



Annual Report

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25

zalando

Zalando at a glance

Key figures

	2025	2024	Change
Key performance indicators			
Gross merchandise volume (GMV*) (in m EUR)	17,560.2	15,311.3	14.7%
Revenue (in m EUR)	12,346.1	10,572.5	16.8%
Adjusted EBIT (in m EUR)	590.7	511.1	15.6%
Adjusted EBIT margin (as %)	4.8	4.8	0.0pp
EBIT (in m EUR)	387.2	391.9	-1.2%
EBIT margin (as %)	3.1	3.7	-0.6pp
Capex (in m EUR)	-222.5	-206.9	7.6%
Active customers (LTM**) (in m)	62.0	51.8	19.7%
Number of orders (in m)	278.6	251.0	11.0%
Average GMV* per active customer (LTM**) (in EUR)	302.6	295.7	2.3%
Average orders per active customer (LTM**) (in EUR)	4.8	4.8	-0.6%
Average basket size (LTM**) (in EUR)	62.8	61.0	3.0%
Other key figures			
Net working capital (in m EUR)	-676.0	-269.3	>100%
Equity ratio (as % of total assets)	30.5	33.4	-2.9pp
Cash flow from operating activities (in m EUR)	1,126.3	654.1	72.2%
Cash flow from investing activities (in m EUR)	-1,080.3	-269.8	>100%
Free cash flow (in m EUR)	-2.9	379.4	>100%
Cash and cash equivalents (in m EUR)	1,877.4	2,587.8	-27.5%
Average number of employees	16,582	15,309	8.3%
Basic earnings per share (in EUR)	0.83	0.97	-14.8%
Diluted earnings per share (in EUR)	0.82	0.96	-14.8%

pp = percentage points
Rounding differences may arise in the percentages and numbers provided in this annual report.
*) GMV (gross merchandise volume) is defined as the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically reported. It includes neither B2B revenues (e.g. ZEOS services) nor other B2C revenues (e.g. partner business commissions, retail media business and service charges like express delivery fees); these are included in revenue only. GMV is recorded based on the time of the customers' order. Due to the dynamic reporting of GMV, prior-year figures may deviate from former published reports.
**) Calculated based on the last 12 months (LTM)

62m

active customers

302.60 EUR

average GMV per
active customer

590.7m EUR

adjusted EBIT

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1.1 Foreword



Our management board (from left to right):
David Schneider, Anna Dimitrova, Robert Gentz, David Schröder, Dr Astrid Arndt

Dear shareholders,

the year 2025 was a year of significant progress. Thanks to the work of the great teams across Zalando, our strategy to accelerate growth and to deliver higher profitability, has started to bear fruit. We designed and launched innovative products and services across B2C and B2B, moved faster on improvements and innovations, and relentlessly executed our vision to embrace the immense opportunities before us.

Teaming up with ABOUT YOU to lead the way in European fashion and lifestyle e-commerce

To further accelerate our progress and enlarge our impact, we successfully completed the acquisition of the Hamburg-based e-commerce platform ABOUT YOU. Zalando and ABOUT YOU benefit from highly complementary capabilities and share a common culture and heritage. Both companies have grown from local start-ups to European success stories by understanding the diverse needs of customers across many markets, and both are driven by a relentless focus on quality and innovation.

The execution of our strategy and the inclusion of ABOUT YOU has significantly expanded Zalando's reach, leading to a combined active customer base of more than 60 million. This showcases Zalando's strong standing in Europe and broadens our market reach, giving us the opportunity to actively shape the European fashion and lifestyle industry

together with our more than 7,000 partnering brands. Since closing in July 2025, we have already realised first synergies and are progressing well in executing our value creation plans. In the longer term, Zalando targets significant group EBIT synergies of around 100m EUR per annum.

We aim to be the leading technology platform for fashion and lifestyle in Europe

In B2C, our multi-app approach spanning Zalando, ABOUT YOU and Lounge by Zalando, has become a central driver of our growth. Built on the insight that different customers have different needs, this strategy allows us to offer everything from premium brand experiences to gamified deal-hunting, reaching an unmatched scale of 60 million unique customers. Importantly, all three apps share a joint data and infrastructure platform that turns a standard catalogue into a personalised discovery journey.

We rolled out our upgraded loyalty programme Zalando Plus to 17 markets, aiming to serve the majority of customers — of which there are now more than 16 million — increase their average order frequency and hence their share of wallet through the programme.

We also made strong progress in our Sports, Kids & Family, Designer and Beauty categories, as we continued to elevate these lifestyle areas through richer assortments, curated content and seamless customer experiences. We also made the customer experience more inspiring and personalised with our new AI-driven discovery feed, boosting customer engagement. Central to our B2C equity story is the continued strength and evolution of our partner business, which serves as a vital engine for both selection and availability. In 2025, the partner business demonstrated its resilience and appeal by delivering a 7.5% year-on-year growth in GMV.

This growth is further bolstered by our Retail Media business; by providing partners with sophisticated advertising tools and high-visibility placements, we are creating a powerful dynamic where partner success and platform profitability go hand-in-hand. Welcoming two brands from the HM Group, & Other Stories and Arket, via our marketplace model has been a win for our customers and a testament to our strategy.

Another highlight in 2025 was the launch of our five-year strategic partnership with the German Football Association (DFB), making Zalando a main partner of the men's, women's and youth national teams until 2030. We expect the partnership to make significant contributions to our sales in Germany and to the Sports category as part of our lifestyle expansion strategy.

In B2B, we continued to expand our ZEOS e-commerce operating system, enabling brands and retailers to use our logistics, software and services to power their businesses both on and off the Zalando platform while reducing the complexities of cross-border e-commerce across Europe. ZEOS' partnership with NEXT was pivotal in jointly adding additional capabilities for multi-channel fulfilment, resulting in ZEOS now being available in 24 markets and allowing us to serve a comprehensive 18 sales channels, including Zalando and major marketplaces (such as Happy Size or Limango) alongside brands' own webshops. Additionally, ZEOS expanded its collaboration with British retailer Marks & Spencer. The partnership now covers fulfilment for the brand's entire continental European e-commerce business, complementing existing operations on Zalando, ABOUT YOU and Amazon.

The inclusion of ABOUT YOU's subsidiary SCAYLE to the ZEOS software stack, providing Zalando with a leading enterprise shop system to support brands on their own e-commerce channels, also contributes to the strong traction in B2B. DEICHMANN, Europe's leading shoe retailer, went live with SCAYLE in its home market of Germany in August.

Netto Marken-Discount, the German discount supermarket chain, is enhancing its digital shopping experience through its partnership with SCAYLE, announced in September. These partnerships show how SCAYLE can deliver modern retail concepts efficiently and at scale across different verticals.

Leveraging AI to power the platform

For us at Zalando, AI is more than a tool, it is a powerful catalyst for innovation that we have successfully applied for over 15 years. We are proud of all the great products and services we have built by applying AI to serve customers and partners, using the unparalleled amount of data we have collected about customer behaviour, assortment, size & fit, rich product content and supply chain data. That is unique data only Zalando has. Going forward we are even more excited about the rapid advancements of AI technology, allowing us to drive growth and efficiency across our business.

We are also seeing the emerging channel of agentic commerce as a great opportunity for us to increase our market share and relevancy. We do so by becoming the best in it, using our scale and tech capability to actively shape and lead in this channel. Our AI efforts also extend to brand partners, where AI-driven B2B solutions and multi-merchant shipments offer a significant cost advantage. Zalando is not just adapting to the future of e-commerce. Instead, we are actively building the next generation of AI-powered shopping, continuing to win both on and off our platform.

Delivering strong financial performance

The successful execution of our strategy is clearly reflected in our performance for 2025, which was in line with our expectations and reached the upper end of our guidance. We reported GMV growth of 14.7% and revenue growth of 16.8%. These double-digit increases — both landing at the top end of our guidance ranges of 12–15% and 14–17% respectively — underscore the impact of the ABOUT YOU acquisition on our market position. Even when viewed on a pro-forma basis to account for consolidation since closing in summer 2025, our underlying growth remained robust at nearly 7%, demonstrating the sustained momentum of our combined group.

Parallel to this top-line momentum, we have remained disciplined in our path to increasing profitability. Our adjusted EBIT rose to 591m EUR (up from 511m EUR in 2024), landing at the upper end of our 550–600m EUR guidance. While our adjusted EBIT margin of 4.8% remained flat year-on-year due to the initial structural inclusion of ABOUT YOU, the absolute increase in earnings underscores the underlying health of our combined operations and our ability to expand margins as we realise further synergies.

We also recognise that our share price faced notable headwinds and does not yet fully reflect our progress in strategy execution and our acceleration in financial performance. While we believe that market valuation has been negatively impacted by macroeconomic pressures and general sector dynamics, we remain laser-focused on the levers within our own control: execution discipline, operational excellence, customer-centric innovation, and delivery of synergies from our recent transaction with ABOUT YOU. We are convinced that the market will eventually recognise our full potential as we stay focussed on executing our strategy and delivering long term value creation for customers, partners and shareholders.

Moving faster, delivering more

The achievements of 2025 demonstrate how speed, focus, and teamwork create value and additional opportunities for profitable growth. Initiatives like the AI-driven discovery feed — which will deliver even more personalised inspiration and boost organic customer engagement — and Zalando Plus enhancements were designed, implemented, and launched in just a few months, showing what is possible when we are united behind a clear goal.

In 2026, we aim to provide customers with products, services, and experiences they love, while helping our partners succeed with efficient operations and advanced tools to unlock value. Our culture of entrepreneurship, operational excellence, and high performance will remain the foundation of everything we do.

Building the future together

We want to thank all Zalandos — from more than 140 nations — whose talent, creativity, and dedication power our achievements. And to our shareholders, thank you for your trust and support.

We look forward to 2026 as a defining year, one in which we will accelerate execution, continue innovating, and expand our impact for customers, partners, and shareholders alike. The opportunities ahead are extraordinary. Very few companies in Europe have the chance to build something at this scale, to operate at a truly world-class level and to become the global benchmark for customer engagement and loyalty. We have that chance, and we are determined to seize it.

Berlin, 10 March 2026



Robert Gentz



David Schröder



Anna Dimitrova



David Schneider



Dr Astrid Arndt

1.2 Report of the supervisory board

Dear shareholders,

2025 was a year in which Zalando made decisive progress in a challenging and fast-moving market environment. The supervisory board provided oversight, strategic guidance, and support as the management board strengthened the company's competitive position and took important decisions to create long-term value.

Zalando's strategy will continue to position the company as an integral player in both the consumer and business markets, driving sustained growth and innovation. The strategy enables the company to drive change and shape the industry in an environment where artificial intelligence, geopolitical dynamics, cultural changes and intense global competition are transforming how European consumers shop, and how fashion and lifestyle brands operate.

In B2C, Zalando continues to redefine fashion and lifestyle shopping by making the customer experience more inspiring and personalised, with a new AI-driven discovery feed to boost customer engagement and support its advertising business. In 2025, Zalando also doubled down on the sports opportunity, notably by signing a strategic partnership with the German Football Association (DFB). It also expanded its footprint into new markets, including Portugal and Greece.

In B2B, where Zalando is building the ZEOS operating system for fashion and lifestyle e-commerce in Europe, the company continues to unlock and accelerate digital business opportunities for brands and retailers by removing inefficiencies and simplifying cross-border e-commerce. In 2025, ZEOS achieved a major milestone by expanding its collaboration with British retailer Marks & Spencer. The inclusion of ABOUT YOU's subsidiary SCAYLE into the ZEOS software stack now also provides Zalando with a prime enterprise shop system to support brands on their own e-commerce channels, contributing to the strong traction in B2B.

To further boost its strategy, in July Zalando successfully completed the strategic business combination with Hamburg-based e-commerce company ABOUT YOU, and in November registered the squeeze-out of all minority shareholders, resulting in the delisting of ABOUT YOU. Going forward, the supervisory board sees the transaction as both strategically and financially compelling — it will strengthen Zalando's capabilities while creating a clear path to synergies and long-term value.

The supervisory board also strongly supports the management board's drive to transform its operations through a lean, fit-for-purpose setup, including tough but necessary measures such as the reshaping of Zalando's logistics network, which was announced in January 2026.

Despite continued efforts in further executing our strategy, Zalando's share price in 2025 faced notable headwinds, underperforming the broader market indices. While the supervisory board recognises that specific macroeconomic pressures and specific sector dynamics weighed on the company's market valuation, we remain focused on long-term growth and opportunities.

We will work closely with the management board to ensure the continued, disciplined execution of Zalando's strategy, which remains the cornerstone for driving sustainable shareholder value.

Looking ahead, we are dedicated to ensuring the company takes another significant leap forward in 2026 by capitalising on the vast market opportunities within B2C and B2B. This means serving customers and partners even better and accelerating the pace of innovation and operational improvements, thus ensuring Zalando remains as agile as possible in a competitive landscape.

And, by embedding AI across its end-to-end value chain, Zalando is deepening its competitive advantage and driving both efficiency and growth across its B2C and B2B businesses. Powered by a unique, shared data foundation, AI is already accelerating the company's productivity while delivering better recommendations, more confident size and fit advice, and a highly personalised experience for customers.

Leadership and governance

To further enable the execution of Zalando's strategy, the supervisory board announced in October that it had appointed Anna Dimitrova as Chief Financial Officer from 1 January 2026. She brings a wealth of experience across all aspects of finance, including M&A, capital markets and investor relations, with an international career spanning over 20 years.

She combines deep financial expertise, a strong strategic mindset, proven leadership of large cross-functional teams and an exceptional track record of driving transformation. The supervisory board believes she is the perfect choice to complement the management board and work with Zalando's first-class team.

We also extend our sincere appreciation to David Schröder for having taken on the interim CFO responsibilities while continuing his role as co-CEO. His commitment ensured continuity and stability during this transition, exemplifying the strength of Zalando's management team.

Consultation and monitoring

The supervisory board duly performed its duties in accordance with statutory requirements, the articles of association, the supervisory board's rules of procedure and the German Corporate Governance Code. It received regular and detailed written and oral reports on the intended business strategy and material issues regarding financial, investment and personnel planning and the progress of business, as well as on risks and opportunities. Matters requiring approval of the supervisory board were presented by the management board.



Our supervisory board:

Standing, left to right: **Niklas Östberg**, shareholder representative, member of the nomination committee; **Maggie Ratay Sloan**, employee representative, member of the D&I and sustainability committee; **Anders Holch Povlsen**, shareholder representative, member of the nomination committee, member of the remuneration committee; **Alice Delahunt**, shareholder representative, member of the D&I and sustainability committee; **Mariella Röhm-Kottmann**, shareholder representative, deputy chairperson of the supervisory board, chairperson of the audit committee, member of the D&I and sustainability committee; **Zbigniew Laskowski**, employee representative, member of the remuneration committee; **Rose Reynolds**, employee representative, member of the audit committee.

Seated, left to right: **Susanne Schröter-Crossan**, shareholder representative, member of the audit committee, member of the remuneration committee, chairperson of the D&I and sustainability committee; **Kelly Bennett**, shareholder representative, chairperson of the supervisory board, chairperson of the remuneration committee, chairperson of the nomination committee, member of the audit committee.

Meetings of the supervisory board and its committees

The plenum of the supervisory board held six meetings during the financial year 2025. In addition, the audit committee held five meetings, the remuneration committee held three meetings, the nomination committee held one meeting, the D&I and sustainability committee held two meetings and the share buy-back committee held one meeting during the financial year 2025. Furthermore, the supervisory board passed five circular resolutions and one written resolution regarding the formal adjustment of the articles of association. The audit committee passed two circular resolutions. The supervisory board and its committees convened regularly without the management board as was necessary for the consideration of items that pertained to the management board or required internal discussion among supervisory board members alone. The plenum of the supervisory board was informed about the discussions and decisions of meetings of the committees at its subsequent plenary meetings. One meeting of the supervisory board plenum was held as an in-person meeting, three meetings of the supervisory board plenum were held as hybrid meetings, i.e. in-person meetings in which virtual participation was possible, and two meetings were held in virtual format as video conferences. One meeting of the audit committee was held as an in-person meeting. All other committee meetings were held in virtual format as video conferences. The average rate of participation of members in the meetings of the supervisory board and its committees was 93.81%. Supervisory board members who were unable to attend a meeting for reasons other than a possible conflict of interest could still engage with the meeting topics through the preparatory documents and respective interaction with the chairperson of the supervisory board and participate in the resolutions by submitting their vote before, during or after the meeting.

Overview of plenary and committee meetings and attendance on an individual basis in financial year 2025

	Tenure	Plenum	Audit committee	Remuneration committee	Nomination committee	D&I and sustainability committee	Share buy-back committee	Attendance rate (rounded)
Matti Ahtiainen	From June 2020 to May 2025	1/1	2/2	–	–	–	–	100%
Kelly Bennett	Since May 2019	6/6	5/5	3/3	1/1	–	1/1	100%
Jade Buddenberg	From June 2020 to May 2025	1/1	–	–	–	1/1	–	100%
Alice Delahunt	Since May 2025	5/5	–	–	–	1/1	–	100%
Jennifer Hyman	From June 2020 to May 2025	0/1	–	–	–	1/1	–	50%
Zbigniew Laskowski	Since May 2025	5/5	–	2/2	–	–	–	100%
Anika Mangelmann	From June 2020 to May 2025	1/1	–	1/1	–	–	–	100%
Anders Holch Povlsen	Since December 2013	4/6	–	1/3	1/1	–	–	60%
Niklas Östberg	Since May 2021	5/6	–	–	1/1	–	–	86%
Rose Reynolds	Since May 2025	5/5	3/3	–	–	–	1/1	100%
Mariella Röhm-Kottmann	Since May 2019	6/6	5/5	–	–	2/2	1/1	100%
Susanne Schröter-Crossan	Since May 2023	6/6	5/5	3/3	–	2/2	1/1	100%
Maggie Ratay Sloan	Since May 2025	5/5	–	–	–	1/1	–	100%

Plenary meetings

In each of its ordinary quarterly meetings, the plenum of the supervisory board reviewed and discussed the management reports on the overall development of the business, including its financial performance, and the company's strategy, as well as recent capital market developments. The chairpersons of each of the committees reported on a regular basis to the full supervisory board on the activities and conclusions of the diverse committees.

