

CSRD DIGEST 2024

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INTRODUCTION

FASHION AND SUSTAINABILITY

We acknowledge that our industry significantly contributes to environmental and social challenges. However, we are committed to being part of the solution. We recognise the critical need for change and are dedicated to transforming our practices to foster a better future. Our journey towards sustainability goes beyond mitigating our impact - it is also about actively galvanising our industry to make a positive and lasting change for the planet and its people. Against this backdrop – and bolstered by EU regulators continuing to advance their sustainability agenda, despite geopolitical headwinds and calls for simplification, with the CSRD and other sustainability related legislation set to be implemented across 2025-30 – Zalando recognizes the urgent responsibility and opportunity to evolve beyond the take-make-waste status quo of our industry.

Prioritising sustainability isn't just an ethical choice; it's a strategic move that helps us to future proof our business in a rapidly changing landscape.

This summary report*, taken from our more detailed **CSRD report**, sets out how Zalando's new sustainability strategy is addressing the deep-rooted challenges of our industry. It also examines the evolving regulatory landscape, with a particular focus on the EU Green Deal and the framework it provides for sustainability reporting.

At its core, the report highlights Zalando's 2024 sustainability progress, illustrating how, in close collaboration with our ecosystem partners, we are working to drive meaningful and lasting change. Through innovation, accountability, and collective action, we are committed to reshaping our industry and accelerating the transition toward a more sustainable future.

*This document provides an internal summary and should not be considered compliant with the CSRD or the associated ESRS

ZALANDO'S ECOSYSTEM

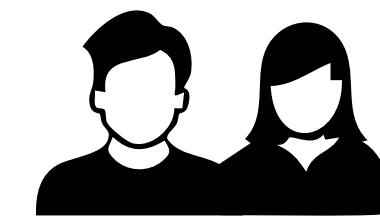
ENABLING PROGRESS THROUGH COLLABORATION

Zalando is Europe's leading fashion and lifestyle e-commerce destination, serving over 50 million active customers across 25 markets. As a pan-European platform, we connect internationally recognised brands with emerging local labels, offering a curated assortment tailored to the unique needs of each region. Our customer experience is supported by a scalable logistics infrastructure, and by deep insights into consumer behavior across the continent.

In 2024, we updated our Group strategy to reflect a more focused, business-integrated approach to sustainability — moving from broad ambitions to two core ambitions: net zero and decent work. This shift aligns with evolving stakeholder expectations, regulatory developments, and our own belief that long-term business success is inseparable from sustainability performance.

Where we have direct control — our platform, operations, and private labels — we act decisively on topics from materials to human rights. Where our influence is indirect — such as with third-party brands or emerging innovators — we use our central position in the European fashion ecosystem to enable progress through partnership, standard setting, and policy advocacy.

Our customer base increasingly values quality: transparency, thoughtful design, and inclusivity. By making sustainability and values more visible and actionable, Zalando is not only meeting expectations — but also unlocking future growth, building resilience, and shaping a more sustainable industry.



CUSTOMERS

We aim to empower customers to buy better, wear better, and feel better by choosing an assortment and brands that align with their values.



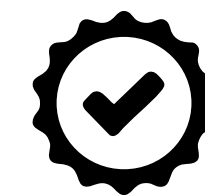
PARTNERS AND SUPPLY CHAIN

We aim to maximise our impact by leveraging our strengths also to propel fashion brands and suppliers to attain their sustainability ambitions.



INNOVATORS

We believe that a broader industry transformation can only happen through investment in technology and processes. We aim to support scaling industry innovators by enabling access to customers, brands, and financing.



REGULATORS

We encourage and welcome EU policymakers to establish a consistent regulatory framework that will enhance consumer trust and protection and ensure a level playing field against unfair competitive practices.



INSIDE ZALANDO

Sustainability is woven into all aspects of what we do, both for impact and for accountability. With this, we aim to empower all Zalando employees to embed sustainability into their mindset and daily work. Our efforts to lead by example are underpinned by our two sustainability ambitions: net zero and decent work.

Acting as an enabler

Transitioning to a more sustainable, equitable, and accessible future requires collective effort. Given Zalando's position in the European fashion ecosystem, we are ready to step up and embrace our role as an enabler - acting as a catalyst, convener, and connector to drive progress among customers, brand partners, manufacturers, innovators, regulators, and our employees.

ZALANDO'S SUSTAINABILITY STRATEGY

Sustainability, Diversity & Inclusion are core elements of our updated Zalando Group Strategy, integrated across all business models to create a strategic differentiation. This represents an evolution from our previous do.MORE strategy, embedding sustainability more deeply into our operations and decision-making processes.

With this updated strategy we seek to make sustainability a source of long-term value for Zalando by reimagining the customer experience and strengthening long term, strategic brand partnerships in line with our sustainability ambition. Leveraging our base of over 50 million active customers, best-in-class brand partner network and platform ecosystem built over the past 15 years, we see the opportunity for Zalando to become the enabler of a more sustainable industry.

Our new sustainability approach focuses on three key elements focusing on both our role as **enabler** as well as two key long-term sustainability ambitions relating to reaching **net-zero** emissions by 2040 and further empower workers through **decent work**.

1. 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:
- a. Enable our base of 50 million active customers to make informed choices with an assortment and brands that align with their values.

b. Enable our partner network to work towards their sustainability ambitions and adapting to the evolving regulatory environment.

c. Foster innovation to reduce environmental and social impacts at an industry level.
2. **Net-zero 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).
3. Further empower workers through **decent work** by deepening human rights due diligence (see more on page nine). 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.

