

do.BETTER

Inclusive by design



Inclusive by Design: Our D&I Vision



66

Fashion has so many different dimensions, yet it has a personal meaning to everyone, no matter who they are. We love the diversity of our customers, brands, and creators that makes our fashion culture so rich. We work to create experiences that allow people to follow their interests. This has to start from within: Only if we create a workplace where people feel truly included can we fully build experiences that are welcoming to everyone. That's why we integrate D&I in every team, strategy, business idea, or feature, from the beginning. We want to be inclusive by design.

We all feel the responsibility toward our customers, our partners, and fellow Zalandos. That's why D&I is not only

an effort run by a dedicated team, but is embedded in all mandates across the organization and owned by our leaders. I'm proud of the passion and dedication that so many Zalandos put into making us inclusive by design.

It's important for us to keep making a positive impact, both for ourselves and the wider fashion industry. We have begun to make progress toward many of our ambitious goals and are proud of the steps we have taken to listen, understand experiences, implement change, facilitate dialogue, and deepen our partnerships. But we're not done. We're confident we can do better and will continue to build a truly inclusive Starting Point For Fashion — for everyone."

David Schneider, Co-CEO

Read our full D&I Progress Report for 2022 <u>here</u>.



Our progress in 2022

Our <u>do.BETTER strategy</u> reflects our commitment to build a company in which respect and inclusive behavior are second nature. We want to be the Starting Point for Fashion and we look to realize this vision with and through the relationships that make the Zalando story special: our talents, our leaders, our partners, our customers. Zalando is built on the collective contributions of many. That's why, when we say we want to be the Starting Point for Fashion, we mean the starting point for everyone.

This document is a condensed version and overview of our 2022 D&I Report, highlighting a selection of initiatives we drove over the last year. For a full overview of our 2022 progress,

Read our full D&I Report here.









Talent

We are building an inclusive workplace that provides equitable access to opportunities. At the core of our vision is a desire to foster a sense of belonging that enables all of our employees to thrive.

- We launched our first D&I survey, aiming to understand Zalandos' experiences.
- We made our buildings more accessible and implemented more inclusive spaces, including adding prayer rooms and all-gender toilets.
- We facilitated quarterly "D&I
 Dialogues", inviting Zalandos to
 learn about D&I topics and start
 conversations in their teams.

Leadership

Inclusive leadership is necessary to create safer workplaces in which employees feel valued. If our senior leaders live and breathe the principles we aspire to, we can cascade these into our daily activities. Moreover, if they embody inclusive behavior, all employees can feel represented and have opportunities for personal and career growth. Therefore, we do our best to equip our leaders to make decisions that are inclusive by design.

- We are proud that 37.5% of our leadership positions are now occupied by women, toward our target of 40-60% before the end of 2023.
- We formulated 24 dedicated D&I Action Plans for business units that will help guide leaders in embedding mandates on D&I across the organization.
- We added new classes to our Inclusive Behavior training and Inclusive Leadership training to our Leadership class roster to translate learning into action.

Customers

We are working to challenge beauty and fashion stereotypes on behalf of our 50 million customers. However, we know that our business, like many others, reflects unconscious bias in many of its operations and interfaces. Over the past year, we have accelerated our response, aiming to champion Diversity & Inclusion, improve accessibility, and offer a welcoming space for customers to discover and express themselves.

- We created a more accessible digital experience, including better readability, easier navigation, and a more intuitive layout of our corporate website.
- We offered dedicated training around accessibility and Adaptive Fashion for our engineers, product designers, specialists, and private label designers.
- We celebrated our customers' diversity in our content, campaigns, and storytelling.

Partners

Our partners help make us who we are. As one of Europe's leading online platforms for fashion and lifestyle, working with more than 6,000 partners, we are fortunate to work with some of the world's most inspiring brands that are committed to supporting us in promoting D&I across the fashion industry. This is an important opportunity to shape the fashion industry for the better. Over the past year, we have collaborated with long-standing partners and joined with several more, enabling us to deepen our initiatives and assemble new ideas across our operations.

- We launched Adaptive Fashion with more than 300 styles in garments and shoes from Zalando's Private Labels, Tommy Hilfiger, and Nike.
- Our inclusive beauty assortment expanded by 60% over the past three years.
- We onboarded 63 Black-owned brands to the Zalando Fashion Store, including collections by Thebe Magugu and Dechase.

Supporting women at Zalando

This year, Zalando was able to significantly increase its share of women in leadership, as well as launch a pilot program to break down the barriers for women to enter tech careers.

