scenario will occur in ten years or less | 1 | Quantitative: 0–1m EUR EBIT impact, OR qualitative: Local media reports with long-term effects (<1 day) NPS change by >=0–<2 percentage points Influence on >=0–<100 employees |

NPS: Net Promoter Score

Financial materiality | Opportunity rating scales

| Likelihood | | Magnitude | |
|---------------------------|---|---|---|
| | | Opportunity | |
| Probability of occurrence | | Magnitude of potential financial effect | |
| 5 | >75% The impact scenario will occur once a year or more frequently | 5 | Quantitative: >70m EUR EBIT impact, OR qualitative: International media reports with long-term effects (>1 month) NPS change by 15 percentage points |
| 4 | >50–75% The impact scenario will occur every one to two years | 4 | Quantitative: >20–70m EUR EBIT impact, OR qualitative: National media reports with long-term effects (>1 month) NPS change by 10–15 percentage points Influence on >1,000 employees |
| 3 | >25–50% The impact scenario will occur every two to four years | 3 | Quantitative: >6–20m EUR EBIT impact, OR qualitative: National media reports with long-term effects (>1 week) NPS change by 5–10 percentage points Influence on <1,000 employees |
| 2 | >10–25% The impact scenario will occur every four to ten years | 2 | Quantitative: >1–6m EUR EBIT impact, OR qualitative: Local media reports with long-term effects (<1 week) NPS change by 2–5 percentage points Influence on >=100 employees |
| 1 | 0–10% The impact scenario will occur in ten years or less | 1 | Quantitative: 0–1m EUR EBIT impact, OR qualitative: Local media reports with long-term effects (<1 day) NPS change by >=0–<2 percentage points Influence on >=0–<100 employees |

NPS: Net Promoter Score

The likelihood of a risk or opportunity occurring in the short-, medium- or long-term. Likelihood is scored from very unlikely to near certain (0–100%).

The risk and opportunity assessment for establishing double materiality is partially integrated into our risk management process. To proactively manage material risks or opportunities that could impact Zalando's stability, we have implemented a comprehensive RMS. The RMS defines organisational roles, responsibilities, and processes for identifying, assessing, controlling and reporting risks and opportunities. This system fosters a risk-aware culture by embedding risk management into our broader business processes, ensuring cohesive governance, control and reporting.

As part of this framework, the Governance and Risk team reviewed the material risks from the DMA, selecting key risks for inclusion in the annual risk assessment cycle. The RMS estimates the potential impacts of these risks, involving stakeholders from various business units to ensure a thorough evaluation. By integrating this process into its overall risk management framework, we align its efforts to mitigate risks and leverage opportunities that could influence its operations and financial performance. For further details on our RMS, please refer to [2.3 Risk and opportunity report](#) of our combined management report.

We do not prioritise sustainability-related risks above other risks. All risks embedded in our RMS — whether financial, operational, or sustainability-related risks — are assessed using the same framework, focusing on their potential financial or reputational impact. We report the top risks based on their probability and impact on our financial performance, ensuring that sustainability risks are included when they meet the financial thresholds.

As per the requirements of the German Commercial Code (HGB), companies must not only report on material aspects, but also disclose corresponding risks associated with their operations, business relationships, products and services, which have or are highly likely to have a severe negative effect on the five aspects as per Section 289c (2) HGB. We currently do not consider any material risks pursuant to Section 289c (3) No. 3 and No. 4 HGB that are highly likely to have or will have severe negative effects on the five aspects.

The IRO assessment was reviewed by the SDI team, which supported the DMA process. Intermediate results were shared with internal stakeholders to validate their reliability.

Since 2023, during the preparation of our DMA, we actively collaborated with stakeholders likely to be affected by our activities and who have significant influence on us achieving our sustainability targets. Stakeholders were categorised into two groups: affected stakeholders and users of sustainability statements. The affected stakeholders primarily include suppliers, employees, local communities, broader society and the environment. Users of sustainability statements typically encompass customers, investors and regulatory authorities. By engaging with diverse stakeholder groups to refine and assess the IROs, we obtained comprehensive insights into their key concerns.

The table below summarises how we engaged with the different stakeholder groups and the main outcomes of our engagements on the DMA.

DMA stakeholder engagement

| Stakeholders group | Type of engagement | Purpose of the engagement | Internal/external |
|------------------------------------|---|--------------------------------------|---|
| Financial Market Participants | Qualitative Assessment One-on-one Interview | IROs identification and assessment | Internal Investor Relations |
| Internal employees and SDI experts | Workshop sessions per E, S, G dimension | IROs identification and assessment | Internal SDI Corporate Compliance Private Labels, Environmental Operations Ethical Sourcing Legal Financial Reporting Governance Corporate Affairs |
| Suppliers | Qualitative Assessment One-on-one Interview (Direct) | Informing the materiality assessment | External |
| Business partners | Qualitative Assessment One-on-one Interview (Direct) | Informing the materiality assessment | External |
| Civil society & NGOs | Qualitative Assessment One-on-one Interview (Direct) | Informing the materiality assessment | External |

The interviews provided a comprehensive understanding of stakeholder perspectives, which are crucial for informing our sustainability strategy and decision-making processes. Feedback from our brand partners highlighted key sustainability impacts, including climate change and biodiversity concerns. They emphasised opportunities for us to drive positive change through initiatives like sustainability labelling and circular packaging. Concerns were raised about supply chain risks related to climate impacts and customer demand dynamics.

Conversations with suppliers revealed insights into sustainability challenges and opportunities within our supply chain. They emphasised the importance of addressing climate impacts in transportation and returns, as well as promoting product quality and improved working conditions. Suppliers highlighted potential risks such as margin pressures and compliance with evolving regulations.

Engagement with our Investor Relations team emphasised the significance of transparency and performance metrics related to ESG factors for our investors. They highlighted the importance of data disclosure on climate targets, supply chain management and biodiversity conservation to mitigate investment risks.

Discussions with NGOs underscored social impact considerations, particularly regarding vulnerable worker groups and labour practices. NGOs recommended actions to improve social dialogue, collective bargaining and responsible purchasing practices. They highlighted opportunities for us to enhance our human rights performance through social marketing initiatives.

Threshold setting and material matters definition

An ESG topic is material to us based on the impact of our activities on the environment and people across the value chain. An ESG topic is material from a financial perspective if it triggers financial effects on the organisation by potentially generating risks or opportunities that influence or are likely to influence the current situation, future development, financial position, cash flows, access to capital and the cost of capital, and therefore the enterprise value of Zalando in the short-, medium- or long-term but is not included in the financial reporting at the reporting date.

The final IRO scores based on the above methodologies range between a minimum of 1 and a maximum of 25. The impact materiality threshold is set at 11.5 and the financial materiality threshold is set at 11. This means that IROs scoring above these values and their associated ESRS topic are deemed material, ensuring that only the most significant matters are addressed, reflecting a strategic alignment with organisational goals and stakeholder expectations. Further information on the application of materiality of information is disclosed as part of the respective disclosure requirements.

The material topics are organised into three main categories, and our policies, actions, targets and metrics related to these material topics are discussed in the respective chapters (E, S and G) of our sustainability statement.

Biodiversity and ecosystems

We did not identify biodiversity and ecosystem impacts as material; however, to comply with the requirements of ESRS 1.29, we have disclosed the information required by ESRS E4 related to IRO-1. We identified and assessed actual and potential IROs on biodiversity and ecosystems for our own operations, as well as across our upstream and downstream value chain. The assessment included an evaluation of dependencies on biodiversity and ecosystems and their services, and was informed by an external report that offered insights into biodiversity and ecosystem services. The same assessment criteria and ranges as outlined above were applied.

We identified and assessed transition risks, including reputational, regulatory and market risks related to biodiversity loss, as well as physical risks and opportunities related to biodiversity and ecosystems. We considered systemic risks to the extent that negative impacts on biodiversity and ecosystems might jeopardise the availability of relevant ecosystem services such as raw materials for production, and might also result in reputational effects. One driver for this could be, for example, the introduction of invasive or alien species through activities in our value chain. We did not conduct direct consultations with affected communities regarding the sustainability assessment of shared biological resources and ecosystems. For details on how we actively collaborated with stakeholders likely to be affected by our activities, please refer to the [stakeholder engagement information](#) above.

Sites located in biodiversity-sensitive areas: As an online fashion retailer and platform with a focus on e-commerce, logistics and customer services, we concentrated on assessing our own office locations, fulfilment and return centres – operated by us, on our behalf or by a third party – as well as those sites within our value chain linked to the production (Tier 1) of our

private labels. Based on our assessment, which was conducted using the Natura 2000 network of protected areas, the UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), we did not identify any sites located in biodiversity-sensitive areas. For 2024, we have not yet assessed whether we have sites located near biodiversity-sensitive areas, but we are planning to conduct this assessment in 2025. Based on this, we have determined that the implementation of measures to mitigate risks relating to biodiversity-sensitive areas is not required at this time.

List of ESRS disclosure requirements

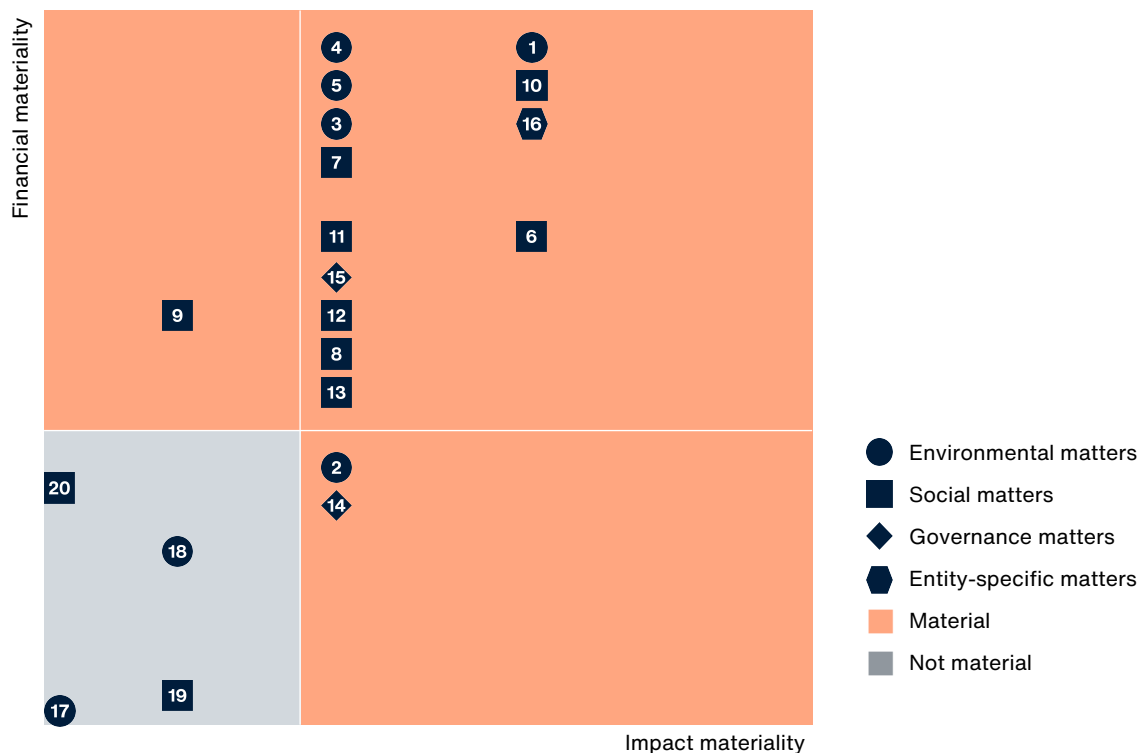
In our sustainability statement, we have adhered to the disclosure requirements outlined by the ESRS, as shown in the Index - List of ESRS disclosure requirements of our [Appendix](#). Additionally, we have included a list of all data points derived from other EU legislation, as listed in Appendix B of ESRS 2.

Material IROs and their interaction with strategy and business model

We evaluated the relevance of sustainability-related IROs from a gross impact perspective. This approach excludes the consideration of our management practices during the assessment. In the following chapters covering the ESG dimensions, we explain our management practices for addressing our material IROs.

The following materiality matrix offers a brief overview of the DMA results, categorised according to both impact materiality and financial materiality dimensions.

Materiality matrix



1 ESRS E1 Climate change: mitigation, adaptation and energy

2 ESRS E2 Pollution: pollution of air, water and soil, substances of concern, substances of very high concern, microplastics

3 ESRS E3 Water resources

4 ESRS E5 Resource use & circular economy: resource inflows and outflows

5 ESRS E5 Resource use & circular economy: waste

6 ESRS S1 Own workforce: working conditions, other work-related rights

7 ESRS S1 Own workforce: health and safety

8 ESRS S1 Own workforce: equal treatment (D&I), development

9 ESRS S1 Own workforce: employee satisfaction and retention

10 ESRS S2 Workers in the value chain: working conditions, equal treatment and opportunities for all, other work-related rights

11 ESRS S4 Consumers: information-related impacts (including privacy)

12 ESRS S4 Consumers: personal safety

13 ESRS S4 Consumers: social inclusion

14 ESRS G1 Business conduct: animal welfare

15 ESRS G1 Business conduct: political engagement and lobbying activities, management of relationships with suppliers including payment practices, corporate culture, corruption and bribery, protection of whistleblowers

16 Innovation and partnerships

17 ESRS E3 Marine resources

18 ESRS E4 Biodiversity & ecosystems (all sub-topics)

19 ESRS S3 Affected communities (all sub-topics)

20 ESRS S4 Consumers: others

Material IROs list

The detailed DMA results are listed in the table below according to the order of the ESRS. The material sustainability matters are structured in alignment with the ESRS in topics, sub-topics, and sub-sub-topics. The table outlines the level of our responsibility and the associated triggers for each material IRO. For each identified impact, we evaluated whether it leads to risks or opportunities, particularly those arising from dependencies on key resources such as natural, human or financial capital.

Additionally, the assessment considers not only risks and opportunities directly linked to identified impacts but also those that stem from resource dependencies where no direct impact may be observed. This ensures that risks and opportunities that arise independently of specific impacts — such as broader market or resource dynamics — are also captured in our analysis. This comprehensive approach helps us identify potential risks and opportunities, both impact-related and non-impact-related, ensuring a thorough understanding of our sustainability landscape. The table includes information on the level of responsibility that each material IRO entails. This responsibility is categorised as “caused”, “contributed” or “linked to”. These triggers can stem from factors within our control, our business relationships or our dependencies on external resources. In the table, VC refers to the value chain and OO stands for own operations, covering our direct activities. The time horizons are aligned to ESRS 1 and divided into “actual” (0–1 year), which reflects immediate, realised impacts, and “potential” (1–5 years or beyond 5 years), which captures longer-term, forecasted or anticipated impacts.

Overview of material IROs

| Material sub-topic | Material sub-sub-topic | Description of IROs | Time horizon | Level of responsibility/ triggers |
|---|--|---|---|--|
| ESRS E1 Climate change | | | | |
| Climate change mitigation | - | [Negative impacts - VC & OO] Zalando's operations and value chain emit greenhouse gases (GHGs), intensifying climate change. Direct emissions from fulfilment centres, upstream and downstream activities, and raw material extraction contribute to higher GHG concentrations in the atmosphere. These factors collectively worsen climate patterns and contribute to long-term environmental impacts. | Potential: >5 years | Caused by and linked to Zalando |
| Climate change mitigation; climate change adaptation | - | [Physical risks - OO] Climate change disrupts weather patterns, leading to decreased seasonal demand patterns, with potential effects on overstock. On the supply side, reduced availability of key materials due to extreme weather increases production costs and price volatility, and causes operational and logistics disruptions. [Transition risks - OO] Risks linked to a decrease in the availability of renewable energy sources, (energy market volatility) and low-emissions sources for the implementation of strategic goals that could impact Zalando from a reputational and/or financial perspective. | Physical: 0-1 year, 1-5 years and >5 years Transition: 1-5 years | Within Zalando's control; business relationship dependencies |
| Climate change adaptation; energy | - | [Opportunities transition - OO] Potential decrease in energy consumption and costs due to improved energy efficiency and other decarbonisation initiatives (long-term contracts for green energy, investments in renewable energy sources, higher automation in logistics centres, offices). | 1-5 years | Within Zalando's control |
| ESRS E2 Pollution | | | | |
| Pollution of air, water and soil; substances of concern; substances of very high concern; microplastics | - | [Negative impacts - VC] Material processing activities, such as wet processing in manufacturing, lead to negative environmental impacts, e.g. reduced water quality. Insufficient chemical management practices could result in the release of harmful substances into the environment. | Actual: 0-1 year and potential: 1-5 years | Linked to Zalando |
| ESRS E3 Water resources | | | | |
| Water | Water consumption; water withdrawals; water discharges | [Negative impacts - VC] Zalando's portfolio production could contribute to the depletion of local water resources. Water-intensive processes such as farming, textile treatment with chemicals and customer use (e.g. washing of garments during product use) require substantial water and energy inputs, impacting water availability and quality. [Risk - OO] Water scarcity could lead to limited availability of raw materials (e.g. cotton) and impact production and processing at business partners and suppliers. The resulting increase in product prices may pose a risk to Zalando's financial position and performance due to the likelihood of higher procurement costs. | Potential: 1-5 years 1-5 years | Linked to Zalando Resources dependencies |
| ESRS E5 Resource use and circular economy | | | | |
| Resources inflows and outflows related to products and services | - | [Positive impacts - VC] Designing products with a focus on longevity, reusability, and recyclability extends their life cycle, and using materials more efficiently reduces the consumption of natural resources and the generation of waste. | Potential: 1-5 years | Caused by Zalando |
| Resource outflows related to products and services | - | [Negative impacts - VC] Zalando's business generates volumes of sold, unsold and returned products, causing waste management challenges both upstream and downstream and increasing resource extraction. | Actual: 0-1 year and potential: 1-5 years | Linked to Zalando |
| Resource outflows related to products and services | - | [Risks - OO] Product returns, overstock, outlets, the associated waste and the limited recycling infrastructure are associated with higher costs and the reputational risks relating to the mismanagement of unsold products. | 1-5 years | Business relationship & resources dependencies |
| Resources inflows and outflows related to products and services | - | [Opportunities - OO] As a platform, Zalando can support brands in terms of circularity, e.g. through Zalando's logistics processes, scaling alternative materials innovations and new business models, increasing reputation and customers' trust. | 1-5 years | Business relationship & resources dependencies |

Overview of material IROs

| Material sub-topic | Material sub-sub-topic | Description of IROs | Time horizon | Level of responsibility/ triggers |
|---|--|--|------------------|-----------------------------------|
| Waste | - | [Negative impact - VC] Certain returned products, such as opened cosmetics, require disposal, which contributes to waste generation and is associated with impacts like land use and GHG emissions. | Actual: 0–1 year | Caused by Zalando |
| | | [Risks - OO] Zalando product returns, overstock, outlets, and associated waste incur higher costs and could pose reputational risks related to the recycling of unsold products. | 1–5 years | Within Zalando's control |
| ESRS S1 Own workforce | | | | |
| Working conditions; other work-related rights | Secure employment; working time; adequate wages; child & forced labour; social protection; measures against violence and harassment in the workplace | [Negative impacts - OO] Vulnerable groups of workers are at risk of human rights violations, including modern slavery, forced labour, excessive working hours and limited pay. Additionally, violence, harassment and discrimination within the organisation could negatively affect employees' physical and mental well-being. The absence of social protection further impacts employee well-being during significant life events. | Actual: 0–1 year | Caused by Zalando |
| | Social dialogue; freedom of association; collective bargaining; work-life balance | [Risks - OO] Denial of freedom of association and collective bargaining leads to unattractive working conditions, resulting in decreased workforce and negative economic performance. Non-compliance with standards and regulations leads to e.g. reputational risks and impact on economic performance. | 0–1 year | Within Zalando's control |
| Health and safety | Health and safety; work-life balance | [Negative impacts - OO] Insufficient work-life balance, such as inadequate flexible working time models, could result in health issues. Additionally, inadequate prevention measures, including lack of proper training, qualification, and personal protective equipment, could lead to severe health consequences | Actual: 0–1 year | Caused by Zalando |
| | | [Risks - OO] Lack of work-life balance and limited flexible working models could cause employee burnout and reduced productivity. Insufficient prevention measures, such as inadequate training and personal protective equipment, could lead to workplace injuries and fatalities. | 0–1 year | Within Zalando's control |
| Equal treatment (D&I); development | Training and skills development | [Positive impacts - OO] Enhanced skill set of office employees leads to, e.g. increased employability, purchasing power and standard of living. | Actual: 0–1 year | Caused by Zalando |
| | Gender equality & equal pay for work of equal value; employment & inclusion of persons with disabilities; measures against violence & harassment in the workplace; diversity | [Negative impacts - OO] Lack of inclusiveness could result in stress and negative health effects. Vulnerable groups are at risk of human rights violations, such as discrimination, excessive working hours, limited pay and sexual exploitation. | Actual: 0–1 year | Caused by Zalando |
| | Gender equality & equal pay for work of equal value; measures against violence & harassment in the workplace; diversity | [Opportunity - OO] Enhancing D&I across the workforce leads to, e.g. good working environments yielding higher employee satisfaction and performance, improved retention and lower costs related to employee turnover. | 0–1 year | Within Zalando's control |
| Employee satisfaction and retention | Gender equality & equal pay for work of equal value; employment & inclusion of persons with disabilities; diversity | [Risks - OO] A lack of diversity in hiring and support structures and the challenges in attracting and retaining talent could reduce employee satisfaction and pose reputational risks. | 1–5 years | Within Zalando's control |

Overview of material IROs

| Material sub-topic | Material sub-sub-topic | Description of IROs | Time horizon | Level of responsibility/ triggers |
|--|---|--|----------------------|--|
| ESRS S2 Workers in the value chain | | | | |
| Working conditions; equal treatment and opportunities for all; other work-related rights | Secure employment; working time; adequate wages; social dialogue; freedom of association; collective bargaining; work-life balance; health and safety; child & forced labour | <p>[Negative impacts - VC] Forced labour and human trafficking represent severe violations, resulting in loss of freedom and diminished quality of life.</p> <p>Inadequate wages and excessive working hours could lead to workforce dissatisfaction and adverse health effects. Additionally, the denial of freedom of association and collective bargaining further exacerbates these issues. Insufficient preventive measures and training could increase the risk of workplace accidents and health problems.</p> <p>Discrimination against vulnerable groups — including Indigenous peoples, minority groups, migrant workers, sexual minorities, and women and girls — could pose further risks, undermining their rights and well-being. The use of force against workers and a lack of secure employment create additional concerns.</p> | Actual: 0–1 year | Linked to Zalando |
| | Child & forced labour; working time; adequate wages; health and safety; measures against violence and harassment in the workplace; gender equality and equal pay for work of equal value; secure employment | <p>[Risks - OO] The garment and footwear sectors are becoming increasingly vulnerable due to the weak governance and enforcement of child labour laws, leading to serious reputational risks for the company. Insufficient and inaccurate worker data complicates the identification of various risks. The employment of migrant workers, especially those with irregular status, further heightens the risk of forced labour.</p> <p>Wage non-compliance is a critical issue across labour-intensive stages in the supply chain, particularly in countries lacking strong regulatory frameworks and effective collective bargaining. This contributes to significant wage disparities. Additionally, occupational health and safety (OHS) failures remain a serious concern, although some progress has been made, OHS risks continue to threaten worker safety.</p> | 0–1 year | Business relationship dependencies |
| ESRS S4 Consumers and end-users | | | | |
| Information related impacts (including privacy) | Access to (quality) information | [Positive impact - VC] By providing reliable, standardised sustainability data for consumers through third-party standards, Zalando can contribute to a informed decision-making process for consumers. | Potential: 1–5 years | Caused by Zalando |
| | Privacy; access to (quality) information | [Risks - OO] Misleading sustainability claims or discrepancies between external portrayals of diversity and internal practices could pose a reputational risk and accusations of “pink-washing”. Additionally, there is a risk of discriminatory marketing practices, including the display of offensive content in product images on the Zalando website. Inadequate IT security could lead to data breaches, exposing personal and confidential business information. This could result in potential personal financial damage and privacy violations. | 0–1 year | Business relationship dependencies; caused by Zalando |
| | Access to (quality) information | [Opportunities - OO] Zalando enhances consumer satisfaction through the provision of comprehensive information regarding return policies, conditions and their statuses. By promoting a diverse and inclusive product assortment, Zalando differentiates itself from competitors and increases its market share. By offering reliable and standardised sustainability data through third-party standards, Zalando strengthens its reputational standing. | 1–5 years | Within Zalando's control; business relationship dependencies |
| Personal safety | Health and safety; security of a person; protection of children | [Negative impacts - VC] Inadequate product safety standards (e.g. regarding chemicals in beauty products, garments and accessories) could lead to adverse human health effects. | Actual: 0–1 year | Caused by and linked to Zalando |
| | | [Risks - OO] Inadequate product safety standards (e.g. regarding materials in beauty products and garments) could result in fines or loss of reputation. | 1–5 years | Within Zalando's control; business relationship dependencies |
| Social inclusion | Non-discrimination; access to products and services; responsible marketing practices | [Positive impacts - VC] By offering a diverse and inclusive product assortment (e.g. regarding sizes, cosmetics for all skin tones or Adaptive fashion for people living with permanent or temporary impairments) Zalando caters to the needs of consumer segments which are often overlooked and limited in options. | Actual: 0–1 year | Caused by Zalando |
| | | [Opportunity - OO] By offering a diverse partner portfolio, Zalando caters to underserved consumer segments and increases its market share. | 1–5 years | Within Zalando's control |

Overview of material IROs

| Material sub-topic | Material sub-sub-topic | Description of IROs | Time horizon | Level of responsibility/ triggers |
|--|--|--|---|--|
| ESRS G1 Business conduct | | | | |
| Animal welfare | - | [Negative impact - VC] Low standards of livestock treatment, e.g. leather, wool or down sourcing could result in inadequate animal welfare. | Actual: 0-1 year and potential: 1-5 years | Linked to Zalando |
| Political engagement & lobbying activities; management of relationships with suppliers incl. payment practices | - | [Positive impact - VC] Zalando can contribute to a fashion industry that addresses environmental and social issues by engaging policymakers and industry associations, setting supplier standards and empowering business partners to enhance ethical practices, thereby reducing environmental and societal impacts. | Actual: 0-1 year and potential: 1-5 years | Caused by Zalando |
| Corporate culture | - | [Negative impact - VC & OO] Failure to comply with existing and upcoming regulations, laws and tariffs including CSRD, CSDDD, ESPR, EPR, and employee regulations could result in negative impacts. Additionally, non-compliance may also lead to broader societal impacts, including potential violations of human rights and social welfare. | Potential: 1-5 years | Caused by Zalando |
| Corruption & bribery; protection of whistleblowers; corporate culture | Prevention and detection including training; incidents | [Risks - OO] Bribery and corruption in the fashion industry could conceal serious violations like child labour and environmental abuses, posing legal and reputational risks for Zalando. Failure to promptly address compliance issues through whistleblowing protection increases the likelihood of legal or reputational harm. Zalando faces potential fines and market challenges through non-compliance with sustainability regulations like the EU Green Deal and ecodesign standards, which require minimum recycled content in products. Meeting EU packaging targets is crucial for avoiding fines. | 0-1 year and 1-5 years | Within Zalando's control; business relationship dependencies |
| Political engagement & lobbying activities | - | [Opportunities - OO] Zalando's proactive lobbying could potentially impact brand differentiation by fostering regulatory awareness and contributing to a progressive industry landscape. Enforcing higher environmental and social standards with suppliers attracts customers and drives sales. Using digital solutions reduces product returns and costs. Comprehensive climate risk management enhances company value and investor perception, demonstrating Zalando's commitment to sustainability. | 0-1 year and 1-5 years | Within Zalando's control; business relationship dependencies |
| Entity-specific information - ESRS 2 | | | | |
| Innovation and partnerships | - | [Risks - OO] Failing to meet Zalando's sustainability goals due to a lack of innovation could pose a reputational risk. | 0-1 year | Within Zalando's control |
| | - | [Opportunities - OO] Innovation scouting and partnerships give Zalando the opportunity to enhance our portfolio with more sustainable products and logistics services for customers, as well as sustainability services for brand partners, to boost business resilience and discover new markets. | 0-1 year and 1-5 years | Business relationship dependencies |

VC: value chain; OO: own operations

Current financial effects

For the financial year 2024, we did not identify any financial effects from our material risks and opportunities on our financial position, financial performance or cash flows. Additionally, we did not identify any material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in our related financial statements.

Zalando's resilience assessment

We have assessed the resilience of our strategy and business model in relation to sustainability matters, focusing in particular on our ability to address material risks and leverage opportunities over the short, medium and long term.

Key elements of our resilience assessment include:

- **Climate change adaptation:** Our future net-zero ambition for 2040 (own operations and private labels) and 2050 (entire value chain) demonstrates our long-term planning for climate resilience. We are investing in renewable energy, process improvements, and circular business models to reduce our carbon footprint and adapt to a low-carbon economy.
- **Supply chain resilience:** Our factory improvement programme and efforts create conditions aimed at mitigating environmental risks in our supply chain.
- **Circular economy transition:** Our investments in Pre-owned fashion, material innovations, and partnerships with organisations position us to benefit from the shift towards more circular business models.
- **Regulatory preparedness:** We are proactively preparing for upcoming EU regulations like the Ecodesign for Sustainable Products Regulation and the CSDDD, enhancing our long-term regulatory resilience.
- **Customer engagement:** Our strategy to empower customers to make better choices aligns with evolving customer preferences for fashion that contributes positively to environmental and social issues, supporting our long-term market position.

This resilience assessment informs our ongoing strategy development and business model evolution, ensuring we can adapt to and thrive in a rapidly changing sustainability landscape.