ORGANISING FOR SUCCESS

Achieving our sustainability ambitions requires a robust governance structure that ensures accountability and effective integration across all areas of our business.

To strengthen this, in 2023, we merged our Sustainability and Diversity & Inclusion (D&I) teams into a centralised Sustainability and D&I (SDI) team, housed within the Corporate Development department. This integration allows for a more cohesive and strategic approach, embedding sustainability and inclusion more deeply into Zalando's group strategy.

The SDI team is led by the Senior Vice President (SVP) of Corporate Development, who reports directly to management board member and co-CEO Robert Gentz. This leadership structure ensures that sustainability and inclusion remain top priorities at the highest level of decision-making.

While the SDI team sets the overarching strategic direction, it works closely with specialised teams embedded across key business functions — because from logistics to product sustainability — ensuring coordinated execution and measurable progress toward our goals.

NET- ZERO

refers to the balance between the amount of greenhouse gas (GHG) that is produced and the amount that is removed from the atmosphere.

THE EU GREEN DEAL AND REPORTING REQUIREMENTS

WHAT DOES IT MEAN?

WHAT IS THE PURPOSE OF THE EU GREEN DEAL?

The EU Green Deal is a comprehensive strategy for the EU to achieve climate neutrality by 2050, fostering economic growth while safeguarding the environment. It aims to reduce greenhouse gas emissions, promote resource efficiency, protect biodiversity, and ensure a just transition toward a more sustainable economy. This ambitious plan not only sets the direction for climate action but also influences businesses by encouraging them to integrate sustainability into their core operations.

THE EU GREEN DEAL & CORPORATE SUSTAINABILITY REPORTING

A crucial component of the EU Green Deal is the Corporate Sustainability Reporting Directive (CSRD), which introduces stricter and more standardised sustainability reporting requirements. The CSRD mandates that companies like Zalando disclose detailed information on how their business activities impact environmental, social, and governance (ESG) factors. The CSRD strengthens transparency and accountability, ensuring businesses align with the EU's sustainability goals while contributing to the green transition.

Circular Economy Alignment

The EU Green Deal includes a Circular Economy Action Plan that aims to transform how products are designed, manufactured, and consumed. Our approach to addressing circular business models, waste reduction, and product innovation directly align with this pillar of the Green Deal.

Supply Chain Due Diligence

The German Supply Chain Act, a precursor to CSDDD, which stems from the Green Deal, requires companies to identify and address adverse human rights and environmental impacts in their operations and supply chains. Our work in enhancing supply chain transparency, supplier engagement, and risk management positions us to comply with and exceed these requirements.

Sustainable Product Framework

The EU Strategy for Sustainable Textiles (part of the Green Deal) aims to create a framework for sustainable textiles, including digital product passports and eco-design requirements. The recommendations for Zalando include product sustainability rating systems and innovation in sustainable materials that align with these emerging requirements.

HOW THE CSRD SUPPORTS THE EU GREEN DEAL

Enhancing Transparency:

Companies must report on sustainability risks, impacts, and strategies, enabling stakeholders — including investors, consumers, and regulators — to better assess how businesses align with climate and sustainability goals.

Harmonising Standards:

CSRD introduced standardised sustainability reporting requirements across the EU, ensuring consistency and comparability between companies. This creates a level playing field and encourages businesses to adopt greener practices in line with Green Deal objectives.

Driving Sustainable Investment:

By increasing the availability and quality of sustainability information, the CSRD helps direct capital towards companies and projects that support the EU's climate goals. Investors can better evaluate risks and opportunities, reinforcing the transition to a low-carbon economy.

Advancing the EU Green Deal: WHAT DOES THIS MEAN FOR ZALANDO?

For Zalando, the CSRD is more than just a compliance requirement — it is an opportunity to demonstrate our commitment to sustainability with greater clarity and accountability.

By providing a structured framework with common standards and methodologies, the CSRD enables us to prioritise our efforts where they matter most — both for our business and for our stakeholders. It strengthens our ability to track progress, drive meaningful change, and contribute to the broader sustainability transformation of the fashion industry.

Our adaptation and mitigation strategies directly support the targets of the EU Green Deal — through supply chain decarbonisation, renewable energy investments, and the development of circular business models.

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

The CSRD represents a fundamental shift in corporate sustainability reporting, aiming to enhance transparency, accountability, and comparability across industries. It introduces two fundamental elements that shape how companies assess and communicate their sustainability performance:

1. **Harmonised Standards** – The European Sustainability Reporting Standards (ESRS) establish a common framework, ensuring consistency and comparable sustainability disclosures across the EU.
2. **Double Materiality Assessment** – A methodology that requires companies to assess both how sustainability factors impact their business and how their operations affect the environment and society.

For Zalando, the CSRD provides a structured framework to assess and prioritise sustainability efforts, ensuring that our business performance aligns with the expectations of our stakeholders and regulatory developments. By embedding these reporting standards into our operations, we can enhance transparency, manage risks effectively, and support long-term value creation in a rapidly evolving landscape.

EUROPEAN SUSTAINABILITY REPORTING STANDARDS

The ESRS are an essential part of the CSRD as they standardise sustainability reporting in the EU by creating reporting standards across Environmental (E), Social (S) and Governance (G) matters.