In addition, the supervisory board dealt with the following focus areas:

At its ordinary meeting on 5 March 2025, the supervisory board discussed, examined and, in accordance with the recommendations of the audit committee, approved the annual financial statements, the consolidated financial statements as well as the combined management report including the non-financial declaration for the 2024 financial year. The annual financial statements were thus adopted. At this meeting, the supervisory board also approved the 2024 remuneration report and followed the proposal of the management board for the appropriation of profit for financial year 2024. In addition, the supervisory board adopted a resolution regarding its report for financial year 2024. The supervisory board also discussed the progress of the voluntary public takeover offer by Zalando to the shareholders of ABOUT YOU Holding SE. Furthermore, the supervisory board discussed and approved certain organisational changes.

In its constituent meeting on 27 May 2025 following the annual general meeting on the same day, the supervisory board in particular dealt with the (re-)election of its chairperson and deputy chairperson as well as the election of the

members of the supervisory board committees. Additionally, the supervisory board reviewed the status and anticipated next steps regarding the voluntary public takeover offer by Zalando to the shareholders of ABOUT YOU Holding SE. Further, our CPO Dr Astrid Arndt gave an update on the area of people, organisation and company culture with a focus on the role of artificial intelligence in the company's ways of working, amongst other aspects.

After the closing of the voluntary takeover offer by Zalando to the shareholders of ABOUT YOU Holding SE on 11 July 2025, the supervisory board held an extraordinary meeting on 5 August 2025, in which it reviewed and approved the intended merger squeeze-out process related to ABOUT YOU Holding SE, including the contribution of all shares held by the company in ABOUT YOU Holding SE to ABYxZAL Holding AG and the preparation of the merger of ABOUT YOU Holding SE into ABYxZAL Holding SE.

In its meeting on 9 September 2025, the supervisory board approved a five-year strategic partnership with the German Football Association [Deutscher Fußball-Bund, DFB], and received an update on the strategic combination with ABOUT YOU. It further reviewed together with management the strategic ambitions of the company, including a discussion on potential necessary steps to get there in terms of capabilities and costs. Regarding personnel matters, the supervisory board appointed Anna Dimitrova as a member of the management board and the new CFO of the company, effective 1 January 2026, for a term of three years. Her service agreement was approved in a separate extraordinary meeting of the supervisory board.

At its ordinary meeting on 9 December 2025, the supervisory board discussed the budget and annual plan for the financial year 2026 as well as the company's three year financial plan and approved it after a thorough review. It also took note with approval of the management's proposal regarding the company's dividend policy. Further, the supervisory board defined the performance criteria for each management board member for the financial year 2026, covering all variable remuneration components of the new remuneration system as well as the required adjustments of the running LTI grants resulting from the strategic combination with ABOUT YOU. It further discussed in details the measures proposed by management necessary to enable the company's strategic ambitions, in particular the reshaping of the company's logistics network, and approved of the proposed measures. The supervisory board in addition resolved the annual declaration of conformity with the German Corporate Governance Code, which had been resolved by the management board beforehand. Finally, it discussed the status of its ongoing efficiency self-assessment process for the financial year 2025.

Based on the law and the requirements outlined in the articles of association and the management board's rules of procedure, certain transactions and measures require the prior approval of the supervisory board. These transactions and measures were presented to the supervisory board and approved after a thorough review. The supervisory board and the management board implemented an internal procedure for complying with approval requirements for related party transactions pursuant to Section 111a et seq. of the AktG (German Stock Corporation Act). No such transactions required approval or disclosure during the reporting year.

Audit committee

The audit committee reviewed and examined the annual financial statements and the consolidated financial statements for 2024, the combined management report (including the non-financial declaration) for 2024 and the remuneration report for 2024, as well as the quarterly statement for the first quarter, the half-year report and the quarterly statement for the third quarter of 2025. The committee regularly reviewed and discussed the focus and the

quality of the audit, the status reports on GRC (governance, risk & compliance), including data privacy, cyber security, litigation and the work of internal audits, as well as treasury reports. It also received relevant regulatory updates and regularly discussed the status and development of the financial and non-financial internal control system. The audit committee was involved in the preparation of the supervisory board's proposal to the annual general meeting 2025 for the appointment of the auditor and the group auditor. The audit committee discussed the audit risk assessment, the audit strategy, the audit planning and the audit results with the auditors. The chairperson of the audit committee conferred with the auditors on the audit focus areas and regularly discussed the auditor's progress with the auditor and reported thereon to the audit committee. The audit committee consulted with the auditors regarding relevant matters without the presence of the management board. Further, the audit committee regularly discussed the effects of the integration of the ABOUT YOU group into the Zalando group for financial planning and reporting following the closing of the voluntary takeover offer to the shareholders of ABOUT YOU Holding SE on 11 July 2025.

Furthermore, the meetings of the audit committee covered a variety of other topics, such as information security and tax compliance. The audit committee also reviewed the strategy and financial performance of Zalando Payments GmbH, which was followed by a deep dive into these matters by Mariella Röhm-Kottmann and Susanne Schröter-Crossan. The audit committee also discussed the budget for 2026 and the company's three year financial plan.

Remuneration committee

The remuneration committee prepared the decision for the supervisory board on the service agreement with our new CFO, Anna Dimitrova. It also considered how the impact of the ABOUT YOU acquisition should be reflected in the performance targets for the variable management board remuneration. In this context, the remuneration committee prepared specific recommendations for the supervisory board regarding the adjustment of relevant performance targets for outstanding LTI grants. Furthermore, it prepared recommendations for the performance targets of the upcoming grants under the ZGI 2024 and the LTI 2024 to be issued to the management board members at the beginning of the financial year 2026. Furthermore, the committee discussed in particular the executive position planning and compensation framework for senior leadership levels below the management board.

Nomination committee

The nomination committee continued to address the succession plan of the supervisory board. In this context, it prepared the election proposals for the supervisory board at the annual general meeting in May 2025, giving due consideration to its established composition targets and the overall profile of required skills and expertise.

D&I and sustainability committee

The D&I and sustainability committee continued its work by discussing the further development of our sustainability and D&I strategy and was regularly informed about relevant regulatory updates. The committee also addressed the potential impact on D&I and sustainability matters arising from the integration of the ABOUT YOU group.

Share buy-back committee

The share buy-back committee approved a share buy-back programme on the basis of the authorisation granted by the annual general meeting 2025. Further details of the share buy-back programme are described in [3.5.7 \(20.\) Equity](#).

Conflicts of interest

Due to a conflict of interest regarding the acquisition of ABOUT YOU, the member Anders Holch Povlsen did not participate in two supervisory board meetings during the discussion of related matters. Other than that, no significant conflicts of interest of a member of the supervisory board occurred in the context of the work of the supervisory board.

Training and professional development

The members of the supervisory board are regularly offered training dealing with a variety of legal and compliance topics. In the financial year 2025, the newly elected employee representatives participated in a full-day workshop offered by the company's general counsel. This workshop covered a comprehensive range of legal and practical topics relevant to the work on Zalando's supervisory board, ensuring an effective onboarding. Alice Delahunt, as a newly elected shareholder representative, also took part in separate comprehensive onboarding training conducted by the company's general counsel. As chairperson of the supervisory board, Kelly Bennett was briefed concerning the annual governance roadshow, which took place at the beginning of 2025 to discuss governance-related topics with institutional investors. Mariella Röhm-Kottmann received legal training on chairing the annual general meeting. Rose Reynolds participated in tailor-made training sessions on her role as audit committee member, which were provided by both internal and external experts. Furthermore, all supervisory board members participated in a training session on capital market compliance, specifically regarding insider compliance, conducted by the company's general counsel.

Audit and ratification of the annual and consolidated financial statements

The annual financial statements and the consolidated financial statements and the combined management report¹ of Zalando SE for 2025 were each audited with an unqualified audit opinion. Furthermore, the remuneration report for 2025 and the combined management report including the sustainability statement for 2025² were also each audited with unqualified opinions. The management board forwarded the annual financial statements and the consolidated financial statements for the financial year 2025, together with the combined management report including the sustainability statement for 2025, as well as the remuneration report for 2025, the proposal of the management board for the appropriation of profit for 2025 and the auditors' reports to the audit committee and the supervisory board for approval.

In the first step, the audit committee comprehensively examined and discussed the financial statements, the sustainability statement, the remuneration report and the proposal for the appropriation of profit in the presence of the auditor. The auditor reported on the most significant audit matters.

Based on the audit committee's recommendation, the supervisory board examined the annual financial statements and consolidated financial statements for the financial year 2025, together with the combined management report including the sustainability statement, as well as the remuneration report and the proposal of the management board for the appropriation of profit. The result of the pre-assessment conducted by the audit committee and the supervisory board's own conclusions concurred with the result of the external auditor. Based on this final review, the supervisory board raised no objections to the audit. The supervisory board approved the annual financial statements for 2025, which were therefore adopted, and approved the consolidated financial statements for 2025, together with the combined management report including the sustainability statement for 2025 as well as the remuneration report for 2025. The supervisory board concurred with the proposal of the management board for the appropriation of profit

¹ The sustainability statement for 2025 was reviewed under a separate limited assurance engagement.

² The sustainability statement for 2025 was reviewed under a separate limited assurance engagement.

(to be carried forward to a new account), in particular consideration of the company's growth trajectory, financial plans, desired flexibility and strategy.

Corporate governance

The annual declaration of conformity was issued by the management board and the supervisory board in December 2025. The complete text of the declaration can be found in section [2.5.2 Declaration of conformity](#). The declaration is permanently available in the corporate governance section on the company's website.

More information on corporate governance can be found in section [2.5 Corporate governance statement](#). With regard to the remuneration structure for the members of the management board for financial year 2025, and to avoid repetition, please see section [1.3 Remuneration report](#).

Personnel matters

The composition of our supervisory board changed during the reporting year. Due to the end of the regular term of office of all shareholder representatives and all employee representatives, the annual general meeting on 27 May 2025 resolved upon the new composition of our supervisory board and elected, respectively appointed the current shareholder and employee representatives. Throughout the entire reporting period, Kelly Bennett served as chairperson and Mariella Röhm-Kottmann as deputy chairperson of the supervisory board. Both were re-elected at the constituent meeting of the supervisory board on 27 May 2025.

For details on the composition of the management board and the supervisory board (including its various committees) please refer to section [2.5 of the Corporate governance statement](#).

In closing

Our heartfelt thanks go to the entire Zalando team for their exceptional drive and creativity. It is their dedication that enables us to lead in a fast-changing landscape and expand our competitive edge.

We remain committed to supporting and challenging the management board as Zalando enters the next phase of development. With a clear strategy, strong leadership and the dedication of its employees, we are confident in the company's ability to create long-term value for shareholders.

Thank you, our shareholders, for your continued confidence in our strategy. We look forward to our shared future.

Berlin, 10 March 2026

Kelly Bennett

1.3 Remuneration report

The remuneration report describes the features of the remuneration system and the remuneration for individual current and former members of our management board and supervisory board for the financial year 2025 in accordance with Section 162 of the AktG [Aktiengesetz, German Stock Corporation Act] and the recommendations of the German Corporate Governance Code.

1.3.1 Introduction

Born in Berlin in 2008, Zalando has grown from a visionary start-up into a leading European fashion and lifestyle destination, serving more than 60 million active customers. This journey is rooted in an entrepreneurial DNA that remains central to our success. Our management board remuneration system is designed to uphold this “act like an owner” principle, aligning leadership incentives with sustainable, long-term growth. As Zalando matures, our remuneration framework and reporting standards continue to evolve — balancing the need to attract world-class talent with the expectations of our stakeholders.

In the year 2025 we completed the transition to the new remuneration system for all our current management board members that was approved by the annual general meeting on 17 May 2024 with an approval rate of 92.23%. At our annual general meeting on 27 May 2025, the remuneration report for the financial year 2024 was approved with 83.74%, reflecting continued strong shareholder support for our remuneration policy. Some investors criticised, however, that the remuneration report was difficult to comprehend. To address these concerns, we have changed the concept of our remuneration report and set a focus on further enhancing comprehensibility, clarity and conciseness.

Effects of the ABOUT YOU transaction

On 11 July 2025 Zalando SE and ABOUT YOU Holding AG (formerly ABOUT YOU Holding SE) announced the closing of their strategic combination (hereafter, the “**ABOUT YOU transaction**”). The consolidation of the financial results of the ABOUT YOU group following the closing led to an extraordinary one-time effect on the financial results of the Zalando group in the financial year 2025. In addition, the two now-combined groups had structural discrepancies with regard to ESG-related topics such as gender diversity that require alignment in the upcoming months.

A major part of our management board members’ remuneration lies in the variable remuneration components which are tied to the achievement of financial and non-financial targets. While the effects of the ABOUT YOU transaction were considered during the target-setting for the new grants to our management board members under the incentive plans ZGI 2024 and LTI 2024 for the financial year 2026, our supervisory board also had to make sure that the incentive structure of outstanding grants under the relevant incentive plans remained intact.

When the performance targets for the outstanding grants were set, the target calibration took place on a Zalando group stand-alone basis (excluding ABOUT YOU) considering the relevant business strategy and forecasts at the time of granting. The extraordinary effects from the ABOUT YOU transactions were unforeseeable and not considered.

Our supervisory board carefully weighed various options to ensure that the performance targets of the outstanding grants remained incentivising, meaningful and ambitious. After considering all the relevant facts, our supervisory board decided to generally adjust the performance targets of the outstanding grants only to the extent to which a performance period runs longer than 31 December 2025. For all performance periods until 31 December 2025, the

target achievement of the outstanding grants shall be measured on a Zalando group stand-alone basis (i.e. excluding the ABOUT YOU group) to eliminate the effects of the ABOUT YOU transaction. This method seemed appropriate as long as the ABOUT YOU group was not fully integrated into the Zalando group and effectively steered by the management board. Such full integration only began after completion of the merger squeeze-out of ABOUT YOU in November 2025.

An exception was made for the non-financial targets of the outstanding long-term incentive (LTI) grants to our management board members, which are considered in an ESG modifier. Taking the structural divergences, inter alia, between Zalando's and ABOUT YOU's methodology, baselines and targets into account, our supervisory board decided to shorten the relevant performance periods and to measure the non-financial target achievement as of 31 December 2025 on a Zalando group stand-alone basis.

Further details of the adjustments are described in this remuneration report.

Changes in the composition of the management board and supervisory board during 2025

Our former CFO Dr Sandra Dembeck left the management board after the expiry of her regular term of office on 28 February 2025. Our co-CEO David Schröder took over the CFO position for the interim period until the commencement of office of our new CFO Anna Dimitrova on 1 January 2026. Anna Dimitrova has been appointed as a management board member until 31 December 2028.

The composition of our supervisory board changed during the reporting year. Due to the end of the regular term of office of all shareholder representatives and all employee representatives, the annual general meeting on 27 May 2025 resolved upon the new composition of our supervisory board and elected, respectively appointed, the current shareholder and employee representatives.

For details on the composition of the management board and the supervisory board (including its various committees) please refer to section [2.5 of the Corporate governance statement](#).

1.3.2 The Remuneration Systems 2024 and 2021

The current remuneration system for our management board members, which came into effect on 18 May 2024 ("Remuneration System 2024"), is a fundamental development of the previous remuneration system, which came into effect on 1 June 2021 ("Remuneration System 2021"). The features of both Remuneration Systems 2024 and 2021 are summarised in the following overviews:

Remuneration System 2024 – Overview

Fixed remuneration components		
Fixed salary	Paid in monthly instalments	
Fringe benefits	Customary fringe benefits, e.g. company car, allowance for health insurance, reimbursement of expenses, employee voucher, D&O insurance, employer’s contribution to the statutory pension and unemployment insurance	
Variable remuneration components		
Zalando Growth Incentive 2024 (ZGI 2024)	Structure	Cash-settled short-term incentive with obligation to invest 50% of the net payout into company shares with a minimum holding period of one year
	Grant	Annual
	Performance targets	Depending on target achievement, payout of 0–200% of the target value; performance criteria relate to Zalando group’s revenue during a performance period of one financial year
	Cap	200% of target value
Rolling Long-Term Incentive 2024 (LTI 2024)	Structure	Share-based long-term remuneration component consisting of virtual options (LTI 2024 Shares and LTI 2024 Options) with a fixed ratio of 25% LTI 2024 Shares and 75% LTI 2024 Options, which may be settled, at the election of the company, in shares of the company or in cash.
	Grant	Annual
	Vesting	Linear quarterly vesting during the performance period
	Waiting period	Four years
	Performance targets	Depending on the achievement of performance targets during a performance period of three years, the number of LTI 2024 Shares and LTI 2024 Options may range between 0% and 125% of the initially granted number of an annual tranche
		GMV of the Zalando group (promotion of the continuous growth of the company’s business)
		Adjusted EBIT of the Zalando group as a percentage of revenue (promotion of a profitable growth of the company’s business)
		ESG targets taken into account by way of a modifier with a factor of 0.8–1.2 (promotion of sustainable corporate management)
	Exercise period	Three years
	Exercise price	LTI 2024 Shares — 1.00 EUR LTI 2024 Options — share price at grant
Share price cap	LTI 2024 Shares — 200% of share price at grant LTI 2024 Options — 250% of share price at grant	
Further provisions		
Maximum remuneration	Maximum remuneration for one financial year of 15.75m EUR for each of both co-CEOs and 10.5m EUR for each ordinary management board member	
Malus and clawback provisions	Right of the supervisory board to retain or reclaim variable remuneration in cases of a severe breach of statutory obligations or internal compliance policies and behavioural guidelines or severe compliance infringements; right of the supervisory board to reclaim variable remuneration in cases of an undue payout based on incorrect information	
Severance cap	Severance payments shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the service agreement	
Change of control	No payments in cases of early termination due to a change of control; right to cancel vested but unexercised LTI 2024 Shares and LTI 2024 Options against a compensation payment in cases of a change of control	