How Zalando addresses the material IROs

Climate change: Climate change is one of the most material topics for our operations and value chain, as it affects emissions throughout the entire lifecycle of a product — from production to transportation and distribution, all the way to the use phase. Physical climate risks can disrupt logistics and influence raw material availability and prices. Simultaneously, as a major European retailer, we have the opportunity to drive sustainability in the fashion industry by investing in new innovative fibres, low-impact products and packaging innovation. Key risks also include climate-related regulatory changes and emission reduction mandates. For more details, please refer to [ESRS E1 Climate change](#) in section 2.8.2 Environmental information.

Pollution: Industry-specific processes may adversely affect water quality. For instance, synthetic fibres shedding microplastics and the application of pesticides and fertilisers in cotton farming can contaminate soil and water sources. To address this issue, we have implemented chemical compliance programmes to minimise harmful discharges. Linked to our circularity goal, we aim to reduce our environmental impact and enhance clothing quality by sourcing alternative chemicals and fibres as well as by recycling clothing. For further information, please refer to [ESRS E2 Pollution](#) in section 2.8.2 Environmental information.

Water resources: Our business relies on continuous water availability, with water scarcity and quality issues already evident. Water is crucial throughout our own operations and value chain, from cotton cultivation to garment maintenance and corporate operations. In 2024, we conducted our first water risk assessment, starting with our own operations, and a strategy will be developed based on the findings. For further information, please refer to [ESRS E3 Water resources](#) in section 2.8.2 Environmental information.

Resource use and circular economy: As a fashion retailer, our reliance on raw materials such as cotton, polyester and leather makes us susceptible to long-term supply reductions due to climate change. In the short- to medium-term we must adhere to new regulations, such as the Ecodesign for Sustainable Products Regulation, and aim to increase our use of recycled materials while diminishing our reliance on primary resources to enhance resilience. At Zalando, we perceive these challenges as opportunities to develop innovative business and customer types predicated on circularity. For further information, please refer to [ESRS E5 Resource use and circular economy](#) in section 2.8.2 Environmental information.

Own workforce and workers in the value chain: Our policies and practices impact our employees and those in our value chains. We include these individuals in our human rights due diligence, risk assessments, and policies on human rights and modern slavery. Our efforts aim to foster a healthy and safe work environment, provide stable employment, establish grievance mechanisms, and prevent child and forced labour in our value chain. We prioritise measures positively impacting our employees and workers in our value chain by building a loyal, diverse and skilled workforce, improving health and safety standards and enhancing supplier employment practices. To address gender equality and disability inclusion, we have implemented several activities and integrated works councils deep into our organisation. Employee Resource Groups (ERGs) allow diverse talents to voice important topics. Additionally, we are members of several organisations that help us adopt best practices. For further information, please refer to [ESRS S1 Own workforce](#) and [ESRS S2 Workers in the value chain](#) in section 2.8.3 Social information.

Consumers and end-users: Our key impacts on consumers include ensuring product safety and enhancing shopping satisfaction by providing timely, relevant quality information, such as return policies and detailed product descriptions. Our objective is to enable consumers to make informed choices with an assortment and brands that align with their values. This includes serving a diverse and inclusive consumer base by offering a wide range of sizes, cosmetics for various skin tones, as well as Adaptive fashion¹, while understanding the reputational risks related to “pink-washing”. We are committed to inclusivity and strive to create a welcoming platform for all. To achieve this ambition, we offer an assortment for previously excluded groups and focus on accessibility and an inclusive user experience. For further information, please refer to [ESRS S4 Consumers and end-users](#) in section 2.8.3. Social information.

Business conduct: We place a high priority on maintaining honest and transparent business conduct, with a particular emphasis on safeguarding customer data privacy and ensuring responsible marketing and lobbying activities. Supplier relationships are established in accordance with our Code of Conduct, and risk-based assessments are conducted to ensure compliance. As a retailer, we are dedicated to upholding ethical standards with respect to animal welfare. For further information on our business conduct, please refer to [ESRS G1 Business conduct](#) in section 2.8.4 Governance information.

¹ Adaptive fashion is apparel made for people with permanent or temporary disabilities that offers additional functionality to make dressing easier.

Innovation and partnerships: The transition to a more sustainable and equitable fashion industry necessitates strategic collaboration across the entire ecosystem. As a key player in European fashion e-commerce, we aim to serve as an “enabler” by fostering progress among stakeholders through strategic collaborations with various organisations. These partnerships are deemed essential for accessing innovation trends, expanding the ecosystem and accelerating sustainability ambitions, particularly in areas like material innovation, supply chain decarbonisation and circular business models. By acting as an enabler and connector within the industry, we aim to drive systemic change and enhance our resilience and competitiveness. For further information on innovation and partnerships, please refer to [Entity-specific information](#) in section 2.8.4 Governance information.

2.8.2 Environmental information

Disclosures pursuant to Article 8 of EU Taxonomy regulation

In its Action Plan on Financing Sustainable Growth published in 2018, the European Commission set an objective to redirect capital flows towards sustainable investment. In this context, a standardised classification system – the EU Taxonomy – was established to define criteria classifying economic activities as being environmentally sustainable. Companies subject to sustainability reporting or consolidated sustainability reporting according to Directive 2013/34/EU are required to report in line with the EU Taxonomy Regulation (Regulation (EU) 2020/852). Companies must therefore 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 EU Taxonomy regulation, reporting companies shall 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 Taxonomy-aligned, a Taxonomy-eligible economic activity shall fulfil the following criteria as defined in Article 3 of the EU Taxonomy 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, as defined by a substantial contribution to environmental objectives and adherence to the Do No Significant Harm (DNSH) principle, 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 in 2021. Based on our first assessment, we identified one material Taxonomy-eligible economic activity within our group related to the leasing of assets covering our office buildings, outlets and logistic centres (economic activity 7.7 listed in Annex I of the Delegated Regulation (EU) 2021/2139) for which we reported Taxonomy-eligibility. In 2022, reporting was expanded to include the assessment of the Taxonomy-alignment of activities within the Zalando group. In 2022, the Commission Delegated Regulation (EU) 2022/1214 was 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 DNSH criteria. We neither perform any of the new activities nor are we affected by the changes to the technical screening criteria.

Moreover, in 2023 the European Commission issued Commission Delegated Regulation (EU) 2023/2485, amending the Delegated Regulation (EU) 2021/2139 by establishing additional technical screening criteria, as well as Commission Delegated Regulation (EU) 2023/2486 supplementing Regulation (EU) 2020/852 by establishing economic activities as well as

related technical screening criteria for the remaining four environmental objectives. As for 2023, we did not identify any significant activity under the regulations for 2024.

Our approach of assessing economic activities under the EU Taxonomy Regulation for financial year 2024 is explained in more detail below.

Our approach

For our 2024 financial year, we are required to assess the alignment of our eligible economic activities within the six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

We conducted updated assessments of economic activities under all six environmental objectives. This review did not result in any change to our previously identified material Taxonomy-eligible economic activities, hence we still only report on the CapEx related to the leasing of our buildings and the corresponding OpEx (economic activity 7.7 listed in Annex I of the Delegated Regulation (EU) 2021/2139). In the 2024 financial year, we expanded the number of leased buildings, which led to additional right-of-use assets of 62.6m EUR (prior year: 213.5m EUR). This is material from our group perspective and is therefore reported as Taxonomy-eligible CapEx. The additions mainly relate to a new fulfilment centre in France as well as a new office building and new outlets in Germany.

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 financial 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](#).² Additions to right-of-use assets of 97.3m EUR (prior year: 231.2m EUR) as disclosed in the notes also include 34.7m EUR (prior year: 17.7m EUR) related to re-measurements that are not included in total CapEx. Total CapEx for the 2024 financial year therefore amounts to 258.8m EUR (prior year: 507.3m EUR) resulting in Taxonomy-eligible ("EL") CapEx of 24.2% (prior year: 42.1%). The significant decline in CapEx is related to less additions to property, plant and equipment as well as to right-of-use assets.

For our leased buildings we calculated an OpEx of 12.5m EUR for the 2024 financial year (prior year: 12.5m EUR) related to maintenance and repair as well as the day-to-day servicing of these assets. Total OpEx for 2024 amounts to 199.4m EUR (prior year: 182.6m EUR) and relates to non-capitalised development costs, costs for short term leasing, costs for maintenance and repair as well as costs for day-to-day servicing of assets.

² CapEx under EU Taxonomy regulation is defined as additions to assets which is different to our KPI Capex that is defined as payments for assets

Apart from economic activity 7.7, we did not identify any other material CapEx, OpEx or Taxonomy-related turnover. For this evaluation, we used a materiality threshold of 1.0% on CapEx, OpEx and turnover. We only report an eligible activity if it meets at least one of the thresholds. However, total CapEx, OpEx and turnover are calculated without applying a materiality threshold. Hence, turnover disclosed for Taxonomy-non-eligible activities is the total revenue of the group for the 2024 financial year according to IAS 1.82(a) in the amount of 10,572.5m EUR (prior year: 10,143.1m EUR) as disclosed in our consolidated financial statements for 2024 and further described under 3.5.7 (1.) Revenue in the notes to the consolidated financial statements. We have allocated all of the calculated Taxonomy-eligible CapEx and OpEx to the environmental objective of climate change mitigation. In addition, only one economic activity was identified for which Taxonomy-eligible CapEx and OpEx were calculated. This avoided any double counting.

Furthermore, we assessed the proportion of our CapEx that 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 connected with the owners of the respective facilities to collect the relevant information. The information obtained relating to the technical screening criteria, including both the substantial contribution and the DNSH principles, was insufficient to perform the assessment. As a result, we were not able to qualify our Taxonomy-eligible CapEx related to the leasing of buildings as Taxonomy-aligned CapEx for the 2024 financial year. This correspondingly also applies to related OpEx. Furthermore, since we did not identify any Taxonomy-eligible turnover, we could not calculate any Taxonomy-aligned turnover.

Nuclear and fossil gas related activities

| Nuclear energy related activities | | |
|-----------------------------------|--|----|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| Fossil gas related activities | | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

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

| 2024 | | Year | | Substantial contribution criteria | | | | | |
|---|---------|---------------|-------------------------------|-----------------------------------|-------------------------------|-----------|---------------|----------------------|------------------|
| Economic activities | Code | CapEx (m EUR) | Proportion of CapEx, 2024 (%) | Climate change mitigation (%) | Climate change adaptation (%) | Water (%) | Pollution (%) | Circular Economy (%) | Biodiversity (%) |
| A. Taxonomy-eligible activities | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0.0 | 0.0 | | | | | | |
| Of which enabling | | 0.0 | - | | | | | | |
| Of which transitional | | 0.0 | - | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 62.6 | 24.2 | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 62.6 | 24.2 | 24.2 | | | | | |
| A. CapEx of Taxonomy eligible activities (A.1 + A.2) | | 62.6 | 24.2 | 24.2 | | | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 196.2 | 75.8 | | | | | | |
| Total | | 258.8 | 100.0 | | | | | | |

DNSH criteria ("Do No Significant 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, 2023 (%) | Category enabling activity (E) | Category transitional activity (T) |
|--|---------------------------------|---------------------------------|-------------|-----------------|------------------------|--------------------|--------------------------|---|--------------------------------|------------------------------------|
| | | | | | | | | 0.0 | | |
| | | | | | | | | - | | |
| | | | | | | | | - | | |
| | | | | | | | | 42.1 | | |
| | | | | | | | | 42.1 | | |
| | | | | | | | | 42.1 | | |
| | | | | | | | | 42.1 | | |

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

| 2024 | | Year | | Substantial contribution criteria | | | | | | |
|--|---------|--------------|------------------------------|-----------------------------------|-------------------------------|-----------|---------------|----------------------|------------------|--|
| Economic activities | Code | OpEx (m EUR) | Proportion of OpEx, 2024 (%) | Climate change mitigation (%) | Climate change adaptation (%) | Water (%) | Pollution (%) | Circular Economy (%) | Biodiversity (%) | |
| A. Taxonomy-eligible activities | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0.0 | 0.0 | | | | | | | |
| Of which enabling | | 0.0 | - | | | | | | | |
| Of which transitional | | 0.0 | - | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 12.5 | 6.3 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 12.5 | 6.3 | 6.3 | | | | | | |
| A. OpEx of Taxonomy-eligible activities (A.1 + A.2) | | 12.5 | 6.3 | 6.3 | | | | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 186.9 | 93.7 | | | | | | | |
| Total | | 199.4 | 100.0 | | | | | | | |

DNSH criteria ("Do No Significant 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, 2023 (%) | Category enabling activity (E) | Category transitional activity (T) |
|--|---------------------------------|---------------------------------|-------------|-----------------|------------------------|--------------------|--------------------------|--|--------------------------------|------------------------------------|
| | | | | | | | | 0.0 | | |
| | | | | | | | | - | | |
| | | | | | | | | - | | |
| | | | | | | | | 6.8 | | |
| | | | | | | | | 6.8 | | |
| | | | | | | | | 6.8 | | |
| | | | | | | | | 6.8 | | |

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

| 2024 | | Year | | Substantial contribution criteria | | | | | |
|--|------|------------------|----------------------------------|-----------------------------------|-------------------------------|-----------|---------------|----------------------|------------------|
| Economic activities | Code | Turnover (m EUR) | Proportion of turnover, 2024 (%) | Climate change mitigation (%) | Climate change adaptation (%) | Water (%) | Pollution (%) | Circular Economy (%) | Biodiversity (%) |
| A. Taxonomy-eligible Activities | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0.0 | 0.0 | | | | | | |
| Of which enabling | | 0.0 | - | | | | | | |
| Of which transitional | | 0.0 | - | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0.0 | 0.0 | | | | | | |
| A. Turnover of Taxonomy-eligible activities (A.1 + A.2) | | 0.0 | 0.0 | | | | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 10,572.5 | 100.0 | | | | | | |
| Total | | 10,572.5 | 100.0 | | | | | | |

DNSH criteria ("Do No Significant 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, 2023 (%) | Category enabling activity (E) | Category transitional activity (T) |
|---------------------------------|---------------------------------|-------------|-----------------|------------------------|--------------------|--------------------------|--|--------------------------------|------------------------------------|
| | | | | | | | 0.0 | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | 0.0 | | |
| | | | | | | | 0.0 | | |

Environmental information (ESRS E1–E5)

The following sections cover Zalando's management practices and performances related to climate change, pollution, water and resource use and circular economy matters.

Highsnobiety, due to its distinct business model as a media and curated retail platform, is not covered under the actions and targets further described in the sections below. However, it remains aligned with Zalando's overall SDI ambition and policies. For more information on Highsnobiety, please refer to our group segments in the section [2.1.2 Group structure](#) of the combined management report. Logistics and non-logistics sites that are under construction throughout the financial year are also omitted from our environmental considerations and calculations.

ESRS E1 Climate change

Integration of sustainability-related performance in incentive schemes

For information on how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies, please refer to [Integration of sustainability-related performance in incentive schemes](#) in section 2.8.1 General information.

Material IROs and their interaction with strategy and business model

— resilience analysis and climate scenario planning

The resilience analysis conducted in June 2022 and updated in 2024 is based on our climate scenario planning, covering both direct and indirect emissions from our own operations (scope 1 and 2) and indirect emissions along the upstream and downstream value chain (scope 3). Risks that met the financial materiality thresholds as a result of the resilience analysis were further embedded into our risk management process. Our full value chain has been included in this analysis: upstream, including design, raw material production, manufacturing processes; own operations, including procurement and buying plus fulfilment; downstream, including transport, product use and end-of-life. The analysis considers material physical risks, including hazards related to temperature, water, wind and soil. Additionally, potential policy and legal developments, technology shifts, market changes and reputational events were assessed to evaluate our exposure to transition risks. For more information, please refer to [Impacts, risks and opportunities](#) in section 2.8.1 General information.

We assessed the climate resilience of our business by looking at climate-related transition and physical risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis took into account factors such as the availability of new technologies, regulatory developments, macroeconomic trends, customer expectations and the broader business environment, including competitor actions. We used two different global GHG emissions pathways for the scenario analysis. In particular, we considered the Intergovernmental Panel on Climate Change's (IPCC's) AR5 Representative Concentration Pathways (RCP) 2.6 scenario, which assumes an increase in global temperatures to 1.5°C, and the AR5 IPCC RCP 8.5 scenario, with an increase of 4°C. The scenarios consider temperature, precipitation and the number of hot days. These scenarios were adapted to local conditions, and potential impacts on retail companies were assessed across three time frames: by 2025 (short-term), by 2030 (medium-term) and by

2050 (long-term). Parameters including increases in average monthly temperatures, precipitation levels and the number of extreme heat days (above 35°C) were analysed, and findings for Germany were confirmed using World Bank modelling tools.

The climate scenario analysis conducted in 2022 enhanced our strategic planning by identifying climate-related risks and opportunities, and highlighting necessary investments for a science-based net-zero ambition through a cross-functional evaluation of potential business impacts. Physical risks include disruptions to sales and forecasting due to shifting weather patterns, extreme weather events impacting revenue, supply chain disruptions from raw material shortages, operational risks at logistic centres and stores and logistics delays due to severe weather. Transition risks are linked to the energy market volatility leading to renewable energy scarcity and increased operational costs from rising energy prices, which could also lead to reputational risks from potentially missing emission reduction targets and following changes of customer preferences.

Although uncertainties remain — particularly in financial, reputational and strategic analyses — due to the qualitative assessment of the likelihood and magnitude of the potential impacts, we remain confident in our ability to adapt through strategic investments by setting SBTs aligned with our net-zero ambition for emissions reduction and enhancing logistics with the integration of renewable energy. We plan to update the climate scenarios analysis in 2025 to reflect new data and trends. For more information on our targets and ambition on climate change, please refer to the section below [Targets related to climate change mitigation and adaptation](#).

Our business activities, including production, distribution, transportation and sale of goods, are major contributors to our carbon footprint. Our 2024–2028 corporate strategy (please refer to section [2.1.3 Group strategy](#) of the combined management report) showcases our ability to adapt to climate-related risks and opportunities. A key component of this strategy is the introduction of the new B2B business model, ZEOS Fulfilment, which maximises the use of our existing logistics services. Through ZEOS Fulfilment, we aim to create an operating system for fashion and lifestyle in Europe, enabling brands and retailers to manage their multi-channel businesses within one unified platform across the continent via Zalando. We have been doing this by first opening up access to our expansive and well-invested logistics, software and services infrastructure. ZEOS Fulfilment aims to reduce industry overstock, shorten parcel delivery distances and aggregate customer orders placed across multiple platforms. This shift reflects our increasing focus on offering services, thus contributing to long-term efficiency and enhanced carbon management. For more details on our strategy, please refer to the [Strategy](#) section of 2.8.1 General information; for more details on specific activities and emissions coverage, please refer to [Targets related to climate change mitigation and adaptation](#) and [Gross scopes 1, 2, 3 and total GHG emissions](#) sections below.

Identification and assessment of material climate-related IROs

Our business operations are linked to emissions being released into the atmosphere through our value chain. To understand what drives the most impact, we calculate our GHG emissions footprint on a yearly basis following the GHG Protocol (GHGP) as the accounting standard of reference. By following the GHGP, we ensure all our activities are screened and included in

the estimations of our impact on climate change. For more information on the screened activities, please refer to [Gross scopes 1, 2, 3 and total GHG emissions](#) section below.

In order to identify and assess the physical risks we may be exposed to, we took into consideration the results of the climate resilience analysis performed in 2022, and the annual climate-related risk assessments embedded in our risk process. Physical risks include: changing temperatures, heat waves, and extreme weather events like floods or drought, which can impact logistics operations and value chains, and can result in potential financial loss. Our Governance and Risk team biannually identifies, assesses and reports climate-related risks through workshops, self-assessments and ad-hoc reporting. The process involves close collaboration with the SDI team.

As detailed in the resilience analysis section above, we adopted the TCFD recommendations to conduct an initial assessment of our exposure to climate change. This assessment considered longer time horizons and was performed in 2022 to better understand the potential risks and opportunities associated with climate change. We do not explicitly link short-, medium- and long-term time horizons to the expected lifetime of our assets, as our operations primarily involve retailing with limited tangible assets. Our strategic planning is focused on short-term cycles, typically spanning four years. However, we recognise the long-term implications of climate change.

In assessing the extent to which our business activities may be exposed and are sensitive to the identified climate-related hazards, we took into consideration the likelihood and magnitude of impacts. We did not use geospatial coordinates nor the full magnitude and duration of the hazards.

In order to identify and assess the transition risks and opportunities for our business, we considered the results of the climate resilience analysis performed in 2022 alongside factors such as the availability of new technologies, regulatory developments, macroeconomic trends, customer expectations and the broader business environment, including competitor actions. In our assessment of the extent to which our assets and business activities may be exposed and are sensitive to the identified climate-related transition events, we considered the likelihood and magnitude of impacts. The 1.5°C climate scenario analysed in 2022 supported us to assess the compatibility of our business model with a climate-neutral economy. We have not identified any assets or business activities that are inherently incompatible with a climate-neutral economy. The climate scenarios analysed considered both transition and physical risks. We have limited high-emissions assets, considering that transportation and manufacturing processes with higher locked-in GHG emissions are primarily outside our direct operations. While no incompatible activities nor assets were found, significant efforts are being focused on our net-zero ambition to ensure business alignment with a climate-neutral economy. Progressing towards our net-zero ambition will involve improving energy efficiency and increasing the uptake of renewable energy in our operations and value chain, increasing the share of lower carbon materials, and driving business efficiencies while scaling circular business models.

For the preparation of our 2024 financial statements, we also make assumptions in alignment with the scenarios used for identifying climate-related physical and transition risks about the expected climate change developments, conditions and, based on these, the expected impacts on our cash flows. However, we have determined that climate change does not have a significant impact on the financial statements or on the estimates and assumptions made when preparing the annual report and consolidated accounts.

Our climate scenario analysis used two pathways to assess the potential impacts of physical and transition risks and opportunities: the IPCC's AR5 RCP 2.6 and the AR5 RCP 8.5. For more information, please refer to the [Resilience analysis and climate scenario planning](#) section above.

Policies related to climate change mitigation and adaptation

The mitigation of and adaptation to the impacts of climate change are critical to the resilience of our business operations and value chain. The objective of our climate change policy is to address the identification, assessment, management and remediation of our material climate change mitigation and adaptation impacts and risks. By implementing the objectives and management principles of this policy, we aim to enhance the resilience of our business against the impacts of climate change, ensuring long-term sustainability and value creation for our stakeholders. Our climate change policy applies to our own operations and value chain. The highest level of responsibility with respect to overseeing climate-related issues lies with Robert Gentz (co-CEO) as member of the management board. The co-CEO is the highest decision-making body for climate-related issues.

For policy purposes, the term "climate change mitigation" describes our endeavours to both support the Paris Agreement goals relating to our climate and nature impact and set targets in alignment with the SBTi framework. This applies to our actions across scope 1, 2 and 3 emissions (our own operations and the value chain), including an ambition to enable partners' climate action, and continued work with partners who we see as acting on climate change. Our **climate change mitigation** guiding objectives and management principles are as follows:

- **Reducing GHG emissions:** We are committed to minimising our GHG emissions by implementing rigorous reduction targets aligned with the latest climate science. This includes adopting best practices in emissions monitoring and reporting, identifying cost-effective technology solutions for pilot and deployment, and engaging with stakeholders to support less carbon-intensive practices.
- **Enhancing energy efficiency:** We prioritise the optimisation of energy use across all our operations through the implementation of energy-efficient technologies and processes. This involves regular energy audits, upgrading equipment to more efficient models, and promoting energy-saving behaviour among employees to reduce overall energy consumption.
- **Continuing the transition to renewable energy sources:** We are working to increase our use of renewable energy sources in energy consumption. This ambition includes procuring renewable energy and supporting our partners to similarly increase their use of renewable energy.

“Climate change adaptation” refers to our process of adjusting to actual and expected climate change and its impacts, and includes our efforts to adjust our operations, strategies and practices to minimise the negative impacts of climate change and to take advantage of any potential opportunities. This includes managing physical risks, such as extreme weather events and long-term changes in climate patterns, as well as understanding how these changes may affect our value chain, operations and customers. Our **climate change adaptation** guiding objectives and management principles are as follows:

- **Assessing climate risks:** We regularly assess climate-related risks as part of our annual risk management process for our own operations and value chain, developing strategies to manage and mitigate these risks effectively.
- **Enhancing sustainable and more climate-resilient practices:** We aim to enhance the resilience of our infrastructure and value chain by collaborating with suppliers to address climate risks, ensure continuity and promote sustainable practices and technologies, and by integrating climate adaptation into our strategic planning and decision-making processes.

Across our climate change mitigation and adaptation efforts, we are committed to enabling sustainable practices within our own operations and value chain. This involves sourcing materials responsibly, reducing waste, promoting circular economy principles, and working with suppliers and partners to encourage sustainable practices throughout the value chain. We engage with stakeholders, including employees, customers, and suppliers to build awareness and collaborate on climate change mitigation and adaptation initiatives.

The policy objectives and management principles guide our engagement with employees and partners on sustainability and climate change. We continuously engage employees and partners through internal enablement trainings to increase awareness and responsibility within Zalando to support fashion that is produced, consumed and sold in a more responsible manner. We are dedicated to working with suppliers who share our commitment to sustainability. We will continue to engage with our suppliers to promote and support the adoption of less carbon intensive practices, including reducing GHG emissions, reducing resource use, setting SBTs and minimising waste. We prioritise the sourcing of materials and products that decrease our environmental impact. This includes selecting more sustainably sourced raw materials, as aligned with our circularity policy. For further information on our approach to alternative materials and sourcing, please refer to the section [ESRS E5 Resource use and circular economy](#).

Actions and resources related to climate change policies

Our climate change policy aims at decarbonising our own operations (scope 1 and 2) and value chain (scope 3) emissions in line with our SBTs. The actions listed below showcase our main initiatives to support the policy objectives of energy efficiency and the transition to renewable energy sources, as well as the decarbonisation of our value chain. The GHG emission reductions from our efforts relating to decarbonising our own operations and the value chain are reported under the section [Gross scopes 1, 2, 3 and total GHG emissions](#). The expected GHG emission reductions of our actions are described in the section [Targets related to climate change mitigation and adaptation](#). We acknowledge that our ability to implement actions related to climate change is dependent on the availability and effective allocation of financial,

technological and human resources. Investments in renewable energy, energy and resource efficiency measures and sustainable infrastructure are central to our climate strategy. These investments rely on securing adequate funding and alignment with operational priorities.

The actions listed in the climate change, water, resource use and circular economy sections also address some of the identified physical and transition climate-related risks, such as operational and logistics disruptions, alternative materials sourcing and energy market volatility. We plan to continue assessing these risks as part of our overall risk management process and transition planning in alignment with our net-zero ambition.

1. Decarbonisation of our own operations

In 2024, scope 1 and scope 2 contributed less than 1.0% of our total GHG emissions. GHG emissions in these categories are primarily driven by heating in the offices, outlets, and logistic centres that are fully operated by us. Our main actions to decarbonise our operations and achieve our SBTs are described below. Six logistics centres included within the ESRS E1 scope (financial plus operational control) are excluded from our GHGP scope regarding the decarbonisation actions due to a lack of operational control. For further information on our ESRS E1 scope and GHGP scope please refer to “Methodology used for target setting” in the section [Targets related to climate change mitigation and adaptation](#).

- **Heating:** Most heating-related emissions are generated from within our logistics network. While some sites are already fully electrified, we continued in 2024 to work towards electrifying additional sites through the replacement of gas boilers with heat pumps in the office areas of three of our fulfilment centres in Poland, finalising the construction project at the end of 2024. The impact on our own operations was accounted for in the 2024 GHG inventory and will continue to be accounted for in the following periods.
- **Electricity:** Switching to renewables is an important practice that is related to reducing overall electricity and energy consumption. We have been procuring 100.0% of our electricity from renewable sources since 2018 and are a member of the RE100 initiative. This includes continuing to generate electricity from photovoltaic panels at our fulfilment centres in Lahr, Rotterdam and Verona. Purchasing renewable electricity is an ambition we strive to maintain year after year and is a pillar of our scope 1 and 2 decarbonisation strategy for the foreseeable future.
- **Efficiency:** Our energy management system is certified under ISO 50001. Beyond this, we implement various initiatives in specific logistics and non-logistics sites to drive further efficiency gains on an annual basis. This includes:
 - Conversion to LED in administrative areas and social facilities.
 - Optimisation of the air handling systems by the landlord or the operator.

2. Decarbonisation of value chain: packaging and last-mile delivery

In 2024 we engaged with our packaging and last-mile delivery partners to support them in setting their own emissions reduction targets in line with the SBTi criteria. This initiative will contribute to our 2025 target “suppliers SBT setting” as well as to our net-zero ambition, further described under the section [Targets related to climate change mitigation and adaptation](#). Partners that contribute significantly to our corporate carbon footprint have been a particular focus of negotiations. In addition, SBTs have already been introduced as a hard

criterion in all contractual negotiations with our packaging suppliers. We have implemented SBT setting as a criterion for last-mile delivery partners and have begun more frequent and granular monitoring to inform tailored actions.

3. Decarbonisation of the value chain: Brand engagement SBT

The majority of our emissions fall under scope 3, primarily concentrated in one category: products we buy and sell to customers (70.0%). When our brand partners set and achieve their own emissions reduction targets, they will continue contributing to our scope 3 emissions reduction in the years to come in alignment with our net-zero ambition. In 2024, we deepened our collaboration with brand partners selling on our channels, further expanding the FASHION LEAP FOR CLIMATE learning platform (LEAP), which we launched in 2022 in partnership with ABOUT YOU and YOOX NET-A-PORTER. This platform provides brands with free peer-learning opportunities and step-by-step guidance to measure emissions and set ambitious reductions targets. In 2024, with our LEAP partners we:

- Tested methods, including one-on-one post-LEAP support, to better understand remaining barriers to climate targets setting and support brands to take the next steps.
- Recruited 19 additional Zalando brands to join the programme.
- Expanded the initiative across the fashion industry by onboarding new retail partners and aligning with wider industry efforts. Notably, ASOS, Selfridges Group, Boozt, and Cascale joined the initiative as partners in 2024.