CROSS-CUTTING STANDARDS

ESRS 1 - General requirements
ESRS 2 - General disclosures

ENVIRONMENT	SOCIAL	GOVERNANCE
ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water & marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity & ecosystems	ESRS S4 Consumers & end-users	
ESRS E5 Resource use & circular economy		

DOUBLE MATERIALITY ASSESSMENT

The **Double Materiality Assessment (DMA)** expands traditional materiality analysis by examining **two dimensions**; impact materiality and financial materiality.

1. **Financial Materiality** – Evaluates how sustainability-related risks and opportunities influence Zalando’s **financial performance, cash flows, and enterprise value**. This perspective considers e.g. **climate risks, regulatory changes, and stakeholder expectations** that could affect long-term business success (outside-in perspective).
2. **Impact Materiality** – Assesses how Zalando’s operations, products, and services **impact the environment, society, and economy**, regardless of financial implications. This includes **human rights, environmental impacts, and responsible business conduct** (inside-out perspective).

By integrating **both dimensions**, the DMA ensures a **comprehensive risk and opportunity impact assessment** that aligns Zalando’s sustainability strategy with evolving regulations and stakeholder expectations.



IMPACTS, RISKS & OPPORTUNITIES (IROs)
IROs refer to sustainability-related impacts, risks, and opportunities that affect both a company's operations and external stakeholders and the environment. They help assess:

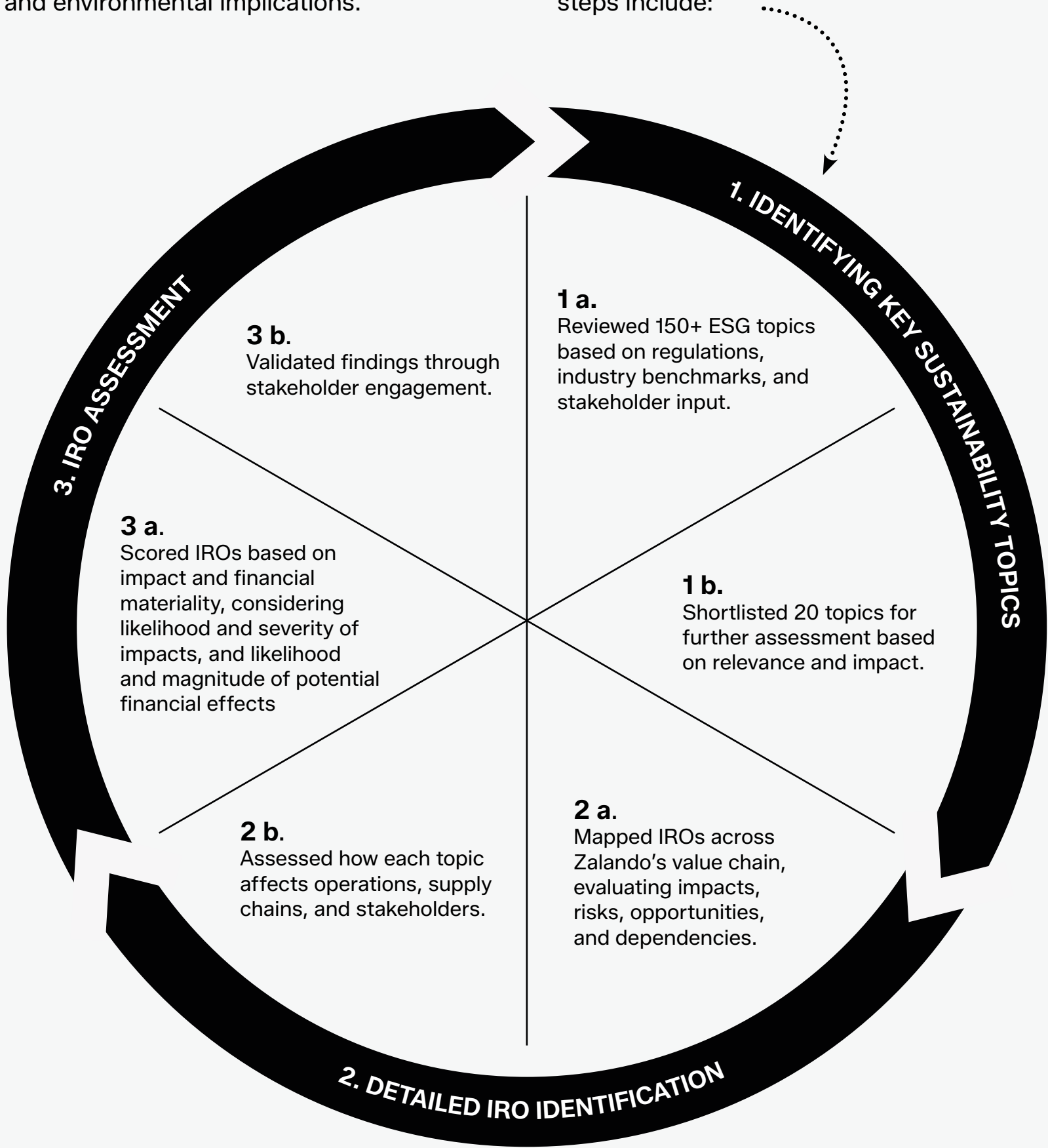
Impacts – Positive or negative effects that a company's activities have on people or the environment.
Risks – Sustainability-related risks that could negatively affect the company's business.
Opportunities – Sustainability-related developments that could benefit the company.

Key risks from the DMA assessment are embedded within our risk management framework, ensuring sustainability risks are evaluated alongside financial and operational risks. This structured approach enhances decision-making and regulatory compliance, reinforcing our commitment to transparency and long-term resilience.