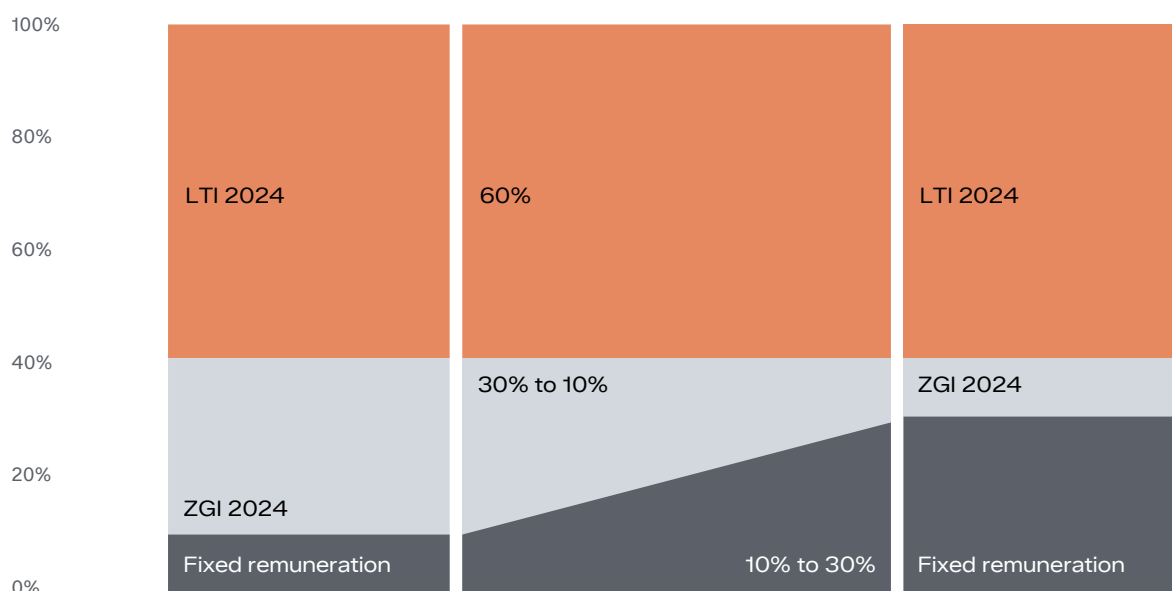
Remuneration System 2021 – Overview

Fixed remuneration components		
Fixed salary	Paid in monthly instalments	
Fringe benefits	Customary fringe benefits, e.g. company car, allowance for health insurance, reimbursement of expenses, employee voucher, D&O insurance, employer's contribution to the statutory pension and unemployment insurance	
Variable remuneration components		
Zalando Ownership Plan 2021 (ZOP 2021)	Structure	Share-based remuneration consisting of virtual options (ZOP 2021 Shares and ZOP 2021 Options) with a free choice of mixture of ZOP 2021 Options and ZOP 2021 Shares, which may be settled, at the election of the company, in shares of the company or in cash.
	Grant	Quarterly
	Waiting period	ZOP 2021 Shares — no waiting period ZOP 2021 Options — two-year waiting period
	Exercise period	Three years
	Exercise price	ZOP 2021 Shares — 1.00 EUR ZOP 2021 Options — share price at grant
	Share price cap	ZOP 2021 Shares — 200% of share price at grant ZOP 2021 Options — 250% of share price at grant
Long-Term Incentive 2021 (LTI 2021)	Structure	Share-based long-term remuneration consisting of virtual options (LTI 2021 Shares and LTI 2021 Options) with a minimum of 50% LTI 2021 Options. The LTI 2021 Shares and the LTI 2021 Options may be settled, at the election of the company, in shares of the company or in cash.
	Grant	One-off grant at the beginning of the service agreement
	Vesting	Linear quarterly vesting during the performance period
	Waiting period	Four years
	Performance targets	Depending on the achievement of performance targets during a performance period that equals the duration of the service agreement, the number of LTI 2021 Shares and LTI 2021 Options may range between 0% and 125% of the initially granted number at plan start GMV of Zalando SE (promotion of the continuous growth of the company's business) Optional: additional financial target, either adj. EBIT or revenue of Zalando SE ESG targets taken into account by way of a modifier (promotion of sustainable corporate management) with a potential reduction of the overall target achievement of 0 to -20% points
	Exercise period	Three years
	Exercise price	LTI 2021 Shares — 1.00 EUR LTI 2021 Options — share price at grant
	Share price cap	LTI 2021 Shares — 200% of share price at grant LTI 2021 Options — 250% of share price at grant
Further provisions		
Maximum remuneration	Maximum remuneration for one financial year of 15.75m EUR for each of both co-CEOs and 10.5m EUR for each ordinary management board member	
Malus and clawback provisions	Right of the supervisory board to retain or reclaim variable remuneration in cases of a severe breach of statutory obligations or internal compliance policies and behavioural guidelines or severe compliance infringements; right of the supervisory board to reclaim variable remuneration in cases of an undue payout based on incorrect information	
Severance cap	Severance payments shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the service agreement	
Change of control	No payments in cases of early termination due to a change of control; right to cancel vested but unexercised LTI 2021 Shares and LTI 2021 Options against a compensation payment in cases of a change of control	

For a detailed description of the design and the further features of the Remuneration System 2021, please refer to the remuneration report for the financial year 2024.

Remuneration System 2024: composition of the remuneration

In the framework of the Remuneration System 2024, the target total remuneration of the management board members is composed as follows: the fixed remuneration represents between around 10% and around 30% of the target total remuneration, and consists of a fixed salary and fringe benefits (the latter in the amount of up to around 1% of the target total remuneration); the ZGI 2024 represents between around 10% and around 30%; and the LTI 2024 corresponds to around 60% of the target total remuneration. The remuneration structure is designed to provide the supervisory board with the necessary flexibility to attract the best national and international candidates. This structure addresses the diverse needs of current and future members of the management board regarding their remuneration, while ensuring alignment with customary market practice and appropriateness.



Determination of appropriate remuneration

Our supervisory board sets the remuneration for the management board pursuant to Section 87 (1) of the AktG. In order to assess whether the remuneration of the individual members of the management board is in line with market practice, the supervisory board benchmarks it with the remuneration paid to the management board members of a group of comparable companies taking into account the market position (including market capitalisation, revenue, industry, size and country) and the overall financial position. In order to ensure appropriate remuneration for the members of the management board, the supervisory board further considers the level of remuneration of the members of the management board in relation to the remuneration structure within the company. As a matter of principle, the supervisory board and its remuneration committee consult external experts to develop the remuneration system and to assess the appropriateness of the remuneration.

Application of the Remuneration Systems 2024 and 2021

The service agreement of our former CFO Dr Sandra Dembeck, being the last remaining service agreement under the former Remuneration System 2021, expired at the end of its term on 28 February 2025 and was not renewed as Dr Sandra Dembeck had decided to leave our company after the expiry of her regular term of office. All other service agreements of our management board members in the reporting year were subject to the rules of the current Remuneration System 2024.

The remuneration of our new CFO Anna Dimitrova under her new service agreement effective on 1 January 2026 was benchmarked with companies on the DAX and MDAX by an independent external expert. To put the remuneration levels of this benchmark exercise into an international perspective, our supervisory board also acknowledged the remuneration levels of technology-driven peer companies in Europe and the USA.³ Details on Anna Dimitrova's remuneration will be disclosed in the next remuneration report that relates to the financial year 2026.

³ The composition of this international comparison group was as follows: Alphabet Inc.; Amazon.com, Inc.; Apple Inc.; ASOS Plc.; boohoo group plc.; Booking Holdings Inc.; Chewy, Inc.; eBay Inc.; Etsy, Inc.; Meta Platforms, Inc.; Netflix, Inc.; Ocado Group plc.; PayPal Holdings, Inc.; Pinterest, Inc.; Qurate Retail, Inc.; Snap Inc.; Spotify Technology S.A.; Uber Technologies, Inc.; Wayfair Inc.

The following overview shows the contract term of the service agreements and related variable long-term incentive remuneration components in the reporting year for all management board members that were in office at the end of the reporting year 2025:

	Financial year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Robert Gentz co-CEO	Contract term	Dec '18					Nov '23	Dec '23	Dec '24		Nov '27				
								Jan '25							
	LTI 2018*	Dec '18					Jul '23				Nov '26				
	LTI 2021						Dec '23				Nov '27			Nov '30	
	LTI 2024 — annual tranche 2025							Jan '25				Dec '28			Dec '31
David Schröder co-CEO	Contract term	Apr '19					Mar '23	Apr '23	Sep '24		Nov '27				
								Oct '24							
	LTI 2019**	Apr '19					Mar '23				Mar '26				
	LTI 2021						Apr '23				Mar '27			Mar '30	
	LTI 2024 — annual tranche 2024							Oct '24				Sep '28			Sep '31
David Schneider	Contract term	Dec '18					Nov '23	Dec '23	Sep '24		Nov '27				
								Oct '24							
	LTI 2018*	Dec '18					Jul '23				Nov '26				
	LTI 2021						Dec '23				Nov '27			Nov '30	
	LTI 2024 — annual tranche 2024							Oct '24				Sep '28			Sep '31
Dr Astrid Arndt CPO	Contract term				Apr '21			Aug '24							
								Sep '24			Aug '28				
	LTI 2021				Apr '21			Mar '25			Mar '28				
	LTI 2024 — annual tranche 2024							Sep '24			Aug '28			Aug '31	
	LTI 2024 — annual tranche 2025							Jan '25				Dec '28			Dec '31

*) The LTI 2018 has different waiting periods. The last waiting period ended on 31 July 2023.
 **) The LTI 2019 has different waiting periods. The last waiting period ended on 30 March 2023.

Remuneration structure of the service agreements

The following overview summarises the remuneration structure of the service agreements of all our management board members that were in office at the end of the reporting year 2025.⁴

	Robert Gentz co-CEO	David Schröder co-CEO	David Schneider	Dr Astrid Arndt CPO
Start date of contract term	1 Jan, 2025	1 Oct, 2024	1 Oct, 2024	1 Sep, 2024
End date of contract term	30 Nov, 2027	30 Nov, 2027	30 Nov, 2027	31 Aug, 2028
Fixed salary and fringe benefits portion as % of target total remuneration	15%	15%	10%	21%
Zalando Growth Incentive 2024 (ZGI 2024) as % of target total remuneration	25%	25%	30%	19%
Rolling Long-Term Incentive 2024 (LTI 2024) — annual tranche 2025				
End of performance period*	31 Dec, 2027			
Quarterly vesting start	31 Mar, 2025			
End of waiting period	31 Dec, 2028			
End of exercise period	31 Dec, 2031			
LTI 2024 Shares portion as % of target total remuneration	15%			
Share price cap in EUR	64.44			
Exercise price in EUR	1.00			
LTI 2024 Options portion as % of target total remuneration	45%			
Share price cap in EUR	80.55			
Exercise price in EUR	32.22			
Weighting of performance conditions for LTI 2024 Shares and LTI 2024 Options — annual tranche 2025				
GMV CAGR	60%			
Adjusted EBIT as % of revenue	40%			
ESG modifier				
Sustainability target weighting in modifier	50%			
Sub-targets	(i) Scope 1 and 2 GHG emissions, (ii) scope 3 GHG emissions — both equally weighted			
Diversity & inclusion target weighting in modifier	50%			
Sub-targets	Share of women in (i) Executive Contributor 2 roles, (ii) Executive Contributor 1 roles, (iii) Senior Contributor 2 roles, (iv) Senior Contributor 1 roles — all equally weighted			
Maximum total remuneration annualised in EUR	15,750,000	15,750,000	6,300,000	9,000,000

*) Please note that the performance period of the ESG performance targets has been shortened to 31 December 2025 to eliminate the extraordinary effect of the ABOUT YOU transaction as described above in the section [1.3.1 Introduction](#).

⁴ Percentage shares in target total remuneration are rounded. The remuneration structure of the service agreement of our former CFO Dr Sandra Dembeck that expired on 28 February 2025 is described in the remuneration report for the financial year 2024.

1.3.3 Description of our incentive plans

In addition to the ZGI 2024 and LTI 2024 incentive plans under the current Remuneration System 2024, there are several different previous option programmes under which (virtual) stock options were granted to management board members over the past years. In this section we describe all the incentive plans that are relevant for this remuneration report, including ZGI 2024 and LTI 2024.

ZGI 2024

The ZGI 2024 is a cash-settled variable remuneration component which is linked to the achievement of a strategic financial performance target (ZGI Target) during a performance period of one financial year. The ZGI Target is defined by our supervisory board for each upcoming performance period. Currently, the relevant financial performance criteria is revenue growth of the Zalando group.

Our supervisory board determines ZGI Target rates as percentage values (ZGI Target Rates), whereby the achievement of the ZGI Target shall correspond to a ZGI Target Rate of 100%. Furthermore, the supervisory board will set minimum and maximum ZGI Target amounts, corresponding to a minimum ZGI Target Rate of 50% and a maximum ZGI Target Rate of 200%. The ZGI Target Rates are extrapolated linearly, whereby an overachievement of the ZGI Target shall lead to a steeper linear increase. This design encourages and recognises exceptional performance by offering a higher potential payout for exceeding the set ZGI Target. If the minimum ZGI Target amount is not achieved, the payout under the ZGI 2024 shall be zero.

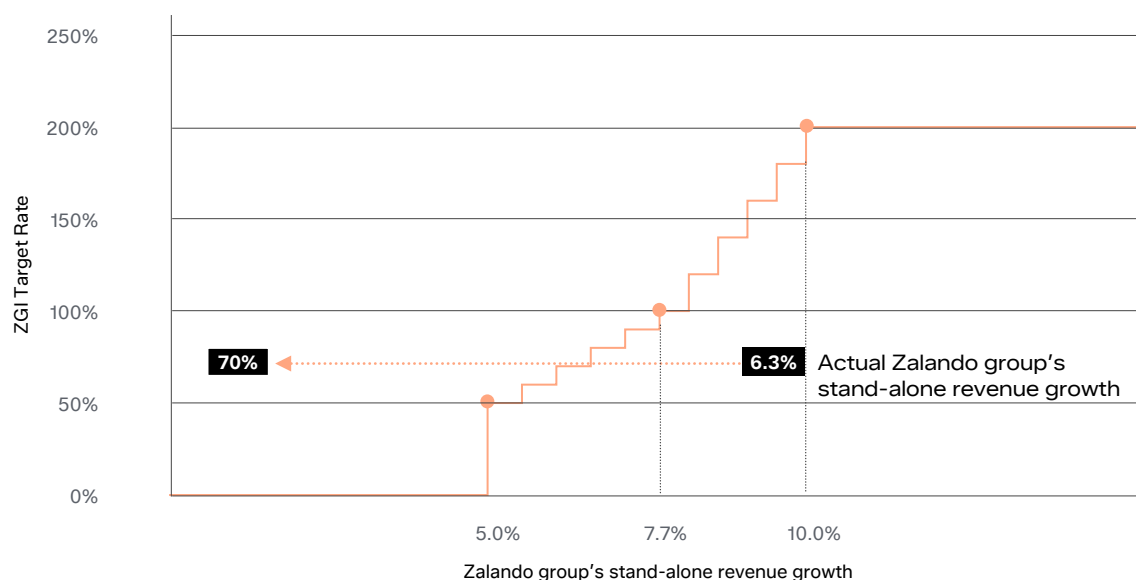
After the end of the performance period, the supervisory board will determine which ZGI Target Rate has been achieved. The product of the achieved ZGI Target Rate and the target value for the ZGI 2024 remuneration component is the amount to be paid out to the management board member. The payout shall take place the day after the publication of the company's annual report for the financial year which corresponds to the performance period (ZGI Payout Date).

The management board member is obliged to invest 50% of the net payout to acquire shares in Zalando SE on a stock exchange (Investment Shares). The specific acquisition date shall be determined by the supervisory board with the proviso that the acquisition of the Investment Shares needs to take place within a maximum period of five trading days on the Frankfurt stock exchange following the ZGI Payout Date. The Investment Shares need to be held by the management board member for at least one year after their acquisition (ZGI Holding Period). The purchase of the Investment Shares will be facilitated by a service provider, ensuring compliance with the ZGI Holding Period.

For the financial year 2025, the supervisory board has set a ZGI Target of 7.70% Zalando group revenue growth for all our management board members that participated in the ZGI 2024 (Robert Gentz, David Schröder, David Schneider and Dr Astrid Arndt). For all participants, a revenue growth rate of 10.00% was defined as the maximum ZGI Target Rate of 200%, while a growth rate of 5.00% was set as the minimum ZGI Target Rate of 50%.

As set out above in the [1.3.1 Introduction](#), the target achievement has been determined on the basis of Zalando stand-alone figures as of 31 December 2025 (i.e. not including ABOUT YOU figures) to eliminate the extraordinary effects of the ABOUT YOU transaction. This method is considered appropriate as the full integration of ABOUT YOU only began in November 2025 and ABOUT YOU was not fully integrated and effectively steered by the management board until

then. On this stand-alone basis, the Zalando group revenue grew by 6.3% year-over-year in the financial year 2025 and a ZGI Target Rate of 70% was achieved:



LTI 2024

The LTI 2024 is a performance-related long-term remuneration component that is linked to our strategic financial performance targets and, through the introduction of an ESG modifier, the sustainable development of the company.

Under the LTI 2024, the members of the management board are granted two types of options, namely virtual LTI 2024 Shares (with an exercise price of 1.00 EUR) and virtual LTI 2024 Options (with an exercise price of the share price at grant) in annual tranches (rolling plan). The ratio of the LTI 2024 Shares and the LTI 2024 Options is fixed and amounts to 25% LTI 2024 Shares and 75% LTI 2024 Options. In exceptional cases, the supervisory board is entitled to set a different ratio which would then be disclosed and explained in the remuneration report for the respective financial year.

The LTI 2024 Options and LTI 2024 shares vest on a quarterly basis upon expiration of each quarter of the relevant performance period. Irrespective of the vesting scheme, LTI 2024 Options and LTI 2024 Shares can only be exercised after a waiting period of four years commencing on their grant date. If all exercise conditions are fulfilled, the LTI 2024 entitles the member of the management board upon exercise to a cash payment in the amount of the difference between the company's share price⁵ as per the exercise date and the exercise price of the respective LTI 2024 option. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment.

The final number of exercisable LTI 2024 Shares and LTI 2024 Options of an LTI 2024 tranche depends on the extent to which the targeted GMV compound annual growth rate (CAGR) and adjusted EBIT margin of the Zalando group as well as defined ESG performance targets are met over a three-year performance period, starting on the grant date of the relevant LTI 2024 tranche.

⁵ To the extent the company's share price does not exceed the applicable share price cap of the LTI 2024.

As set out above in the [1.3.1 Introduction](#) the financial performance targets for the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025 were adjusted to eliminate the extraordinary effect of the ABOUT YOU transaction as set out in the table below.

The approach for the GMV CAGR target was as follows: the original targets were calculated on a Zalando group stand-alone baseline and for Zalando group stand-alone absolute GMV target amounts. The revised targets are based on the same Zalando group stand-alone baseline that was defined before the ABOUT YOU transaction. To ensure ambitious growth target levels, the revised targets include the projected additional ABOUT YOU group GMV in the target amount. This adjustment led to a substantially increased GMV CAGR target.