This initiative is a component of our long-term value-chain decarbonisation strategy to support and incentivise our brand partners to take climate action. The engagement of our brand partners in setting and achieving meaningful emissions reduction goals will remain essential to achieving our own net-zero ambition. Through the FASHION LEAP FOR CLIMATE initiative, we are positioning ourselves as an enabler for industry-wide climate action.

4. Decarbonisation of value chain: factory improvement programme

In collaboration with the Apparel Impact Institute (Aii) and RESET Carbon, in 2024 our private labels expanded the factory improvement programme to 18 Tier 1 and Tier 2 suppliers in textile, polyurethane, leather and footwear production across China, Bangladesh, India and Turkey. This follows the successful completion of the programme's first year in 2023 by 12 suppliers. The programme focuses on developing and implementing site-specific action plans to reduce GHG emissions and water consumption, particularly in factories with wet processing plants which are both highly water and energy intensive. In addition to ensuring factories have robust environmental management systems, these plans also include measures to enhance energy efficiency, transition to cleaner fuels, increase renewable energy use and improve water recycling, thereby reducing wastewater discharge. In collaboration with Aii and RESET Carbon, we will provide further support for action plan implementation and build capacity in energy management systems. We will continue to monitor the progress of the 12 facilities' action plans from the first year and we will continue to monitor our strategic carbon emitter suppliers in alignment with our private labels' net-zero ambition.

Targets related to climate change mitigation and adaptation

1. Zalando 2025 targets

By the end of 2025, we aim to achieve our short-term SBTs — validated by the SBTi in 2020 and a core component of our previous do.MORE strategy — to reduce GHG emissions.

Our targets achievement disclosures are based on the GHG inventory disclosed in the column “2024 (GHGP scope)” in the table [E1-6 GHG emissions](#). Our current targets are:

- We are committed to reducing scope 1 and 2 GHG emissions by 80.0% by 2025 against a 2017 base year. We are also committed to expanding annual sourcing of renewable electricity from 34.0% in 2017 to 100.0% by 2025.
- We are committed to reducing scope 3 GHG emissions from private label products by 40.0% per million euros gross profit by 2025 from a 2018 base year. We are also committed to having 90.0% of our suppliers (by emissions, including goods and services sold through our platform, packaging, and last-mile delivery partners) having set SBTs by 2025.

At the end of 2024 we are on track to achieve our scope 1 and 2 targets, having achieved an 82.0% reduction compared to 2017. Across our scope 3 targets, we have progressed significantly:

- Our scope 3 GHG emissions from private label products decreased by 48.2% per million euros gross profit from a 2018 base year, compared to 43.0% in 2023.
- 70.5% of our suppliers in scope have set SBTs, compared to 64.8% in 2023. In 2024, brand partners with set SBTs accounted for 70.0% of our brand supplier-related emissions, up from 65.2% in 2023. Packaging partners who set SBTs increased to 74.5%, up from 59.7% in 2023. Last-mile delivery partners who set SBTs increased to 76.9%, up from 59.6% in 2023.

At present, we have not established specific targets in line with the ESRS to address physical and transition risks, as our primary focus remains achieving our GHG reduction targets.

Targets and scope

| | Baseline value and year | Target value and year | 2024 progress |
|---|--|---|--|
| Scope 1 and 2 GHG emissions targets | | | |
| Absolute value of total GHG emissions reduction scope 1 and 2 | 27,413 tons CO ₂ eq (2017) | Reduction of 80.0% (2025) | Reduction of 82.0% |
| Absolute value of scope 1 GHG emissions reduction | 4,687 tons CO ₂ eq | | 4,417.3 tons CO ₂ eq Reduction of 6.0% |
| Absolute value of market-based scope 2 GHG emissions reduction | 22,725 tons CO ₂ eq | | 505.0 tons CO ₂ eq Reduction of 98.0% |
| Scope 3 GHG emissions targets – private labels | | | |
| Intensity value | 100 tons CO ₂ eq/m EUR (2018) | Reduction of 40.0% CO ₂ eq/m EUR gross profit (2025) | Reduction of 48.2% |
| Scope 3 GHG emissions targets – other | | | |
| Suppliers SBTs setting (including goods and services sold through its platform, packaging, and last-mile-delivery partners) | N/A | 90.0% (2025) | 70.5% |

We have not set or communicated any absolute scope 3 GHG emissions reduction target from private label products. However, ESRS E1-4 requires the disclosure of absolute values when reporting intensity targets. To meet the requirements of ESRS E1-4 we therefore present a baseline value of 228,161 tons CO₂eq (ca. 8.0% of total scope 3 GHG emissions) for the baseline year 2018 for absolute scope 3 GHG emissions from private label products. By 2025, we expect the absolute value to be slightly higher compared to the baseline year 2018. Nevertheless, we aim to achieve our intensity target, as indicated in the table above. By the end of 2024, the value is at 222,734 tons CO₂eq.

2. Zalando net-zero ambition

We do not currently have net-zero targets for the 2024 financial year. However, in March 2024 we communicated the ambition to achieve net-zero GHG emissions, aligned with the SBTi's definition. Long-term emissions reduction targets have been developed and submitted to the SBTi for validation. Once net-zero targets have been set (validated by the SBTi), we aim to communicate the related targets in the first half of 2025. Thereafter, these validated and externally communicated net-zero targets will replace the 2025 SBTs. Our net-zero ambition was formulated as follows: "achieving net-zero emissions by 2040 for own operations and private labels, and by 2050 for the remaining company value chain emissions (which include fashion brand partners, packaging and transportation emissions)."

Methodology used for target setting

Our short-term (2025) emissions reduction targets were developed in accordance with the SBTi target-setting framework. Our targets encompass scope 1, 2 and 3 emissions, with scope 1 and market-based scope 2 targets based on the SBTi's absolute contraction methodology. With reference to the GHGP and SBTi requirements, the targets were derived from a GHG emissions baseline inventory developed around the time of SBTi submission that follows the operational control approach ("GHGP scope"), as opposed to the financial control plus operational control approach required by ESRS E1 ("ESRS E1 scope"). Under ESRS E1-6, scope 1 and 2 GHG emissions shall first include the emissions of the consolidated accounting group of Zalando (financial control) and additionally account for the emissions of business partners over which Zalando has operational control. Operational control is defined in Annex 2 of the Delegated Act as the situation where "the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset". Six logistic centres — which are part of the consolidated accounting group of Zalando (i.e. scope 1 and 2 under ESRS E1-6) — are accounted for in our GHGP scope within scope 3 category 4, upstream transportation and distribution. Thus, our short-term (2025) emissions reduction targets scope 1 and 2 portion covers 89.9% (when considering location-based emissions, 42.0% when considering market-based emissions) of the financial year 2024 GHG emissions inventory ("ESRS E1 scope") disclosed under E1-6. Additionally, Zalando includes in scope 3 category 1, purchased goods and services, emissions associated with goods sold by Zalando partner business. These emissions have been integrated into our baseline GHG inventory and 2025 SBTs (i.e. included in our "GHGP scope"). In the "ESRS E1 scope" only the portions of these emissions that need to be disclosed in scope 3, categories 11 and 12, according to the ESRS E1 requirements, should be considered. Please refer to the table [E1-6 GHG emissions](#) for an overview of both GHG inventories.

The development and approval of these 2025 targets involved extensive engagement with internal stakeholders during 2019 and 2020 prior to submission to the SBTi. Both our annual GHG inventory and progress towards our public climate targets are disclosed annually, including through the Carbon Disclosure Project (CDP). To ensure our targets were representative, the baseline year of 2017 for Zalando's scope 1 and 2 2025 targets was selected based on the most recent GHG inventory available during the target-setting process, reflecting Zalando's average performance.

The methodologies and frameworks used in setting our SBTs are based on foundational inputs from the IPCC and International Energy Agency pathways for corporate decarbonisation. In the absence of sector-specific pathways, the global cross-sector pathway of the SBTi was used as a basis. Through the SBTi validation process, SBTi assessed that our scope 1 and 2 targets are aligned with 1.5°C IPCC decarbonisation pathways. The SBTi is an organisation that helps companies to set science-based climate targets. The targets of the SBTi are widely accepted and are considered to be "science-based". The methodology of the SBTi is subject to inherent uncertainties regarding the underlying scientific findings and forward-looking assumptions about the reduction of GHG emissions necessary to achieve the 1.5°C reduction pathway. Updated scientific findings on the course of climate change could lead to a change in the SBTi methodology and the assessment of whether the ambition level of the targets is sufficient to limit global warming to 1.5°C.

For the near-term 2025 targets related to scope 3 emissions, we have adopted two distinct approaches: an emissions intensity target for our private labels' emissions, and an engagement target for emissions associated with fashion brand products and packaging and last-mile transport services. While these 2025 scope 3 targets are SBTi-validated, they do not align with a 1.5°C decarbonisation pathway. Regarding our partner engagement target, to exert as much influence as possible on our scope 3 emissions, and as part of our SBTs, we focused on our biggest partners. These partners include brands, packaging suppliers and last-mile delivery partners, covering 90% of our supplier emissions. We have committed to supporting them in setting their own SBTs by the end of 2025. This is a quantitative engagement target aligned with the SBTi criteria for supplier or customer engagement targets which requires us to provide information about the percentage of emissions covered from relevant upstream and downstream categories. The target is based on conclusive scientific evidence that emissions need to be cut at a rate and pace aligned with climate science. By encouraging our partners to set their own science-based emissions reduction targets by 2025, we are aiming to contribute to climate action at scale. In 2020, when the targets were first validated and externally communicated, partners accounting for 34% of our 2020 supplier-related emissions had set SBTs. Progress is measured annually and compared to the previous year.

Our current targets include absolute, intensity and engagement targets. For our scope 1 and 2 GHG targets in particular, our main levers are renewable electricity and heating technology switches. Through these main levers we expect to reach up to 100.0% of our scope 1 and 2 targets. The majority of our scope 3 emissions are associated with the fashion and lifestyle products manufacturing stages and the raw materials used in these stages; this is applicable both to our Zalando private labels' scope 3 emissions and to our brand partners' product-related emissions. In relation to some of the current actions, and mostly in relation to our industry-wide efforts to decarbonise the value chains, the main levers and their estimated maximum emissions reduction potential is:

- Material substitution, with up to 10% reduction potential.
- Energy efficiency and renewable energy, with up to 60% reduction potential.
- Circular business models and business efficiencies, with up to 5% reduction potential.

Transition plan for climate change mitigation

We are actively developing a climate transition action plan, and we are committed to disclosing this plan within the next two years.

Energy consumption and mix

We calculate the metrics "E1-5 Energy consumption and mix" considering the total energy consumption across our own operations. This includes electricity consumption, district heat consumption and fuel consumption in logistics facilities, non-logistics facilities and vehicles. Fuel consumption includes the combustion of fuels within our own operations, comprising natural gas and burning oil for stationary heating, and petrol, diesel, compressed natural gas, liquefied petroleum gas and liquefied natural gas for vehicles. Fuel data is converted to megawatt hours (MWh) using the conversion factors published by the former UK Department for Business, Energy & Industrial Strategy (BEIS). For electricity and district heat consumption, supplier-specific data is used when available; otherwise, the Association of Issuing Bodies

dataset for electricity and location-based data for district heating are used to determine the mix of fossil, renewable, and nuclear sources.

We operate entirely within a “high climate impact sector” (Statistical Classification of Economic Activities in the European Community, NACE Section G — Retail). As such, our total energy consumption is fully attributable to high climate impact activities. Similarly, since all our operations fall under this classification, our “net revenue from activities in high climate impact sectors” corresponds to Zalando’s total net revenue in the financial statements, ensuring comprehensive reporting of both energy use and revenue generation.

The same energy consumption data is also used to calculate scope 1 and 2 GHG emissions.

Energy consumption and mix

| | Unit | 31 Dec, 2024 |
|---|-----------|------------------|
| Fuel consumption from coal and coal products | MWh | 0.0 |
| Fuel consumption from crude oil and petroleum products | MWh | 2,802.4 |
| Fuel consumption from natural gas | MWh | 25,479.1 |
| Fuel consumption from other fossil sources | MWh | 0.0 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources | MWh | 25,972.2 |
| Total fossil energy consumption | MWh | 54,253.7 |
| Share of fossil sources in total energy consumption | % | 30.65 |
| Consumption from nuclear sources | MWh | 0.0 |
| Share of consumption from nuclear sources in total energy consumption | % | 0.0 |
| Fuel consumption from renewable sources, including biomass | MWh | 0.0 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources | MWh | 115,141.7 |
| Consumption of self-generated non-fuel renewable energy | MWh | 7,614.6 |
| Total renewable energy consumption | MWh | 122,756.3 |
| Share of renewable sources in total energy consumption | % | 69.3 |
| Total energy consumption | MWh | 177,010.0 |
| Renewable energy production | MWh | 0.0 |
| Non-renewable energy production | MWh | 0.0 |
| Total net revenue from activities in high climate impact sectors | m EUR | 10,572.5 |
| Total energy consumption from activities in high climate impact sectors | MWh | 177,010.0 |
| Energy intensity per net revenue | MWh/m EUR | 16.7 |

We do not provide comparative data for the first year of preparing the sustainability statement, except in cases where data has been disclosed in previous years and is comparable, meaning it aligns in terms of scope and methodology with the current year’s figures. Since the 2023 and 2024 energy consumption data are not directly comparable — due to the aggregation of the 2024 energy data in accordance with the applicable ESRS E1 scope — we do not disclose the 2023 energy consumption data.

Gross scopes 1, 2, 3 and total GHG emissions

There were no significant changes in the definition of what constitutes the reporting entity and its upstream and downstream value chain.

We calculate our GHG emissions following the GHGP as the accounting standard of reference. We use CO₂-equivalent emissions factors, when available, within our GHG inventory in order to account for the Kyoto Protocol GHGs. Our scope 3 emissions accounted for 99.9% and scope 1 and 2 emissions accounted for 0.1% of our total GHGs.

Scope 1 emissions are calculated as the sum of emissions from 1) mobile fuel combustion in our company vehicles, 2) stationary fuel combustion of natural gas and burning oil for heat in our fulfilment centres and office buildings, and 3) refrigerant losses in our fulfilment centres and office buildings.

For scope 2 emissions, both market-based and location-based scope 2 emissions are calculated (Zalando uses market-based scope 2 emissions in its official GHG inventory). Zalando procures most of its electricity through green tariffs contracts. Only for less than 1% of electricity consumption, the purchase of unbundled certificates is performed within two months after the reporting period ends. District heating is consumed in some office buildings, and this consumption is multiplied by district heating emission factors and supplier-specific factors where available. Location-based scope 2 emissions are calculated by multiplying electricity consumption with country-specific electricity grid emission factors and district heating consumption with district heating grid emission factors where available.

For scope 1 and scope 2 emissions, we disclose emissions for the consolidated Zalando group. We did not identify any facilities or assets under our operational control that are not already fully consolidated in our financial statements.

For scope 3 emissions, a range of methodologies, assumptions and emission factors are used to calculate the individual scope 3 categories. Less than 1% of scope 3 emissions are calculated using primary data. The most significant scope 3 category for us is category 1, purchased goods and services. The methodology used for this category is explained below in further detail. In our GHG inventory, we include the following scope 3 categories:

- Category 1 – Purchased goods and services
- Category 2 – Capital goods
- Category 3 – Fuel and energy related activities
- Category 4 – Upstream transportation and distribution
- Category 5 – Waste generated in operations
- Category 6 – Business travel
- Category 7 – Employee commuting
- Category 9 – Downstream transportation and distribution
- Category 11 – Use of sold products
- Category 12 – End-of-Life treatment of sold goods
- Category 15 – Investments

The scope 3 categories that are not relevant to us and are therefore excluded are:

- Category 8 – Upstream leased assets: Emissions from leased properties are already included under scope 1 and 2.
- Category 10 – Processing of sold products: We do not sell intermediate products for further processing.
- Category 13 – Downstream leased assets: We do not lease any assets to third parties that are not already accounted for under scope 1 and 2.
- Category 14 – Franchises: We have no franchises, making this category irrelevant to our operations.

Category 1 – Purchased goods and services: This category covers all upstream emissions from the production of products acquired and delivered to us, including raw material extraction, manufacturing and transportation up to the Tier 1 supplier. Given the scale of our operations, these emissions are the most significant scope 3 (and overall) GHG category. It also includes upstream emissions of packaging and non-product procurement. For the majority of these product emissions, emissions are calculated using physical activity data including product volumes, material types and product weights (kg), where material types are first mapped to the Higg Materials Sustainability Index (Higg MSI) material emission factors (expressed in kg/CO₂eq). Finally, product volumes are multiplied by product weights, then multiplied by the Higg MSI emission factors to arrive at total emissions. For packaging emissions, we track packaging volume and materials and apply emission factors from Defra (BEIS) by material type, and multiply by volume to calculate emissions. Finally, the emissions for non-product-related procurement are calculated using a spend-based method as follows: non-product procurement (in EUR, split by commodity group) is multiplied by environmentally extended input-output (EEIO) emission factors from the EEIO model EXIOBASE.

All values, targets and the accounting methodology described above trace back to Zalando's historical GHG inventory accounting approach for external annual reporting and progress tracking against near-term 2025 SBTs. These "GHGP scope" values can be found in the column "2024 (GHGP scope)" in the [E1-6 GHG emissions](#) table below. Column "2024 (ESRS E1 scope)" shows the values according to the ESRS E1 scope (financial plus operational control) and in line with the GHGP requirements. The values differ due to the following reasons:

- Scope 3 category 1: Partner business sold products emissions are excluded in the "ESRS E1 scope".
- Scope 3 category 11: Partner business distributed products use-phase emissions are included in the "ESRS E1 scope".
- Scope 3 category 12: Partner business distributed products end-of-life emissions are included in the "ESRS E1 scope".

For information on our "ESRS E1 scope" and "GHGP scope" in relation to our targets achievement, please refer to "Methodology used for target setting" in the section [Targets related to climate change mitigation and adaptation](#).

E1-6 GHG emissions

| | Unit | 2024 (GHGP scope) | 2024 (ESRS E1 scope) |
|---|---------------------|----------------------|-------------------------|
| Scope 1 GHG emissions | | | |
| Gross scope 1 GHG emissions | tCO ₂ eq | 4,417.3 | 6,510.7 |
| Percentage of scope 1 GHG emissions from regulated emission trading schemes | % | 0.0 | 0.0 |
| Scope 2 GHG emissions | | | |
| Gross location-based scope 2 GHG emissions | tCO ₂ eq | 55,966.0 | 60,638.8 |
| Gross market-based scope 2 GHG emissions | tCO ₂ eq | 505.0 | 5,127.7 |
| Scope 3 GHG emissions | | | |
| Gross scope 3 GHG emissions | tCO ₂ eq | 4,484,812.9 | 3,463,574.5 |
| Purchased goods and services | tCO ₂ eq | 3,773,605.6 | 2,540,840.0 |
| Capital goods | tCO ₂ eq | 26,705.0 | 26,705.0 |
| Fuel and energy-related activities | tCO ₂ eq | 8,597.9 | 10,089.3 |
| Upstream transportation and distribution | tCO ₂ eq | 312,677.0 | 305,512.0 |
| Waste generated in operations | tCO ₂ eq | 768.4 | 768.4 |
| Business travel | tCO ₂ eq | 3,173.0 | 3,173.0 |
| Employee commuting | tCO ₂ eq | 7,559.0 | 7,559.0 |
| Upstream leased assets | tCO ₂ eq | 0.0 | 0.0 |
| Downstream transportation and distribution | tCO ₂ eq | 6,123.0 | 5,972.0 |
| Processing of sold products | tCO ₂ eq | 0.0 | 0.0 |
| Use of sold products | tCO ₂ eq | 285,358.7 | 487,127.3 |
| End-of-life treatment of sold products | tCO ₂ eq | 57,550.1 | 73,132.5 |
| Downstream leased assets | tCO ₂ eq | 0.0 | 0.0 |
| Franchises | tCO ₂ eq | 0.0 | 0.0 |
| Investments | tCO ₂ eq | 2,696.0 | 2,696.0 |
| Total GHG emissions | | | |
| Total GHG emissions (location-based) | tCO ₂ eq | 4,545,196.0 | 3,530,724.0 |
| Total GHG emissions (market-based) | tCO ₂ eq | 4,489,735.0 | 3,475,213.0 |

Deviating from the structure prescribed by the ESRS, the table above does not include disclosures regarding a base year or target milestones, as new long-term targets are planned to be published in 2025.

GHG emission intensities

| | Unit | 31 Dec, 2024 |
|---|---------------------------|--------------|
| GHG emissions intensity, location-based | tCO ₂ eq/m EUR | 334.0 |
| GHG emissions intensity, market-based | tCO ₂ eq/m EUR | 329.0 |
| Net revenue (in financial statements) used to calculate GHG intensity | m EUR | 10,572.5 |

Biogenic emissions

| in tCO ₂ eq | 31 Dec, 2024 |
|---|--------------|
| Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in scope 1 GHG emissions | 43.0 |
| Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in scope 2 GHG emissions | 0.0 |
| Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass that occur in value chain not included in scope 3 GHG emissions | 0.0 |

We procure most of our electricity through green tariffs contracts that cover both our fulfilment centres and the electricity consumption of most office buildings. To cover grey electricity consumption in some locations and for our electric vehicles, we purchase an unbundled GoO for the appropriate kWh which also has information about energy-generation attributes.

Contractual instruments linked to scope 2 GHG emissions

| | 31 Dec, 2024 |
|---|--------------|
| Percentage of energy consumption related to market-based scope 2 GHG emissions, linked to contractual instruments | 77.4 |
| Percentage of energy consumption related to market-based scope 2 GHG emissions, linked to bundled contractual instruments by energy generation type | 76.6 |
| Hydropower | 50.0 |
| Wind | 37.2 |
| Solar | 11.3 |
| Unspecified | 1.5 |
| Percentage of energy consumption related to market-based scope 2 GHG emissions linked to unbundled contractual instruments | 0.8 |

GHG removals and GHG mitigation projects financed through carbon credits and Internal carbon pricing

In 2024, we neither purchased carbon credits nor initiated any carbon removal projects. Our primary focus remains on reducing our GHG footprint through energy efficiency, renewable energy adoption and material substitution.

We do not currently apply internal carbon pricing schemes.

ESRS E2 Pollution

Identification and assessment of material pollution-related IROs

We have identified five significant environmental impacts and associated human health concerns related to pollution. These impacts are as follows:

- **Water pollution:** arising from the material processing phase, particularly during dyeing, and involving the use of water and chemicals.
- **Microplastic release:** synthetic fibres contribute to the release of microplastics during washing cycles, posing risks to aquatic ecosystems and human health.
- **Air pollution:** caused by fragmented value chains that depend on long-distance transportation, leading to increased emissions.
- **Soil pollution:** resulting from the use of pesticides and fertilisers in the conventional farming of natural fibres, which contaminate both soil and water sources.
- **Chemical pollution:** processes such as bleaching, printing and finishing often involve harmful chemicals that, if not properly managed, can be released into the environment.

The material environmental impacts resulting from the DMA occur during the production and distribution stages, including raw material extraction, textile production and transportation. These stages are outside our direct operations. Within our own operations, emissions are comparatively non-significant. For example, non-carbon emissions to air of our fulfilment centres are significantly lower than the emissions generated by the manufacturing processes. Similarly, microplastics potentially generated from our operations, if present, are minimal compared to the microplastics generated during the use phase of a fashion product over its life span. We did not screen site locations for pollution-related IROs, as none of the sites under our operation and control have emission sources that require reporting according to Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register, E-PRTR Regulation). Affected communities along the value chain were not directly consulted during the DMA. For further information on stakeholder engagement in our DMA, please refer to [Impacts, risks and opportunities](#) in section 2.8.1 General information.

For these reasons, our disclosures on pollution focus on our policies and actions related to chemical management. Accordingly, we have not yet established any group-wide policies, actions or targets in relation to pollution of air, water, soil and microplastics in line with the ESRS. Reporting on pollution metrics (disclosure requirements ESRS E2-4 and E2-5) for our own operations is not included as it is considered not material to Zalando according to our DMA.

Policies related to pollution

To manage upstream and downstream impacts and comply with regulations, we have developed a chemical management system. This includes the Restricted Substances List (RSL) to determine chemical requirements and limits for harmful substances in products. For private labels, the Manufacturing Restricted Substances List (MRSL) restricts chemicals in production, aligned with Zero Discharge of Hazardous Chemicals standards. For more information on our chemical management system and the processes for remediating negative impacts, please refer to [ESRS S4 Consumers and end-users: personal safety](#) in section 2.8.3. Social information.

Actions and resources related to pollution

At Zalando, we monitor the effectiveness of our MRSL and RSL through a risk-based due diligence programme. Our Quality Assurance team conducts regular testing of products and materials throughout the production cycle, from raw materials to finished goods, utilising accredited third-party laboratories. For more information on our quality checks on products and materials, please refer to [ESRS S4 Consumers and end-users - Actions related to personal safety](#) in section 2.8.3. Social information.

Targets related to pollution

We aim to ensure alignment with the existing regulatory framework. Our pollution-related commitments focus on preventing harmful substances in products by adhering to regulatory thresholds. For more information, please refer to [ESRS S4 Consumers and end-users - Targets related to personal safety](#) in section 2.8.3. Social information.

ESRS E3 Water resources

Identification and assessment of material water-related IROs

Our business depends on continued access to water, and we are already witnessing the effects of water scarcity and water quality risks in our activities. Previously assessed climate-related risks and opportunities described in the [Resilience analysis and climate scenario planning](#) in section ESRS E1 Climate change have informed our DMA. Our climate resilience analysis contributes to identifying water-related risks linked to the increasing occurrence of extreme weather events, such as flooding or droughts, along our value chain and in our own operations. Key risks carried into our DMA include reputational risks from water consumption in our value chain, business continuity risks from water scarcity affecting raw material availability and human health impacts from reduced water security. Opportunities centre on the potential to enable collective action on water stewardship. No IROs related to marine resources were identified as our business does not rely on marine resources. We have not screened our assets and activities to identify the IROs. However, in 2024 we undertook an assessment of water risk areas related to our own operations. This assessment specifically focuses on our direct impact on water consumption in these water risk regions, with further details provided in the following section. In 2024, we conducted a water risk assessment for our private labels for major Tier 2 (wet processing) facilities, and going forward we aim to pay particular attention to our private labels' water impact, particularly in high water stress areas. Direct consultations with affected communities have not been conducted.

Policies related to water

We established our water management policy in 2024, reflecting our ambition to addressing the critical water challenges associated with our own operations and value chain. This policy sets the foundation for managing water consumption and pollution and for managing water-related risks. We are dedicated to continuously expanding and refining our water management approach in the future in alignment with industry best practices and stakeholder expectations. Water management is critical for the resilience of our business operations and value chain. The aim of our water management policy is to minimise our water consumption and water pollution, comply with regulatory requirements and ensure the responsible use of water resources across our own operations and value chain.

Our water stewardship guiding objectives and management principles are:

- **Pursuing efficient water use:** We are dedicated to measuring our water footprint and identifying opportunities to reduce water consumption — especially in areas of limited water availability and higher water stress — and enhancing water efficiency across our operations while promoting best practice for water use across our value chain. This could include adopting water-saving technologies, optimising processes to reduce water consumption and promoting responsible water use among employees.
- **Minimising water pollution:** Our aim is to identify key sources of water pollution and opportunities to minimise it, including ensuring that wastewater is treated to meet or exceed environmental standards before discharge.
- **Complying with regulations:** We will pursue compliance with water-related regulations and standards that apply to our business. This involves monitoring regulatory changes and implementing due diligence procedures, where relevant.
- **Managing water-related risks, impacts, dependencies and opportunities:** We will regularly assess water-related risks and impacts pertaining to our own operations and value chain and develop strategies to manage and mitigate material issues. This assessment may also include identifying dependencies on water resources in alignment with leading guidance and frameworks.
- **Engaging stakeholders:** We will engage with stakeholders to gain additional insight, build awareness, and collaborate on water-related initiatives to promote the minimisation of our water consumption and water pollution.
- **Enhancing product and service design:** We will continue to integrate sustainable business practices, including water efficiency and water pollution prevention, into the design and classification of our products and services. This includes identifying materials and processes which require less water and which generate minimal wastewater.

The scope of our water management policy in 2024 includes:

- Water management and the identification of opportunities for reducing water consumption in our fulfilment centres and offices;
- Minimisation of water use and improved water management, including pollution and water treatment for priority private labels' value chain partners.

Within our management board, the highest level of responsibility with respect to the oversight of environment-related topics, including water, lies with our co-CEO Robert Gentz.

The co-CEO is the highest decision-making body for water-related issues.

Our water management policy and initiatives, the 2024 water risk assessment for our own operations and the water footprint calculation align with the principles of both the Alliance for Water Stewardship Standard and the CEO Water Mandate in terms of identifying water stress and water-related risks. We plan further alignment with these and other related principles and objectives of internationally recognised standards for water management to guide our efforts in sustainable water use, pollution control, and watershed protection.

Our current focus is on understanding and assessing our impact in areas of high water consumption and stress. This will inform future policies that address high water stress areas.

Actions and resources related to water management

Our key action is the factory improvement programme — the initiative to engage factories in our private labels' value chain to address their carbon and water impacts. Participating factories develop and sign off on action plans to improve their water and energy management. For further information on the initiative please refer to [Actions and resources related to climate change policies](#) in section ESRS E1 Climate change.

Targets related to water management

We are currently in the exploratory phase and have not yet set specific water targets in line with the ESRS. We are considering water quality, quantity, and risk and stress levers.