DMA PROCESS

Zalando's 2024 Double Materiality Assessment (DMA) was conducted in line with the CSRD and the ESRS, ensuring compliance with regulatory requirements while addressing the priorities of our stakeholders. The assessment identifies, evaluates, and prioritises the most material sustainability matters, considering both their financial effects on our business and their broader societal and environmental implications.

Topic or information meets the criteria of double materiality if it is material from the impact perspective or from the financial perspective or from both of these two perspectives. Following a structured, multi-step approach, the DMA enables us to determine which sustainability topics are most significant for Zalando's operations, value chain, and stakeholders. These steps include:



STAKEHOLDER ENGAGEMENT

As part of our Double Materiality Assessment (DMA), we actively engaged with stakeholders who are both impacted by our activities and play a key role in achieving our sustainability goals.

By engaging with diverse stakeholder groups to refine and assess the IROs, we obtained comprehensive insights into their key concerns.

KEY STAKEHOLDER INSIGHTS

Brand partners emphasised the importance of addressing key sustainability impacts, particularly climate change and biodiversity concerns. They highlighted opportunities to drive positive change through initiatives such as sustainability labelling and circular packaging while also voicing concerns about supply chain risks related to climate impacts and shifting customer demand dynamics.

Suppliers from across our value chain underscored the need to reduce climate impact in transportation and returns while also promoting product quality and improving working conditions. They highlighted challenges such as increasing margin pressures and the need to comply with evolving regulatory requirements.

Our **Investor Relations team** stressed the importance of transparency and performance metrics in ESG reporting. Investors see data disclosure on climate targets, supply chain management, and biodiversity conservation as essential for assessing risks and making informed decisions.

Discussions with **NGOs** brought forward key social impact concerns, particularly regarding vulnerable worker groups and labor practices. They recommended actions to strengthen social dialogue, collective bargaining, and responsible purchasing practices while also identifying opportunities to enhance human rights performance through social marketing initiatives.

By incorporating these insights, we ensure our sustainability strategy is shaped by stakeholder perspectives, addressing both business challenges and broader societal expectations while reinforcing our commitment to transparency, accountability, and long-term resilience.

DMA STAKEHOLDER ENGAGEMENT

STAKEHOLDERS GROUP	TYPE OF ENGAGEMENT	PURPOSE OF THE ENGAGEMENT
Financial Market Participants	Qualitative Assessment One-on-one Interview	IROs identification and assessment
Internal employees and SDI experts	Workshop sessions per E, S, G dimension	IROs identification and assessment
Suppliers	Qualitative Assessment One-on-one Interview (Direct)	Informing the materiality assessment
Business partners	Qualitative Assessment One-on-one Interview (Direct)	Informing the materiality assessment
Civil society & NGOs	Qualitative Assessment One-on-one Interview (Direct)	Informing the materiality assessment