Increasing the number of women in leadership positions

"It was really about someone in the room saying 'That's not good enough' when women weren't on a candidate list for leadership positions. We knew the problem wasn't a lack of talented and qualified women, so we looked to address why they weren't sitting in front of us as often in interviews. Thankfully, this has resulted in some really valuable hires, which is why we have been able to make so much progress on this commitment." – Astrid Arndt, Chief People Officer at Zalando

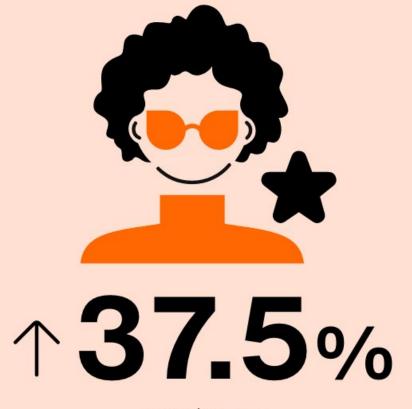
One of the highlights of the past year has been the speed at which we have widened representation in our leadership teams. We are on the cusp of achieving our 2023 target a year ahead of time, with 37.5% of top-five leadership level roles occupied by women. Our progress reflects our conviction about the benefits of gender-equitable leadership.

Disrupting the gender imbalance in tech

"The question that has challenged me over the years was not why to start a career in tech but rather how to do so? I have always pictured myself in tech, but years spent as a stay-at-home mother made it too much of a stretch on my time and finances. Two years ago, I plucked up the courage to enroll in an online programming course, but again, juggling a full-time job and family proved too much. In February this year, I came across the program at Zalando's career fair week and saw how much thought and care has been put into the program. I knew I had to apply!" – Flora Ohlsen, Community Manager & Assistant in Partner Services

Flora Ohlsen was one of the 20 candidates who joined our **Women in Tech Reskilling Program**. This program focuses on enabling employees who identify as women to take up entry-level software engineering roles. In April 2022, Zalando launched a software engineering pilot for employees who expressed a desire to shift their careers into the world of software engineering. They were interviewed and offered new roles, before starting a 3-6 month full-time course. Next year, to build on the successful pilot, we will continue to work with our partner <u>StartSteps</u>, which helps people identify and learn about career paths in tech.

Overall share of women in leadership



2021 | 35.2%

Commitment (by 2023):
Share of both genders between 40-60% in all top five leadership positions

Making our assortment more inclusive

Focusing on the needs of Zalando customers, in 2022, we were able to onboard 63 Black-owned Brands and launch Adaptive Fashion for our disabled customers, both with partners and in our private labels.

Onboarding Black-owned brands

"Invest in brands that are doing the work. Brands like ours are on the ground floor doing the research, doing the product development, and really immersing themselves in the customers we aim to serve. There are plenty of incredible brands doing work that focuses on underrepresented communities and that are never given the opportunity to grow due to lack of investment opportunities. From a retail perspective, this means shelf space and opportunities for brands to be stocked." – Lina Barker, co-founder of Aaron Wallace, a brand catering to the haircare needs of Black men.

Of the 63 Black-owned brands onboarded to the Zalando Fashion Store, many include beauty brands with expertise in Black haircare, makeup, and skincare, areas that have been historically underserved in Europe, as well as fashion designer brands like Thebe Magugu and Dechase.

Offering Adaptive Fashion with private labels and partners

"Over the last year and a half, our team of pan-disabled people have worked across all touch points of Zalando's Adaptive Fashion launch to ensure best practice, authenticity, and connectivity with our community. A disability rights approach has informed, meaningfully, every single piece of work. This is a continuing journey, but we are thrilled to be part of this and are very proud of what was produced." – Grace Strutton, Director and Founder of All is For All, a consultancy for disability inclusion, which has helped us shape our customer messages to be inclusive and authentically represent our disabled customers' experiences.

In October 2022, we launched <u>Adaptive Fashion collections</u> together with <u>Tommy Hilfiger</u>, and Adaptive <u>shoes</u> with Nike—a key moment in our inclusion journey. We designed Adaptive collections for five of our private label brands: <u>Anna Field</u>, <u>Even & Odd</u>, <u>Zign</u>, <u>Pier One</u>, <u>YOURTURN</u>. And we are working with a host of other partner brands to help them roll out Adaptive collections on Zalando.



Commitment (by 2025):
Offer a truly diverse assortment in every category across price, size and style