The monitoring of water consumption will be used to track the effectiveness of our water management policy related to water quantity (for our own operations). As the policy emphasises efficient water use, tracking consumption will allow us to measure progress towards our objectives. The year 2024 will act as the baseline for future evaluations, providing a reference point for our ongoing improvement efforts.

Metrics for our water consumption

In 2024, we focused on establishing our corporate water footprint and water risk assessment, starting with our own operations water metrics calculation.

Water consumption

| | Unit | 31 Dec, 2024 |
|---|-----------------------|--------------|
| Total water consumption | m ³ | 22,938.1 |
| Share of the measure obtained from direct measurement | % | 46.0 |
| Total water consumption in areas at material water risk, including areas of high-water stress | m ³ | 1,901.3 |
| Total water recycled and reused | m ³ | 0.0 |
| Total water stored | m ³ | 19.2 |
| Water intensity | m ³ /m EUR | 2.2 |

Our disclosed water metrics are based on the measurements of water withdrawals for our logistics and non-logistics sites in our own operations. The water withdrawal is captured either via metre readings or from invoices. In cases where actual water withdrawal data is unavailable, such as at smaller office sites, we estimate withdrawals based on comparable locations and surface area.

Water consumption: For each Zalando logistics and non-logistics site, the values for water consumption are estimated based on the measured water withdrawal data from the water supply network:

- For non-logistics facilities (e.g. office spaces, showrooms, retail spaces, etc.): Water consumption is estimated to be 10% of the water withdrawn from the water supply network. The estimation is based primarily on data from the literature and the range is adjusted to account for geography, nature of activities in these spaces — primarily non-intensive water use activities, where a high share of water withdrawn is returned to the sewer system.
- For logistics facilities (e.g. fulfilment centres): Water consumption is estimated to be 10% of the water withdrawn from the water supply network. The estimation is based primarily on data from the literature and the range is adjusted to account for geography and the nature of activities in these spaces.

Ultimately, our total water consumption is calculated as the sum of all water consumption (in m³) at facilities in our own operations.

Total water consumption in areas at water risk: To identify areas of high water risk, we employ a composite index approach that aggregates multiple water-related risks, i.e. physical risk quantity, physical risk quality, and regulatory and reputational risks, allowing for a comprehensive risk assessment. The calculation is performed on via the World Resources Institute Aqueduct tool, which returns values for the total water risk on a scale from “0” (low risk) to “5” (extremely high risk). The assessment covered 63 logistics and non-logistics sites. Among all Zalando sites, only our fulfilment centre in Lodz, Poland is classified as in an area at high overall water risk.

Water consumption in areas at water risk is calculated as the sum of all water consumption at facilities that are located in areas of high and extremely high overall water risk (scores from 3 to 5).

Total water recycled and reused: The total water recycled and reused is the amount of water and wastewater (treated or untreated) that has been used more than once within Zalando before being discharged.

- For non-logistics facilities (e.g. office spaces, showrooms, retail spaces, etc.): No water is recycled and reused.
- For logistics facilities (e.g. fulfilment centres): No water is recycled and reused.

Total water stored: The total water stored is the amount of water that is held in water storage facilities, and is calculated as the sum of all water volumes stored at facilities in our own operations.

- For non-logistics facilities (e.g. office spaces, showrooms, retail spaces, etc.): The volume of water stored is reported equal to the storing capacity of the water tanks at each site.
- For logistics facilities (e.g. fulfilment centres): The volume of water stored is reported equal to the storing capacity of the water tanks at each site.

Change in water stored: This represents the year-on-year difference in the volume of water stored at our logistics and non-logistics facilities. Since 2024 is the first year of measurement, the first available value will be reported in the 2025 financial year.

Water intensity: The water intensity ratio is calculated by dividing the total water consumption for our own operations by the net revenue of Zalando. Our water intensity is 2.2 m³/m EUR. This relatively low value for the water intensity metric reflects the limited water consumption in our direct operations.

Within our own operations, we do not engage in water-intensive activities as our core processes, e.g. warehousing, office and showrooms, have a relatively low water usage. We acknowledge that our more significant water impacts lie within our upstream value chain, particularly in raw material extraction, product manufacturing, and downstream activities related to product use.

ESRS E5 Resource use and circular economy

Identification and assessment of material resource use and circular economy-related IROs

To identify the environmental impact potential related to the circular economy, we conducted life cycle assessments (LCAs) in 2022 and updated them in 2024 during the DMA. They encompassed different circular business models such as pre-owned, take-back, care and repair, and reusable packaging. The LCA results highlighted that raw material extraction and processing were the most significant environmental impact areas of a product's life cycle. These outcomes informed our DMA, completed in 2024, and our new circularity policy.

Regarding the use of materials, we depend heavily on cotton, polyester and leather as key materials for the majority of products offered by our private label business and brand partners. By embedding more sustainable practices across our value chain — from product sourcing and design to logistics and recommerce — we ensure that we remain resilient in the face of emerging environmental challenges, while contributing to the creation of long-term value for our stakeholders. We have outlined the specific business units responsible for managing IROs related to our resource use and circular economy initiatives below.

The SDI team includes resources dedicated to the oversight of the comprehensive assessment of IROs related to resource use and the circular economy. This team sets our strategic direction for transitioning to a circular economy by developing strategic initiatives and partnerships that accelerate circular innovation.

Policies related to resource use and circular economy

Our circularity policy provides an overarching strategic framework for driving progress in the circular economy to manage our material IROs. The policy focuses on three foundational pillars: i) Circular products, ii) Circular business models and iii) End-of-life, broadly covering our business activities. We are committed to fostering innovation by continuing our efforts to support and scale up initiatives, building on strategic investments in textile-to-textile recyclers to date. For further information on our approach to innovation, please refer to [Entity-specific information: Innovation and partnerships](#) in section 2.8.4 Governance information.

Circularity is a complementary component of our net-zero ambition which we aim to achieve through three primary decarbonisation levers: material substitution, energy and circular business models. Circularity plays an important role, particularly in material use and circular models, advancing our progress towards our net-zero ambition. Furthermore, circularity is embedded across other dimensions of our sustainability approach, including decent work and D&I. It is a component of our strategy in both the B2C and B2B vectors. For our customers, circularity enables a better shopping experience by empowering them to buy and wear more apparel with a reduced environmental impact and feel better informed about their fashion choices. In the B2B space, circular services enhance our role as an ecosystem partner for our brands.

Our circularity policy closely considers the transition away from virgin resources, particularly within the circular products and end-of-life pillars. Increasing the use of recycled content, especially within our private labels, is a core part of our circular products pillar. We aim to scale the use of recycled content, focusing primarily on cotton, man-made cellulosics (MMCFs) and polyester. For the end-of-life pillar, we are currently exploring the landscape in detail to define the key areas in which we can support the industry.

Our circularity policy scope covers both upstream and downstream activities, engaging a range of cross-functional internal as well as external stakeholders, including brand partners, suppliers and third parties. Dedicated resources within our SDI team are responsible for the design and content of the policy. The VP SDI is accountable for its effective implementation across the business.

Our circularity policy was closely developed in collaboration with key external partners, notably the Ellen MacArthur Foundation (EMF). As a partner of the EMF, we align our circularity strategy with its guiding principles. In addition to collaborating with external partners, our circularity policy was developed through active engagement with cross-functional teams across Zalando. This approach has ensured alignment on key areas of overlap and clearly defined roles between the SDI team and embedded teams within the various business models.

In line with the direction set by the circularity policy, we have applied a set of minimum sustainability and circularity product requirements through the implementation of the sustainable sourcing policy. The policy informs and guides our private labels, suppliers, agents and trading companies (i.e. business partners) on minimum environmental and ethical practices to ensure that the products we procure and sell meet sustainability-related regulatory requirements and our own requirements.

The policy aims to support the transition to a fair, sustainable and circular economy and defines a level of ambition brands should strive for, along with industry initiatives that could support their sustainability journey.

We require all partners to comply with certain minimum requirements at the product level that go beyond legal requirements. If there is doubt that these requirements are being met, we can request supporting evidence to ensure that the minimum requirements at the product level are

being fulfilled. Products found to be non-compliant with the policy's minimum requirements are off-boarded from the platform where necessary.

In addition to the circularity and sustainable sourcing policies, Zalando's logistic sites in our operating countries are responsible for implementing a waste management approach and, where applicable, coordinate this with logistic partners.

Actions and resources related to resource use and circular economy

Single-use plastic reduction

As part of our previous sustainability strategy, do.MORE, significant efforts were made to reduce the amount of single-use plastic packaging. Key initiatives included introducing paper-based alternatives in 2021 and transitioning from plastic mailing bags to paper shipping bags.

The implementation of paper shipping bags began in January 2021, with the goal of replacing plastic shipping bags across the network. By the end of 2022, we had partially rolled out paper alternatives, increasing the paper bag share to 76.2%.³ Additionally, in October 2022, we eliminated the use of void fill from the shipments going out from our fulfilment centres, excluding Lounge by Zalando. Before, boxes were filled with void fill (plastic matter) to transport the products in a stable and protected manner.

In May 2023, we launched a new shipping bag specification and tender, which redesigned our entire packaging portfolio. This included the development of a comprehensive specification document that aimed to achieve a full rollout of paper shipping bags while eliminating plastic shipping bags. The transition was completed in March 2024, and the initiative has contributed to the significant reduction of single-use plastics across our portfolio.

Contract adjustments

In all contractual negotiations with our packaging suppliers, we have established the following mandatory actions:

- **LCA:** Suppliers are required to support the execution of an LCA of the product(s) in accordance with the European Product Environmental Footprint methodology, in cooperation with us.
- **Forest Stewardship Council (FSC) certification:** Suppliers must provide documented proof of FSC certification for any virgin forest fibres (100.0% or mixed). This proof must include the FSC Chain of Custody certification code and FSC licence code.
- **Mechanical recyclability documentation:** Upon written request, suppliers shall provide documentation on mechanical recyclability of products (e.g. ISO 14021 certification as proof of self-declared "recyclable" claim).

These stringent requirements have been introduced to new and renewed contracts with packaging suppliers, starting in 2024. By integrating these sustainability requirements into our contractual agreements, we aim to gain comprehensive insights into the environmental impacts of each of our packaging products, facilitating informed decision-making and identifying areas for improvement. We also aim to ensure that the materials used in packaging

³ Unaudited. Highsnobiety entities were excluded due to immateriality.

come from responsibly managed forests, supporting our circularity policy by reducing waste and enhancing material reuse.

Reusable intralogistics boxes

We have implemented a reusable system for intralogistics boxes, specifically for medium and large cardboard boxes, which serve as tertiary packaging to move items between all our logistics sites including fulfilment centres for Lounge by Zalando and return centres.

Launched in 2022, this process was applied to our medium-sized boxes, covering some fulfilment centres for Lounge by Zalando and return centres, avoiding the use of 980 metric tons of new boxes in that year. In 2023, by expanding the use of reusable cardboard boxes to more fulfilment and return centres, we avoided the use of 3,000 metric tons of packaging material.⁴ In 2024, we continued the expansion of reusable cardboard boxes to additional fulfilment and return centres across our network, resulting in 1,614 metric tons of packaging avoided. This expansion included standardising operational processes and reallocating reused boxes. We also initiated the development of a reusable concept for our large intralogistics boxes.

The project aims for continuous expansion until a fully closed-loop system for all intralogistics boxes has been achieved. The full implementation is expected to be completed by 2025 in 14 fulfilment and return centres, with plans for future expansion.

Recommerce

In recommerce, we offer customers the opportunity to extend the life of fashion items through Trade-in and Pre-owned.

We launched our Trade-in service in September 2020. Using Trade-in today, customers in five markets (AT, DE, DK, NL, SE) can sell back items previously purchased on Zalando across women, men and unisex in textile, sports, footwear and bags. All items sent in by customers are individually assessed by an expert team in our logistics centre to ensure authenticity and sufficient item quality for resale. A payout is awarded for each item which passes our quality check, either in the form of a Zalando gift card, which may be redeemed on all items in our app and web store (including Pre-owned), or in the form of an equivalent-value donation to a charitable cause (Red Cross, humedica, WeForest), with customers offered a choice between the two options.

Through Pre-owned, also launched in September 2020 on Zalando and now live in 13 markets as an ongoing initiative, we offer those items sold back to us through Trade-in in a dedicated catalogue, enabling second hand shopping on Zalando. Orders are fulfilled from a Zalando logistics outbound centre, combining new and second hand items in one box where possible.

We track progress via the number of markets in which recommerce is live. Market scope is differentiated by (i) the number of markets in which customers can sell back to us (Trade-in, in 2024 live in AT, DE, DK, NL, SE) and (ii) the number of markets, in which customers can purchase second hand clothing (Pre-owned, in 2024 live in 13 markets: AT, BE, CZ, DE, DK,

⁴ Unaudited. Highsnobiety entities were excluded due to immateriality.

ES, FI, FR, IE, IT, NL, PL, SE). In addition, we enable customers to shop pre-owned assortment in selected Zalando outlet locations. In 2024, 11 locations carried a dedicated Pre-owned space, offering women and men pre-owned clothing (Dresden, Düsseldorf, Frankfurt, Hamburg, Hannover, Cologne, Leipzig, Mannheim, Münster, Stuttgart, Ulm). To further enhance the customers experience, we are in the process of building an improved long-term concept, which more deeply integrates our Pre-owned offer within our physical stores, with the aim to better satisfy the demand for pre-owned clothing across relevant Zalando outlet locations.

Preferred materials for private labels

In 2024, the private labels business unit defined a set of preferred materials, which include organic, recycled or regenerative materials, and responsibly sourced materials, including trademarked MMCFs and Leather Working Group-certified leather. The private labels' preferred materials initiative is set until 2033. Key actions in 2024 to increase the adoption of preferred materials for private label products included:

- Increased use of organic and regenerative materials for products made of cotton
- Increased use of recycled materials for products made of polyester and cotton
- Increased use of responsibly sourced materials in our products, including Leather Working Group-certified leather, FSC-certified or Programme for the Endorsement of Forest Certification (PEFC) MMCF materials, and animal fibres certified by the Responsible Wool Standard or Responsible Mohair Standard. Additionally, we are incorporating materials produced using lower environmental impact and processing techniques.

Information on the targets for the materials used for private labels is described in the section below.

Targets related to resource use and circular economy

In 2024, we evaluated the material choices for our private labels using tools such as LCA and the net-zero reduction model to identify the most impactful raw materials. The assessment identified cotton and polyester as the most impactful materials in terms of both environmental impact and having the biggest volume share of the private labels' material portfolio. Therefore, we prioritised setting targets for cotton and polyester for our private label business, as well as packaging paper, focusing on the resource inflows associated with these materials. At present, we have not adopted specific targets for resource outflows and waste in line with the ESRS.

Private labels target: Following LCA findings and our circular economy and sustainable sourcing policies to reduce reliance on virgin materials, we have committed to fully phase out virgin polyester and conventional cotton for our private labels by 2033 (0 tons) compared to a 2024 baseline of 1,429 tons. We will source preferred material options, including recycled for polyester and organic, regenerative and recycled for cotton, among others.

The target applies to the total weight of polyester and cotton used across all private label products. The target will enable us to achieve impact at scale and aligns with the broader climate and resource efficiency goals and our net-zero ambition. Focusing on these materials

enables us to drive direct positive impact through our private labels, while the findings from the LCA provide scientific evidence that guided our target-setting process.

The Private Label team developed the targets in consultation with the private labels' Commercial teams, as well as the SDI team. The targets have been approved by the VP Private Label and Product Supply.

Packaging target: We aim to source 100.0% recycled or FSC-certified paper packaging on an annual basis.

We have committed to sourcing 100.0% of our packaging from recycled or sustainable sources (FSC or Blauer Engel certified sources), aligned with our circular economy and sustainable sourcing policy objectives of transitioning away from virgin resources. This target covers all packaging procured by us for final products, measured by total weight. The scope includes both our own operations and upstream sourcing, with a global reach. The target has an annual timeframe for completion, meaning that the baseline year coincides with the target year (2024). The target will be reviewed annually, taking into account changes in active suppliers and the products procured each year.

We base our calculations on the specifications of the primary material, which accounts for more than 95% of the product's total weight. If the primary material is FSC-certified, we consider the entire weight of that material to be sustainably sourced. For recycled content, only the percentage of recycled material within the primary component is counted as sustainably sourced. We base this target on scientific evidence, using LCAs to quantify packaging impact in supplier contracts. Packaging weight is tracked via our SAP system, and FSC certificates are provided at a supplier level. By 2024, 89.0% of our packaging came from sustainable sources or from recycled content, we will work together with our suppliers to collect the proper documentation that validates the sourcing of the rest of the materials.

To set our packaging target, we engage with key internal and external stakeholders, including senior management, suppliers and environmental organisations, to align with industry best practices. As part of the Canopy Pack4Good initiative, we collaborated with Canopy to adopt sustainable sourcing goals, resulting in our target to use 100.0% recycled or FSC-certified paper packaging.

Resource inflows

At Zalando, resource inflows include all products and materials that enter our facilities, including packaging. This encompasses items from various businesses: Our B2C segment, Fashion (including retail and partner business), as well as all product categories such as private labels, Lounge by Zalando, Zalando Outlets and recommerce, in addition to our B2B segment with ZEOS Fulfilment (including ZFS and our multi-channel fulfilment offering). Whilst packaging within recommerce is included in the scope of resource inflow calculations, the data related to recommerce products is excluded from the calculations as this information has already been accounted for during the product's first life cycle.

All product categories, such as fashion, footwear, accessories and electronics, are reported in aggregate form. The resource inflow metrics refer to all products and materials used for the production of products and packaging. The reported data reflects the materials in their original state, including product and packaging weight and material composition, as they enter our facilities. The resource inflow metrics were calculated using all available article and packaging data, including weight, material composition and sustainably sourced and recycled materials data. This includes materials adhering to third-party certifications or licensed or trademarked standards, such as the Global Recycle Standard and the Global Organic Textile Standard. Packaging material is considered sustainably sourced if it meets one of the following conditions: i) the supplier provides material that is specifically FSC-certified; ii) the supplier holds an FSC certificate for their company and Zalando includes a contractual requirement that all materials delivered must be FSC-certified; or iii) the packaging is labelled as FSC MIX or FSC RECYCLED, confirming compliance with FSC sustainability standards. Sustainably sourced and recycled material data undergo automated validation processes to ensure accuracy and applicability. Additionally, a binary classification system is applied to distinguish between technical and biological materials. Data duplication is prevented via various mechanisms including (i) building distinct article provision into the calculation methodology (ii) ensuring comparability of data across metrics, (iii) comparing of aggregate data results with GHG accounting results and (iv) testing results for duplication prior to calculation.

As a multi-brand retail platform Zalando's ability to acquire product sustainability-related data is partly limited. We know that many of our business partners struggle to significantly increase the use of sustainably sourced materials in their own assortments, due to technological challenges in innovation and price premiums for many of these materials, and customers' willingness to pay more for sustainable products. Even when our partners have successfully integrated these materials into their assortments, the lack of unified data standards, evolving regulatory requirements and difficulty in data sharing processes presents an added challenge to share this information upstream with a multi-brand retailer like Zalando.

We anticipate that the use of such materials throughout the fashion sector will organically increase in coming years, as regulatory eco-design and reporting requirements continue to expand in Europe. However, we aim to continue enabling and encouraging business partners on our platform to adopt sustainably-sourced, recycled materials and design strategies that support the circular economy, through our sustainable sourcing policy and our voluntary sustainability-related claim framework.

Resource inflows

| | 2024 |
|---|-----------|
| Overall total weight of technical and biological materials used during the reporting period (in tons) | 200,893.4 |
| Overall total weight of products and technical materials | 102,550.0 |
| Overall total weight of products and biological materials | 98,343.3 |
| Percentage of biological materials that is sustainably sourced | 26.0 |
| Products | 3.8 |
| Packaging | 85.9 |
| The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (in tons) | 31,334.3 |
| Products | 4,901.0 |
| Packaging | 26,433.3 |
| Percentage of secondary reused or recycled components, secondary intermediary products and packaging and secondary materials | 15.6 |
| Products | 3.3 |
| Packaging | 48.5 |

Resource outflows

Durability: After conducting an in-depth market analysis and a durability maturity assessment, we found that no established methodology or industry-wide averages exist for our product categories to make comparisons. Therefore, durability is excluded from the 2024 sustainability statement. Further analysis will be conducted to incorporate any future sector-specific requirements for reporting. We recognise why such a metric is useful for the industry and especially for customers, but this sector already faces a proliferation of tools and methodologies at a time when standardisation is required. Therefore, we are dedicated to work on an industry wide solution.

Repairability: Currently, there is no established rating system to evaluate the repairability of fashion products, resulting in an inconsistent approach for assessing the feasibility and ease of repair of garments and accessories. We are actively monitoring upcoming regulatory changes, including the Right to Repair Directive (EU) 2024/1799, which will take effect in 2026. The regulation is expected to influence how repairability is addressed, although it will still vary based on the specific damage and product involved. We expect the sector-specific ESRS being developed by the European Financial Reporting Advisory Group to provide guidance on how to evaluate the repairability of fashion products.

We have developed our first repairability guidelines for our private labels, with a focus on promoting design elements and techniques, which support product repairability, including:

- Facilitation of future repairs and alterations, such as wider seam allowances and easy replacement of components such as zips with readily available substitutes.
- Increasing modularity, allowing worn-out parts such as collars and belts to be replaced.
- Enabling adjustments in style, function and size through features such as drawstrings, adjustable side seams and hems, and additional buttons or elastics.

Recyclable content in products: Current reporting guidelines do not yet define how to assess the recyclable content of fashion products. After thoroughly analysing existing industry standards and regulations related to recyclability and metric methodologies, we explored the possibility of establishing an internal metric for product recyclability. However, we concluded that the available definitions and methodologies do not meet the qualitative characteristics (QC) of information required by ESRS 1. Specifically, we are unable to ensure faithful representation (QC5-QC9) or provide comparable data over time (QC10-QC12). CSRD aims to standardise sustainability reporting across companies, with sector-specific standards expected to result in reliable and comparable information. In line with this objective, we have excluded the recyclability of products from the sustainability statement, as we believe current methodologies would not deliver the level of transparency and consistency required.

Recyclable content in product packaging: Our current methodology considers product packaging recyclable if the material making up 95–100% of the product packaging meets specific criteria for recycling processes. According to the minimum standard defined by the Central Agency Packaging Register [Zentrale Stelle Verpackungsregister], “mechanically recyclable” means that the packaging can be sorted and processed using available industrial recycling technologies to produce high-quality recyclates. This involves assessing the material composition of the packaging, the presence of appropriate sorting and recycling infrastructure, and ensuring the packaging can substitute virgin material in typical applications after recycling. We consider a material as recyclable when we have self declarations from suppliers or when the specifications of the material indicate that it is paper, paperboard or cardboard, and aligns with the definition of “fibrous material” in the standard mentioned above.

The rate of recyclable content in products packaging in 2024 is 95.9%.

Waste

In the fashion e-commerce sector, waste generation primarily comes from two sources: packaging and textile waste. At Zalando, we are committed to reducing our environmental impact by addressing both of these areas:

- **Packaging:** The majority of our waste (92%) is packaging-related, driven by customers returns, as well as internal logistics processes. Our approach focuses on reducing excess packaging through optimised design, and reusing boxes within intralogistics operations, thus minimising the need for new packaging materials. Our packaging generated waste consists of paper and cardboard (83.7% of our total generated waste), plastic (1.5%), wooden (3.5%) and mixed packaging (3.0%).
- **Textiles:** Our multi-channel sales strategy contributes positively to waste minimisation by optimising inventory management. Unsold inventory is offloaded across various platforms, including Lounge by Zalando and outlet stores. In addition, we take the opportunity to donate remaining stock to organisations such as humedica or sell it to retail partners, ensuring no goods are destroyed except for health, hygiene or safety reasons. In order to fully comply with our duty of care, we only work with selected aid organisations and retail partners whose headquarters are located within the EU and who are therefore also bound by applicable laws. As a result of the above, textile waste accounts only for 0.26% of our total generated waste.

96.6% of our total generated waste is recycled, while only 3.1% is incinerated and just 0.3% is disposed by landfilling.

Waste categorisation and data collection: Our waste is categorised as either hazardous or non-hazardous, with key examples of each as follows:

- Non-hazardous waste (99.8% of total waste generated) includes paper, cardboard, metals, plastic packaging, biodegradable kitchen waste, and non-dangerous electronic waste.
- Hazardous waste (0.2% of total waste generated) includes certain beauty products, dangerous e-waste, and packaging materials containing chemicals.

Waste data is collected at the site level, where waste quantities and treatment routes are documented by our waste service providers. Precise weighing ensures accuracy, and any missing data is estimated based on averages from similar sites or previous time periods.

We do not provide comparative data for the first year of preparing the sustainability statement, except in cases where data has been disclosed in previous years and is comparable, meaning it aligns in terms of scope and methodology with the current year's figures. Since the 2023 and 2024 waste data are not directly comparable — due to the aggregation of the 2024 waste data in accordance with the applicable ESRS scope — we do not disclose the 2023 waste data.

Extended producer responsibility (EPR): As part of our commitment to responsible waste management, we participate in EPR programmes. We work with multiple producer responsibility organisations (PROs) across our markets to ensure responsible collection, recycling, and disposal of products and packaging. This collaboration ensures compliance with EPR regulations and supports recycling infrastructure. To meet our EPR obligations, we submit detailed reports to authorities and PROs, enhancing transparency in our waste management processes. Additionally, we contribute financially through EPR fees, helping to support efficient product disposal and recycling.

Resource outflows – Waste

| | 2024 |
|---|----------|
| Total Waste generated (in tons) | 33,340.1 |
| Total hazardous waste generated | 79.0 |
| Total non-hazardous waste generated | 33,261.1 |
| Non-hazardous waste diverted from disposal (in tons) | 32,142.9 |
| Non-hazardous waste diverted from disposal due to preparation for reuse | 174.4 |
| Non-hazardous waste diverted from disposal due to recycling | 31,007.9 |
| Non-hazardous waste diverted from disposal due to other recovery operations | 960.7 |
| Non-hazardous waste directed to disposal (in tons) | 1,118.2 |
| Non-hazardous waste directed to disposal by incineration | 1,011.8 |
| Non-hazardous waste directed to disposal by landfilling | 105.5 |
| Non-hazardous waste directed to disposal by other disposal operations | 0.9 |
| Non-recycled waste (in tons) | 1,143.5 |
| Percentage of non-recycled waste | 3.4 |

2.8.3 Social information

ESRS S1 Own workforce

Material IROs and their interaction with strategy and business model and Interests and views of stakeholders

Our workforce encompasses a diverse array of job families and capabilities and comprises employees in overhead functions, such as finance, human resources, IT, marketing (overhead employees), non-overhead employees working in our logistic centres, outlet stores or customers care centres, and non-employees (individuals working at third-party contractors) who are materially impacted by our own operations. Their interests, views and rights actively inform our strategy and business model. The majority of our employees are based in Germany, meaning that policies must primarily conform to German legislation. Nonetheless, we diligently ensure adherence to legal requirements in other jurisdictions where we operate, including other EU member states (e.g. Finland, Sweden, Ireland) and third countries. While most of our operations are centred in the EU, a modest proportion of employees are situated in the USA (Highsnobiety) and China (private labels and tech hub), requiring compliance with the diverse legal frameworks across these regions.

In this section, we cover the following sub-topics:

- Freedom of association, collective bargaining and collective agreements, works councils, consultation and participation rights of workers
- Secure employment
- Social protection
- Work-life balance, working time
- Health and safety
- Gender equality and equal pay for work of equal value
- Adequate wages
- Employment and inclusion of persons with disabilities
- Diversity, elimination of discrimination
- Training and skills development
- Prevention of child labour and forced labour

The actual and potential material impacts on our own workforce identified in our DMA are described in Impacts, risks and opportunities of section 2.8.1 General information. When determining our IROs, we included all individuals within our own workforce who could be materially impacted by our business activities in the scope of our disclosures, covering our own operations. Disclosures on non-employees will be reported in our next sustainability statement for the financial year 2025.

Our DMA identified key areas where our operations could have significant negative impacts. These encompass fair labour standards (wages, working time, job security), workplace safety and well-being, social benefits, inclusive approaches (regarding diversity, non-discrimination, disability inclusion), gender equality, and employee satisfaction.

To address these potential negative impacts, we have implemented comprehensive processes, policies and targets to mitigate risks and promote positive outcomes. We identified material positive impacts on our workforce in the area of training and skills development.

The following risks and opportunities stem from impacts and dependencies on our workforce: risks related to violence and harassment within the organisation, risks related to workers' rights (including collective bargaining), the risk of insufficient work-life balance, the risks of lack of D&I within the organisation and in hiring and support structures, which could lead to legal and reputational liabilities as well as insufficient prevention measures, especially for employees in fulfilment centres, e.g. the qualification and training of employees. Please also refer to Impacts, risks and opportunities in section 2.8.1 General information for a comprehensive list.

We aim to adhere strictly to laws and regulations pertaining to human rights, as well as the prohibition of forced and child labour. We have not identified any risks related to human rights violations. This matter is treated with the utmost seriousness, and we are committed to ensuring that no violations of human rights occur within our workforce.

There are no indications of significant effects on our employees resulting from our planned transition actions aimed at mitigating environmental impacts and achieving eco-friendly and climate-neutral operations. We are currently actively developing a climate transition action plan and are committed to disclosing and implementing it within the next two years.

All metrics for our employees are reported in terms of headcount (individuals who are in an employment relationship with Zalando according to national law or practice) at the end of the financial year, i.e. 31 December 2024, unless otherwise stated. The prior-year data for 2023 presented in this section is unaudited. Part-time work is expressed as a percentage of weekly working hours. Therefore, if required for metrics, part-time work is expressed as the fraction of the full-time equivalent. For example, a part-time position with 50% of the weekly working hours corresponds to a full-time equivalent (FTE) of 0.5. For related information, please refer to 3.5.7 (10.) Personnel expenses in the notes of our consolidated financial statements.