For the adjusted EBIT margin the target is defined based on the equally weighted average adjusted EBIT margin for each year of the three-year performance period. For the revised targets, the adjusted EBIT margins for the financial years 2024 and 2025 will remain unchanged and based on a Zalando group stand-alone basis. The adjusted EBIT margin for the financial year 2026 and following years will include adjusted EBIT and revenues of ABOUT YOU group. Consequently, for the annual LTI 2024 tranches granted on 1 January 2025, the average adjusted EBIT margin will be based for one year on Zalando stand-alone basis and two years on the combined margin. This adjustment led to slightly lowered adjusted EBIT margin targets.

LTI 2024 — financial targets — annual tranches 2024 and 2025

LTI 2024 tranche	Performance period	Applicable to	Target achievement rate*	50%	100%	125%	Target achievement rate*	50%	100%	125%
2024 (I)	Sep '24 to Aug '27	Dr Astrid Arndt (CPO)	Original GMV CAGR target 60%**	4.7%	7.2%	9.7%	Revised GMV CAGR target 60%**	9.5%	12.0%	14.5%
2024 (II)	Oct '24 to Sep '27	David Schröder (co-CEO) David Schneider		4.8%	7.3%	9.8%		9.5%	12.0%	14.5%
2025	Jan '25 to Dec '27	Robert Gentz (co-CEO) David Schröder (co-CEO) Dr Astrid Arndt (CPO) David Schneider		5.0%	8.4%	10.0%		9.6%	13.0%	14.6%
2024 (I)	Sep '24 to Aug '27	Dr Astrid Arndt (CPO)	Original adj. EBIT as % of revenue target 40%	4.10%	5.10%	6.10%	Revised adj. EBIT as % of revenue target 40%	3.85%	4.85%	5.85%
2024 (II)	Oct '24 to Sep '27	David Schröder (co-CEO) David Schneider		4.20%	5.20%	6.20%		3.94%	4.94%	5.94%
2025	Jan '25 to Dec '27	Robert Gentz (co-CEO) David Schröder (co-CEO) Dr Astrid Arndt (CPO) David Schneider		4.30%	5.30%	6.30%		3.96%	4.96%	5.96%

*) The target achievement rates are structured in linear steps between threshold and target and between target and cap.

**) The GMV CAGR is determined by using Zalando's group GMV over the 12 months prior to the grant date of the virtual options under the LTI 2024 and Zalando's group GMV over the last 12 months of the performance period as the final measurement period.

The final number of exercisable options from the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025 is calculated in a first step by determining the target achievement of the adjusted financial performance targets, whereby the GMV CAGR target is weighted with 60% and the adjusted EBIT margin target is weighted with 40%.

The ESG modifier then needs to be taken into account in a second step. In this regard, ESG performance targets in the field of sustainability and diversity and inclusion (D&I) have been set (each weighted at 50%). The degree of achievement of the ESG performance targets may result in an increase or a decrease of the financial target achievement by a factor of 0.8 to 1.2. The final number of exercisable LTI 2024 options after the end of the waiting period is the product of the initial number of granted LTI 2024 Shares and LTI 2024 Options and the overall target achievement.

Whereas the ESG performance targets of the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025 remain unchanged, their performance periods have been adjusted and ended in each case on 31 December 2025, and performance was measured on a Zalando group stand-alone basis. This decision was taken as structural divergences in methodology, baselines and targets in measuring ESG criteria exist between Zalando and ABOUT YOU (see above section [Introduction](#)).

The following ESG performance targets for sustainability (both equally weighted) have been set for the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025:

- Reduction of scope 1 and 2 greenhouse gas (GHG) emissions by annually 5% until the end of the performance period (against a baseline of the financial year 2022);
- Reduction of scope 3 GHG emissions by annually 3% until the end of the performance period (against a baseline of the financial year 2022).

At the end of the adjusted performance period on 31 December 2025, the target achievement was as follows:

LTI 2024 — sustainability targets — annual tranches 2024 and 2025

LTI 2024 tranche	Adjusted performance period	Applicable to	Target achievement rate*	80%	100%	120%	Actual achievement	Actual target achievement rate
2024 (I)	Sep '24 to Dec '25	Dr Astrid Arndt (CPO)	Scope 1 and 2 GHG emission reductions vs. 2022 50%					
2024 (II)	Oct '24 to Dec '25	David Schröder (co-CEO) David Schneider		10.0%	15.0%	20.0%	17.11%	108%
2025	Jan '25 to Dec '25	Robert Gentz (co-CEO) David Schröder (co-CEO) Dr Astrid Arndt (CPO) David Schneider	Scope 3 GHG emission reductions vs. 2022 50%	6.0%	9.0%	12.0%	10.64%	108%

*) The target achievement rates are structured in linear steps between threshold and target and between target and cap.

For the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025, our supervisory board has set as D&I target a share of 40–60% women in each of our company's four top leadership levels below the management board. At the end of the adjusted performance period on 31 December 2025, the share of women in the relevant roles and the associated target achievement rates were as follows:

LTI 2024 — D&I targets — annual tranches 2024 and 2025

LTI 2024 tranche	Adjusted performance period	Applicable to	Target achievement rate*	80%	100%	105%	110%	120%	Actual achievement**	Actual target achievement rate
2024 (I)	Sep '24 to Dec '25	Dr Astrid Arndt (CPO)	Share of women in: Executive Contributor 2 (EC2) roles 25%	37.0%	40–60%				41.7%	100%
2024 (II)	Oct '24 to Dec '25	David Schröder (co-CEO) David Schneider	Share of women in: Executive Contributor 1 (EC1) roles 25%	40.0%	40–60%	One further sub-target achieved to 100%	Two further sub-targets achieved to 100%	All sub-targets achieved to 100%	31.8%	80%
2025	Jan '25 to Dec '25	Robert Gentz (co-CEO) David Schröder (co-CEO) Dr Astrid Arndt (CPO) David Schneider	Share of women in: Senior Contributor 2 (SC2) roles 25%	37.5%	40–60%				33.6%	80%
			Share of women in: Senior Contributor 1 (SC1) roles 25%	37.5%	40–60%				38.9%	88%

*) Except for EC1 sub-target, the target achievement rates are structured in linear steps between 80% and 100%.

**) The target achievement was determined on a Zalando group stand-alone basis and excluded executives from ABOUT YOU that transitioned into Zalando roles after the closing of the ABOUT YOU transaction on 11 July 2025.

In sum, the factor of the ESG modifier for the annual LTI 2024 tranches granted during the financial year 2024 and on 1 January 2025 is 0.98.

ZOP 2021

The ZOP 2021⁶ is a variable remuneration component under the former Remuneration System 2021. Its share-based structure contributes to the alignment of the interests of the members of the management board with those of our shareholders in promoting the long-term development and growth of the company.

Under the ZOP 2021, virtual options in the form of ZOP 2021 Shares (with an exercise price of 1.00 EUR) and/or ZOP 2021 Options (with an exercise price of the share price at grant) are granted in quarterly tranches. The management board members can freely determine the proportion of ZOP 2021 Shares and of ZOP 2021 Options (in steps of 5%) during a fixed annual selection window. The ZOP 2021 Shares are not subject to a waiting period, whereas the ZOP 2021 Options are only exercisable after a waiting period of two years. Upon exercise, the ZOP 2021 entitles the member of the management board to a cash payment in the amount of the difference between the company's share price⁷ as per the exercise date and the exercise price of the respective virtual option. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment.

In the reporting period, the former management board member Dr Sandra Dembeck received a final tranche of 3,976 ZOP 2021 Shares with the following details:

ZOP 2021 option type	ZOP 2021 tranche grant date	Service period	Waiting period end	Exercise period end*	Grant share price in EUR	Share price cap in EUR
ZOP 2021 Shares	1 Apr, 2025	1 Jan – 28 Feb, 2025	n/a	31 Mar, 2028	32.23	64.46

*) If the exercise period ends during a black-out period, the option expiry may be delayed until the end of the next appropriate trading window.

⁶ As the concrete terms and conditions of the ZOP component under the Remuneration System 2021 differ in some details, there are ZOP plan rules having different denominations (ZOP 2021, ZOP 2021/2022, ZOP 2023 and ZOP 2024) to distinguish between the applicable plan rules. For the purpose of this remuneration report, all different ZOP plan rules under the Remuneration System 2021 are collectively referred to as "ZOP 2021".

⁷ To the extent the company's share price does not exceed the applicable share price cap of the ZOP 2021.

LTI 2021

Along with the ZOP 2021, the LTI 2021⁸ is the second variable remuneration component under the former Remuneration System 2021. The LTI 2021 is a performance-related long-term remuneration component that is linked to our strategic financial performance targets and, through the introduction of an ESG modifier, the sustainable development of the company.

Under the LTI 2021, the members of the management board are granted two types of options, namely virtual LTI 2021 Shares (with an exercise price of 1.00 EUR) and virtual LTI 2021 Options (with an exercise price of the share price at grant), by way of a one-off grant at the beginning of the service term for the entire term of their service agreement (sequential plan). The LTI 2021 Options and LTI 2021 Shares vest on a quarterly basis upon expiration of each quarter of the relevant performance period. Irrespective of the vesting scheme, LTI 2021 Options and LTI 2021 Shares can only be exercised after a waiting period of four years commencing on their grant date. If all exercise conditions are fulfilled, the LTI 2021 entitles the member of the management board upon exercise to a cash payment in the amount of the difference between the company's share price⁹ as per the exercise date and the exercise price of the respective LTI 2021 option. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment. The final number of exercisable virtual options under the LTI 2021 depends on the extent to which the financial and ESG performance targets set by the supervisory board are met during the performance period, which is equivalent to the term of the service agreement.

LTI 2021 — grants to Dr Astrid Arndt and Dr Sandra Dembeck (2021 and 2022)

During the reporting period, the performance periods for the LTI 2021 grants to our CPO Dr Astrid Arndt and to our former CFO Dr Sandra Dembeck ended. The supervisory board had set the following financial performance targets for these grants that relate to the compound annual growth rate (CAGR) of Zalando group's GMV in the performance period.

LTI 2021 — financial targets — grants 2021 and 2022

LTI 2021 grant	Performance Period	Applicable to	Target achievement rate*	50%	100%	125%	Actual achievement	Actual target achievement rate
2021	Apr '21 to Mar '25	Dr Astrid Arndt (CPO)	GMV CAGR target**	11.5%	23.0%	28.8%	7.0%	0%
2022	Mar '22 to Feb '25	Dr Sandra Dembeck (former CFO)		11.5%	21.5%	25.5%	2.2%	0%

*) The target achievement rates are structured in mainly linear steps between threshold and target and one step between target and cap.

**) The GMV CAGR is determined using Zalando's group GMV over the last 12 months prior to the grant date of the virtual options under the LTI 2021 and Zalando's group GMV over the last 12 months of the performance period as the final measurement period.

In the case of the LTI 2021 grant to our CPO Dr Astrid Arndt, the relevant CAGR in the performance period amounted to 7.0%. Regarding the LTI 2021 grant to our former CFO Dr Sandra Dembeck, the relevant CAGR in the performance period amounted to 2.2%. In both cases, this led to a target achievement rate of 0% and zero exercisable options under the LTI 2021. As the ESG modifier under the LTI 2021 works as a malus only, the ESG target achievement has not been determined due to it being irrelevant.

⁸ As the concrete terms and conditions of the LTI component under the Remuneration System 2021 differ in particular with regard to the performance targets, there are LTI plan rules with different denominations (LTI 2021, LTI 2021/2022, LTI 2023 and LTI 2024) to distinguish the applicable plan rules. For the purpose of this remuneration report, all different LTI plan rules under the Remuneration System 2021 are collectively referred to as "LTI 2021".

⁹ To the extent the company's share price does not exceed the applicable share price cap of the LTI 2021.

LTI 2021 — grants to David Schröder, Robert Gentz and David Schneider (2023)

As set out above in the section [LTI 2024](#) the financial performance targets for the LTI 2021 grants to our co-CEOs Robert Gentz and David Schröder and to our co-founder David Schneider were adjusted to eliminate the extraordinary effect of the ABOUT YOU transaction. Their financial performance targets comprise a GMV compound annual growth rate (CAGR) target (weighted two-thirds) and an adjusted EBIT margin target (weighted one-third). The supervisory board followed the same approaches to adjust these targets as in the case of the LTI 2024 described above.

The following overview shows the adjustments of the financial performance targets:

LTI 2021 — financial targets — grants 2023

LTI 2021 grant	Performance Period	Applicable to	Target achievement rate*	50%	100%	125%	Target achievement rate*	50%	100%	125%
2023 (I)	Apr '23 to Mar '27	David Schröder (co-CEO)	Original GMV CAGR target 66%**	6.0%	10.0%	13.0%	Revised GMV CAGR target 66%**	9.0%	13.0%	16.0%
2023 (II)	Dec '23 to Nov '27	Robert Gentz (co-CEO) David Schneider		7.0%	12.1%	15.0%		10.0%	15.1%	18.0%
2023 (I)	Apr '23 to Mar '27	David Schröder (co-CEO)	Original adj. EBIT as % of revenue target 33%***	3.60%	4.75%	6.00%	Revised adj. EBIT as % of revenue target 33%***	3.45%	4.60%	5.85%
2023 (II)	Dec '23 to Nov '27	Robert Gentz (co-CEO) David Schneider		3.96%	5.26%	6.90%		3.84%	5.14%	6.78%

*) The target achievement rates are structured in mainly linear steps between threshold and target and one step between target and cap.

**) The GMV CAGR in the performance period is determined using Zalando's group GMV over the last 12 months prior to the grant date of the virtual options under the LTI 2021 and Zalando's group GMV over the last 12 months of the performance period as the final measurement period.

***) The relevant adjusted EBIT margin during the performance period is based on the equally weighted average adjusted EBIT margin for each year of the four-year performance period, whereby the target achievement for the revised adjusted EBIT margin target shall be determined until the end of the financial year 2025 on a Zalando group stand-alone basis (i.e. without the contribution of ABOUT YOU).

The number of exercisable options under the LTI 2021 after the waiting period is calculated in a first step by multiplying the target achievement rate of the financial performance targets with the number of vested options under the LTI 2021.

The ESG modifier then needs to be taken into account in a second step. In this regard, ESG performance targets in the field of sustainability and D&I have been set. In the case of the LTI 2021 grants to our co-CEOs Robert Gentz and David Schröder and to our co-founder David Schneider, the sustainability target and the D&I target are weighted equally. The achievement of the ESG performance targets is considered by means of a modifier that leads to a reduction of between 0 and 20 percentage points of the target achievement rate of the financial performance targets.

Whereas the ESG performance targets of the LTI 2021 grants to our co-CEOs Robert Gentz and David Schröder and to our co-founder David Schneider remain unchanged, their performance periods have been adjusted and ended on 31 December 2025, and performance was measured on a Zalando group stand-alone basis. This decision was taken as structural divergences in methodology, baselines and targets in measuring ESG criteria exist between Zalando and ABOUT YOU (see above section [Introduction](#)).

It is important to note that the performance periods for the sustainability targets of our co-CEOs Robert Gentz and David Schröder and our co-founder David Schneider had been divided into two sub-periods to account for the update of the sustainability strategy in the year 2025. Both sub-periods are equally weighted on a pro rata basis. The first sub-period ended in all cases on 31 March 2025. The adjustment of the performance period thus relates only to the second sub-period which has ended in all cases on 31 December 2025.

At the end of the first performance sub-period on 31 March 2025, the target achievement was as follows:

LTI 2021 — sustainability targets — grants 2023 (first sub-period)

LTI 2021 grant	Performance period	Applicable to	Target achievement rate*	0%	-10%	-20%	Actual achievement	Actual target achievement rate
2023 (I) and 2023 (II)	Apr '23 to Mar '25	David Schröder (co-CEO)	Scope 1 and 2 GHG emission reductions 25%	≥ 80%	≥ 78.7%	< 78%	> 80%	0%
			Renewable electricity 25%	100%		below 100%	100%	0%
	Dec '23 to Mar '25	Robert Gentz (co-CEO) David Schneider	Scope 3 GHG emission reductions 25%	≥ 40%	≥ 26%	< 19%	> 40%	0%
			Science-based targets at suppliers 25%	≥ 90%	≥ 68.7%	< 58%	< 74%	-10%

*) Except for the renewable electricity target, the target achievement rates are structured in linear steps between 0% and -20%.

For the second sub-period, the following performance targets for sustainability have been set (both equally weighted):

- Reduction of scope 1 and 2 GHG emissions by annually 5% until the end of the performance period (against a baseline of the financial year 2022);
- Reduction of scope 3 GHG emissions by annually 3% until the end of the performance period (against a baseline of the financial year 2022).

At the end of the adjusted performance period on 31 December 2025, the target achievement was as follows:

LTI 2021 — sustainability targets — grants 2023 (second sub-period)

LTI 2021 grant	Adjusted performance period*	Applicable to	Target achievement rate**	0%	-10%	-20%	Actual achievement	Actual target achievement rate
2023 (I) and 2023 (II)	Apr '25 to Dec '25	David Schröder (co-CEO)	Scope 1 and 2 GHG emission reductions vs. 2022 50%	15.0%	12.5%	10.0%	17.11%	0%
		Robert Gentz (co-CEO) David Schneider	Scope 3 GHG emission reductions vs. 2022 50%	9.0%	7.5%	6.0%	10.64%	0%

*) The weighting of the second sub-period was calculated on the basis of the original performance periods that ran from April 2025 until March 2027 (for David Schröder) and from April 2025 until November 2027 (for Robert Gentz and David Schneider).

**) The target achievement rates are structured in linear steps between 0% and -20%.

For the grants under the LTI 2021 to our co-CEOs Robert Gentz and David Schröder and to our co-founder David Schneider, our supervisory board has set as D&I target a share of 40–60% women in each of our company's five top leadership levels below the management board. At the end of the adjusted performance period on 31 December 2025, the share of women in the relevant roles and the associated target achievement rates were as follows:

LTI 2021 — D&I targets — grants 2023

LTI 2021 grant	Adjusted performance period	Applicable to	Target achievement rate*	0%	-10%	-20%	Actual achievement **	Actual target achievement rate
2023 (I) and 2023 (II)	Apr '23 to Dec '25	David Schröder (co-CEO)	Share of women in: Executive Contributor 2 (EC2) roles 20%	40 to 60%	≥ 38%	< 37%	41.7%	0%
	Dec '23 to Dec '25	Robert Gentz (co-CEO) David Schneider	Share of women in: Executive Contributor 1 (EC1) roles 20%				31.8%	-20%
			Share of women in: Senior Contributor 2 (SC2) roles 20%				33.6%	-20%
			Share of women in: Senior Contributor (SC1) roles 20%				38.9%	-10%
			Share of women in: C8 roles 20%				38.3%	-10%

*) The target achievement rates are structured in linear steps between 0% and -20%.