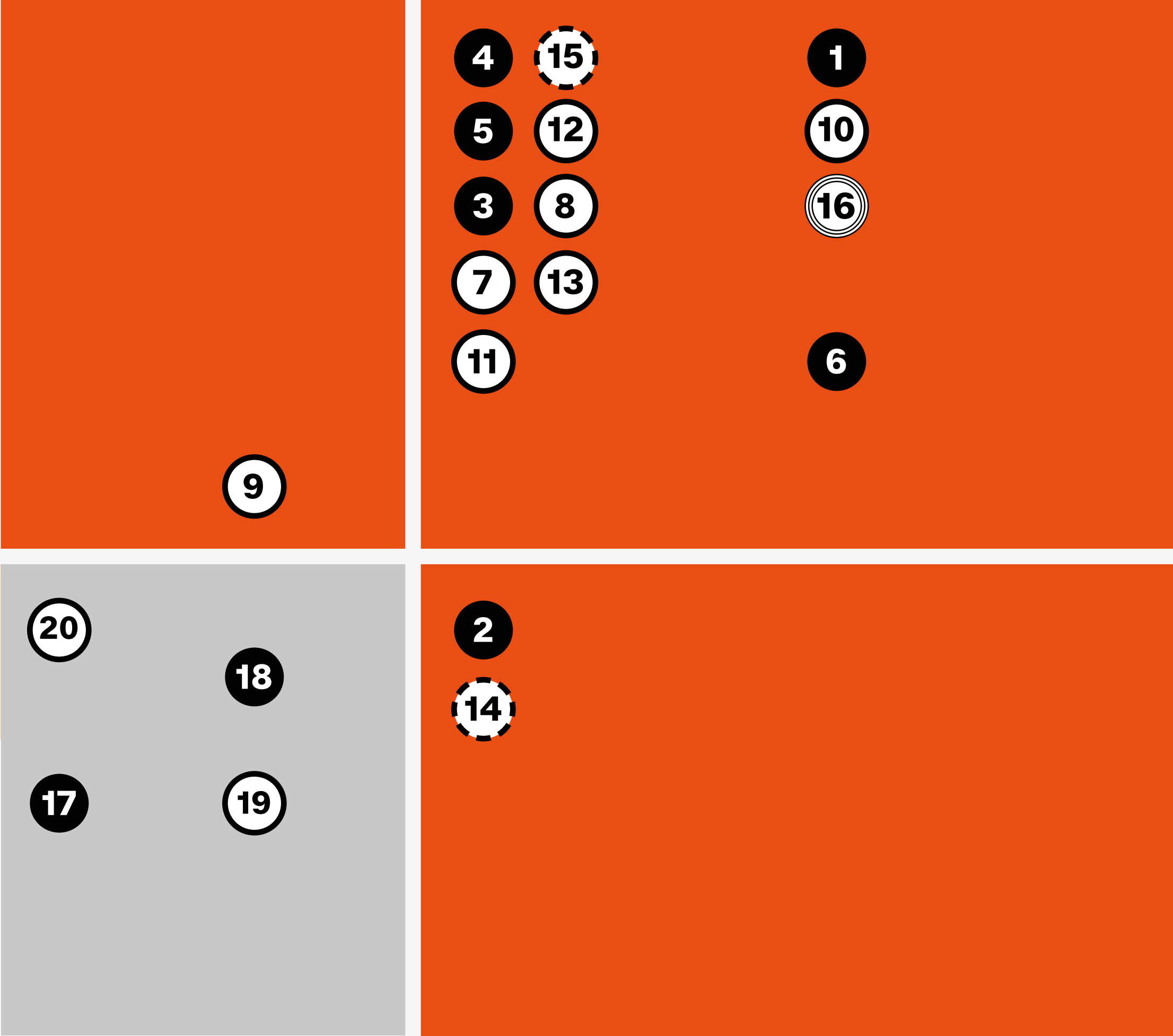
OVERVIEW OF

DMA RESULTS

The materiality matrix below provides a summary of the Double Materiality Assessment (DMA) results, mapping key topics across both impact materiality and financial materiality dimensions.

In the next section, we explore the key Environmental, Social, and Governance (ESG) topics identified in our Double Materiality Assessment (DMA).

FINANCIAL MATERIALITY



IMPACT MATERIALITY

ENVIRONMENTAL MATTERS

- 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 REOURCES
- 4
- ESRS E5 RESOURCE USE & CIRCULAR ECONOMY
- Resource inflows and outflows.
- 5
- ESRS E5 RESOURCE USE & CIRCULAR ECONOMY
- Waste.
- 17
- ESRS E3 MARINE RESOURCES
- 18
- ESRS E4 BIODIVERSITY & ECOSYSTEMS
- (all sub-topics).

GOVERNANCE MATTERS

- 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.

- MATERIAL
- NOT MATERIAL

SOCIAL MATTERS

- 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.
- 19
- ESRS S3 AFFECTED COMMUNITIES
- (all sub-topics).
- 20
- ESRS S4 CONSUMERS
- Others.

ENTITY-SPECIFIC MATTERS

- 16
- INNOVATION AND PARTNERSHIPS

SUMMARY OF MATERIAL ENVIRONMENTAL IROs

Material Environmental IROs.

Based on our DMA, we have identified the following key environmental impacts affecting Zalando’s operations and value chain:

Climate change is one of the most significant issues for our business. Emissions are released during each stage of a product’s lifecycle — from production and transportation to consumer use. Our climate strategy focuses on mitigating emissions, enhancing climate resilience, and adapting supply chains to evolving environmental risks.

Pollution Industry-specific processes, including textile production and treatment, contribute to water, soil, and air pollution. Synthetic fibers shed microplastics, and conventional cotton farming relies on pesticides and fertilisers that contaminate water sources. To address these challenges, Zalando has implemented chemical compliance programs to reduce harmful discharges.

Water is essential to our supply chain, from raw material production to logistics and garment care. With water scarcity becoming a growing concern, Zalando conducted its first water risk assessment in 2024, starting with our own operations, and a framework has been developed to address the findings.

Resource use and circular economy: As a fashion retailer, Zalando depends on raw materials such as cotton, polyester, and leather, making us vulnerable to climate-related supply constraints. We are embracing circularity focusing on materials substitutions, increase recycled materials and reduce reliance on primary resources.

Mitigation vs. Adaptation

Mitigation refers to actions that reduce or prevent GHG emissions, such as transitioning to renewable energy or using low-carbon materials. Adaptation focuses on adjusting to the impacts of climate change, such as strengthening supply chain resilience against extreme weather events.

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%
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	Reduction of 48.2%
Scope 3 GHG emissions targets - other			
Suppliers SBTs setting (includes goods and services sold through its platform, packaging, and last-mile-delivery partners)	N/A	90.0% (2025)	70.5%

What is SBTi?

The Science Based Targets initiative (SBTi) provides a globally recognised framework for companies to set science-based climate targets in line with the Paris Agreement’s goal of limiting global warming to 1.5°C. Validation by SBTi ensures that Zalando’s targets are credible, ambitious, and aligned with climate science.

ENVIRONMENTAL STRATEGY & GOALS

Zalando has set a net-zero ambition — achieving net-zero greenhouse gas (GHG) emissions by 2040 in our own operations and private labels, and by 2050 across our entire value chain, including fashion brand partners, packaging, and transportation emissions.

Mitigation of and adaptation to the impacts of climate change are critical to the resilience of our business operations and value chain. Our climate policy is designed to identify, assess, manage, and mitigate climate-related risks, while integrating strategies to adapt to environmental challenges. By embedding these principles, we aim to enhance long-term sustainability and create value for our stakeholders.

We are focusing on 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.

Here are three examples of how we are addressing our net-zero ambitions:

FASHION LEAP FOR CLIMATE

CARBON LEADERSHIP PROGRAM

MATERIAL SUBSTITUTION

ACTIONS TO SUPPORT OUR NET ZERO AMBITIONS

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.

The below projects all support our path towards our net zero goals.