The tables below detail our total employee numbers categorised by gender, contract type and age group.

Total number of employees by gender and by contract type

| Contract type | Female | | Male | | Others | | Not reported | | Total number of employees | |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------|
| | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 |
| Permanent | 6,440 | 6,373 | 7,367 | 7,335 | 9 | 10 | 4 | 1 | 13,820 | 13,719 |
| Temporary | 1,060 | 886 | 917 | 774 | 4 | 2 | 4 | 1 | 1,985 | 1,663 |
| Non-guaranteed hours | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Full-time | 5,715 | 5,536 | 7,139 | 7,016 | 10 | 12 | 6 | 2 | 12,870 | 12,566 |
| Part-time | 1,785 | 1,723 | 1,145 | 1,093 | 3 | 0 | 2 | 0 | 2,935 | 2,816 |
| Total | 7,500 | 7,259 | 8,284 | 8,109 | 13 | 12 | 8 | 2 | 15,805 | 15,382 |

Employees distribution by age groups

| Category | under 30 years old | | 30 to 50 years old | | over 50 years old | |
|--------------|--------------------|------|--------------------|------|-------------------|------|
| Year | Number | % | Number | % | Number | % |
| 31 Dec, 2024 | 2,705 | 17.1 | 10,879 | 68.8 | 2,221 | 14.1 |
| 31 Dec, 2023 | 2,830 | 18.4 | 10,385 | 67.5 | 2,167 | 14.1 |

The following table shows an overview of the distribution of our employees in countries where we have more than 50 employees, broken down by contract type. The definitions of permanent, temporary, non-guaranteed hours, and full-time and part-time employees differ between countries. Country-level data is calculated using the definitions as per the national laws of the countries where the employees are based. Employees with non-guaranteed hours are employed without a guarantee of a minimum or fixed number of working hours. FTEs comprise all full-time positions at Zalando, and part-time positions are any contracts with weekly working hours less than the country full-time definition, e.g. Germany 40 hours, France 35 hours, Finland 37.5 hours and Switzerland 42 hours.

Employees categorised by contract type and region

| Contract type | Permanent | | Temporary | | Non-guaranteed hours | | Full-time | | Part-time | |
|-----------------|--------------|--------------|--------------|--------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| Region | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 |
| Germany | 13,020 | 12,982 | 1,957 | 1,639 | 0 | 0 | 12,121 | 11,888 | 2,856 | 2,733 |
| Finland | 147 | 136 | 0 | 0 | 0 | 0 | 145 | 134 | 2 | 2 |
| Ireland | 101 | 98 | 1 | 1 | 0 | 0 | 100 | 98 | 2 | 1 |
| Italy | 67 | 64 | 1 | 0 | 0 | 0 | 10 | 6 | 58 | 58 |
| Poland | 178 | 167 | 5 | 13 | 0 | 0 | 183 | 180 | 0 | 0 |
| Sweden | 52 | 36 | 0 | 0 | 0 | 0 | 52 | 36 | 0 | 0 |
| United Kingdom | 107 | 93 | 3 | 2 | 0 | 0 | 109 | 94 | 1 | 1 |
| United States | 48 | 59 | 5 | 0 | 0 | 0 | 53 | 59 | 0 | 0 |
| Total headcount | 13,820 | 13,719 | 1,985 | 1,663 | 0 | 0 | 12,870 | 12,566 | 2,935 | 2,816 |

The following table presents an overview of the gender distribution in number and percentage across our top five leadership levels. We excluded the Highsnobiety entities as their inclusion has no visible effect on the gender distribution of the groups.

Gender distribution at top leadership level

| Category | Female | | | | Male | | | | Others | | | | Not reported | | | |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Number | | % | | Number | | % | | Number | | % | | Number | | % | |
| | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2024 | 31 Dec, 2023 |
| MB | 2 | 2 | 40.0 | 40.0 | 3 | 3 | 60.0 | 60.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| SVP | 5 | 4 | 45.5 | 36.4 | 6 | 7 | 54.5 | 63.6 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| VP | 14 | 16 | 32.6 | 40.0 | 29 | 24 | 67.4 | 60.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Director | 38 | 39 | 33.3 | 33.9 | 76 | 76 | 66.7 | 66.1 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Head | 174 | 145 | 38.0 | 35.6 | 284 | 262 | 62.0 | 64.4 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Total | 233 | 206 | 36.9 | 35.6 | 398 | 372 | 63.1 | 64.4 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |

A total of 2,374 of our employees departed Zalando during the reporting period. The employee turnover rate for the reporting period was 14.7% (prior year: 22.2 %). This metric is calculated as the sum of all categories of attrition including voluntary and involuntary departures.

There are fluctuations in our employees due to seasonality and demand, especially in Q4, where, during Cyber Week and Christmas, demand is higher, requiring e.g. more logistic centre employees which impacts non-overhead roles. Our overhead employees remain stable, with annual investments in capabilities for our strategic priorities and normal attrition/hiring processes.

Policies and practices related to own workforce

Regarding the integration of the following policies into our operational activities in accordance with our strategy and commitment to our employees, final accountability lies with our CPO.

Our internal Zalando employee portal provides employees with a comprehensive repository of all our policies.

Freedom of association: At Zalando, we are committed to upholding the rights of our employees to freely associate, establish works councils and join unions in compliance with the legal frameworks applicable in each of our operating countries across Europe. As a European company with the majority of our employees based in Germany, we recognise the diversity of labour practices across the EU and ensure that our policies align with both national and EU-wide standards on workers' rights.

In Germany, the right to freedom of association is enshrined in the German Constitution [Grundgesetz] under Article 9. Furthermore, representation through works councils is highly regulated by the German Works Constitution Act [Betriebsverfassungsgesetz]. These legal foundations ensure that our employees have the right and the means to organise and represent themselves, and participate in decision-making processes within Zalando.

The voluntary **Zalando Employee Participation (ZEP)** programme provides an additional platform for those employees not represented by a works council, enabling them to engage directly with management and contribute to company decisions. The Strategic Employee Relations team transparently supports employees who wish to establish an informal ZEP, a works council, or who have questions regarding unions and their rights. They work closely with the employees on a daily basis, ensuring that employee participation and co-determination are central to our operations. We have defined own regulations and these have been agreed to by the management board.

We are supported by 10 works councils across various locations in Germany. These works councils, which are created, elected and composed of by our employees, play a critical role in our decision-making processes, particularly on matters that directly impact employees, thus enabling employee participation and co-determination to remain central to our operations.

On a group-wide level, and particularly for cross-border matters, employee representation is further strengthened through our European Works Council (EWC, formerly International Employee Board), which operates under the Act on the Participation of Employees in a European Company [SE-Beteiligungsgesetz, SEBG]. This body ensures that employee perspectives from all our operating countries are considered in our European and global strategies. Furthermore, the employee representatives ensure employee participation at the supervisory board level.

In the following table, we present the percentage of total employees covered by collective bargaining agreements. Where there are one or more collective bargaining agreements in the European Economic Area (EEA), we present the overall percentage of employees covered by such agreement(s) for each country in which there is significant employment (defined as at least 50 employees by head-count representing at least 10% of the total number), and the

coverage in non-EEA of collective bargaining agreements. Additionally, we present the global percentage of employees covered by workers' representatives at the country level for each EEA country in which we have significant employment.

Collective bargaining agreements

| Coverage rate | Collective bargaining agreements by country | Collective bargaining agreements in the EEA by country | Collective bargaining agreements outside the EEA by country | Workplace representation in countries within EEA |
|---------------|---|--|---|--|
| 0–19 % | Germany | Germany | — | — |
| 20–39 % | — | — | — | — |
| 40–59 % | — | — | — | — |
| 60–79 % | — | — | — | — |
| 80–100 % | — | — | — | Germany |

Less than 1% of our employees are covered by collective bargaining agreements.

Secure employment: We aim to fully comply with the local legislation relevant to secure employment in the countries in which we operate. We take two approaches to ensuring secure employment, differentiating between overhead functions (embodied by approximately half of our employees) and non-overhead functions (primarily logistics and customer-facing functions embodied by the remaining employees). In general, for overhead employees, we offer an unlimited contract with six months' probation for both parties (employee and Zalando) to reach a long-term commitment agreement. In limited cases and certain instances, such as parental coverage and/or workload peaks, contracts are limited in time.

For non-overhead customer care positions, employees initially begin on a temporary contract directly with Zalando, which can then be extended to a permanent contract after a successful one-year term.

In our logistics centres and outlets, employees typically start on a temporary contract through an external agency for approximately six months. Following a positive performance evaluation and suitable business conditions, employees may transition to a direct, limited-term contract with Zalando. After completing four limited contracts or working for two years, employees in these roles become eligible for a permanent contract.

Social protection: In accordance with German law, all our employees based in Germany working a five-day week are entitled to a minimum of 20 vacation days annually. However, we go beyond this legal requirement, offering employees 27 to 30 vacation days, depending on their role and tenure within Zalando. For employees based outside of Germany, we ensure full compliance with the respective local labour laws, offering vacation days and social benefits that align with or exceed national requirements. In addition, Zalando employees are entitled to special leave in the event of major life events (such as the death of a close relative, relocation, marriage or becoming a parent), as well as special leave or time off for caretaking needs of relatives.

Our employees are covered by comprehensive social protection aligned with local labour laws, which requires that both employees and employers contribute to public funds for unemployment insurance, sickness benefits, work injury compensation, disability support, parental leave and retirement.

Work-life balance: To facilitate a smooth return to work, we offer job security, childcare support and return-to-work programmes. Berlin-based employees have access to approximately 100 kindergarten places through partnerships with daycare providers and our on-campus daycare centre. Additionally, all our employees have access to the work-life balance service provided by the Fürstenberg Institute, offering up to five days of emergency childcare annually. This support proves invaluable in situations like the recent kindergarten strike in Berlin, ensuring employees can manage unforeseen challenges while maintaining a work-life balance.

The percentage of employees entitled to take family-related leave is 100.0%. Furthermore, the following table shows the percentage of employees that took family-related leave by gender.

Family-related leaves

| in % | 2024 | 2023 |
|--------------|------|------|
| Female | 18.7 | 19.0 |
| Male | 11.5 | 11.4 |
| Others | 6.7 | 17.9 |
| Not reported | 0.0 | 0.0 |
| Total | 14.9 | 15.0 |

Our approach to work-life balance is similar to the secure employment approach, differentiating between overhead and non-overhead functions. Our policies for overhead employees in this area are shaped by a commitment to fostering a culture of trust and flexibility. This approach empowers employees to take ownership of their tasks, responsibilities and working hours, promoting greater autonomy with the goal of improving both job satisfaction and productivity. Simultaneously, we strictly adhere to legal working hour regulations (such as the Hours of Work Act [Arbeitszeitgesetz, ArbZG]) ensuring that all employees work within the statutory limits. Our non-overhead employees in logistic centres, outlet stores and customer care have flexible shift patterns that accommodate diverse needs. In our logistic centres, teams work across early, late and night shifts, with schedules normally provided several weeks in advance to allow for adequate rest. We offer parental shifts and flexible arrangements to support the work-life balance.

We maintain strict guidelines for special working-time requirements, such as on-call duties and weekend work. These regulations, subject to approval by works councils and local authorities, prioritise employee well-being and prevent overtime. We offer specific compensation for on-call duties, ensuring fair treatment for employees. Our annual assessment and improvement of Cyber Week planning demonstrates our commitment to balancing employee needs with business demands.

Mobile work agreement: In 2022, we introduced a mobile work agreement allowing overhead employees to work remotely for up to 60% of their time, depending on their role and internal team guidelines. This agreement was developed collaboratively between the works councils, Strategic Employee Relations team, and the P&O Executive Leadership team. Additionally, employees with disabilities are offered enhanced flexibility, with the option to work from home up to five days per week, depending on the nature of their role.

Health and safety: The health and safety of employees is critical to our success, and we are committed to providing safe and healthy work environments in every possible instance, recognising our special responsibility to ensure these qualities in our own logistic centres as highlighted by the results of our DMA.

The health, safety, security and environment policy applicable to our Zalando logistics premises, complies with the requirements of the EU Directive (89/391/EEC), the International Organization for Standardization and the Transported Asset Protection Association, and sets out a general approach to health and safety, security and environment in order to protect people, suppliers and business partners as well as to prevent accidents to the same. The policy was authorised by the Director of Warehouse Operation and Director of Logistics Warehouses with consultation from the Legal, Compliance and Governance and Risk teams. The policy is made available to all employees during their onboarding sessions and an annual training on health and safety is provided.

The following table presents the health and safety management system information for our employees. For the metric of rate of recordable workplace accidents, we are using an estimate (38h weekly worked hours) for our Highsnobiety entities.

Health and safety management for employees

| Category | 2024 |
|---|-------|
| Coverage percentage | |
| Health and safety coverage (in %) | 100.0 |
| Work-related fatalities | |
| Number of fatalities from work-related injuries and illnesses (employees and non-employees) | 0 |
| Recordable workplace accidents | |
| Number of recordable workplace accidents | 984 |
| Rate of recordable workplace accidents (per 1m worked hours) | 43.5 |

Gender equality & equal pay: To comply with German pay transparency laws which require employers to provide information about the median compensation of colleagues in comparable roles of the opposite gender, we have implemented a process allowing employees to request such data. Where required, employees can also consult our works council members, who can provide employees with the relevant information.

The following table shows the gender pay gap with a breakdown by overhead and non-overhead employees. The gender pay gap is calculated as the difference between average

gross hourly earnings of male paid employees and of female paid employees expressed as a percentage of average gross hourly earnings of male paid employees. Pay refers to wages and salaries earned by full-time and part-time employees (including working students and apprentices) per hour before any tax and social security deductions, including any overtime pay, shift premiums, allowances, bonuses and commissions. Members of the management board are excluded from these calculations. For detailed information on the remuneration of our management board members, please refer to the corresponding description in our [1.3 Remuneration report](#).

The annual average total remuneration is the ratio of the highest paid individual to the median annual total remuneration for all employees (including working students and apprentices and excluding the highest paid individual and members of the management board). For this, we take into account all payments made to employees, including the base salary (guaranteed, short-term, non-variable cash compensation) plus any variable cash payments and benefits in kind (e.g. cash allowances, bonuses, commissions, profit-sharing, company cars, insurances) as well as annual long-term incentives (e.g. total fair value of stock options, restricted stock, performance stock, phantom stock, stock appreciation rights, long-term cash awards). Given the inclusion of performance-based incentives, this metric is subject to fluctuations over time.

Gender pay gap

| Category | Average remuneration ratio | Gender pay gap in % | |
|--------------|----------------------------|---------------------|------|
| | 2024 | 2024 | 2023 |
| Overhead | - | 22.4 | 21.9 |
| Non-Overhead | - | 1.9 | 1.4 |
| Total | 48.5 | 15.4 | 15.5 |

Pay ratios are largely driven by the employee distribution across lower- and higher-paying jobs, such as in non-overhead roles and tech, for instance, and is thus industry- and company-specific. For the gender pay gap in particular, differences in the prevalence of jobs between men and women matters since it immediately impacts the pay average. Similarly, the relative share of male and female employees in the different countries influences the gender pay gap.

The differences in the above-mentioned pay-related factors between men and women explain around 90% of the unadjusted gender pay gap. Therefore, for Zalando, the disclosure of the adjusted gender pay gap is important. For Zalando overall, the adjusted gender pay gap amounts to 1.4% (1.2% prior year); among overhead roles, the adjusted gap is 1.9% (1.7% prior year), and it stands at 0.2% (0.2% prior year) for non-overhead roles. The adjusted pay gap excludes employees in areas with incomplete or non-comparable job grades and families (e.g. Highsnobiety). The calculation of the adjusted gap includes base salary, equity compensation, functional allowances, commuting allowances, boni, and shift and on-call premia. It controls for differences in job grades, job functions, and location. Therefore, it differs from formerly published adjusted gender pay gaps in outcome and controls, i.e. previously focusing only on base salary and equity compensation while additionally controlling for age, tenure, and contract type, and the inclusion of working students and apprentices.

Adequate wages: For our metrics on adequate wages, in accordance with the Eurostat database, countries within the EEA are used as an applicable benchmark. For countries outside the EEA, any benchmark that meets the criteria set out by the Sustainable Trade Initiative may be used, including applicable benchmarks aligned with the Anker Methodology or provided by the Wage Indicator Foundation or Fair Wage Network. For these countries, there are different adequate wage benchmark figures for different sub-national regions: the U.S Bureau of Labour Statistics, China's average yearly wages and Hong Kong's average monthly wages. Interns and working students are excluded from these calculations. None of our employees are paid below adequate wages.

Employment and inclusion of persons with disabilities: We aim to create an inclusive workplace for employees with disabilities regardless of their official status. To improve Disability inclusion, we implemented an action plan in 2023 for our Berlin-based offices and employees. Key initiatives include accessibility audits and improvements to physical spaces, particularly in our newly constructed Berlin office, Allyship programmes, leadership awareness measures and inclusive recruitment processes.

The **Disability inclusion toolkit** focuses on the disability legal framework in Germany and empowers leaders and P&O business partners to create inclusive environments. Additionally, our Employee Assistance Programme (EAP) provides specialised support for employees navigating disability-related processes like applying for an official German disability pass.

Diversity, elimination of discrimination: We have a clear policy against discrimination documented in our Code of Ethics as described in [ESRS G1 Business conduct](#) in section 2.8.4 Governance information.

Zalando do.BETTER: In 2021, we published our first D&I strategy, do.BETTER, which was approved by the management board to create a more inclusive workplace as well as to ensure we support the communities we reach. Applicable across all our entities (with the exception of our Tradebyte and Highsnobiety entities)⁵, the strategy is centred around 12 ambitions and targets encompassing talents, leadership, customers and partners.

We report biannually to the D&I and sustainability committee, which comprises all our executive leaders, on the status of our ambitions, targets and learnings. The D&I and sustainability committee meets regularly to support ongoing initiatives. The strategy is published on both our corporate website and our internal Zalando employee portal. The do.BETTER strategy concluded in 2024.

Incidents of discrimination: The following table shows the total number of all incidents of discrimination, including harassment, reported in the financial year. This metric is calculated as the sum of all recorded cases that were categorised as discrimination or (sexual) harassment and assessed as a potential human rights violation, during the reporting period. We also disclose the number of all complaints filed through channels for our employees to raise concerns (including grievance mechanisms) and, where applicable, the National Contact

⁵ For more information on Tradebyte and Highsnobiety, please refer to our group segments in the section [2.1.2 Group structure](#) of the combined management report.

Points for the OECD Guidelines for Multinational Enterprises related to the matters defined, excluding those already reported above. Moreover, we disclose the total amount of fines, penalties and compensation for damages as a result of violations regarding social and human rights aspects.

Incidents, complaints and severe human rights impacts

| | 2024 |
|--|------|
| Number of incidents of discrimination | 0 |
| Number of complaints filed through channels for employees to raise concerns | 90 |
| Number of complaints filed to National Contact Points for OECD Multinational Enterprises | 0 |
| Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors | 0 |
| Number of severe human rights issues and incidents connected to employees that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises | 0 |
| Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to employees | 0 |
| Number of severe human rights issues and incidents connected to employees | 0 |
| Number of severe human rights cases where Zalando played role securing remedy for those affected | 0 |

The 90 complaints we received from our employees in financial year 2024 mainly related to potential unequal treatment and work culture. During the reporting period, we identified and addressed no cases of severe human rights incidents related to our employees. Accordingly, there have been no incidents that may constitute a violation of the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. We have implemented policies and procedures to prevent such incidents.

Training and skills development: We offer an annual training budget to support individual development for our employees (with the exception of temporary workers, e.g. working students or interns). This budget may be used either on our learning internal catalogue or for external resources in cases where the development requirements are not offered internally. This approach was created by our Learning and Development team and approved by the P&O Executive Leadership team.

In accordance with German educational holiday regulations [Bildungsurlaub], our education time policy allows employees in Germany to pursue personal and professional development through continuous learning. Depending on the federal state, employees may be entitled to up to five days of paid educational leave per year to attend training courses or seminars related to their work or personal interests.

Culture: Our founding mindset principles are encapsulated in four core values: customer focus, entrepreneurial thinking, speed and team spirit. These principles guide decision-making and empower our employees to work in the interest of our customers and partners.

Our management board worked closely with a broad group of leaders to define these principles that are applicable at all levels at Zalando.

Prevention of child and forced labour: We aim to adhere strictly to laws and regulations pertaining to human rights. In this context, the policy statement on Zalando's human rights strategy, described in section [ESRS S2 Workers in the value chain](#), is also relevant for our own workforce. Furthermore, our Code of Ethics outlines the fundamental values of honesty, respect, trust and fairness and sets clear expectations for the professional, ethical and responsible behaviour of all employees. In addition, the group policy internal investigation describes the comprehensive management of reported, actual or suspected compliance violations. For detailed information, please refer to [ESRS G1 Business conduct](#) in section 2.8.4 Governance information.

Processes for engaging with own workforce and interests and views of stakeholders

We maintain a robust engagement framework that includes entity-wide, cross-functional and business unit meetings at various levels, as well as other formats like employee assemblies in co-determined entities. These meetings serve as platforms for sharing updates, gathering feedback and fostering a sense of community. Most of the meetings held in hybrid format to ensure accessibility for all employees, regardless of location. Zalando-wide level meetings are typically hosted by a SVP or one of our management board members.

Our quarterly engagement and culture survey is a valuable tool for gathering anonymous feedback on our employee experiences. Covering topics such as belonging, fairness, support, balance, leadership and overall sentiment, the survey provides both quantitative and qualitative insights. Quantitative metrics, like participation, engagement and strategic alignment offer valuable data on employee feelings and perceptions. Additionally, free text fields allow employees to share detailed feedback on our strengths and areas for improvement. We believe that leaders play a crucial role in cultivating a positive and engaging workplace. Therefore, we hold our leaders responsible for the survey results within their respective teams. After analysing the survey data at various levels, leaders collaborate with their teams to develop action plans that address areas with critical feedback.

To keep improving on D&I as a foundation for our long-term success, we need to understand and improve on employee inclusion experiences. Following on from our 2022 D&I survey, we therefore launched a second D&I survey in 2024 for all our employees, except, due to local data protection regulations, those in Italy and China, and Highsnobiety employees. We anticipate that the results will empower leaders to develop D&I action plans for their business unit. We encourage a transparent open feedback culture between employees, peers and leads.

Our Strategic Employee Relations team is available to transparently support employees who wish to establish an informal ZEP, a works council, or who have questions regarding unions and their rights. For more information, please refer to [Freedom of Association](#) in this chapter.

For more information on our human rights strategy that applies to all employees and complements our Code of Ethics, please refer to section [ESRS S2 Workers in the value chain](#).

Processes to raise concerns

If an employee experiences inappropriate behaviour, feels discriminated against or harassed, has a question, wishes to discuss a sensitive situation or observes behaviour that is not in line with our Code of Ethics we encourage them to speak up. In some cases, the best approach could be to directly approach the involved colleague(s). In others, employees might speak to their lead or ask a P&O business partner for advice. If an employee has experienced or witnessed direct or indirect discrimination, harassment or bullying, the Corporate Compliance team that handles our group-wide human rights due diligence and the group's Compliance Management System can be contacted to become involved through a protected system. We also offer a whistleblowing tool for all employees. Employees and externals can raise issues through this tool anonymously 24/7. Employees may also reach out directly via email or in person to the Corporate Compliance team. Every report is investigated promptly, and subject to action where necessary. Employees are provided with additional ways of raising concerns through various feedback sessions, surveys, works councils and department-wide meetings.

Our Corporate Compliance team has access to the data generated through the whistleblowing tool and analyses the data to better understand where issues originate, e.g. business unit, nature of the issue or the location, among others. Other processes, such as the regular anonymous and voluntary D&I survey, help us gain insight into employees' experiences and their perceptions regarding inclusion and belonging. Feedback provided through surveys and feedback sessions and issues raised through our whistleblowing tool are efficiently handled. Our Code of Ethics and Speak Up guidance protects individuals who raise concerns against actions. These are accessible externally on our corporate website and via the internal Zalando employee portal. For more information, please refer to [ESRS G1 Business conduct – Policies related to business conduct](#) in section 2.8.4 Governance information.

Actions and resources related to own workforce

The following paragraphs contain a summarised description of our actions. These actions are associated with reducing material impacts outlined in [Impacts, risks and opportunities](#) in section 2.8.1. General information.

To demonstrate our commitment to ESG, particularly for our employees, the supervisory board incentivises diverse leadership styles from management through the remuneration system of the management board. Please refer to [Integration of sustainability-related performance in incentive schemes](#) in section 2.8.1 General information for further information.

Actions performed in 2024

- **Work time management:** To ensure compliance with EU regulations and improve employee well-being, Zalando is developing a new work time management system for our overhead employees in Germany. This system will provide greater visibility into employee working hours, reducing the risk of undue overtime and enhancing compliance. A dedicated team is working on the project, which is scheduled for completion in 2025. The system will be implemented for all overhead employees across Zalando's global operations. Furthermore, a separate work time management system is already in place for

our non-overhead employees, ensuring comprehensive compliance and support for all staff.

- **Appointment of dedicated Disability Inclusion Officers in Berlin and Erfurt:** This permanent role promotes disability inclusion at Zalando and ensures that legal obligations towards people with severe disabilities in the workplace are fulfilled. They ensure compliance with our obligation to support and develop employees with severe disabilities.
- To support a **work environment of psychological safety**, we continued a training programme for leaders called “Let’s talk about well-being” focused on duty of care, the General Data Protection Regulation (GDPR) and active listening, and aimed at enhancing our leaders’ knowledge and empathy when addressing employee’s well-being concerns. Additionally, to create a network of employees which proactively promote a healthy work environment and provide immediate support when needed, we established a network of Mental Health First Aiders and Well-being Ambassadors at our sites in Germany, Helsinki and Dublin in 2024. This programme will be continued during 2025.
- Our logistics Health and Safety team monitors **health and safety data** to ensure prevention measures for workplace injuries. This includes our fulfilment, return and refurbishment centres operated by or on behalf of ourselves. The aim is to provide an overview of health and safety incidents in our logistics network as well as actions taken to avoid health, safety and environmental incidents and impacts, as well as the control measures implemented after such incidents take place. These are long-term actions with the commitment of reducing incidents on a yearly basis.
- Our Learning and Development team has centralised the **learning and development catalogue**, which is accessible to overhead employees and provides a wide range of courses aligned with our business objectives. In order to enhance their skills and improve the employability opportunities for employees, we have included:
 - German language courses, from A1 to C2 level at no extra cost.
 - First Inclusive Leadership Programme, which aims to provide managers with the knowledge and tools necessary to lead diverse and inclusive teams.
- To **enhance awareness of D&I across our employees**, we have implemented a mandatory unconscious-bias training for all employees. Additionally, in 2024 we launched a follow-up D&I survey to measure progress, compare results with our 2022 survey and gather valuable feedback to further strengthen the promotion of D&I within the organisation. Employees from all locations participated in the survey, except, due to local data protection regulations, those in Italy and China and Highsnobiety employees.
- To **increase awareness about the impact of discrimination** in our logistic centres, our employees in Germany participated in a mandatory German General Equal Treatment Act [Allgemeines Gleichbehandlungsgesetz, AGG] workshop as well as in mandatory AGG e-learning. For our employees in Berlin, Dortmund and Helsinki, we established the Equality Allyship Network. This group of dedicated employees actively promotes inclusivity and challenges discrimination.

Long-term actions implemented in business practices

- We are committed to fostering a supportive work environment that prioritises **employee well-being**. To this end, we offer access to the external EAP provided by the Fürstenberg Institute. This comprehensive service provides confidential, multilingual psychosocial counselling to our employees, their close relatives and their friends. The external EAP supports individuals in addressing a wide range of personal and work-related challenges, including:
 - Mental health concerns (e.g. stress, anxiety, depression)
 - Work-life balance issues (e.g. time management, burnout)
 - Relationship difficulties (e.g. family, partner)
 - Financial challenges
 - Childcare support

For employees located outside of Germany, we leverage the Fürstenberg Institute's global network of partners to ensure access to similar high-quality external EAP services. To ensure easy accessibility, detailed information about the entitlements, contact details and guidelines are available on our internal Zalando employee portal.

- To **embed D&I in our culture**, we have streamlined our ways of working by anchoring best practices and creating a proper governance for our 11 ERGs, which are employee-led groups formed on the basis of shared identity or experiences. ERGs aim to create safer spaces and communities where employees come together to discuss their experiences. Each ERG has dedicated sponsors and robust governance structures. Although these networks are mainly based in Berlin, they cooperate with our international sites as well as with Dortmund when necessary. ERGs increase the visibility of underrepresented groups and provide structures to support diversity.
- To **strengthen diversity among our employees**, especially in leadership positions, and ensure the retention of underrepresented groups, we have introduced long-term initiatives focused on accountability and career growth. These include diverse interview panels and measurable goals for talent acquisition and leadership teams to drive impactful progress.

Looking ahead to 2025, we will continue to offer various working time models that provide more flexibility for our logistic centres employees to improve their work-life balance and career opportunities.

We have not implemented specific actions in line with the ESRS for the sub-topics of freedom of association, collective bargaining and collective agreements, works councils and consultation and participation rights of workers, or prevention of child labour and forced labour, as these areas are comprehensively addressed by the existing legal frameworks. By ensuring alignment with national labour laws and international standards, we aim to maintain full compliance with these obligations. For information on how we manage IROs related to these sub-topics, please refer to [Policies and practices related to own workforce](#), [Processes for engaging with own workforce](#) and [Processes to raise concerns](#) above.