**) The target achievement was determined on a Zalando group stand-alone basis and excluded executives from ABOUT YOU that transitioned into Zalando roles after the closing of the ABOUT YOU transaction on 11 July 2025.

In sum, the ESG modifier for the LTI 2021 grant to our co-CEO David Schröder amounts to -6.625% and the ESG modifier for the LTI 2021 grants to our co-CEO Robert Gentz and our co-founder David Schneider amounts to -6.417%.

LTI 2019 and LTI 2018

The service agreement of our co-CEO David Schröder that was concluded in 2019 and the service agreements of our co-founders Robert Gentz and David Schneider that were concluded in 2018 comprised long-term incentive remuneration components under the LTI 2019 and the LTI 2018, respectively. Both LTI 2019 and LTI 2018 are shared-based option programmes. Whereas the LTI 2019 only grants virtual stock options, the LTI 2018 grants both real (equity) stock options as well as virtual stock options. Under both programmes, each option relates to one share in the company, but different exercise prices apply.

The LTI 2019 and the LTI 2018 have the following main features:

Overview LTI 2019 and LTI 2018

Applicable for	Robert Gentz co-CEO	David Schneider	David Schröder co-CEO
Contract term	1 Dec, 2018 – 30 Nov, 2023		1 Apr, 2019 – 30 Mar, 2023
LTI plan	LTI 2018		LTI 2019
End of performance and waiting period	57% of options: 30 Nov, 2022 43% of options: 31 Jul, 2023		15% of options: 31 Mar, 2020 27% of options: 31 Mar, 2021 29% of options: 31 Mar, 2022 29% of options: 31 Mar, 2023
End of exercise period	30 Nov, 2026		31 Mar, 2026
Share price cap in EUR	144.58		100.00
Exercise price in EUR	47.44		Options type A: 29.84 Options type B: 1.00
Performance criterion	Consolidated revenue CAGR		
Weighting	100%		100%

Both LTI 2019 and LTI 2018 comprise identical financial targets that relate to the compound annual growth rate of the consolidated group revenue during the respective performance periods. The target achievement rate was 100% for both LTI 2019 and LTI 2018.

Further details on the LTI 2019 and the LTI 2018 can be found in the remuneration report for the financial year 2022.

1.3.4 Target total remuneration

The target total remuneration for each member of the management board is determined by the supervisory board in compliance with statutory provisions and the requirements of the applicable remuneration system. The amount of the target total remuneration is the sum of all the fixed and variable remuneration components for one year in the event of 100% target achievement.

The following overview shows the individual target values, along with the minimum and maximum values, for the remuneration components contractually agreed on for the reporting year 2025.

Annualised target total remuneration levels 2025*

all values in EUR	Robert Gentz co-CEO			David Schröder co-CEO		
	Target	Minimum	Maximum	Target	Minimum	Maximum
Fixed salary	600,000	600,000	600,000	600,000	600,000	600,000
ZGI 2024	1,050,000	0	2,100,000	1,050,000	0	2,100,000
LTI 2024 Shares	630,000	0	1,860,695	630,000	0	1,860,695
LTI 2024 Options	1,890,000	0	10,631,247	1,890,000	0	10,631,247
Total remuneration	4,170,000	600,000	15,191,942	4,170,000	600,000	15,191,942

Annualised target total remuneration levels 2025*

	Dr Sandra Dembeck CFO until Feb 2025***			David Schneider			Dr Astrid Arndt CPO		
all values in EUR	Target	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum
Fixed salary	95,833	95,833	95,833	189,000	189,000	189,000	600,000	600,000	600,000
ZOP 2021 Shares**	54,167	0	99,886						
ZGI 2024				630,000	0	1,260,000	575,000	0	1,150,000
LTI 2021 Shares	114,583	0	283,769						
LTI 2021 Options	114,583	0	537,135						
LTI 2024 Shares				315,000	0	930,411	450,000	0	1,329,005
LTI 2024 Options				945,000	0	5,315,623	1,350,000	0	7,593,803
Total remuneration	379,166	95,833	1,016,623	2,079,000	189,000	7,695,034	2,975,000	600,000	10,672,808

*) The overview presents the target total remuneration for the members of the management board, excluding any adjustments for periods of unpaid leave. For the LTI 2021, the contractual target value of the multi-year grant of options has been calculated down to annual values for the purpose of this overview. Fringe benefits are not included in the overview. The maximum values shown are purely arithmetical and do not take into account the applicable contractual maximum limits for the total remuneration (cf. the description in [1.3.7 Further Information pursuant to Section 162 AktG](#))

**) The target amount of the ZOP 2021 component included in this overview may differ slightly from the mathematical pro rata amount due to rounding differences in relation to the quarterly granting of the ZOP 2021 Shares and ZOP 2021 Options.

***) The target total remuneration for Dr Sandra Dembeck is calculated pro rata on the basis of her service agreement that ran from 1 March 2022 until 28 February 2025.

The target total remuneration determined for each member of the management board was set in adequate proportion to the responsibilities and performance of the respective member of the management board and to the situation of the company. In addition, the supervisory board ensured that the target total remuneration was in line with market practice.

1.3.5 Development of outstanding options

The following overviews show the development of the outstanding options in the reporting period for current and former members of our management board under the option programmes described above under section [1.3.3 Description of our incentive plans](#).

LTI 2024 — annual tranche 2025

The number of outstanding LTI 2024 annual tranche 2025 options developed as follows in the reporting period :

LTI 2024 — annual tranche 2025

	Robert Gentz			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	0	–	0	–
Granted during the year	15,321	1.00	114,908	32.22
Vested during the year	5,107	1.00	38,302	32.22
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	15,321	1.00	114,908	32.22
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		7.0		7.0
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2025

	David Schröder			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	0	–	0	–
Granted during the year	19,553	1.00	146,648	32.22
Vested during the year	6,518	1.00	48,882	32.22
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	19,553	1.00	146,648	32.22
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		7.0		7.0
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2025

	David Schneider			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	0	–	0	–
Granted during the year	9,777	1.00	73,324	32.22
Vested during the year	3,259	1.00	24,442	32.22
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	9,777	1.00	73,324	32.22
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		7.0		7.0
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2025

	Dr Astrid Arndt			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	0	–	0	–
Granted during the year	13,966	1.00	104,749	32.22
Vested during the year	4,655	1.00	34,917	32.22
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	13,966	1.00	104,749	32.22
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		7.0		7.0
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2024

The number of outstanding LTI 2024 annual tranche 2024 options developed as follows in the reporting period:

LTI 2024 — annual tranche 2024

	David Schröder			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	5,431	1.00	40,733	29.00
Granted during the year	0	–	0	–
Vested during the year	1,810	1.00	13,578	29.00
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	5,431	1.00	40,733	29.00
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		5.8		5.8
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2024

	David Schneider			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	2,716	1.00	20,366	29.00
Granted during the year	0	–	0	–
Vested during the year	906	1.00	6,789	29.00
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	2,716	1.00	20,366	29.00
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		5.8		5.8
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2024 — annual tranche 2024

	Dr Astrid Arndt			
	Number of LTI 2024 Shares	Exercise price (in EUR)	Number of LTI 2024 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	6,605	1.00	49,538	22.71
Granted during the year	0	–	0	–
Vested during the year	2,202	1.00	16,513	22.71
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	6,605	1.00	49,538	22.71
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		5.7		5.7
Weighted average share price (in EUR) for options exercised				
2025		–		–

ZOP 2021

The number of outstanding options under ZOP 2021 developed as follows in the reporting period:

ZOP 2021

	Robert Gentz			
	Number of ZOP 2021 Shares	Exercise price (in EUR)	Number of ZOP 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	29,993	1.00	34,990	25.03
Granted during the year	6,984	1.00	8,148	32.22
Vested during the period	6,984	1.00	8,148	32.22
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	36,977	1.00	43,138	26.39
Exercisable as of 31 Dec, 2025	36,977	1.00	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		1.7		3.7
Weighted average share price (in EUR) for options exercised				
2025		–		–

ZOP 2021

	David Schröder			
	Number of ZOP 2021 Shares	Exercise price (in EUR)	Number of ZOP 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	5,460	1.00	145,416	23.77
Granted during the year	0	–	0	–
Vested during the period	0	–	0	–
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	5,460	1.00	145,416	23.77
Exercisable as of 31 Dec, 2025	5,460	1.00	36,835	22.34
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		0.7		3.4
Weighted average share price (in EUR) for options exercised				
2025		–		–

ZOP 2021

	Dr Sandra Dembeck (until 28 February 2025)	
	Number of ZOP 2021 Shares	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	7,008	1.00
Granted during the year	3,976	1.00
Vested during the period	3,976	1.00
Forfeited during the year	0	–
Exercised during the year*	9,410	1.00
Outstanding as of 31 Dec, 2025	1,574	1.00
Exercisable as of 31 Dec, 2025	1,574	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of 31 Dec, 2025		2.5
Weighted average share price (in EUR) for options exercised in		
2025		39.43

*) A total of 9,410 options were exercised on 18 February 2025 at 1.00 EUR.

ZOP 2021

	David Schneider			
	Number of ZOP 2021 Shares	Exercise price (in EUR)	Number of ZOP 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	29,993	1.00	34,990	25.03
Granted during the year	0	–	0	–
Vested during the period	0	–	0	–
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	29,993	1.00	34,990	25.03
Exercisable as of 31 Dec, 2025	29,993	1.00	34,990	25.03
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		1.6		3.6
Weighted average share price (in EUR) for options exercised				
2025		–		–

ZOP 2021

	Dr Astrid Arndt	
	Number of ZOP 2021 Shares	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	34,766	1.00
Granted during the year	0	–
Vested during the period	0	–
Forfeited during the year	0	–
Exercised during the year*	10,204	1.00
Outstanding as of 31 Dec, 2025	24,562	1.00
Exercisable as of 31 Dec, 2025	24,562	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of 31 Dec, 2025		1.1
Weighted average share price (in EUR) for options exercised		
2025		25.48

*) In total, 1,172 options were exercised on 14 March 2025 at 1.00 EUR, 1,760 options were exercised on 13 June 2025 at 1.00 EUR, 3,187 options were exercised on 28 August 2025 at 1.00 EUR and 4,085 options were exercised on 15 December 2025 at 1.00 EUR.

LTI 2021

The number of outstanding options under LTI 2021 in the reporting period developed as follows:

LTI 2021

	Robert Gentz			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	30,644	1.00	229,819	22.33
Granted during the year	0	–	0	–
Vested during the year	2,430	1.00	18,221	22.33
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	30,644	1.00	229,819	22.33
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		4.9		4.9
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2021

	David Schröder			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	19,481	1.00	146,088	38.12
Granted during the year	0	–	0	–
Vested during the year	0	–	0	–
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	19,481	1.00	146,088	38.12
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		4.3		4.3
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2021

	Dr Sandra Dembeck (until 28 February 2025)			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	38,308	1.00	95,770	53.84
Granted during the year	0	–	0	–
Vested during the year	3,192	1.00	7,981	53.84
Forfeited during the year*	38,308	1.00	95,770	53.84
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	0	–	0	–
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		–		–
Weighted average share price (in EUR) for options exercised				
2025		–		–

*) Forfeited without compensation based on assessed performance targets.

LTI 2021

	David Schneider			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	23,486	1.00	176,138	22.33
Granted during the year	0	–	0	–
Vested during the year	0	–	0	–
Forfeited during the year	0	–	0	–
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	23,486	1.00	176,138	22.33
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		4.9		4.9
Weighted average share price (in EUR) for options exercised				
2025		–		–

LTI 2021

	Dr Astrid Arndt			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	25,585	1.00	63,961	85.50
Granted during the year	0	–	0	–
Vested during the year	0	–	0	–
Forfeited during the year*	25,585	1.00	63,961	85.50
Exercised during the year	0	–	0	–
Outstanding as of 31 Dec, 2025	0	–	0	–
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		–		–
Weighted average share price (in EUR) for options exercised				
2025		–		–

*) Forfeited without compensation based on assessed performance targets.

LTI 2019

The number of outstanding options under LTI 2019 developed as follows in the reporting period :

LTI 2019

	David Schröder			
	Number of Type A Options	Exercise price (in EUR)	Number of Type B Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	240,302	29.84	56,140	1.00
Granted during the year	0	–	0	–
Vested during the year	0	–	0	–
Forfeited during the year	0	–	0	–
Exercised during the year*	240,302	29.84	56,140	1.00
Outstanding as of 31 Dec, 2025	0	–	0	–
Exercisable as of 31 Dec, 2025	0	–	0	–
Weighted average remaining contractual life of options outstanding (in years)				
As of 31 Dec, 2025		–		–
Weighted average share price (in EUR) for options exercised in				
2025		38.14		29.91
Share price cap**		100.00		100.00
Measured CAGR for options exercised in 2025 based on adjusted consolidated revenue		24.9%		25.0%
Target achievement		100%		100%

*) In total, 120,151 Type A Options were exercised on 5 February 2025 at 29.84 EUR and 28,070 Type B Options were exercised on 5 February 2025 at 1.00 EUR. An additional 120,151 Type A Options were exercised on 17 February 2025 at 29.84 EUR and 28,070 Type B Options were exercised on 8 August 2025 at 1.00 EUR.

**) All options were exercised at a share price below the share price cap.

LTI 2018

The number of outstanding options under LTI 2018 developed as follows in the reporting period:

LTI 2018

	Robert Gentz		David Schneider		Rubin Ritter	
	Number of LTI 2018 Options	Exercise price (in EUR)	Number of LTI 2018 Options	Exercise price (in EUR)	Number of LTI 2018 Options	Exercise price (in EUR)
Outstanding as of 1 Jan, 2025	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Granted during the year	0	–	0	–	0	–
Vested during the year	0	–	0	–	0	–
Forfeited during the year	0	–	0	–	0	–
Exercised during the year	0	–	0	–	0	–
Outstanding as of 31 Dec, 2025	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Exercisable as of 31 Dec, 2025	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Weighted average remaining contractual life of options outstanding (in years)						
As of 31 Dec, 2025		0.9		0.9		0.9
Weighted average share price (in EUR) for options exercised in						
2025		–		–		–

1.3.6 Remuneration awarded and due in 2025

This section describes the remuneration awarded and due [gewährte und geschuldete Vergütung] to the current and former members of the management board in the corresponding financial year related to their term of appointment, including their relative share in accordance with Section 162 (1) Sentence 2 No. 1 AktG. The remuneration includes all amounts actually received [gewährte Vergütung] as well as all amounts legally due but not yet received [geschuldete Vergütung]. This includes the annual fixed salary and fringe benefits for the financial year 2025 (and 2024, respectively) and remuneration received for variable remuneration components. To ensure transparency, the amounts to be paid out under the ZGI 2024 in the financial year 2026 for the performance during the financial year 2025 are also shown.

This concept of the reporting means that variable remuneration components under our option programmes are only shown to the extent that options were actually exercised in the financial year 2025 (and 2024, respectively).

Remuneration of the members of the management board

	Robert Gentz, co-CEO***		David Schröder, co-CEO		Dr Sandra Dembeck, CFO (until 28 February 2025)		
in EUR	2025	2024	2025****	2024	2025	2024	
Fixed remuneration							
Fixed salary	506,501	390,000	600,000	525,000	95,833	575,000	
Fringe benefits	12,216	15,079	26,962	24,255	5,419	25,992	
Total fixed	518,717	405,079	626,962	549,255	101,252	600,992	
Variable remuneration							
One-year variable*	575,918	–	735,000	420,000	–	–	
Multi-year variable							
ZOP 2021	–	–	–	–	354,004	492,091	
LTI 2019	–	–	3,308,506	–	–	–	
Total variable	575,918	–	4,043,506	420,000	354,004	492,091	
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	1,094,635	405,079	4,670,468	969,255	455,257	1,093,083	
Proportion of fixed remuneration**	47.4%	100.0%	13.4%	56.7%	22.2%	55.0%	
Proportion of variable remuneration**	52.6%	–	86.6%	43.3%	77.8%	45.0%	

*) Includes amounts to be paid out under the ZGI 2024 in the financial year 2026 for performance during the financial year 2025.

**) The proportion of fixed and variable remuneration in relation to total remuneration does not reflect the relative proportions indicated in the Remuneration Systems 2024 and 2021 as the latter are based on the target total remuneration for a financial year, whereas the fixed and variable remuneration entitlements (awarded and due) as reflected in this table result from different remuneration periods and partially also from remuneration components as agreed and applicable prior to the Remuneration Systems 2024 and 2021.

***) The remuneration of our co-CEO was reduced to reflect a contractually agreed leave of absence during the reporting period.

****) David Schröder entered into a new service agreement as of 1 October 2024 that reflected his role change from ordinary board member to co-CEO. The full effect on his remuneration levels has become visible only in the financial year 2025.

	David Schneider		Dr Astrid Arndt, CPO	
	2025*	2024	2025**	2024
	189,000	339,750	626,538	516,667
	17,370	15,991	26,996	27,589
	206,370	355,741	653,535	544,255
	441,000	252,000	402,500	306,667
	–	–	247,404	48,431
	–	–	–	–
	441,000	252,000	649,904	355,097
	647,370	607,741	1,303,439	899,352
	31.9%	58.5%	50.1%	60.5%
	68.1%	41.5%	49.9%	39.5%

*) David Schneider entered into a new service agreement as of 1 October 2024 that reflected his role change from co-CEO to ordinary board member. The full effect on his remuneration levels has become visible only in the financial year 2025.

**) Dr Astrid Arndt entered into a new service agreement as of 1 September 2024 that reflected her role change within the management board. The full effect on her remuneration levels has become visible only in the financial year 2025.

The members of the management board did not receive any remuneration from other group companies in the financial year 2025 (and 2024, respectively).