FASHION LEAP FOR CLIMATE

In 2024, FASHION LEAP FOR CLIMATE expanded its reach with ASOS, BOOZT, and Selfridges Group joining as new members, extending the program’s invitation to hundreds of fashion brands within their combined portfolios. Cascale, a global non-profit alliance, also joined as a strategic partner, offering the program to select members of its global apparel and consumer goods network. This marks a significant milestone in scaling the initiative and fostering a more supportive environment for fashion brands to take climate action.

Launched in 2022 by ABOUT YOU, YOOX NET-A-PORTER, and Zalando, the initiative provides brands with free learning opportunities, peer collaboration, and step-by-step guidance to measure emissions and set climate targets in line with science-based frameworks. In 2024, we continued to evolve LEAP by testing one-on-one post-program support, gaining deeper insights into the challenges brands face in setting climate targets and helping them take the next steps toward meaningful reductions.

As part of our value-chain decarbonisation strategy, engaging and enabling brand partners remains key to achieving our net-zero ambition. By working collaboratively across the industry, FASHION LEAP FOR CLIMATE continues to drive momentum, ensuring that brands have the tools and knowledge to take action.

- 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.

HEARING FROM OUR BRAND PARTNERS

Steve Madden: “Collaboration is one of the most valuable aspects of the experience. Sustainability is a complex, industry-wide challenge that requires collective effort. By working together with other brands, we were able to exchange ideas, share best practices, and better understand the challenges and solutions that are unique to the fashion sector.”

CARBON LEADERSHIP PROGRAM (AII & RESET CARBON)

To support our partners in decarbonising manufacturing in our private label supply chain, we collaborated with RESET Carbon – implementing partner of the Apparel Impact Institute’s (Aii) Carbon Leadership Program. They have successfully worked with various brands and over 200 textile mills to assess and implement GHG reduction measures. In our project, we expanded the program’s proven methodology to include leather tanneries and polyurethane (PU) manufacturers, which are significant GHG emissions contributors at the industry level.

“Zalando stepped into this collaboration ready to act - and to lead. Their commitment reflects the kind of bold action it takes from brands and retailers to shift the industry toward shared tools, aligned strategies, and faster carbon reductions at scale. Most importantly, our partnerships with retailers like Zalando reinforce a key message to the industry: decarbonisation is a shared responsibility, and we go further when we work together.”

Apparel Impact Institute

In 2024 our private labels expanded the teh factory improvement programme to 18 tier 1 and tier 2 suppliers in suppliers in textile, polyurethane, leather and footwear production across China, Bangladesh, India andTurkey. This follows the successful completion of the programme’s first year in 2023 by 12suppliers.

PRIVATE LABELS - MATERIAL SUBSTITUTION

Materials substitution is another component of our decarbonisation levers. 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. Incorporating materials produced using lower environmental impact and processing techniques.

In addition, private labels have set substitution targets for key materials, cotton and polyester, representing the largest volume share of their materials portfolio:

- Fully phase out virgin polyester for our private labels and transition to preferred options (e.g., recycled polyester) by 2033.
- Fully phase out conventional cotton for our private labels by 2033, and transition to organic, regenerative and recycled cotton, among others

SUMMARY OF MATERIAL SOCIAL IROs

MATERIAL SOCIAL IROs.

Our DMA highlights the most significant social issues impacting Zalando’s workforce, workers in the value chain, and customers. These include:

Own workforce & Workers in the value chain: Our policies and practices impact both our employees and the those across our value chain. Through human rights due diligence, risk assessments, and policies on modern slavery, we work to foster safe working conditions, stable employment, and access to grievance mechanisms while preventing child and forced labor in our value chain. To build a loyal, diverse, and skilled workforce, we prioritise health and safety improvements, supplier employment standards, and gender equality initiatives. Additionally, we have taken steps to advance disability inclusion and integrate works councils deeply into our organisation to ensure representation and fair labor practices.

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. Our platform serves a diverse and inclusive customer base, offering a broad range of sizes, adaptive fashion, and cosmetics for various skin tones. While striving to promote inclusivity, we are also mindful of reputational risks associated with “pink-washing” and remain committed to authenticity in our efforts. By continuously expanding accessibility and improving user experience, we aim to make Zalando a truly inclusive and welcoming platform for all.