Targets related to own workforce

In line with our areas of work, we have published a set of ambition statements that helped us to measure the progress of our do.BETTER strategy. In addition to these, we have set measurable targets to drive progress towards our commitment, as well as push the accountability for social inclusion topics to management board level.

Women in tech target: In 2020 we committed to increasing the share of women in tech job families to 40–60% by 2023 (as of the end of year 2023, tech job families accounted for 3,075 positions at Zalando). The baseline value in 2020 was 16.4%. In 2023 the share of women in tech reached 25.9%. As of 31 December 2024, our women in tech share has increased by 1.3 percentage points to 27.2% (with the exception of the Highsnobiety entities). The target achievement depends largely on opportunities to hire and lower attrition.

Due to challenges in meeting our initial target, we redefined our women in tech target at the end of H1 2024. Moving forward, instead of a fixed timeline, we will focus on year-on-year growth to achieve sustainable change, still aiming for 40–60% of women in tech job families. Our strategy now includes targeted recruitment and retention, fostering an inclusive workplace culture and collaborating with partners. This plan addresses both internal organisational changes and broader systemic issues. The following measures will ensure we have effective governance structures in place to deliver on this new target:

- In August 2024 we launched our new women in tech steering committee, allocating ownership for delivery and progress jointly to our senior leaders in both P&O and tech.
- We will also focus on three key areas for which we have defined set working groups: hiring and attraction, internal development, and culture and engagement.

Women in leadership target: Our commitment to women in leadership is reflected in our target of increasing the share of women in each of our five top leadership levels (including the management board) to 40–60% (with the exception of the Highsnobiety entities).

The target was initiated in 2019 with a baseline of 29.1% women in our five top leadership levels, with the initial target year of 2023 extended until 2025 for the four leadership levels below the management board and until 2027 for the management board. The baseline in 2019 comprises 0.0% women on the management board, 33.3% at the SVP level, 22.6% at the VP level, 33.3% at the Director level and 30.0% at the Head level. On 31 December 2024, the average percentage of women in the top five levels of leadership of 36.9% is still below this target. Yet, we achieved an increase to 40.0% representation on the management board, 45.5% at the SVP level, 32.6% at the VP level, 33.3% at the Director level and 38.0% at the Head level for the reporting year (see also our [Gender distribution table](#)).

We have implemented strategies in recruitment, development, promotion and workplace culture to attract and retain women, monitoring proactively the numbers for promotion by gender. Women who have been identified for a potential promotion are offered a tailored development programme called TripleSteps, which includes a personal coach, sponsor, job shadowing and peer network opportunities. Furthermore, our managers are asked to exchange frequently with employees via regular check-ins and Engagement Talks to gauge workplace satisfaction and engagement. To support work-life integration, we provide flexible working

models and family counselling. We are committed to reducing attrition rates and actively engage in regular monthly collaborations with functional leaders to evaluate progress, address challenges and identify impactful interventions.

Employees with severe disabilities: Zalando must comply with Social Code IX – Rehabilitation and Participation of Disabled People legislation [SGB IX - Sozialgesetzbuch – Rehabilitation und Teilhabe von Menschen mit Behinderungen],⁶ which means at least 5% of our employees must comprise employees with severe disabilities across all entities in Germany. On 31 December 2024, 2.4% (31 December 2023: 2.5%) of all Zalando employees based in Germany are officially recognised as having a severe disability. An annual fine is payable each year when the required 5% of employees with severe disabilities is not met.

Health and safety targets for logistics operations: Although we do not currently have targets related to health and safety, we are committed to continuously reducing health and safety accidents every year.

We have not currently adopted targets in line with the ESRS specifically addressing the sub-topics of freedom of association, collective bargaining and collective agreements, works councils, consultation and participation rights of workers, secure employment, social protection, work-life balance, working time, adequate wages, elimination of discrimination, training and skills development as well as child labour and forced labour as we aim to comply with the comprehensive legal and international frameworks that govern key labour and human rights issues to guide our practices. This ensures that we meet the required standards and effectively protect workers' rights. By aligning with these frameworks, we maintain a focus on compliance and continuous improvement. For information on how we manage IROs related to these sub-topics, please refer to the sections on Policies and practices related to own workforce, Processes for engaging with own workforce, Processes to raise concerns and Actions and resources related to own workforce above.

⁶ § 154 SGB IX Duty of Employers to Employ Severely Disabled Persons (§154 SGB IX Pflicht der Arbeitgeber zur Beschäftigung schwerbehinderter Menschen).

ESRS S2 Workers in the value chain

Material IROs and their interaction with strategy and business model and Interests and views of stakeholders

Decent work is one of two strategic sustainability focus areas in our updated group strategy. Decent work means creating opportunities for productive work in conditions of freedom, equity, security and human dignity. Focusing on decent work is vital for ensuring the fair treatment of workers in our supply chain.

Our decent work focus supports our commitment to respect human rights throughout our operations and supply chain. Although we depend on a complex global supply chain that can pose significant risks to workers, we strive to ensure decent work and fair treatment for all individuals involved in bringing our product portfolio to our customers.

Our DMA identified potential negative impacts related to forced labour, child labour, human trafficking, inadequate wages and excessive working hours. Denial of freedom of association and collective bargaining agreements pose further risks, as does potential discrimination against vulnerable groups, including Indigenous peoples, minority groups, migrant workers, sexual minorities and women and children. These risks can stem from insufficient governance and enforcement, e.g. of child labour laws in factories, and their identification can be complicated due to insufficient and inaccurate worker data. The employment of migrant workers, especially those having irregular status, further heightens the risk of forced labour, while wage non-compliance and a lack of strong regulatory frameworks contribute to significant wage disparities. Notably, a lack of occupational health and safety (OHS) systems threatens worker safety.

In addition to our own risk assessments, industry reports indicate the following areas of potential concern:

- **Cotton production:** There is an elevated risk of forced labour in cotton harvesting, particularly in certain regions of Central Asia.
- **Garment manufacturing:** Some countries in South and Southeast Asia have been identified as having a higher risk of child labour and forced labour in garment factories.
- **Footwear production:** Certain regions in South Asia and Southeast Asia have been associated with risks of child labour in shoe manufacturing.
- **Accessories manufacturing:** The production of accessories like bags and jewellery in some developing countries may involve risks of child labour in informal workshops.

For our private labels, being active in the apparel, accessories and footwear sector, we have identified a significant risk of child labour in India and Bangladesh as well as a significant risk for forced labour in India, Bangladesh, China and Vietnam. These risks are addressed through our comprehensive due diligence processes. We actively engage with suppliers to ensure compliance with international labour standards and continuously work to improve transparency and ethical practices throughout our value chain.

Data on individual groups of workers across our entire value chain is limited as we do not currently have information at that level of detail. Due to the complexity of the fashion supply

chain, to help us carry out due diligence, we have so far focused on knowledge gathering via (local) organisations and multi-stakeholder initiatives, providing us with insights about groups of workers being specifically risk-exposed for certain types of legal violations by actions of the industry to help us carry out due diligence. While such assessments lack the connection to individual entities and/or workers, they are useful in helping us identify material risks. Our ambition is to improve, over time, our understanding of how workers in our value chain are materially impacted by our business.

Our approach to identifying material IROs for workers in our value chain is described in [Impacts, risks and opportunities](#) in section 2.8.1 General information.

Policies related to workers in the value chain

We respect human rights and uphold responsible labour practices across our entire supply chain, as aligned with the German Supply Chain Due Diligence Act and the UN Guiding Principles on Business and Human Rights. This is achieved through our policies, standards and processes which address impacts, potential risks and opportunities forming the basis for sustainability targets and ambitions.

We aim to ensure, and we expect, that our business partners adhere to our policies emphasising labour rights and ethical business practices. Grievance mechanisms for employees and external members of our supply chain are in place to voice concerns and actively promote the awareness of human rights within Zalando and among our partners. In certain areas, we maintain the right to conduct audits of our partners' processes to review compliance with our ethical standards.

When creating our policies, we consider our legal obligations, established industry standards and the expectations of investors, customers and other stakeholders. For transparency, relevant policies are publicly available on our corporate website.

Code of Conduct: We build strong supplier relationships by setting clear high ethical expectations, fostering trust and integrity in our collaborations through our Code of Conduct, which can be found on our corporate website. This Code outlines the standards to which we hold our business partners accountable and applies to all contractual partners, including our suppliers, service providers, platform partners, distributors, consultants and agents. It covers human rights, labour rights, environmental protection, fair and ethical business practices, and monitoring and complaints. We require all partners to agree with and commit to these standards and have appropriate management systems and due diligence processes in place. Non-compliance will lead to measures being taken, which may include termination of the business relationship.

Policy statement on Zalando's human rights strategy: Our policy statement is based on international standards, including the ILO Conventions and the Universal Declaration of Human Rights, and sets the groundwork for managing human rights due diligence, which is embedded into our operating standards and management practices. The policy applies throughout our entities and for all business activities, including facilities operating on behalf of ourselves, and is approved by our co-CEO Robert Gentz and implemented by the Corporate Governance

team, under the responsibility of our SVP Corporate Governance/General Counsel. Additionally, the policy specifies expectations and requirements for all our business partners within the supply chain, encompassing suppliers, service providers, platform partners, distributors, consultants, agents and subcontractors. Our Human Rights Officer monitors the ongoing activities described in the policy and reports to the management board. We continuously evaluate the effectiveness of our approach, updating our practices as required. To this end, we use the databases in place to document our risk mitigating measures (such as audits, business partner checks and investigations) and their results in order to assess them against their appropriateness for risk mitigation in the concrete area. Such an assessment might then, for example, trigger additional mitigating measures in specific parts of our supply chain.

Child labour prevention and remediation policy: In 2023/2024 we introduced a strict child labour prevention and remediation policy that complements our Code of Conduct and human rights strategy. This policy, aligned with German and international regulations, is embedded in the contracts with our private label business partners and outlines expectations for these partners and their subcontractors to prevent, identify and remediate child labour issues, thus ensuring continuous improvement. Business partners must be committed to eliminating child labour, forced labour and other exploitative practices of children and implement written rules, control mechanisms and training programmes to prevent such violations. The policy also covers topics such as working hours, health and safety measures, and access to child care services and education. The implementation of processes described therein is with the responsibility of our Private Label team, overseen at the VP level.

Modern slavery statement: Our modern slavery statement, aligned with international frameworks including the relevant ILO Conventions, sets out our commitment to preventing modern slavery throughout our business operations and supply chain. Published on our corporate website in accordance with the United Kingdom's Modern Slavery Act 2015, the statement details our efforts to prevent and address human rights violations, including modern slavery.

Workers in the value chain engagement: Impacts, concerns, and remediation channels

Our **due diligence programme** supports us in preventing, identifying, managing and remediating potential violations of our standards in our operations, supply chain and business partnerships as per due diligence requirements. The programme is implemented through four cyclical steps:

- **Analyse:** The first step in the cycle is an annual review of our direct contractors to determine their exposure to human rights risks (categorised as low, medium, high or very high risk). To a limited extent, the analysis also includes environmental risks, using a holistic risk assessment methodology for all direct suppliers based on their location, industry and the volume of business with them.
- **Prioritise:** The risk profiles created through the analysis of direct suppliers are enhanced with generic risk information from internal findings and expertise to prioritise plans for prevention, remediation and risk management. In 2024, we completed our second human rights risk assessment of our direct contractual partners in light of the German Supply

Chain Due Diligence Act, which enabled us to prioritise mitigating actions, following the next step of our due diligence programme.

- **Manage:** Based on the assessed and prioritised risks, we deploy a comprehensive, supplier-focused risk management approach that operates on two fronts: proactive risk prevention and reactive risk identification and mitigation.
- **Report:** Reporting of the processes and results of each year's cycle is conducted in adherence to the German Supply Chain Due Diligence Act and the guidance of the competent authority (Federal Office for Economic Affairs and Export Control [Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA]).

Proactive risk management: As outlined above, our Code of Conduct serves as the standard foundation for our contractual relations. To monitor alignment with our ethical standards, we implemented a tracking mechanism to evaluate the implementation status of the Code of Conduct within our contractual landscape.

To review compliance of our suppliers, we conduct social standard audits at facilities belonging to our direct logistics and customer care suppliers and require social audits with industry-wide accepted standards, such as the Sedex Members Ethical Trade Audit or Business Social Compliance Initiative from factories supplying our private labels. In 2024, we evaluated 149 social audit reports from private labels' Tier 1 suppliers (31 December 2023: 213). We conducted 65 social standard audits in our fulfilment area, covering customer care and logistic centre providers.

Reactive risk identification and mitigation

To ensure workers and other stakeholders have channels in which to effectively raise their concerns, we offer two whistleblowing tools which allow workers to anonymously report potential issues and incidents. The tools are available to any external party and can be accessed via our corporate website. One of these is the Speak Up tool, which is additionally available in 42 languages as well as via mobile app and hotline.

In addition to these whistleblowing tools, our membership in the International Accord for Health and Safety in the Garment and Textile Industry (formerly the International Accord on Fire and Building Safety in Bangladesh) enables our private labels to receive grievances reported through the Accord's established complaints mechanism in factories in Bangladesh and Pakistan. Any grievance that is connected to our private labels' supply chain is also fed into our remediation framework and followed up accordingly with the supplier concerned.

When potential breaches are identified, we investigate and respond to them in a systematic way to ensure they are effectively addressed. Our investigation and remediation process provides internal teams with a standardised approach to potential violations of all our defined standards. All reports are acknowledged within seven days of receipt, and appropriate measures, including audits and interviews, are taken to thoroughly investigate claims.

When we confirm the occurrence of a violation, we require our business partners to implement suitable remediation measures, which we follow up on to ensure compliance with our

standards. If the business partner fails to engage in appropriate remediation measures, or if the violation is of such severity that it warrants immediate business consequences, we will pause, and potentially terminate, the business relationship.

All information received and retained during the investigations is handled confidentially and in accordance with applicable laws and regulations. Our policies, namely the third-party investigation policy and our Code of Conduct, explicitly prohibit actions against individuals who raise concerns in good faith.

In 2024, we opened 17 investigations into potential human rights violations in our supply chain: One led to a termination of the business relationship (compared to two in 2023); a human rights violation in our supply chain could not be proven in eight cases (compared to six in 2023); and nine other investigations are still ongoing, including the case that has already led to the termination of the business relationship as the execution of this decision is still an ongoing process. We place great value on the option of anonymous reporting. Accordingly, we are limited in our ability to follow the source of reports we receive, leading to limited insights into whether workers in the supply chain make use of our reporting possibilities.

Recognising the importance of continuous improvement, we assess the effectiveness of our measures throughout our due diligence practices, including our grievance and remediation measures, using data analysis, industry exchange and engagement with expert organisations. Our data analysis involves comparing data points from the risk assessments, investigations and remediation year-over-year as well as reviewing the audit outcome development. We monitor incoming complaints via our reporting channels in quarterly review cycles and present these to the management board and to the audit committee of our supervisory board. In this review, incoming complaints are classified according to the legal area of the accusation as well as the severity of the accused constellation, amongst others. In this way, we are able to identify patterns and trends and react accordingly.

For information on how we engage with workers in the value chain by collaborating with external stakeholders and local organisations, refer to the following section below on Actions and resources related to workers in the value chain.

Actions and resources related to workers in the value chain

We aim to contribute to the creation of decent jobs in the apparel, accessories and footwear sector by exploring and delivering initiatives to empower workers and improve their livelihoods through upskilling and capacity building. This effort targets both our workers in the value chain and our own employees to raise awareness of workers' rights, including working hours and adequate wages. The paragraphs below offer a summarised description of our training and skilling programmes to effectively manage the material IROs relating to workers in the supply chain:

- Since 2022, we have been training our Private Label teams on living wages to raise awareness for this central issue that can have an impact for workers. The training consists of two modules, one covering basics that almost 200 employees have participated in, and one advanced module for employees directly involved, specifically buying and sourcing

experts. The trainings were conducted by an external service provider with years of experience in trade unions and the fashion industry. The content includes a basic definition of terms, different living wage benchmarks, implementation obstacles to remain aware of, and advanced tools like cost calculations and strategies to implement the learnings with direct suppliers. After completion of the training with all relevant employees, the training was preliminarily concluded in 2024. A recording is permanently available on our online training platform for further distribution. A continuation of this format outside the online sessions is currently not planned.

— Our skilling goal, aligned with our previous 2020–2023 do.MORE strategy, was reached in Q1 2024. In collaboration with Shimmy Technologies and RISE (formerly BSR's HERproject), we extended training initiatives to the upstream supply chain, benefiting workers in two factories in Bangladesh. The training included digital literacy, efficiency, gender equality, financial literacy, workplace communication, and health and well-being. This has resulted in improved efficiency, driven by better end-to-end process understanding and optimised factory operations. Additionally, workers have gained valuable knowledge on gender equality, health, hygiene and financial planning, thus enhancing their daily lives.

In addition, we aim to act as an enabler by not only focusing on internal projects but also externalising our work. A key aspect of this is collaborating with stakeholders and local organisations to understand industry challenges on site and follow best practices. We are committed to engaging at multiple levels, from retailer-to-retailer partnerships and brand collaborations to working with external stakeholders, including government representatives and NGOs. We engage with legitimate interest groups because they advocate for workers' rights, bring valuable expertise and are often well known to either local workers or the civil society and/or union organisations to which they belong. Their credibility helps ensure we follow best practices, while supply chain workers' awareness of NGOs fosters trust. This collaboration allows us to gain deeper insights into the specific needs and concerns of workers, enabling us to tailor our initiatives and measures more effectively. We ensure full compliance with antitrust regulations in all of our external engagements.

We engage with workers and their representatives, both directly and indirectly, through our collaborations with the ILO's BetterWork, the International Accord for Health and Safety in the Garment and Textile Industry (formerly the International Accord on Fire and Building Safety in Bangladesh), Cascale (formerly the Sustainable Apparel Coalition), Social & Labor Convergence Program (SLCP), Femnet e.V. and Action, Collaboration, Transformation (ACT). According to our DMA, we have a high risk of child labour due to our industry and the locations in which clothing is produced, particular for our private labels. We have therefore partnered with Save The Children in order to have best practice prevention and remediation solutions in place.

To address identified sector-level risks, we also collaborate with other retailers, industry players and business partners and participate in industry initiatives. We distinguish our industry collaborations in two key areas: 1) our own private labels, where we focus on what we

can do differently within Zalando, and 2) brand-facing initiatives, where we explore what we can ask of third-party brands on our platform.

Private labels: In March 2024, we joined the Fair Wear Foundation (FWF) to align our private labels' processes and practices with leading human rights due diligence guidelines in the fashion industry. The FWF provides expert guidance on improving our sourcing, purchasing and human rights risk monitoring practices. In 2024, we conducted a series of workshops with our Sourcing and Commercial teams, as well as our SDI and Corporate Compliance teams, in collaboration with the FWF. These workshops were designed to conduct a gap assessment between our current processes and FWF's Brand Performance Check, and to develop action plans to address any gaps identified. Further information on these partnerships can be found in the stakeholder engagement in [Entity-specific information: Innovation and partnerships](#) in section 2.8.4 Governance information.

Brand partners: We participate in the retailer round table of The Industry We Want (TIWW) with other relevant retailers, aiming to align supplier requirements and recommendations to create an industry-aligned framework which fashion brands can use to implement human rights due diligence measures in a quantifiable and measurable way. This is part of our long-term strategy to respond to the need for guidance and unified reporting within the fashion industry. Actions taken in 2024 included participation in working sessions organised by TIWW, where retailers committed to work together towards defining a solution.

Targets related to workers in the value chain

We have not yet adopted measurable targets in line with the ESRS addressing value chain workers. In service of our overall strategic ambition, we defined the ambition to further empower workers through decent work, by deepening human rights due diligence in our own operations and those of our partners, as well as further evolving our purchasing practices and wage management systems in our private labels by 2028.

The strategic ambition of decent work was set by our SDI team and our management board, drawing on existing human rights due diligence experience. A concrete roadmap is currently being developed. The ambition was reviewed by several industry groups during our sustainability strategy update process and its scope was adjusted accordingly. Workers' voices were considered through expert input, such as from NGOs and our new partner FWF.

To track meaningful progress, we will be assessed on our ability to carry out our due diligence responsibilities and adapt and improve our purchasing practices by FWF through their annual Brand Performance Check. The results of this will be made publicly available.

ESRS S4 Consumers and end-users

The following chapter includes four subchapters related to consumers and end-users (i.e. our customers): social inclusion, information-related impacts, personal safety and privacy. Each subchapter is further organised into sections covering our strategy for managing the IROs identified through our DMA, our relevant policies, and processes to manage the sustainability sub-topics as well as actions and targets.

Potential IROs related to our consumers and end-users which we have identified in the course of our DMA are discussed in Impacts, risks and opportunities in section 2.8.1. General information.

Social inclusion

Material IROs and their interaction with strategy and business model and Interests and views of stakeholders

Our aim is to build a European fashion and lifestyle e-commerce ecosystem that differentiates itself through quality while offering the best possible shopping experience for our consumers. This includes enhancing existing categories, offering personalised inspiration and entertainment, and elevating our role in consumers' lifestyle journeys. Over 50 million active end-users are exposed to the information available on our website and outlets. We define our consumers as anyone purchasing products from our websites and outlets. However, anyone visiting our websites or outlets is exposed to the available information. We have not identified any specific groups of end-users that are at risk of harm due to our operations, thus ensuring we are offering diverse products and choices that are in line with our D&I values. Our do.BETTER strategy focuses on four key pillars: talents, leadership, costumers and partners. To ensure we are inclusive for all our consumers, we ensure we follow the German General Equal Treatment Act [Allgemeines Gleichbehandlungsgesetz, AGG]. This includes, but is not limited to, considerations of age, disability or chronic disease, gender and gender identity, ethnic origin, religion or belief and sexual orientation.

Our DMA has identified the following IROs associated with social inclusion:

- Potential positive impacts related to offering a diverse and inclusive assortment of products that meets the needs of often-overlooked consumer segments.
- Potential risks — including discriminatory communication, product design or content featured on our website — stemming from possible discrepancies between external representations of D&I and internal practices of “pink-washing”.⁷ This risk could lead to reputational damages if accused of pink-washing, which could negatively affect our end-users and lead to a loss in customer loyalty.
- Potential opportunities related to the promotion of a diverse and inclusive product assortment through a varied partner portfolio.

We manage our material risks in our RMS. For more information, please see Risk management in section 2.8.1 General information.

⁷ Pink-washing is a tactic that uses messages appearing to support the LGBTQIA+ community to promote goals that often have little or nothing to do with genuine LGBTQIA+ equality or inclusion, including in LGBTQIA+-targeted marketing.

Policies related to social inclusion

We are committed to offering a safe, inclusive and representative shopping experience for consumers and end-users. We have clustered our related policies into two categories, first compliance standards/general anti-discrimination policies and second guidelines that safeguard our employees, our external talents and our business partners. Our policies are updated every two years by our Corporate Compliance team, and include the following:

- **Code of Ethics:** This outlines the standards to which we as a company adhere. Based on the fundamental human rights values of honesty, respect, trust, and fairness, the code sets clear expectations for the professional, ethical, and responsible behaviour of all employees.
- **Compliance standards for external talents** (monitoring standards which are associated with no formal targets): They apply to external vendors and the talent they contract while acting on behalf of Zalando. These guidelines aim to ensure a safe environment for employees and partners while clarifying expected behaviour. They apply to all content on our platforms and are overseen at the SVP level. Developed with input from key teams, the material is accessible to our employees, vendors and partners, with training included in onboarding. The standards help prevent discriminatory or offensive behaviour during production, and a remediation process is in place for escalations in line with Germany's General Equal Treatment Act (AGG).
- **Product, content and brand guidelines** set clear standards for products, content and brand partnerships on our platform, aligning with our Code of Conduct and sustainability standards. These standards apply to all business partners and are based on not only what is legal, but also what we consider offensive or inappropriate. Overseen at the SVP level, the guidelines comply with EU and German regulations, including Section 86a of the German Criminal Code, and are publicly available on our corporate website.

Content guidelines: We also provide guidelines for those involved in content production and post-production processes, such as photography and retouching. In this way, we aim to ensure our employees contribute to our efforts in making our platforms truly representative of and accessible to Disabled communities. This includes:

- Visual content and post-production guidelines
- Content creation guidelines for Adaptive fashion
- Content creation guidelines for Modest fashion⁸

Processes for engaging with consumers and end-users related to social inclusion

Consumer feedback informs our decisions through a reporting mechanism next to each product allowing anonymous or email complaints. The Product & Content (P&C) Forum informs consumers of decisions and allows review requests, thus complying with the Digital Services Act (DSA). Decisions are made within 24 hours, with unresolved cases escalated to the P&C escalation committee. Grievances are handled confidentially, thus respecting the GDPR. While no data on the effectiveness of our engagement with consumers exists, we gather insights from vulnerable consumers through surveys and focus groups. The process, mainly automated, aims to address complaints within 30 business days through an automated system.

⁸ Modest fashion refers to clothing that follows the principles of modesty in dress, usually in accordance with religious or cultural beliefs.

Actions related to social inclusion

We work towards inclusion and representation of our consumers and end-users by establishing policies and taking actions to improve our practices. Each of these actions and policies have been the result of formalising and implementing new insights gathered on our journey towards our strategic goals over the last three years. To complete this work, we have a dedicated SDI team that sets strategy and supports the teams embedded within various functions by providing research and community/NGO insights on the consumer and partner pillars. There are four embedded teams that work on implementing the actions of the strategy:

- P&O team: HR and culture topics
- Design, Marketing, Content teams: Customer experience, accessibility and product display pages
- Marketing and Creative teams: Styling, shooting, campaigns and social media
- Supply teams: Private label design and buying

In the paragraphs below, we have clustered our activities by action area and provide specific examples of how our actions work to include underrepresented groups. All of our actions are part of our three-year do.BETTER strategy (2021–2024), which concluded this year.

The following training sessions were carried out in 2024 to help our teams improve representation while ensuring empathy towards those with experiences outside of their own community:

- Inclusive production: Aimed at improving the inclusiveness of teams' collaborative processes
- Inclusive language: Aimed at improving the inclusiveness of messaging and project communication through work with copy and language
- Cultural appropriation⁹ in fashion: Aimed at cultural appropriation avoidance through practised learning with inspirational materials
- Representation in images: Aimed at advancing awareness of stereotypes and their impact through visual analysis

Assortment offering to appeal to groups that have been previously excluded:

Disability inclusion: Since 2022, we have been offering our own Adaptive fashion assortment through all our private label brands and onboard assortment from brand partners (e.g. Tommy Hilfiger, Nike, Friendly Shoes). We focus on improving our platform's accessibility to facilitate seamless shopping experiences for consumers with disabilities. This includes changing our design approach, scaling accessibility knowledge across the organisation and conducting comprehensive consumer interviews. Inclusive product development, digital accessibility, research and analysis, and improved consumer experience are also key elements of these focus areas. Partnerships with organisations such as All is for All, MovingMood and Ottobock assist teams in raising awareness about the Disabled community and in equipping our Design teams with Adaptive fashion design methodologies. Through partnerships with VORN eG – The Berlin Fashion Hub, Valuable 500 and Making Space, we aim to share knowledge and establish best practices for authentic representation.

⁹ Cultural appropriation is the inappropriate or unacknowledged adoption of one or more elements of one culture or identity by members of another culture or identity. This can be especially problematic when members of a dominant culture appropriate elements from marginalised groups.

Ethnic inclusion: We endeavour to provide an assortment that accommodates all skin and hair types. We have made concerted efforts to expand the assortment that originates from or serves the Black community. To date, we have successfully onboarded 57 brands in pursuit of this objective. An example is black|Up, a Black-owned cosmetic brand specialising in makeup for dark skin tones. In 2024, we launched a Black-owned brands accelerator to support small Black-owned fashion brands that want to expand their business onto large e-commerce platforms like Zalando.

LGBTQIA+ inclusion: We have also worked to increase the assortment that serves the LGBTQIA+ community, having onboarded brands like Andrew Fitzsimons and Shakeup Cosmetics. Our “Their Time” campaign in 2024 allowed community members to tell their own stories, and we also strive to support the LGBTQIA+ community in our advertising and campaigns, especially during Pride month.

Gender inclusion: Our private label brand YOURTURN offers unisex apparel available on a unisex hub where other brand partners also host unisex/genderless assortments. Our product detail pages show how items can be worn by anyone, regardless of gender expression.

Size inclusion: Our private labels offer apparel in sizes XXS to XXL, and we feature brands specialising in extended sizing. Consumers can filter for “speciality sizes” including plus-size, tall, petite and maternity. We have collaborated with brands like Filling Pieces for size-inclusive collections, offering items from XS–XXL and shoe sizes from 35–46.

Religious inclusion: We are continuously updating our Modest fashion wear hub and improving SEO¹⁰ discoverability. We have developed guidelines to make garments suitable for consumers seeking Modest fashion. Deborah Latouche Studio assisted us in creating Modest fashion guidelines for authentic representation. Campaigns surrounding religious holidays such as Eid al-Fitr (the festival of breaking the fast) seek to demonstrate our commitment to celebrating consumer diversity.

General inclusion practices, including a Zalando-wide D&I glossary, help enable our teams to produce authentic content representing all consumer groups.

Alongside these inclusion activities, our mitigation methods as described in [Processes for engaging with consumers and end-users related to social inclusion](#) allow us to act quickly when consumers and end-users feel offended, unsafe or excluded. The effectiveness of our actions and mitigation strategies were measured in a consumer survey, which we carried out in 2021 and again in Q2 of 2024. In addition, we monitor the number of requests and complaints via our consumer engagement channels.

¹⁰ SEO stands for “search engine optimisation” and helps search engines understand a website’s content and connect it with users by delivering relevant, valuable results based on their search queries.

Targets related to social inclusion

At Zalando, we have not adopted measurable targets in line with the ESRS addressing social inclusion. However, as part of our commitment to transparency, we have published thorough D&I reports showcasing the progress on each of the ambition areas in our do.BETTER strategy. This report will now be replaced by the sustainability statement.