1.3.7 Further information pursuant to Section 162 AktG

Compliance with maximum remuneration (Section 162 (1) Sentence 2 No. 7 of the AktG)

The maximum remuneration stipulated in the Remuneration Systems 2024 and 2021 amounts to 15.75m EUR for each of our co-CEOs and to 10.5m EUR for each of the other members of the management board. All service agreements of our management board members concluded since 2021 provide for caps in line with the Remuneration Systems 2024 and 2021, as applicable.

In the current service agreements of our management board members, the total remuneration for each of our co-CEOs Robert Gentz and David Schröder per financial year is capped at 15.75m EUR, for David Schneider at 6.3m EUR and for Dr Astrid Arndt at 9.0m EUR. Since the (pro rata) inflow from the LTI 2024/LTI 2021 Shares and LTI 2024/LTI 2021 Options granted to the members of the management board can only be determined after the expiry of the waiting period of four years, compliance with the maximum remuneration for the financial year 2025 can only be conclusively reported in the context of the remuneration report for the financial year 2028 (for Robert Gentz, David Schröder, David Schneider and Dr Astrid Arndt).

The total remuneration of our CPO Dr Astrid Arndt under her service agreement of 1 April 2021 was capped at 5.25m EUR. As the performance targets for the variable remuneration under the LTI 2021 were not met, her total remuneration in the financial years 2021, 2022 and 2023 was in each case significantly below the cap.

The total remuneration for our former CFO Dr Sandra Dembeck per financial year was capped in her service agreement of 1 March 2022 at 6.84m EUR. As the performance targets for the variable remuneration under the LTI 2021 were not met, her total remuneration in the financial years 2022, 2023, 2024 and 2025 was in each case significantly below the cap.

Application of malus and clawback during reporting year (Section 162 (1) Sentence 2 No. 4 of the AktG)

The Remuneration Systems 2024 and 2021 and — in their implementation — the service agreements of the members of the management board provide for malus and clawback clauses. In the case of a wilful or grossly negligent serious breach of the obligations pursuant to Section 93 of the AktG or internal compliance policies and behavioural guidelines or severe compliance infringements by the member of the management board, the supervisory board may, at its sole discretion, retain, in whole or in part, variable remuneration that has not been paid out (malus). In such cases, the supervisory board may, at its sole discretion, reclaim, in whole or in part, variable remuneration that has already been paid out (clawback). Furthermore, the supervisory board has the possibility of reclaiming variable remuneration in the case of an undue payout based on incorrect information.

In the financial year 2025, the supervisory board did not make use of the option to retain (malus) or reclaim (clawback) variable remuneration components nor did the supervisory board reclaimed variable remuneration due to undue payouts as none of the above conditions were ascertained by the supervisory board.

Benefits promised or granted to a member of the management board by a third party with regard to their activity as a member of the management board (Section 162 (2) No.1 of the AktG)

During the financial year 2025, no benefits were granted to the members of the management board by third parties. Also, there are no outstanding benefits that were promised by third parties to the members of the management board.

Benefits promised to the members of the management board in the event of regular or early termination (Section 162 (2) No. 2 and 3 of the AktG)

Severance entitlements upon premature termination

All service agreements of the management board members during the reporting year provide that, in the event of a removal from office for good cause pursuant to Section 84 (4) of the AktG, the company may terminate the service agreement prematurely within the statutory termination period pursuant to Section 622 of the BGB (German Civil Code). In such an event, and if there is no good cause for the termination within the meaning of Section 626 of the BGB, the member of the management board is entitled to a cash severance payment which amounts to two times their annual fixed salary, but not more than the fixed salary that would have been payable for the remaining term of the service agreement.

Entitlement upon death and permanent incapacity

In the event of death, all service agreements of the members of the management board during the reporting period provide for continued payment of the fixed remuneration for the month of death and the following three months to the spouse, registered partner or partner and/or any children under the age of 25 living with the member of the management board and being entitled to child support.

In the event of permanent incapacity to work, the service agreement will end without notice of termination being required at the end of the calendar quarter in which such permanent incapacity to work is determined. If a management board member is temporarily unable to work as a result of illness, accident or any other reason beyond the management board member's control, the management board members' service agreements provide for a continued payment of their fixed remuneration for a period of up to three months, but not beyond the effective termination date of the service agreement and no longer than in total six months during the term of the respective service agreement. After expiry of the continued salary period, the LTI 2024 target value and the ZGI 2024 target value shall be reduced for each additional month of continued absence and the number of granted LTI 2024 shares and LTI 2024 options for the respective financial year shall be reduced accordingly.

Treatment of outstanding variable remuneration

In the event of a permanent incapacity of a management board member, unvested options under the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018 will generally continue to vest (until termination of the office of the member of the management board). This also applies during periods of inability to work.

As a general rule, if a leaver event occurs (as defined in each of the programmes), all unvested options of the members of the management board under the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018 will be forfeited without compensation. However, in the case of a revocation of a member of the management board from office by the company for good cause pursuant to Section 84 (4) of the AktG without the management board member qualifying as a bad leaver (as defined in each of the programmes), e.g. in the case of a permanent incapacity of a management board member, the management board member will retain all unexercised stock options under the LTI 2024, the LTI 2021, the LTI 2019, the LTI 2018 and the ZOP 2021. All unvested options under the LTI 2024, LTI 2021, the LTI 2019

and the LTI 2018 which would have vested during the following two years may be kept by the management board member and will continue to vest in accordance with the terms and conditions of the applicable LTI scheme.

If the management board member qualifies as a bad leaver (as defined in each of the programmes), all unsettled options of the management board member under the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018 (irrespective of whether vested or not) and all as yet unexercised virtual stock options under the ZOP 2021 will be forfeited without compensation.

Entitlements relating to a change of control

If the office or service agreement of a member of the management board ends due to a change of control, there are no contractually agreed change-of-control severance entitlements. There are also no specific contractually agreed termination rights for the members of the management board in the event of a change of control.

However, the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018 provide for a cancellation right of the management board members in the event of a change of control (as defined in each of the programme rules) pertaining to unexercised vested options, in return for which the management board member is then entitled to a cash compensation per unexercised vested option.

The cash compensation per unexercised vested option (under the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018) generally corresponds to the compensation per share under the takeover offer minus the exercise price if such offer is made or the volume-weighted average share price of one share in the company over the last 30 trading days prior to the change of control event, in each case minus the exercise price.

In addition, under the LTI 2024, the LTI 2021, the LTI 2019 and the LTI 2018, the company itself can request a cancellation of unexercised vested options in exchange for a payment of the above cash compensation and replacement of unvested options by an economically equivalent new incentive programme.

The existing variable remuneration programmes do not provide for any accelerated vesting in the case of a change of control.

Post-contractual non-compete clause

A post-contractual non-competition clause, and accordingly also a promise of a non-compete compensation payment, have not been agreed in the service contracts of the management board members who were active as management board members in the reporting year.

Benefits promised or granted to former members of the management board whose positions ended in the course of the reporting year (Section 162 (2) No. 4 of the AktG)

No such benefits were promised or granted during the reporting year.

Deviations from the remuneration system during the reporting period (Section 162 (1) Sentence 2 No. 5 of the AktG)

In exceptional cases, the supervisory board may temporarily deviate from the components of the remuneration system for the management board of Zalando in accordance with Section 87a (1) Sentence 2 of the AktG where this is necessary in the interest of the long-term welfare of the company. During the financial year 2025, there was no

deviation from the applicable Remuneration System 2024 or Remuneration System 2021, respectively. All service agreements of the management board members during the reporting period complied with the provisions of the Remuneration System 2024 or Remuneration System 2021, as applicable in each case.

1.3.8 Remuneration of supervisory board members

The remuneration system for the members of the supervisory board is based on legal requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code. The annual general meeting of the company on 24 May 2023 resolved on the current remuneration system for the supervisory board in accordance with Section 113 (3) of the AktG.

The remuneration of supervisory board members is governed by Article 15 of the articles of association. The remuneration of the members of the supervisory board is balanced overall and is commensurate with the responsibilities and tasks of the members of the supervisory board and the situation of the company, taking into account the remuneration arrangements of other large listed companies. The members of the supervisory board receive a purely function-related fixed remuneration in accordance with Clause G.18 of the German Corporate Governance Code. No performance-related remuneration or financial or non-financial performance criteria are provided for. This best reflects the independent supervisory and advisory function of the supervisory board, which is not geared to short-term corporate success but to the long-term development of the company.

Further details on the remuneration system of the supervisory board can be found in the remuneration report for the financial year 2023.

In accordance with Section 162 (1) Sentence 1 of the AktG, the following table shows the remuneration awarded and due (gewährte und geschuldete Vergütung) to the members of the supervisory board in the 2025 and 2024 financial years. According to the remuneration system for the members of the supervisory board, the remuneration consists of only a fixed component for each member of the supervisory board:

Remuneration of the members of the supervisory board

in EUR	2025	2024
Kelly Bennett (since 22 May 2019)	220,000	206,393
Mariella Röhm-Kottmann (since 22 May 2019)	200,000	200,000
Anders Holch Povlsen (since 9 December 2013)	90,000	90,000
Niklas Östberg (since 19 May 2021)	90,000	103,607
Alice Delahunt (since 27 May 2025)	54,000	–
Susanne Schröter-Crossan (since 24 May 2023)	110,000	110,000
Zbigniew Laskowski (since 27 May 2025)	54,000	–
Rose Reynolds (since 27 May 2025)	66,000	–
Maggie Ratay Sloan (since 27 May 2025)	54,000	–
Jennifer Hyman (until 27 May 2025)	36,000	90,000
Matti Ahtiainen (until 27 May 2025)	44,000	110,000
Jade Buddenberg (until 27 May 2025)	36,000	90,000
Anika Mangelmann (until 27 May 2025)	36,000	90,000
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	1,090,000	1,090,000

The current and former members of the supervisory board did not receive any remuneration from other group companies in the financial year 2025 (and 2024, respectively).

1.3.9 Comparative presentation of the development of the remuneration

In accordance with Section 162 (1) Sentence 2 No. 2 AktG, the following tables show the annual change in remuneration of the current and former members of the management board and supervisory board, the annual change in average employee remuneration on a full-time equivalent basis over the last five financial years, as well as the company's performance.

The presentation of the average employee remuneration is based on the total workforce employed by Zalando SE. While the yearly target and fixed average remuneration on a full-time equivalent basis of employees increased year-on-year, the figures below show the remuneration including options exercised in the relevant year. The figures shown are distorted since they take into account the holding periods over several years for the employee stock option programmes.

The development of the company's net income is shown alongside the development of the revenue of the Zalando group.

Comparative table on the change of remuneration awarded and due according to Section 162 (1) Sentence 1 AktG and company performance

	Annual change 2025 to 2024	Annual change 2024 to 2023	Annual change 2023 to 2022	Annual change 2022 to 2021
Remuneration of the members and former members of the management board				
Robert Gentz, co-CEO	170.2%	272.0%	38.9%	0.4%
David Schröder, co-CEO	381.9%	85.0%	0.9%	-96.4%
Dr Sandra Dembeck, CFO (since 1 March 2022 until 28 February 2025)	-58.4%	30.4%	-15.9%	–
David Schneider	6.5%	459.5%	38.6%	0.1%
Dr Astrid Arndt, CPO	44.9%	72.2%	3.7%	32.0%
Jim Freeman, CBPO (until 31 March 2023)	–	–	-60.1%	-56.1%
Rubin Ritter, co-CEO (until 1 June 2021)	–	–	–	-71.2%
Company performance				
Net income of Zalando SE	77.2%	77,732.2%	105.3%	-168.4%
Revenue of the group	16.8%	4.2%	-1.9%	-0.1%
Average remuneration on a full-time equivalent basis of employees				
Zalando SE	0.1%	8.7%	14.1%	-3.4%

Comparative table on the change of remuneration awarded and due according to Section 162 (1) Sentence 1 AktG and company performance

	Annual change 2025 to 2024	Annual change 2024 to 2023	Annual change 2023 to 2022	Annual change 2022 to 2021
Remuneration of the members and former members of the supervisory board				
Kelly Bennett (since 22 May 2019)	6.6%	15.7%	23.1%	0.0%
Mariella Röhm-Kottmann (since 22 May 2019)	0.0%	13.3%	26.1%	0.0%
Anders Holch Povlsen (since 9 December 2013)	0.0%	0.0%	0.0%	0.0%
Niklas Östberg (since 19 May 2021)	-13.1%	-2.3%	6.1%	61.5%
Alice Delahunt (since 27 May 2025)	-	-	-	-
Susanne Schröter-Crossan (since 24 May 2023)	0.0%	64.4%	-	-
Zbigniew Laskowski (since 27 May 2025)	-	-	-	-
Rose Reynolds (since 27 May 2025)	-	-	-	-
Maggie Ratay Sloan (since 27 May 2025)	-	-	-	-
Jennifer Hyman (until 27 May 2025)	-60.0%	0.0%	0.0%	0.0%
Matti Ahtiainen (until 27 May 2025)	-60.0%	3.7%	6.1%	0.0%
Jade Buddenberg (until 27 May 2025)	-60.0%	0.0%	0.0%	0.0%
Anika Mangelmann (until 27 May 2025)	-60.0%	0.0%	0.0%	0.0%
Cristina Stenbeck (until 24 May 2023)	-	-	-60.8%	0.0%
Company performance				
Net income of Zalando SE	77.2%	77,732.2%	105.3%	-168.4%
Revenue of the group	16.8%	4.2%	-1.9%	-0.1%
Average remuneration on a full-time equivalent basis of employees				
Zalando SE	0.1%	8.7%	14.1%	-3.4%

Berlin, 10 March 2026

Robert Gentz

David Schröder

Anna Dimitrova

David Schneider

Dr Astrid Arndt

Kelly Bennett

Mariella Röhm-Kottmann

Report of the independent auditor on the audit of the content of the remuneration report issued in accordance with Section 162 AktG¹⁰

To Zalando SE, Berlin

Report on the audit of the remuneration report

We have audited the attached remuneration report of Zalando SE, for the financial year from 1 January 2025 to 31 December 2025, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Zalando SE are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January 2025 to 31 December 2025, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

¹⁰ The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Zalando SE, are set out in the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Berlin, 10 March 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Sternberg
Wirtschaftsprüfer
[German Public Auditor]

1.4 The Zalando share — 2025 in review

- Our top 20 shareholder base remains concentrated with more than 50% of issued share capital.
- We maintain continuous engagement with capital markets; our research coverage remains broad with 27 research analysts actively covering us.
- We have successfully maintained a good positioning in ESG ratings.

1.4.1 Capital markets and share price development

In 2025, European equity markets demonstrated more resilience than expected, despite macroeconomic uncertainty and a cautious consumer environment. Moderating inflation and successive rate cuts throughout 2025 drove European equity indices, while specific gains in banking, defence and infrastructure provided additional tailwinds. However, Europe faced significant challenges, such as the ongoing geopolitical tensions and the introduction of US trade tariffs. Despite these headwinds and a backdrop of stagnating GDP growth and cautious consumer sentiment, attractive valuations compared to US markets helped sustain investor interest throughout the year.

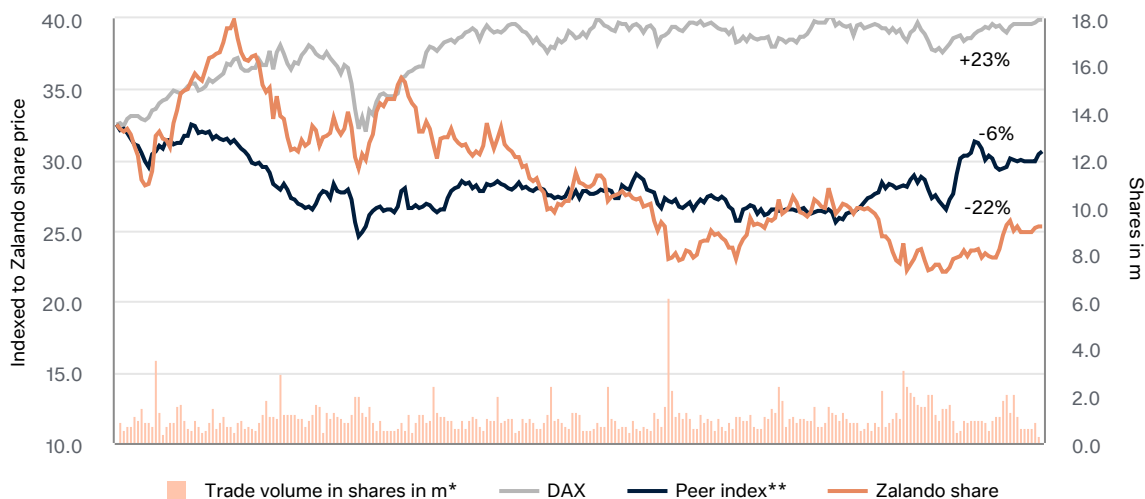
The German stock market index, the DAX, performed well in 2025, starting the year at 19,923.07 EUR and closing the year at 24,490.41 EUR, with a gain of 23% for the full year. Despite Germany's economic challenges, the rally was primarily driven by strong corporate earnings from globally-oriented companies and the European Central Bank (ECB) interest rate cuts. Additionally, the DAX was supported by government policies aimed at stimulating public investment in infrastructure and defence. However, this positive sentiment did not extend to the broader fashion e-commerce sector. Our fashion e-commerce peer group index¹¹ faced a downturn, closing the year down by 6%.

Our share price started the year 2025 at 32.45 EUR with an upward momentum following the pre-release of strong FY 2024 results on 15 January 2025, later reaching a peak of 39.86 EUR on 17 February 2025. This early strength was followed by a slightly declining trend starting in the mid-second quarter. On 11 July 2025, we successfully closed the acquisition of ABOUT YOU, a significant milestone in our journey, as we build our business across the B2C and B2B segments. While our share price faced pressure during the second and third quarters, we continued to deliver on our strategic objectives. Our Q3 results, published on 6 November, highlighted an acceleration in topline growth and the successful initial integration of ABOUT YOU. Our share price touched an annual low of 22.11 EUR on 24 November, reflecting broader sector volatility and the market's initial caution regarding the further use of agentic AI within the industry. Following this low, our share experienced an upward adjustment, closing 2025 at 25.34 EUR, down by 22% year-on-year. Early in 2026, the shares kept falling. This decline was due to a broader sell-off in the technology market, made worse by the introduction of a new AI analysis tool and the perceived danger of agentic AI.

¹¹ The peer group comprises Amazon, ASOS, Boozt, Debenhams and Next.