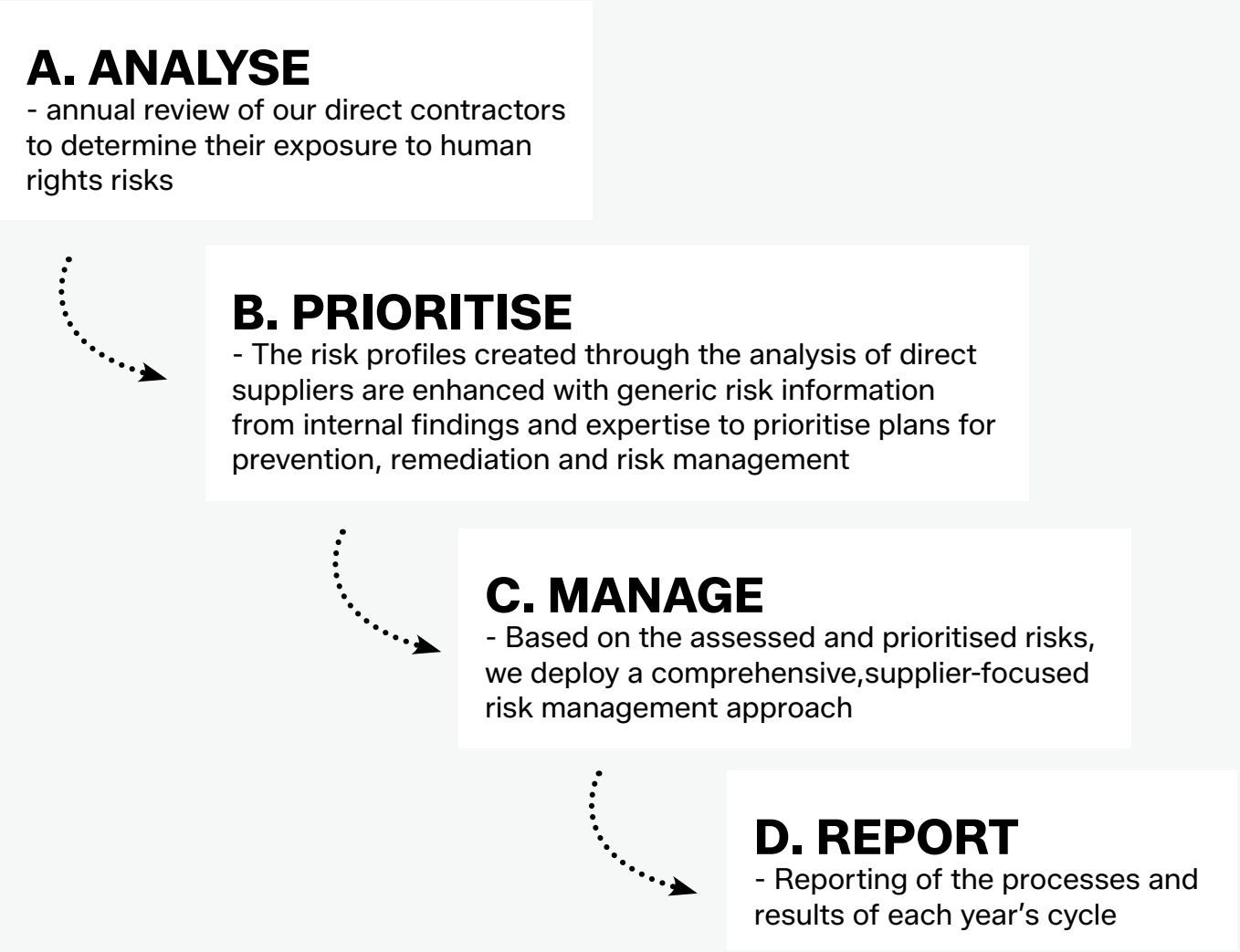
DECENT WORK

At Zalando our ambition is 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.

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.

DUE DILLIGENCE

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:



Transform our purchasing practices

- Ambition to further evolving our purchasing practices and wage management systems in our private labels by 2028.
- To help us achieve this ambition, we joined the Fair Wear Foundation (FWF), in March 2024, to align our private labels’ processes and practices with leading human rights due diligence guidelines in the fashion industry. 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.


DIVERSITY AND INCLUSION

At Zalando, we want our company and culture to reflect the diversity of our customers. In 2021, we introduced our do.BETTER strategy, solidifying our commitment to building a workplace where respect, inclusion, and equity are embedded in everything we do. At the same time, we strive to create the most inclusive assortment and representative content for our customers, ensuring that diversity is not only reflected within our workforce but also in the products and experiences we offer.


Our D&I strategy is built on four key pillars: talents, leadership, customers and partners — each equally important in driving systemic change and lasting impact. From hiring practices to leadership, from internal employee engagement to external partnerships, we take a holistic approach to inclusion. We recognise that true diversity goes beyond numbers — it is about creating equitable opportunities, fostering belonging, and ensuring that every voice is heard and valued.

To strengthen awareness and accountability, we have implemented mandatory unconscious bias training across the organisation and introduced initiatives to increase representation at leadership levels. 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.


OUR EMPLOYEE RESOURCE GROUPS




Neurodiversity




Asia Pacific Community Circle




Black Employee Connection




Jewish Community & Friends




LGBTQI+




Mental Wellbeing Community




Muslim Community Network




Women in Finance



Women in Tech



Women's Network



Zalando Parents Group

ACTIONS TO SUPPORT DIVERSITY & INCLUSION

Advancing Diversity & Inclusion (D&I) requires continuous effort across our workforce, leadership, customer experience, and partnerships. Our initiatives focus on enhancing representation, fostering inclusive workplaces, and ensuring equitable opportunities for all employees and customers. The following actions play a key role in driving progress toward our D&I ambitions.



CLOSING THE GENDER PAY GAP

Gender Pay Gap

Ensuring fair and equal pay remains a priority at Zalando. In 2024, we continued strengthening our pay transparency measures, allowing employees to request insights into median compensation for comparable roles. Our gender pay gap stands at 15.4% overall (22.4% in overhead roles and 1.9 in non-overhead roles). Our adjusted gender pay gap stands at 1.4% overall (1.9% in overhead roles and 0.2% in non-overhead roles), reflecting our commitment to equitable pay structures. 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.