In line with our four areas of work, we have published the ambitions that guide us in the progress of our strategy. In addition to this, we have set an internal reporting mechanism for each of the areas of work with our SVPs that ensure that our initiatives drive progress towards our ambitions, as well as push the accountability for social inclusion topics to the executive board level. Please refer to [Information on sustainability matters addressed by Zalando's governance bodies](#) in section 2.8.1 General information. SVPs receive monthly progress updates.

To ensure that we offer a range that appeals to groups that have been previously excluded, we have the following ambition to advance our opportunities and positive impact in line with our IROs:

- By 2025, our ambition is to offer a truly diverse assortment for underrepresented groups by providing product choices and thoughtful experiences in every category across price, size and style.

In 2024, the ambition was refined to directly address the key IROs identified via the DMA.

To increase accessibility and when designing an inclusive user experience in our app and web store, we have the following ambition to mitigate a potential risk in line with our IROs:

- By 2025, our ambition is to provide an equally accessible, relevant and welcoming digital experience for consumers from underrepresented groups and have our digital experience regularly evaluated by an independent external panel.

We have the following ambition to engage with underrepresented communities in order to include them in our decision-making process to advance our opportunities and positive impact in line with our IROs:

- By 2025, our ambition is to be a central collaboration point in fashion, bringing together brands, retailers, NGOs, academia, community thought leaders and members of the media to systematically empower and amplify underrepresented voices in the industry.

To represent our consumers authentically, we have the ambition to advance our opportunities and positive impact in line with our IROs:

- By 2024 our consumer experience and communications reflect and celebrate diversity through our visuals, and narratives — and we encourage and support our partners to do the same. As an outcome, we have created content guidelines for those involved in content production and post-production processes, such as photography and retouching. In this way we ensure our employees contribute to our efforts in making our platforms truly representative of and accessible to Disabled communities.

Information-related impacts**Interaction with strategy and business model and interests and views of stakeholders**

Over 50 million consumers and end-users are exposed to the information available on our website. We use a set framework to ensure compliance with laws (frameworks for sustainability-related product claims, DSA, etc.) regarding the reliability of information and continuously work to ensure our website is mobile-friendly and that its user interface is accessible for everyone.

Our approach to identifying material IROs for consumers and end-users is described in Impacts, risks and opportunities in section 2.8.1 General information. The scope of ESRS 2 SBM-3 disclosures includes consumers on our platform. The risks identified are heightened awareness of sustainability communication in the fashion industry with concerns over misleading claims and “greenwashing” practices. This risk could lead to lawsuits for not complying with the EU Consumer Protection Act. Our DMA identified potential positive impacts on our consumers and end-users through the provision of reliable, standardised sustainability data for consumers based on third-party standards, thereby allowing us to enable consumers to make informed choices with an assortment and brands that align with their values. By promoting our diverse and inclusive product assortment, we aim to distinguish ourselves from other players in the market.

Policies on information-related impacts

We aim to ensure the reliability and accuracy of sustainability-related information at the product level (i.e. product claims) as well as in all related marketing, campaigns and content. Product sustainability-related claims are assigned and presented in our consumer experience when sufficient and relevant data is provided and validated, indicating the use of third-party product standards and certifications. As a secondary measure, we perform verification spot checks on these claims, including the collection and review of supporting documentation and certification from our partners to ensure the claim is accurate and truthful. These verification checks are based on a risk-based due diligence approach, which we aim to further expand in 2025. This is overseen at the SVP level.

In addition, we have sustainability communication guidelines in place both internally and externally (for partners) to ensure that all sustainability-related marketing, campaigns and content avoid greenwashing and are compliant with relevant green claims and consumer protection legislation. This is overseen at the SVP level.

Processes for engaging with consumers and end-users about information-related impacts

We engage with our consumers regularly through our Customer Markets Insight team. In addition to regularly analysing consumer perception and satisfaction, we also conduct targeted research when considering changes to the consumer experience. Depending on the research objectives, we use a mix of quantitative and qualitative methods, both generative and evaluative.

Processes to remediate negative information-related impacts and channels for consumers and end-users to raise concerns

We comply with the DSA. Our aim is to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses. Notifiers (consumers) can report potential illegal content (product, image, content, etc.) using a standardised form available on our website explaining why and what they are reporting. The report is recorded in our DSA database and assigned to the relevant team to investigate the complaint. Expert teams investigate and decide whether the product is illegal, and communicate with the notifier. The notifier is entitled to respond to the communication only where there is a decision to not impose restrictions, in which case the notifier is entitled to challenge the decision via another process/form. This is also re-routed to the expert teams.

When a product is made unavailable due a DSA violation, we are required to inform all consumers who have bought the product within the last six months of the decision. We also publish a DSA transparency report on our corporate website with the findings from the reporting period. All cases are recorded in the DSA EU commission database.

Sustainability-specific consumer complaints: The DSA requires us to enable consumers to report potential legal violations or concerns, inter alia environmental concerns, e.g. products or product-related claims with wrong, misleading or missing environmental information, or when a product does not fulfil mandatory eco-design requirements. Such consumer complaints are reviewed by us, investigated and, where necessary, result in the information in question being revised or removed to ensure accuracy and compliance. This has become a primary way in which we collect sustainability-related consumer complaints and inquiries.

We also receive consumer complaints and queries directly via our Customer Care team. When sustainability-related complaints or questions are raised, these are directed to the relevant business unit for further investigation as needed.

Actions related to information-related impacts

In 2025, we aim to accompany our sustainability communication guidelines with a formal policy that will outline requirements and expectations for sustainability-related communications. This will be incorporated into our partner onboarding process, as well as apply to all internal employees who support the development of sustainability-related content.

Targets related to information-related impacts

At Zalando we have not adopted targets in line with the ESRS specifically addressing information-related impacts. However, in 2024, we began updating our consumer experience approach based on our consumer engagement experience and existing work on developing product standards.

Personal safety

Interaction with strategy and business model and Interests and views of stakeholders

Our consumers' health and well-being is one of our highest priorities. We define our consumers as anyone purchasing products from our websites and outlets, and take the necessary measures to keep consumers informed about our assortment and their purchase while running a quality assurance programme that protects consumers from physical and chemical injuries.

With regards to our material IROs, we include all consumers and end-users who could be materially impacted by our business activities in the scope of our disclosures. In terms of material negative impacts, inadequate product safety standards can result in individual incidents related to the goods we sell. This risk could lead to fines or reputational loss.

Policies related to product and personal safety

Quality Assurance Manual (QAM): The QAM includes, among other things, product compliance requirements and our contractually expectations for our business partners. The QAM sets out binding minimum requirements for product-related due diligence obligations, including chemical and physical product characteristics as well as labelling obligations. It also specifies notification and reporting duties to support our internal safety procedures. We work closely with our partners to ensure product safety, meet compliance requirements and manage potential corrective measures effectively under the EU General Product Safety Regulation. The QAM is communicated to all business partners on a biannual basis and is available for partners to download from an internal platform. The QAM is regularly updated by internal and external experts and approved by our SVP Corporate Governance/General Counsel. We provide business partners with a "Corporate Compliance Newsletter" each quarter, offering a three-to-six-month compliance outlook. Internally, the QAM is disseminated across all relevant functions. Compliance with the QAM requirements is continuously monitored by Zalando. The relevant procedures are set out in internal work instructions and are reviewed annually. We review relevant information and assess the impact of external factors, focusing on compliance with legal and regulatory obligations and incorporate these into our QAM. We also engage with public bodies, consumer associations and business partners to ensure comprehensive compliance and effectively address any deviation from our quality standards.

Restricted Substance List (RSL): We have developed a RSL that defines binding minimum requirements for chemical parameters for all product groups in order to comply with statutory requirements of the European Commission and national governing bodies. The RSL serves to control the chemical compliance of all products offered, to protect the environment, the consumers and the people within our value chain. The RSL outlines the acceptable limits of potentially toxic or harmful substances that may be present in finished products, used components, materials and packaging. The policy applies to our private label brands, as well as our retail and partner product ranges. All Zalando partners and brands are required to implement a robust chemical management system and due diligence testing to ensure compliance with our RSL and the relevant international standards and legislation. The RSL is published on our corporate website and is annexed to the QAM. The RSL is reviewed by internal and external experts and approved by the SVP Corporate Governance/General Counsel.

For our private labels, we have established an MRSL comprising a list of chemicals and substances that are restricted or prohibited in the manufacturing process. The MRSL has been developed in accordance with Zero Discharge of Hazardous Chemicals (ZDHC) standards and is regularly reviewed and updated to include the most current restricted substances and limits. The most recent MRSL is shared with our suppliers to ensure that safe chemicals are used in the manufacturing process.

Processes for engaging with consumers and end-users related to personal safety

We enable consumers and third-party users such as consumer associations and public authorities to communicate directly and rapidly with us. Consumers can report safety concerns regarding purchased products, incidents of accidents, chemical odours, or allergic reactions either to customer care, through the reporting options available on each product webpage, or directly to a dedicated contact point for product safety issues. The available contact options are in line with the DSA and the European General Product Safety Regulation. Additionally, consumers can find relevant information and guidance in our FAQ section.

Consumers can also report concerns to the local authorities at any time. Reported concerns are investigated by our internal experts and incorporated into the safety management.

In the event of a dangerous product, a product safety recall or a safety warning, we will promptly notify all consumers who have purchased the product through the webshop via email and, where necessary, display the relevant information in our outlet stores. Starting from December 2024, safety alerts will also be posted on our corporate website. Online safety alerts are accessible to all consumers and do not require a registered customer account.

If we become aware that a product in circulation poses a risk, we will immediately inform the business partners concerned, the respective manufacturers and, if applicable, the importers. As a registered user of the European Safety Gate Portal, we are committed to notifying national market surveillance authorities of any dangerous products that are known to have been made available or placed on the market. We continuously monitor publicly accessible product safety alert platforms for incidents relating to our products. In such cases, we take immediate action to identify and remove the products in question from our online offering.

We continuously monitor and assess the effectiveness of consumer engagement against compliance objectives. This is measured using internal performance indicators which are reviewed at least on a monthly basis to ensure effectiveness.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Product non-conformities and safety issues trigger corrective actions designed to ensure consumer and environmental safety. If a product is non-conforming or recalled due to safety issues, consumers are entitled to remedies such as refunds, and will be informed accordingly. Our corrective action process includes:

- **Identification and evaluation:** We assess the severity and scope of any negative impacts, focusing on safety, legality and compliance. A detailed risk analysis helps us understand the potential harm and urgency.
- **Remediation and corrective measures:** Immediate actions are taken to address identified issues, including implementing corrective measures to effectively ensure the product conforms, such as product withdrawal, recall or issuing a safety warning as appropriate.
- **Regulatory compliance:** We report all corrective actions and remedies to the relevant authorities and maintain thorough documentation to ensure transparency.
- **Continuous improvement:** We actively seek feedback from consumers and stakeholders to refine our processes and implement long-term improvements to prevent future issues.

We offer multiple channels for consumers and end-users to raise their concerns or needs directly with us. We actively monitor these tools to ensure that any issues raised are efficiently handled.

- Starting in December 2024, a Product Safety Single Contact Point (Regulation (EU) 2023/988) allows consumers and end-users to raise product safety issues through an email address. Notifications are directed to and handled by the appropriate service unit in a timely manner.
- Notice & Action Mechanisms (DSA regulation (EU) 2022/2065) allow consumers and end-users to report illegal content via our corporate website or a report button on the product page. We inform consumers and end-users about actions taken in response and ensure that notifications include specific details to help identify the content.
- Customer care acts as a mechanism through which consumers and end-users can raise issues, e.g. via a webform, mobile app or email. Our customer care supports consumers with general enquiries e.g. about products, order tracking, technical problems as well as quality and safety issues.

Our Code of Ethics sets clear expectations for ethical and responsible behaviour, grounded in values like honesty, respect, trust and fairness. It applies to everyone in our company, from new employees to founders, and emphasises the importance of acting with integrity in all situations.

Our Code of Ethics expressly prohibits actions against individuals who raise product safety concerns in good faith through the designated channels. Leaders are expected to listen carefully to concerns, maintain confidentiality and take appropriate action, with any failure to adhere to the Code of Ethics potentially leading to disciplinary measures, including termination.

Actions related to personal safety

Processes related to Zalando's RSL and private labels' MRSL: At Zalando, we actively monitor the effectiveness of our MRSL and RSL through a risk-based approach as part of our due diligence programme. We also contractually oblige our partners, brands and private label suppliers to identify whether their products contain any Substances of Very High Concern (SVHCs) and provide information on whether or not SVHCs are present above 0.1% weight by weight. If no SVHCs are identified during routine testing, partners and vendors are required to provide an SVHC declaration. Our Quality Assurance team conducts regular testing of products and materials throughout the production cycle, from raw materials to finished goods, utilising accredited third-party laboratories. We closely track the compliance performance and identify any trends or recurring issues that may require additional attention. For our private labels, we perform quality inbound checks and risk-based chemical and physical testing prior to shipment. To ensure MRSL compliance, we regularly conduct audits of our suppliers' manufacturing processes. For the RSL, we regularly implement random checks on finished products entering our supply chain, including those from brand partners.

We have established a system for documenting and investigating any instances of non-compliance. This allows us to analyse root causes and implement effective corrective actions promptly. Our team regularly reviews global regulations and industry standards to ensure our RSL and MRSL remain current and aligned with best practices. Through these efforts, we strive to minimise the presence of harmful substances in both our products and manufacturing processes in line with our ambition for sustainability and consumer safety. This is an ongoing long-term action.

Targets related to personal safety

At Zalando, we have not adopted targets in line with the ESRS that specifically address personal safety. However, it is important to us to comply with legal requirements and our compliance standards regarding product safety and product conformity. To achieve this, we have established a reporting hierarchy based on compliance management standards and industry good practices, which is reviewed both monthly and annually.

Our internal compliance standards align with corporate compliance goals and are overseen by the management board on an annual basis. These objectives are integrated into our product compliance controls and risk management procedures, and are complemented by strategy.

The baseline for performance indicators is established according to the legislative requirements outlined in the EU General Product Safety Regulation and the EU DSA, which serve as fixed benchmarks for measurement. Our commitment to follow the legal requirements is reviewed and agreed upon annually by the internal teams responsible for product compliance processes and procedures.

Privacy

Interaction with strategy and business model and Interests and views of stakeholders

In our effort to deliver outstanding service, build trust and deepen our relationship with consumers, we must meet certain privacy, regulatory and security requirements – particularly those related to consumer data. Investing in these relationships and protecting our business necessitates tools and processes that support and enable these requirements and aim to ensure that we meet the expectations of our consumers, partners, and employees.

Among these tools is the privacy portal, which all registered Zalando consumers can access through their accounts. The privacy portal aims to make exercising data subject rights, such as accessing a consumer's data or deleting an account, easy and transparent.

Our DMA identified a potential negative impact related to insufficient security in our IT systems, which could lead to the loss of personal data belonging to employees and consumers, and a potential risk of cyber-attacks based on possible weaknesses in our IT systems and controls.

Policies related to privacy

We strive to provide a high level of privacy and security for our consumers, partners and employees through compliance with legislation and a comprehensive framework of policies and processes. The framework addresses the key impacts and potential risks aligning with our privacy standard.

We are regulated under European and national data protection regulations and we closely monitor changes in legislation in order to properly adopt regulatory requirements. One of the main privacy related laws is the GDPR, which regulates data protection and privacy in the EU and the EEA. The GDPR aims primarily to give individuals control over their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU.

Information Security Management System (ISMS): The ISMS focuses on cybersecurity management and technology-related risks and applies to all our group entities. The governing principle behind our ISMS is that, as with all management processes, it must remain effective and efficient in the long-term by adapting to changes in the internal organisation and external environment. The implementation of cybersecurity policies, standards, procedures and guidelines establishes the rules by which we operate and protects the data and systems in order to reduce risk, minimise the effect of potential incidents and comply with current and future regulatory obligations. Our cybersecurity and data protection documentation consists of four core elements:

- Policies are set by our management board to establish “management's intent” for cybersecurity and data protection requirements that are necessary to support our group strategy and mission.
- Standards provide us with specific, quantifiable requirements for cybersecurity and data protection.

- Procedures (also known as control activities) establish the defined practices or steps that are performed to meet or implement standards and satisfy control objectives.
- Guidelines comprise additional guidance that is recommended for use.

Processes for engaging with consumers and end-users related to privacy

We provide a privacy notice with information which offers consumers and end-users transparency on how Zalando processes consumer data. This feature is accessible in the consumers' and end-users' accounts and on our platforms. This privacy notice applies to all benefits and services which we offer our consumers and it applies to all corporate websites, apps and other benefits and services offered by us.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns related to privacy

Consumers can raise concerns regarding privacy with our Customer Care team where we have dedicated Privacy Champions (employees with special knowledge of privacy topics). Similarly, a Partner Care team offers support to business partners regarding any privacy topics or concerns. Employees can report security incidents through the internal Zalando employee portal, which is operated 24/7 by the Security Operations Centre Analyst.

Actions related to privacy

We have no specific actions implemented in line with the ESRS related to privacy as we have a robust IT system which mitigates the risk of cyber-attacks.

Targets related to privacy

We are committed to upholding all EU-related privacy legislation and have not adopted any specific targets in line with the ESRS related to privacy at this time.

2.8.4 Governance information

ESRS G1 Business conduct

The role of the administrative, supervisory and management bodies

Our management board and supervisory board members bring together a diverse set of expertise essential for addressing matters of business conduct. They have experience and expertise in business conduct, particularly in the areas of corporate governance, compliance, corporate culture and political engagement, as well as the management of supplier relationships. We report key compliance topics to the management board as well as to the audit committee of the supervisory board on a quarterly basis. The chairperson of the audit committee of the supervisory board reports regularly to the full supervisory board on the activities and conclusions of the audit committee in the area of corporate governance and business conduct matters. Key topics generally include insights into compliance investigation data and potential trends arising from these. These reporting formats offer the option for the compliance function to determine further focus topics where required.

Identification and assessment of business conduct-related IROs

The potential material IROs related to our business conduct which were identified in the course of our DMA are stated in section Impacts, risks and opportunities of 2.8.1. General information.

Policies related to business conduct

Our group policies are in line with our Code of Ethics and the principles of our founding mindset. Our quarterly engagement and culture survey regularly evaluates our current workplace culture, combining both quantitative and qualitative insights. We promise to and expect from all employees an environment in which the values of appreciation, speed, entrepreneurship and personal responsibility are lived. All policies are therefore formulated in such a way that they do not stand in the way of fast and independent decision-making, in which those concerned can take responsibility and act quickly.

For the following policies subject to EU or local laws, a company-wide approval process for group policies is applicable, according to which the policies are approved by a member of the management board, the SVP Corporate Governance/General Counsel as well as contributing and affected parties, such as the P&O, Tax, Indirect Procurement, Privacy and/or Finance teams. In principle, the policies apply to all entities and employees of the Zalando group. We communicate the group policies via various channels such as the company-wide employee self-service system and the intranet. In the mandatory compliance training, employees receive further information about the Code of Ethics, the group policy internal investigations, the group policy benefits, gifts, events and expenses, and the group policy authority to sign. New employees will be enrolled in the compliance training courses once they start their employment. Employees receive compliance refresher courses in a bi-annual cycle. Along with information on the policies, they are provided with, e.g. relevant day-to-day examples, information on where to receive further support, how to speak up and relevant links to further resources. Those functions that are identified as having frequent interaction with public officials, or functions having freedom in terms of negotiation with business partners are

considered functions-at-risk, and include procurement, sales, finance and accounting, and supply chain management.

Code of Ethics: Our Code of Ethics outlines the standards to which we as a company aim to adhere to. Based on fundamental values of honesty, respect, trust and fairness, the code sets clear expectations for the professional, ethical and responsible behaviour of all employees. The Code of Ethics includes content added by respective experts on the subject matter from, e.g. Corporate Compliance, P&O, Data Protection, Antitrust, Insider Compliance and Tax. Our Code of Ethics applies to all employees, from new joiners to founders. It is a part of our employment contracts and is communicated via our CPO in group-wide awareness campaigns.

Group policy internal investigations: Our group policy internal investigations describes the overall management of reported, actual or suspected compliance violations, from report intake through the pre-assessment and investigation stages, until completion of the remediation. In principle, internal investigations are performed by the Corporate Compliance team. The process and principles set out in this policy define a minimum standard that must be followed and complied with. This includes the principle of impartiality and that investigations are to be conducted in a timely manner. Where mandatory (as well as local) laws, regulations or rules impose different standards, these are also taken into account.

Speak Up guidance: The Speak Up guidance provides information on channels, processes and basic rules for the established reporting channels for internal and external stakeholders that help us identify potential misconduct. The guidance includes the section "Protection of Whistleblowers" in group policy internal investigations in line with EU Directive 2019/1937. For this reason, the guidance is referenced in the group policy.

Group policy benefits, gifts, events and expenses: This policy defines consistent rules regarding the giving and receiving of gifts, invitations and events to prevent violations of national and international anti-corruption regulations. Members of the management board adhere to the expense guidelines approved by the supervisory board. In subsidiaries having specific (local) rules, the process described there fulfils the equivalent purpose of the group policy benefits, gifts, events and expenses. As it also effects the event booking process, it is additionally embedded in the booking tool.

Group policy authority to sign: The policy defines who is permitted to sign contracts on behalf of Zalando. This includes who may represent Zalando to third parties in the context of establishing legal relationships. This includes, e.g. concluding contracts, the assumption of obligations towards authorities or unilateral declarations of intent. Separate regulations may be defined where required. These are subject to prior alignment and approval by the Corporate Compliance team.

Animal welfare policy: We are committed to responsible trading, aiming to ensure that the goods we sell and procure are produced ethically, safely and with the environment in mind. We have currently not adopted targets or implemented actions that specifically address animal welfare. However, our animal welfare policy available on our corporate website complements our Code of Conduct and other sustainability and ethical standards, setting the baseline for

social, environmental and chemical compliance. It applies to all our business partners, including suppliers, agents, trading companies and service providers. The policy outlines the principles that business partners must follow when supplying products made from animal-derived materials for sale through us. It is regularly reviewed to incorporate updates. In recognising our shared responsibility within the fashion industry, we work with expert groups to support research on and the development and implementation of animal welfare standards and value chain transparency.

Management of relationship with suppliers

Indirect procurement: We collaborate with business partners who adhere to our Code of Conduct. We perform mandatory compliance checks for certain business partners to mitigate legal and ethical risks. A risk assessment process classifies vendors by risk level, with high-risk vendors being required to sign the Code of Conduct. We also evaluate suppliers on human rights and environmental risks following the German Supply Chain Act to elevate standards among indirect suppliers. We do not have an overarching policy for payment practices, as outlined in [Payment practices](#) below.

Our procurement policy and procedures for non-merchandising goods and services ensure compliance, efficiency and cost-effectiveness with external vendors. Our Finance team facilitates the sourcing, negotiation and contracting of suppliers for business units through internal systems. This process includes demand collection, source-to-contract activities and order-to-pay operations with approval workflows, the four-eyes principle and the Legal team's involvement for thorough oversight and regulatory adherence.

Supplier relationship management (SRM): We provide a standardised SRM concept, guideline and toolkit for Sourcing Managers to identify, align and co-manage relevant strategic suppliers with the respective business units. The guideline "Overarching SRM within the Supplier Lifecycle" comprises four steps: 1) identifying SRM-relevant suppliers, 2) aligning relevant business units and communication, 3) engaging with SRM relevant suppliers, 4) re-evaluating for continuous adaptation or updates. Based on the various functions' requirements we provide tools for data collection, analysis and the continuous monitoring of our direct suppliers.

Sustainability partner strategy

We are committed to advancing sustainability in all of our brand partnerships. As part of our strategic approach, we have developed internal processes and best practices on how to engage and enable different subsets of brand partners.

To align with the ESRS, we have established clear criteria for these subsets. These criteria aim to identify the different needs of all our partners while focusing on both the brand partners with the highest demand on our platform as well as those who have established practices, performance and commitment in the sustainability space.

This approach aims to achieve the sustainability ambitions outlined in our group strategy, highlight the necessary efforts across our brand partners and ensure efficient collaboration. It also seeks to elevate standards beyond our already high Code of Conduct and sustainable

sourcing policy by focusing our resources on the most impactful brand partners. This approach not only aligns with the ESRS requirements but also reinforces our ambition to drive positive environmental and social change in the e-commerce industry.

Private labels

We believe that greater transparency is a key way of driving change and enabling companies and customers to turn information into informed choices that can lead to a better fashion industry for all. We therefore progressively disclose our list of suppliers and their factories. Due to the size and variety of our product range, our private labels (Anna Field, Even&Odd, Friboo, Pier One, YOURTURN, ZIGN) do not own any of the factories in our value chain. Instead, we collaborate with suppliers that have years of technical expertise in their respective areas. Our Private Label team of product, sourcing, quality and sustainability experts is located primarily in Berlin, with regional sourcing offices in Portugal and China.

Our sustainable sourcing policy complements our Code of Conduct and sustainability standards, setting social, environmental and chemical compliance baselines for all business partners, including those of our private labels. The onboarding process for new suppliers or factories (Tier 1, final assembly factory) aims to ensure compliance with the following key areas defined in our general instructions (GIs): human rights and environment (ethics and sustainability), legal and finance, product labelling and packaging, logistics, product safety and quality management, alongside our terms and conditions. During supplier selection the GIs must be signed, and are included in every contract between our private labels and its suppliers.

Ongoing collaboration takes place throughout the year on an ad-hoc basis based on the supplier's needs. A yearly assessment is always conducted where suppliers/factories are assessed to ensure their performance is in line with our goals and business strategy. In 2024 we evaluated 149 social audit reports from private labels' Tier 1 suppliers (31 December 2023: 213) and turned down the onboarding of 0 factories or suppliers (31 December 2023: 5) for not meeting audit requirements.

We have currently not adopted targets in line with the ESRS that specifically address the management of relationships with suppliers. However, our Code of Conduct, procurement policy and procedures for non-merchandising goods and services as well as our SRM are setting social and environmental compliance baselines for all business partners.

Prevention and detection of corruption and bribery

We utilise a holistic compliance management system that includes policies, communication, training, processes and monitoring to ensure legal compliance with anti-corruption and anti-bribery regulations. Reporters can raise allegations via different channels, which include our whistleblowing tool. The detection of corruption and bribery is covered by the process as outlined in group policy internal investigations (see also above [Policies related to business conduct](#)).

With regards to the prevention of corruption and bribery, we have developed and implemented target-group-specific and mandatory compliance training on the principles of the Code of

Ethics and the relevant group policy benefits, gifts, events and expenses and group policy authority to sign. The courses include relevant case examples, interactive elements, links to further resources and contact information. Every new employee is obliged to complete the relevant courses following employment start (basic training programme), and is automatically enrolled in a refresher course after two years. While the standard compliance course takes place online, employees with leadership responsibilities are required to attend face-to-face compliance courses (lead training programme). Overall, 3,561 employees completed the compliance courses described. In terms of anti-bribery and the training programmes described covered 74.8% of functions-at-risk. Those employees who are deemed to be at risk of corruption and bribery as a result of their tasks and responsibilities are covered.

Functions-at-risk covered by training programmes

| | 31 Dec, 2024 |
|---|--------------|
| Percentage of functions-at-risk covered by training programme (basic) | 72.4 |
| Percentage of functions-at-risk covered by training programme (lead) | 78.3 |

Incidents of corruption or bribery

Our group policy internal investigation describes the management of reported actual or suspected compliance violations, from report intake through the pre-assessment and the investigation stages until completion of remediation. In cases of proven violation, any remediation measures must be in compliance with our Code of Ethics, other rules and policies, as well as applicable law. Any remediation measures must be taken in an appropriate and consistent manner that accounts for the facts and circumstances of each individual case, such as the severity of the compliance violation, the degree of personal involvement and any further aggravating or mitigating circumstances as set out in the group policy internal investigation. These factors may indicate a greater or lesser degree of damage (e.g. financial loss or reputational harm) caused by the violation, or a greater or lesser degree of culpability. The range of remediation measures include training, the monitoring of systems, coaching, restriction of signatory power and/or access rights to specific IT systems, verbal and written warnings, demotion, transfer, suspension from work, termination, legal action for damages and criminal complaints. Any measure is taken according to the applicable local labour laws, regulations and works agreements. Since there were no confirmed incidents of corruption or bribery in 2024, we do not have action plans to prevent corruption or bribery. We have not adopted targets in line with the ESRS that specifically address prevention and detection of corruption and bribery as well as the protection of whistleblowers as we ensure legal compliance with anti-corruption and anti-bribery regulations.

Incidents of corruption or bribery

| | 2024 |
|---|------|
| Number of convictions for violation of anti-corruption and anti-bribery laws | 0 |
| Amount of fines for violation of anti-corruption and anti-bribery laws | 0 |
| Number of confirmed incidents of corruption or bribery | 0 |
| Number of confirmed incidents in which employees were dismissed or disciplined for corruption- or bribery-related incidents | 0 |
| Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery | 0 |

Political influence and lobbying activities

Our Public Affairs team is located within the Corporate Affairs department, which, since September 2024, reports to our CPO. The audit committee of the supervisory board is regularly informed about regulatory developments and, where relevant, about our related activities. The team is active at the EU level and conducts public affairs operations in Germany, France and Poland. The main topics covered relate to technology (e.g. DSA, Digital Markets Act), tax, customs and payments (e.g. Customs Reform and VAT reform), and sustainability (e.g. Eco-design for Sustainable Products Regulation). Through our outreach activities, we advocate for assurance from the EU that European businesses are not unfairly disadvantaged compared to economic operators based in non-European countries, and that EU customers can rely on the same rights regardless of where the company they purchase from is based, ensuring a level playing field between all market participants. We do not make any direct or indirect political contributions in terms of donations to political parties or elected officials. At present, we have not implemented specific policies, actions or targets in line with the ESRS.