Development of the Zalando share and DAX

1 Jan, 2025 – 31 Dec, 2025



*) Based on Zalando trading on XETRA, the German stock exchanges, electronic communication networks (ECNs) and over-the-counter (OTC) trading.
Source: Bloomberg.

**) The peer group comprises Amazon, ASOS, Debenhams, Boozt and Next.

Share performance 2025

Opening price on 2 Jan, 2025	32.45 EUR
High 2025 (17 Feb, 2025)	39.86 EUR
Low 2025 (24 Nov, 2025)	22.11 EUR
Closing price on 30 Dec, 2025	25.34 EUR
Annual share price performance 2025	-21.91%
Average daily trading volume 2025 (in shares)*	1.1m
Average daily trading volume 2025 (in EUR)*	32.0m

*) Based on trading on XETRA, the German stock exchanges, electronic communication networks (ECNs) and over-the-counter (OTC) trading.
Source: Bloomberg

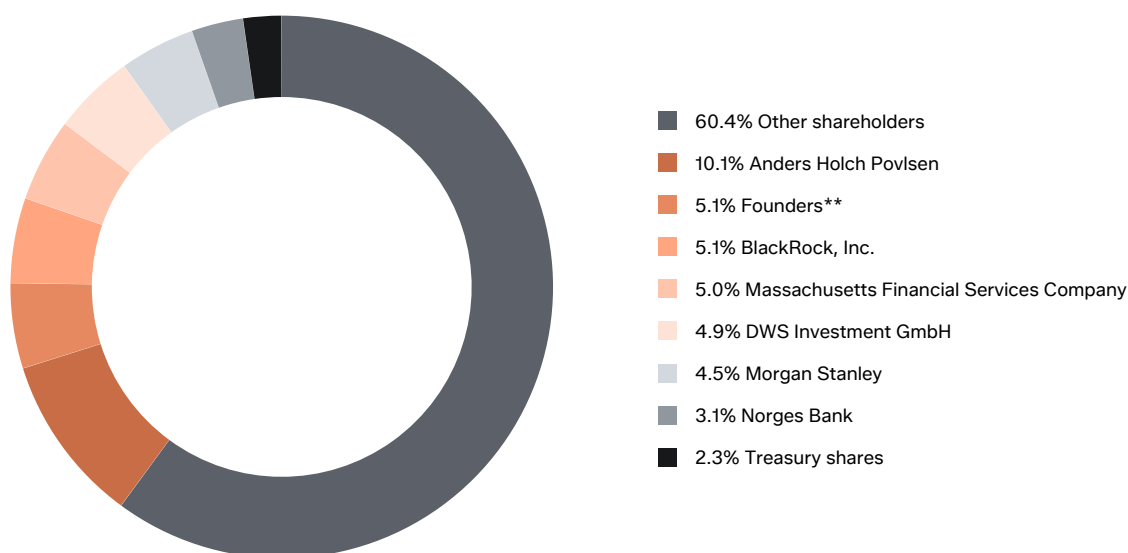
The Zalando share

Type of shares	Ordinary bearer shares with no par value [Stückaktien]
Share capital	264,181,977 EUR
Total number of shares outstanding (31 Dec, 2025)	264,181,977
ISIN	DE000ZAL1111
WKN	ZAL111
Bloomberg	ZAL:GR
Thomson Reuters	ZALG.F

1.4.2 Shareholder structure

The chart below shows an overview of our current shareholders based on public voting rights announcements. Anders Holch Povlsen continues to be our major shareholder with 10.1% of shares and the two founders Robert Gentz and David Schneider also continue to hold more than 5% of Zalando shares. Zalando currently holds 2.3% of its share capital as treasury shares (prior year: 1.8%), with this year-on-year increase primarily reflecting the EUR 100m share buy-back programme initiated on 6 November 2025 to fulfil obligations under the group's share-based remuneration plans. Our free float share remained stable at 87.6%.

Shareholder structure in percent*



*) Voting rights held directly or by a subsidiary. The overview reflects the notifications pursuant to Section 33 WpHG and Section 19 MAR (BaFin notifications) and Section 41 WpHG (change in total voting rights) received by Zalando SE as of 31 December, 2025, as well as internal data collection.

**) Aggregate shareholding of the founders. See: [Latest placement of a discretionary sell order by founders](#).

1.4.3 Research coverage

Our share is covered by 27 research analysts from Germany and abroad (previous year end: 30).¹² This ensures a continued high capital market awareness of the Zalando share. As of 31 December 2025, 20 of 27 analysts (74%) recommend "buy" for our share, 5 of 27 analysts (19%) advise "hold", and 2 of 27 analysts (7%) recommend "sell". The average target price for all research analysts amounts to 35.99 EUR.

¹² As per the end of December 2025.

Institutions that cover Zalando

AlphaValue/Baader Europe	Citi	Münchmeyer Petersen Capital Markets
Arete Research	Crispidea	mwb Research
Bank of America	Deutsche Bank	Oddo BHF
Bankhaus Metzler	DZ Bank Research	Quirin Privatebank AG
Barclays	Goldman Sachs	RBC Capital
Berenberg	Jefferies	Rothschild & Co Redburn
Bernstein	JP Morgan	Santander
BNP Paribas	Kepler Cheuvreux	Stifel
CaixaBank BPI	Morgan Stanley	UBS

1.4.4 Stock indices

As of 2025, Zalando is a constituent of 9 ESG indices, underscoring its adherence to environmental, social and governance standards. These include German, European and global benchmark indices, as shown in the table below:

Selection of stock indices

Index	Region
DAX 50 ESG	Germany
ISTOXX IQAM Europe CTB ESG Select Net Return EUR	Europe
STOXX Europe 600 Low Carbon EUR Price Return	Europe
Euronext Low Carbon 100 Eurozone PAB NR	Europe
Solactive ISS ESG Screened Europe Small Cap Index NTR	Europe
MSCI EAFE Choice ESG Screened Index	Global
MSCI World Custom ESG Climate Series A Net in EUR	Global
FTSE4Good Index Series	Global
Adasina Social Justice Index	Global

1.4.5 ESG reporting

In order to provide the capital markets with broader information, ensuring comparability and transparency in our non-financial performance, Zalando participates in several ESG ratings. We highly appreciate the feedback and positive recognition from ESG rating agencies.

Zalando has been participating in CDP's climate change questionnaire since 2018. CDP is an international non-profit provider of environmental information with a focus on the climate, water and forest-related disclosure of governance, strategy and risk management. In 2025, Zalando participated in the CDP climate change and water security questionnaire. For our participation in the CDP section on climate change, we received an A- score. Zalando continued to be included in the MSCI ESG Rating, the Sustainalytics ESG Risk Rating, the FTSE Russell ESG and the ISS ESG Corporate Rating. We maintained our overall MSCI ESG Rating score of AA (in a range from CCC to AAA), as well as our Prime Status in the ISS ESG Corporate Rating, achieving a B-score — a very high transparency level as well as

Decile Rank 1 in the category Industry Retail — placing us amongst the Industry Leaders in our category. With a risk score of 15.2 in the Morningstar Sustainalytics ESG Risk Rating, we improved our rating score over the previous year and maintained our low risk level.

More detailed information on our ESG performance is provided in Zalando's combined non-financial declaration using the European Sustainability Reporting Standards (ESRS) in section [2.8 Sustainability statement](#).

1.4.6 Annual general meeting

Our annual general meeting was held virtually on 27 May 2025 at our headquarters in Berlin.

A total of up to 74.59% of the voting share capital was represented at this main shareholder event. The required majority of shareholders approved all resolutions proposed by the company's management and supervisory boards.



The 2025 annual general meeting.
Back, left to right: **Dr Astrid Arndt**, CPO; **David Schneider**, co-founder; **Robert Gentz**, co-founder and co-CEO; **David Schröder**, co-CEO.
Front, left to right: **Christian Steinke**, notary; **Mariella Röhm-Kottmann**, member of the supervisory board.

1.4.7 Close dialogue with the capital markets

We are committed to fostering and enhancing the trust of all capital market participants through transparent, consistent and open communication. Our engagement includes one-on-one meetings, calls, roadshows and participation at conferences worldwide, allowing us to connect directly with institutional investors.

Throughout 2025 we expanded our investor network and strengthened relationships through participation in 18 national and international conferences and roadshows, alongside numerous physical and virtual meetings. To further enhance engagement with our institutional investors, we held a virtual roadshow in early 2025, where the chair of the supervisory board addressed key governance topics.

Combined management report

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2.1 Information on our group

2.1.1 Business model

We aim to be the leading technology platform for fashion and lifestyle in Europe. What started as a Berlin-based start-up selling shoes online in 2008, is now connecting customers with lifestyle brands across Europe.

This technology platform is powered by our data and infrastructure built over 17 years. We have one of the richest fashion-specific data and infrastructure in Europe. This includes over a million body measurements, millions of interactions with over 60 million customers, and deep product intelligence across 29 markets. We combine this data with our pan-European fulfilment network and unparalleled brand relationships. This is our genuine competitive advantage.

We have used AI to solve the toughest challenges in fashion e-commerce for years. What started with early forecasting models has evolved into a sophisticated data and infrastructure platform that powers our entire company. Helping customers find the perfect fit, automating warehouse operations, and accelerating software development. AI is making us both a true lifestyle companion and a more efficient company.

In July 2025, we completed our strategic combination with Hamburg-based ABOUT YOU, allowing us to serve more customers and to provide more opportunities to partners across Europe by leveraging a highly complementary set of unique capabilities and a strong shared culture. Together we will keep investing in the tremendous growth opportunities ahead of us, reflecting our ambition to serve an even larger share of Europe's 500 billion-euro fashion market and our commitment to create long-term value by further accelerating our growth, continuing our margin expansion and driving strong cash generation at scale.

Together, we now serve more than 60 million active customers in 29 markets across Europe with our fashion and lifestyle offering across multiple categories to meet our customers' shopping needs. These offerings range from Fashion, Kids & Family, Designer and Sports, to Beauty, Lounge by Zalando and Pre-owned. The assortment of international brands spans both world-famous names and local labels. Our localised offerings cater to the different tastes of customers in each of our 29 markets. Our pan-European logistics network enables us to serve our customers across Europe rapidly and seamlessly.

Our vision enables us to serve an even larger share of the European fashion and lifestyle market as well as deepen relationships with customers and partners. To deliver on this vision, we focus on two B2C (business-to-consumer) and B2B (business-to-business).

Our B2C strategy is powered by a team of three large consumer apps: Zalando, ABOUT YOU, and Lounge. While they serve different customers with different needs, they all share the same foundational data and infrastructure. By offering everything from premium brand experiences to gamified deal-hunting, we reach an unmatched scale of more than 60 million unique customers.

Our multiple apps approach gives us a simple, powerful growth formula: we reach the widest possible audience, we drive everyday engagement, and we capture the highest possible share of our customers' lifestyle spend in an expanding set of categories such as fashion, beauty, sports and kids.

This also attracts partners and brands, which are increasingly investing in our platform because they see a clear return: they can grow efficiently on our expanding platform while protecting their brand equity. And as partners invest in richer content and better selection, the platform becomes even more valuable to the consumer, in a virtuous circle.

Our brand partnerships play an integral role in our B2C business model to find new and innovative ways to connect our customers with the most relevant brands, articles and content. While Zalando and ABOUT YOU started as retail models, we have been transitioning to a platform business model over the past years to create an even more compelling offer for our customers and more business opportunities for our partners. As part of our platform business model, we support our partners with value-added partner services such as the group's retail media business, consisting of Zalando Marketing Services (ZMS) and ABOUT YOU's retail media business unit that offer various advertising formats and campaigns for brands.

In B2B, we are building the operating system for e-commerce across Europe, on and off Zalando. Europe is complex: many markets, languages, delivery networks, and shopping habits. We built our logistics network, local expertise, and technology over 17 years to make this complexity manageable.

With ZEOS, we open that capability and infrastructure to brands and retailers: logistics, software, and services help them run ecommerce across Europe, on and off our platforms. Tradebyte connects partners to marketplaces. ABOUT YOU's SCAYLE helps brands run their own shops and apps. Many innovations we build for customers become services for partners.

2.1.2 Group structure

Governance and control

The Zalando group is managed by its ultimate parent company, Zalando SE, which was founded in 2008. With its registered office in Berlin, Germany, Zalando SE bundles all management functions and generates the vast majority of group revenue. Our 67 subsidiaries operate, inter alia, in the areas of retail and fashion platform business, logistic services, customer service, payments, product presentation, advertising, marketing, software development, integration services as well as private labels. Zalando SE has full control over all subsidiaries, either indirectly or directly. Supplementary information concerning the separate financial statements of Zalando SE is presented in [section 2.7 Supplementary management report to the separate financial statements of Zalando SE](#).

The management board of Zalando SE consists of five members as of the publication date who are jointly responsible for the management of the group. Robert Gentz (co-founder, co-CEO) is co-responsible for the company's strategy, with a focus on expanding our B2C segment. David Schröder (co-CEO) is co-responsible for the company's strategy, with a focus on building the B2B operating system. On 1 January 2026, Anna Dimitrova joined the management board as our new CFO and assumes responsibility for the Finance and Corporate Governance teams, with a key focus on further strengthening the company's financial foundation, driving scalable growth, and unlocking meaningful long-term value creation. During 2025, David Schröder took on the CFO responsibilities on an interim basis after Dr Sandra Dembeck left on 28 February 2025. David Schneider (co-founder) focuses on building group-wide

strategic partnerships across our B2C and B2B ambitions. Dr Astrid Arndt (CPO, corporate functions) leads Corporate Affairs and the People & Organisation (P&O) teams in building a diverse and inclusive high-performance culture and also strengthens our corporate functions to enable the effective execution of our business strategy.

Consisting of nine members, the supervisory board appoints and also regularly advises the management board and monitors its activities. The supervisory board is directly involved in decisions of fundamental importance to Zalando. It is made up of long-term investors, employee representatives and independent economic experts. For more information regarding the supervisory board, please refer to section [2.5.5 Supervisory board](#).

Group segments

We focus on two segments: B2C (business-to-consumer) and B2B (business-to-business).

Our B2C segment mirrors the multi-app approach and hence includes our Zalando B2C business (with the Zalando and Lounge by Zalando Apps) and its supporting services, including our partner and retail media business as well as the ABOUT YOU Commerce business. The B2B segment comprises B2B products and services we offer to our partners (i.e. ZEOS Fulfilment including Zalando Fulfilment Solutions [ZFS] and multi-channel fulfilment [MCF], the enterprise digital commerce platform SCAYLE, the platform integration solution Tradebyte and our global media and agency business Highsnobiety).

The management board measures the performance of the segments on the basis of revenue and adjusted EBIT, which for segment reporting purposes are defined in the same way as for the consolidated financial statements of the group.

2.1.3 Group strategy

Building the leading European technology platform for fashion and lifestyle

Zalando continues to build its technology platform for the European fashion and lifestyle market that powers both our two segments B2C and B2B — expanding our market coverage and deepening relationships with customers and partners.

Financial opportunity

The market opportunity in Europe is massive and our clear ambition is to deliver strong growth while continuing our margin expansion towards our long-term target of 10–13% adjusted EBIT margin (in % of revenue). At the same time, we aim to deliver strong cash generation to give us financial flexibility to invest in organic and inorganic value accretive opportunities for our company and its shareholders.

Following our successful acquisition of ABOUT YOU, we are translating our existing targets into a combined mid-term view to align with our reporting. Our targets remain unchanged: we expect a 5-year CAGR of 8–13% for GMV and revenue (2023–2028) based on reported figures and continue to target an adjusted EBIT margin in the range of 6–8% by 2028. This will yield a significant increase in profitability and enable us to capture a larger share of the 500 billion EUR European market. This profitability increase is primarily driven by underlying margin improvements in our business units and further supported by the targeted delivery of EBIT synergies relating to the ABOUT YOU acquisition. The execution is geared towards delivering the majority of these synergies in the outer years. The full impact of 100m EUR annually will materialise already from 2028 onwards.

Market environment

In 2025, Zalando navigated a fast-changing geopolitical and macroeconomic environment characterised by various structural challenges, shifting macroeconomic policies, increased investment in artificial intelligence, US trade tariffs and high energy costs.¹³

In 2025 these and other factors contributed to GDP growth of only 1.3% in the euro area and 0.2% in Germany.¹⁴ Consumer price inflation in the euro area was 1.9% year-on-year in December 2025, aligning closely with the European Central Bank's target of 2%.¹⁵ Consumer confidence continued to recover slowly, ending the year at -13.1 points and below the long-term average of -10.4 points since 2000.¹⁶ Despite the ECB's rate-hiking cycle coming to an end and prices stabilising, heightened economic and geopolitical uncertainty led households in both the euro area and Germany to maintain high savings rates.¹⁷

The online segment grew faster than physical stores in 2025. After the stabilisation seen in 2024, online sales of clothing and shoes in Germany once again accelerated with robust growth of 3.5% in 2025 to reach a total value of 19.2bn EUR inc. VAT.¹⁸ In contrast, German brick-and-mortar stores recorded negative sales growth in 2025, down 4% year-on-year.¹⁹

Strategic progress

In 2025 we significantly advanced our strategy, stepping up execution and investments to secure future growth and increased profitability. In B2C, we delivered strong progress on our multi-app approach spanning Zalando, ABOUT YOU and Lounge by Zalando. In B2B, the company continued to unlock and accelerate digital business opportunities for brands and retailers by removing existing inefficiencies and reducing the complexities of cross-border e-commerce in Europe.

Business-to-consumer (B2C)

Our multi-app approach is built on the insight that different customers have different needs. By offering everything from premium brand experiences to gamified deal-hunting, we reach an unmatched scale of 60 million unique customers. All three apps share our common technology platform. This turns a standard catalogue into a personalized "discovery journey." As we improve size and fit guidance and virtual try-ons, shopping becomes more accurate and inspiring. This superior experience attracts more shoppers and increases activity.

A key initiative over the past year has been scaling our recently updated loyalty programme, Zalando Plus. As of the end of 2025, Zalando Plus is serving over 16 million customers — representing over 40% of GMV — and was live in 17 markets. The programme is designed to reach the majority of customers over time and lift order frequency and share of wallet. We also extended our Zalando platform with geographic market expansions into Portugal and Greece, and Bulgaria is nearing launch preparations to go live in 2026. In addition, we are continuing to work on strengthening the quality and relevance of our assortment. Specific highlights in 2025 included becoming Diane von Furstenberg's exclusive European retail partner and launching Marc Jacobs within our Designer category. Moreover, welcoming & Other Stories and Arket via our marketplace model has been a win for our customers and a testament to our strategy: Zalando Marketing Services for reach (contributing to the B2C performance) together with Tradebyte for integration

¹³ Source: OECD Economic Outlook, December 2025.