GENDER PAY GAP

CATEGORY	2024	2023
Overhead	22.4	21.9
Non-Overhead	1.9	1.4
Total	15.4	15.5

ADVANCING DISABILITY INCLUSION

Disability

Creating an inclusive workplace goes beyond accessibility — it requires proactive advocacy. In 2024, we appointed dedicated Disability Inclusion Officers in Berlin and Erfurt to support employees with disabilities and ensure legal compliance. Our disability inclusion action plan for our Berlin-based offices included workplace accessibility audits, allyship programs, and leadership awareness training. Additionally, our Employee Assistance Program (EAP) provided guidance on navigating Germany's disability status application process. While 2.4% of Zalando's workforce in Germany is officially recognised as having a severe disability, we continue working towards greater representation and inclusion.

INCLUSIVE FASHION FOR ALL

Social Inclusion of Consumers

We are committed to ensuring a diverse and inclusive shopping experience for all customers. In 2024, we expanded our Adaptive Fashion assortment to include children’s sportswear, collaborating with brands such as Tommy Hilfiger, Nike, and Friendly Shoes. Our commitment to Modest Fashion was further reinforced through improved product discoverability and specialised design guidelines. Additionally, our “Their Time” campaign amplified LGBTQIA+ voices, providing a platform for personal storytelling. By embedding inclusivity into our assortment, campaigns, and platform experience, we strive to make fashion accessible and representative for all customers. Our content and brand guidelines are designed to promote responsible representation across all campaigns and product assortments. By maintaining rigorous standards and fostering an inclusive workplace, we strive to create positive industry-wide impact.

WORK-LIFE BALANCE SUPPORTING EMPLOYEES BEYOND THE WORKPLACE

Employee Well-being & Family Support

Supporting employees in balancing their professional and personal lives is integral to our culture. In 2024, all Zalando employees had access to work-life balance services, including up to five days of emergency childcare per year. Additionally, our Berlin-based employees benefited from approximately 100 kindergarten placements through our daycare partnerships. Flexible shift models in our logistics centers accommodated diverse needs, ensuring predictability and stability. We also maintained strict compliance with working hour regulations, safeguarding employee well-being. Our ongoing commitment is to create a workplace where employees can thrive both professionally and personally.

WORKFORCE REPRESENTATION

Workforce Representation

Achieving greater workforce diversity remains a core priority at Zalando. In 2024, we strengthened our commitment to increasing the representation of women in both tech and leadership roles. Our Women in Tech Steering Committee, launched in August, drives progress towards our 40–60% target, with the share of women in tech job families reaching 27.2% by year-end. At the leadership level, women now hold 36.9% of positions across our top five levels, with notable gains at the SVP (45.5%) and management board (40%) levels.

Women in tech target			
Share of women in tech job families Baseline value 2020: 16.4%			
2023: 25.9%			
2024: 27.2%			
The target achievement depends largely on opportunities to hire and lower attrition.			

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%.			
Tabel showing % women in our top five leadership levels:			
	Baseline 2019	2024	
Management board	0%	40.0%	
SVP level	33.3%	45.5%	
VP level	22.6%	32.6%	
Director level	33.3%	33.3%	
Head level	30.0%	38.0%	

SUMMARY OF

MATERIAL

GOVERNANCE

IROs

Material Governance IROs.

Our Double Materiality Assessment (DMA) highlights the most significant governance issues:

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.

GOVERNANCE

DEEP DIVES

Zero Corruption

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. 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.

Overall, 3,561 employees completed the compliance courses described in 2024.

Animal Welfare

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. 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.

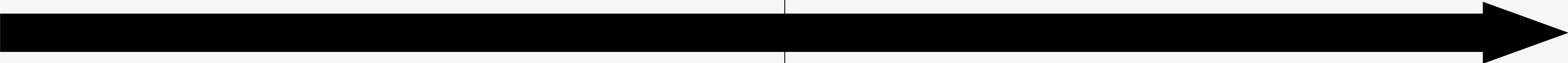
The policy outlines the principles that business partners must follow when supplying products made from animal derived materials for sale through us. In recognising our shared responsibility within the fashion industry, we work with expert groups to support research on and the development and implementation of animal welfare standards and value chain transparency.

Sustainability partner strategy

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 the Annual Report section 2.8.4 Governance information.

CONCLUSION



Zalando’s 2024 CSRD report marks an important milestone in our sustainability and D&I journey. As our first report under the new framework, it has provided valuable insights, helping us reinforce our approach to sustainability reporting, stakeholder engagement, and strategy implementation.

While there will always be improvements to be made, this report has laid a solid foundation. By adopting the DMA, we now have a better understanding of our impact, supporting our sustainability strategy is aligned with both regulatory requirements and the expectations of our customers, partners, and investors.

Strengthening Our Commitment to Sustainability

The road ahead is ambitious. Our net-zero ambition, including circular business models, and decent work initiatives will require ongoing innovation, collaboration and investment. The challenges we face — climate change, resource constraints, and evolving regulations — are complex, but they also present opportunities to redefine how fashion operates in a digital, interconnected, and sustainability-conscious world.

As a proudly European company operating across diverse markets, we recognise that collaboration is key to driving meaningful change. By aligning with regulatory frameworks, advancing technology, and fostering industry-wide cooperation, we will continue to refine our approach — ensuring that sustainability and D&I remains embedded in our business. Zalando is committed to leading this transformation and shaping a more sustainable and resilient fashion ecosystem.

Looking Ahead

Zalando has always been about pushing boundaries — whether in fashion, e-commerce, or sustainability. The learnings from this first CSRD report fuel our ambition to continue evolving, improving, and leading the way in responsible business. Our teams across Europe and beyond are committed to building a future where fashion is innovative, inclusive, and sustainable. There is no finish line — only progress, and we are just getting started.