Our interest representation is registered in the EU transparency register (number 877966419254-70), in Germany (number R003005) and in France.

Lobbying expenses

| in EUR | 2024 |
|---|-----------|
| Amount of internal and external lobbying expenses | 608,212.0 |
| Internal lobbying expenses | 508,457.0 |
| External lobbying expenses | 99,755.0 |
| Amount paid for membership to lobbying associations | 125,827.0 |

Payment practices

We do not have an overarching policy for payment practices, since all payment terms are agreed in supplier contracts and not all of our suppliers work on a contractual basis. When creating policies for payment practices, we distinguish between (direct) merchandise- and (indirect) procurement-related suppliers and processes.

Standard supplier payment terms can vary between 30–90 days and are negotiated on an individual basis. The most common payment terms specify a minimum of 30 days net for direct and indirect managed suppliers (except landlords, tax authorities, etc. which often have shorter payments terms).

For the procurement of indirect goods and services, we aim for 60-day payment terms for each supplier, and where 60 days is not feasible, we use a different approach to set the terms. For Retail (direct) suppliers, we negotiate terms with a minimum payment term of 90 days net.

We have a robust and automated invoice verification process for the majority of invoices to ensure they are verified and paid automatically and on time. The process is based on the terms and conditions linked to the purchase order, and payments are triggered automatically according to their respective due date. Our average number of days to pay an invoice (depending on individual payment terms) is 50 days. To calculate this metric, the sum of the number of days from baseline date to payment date is divided by the total number of invoices paid.

In cases of merchandise discrepancies, tickets are created for the relevant teams to resolve the discrepancy prior to the payment due date. For the procurement process, we have automatic reminders with an escalation matrix to ensure action, starting nine days after the first approval due date. In rare cases, a manual solution is put in place for merchandise and procurement if automated systems are unavailable. To prevent late payments, which could be due to several issues, we closely monitor the system. Our percentage of payments aligned with standard payment terms is 91.1%. To calculate the proportion of payments that meet standard payment terms, the total number of invoices paid that meet standard payment terms is divided by the sum of the invoices paid. We have not adopted targets in line with the ESRS that specifically address payment practices, as our automated invoice verification process ensures that our payment terms are adhered to.

As of 31 December 2024, one legal proceeding was pending in which an insolvency administrator is demanding payment of contractual consideration allegedly owed. In Zalando's view, these claims are unfounded. The competent court is currently reviewing the matter.

Entity-specific information: Innovation and partnerships

Strategy and business model interaction with material matter innovation and partnerships

Transitioning to a more sustainable, equitable and accessible future for fashion is not something a single brand or retailer can take on — customers, brand partners and manufacturers, innovators, regulators and employees must work together toward this common vision. Our place in the European fashion ecosystem uniquely positions us to embrace the role of “enabler”, serving as a catalyst, convener and connector to drive progress amongst these diverse stakeholder groups. Our aims are as follows:

- Enable customers to make informed choices with an assortment and brands that align with their values.
- Enable brands and their value chains to become more circular, and to establish and deliver on their sustainability ambitions.
- Scale industry innovators by providing access to customers, brands and financing.
- Work with regulators to ensure a level playing field against unfair competitive practices.
- Empower all our employees to embed sustainability into their mindset and daily work.

Governance

Our head of external stakeholder engagement develops our approach to partnerships based on our strategy goals as well as yearly evaluations carried out together with the SDI Leadership team. There are biannual feedback sessions with our VP SDI and an SVP representative where crucial topics can be escalated, and opportunities for ad-hoc engagement are provided. While strategic direction falls within this role, strategy implementation is embedded into key functions across individuals within the organisation over time. As an example, our partnerships with Textile Exchange and the EMF are located in the Private Label & Sustainable Product and SDI teams, respectively. In addition to the working groups in which we participate as a result of these alliances, we also seek out opportunities to share our lessons learned with other organisations during conferences and other similar events.

Management of IROs related to innovation and partnerships

When identifying potential partner organisations, we take as a starting point our strategic goals. As a major European retailer, our reach is extensive, creating opportunities to learn from and share lessons with a wide range of stakeholders. In so doing, we can better understand how to leverage our position to benefit both ourselves and our partners.

Organisations we are currently engaged with include:

Organisations we engage with

| What is it | Why we engage | How we engage |
|--|--|--|
| Innovators and partners Global network of accelerators and incubators through our memberships of organisations including Fashion for Good and the Ellen MacArthur Foundation. | We engage in innovative partnerships to go beyond our internal capabilities and seek out extended possibilities and opportunities via collaboration. This allows us to access the latest trends in innovation, to extend our innovation ecosystem to the global level and to accelerate our efforts in this domain. We support innovators and partners by giving them access to expertise and industry knowledge and by sharing best practices. Sharing resources allows us to help them accelerate innovation and contribute to the success of their projects. This extensive collaboration leads to mutual growth. | Taking our strategic goals as a starting point, we seek out innovations that help fill our own capability and knowledge gaps. Working with our internal teams, we identify these gaps and connect with relevant organisations to explore opportunities which may result in co-creation and co-innovation, including studies to build knowledge, pilots to test capabilities and functionality, and eventually, long-term solutions where relevant. |
| Action, Collaboration, Transformation (ACT) ACT is an agreement between 20 global brands and IndustriALL Global Union in pursuit of living wages for workers in the textile and garment value chains. | At Zalando, we believe that collective bargaining at the industry level, enabled by freedom of association and responsible purchasing practices, is the most realistic pathway to making an impact on wages. We also acknowledge that we cannot wait for these agreements to transpire before we act on our own accord. | Despite the majority of ACT's work being conducted outside the regions in which Zalando sources its products, we have provided financial support to the organisation, thus demonstrating our support to these tenets. At the same time, we actively participate in working groups. |
| Better Work (ILO) This is a partnership between the ILO and the International Finance Corporation (IFC), a member of the World Bank Group. Better Work unites governments, employers' and workers' organisations, global brands, factory owners and workers to improve working conditions in the global apparel and footwear industry and make the sector more competitive. | The Better Work factory engagement model creates lasting, positive change via tools like assessments, advisory services and training, complementing Better Work's sectoral and national level engagement to change policies, attitudes and behaviour. By sharing their approach and the results of their on-the-ground work, they seek to inform policy making to promote decent work and better business in the garment industry. | Vietnam-based factories related to our private label business are enrolled in the Better Work programme with the programmes having provided benefits to workers and factories on a consistent basis. |
| Business for Social Responsibility (BSR) BSR is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. BSR provides its 300+ member companies with insight, advice and collaborative initiatives to help them see a changing world more clearly, create long-term value and scale impact. | The ESG landscape is continuously shifting. As such we require trusted partners who can be the first port of call for whatever issue we need to address. BSR supports its members across key focus areas including climate change, inclusion and justice, human rights and value chain sustainability. | BSR supported Zalando in defining the qualitative and quantitative data gaps for CSRD. They also provided early feedback on our sustainability strategy. In addition, they have been a sparring partner on diverse topics such as building value from sustainability, inclusion and justice. We have also been deeply involved in workshops aimed at addressing the tension between business growth and sustainability goals. |
| Cascale Cascale (formerly Sustainable Apparel Coalition) is a global, non-profit alliance of 300 leading consumer goods brands, retailers, manufacturers, sourcing agents, service providers, trade associations, NGOs and academic institutions. Members represent every link in the global value chain for apparel, footwear and textiles; home furnishings, sporting and outdoor goods, and bags and luggage. | Acquiring trustworthy, reliable data to measure impact across our industry remains a challenge. Cascale covers a significant portion of the sector, helping to build tools and methodologies to gather information from global value chains which can then be used to measure progress on a number of ESG topics. | Zalando has participated in a number of working groups. These include those related to the EU policy landscape, the alignment of tools to address the latest compliance requirements and the question of data harmonisation across the sector. We utilise tools created by Cascale and its members to gather information from our facilities via the facilities social and environment module. We have also used certain emission-factor criteria to calculate our GHG emissions. |
| Copenhagen Fashion Week (CPHFW) Regarded as the fifth global fashion week, Copenhagen Fashion Week welcomes leading international press, buyers and industry leaders | Sustainability is the core focus for CPHFW, which strives towards making substantial changes to inspire and encourage the industry to accelerate their sustainability efforts. In January 2020, CPHFW unveiled an ambitious three-year Sustainability Action Plan, presenting an innovative system of requirements for brands to be part of the official schedule that was implemented at the AW23 edition of CPHFW. The action plan is revised and released every three years, positioning CPHFW as the leading fashion week within the sustainability field. | We created the Zalando Visionary Award in order to influence positive change in the fashion industry through the vision and work of the next generation's emergent talent. To be eligible for the award, applicants demonstrate how they are making waves in one or more of the following pillars: creativity and design, social impact and innovation. The applications are reviewed and the winner is determined by an international jury consisting of industry thought leaders and representatives from Zalando in addition to the CPHFW show committee. |

Organisations we engage with

| What is it | Why we engage | How we engage |
|---|--|---|
| Ellen MacArthur Foundation (EMF) The EMF is a charity committed to creating a circular economy, designed to eliminate waste and pollution, circulate products and materials (at their highest value), and regenerate nature. Its goal is to create an economic system that delivers better outcomes for people and the environment. | The EMF, as a circular economy NGO, is a key platform from which we can i) learn - including access to courses and events to upskill Zalando; ii) network - with brand partners and startup innovations who share similar challenges; iii) collaborate - work with leaders on key systemic challenges and share insights from our experiences to support other brands in their transition. We have been a partner for three years. | Zalando is a partner with EMF. We access the EMF Network while benefiting from direct strategic support, including direct one-on-ones with the expert team and membership of the fashion advisory board to discuss key issues with leading peers. We also address systemic issues, participating in the EMF demonstration projects. The Jeans Redesign, which ended in 2023, covered circular product design, while Fashion ReModel, launched this year, targets solutions to solve systemic challenges facing circular business models. In each case, we provide dedicated resources from across the business to learn and implement new insights. |
| Fair Wear Foundation (FWF) FWF is an independent, non-profit organisation that works with brands to improve conditions for workers in garment and footwear factories. | For the past 25 years, FWF has connected and convened brands, factories, workers, trade unions, NGOs and other industry influencers, and built strong multi-stakeholder networks across the whole value chain. Through access to each of their unique leverage positions, FWF is able to support Zalando as we progress on human rights due diligence and build out our decent work strategy to positively change the lives of the people who make our products. | Zalando became a member of FWF in 2024 and will undergo an annual social assessment of our private label supply chain to identify gaps in our human rights due diligence processes, especially our purchasing practices. The action plan to close gaps will be verified by the FWF and will influence our 2028 roadmap. The yearly assessment called Brand Performance Check will be published externally and classified as either "improvement needed", "good", or "leader". |
| FASHION LEAP FOR CLIMATE This is an industry-led initiative and e-learning platform to drive climate action in the fashion industry. | Over 5,000 companies from across the globe have committed to setting SBTs through the SBTi. However, only around 320 of these companies are from the fashion and sporting goods industry. Engaging fashion brands to set SBTs is critical for accelerating action to address the industry's climate impact. | Supported by Quantis, Zalando together with ABOUT YOU and YOOX NET-A-PORTER developed FASHION LEAP FOR CLIMATE, a pre-competitive initiative and online learning platform that aims to drive climate education, engagement and action in the fashion and footwear industry. The platform offers step-by-step guidance to help the e-retailers' brand partners understand the fashion industry's stake in the global climate crisis, how to measure their corporate carbon footprints, and how to develop robust SBTs and submit them to the SBTi. |

Organisations we engage with

| What is it | Why we engage | How we engage |
|---|---|---|
| <p>Fashion for Good Fashion for Good is a global initiative to inspire change and drive the collective movement to make fashion a force for good by working directly with the fashion industry to innovate towards solutions that are better for people and the planet. At the core of Fashion for Good is an innovation platform – connecting sustainability innovations with brands, retailers, manufacturers and funders to bring new ideas and technologies from niche to norm. Fashion for Good</p> <p>i) supports disruptive innovators on their journey to scale, providing hands-on project management, access to funding and a robust ecosystem of mentors and experts, thus helping bring the most powerful innovations to market faster;</p> <p>ii) builds coalitions among pioneers and established companies, alongside governments and civil society;</p> <p>iii) mobilises large-scale capital with the potential to create decisive system change.</p> | <p>Zalando has been a partner of Fashion for Good since 2018. This membership directly supports our sustainability ambition, including scaling the use of material innovation and seeking solutions for value chain decarbonisation, providing Zalando with direct access to:</p> <p>i) innovation intelligence & corporate resources, including in-depth analyses of the industry landscape for sustainable innovation across topics of circularity, decarbonisation, supply chain innovation, social innovation, manufacturing processes, packaging, financing and legal issues;</p> <p>ii) innovation programme, connecting our Private Label team and SDI team with material and supply chain innovators;</p> <p>iii) foundational industry projects, providing strategic insights for Zalando's sustainability strategy.</p> | <p>As a member Zalando participates in Fashion for Good foundational projects, including:</p> <p>Sorting for Circularity: Rewear Fashion for Good's Sorting for Circularity framework has been expanded to address the challenge of ensuring rewearable textiles remain in use as opposed to finding their way into global waste streams or landfills. This 18-month project tests automated sorting technologies using artificial intelligence and machine learning to optimise the sorting of rewearable garments and enable greater circularity. The project is currently running and aims to be completed in 2025.</p> <p>Future of Footwear: The project aims to address the key intervention points needed to drive footwear circularity spanning four work streams across the value chain from materials to end of use. Key project work streams focus on: design, materials, end of use and traceability; The project launched in 2024 and will be running through 2025.</p> <p>Footwear Recycling Pilot with Fast Feet Grinded: Zalando joined a footwear recycling pilot project with footwear recycling innovator FastFeetGrinded, which was completed in 2024. The pilot tested and validated a mechanical footwear recycling process to support the uptake of recycled content in footwear, driving the change towards a more circular footwear industry. The insights gained from the pilot will be used to further advance incorporating innovative materials into our private labels footwear assortment and increase share of recycled materials.</p> |
| <p>International Accord for Health and Safety in the Garment and Textile Industry</p> <p>Bangladesh Accord In 2013, the Accord on Fire and Building Safety in Bangladesh was instituted as a five-year agreement to pursue workplace safety in the ready-made garment sector in Bangladesh. This was created in the immediate aftermath of the April 2013 Rana Plaza building collapse that killed more than 1,000 workers and critically injured thousands more.</p> <p>Pakistan Accord The Pakistan Accord is a legally binding agreement between global trade unions and brands to ensure worker health and safety in the textile and garment industry of Pakistan.</p> | <p>The Bangladesh Safety Program is a legally binding agreement between garment brands and trade unions to ensure worker health and safety in the Bangladeshi textile and garment industry. The signatory parties to the Bangladesh Safety Program commit to the principles enshrined in the 2023 International Accord, and as stipulated in the 2013, 2018 and 2021 Accord on Fire and Building Safety in Bangladesh.</p> <p>The Pakistan Accord promotes improved health and safety performance by covering all cut-make-trim facilities, (i.e. ready-made garments, home textiles, and fabric and knit accessories suppliers), producing products for Pakistan Accord signatory companies. Additionally, factory mills in Pakistan within the value chains of the signatories are included.</p> | <p>Zalando engages with the organisation and its members regularly to discuss developments, release position papers and align on the further proliferation of the agreement.</p> |
| <p>Reset Carbon Reset Carbon supports corporate clients in building robust carbon reduction strategies and decarbonisation solutions that drive meaningful results. Their team of engineers and carbon consultants use science-backed methodologies, standardised frameworks, market intelligence and practical expertise to move from strategy development to implementation.</p> | <p>As an implementing partner of the Apparel Impact Institute's Carbon Leadership Program, Reset Carbon has successfully worked with various brands and over 200 textile mills to assess and implement GHG reduction measures.</p> | <p>We collaborate with Reset Carbon to support our partners in decarbonising manufacturing in our private label value chain. For our private label facility improvement programme, we expanded the Carbon Leadership Program's proven methodology to include leather tanneries and polyurethane manufacturers, which are significant GHG emissions contributors at the industry level.</p> |

Organisations we engage with

| What is it | Why we engage | How we engage |
|---|--|---|
| Textile Exchange Textile Exchange's purpose is to build a global fibre and material production model that positively impacts our planet. Their goal is to help the fashion, textile and apparel industry to reduce the GHG emissions that come from fibre and raw material production by 45% by 2030. | Textile Exchange helps the industry to understand some of the common sustainability challenges that come with producing popular fibres and raw material. They then work with stakeholders all along the value chain to find ways to overcome them at scale. | As a member of Textile Exchange, we interact with the organisation in two main ways: i) benefit from their fibre and material standards and collaborate on labelling of products using these standards; ii) collaborate towards shared goals and multi-stakeholder initiatives. Zalando promotes Textile Exchange's fibre & material standards by highlighting products and materials in our assortment that achieve these additional sustainability standards, including organic and recycled materials or animal welfare standards. Zalando also engages with Textile Exchange to collaborate and solve industry-wide challenges, including topics such as environmental impacts from raw material production, green claims, traceability, transparency and data sharing. |
| Social and Labor Convergence Program (SLCP) The SLCP provides the tools for capturing accurate data about working conditions in global value chains. This multi-stakeholder initiative replaces the need for repetitive social audits by facilitating data sharing. | The SLCP focus on a converged assessment framework supports our efforts to improve working conditions in global value chains. This is complementary to the work we do with other organisations in this space and can make a meaningful impact by sharing comparable and verified high-quality data that increases transparency and eliminates audit fatigue to free up and redeploy resources. | We currently accept SLCP data and are working with a wider group of stakeholders on the use of this data for compliance with new EU legislation, namely CSRD and CSDDD. |
| Save the Children/The Centre for Child Rights and Business Save the Children (STC) is an organisation aimed at protecting and advancing global children's rights. The Centre for Child Rights and Business is a suborganisation of STC, offering partnership services around child labour prevention and remediation. | Child labour is a salient issue in many manufacturing supply chains, including fashion value chains. We have partnered with STC and the Centre for Child Rights and Business, as leading organisations in this area, as part of our due diligence approach. | With STC, we engage on a level of knowledge exchange and on an industry association level to align with other retailers and brands to collaboratively act against factors increasing the risk of child labour. To concretely act on child labour risks in our private label value chains, we partner with the Centre for Child Rights and Business to train factories in value chains identified as high risk. Zalando private labels started training suppliers in 2023. |

Targets and metrics related to innovation and partnerships

We do not establish specific targets related to innovation and partnerships, as we regard this as an entity-specific opportunity that supports the management of our IROs in relation to ESG considerations. Similarly, we do not have specific metrics for this topic, as the effectiveness of these partnerships depends on how the associated sustainability topic is assessed. Further information on how these partnerships support us in managing our IROs can be found in the relevant topical sections.

APPENDIX

List of data points from other EU legislations

The table below includes all of the data points that derive from other EU legislation as listed in ESRS 2 Appendix B, indicating where the data points can be found in our report and which data points were assessed as “not material”.

| Disclosure requirement and related data point | SFDR ¹ reference | Pillar 3 ² reference | Benchmark Regulation reference | EU Climate Law ⁴ reference | Outcome of DMA | Reference |
|---|---|--|--|---|--|--------------------|
| ESRS 2 GOV-1, para. 21(d) | Indicator no 13 of Table #1 of Annex 1 | | Regulation (EU) 2020/1816 ³ , Annex II | | material | 5 |
| ESRS 2 GOV-1, para. 21 (e) | | | Regulation (EU) 2020/1816, Annex II | | material | 5 |
| ESRS 2 GOV-4, para. 30 | Indicator no 10 Table #3 Annex 1 | | | | material | 9 |
| ESRS 2 SBM-1, para. 40 (d) i | Indicator no 4 Table #1 Annex 1 | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 ⁵ Table 1 and Table 2 | Regulation (EU) 2020/1816, Annex II | | not applicable | not applicable |
| ESRS 2 SBM-1, para. 40 (d) ii | Indicator no 9 Table #2 Annex 1 | | Regulation (EU) 2020/1816, Annex II | | not applicable | not applicable |
| ESRS 2 SBM-1, para. 40 (d) iii | Indicator no 14 Table #1 Annex 1 | | Regulation (EU) 2020/1818 ⁶ , Article 12(1) Regulation (EU) 2020/1816, Annex II | | not applicable | not applicable |
| ESRS 2 SBM-1, para. 40 (d) iv | | | Regulation (EU) 2020/1818, Article 12(1) Regulation (EU) 2020/1816, Annex II | | not applicable | not applicable |
| ESRS E1-1, para. 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | material | 54 |
| ESRS E1-1, para. 16 (g) | | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 1 | Regulation (EU) 2020/1818, Article 12(1) d to g, and Article 12(2) | | not applicable (no transition plan in place) | not applicable |
| ESRS E1-4, para. 34 | Indicator no 4 Table #2 Annex 1 | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 3 | Regulation (EU) 2020/1818, Article 6 | | material | 51 |
| ESRS E1-5, para. 38 | Indicator no 5 Table #1 and Indicator no 5 Table #2 Annex 1 | | | | material | 55 |
| ESRS E1-5, para. 37 | Indicator no 5 Table #1 Annex 1 | | | | material | 55 |
| ESRS E1-5, para. 40 to 43 | Indicator no 6 Table #1 Annex 1 | | | | material | 55 |
| ESRS E1-6, para. 44 | Indicators no 1 and 2 Table #1 Annex 1 | Article 449a; Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 1 | Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1) | | material | 56 |
| ESRS E1-6, para. 53 to 55 | Indicator no 3 Table #1 Annex 1 | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 3 | Regulation (EU) 2020/1818, Article 8(1) | | material | 58 |

| Disclosure requirement and related data point | SFDR ¹ reference | Pillar 3 ² reference | Benchmark Regulation ³ reference | EU Climate Law ⁴ reference | Outcome of DMA | Reference |
|---|---|---|--|---|---------------------------------|----------------------------|
| ESRS E1-7, para. 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | material | 59 |
| ESRS E1-9, para. 66 | | | Regulation (EU) 2020/1818, Annex II Regulation (EU) 2020/1816, Annex II | | material (phased-in) | not applicable (phased-in) |
| ESRS E1-9, para. 66 (a); ESRS E1-9, para. 66 (c) | | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5 | | | material (phased-in) | not applicable (phased-in) |
| ESRS E1-9, para. 67 (c) | | Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 paragraph 34; Template 2 | | | material (phased-in) | not applicable (phased-in) |
| ESRS E1-9, para. 69 | | | Regulation (EU) 2020/1818, Annex II | | not material | not applicable |
| ESRS E2-4, para. 28 | Indicator no 8 Table #1 Annex 1 Indicator no 2 Table #2 Annex 1 Indicator no 1 Table #2 Annex 1 Indicator no 3 Table #2 Annex 1 | | | | not applicable | not applicable |
| ESRS E3-1, para. 9 | Indicator no 7 Table #2 Annex 1 | | | | material | 61 |
| ESRS E3-1, para. 13 | Indicator no 8 Table 2 Annex 1 | | | | material | 62 |
| ESRS E3-1, para. 14 | Indicator no 12 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS E3-4, para. 28 (c) | Indicator no 6.2 Table #2 Annex 1 | | | | material | 63 |
| ESRS E3-4, para. 29 | Indicator no 6.1 Table #2 Annex 1 | | | | material | 63 |
| ESRS 2-SBM 3 - E4, para. 16 (a) i | Indicator no 7 Table #1 Annex 1 | | | | not material | not applicable |
| ESRS 2-SBM 3 - E4, para. 16 (b) | Indicator no 10 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS 2-SBM 3 - E4, para. 16 (c) | Indicator no 14 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS E4-2, para. 24 (b) | Indicator no 11 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS E4-2, para. 24 (c) | Indicator no 12 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS E4-2, para. 24 (d) | Indicator no 15 Table #2 Annex 1 | | | | not material | not applicable |
| ESRS E5-5, para. 37 (d) | Indicator no 13 Table #2 Annex 1 | | | | material | 75 |
| ESRS E5-5, para. 39 | Indicator no 9 Table #1 Annex 1 | | | | material (only hazardous waste) | 75 |
| ESRS 2-SBM 3 - S1, para. 14 (f) | Indicator no 13 Table #3 Annex I | | | | material | 77 |
| ESRS 2-SBM 3 - S1, para. 14 (g) | Indicator no 12 Table #3 Annex I | | | | material | 77 |
| ESRS S1-1, para. 20 | Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex I | | | | material | 87 |
| ESRS S1-1, para. 21 | | | Regulation (EU) 2020/1816, Annex II | | material | 76 |
| ESRS S1-1, para. 22 | Indicator no 11 Table #3 Annex I | | | | not material | not applicable |

| Disclosure requirement and related data point | SFDR ¹ reference | Pillar 3 ² reference | Benchmark Regulation ³ reference | EU Climate Law ⁴ reference | Outcome of DMA | Reference |
|---|--|---------------------------------|--|---------------------------------------|----------------------|----------------------------|
| ESRS S1-1, para. 23 | Indicator no 1 Table #3 Annex I | | | | material | 83 |
| ESRS S1-3, para. 32 (c) | Indicator no 5 Table #3 Annex I | | | | material | 88 |
| ESRS S1-14, para. 88 (b) and (c) | Indicator no 2 Table #3 Annex I | | Regulation (EU) 2020/1816, Annex II | | material | 83 |
| ESRS S1-14, para. 88 (e) | Indicator no 3 Table #3 Annex I | | | | material (phased-in) | not applicable (phased-in) |
| ESRS S1-16, para. 97 (a) | Indicator no 12 Table #1 of annex I | | Regulation (EU) 2020/1816, Annex II | | material | 84 |
| ESRS S1-16, para. 97 (b) | Indicator no 8 Table #3 Annex I | | | | material | 84 |
| ESRS S1-17, para. 103 (a) | Indicator no 7 Table #3 Annex I | | | | material | 86 |
| ESRS S1-17, para. 104 (a) | Indicator no 10 Table #1 and Indicator no 14 Table #3 Annex I | | Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818 Art 12 (1) | | material | 86 |
| ESRS 2-SBM 3 - S2, para. 11 (b) | Indicators no 12 and 13 Table #3 Annex I | | | | material | 93 |
| ESRS S2-1, para. 17 | Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1 | | | | material | 94 |
| ESRS S2-1, para. 18 | Indicators no 11 and no 4 Table #3 Annex 1 | | | | material | 95 |
| ESRS S2-1, para. 19 | Indicator no 10 Table #1 Annex 1 | | Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818, Art 12 (1) | | material | 94 |
| ESRS S2-1, para. 19 | | | Regulation (EU) 2020/1816, Annex II | | material | 94 |
| ESRS S2-4, para. 36 | Indicator no 14 Table #3 Annex 1 | | | | material | 97 |
| ESRS S3-1, para. 16 | Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1 | | | | not material | not applicable |
| ESRS S3-1, para. 17 | Indicator no 10 Table #1 Annex 1 | | Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818, Art 12 (1) | | not material | not applicable |
| ESRS S3-4, para. 36 | Indicator no 14 Table #3 Annex 1 | | | | not material | not applicable |
| ESRS S4-1, para. 16 | Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex 1 | | | | not material | not applicable |
| ESRS S4-1, para. 17 | Indicator no 10 Table #1 Annex 1 | | Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818, Art 12 (1) | | not material | not applicable |
| ESRS S4-4, para. 35 | Indicator no 14 Table #3 Annex 1 | | | | not material | not applicable |
| ESRS G1-1, para. 10 (b) | Indicator no 15 Table #3 Annex 1 | | | | material | not applicable |
| ESRS G1-1, para. 10 (d) | Indicator no 6 Table #3 Annex 1 | | | | material | not applicable |

| Disclosure requirement and related data point | SFDR ¹ reference | Pillar 3 ² reference | Benchmark Regulation ³ reference | EU Climate Law ⁴ reference | Outcome of DMA | Reference |
|---|----------------------------------|---------------------------------|---|---------------------------------------|----------------|---------------------|
| ESRS G1-4, para. 24 (a) | Indicator no 17 Table #3 Annex 1 | | Regulation (EU) 2020/1816, Annex II | | material | 118 |
| ESRS G1-4, para. 24 (b) | Indicator no 16 Table #3 Annex 1 | | | | material | not applicable |

- ¹ SFDR = Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
- ² Pillar 3 = Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation 'CRR') (OJ L 176, 27.6.2013, p. 1).
- ³ Benchmark Regulation = Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
- ⁴ EU Climate Law = Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
- ⁵ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
- ⁶ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1.).
- ⁷ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Index – List of ESRS disclosure requirements

The following table lists all of the ESRS disclosure requirements which we have complied with in preparing our sustainability statement.

| Disclosure requirement | Title | Reference |
|-----------------------------------|--|---------------------|
| ESRS 2 General disclosures | | 1 |
| ESRS 2-BP-1 | General basis for preparation of the Sustainability Statement | 1 |
| ESRS 2-BP-2 | Disclosures in relation to specific circumstances | 1 |
| ESRS 2-GOV-1 | The role of the administrative, management and supervisory bodies | 4 |
| ESRS 2-GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 6 |
| ESRS 2-GOV-3 | Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3 paragraph 29: 2021 incentive scheme is incorporated by reference in 1.3 Remuneration report) | 7 |
| ESRS 2-GOV-4 | Statement on due diligence | 9 |
| ESRS 2-GOV-5 | Risk management and internal controls over sustainability reporting | 11 |
| ESRS 2-SBM-1 | Strategy, business model and value chain | 12 |
| ESRS 2-SBM-2 | Interests and views of stakeholders | 15 |
| ESRS 2-SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 25 |
| ESRS 2-IRO-1 | Description of the process to identify and assess material impacts, risks and opportunities | 18 |
| ESRS 2-IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 128 |
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