¹⁴ Source: OECD Economic Outlook, December 2025; Deutsche Bundesbank: Monthly Report, December 2025.

¹⁵ Source: Eurostat, January 2026.

¹⁶ Source: European Commission, January 2026.

¹⁷ Source: European Central Bank, December 2025.

¹⁸ Source: BEVH press release, January 2026.

¹⁹ Source: Textilwirtschaft, January 2026.

and ZEOS for multi-channel fulfilment (both contributing to the B2B performance). To provide our customers with personalised size recommendations, we have further advanced our Size Profile feature by redesigning it to fit in one intuitive flow, combining everything from body measurements and size references to our virtual fitting room in a single place. On the payments side, we have enhanced local convenience by extending “try before you pay” from Germany into eight additional markets, and have also launched Apple Pay.

Brand partnerships and our platform approach are core to our group strategy, offering a curated assortment and benefiting our customers and partners. Both our retail and partner business models drive growth. Retail ensures a “must-have” selection and constant availability, and our partner business allows brands and retailers to have full control over their offer, content and pricing, thus supporting their growth and internationalisation. In 2025, while both the partner business across Zalando and ABOUT YOU grew, the group metric was impacted by the consolidation of ABOUT YOU, which currently operates with a lower partner business share. Consequently, the contribution of the partner business to the Zalando group GMV decreased to 32.1% (2024: 34.2%). Our retail media businesses across Zalando and ABOUT YOU offer enhanced marketing services and customer-centric insights to meet demand for engaging experiences. Retail media revenues were 1.8% (2024: 1.4%) of the Zalando group GMV.

Zalando’s B2C strategy is to further expand as a lifestyle destination, following people’s lifestyle choices and expanding into more areas that address their lifestyle needs. The frequency with which customers shopped across multiple categories continued to rise in 2025, while we also saw strong top-line growth in all of Lounge by Zalando, Designer, Beauty, Sports and Kids & Family. We improved in all of these categories in the year with richer assortments, better services and more curated content. These efforts all enable a further broadening of the lifestyle needs we serve and increase the share of wallet we secure from our active customer base.

In Sports, we advanced our Worlds of Sport hubs — dedicated destinations with brand stories, athlete features and expert advice. We relaunched the Cycling hub, revamped the end-to-end journey and added various specialist brands (e.g. Isadore, Le Col, Castelli) to existing leading brands such as Rapha. Furthermore, we placed significant focus on our World of Running, expanding existing collaborations and strengthening offline community ties through key event partnerships at major European running events. We were also extremely excited in November to announce a five-year strategic partnership with the German Football Association (DFB) which makes Zalando a main partner of the German national men’s, women’s and youth football teams until 2030, strengthening our commitment to weaving Zalando seamlessly into sports culture through strategic partnerships.

The Kids & Family category continued its strong trajectory, with growth across all age groups. This success reflects our ambition to become the ultimate destination for families, creating inspiration through distinct, engaging and purpose-driven experiences tailored to every life stage — from baby to teen. A defining moment this year was our first-ever multi-brand event for teens — a bold milestone in how we are connecting with the next generation. Hosted in Berlin and activated across 25 markets, the event brought together some of the most sought-after brands for this age group: New Balance, Nike, Tommy Hilfiger, Champion and our own private label brand YOURTURN. This set a new benchmark in how we engage, inspire and celebrate youth culture within the broader family journey on a truly global stage.

In 2025, we also rolled out more of our lifestyle categories into more European markets. Beauty expanded into Spain, Norway and Finland and is now represented in 13 markets. Lounge by Zalando also expanded into six additional markets, bringing it to a total of 24 markets.

Integrating content into commerce by offering personalised inspiration and entertainment is a key focus of our B2C strategy. In 2025, we expanded our content experiments. We launched an AI-powered discovery feed, replacing the app home screen in six markets and expanding to 16 more by year-end, making shopping more immersive and creating relevant placements for partners, including via retail media. We also introduced public customer profiles across all our markets for users to save content, follow brands/creators and share content. The Boards feature was further advanced with curated selections and Creator Boards offering inspiration from fashion icons.

The acquisition of DeepAR in April 2025 has also helped to support the roll-out of 3D and augmented reality footwear content, with the aim of significantly increasing volume in the coming years. As we expand, augmented reality will further enhance how our customers explore footwear online, making the journey more visual, engaging and confident.

Our virtual try-on technology has also been further expanded with an outfit-builder experience which enables users to style a complete outfit on an avatar, allowing them to experiment with different looks and share their inspiration with friends, family and followers. In Beauty, we are exploring virtual try-on and developing augmented reality tools to help customers see what makeup products will look like on them. We also have plans to start with a small curated product selection.

The Zalando Assistant continues to be further developed and enhanced and was used by over 6 million customers in 2025. A major update across both the web and app introduced a refreshed look, improved personalisation using account preferences and shopping history (pilots showed over 40% more high-value interactions such as likes and add-to-cart), and context awareness (e.g. suggesting "show me flared jeans" when browsing denim). These upgrades have significantly improved the relevance and seamlessness of inspiration and product discovery recommendations.

Business-to-business (B2B)

In B2B, we built on the 2024 foundation by scaling ZEOS, our operating system that offers Zalando's logistics, software and services to partners both on and off our platform. By the end of 2025, ZEOS Fulfilment served 25 markets, with over 600 partners selling across 18 sales channels (including Zalando), covering around 85% of the European marketplace volume. Building on our unique infrastructure and technology capabilities, we are now scaling and enhancing our offering, with a particular focus on logistics and software. In 2025, we completed several successful large-scale client go-lives and extensions, in addition to securing enterprise merchant wins for both ZEOS and SCAYLE.

Regarding logistics, we successfully launched our multi-channel fulfilment collaboration with British retailer NEXT, which now leverages the ZEOS logistics infrastructure across continental Europe to support both its own NEXT Direct webshop and its marketplace operations. Through this collaboration, we have also introduced features that benefit all our clients (e.g. virtual bonded warehousing, improved onboarding and inventory management). ZEOS also expanded its partnership with Marks & Spencer to power the retailer's entire continental European own e-commerce business in early 2026. Moreover, we launched the ZEOS Shopify app to open multi-channel fulfilment to Shopify's European merchants, thus reducing onboarding time, operational complexity and costs.

We also expanded social-commerce enablement as TikTok Shop's preferred logistics partner in continental Europe. Building on TikTok Shop's expansion in Europe, we created an exclusive on-ramp with Tradebyte as the key integration partner, enabling merchants who use both ZEOS and Tradebyte to integrate seamlessly and capture discovery-commerce growth. TB International, a longstanding ZEOS partner, was among the first to go live on TikTok

Shop Germany via Tradebyte while leveraging ZEOS across its continental European markets; it also adopted ZEOS Fulfilment for its own.com business.

In parallel, with the acquisition of ABOUT YOU, we complemented our software offering with SCAYLE, a leading enterprise digital commerce platform. This shop system allows us to better support the most important channel amongst our brand and retail partners — their own webshop. DEICHMANN, Europe's leading shoe retailer, went live with SCAYLE in Germany. Furthermore, German grocery retailer Netto Marken-Discount announced a partnership with SCAYLE to enhance its digital shopping experience. Together, these partnerships show how SCAYLE can deliver modern retail concepts efficiently and at scale across vertical markets, complementing ZEOS Fulfilment and Tradebyte's capabilities. By the end of 2025, 330 online shops were powered by SCAYLE.

Sustainability, diversity & inclusion

Sustainability, diversity and inclusion (D&I) are core elements of our strategy, integrated across our own operations to create a competitive advantage in attracting customers and brand partners. We embrace the role of sustainability and D&I as an enabler to drive progress across the industry in our strategy. We are aware that transitioning to a more sustainable, equitable and accessible future requires collective effort by connecting with customers, brand partners, manufacturers, innovators, regulators and our employees.

Sustainability

We leverage our strengths to support our fashion brand partners and suppliers to attain their sustainability ambitions. We seek to empower customers to make informed purchasing decisions, helping them select items in alignment with their values by providing the right assortment. Expanding this offering requires broader industry transformation via improved processes and increased investment in technology. We therefore support scaling industry innovators by enabling access to customers, brands and financing. Moreover, we encourage and welcome EU policymakers to establish a consistent regulatory framework while ensuring a level playing field against unfair competitive practices.

Our strategy centres on our two sustainability ambitions:

- To achieve net-zero greenhouse gas (GHG) emissions for our own operations and private labels by 2040 and across our value chain by 2050.
- 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.

Since announcing our net-zero ambition in March 2024, we have developed and submitted our net-zero targets to the Science Based Targets initiative (SBTi) for validation and have continued developing our climate action plans. As a key milestone we published our validated science-based climate targets (SBTs) in May 2025 via the SBTi targets dashboard and on our corporate website. These include near-term (2033) and long-term (2040/50) targets, covering our own operations as well as our value chain, including fashion brand partners, packaging and transport-related GHG emissions. These net-zero targets replace our first-generation validated climate targets.

To complement these ambitions, we are strengthening our circular economy initiatives through our second-hand business, implementing comprehensive packaging waste reduction programmes and improving our supply chain monitoring to identify risks and opportunities for responsible practices. For details, please refer to our sustainability

statement, particularly the sections [ESRS E1 Climate change](#) and [ESRS E5 Resource use and circular economy](#) with regard to our net-zero ambition and section [ESRS S2 Workers in the value chain](#) regarding our decent work ambition.

Diversity & inclusion

Our ambition is to be inclusive by design by celebrating the diversity of our customers, partners and teams, as inclusivity drives innovation and deepens customer relationships across diverse European markets. In our former D&I do.BETTER strategy, we provided the framework for embedding respect, equity and inclusive behaviour within the organisation while also advancing an inclusive assortment and representative customer content. While we conducted a strategic refresh during 2025, we continued to oversee and monitor progress against our do.BETTER ambitions, actions and targets. Measurements have focused on our impactful targets, including the representation of women in leadership and tech roles, disability inclusion and employee culture. For more information, please refer to [Targets related to own workforce](#) in section [2.8.3 Social information](#) of our sustainability statement.

For the refinement of our D&I strategy in 2025, planned for launch in 2026, we incorporated feedback from D&I surveys, employee focus groups, subject matter experts and business leaders, as well as from research into customer expectations for inclusive offerings. This new direction will allow us to leverage our talent, platform and industry reach to deliver tangible business value, strengthening our culture and increasing innovation for equitable growth.

At the same time, we prioritised initiatives leading to both social impact and business value and continued work to expand accessibility and inclusive customer offerings, such as Adaptive, Modest and Genderless assortments. We maintained internal trainings around accessibility and Adaptive fashion for our engineers, product designers, specialists and private label designers. In addition, we hosted external events and workshops as part of our enabler strategy and offer our own Adaptive fashion assortment across all our private label brands alongside curated selections from brand partners. Aiming to be a partner of choice for brands and organisations managed by underrepresented groups, we continued working towards our commitment to diversify our partner portfolio and to ensure our platform reflects the full richness of our customers' identities.

The integrated approach of sustainability and D&I into our own operations combines our focus on driving strong business growth with measurable environmental, social and governance objectives, positioning us to address market-specific sustainability challenges while meeting evolving customer demands for sustainable and inclusive fashion.

2.1.4 Management system

We use various indicators to measure our performance in accordance with our group objectives. We remain focused on driving topline growth while delivering improved profitability and at the same time investing to capture future growth. Our major key performance indicators (KPIs) are derived from the guidance of our management board and group planning, which constantly monitors our financial KPIs and performs a monthly comparison with our budget. Our major KPIs for group performance management are GMV, revenue, adjusted EBIT (margin) and capex. The management board steers the company at a consolidated group and segment level. GMV is the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically²⁰ reported. It includes neither B2B revenues (e.g. ZEOS services) nor other B2C revenues (e.g. partner business commissions, retail media business and service charges like express delivery fees); these are included in revenue only. Whereas GMV is recorded at the time of the customers' order, revenue is recorded when control over the goods and services is

²⁰ GMV is retrospectively corrected based on cancellations and returns, and thus prior-year figures may deviate from the information published in prior reports.

transferred. Our adjusted EBIT is EBIT without equity-settled share-based compensation, restructuring costs, acquisition-related expenses and significant non-operating one-time effects. Capex is defined as the sum of the payments for investments in fixed assets and intangible assets excluding payments for the acquisition of companies.

In addition to these major financial KPIs, we also use a range of additional KPIs to manage our business:²¹

- **Active customers²²** is the number of customers who have placed at least one order in the last 12 months, irrespective of returns. The number of customers who have completely cancelled their orders is excluded.
- **Number of orders** is the number of orders placed by customers during the reporting period, irrespective of cancellations or returns. The number of orders placed may differ from the number of orders delivered because the orders at the end of the reporting period may still be in transit or may have been cancelled.
- **Average GMV per active customer** is the average value of all merchandise sold to active customers after cancellations and returns and including VAT in the last 12 months of the reporting period.
- **Average orders per active customer** is the number of orders in the last 12 months of the reporting period, divided by the number of active customers.
- **Average basket size** is GMV after cancellations and returns and including VAT, divided by the number of orders in the last 12 months of the reporting period.

2.1.5 Research and development

We develop the key software components of our platform internally. To maintain peak innovation, our technical teams, comprising around 3,000 software engineers, data scientists and product managers, are strategically augmented by AI solutions, such as coding co-pilots, to boost team productivity. The aim of our software development process is to add new functionalities and/or enhance the existing system landscape to ensure that our technology platform supports our strategy and is aligned with our operating processes and systems. In B2C, we provide a multi-brand shopping experience for fashion and lifestyle products. In B2B, we leverage our own logistics infrastructure, software and service capabilities to support brands and retailers in managing and scaling their entire e-commerce business, both on and off our platform.

In 2025 we capitalised development costs of 125.3m EUR (prior year: 83.7m EUR), of which 73.6m EUR relate to assets under development (prior year: 46.3m EUR). We continue investing in our technology platform, including ongoing improvements and the continued innovation of existing products and processes.

We do not operate a research and development department in the sense of an industrial company. Our software development departments optimise existing offers and work on establishing innovative products in the market. Accordingly, research has a subordinate role and our research costs were consequently immaterial.

²¹ LTM-based KPIs are calculated based on the last twelve months including ABOUT YOU for the full year, while all other KPIs consider ABOUT YOU starting on 11 July 2025.
²² The KPI includes ABOUT YOU's customers active over the last twelve months, whereby customers active on Zalando and ABOUT YOU are only counted once.

2.1.6 Key intangible resources

Key intangible resources in accordance with the Accounting Directive 2013/34/EU as amended by the Corporate Sustainability Reporting Directive (EU) 2022/2464 are those intangible resources ("intangibles") on which our business model fundamentally depends.

Taking into account the IIRC and WICI frameworks,²³ we define intangible resources as all non-monetary and non-physical resources that either alone or in conjunction with other resources can generate a positive or negative effect on the value of Zalando in the short, medium or long term, including intangibles that are both recognised or not recognised in our consolidated statement of financial position (for further details on recognised intangibles see sections [3.5.5 Accounting policies](#) and [3.5.7 \(11.\) Intangible assets](#)). We group intangibles into three main categories:

- Social and relationship capital
- Intellectual and organisational capital
- Human capital

Within these categories we have identified key intangible resources on which our business model (see section [2.1.1 Business model](#)) fundamentally depends: our customers and partners, our platform and logistics capabilities, as well as our employees. We continue to execute on our strategy around our two segments B2C and B2B. These intangible resources have contributed to the value of Zalando in 2025 and will continue to contribute to achieve our next year's outlook (see section [2.4.2 Future development of the group](#)) as well as our mid-term guidance and long-term ambition.²⁴

Social and relationship capital: our customers and partners

We now serve more than 60 million active customers in 29 markets with multiple categories ranging from Fashion, Kids & Family, Designer and Sports, to Beauty, Lounge by Zalando and Pre-owned. On average these customers shop nearly five times a year with Zalando, spending around 300 EUR yearly. The strategy will enable us to serve a larger share of the growing fashion and lifestyle e-commerce market. This pays directly into our GMV and revenue for B2C to achieve our growth and profitability ambitions. B2C currently accounts for all our GMV and more than 90% of our revenues, and therefore substantially contributes to future growth.

To achieve our ambitions, we differentiate through quality across the customer journey. Key initiatives have been scaling Zalando Plus, the market expansion into Portugal and Greece, and strengthened offline community ties by partnering with major marathons and through our strategic partnership with the German Football Association [Deutscher Fußball-Bund, DFB]. In the area of inspiration and entertainment we launched a new AI-powered discovery feed to replace the previous app home screen, we acquired DeepAR in April to support the roll-out of 3D and augmented reality footwear content and we enhanced the Zalando Assistant used by over six million customers for inspiration and product discovery.

In order to provide personalised content and inspiration, we fundamentally depend on data that we collect from our customers and partners. Zalando operates under both European and national data protection regulations, and we closely monitor changes in legislation in order to properly adopt regulatory requirements. Data collection, processing and usage in accordance with the law is fundamental to us as it is essential for both our partner-related data and

²³ IIRC Integrated Reporting Framework, January 2021, and WICI Intangibles Reporting Framework, September 2016.

²⁴ Zalando Strategy Update 2024, March 2024.

especially our customers and their trust in our products and services. For further information on our consumers and end-users, please see section [2.8.3 Social information](#) of our sustainability statement.

Intellectual and organisational capital: our platform and logistics capabilities

Over the past 17 years we built an innovative digital experience that connects customers and partners. This is the core of our business model. We have developed key software components of our platform internally, and we continuously add new functionalities and enhance the existing system landscape. This ensures that our platform supports our strategy and is aligned with our operating processes and systems. In 2025, we capitalised development costs of 125.3m EUR, which mainly relate to ensuring a state-of-the-art digital experience in the short to medium term.

We have also built a logistics network across Europe to serve our customers rapidly and seamlessly. We diligently assessed various locations to ensure that we are close to our customers and to connect our fulfilment centres to one network that allows for flexible capacity planning. We are able to serve our customers in all markets with a locally competitive delivery proposition, in many cases within one to two days. This is possible because we have built our own logistics operation management system. This network is also accessible to all our B2B partners and serves as a key enabler for e-commerce transactions for brands and retailers, regardless of whether these take place on or off our platform.

After the successful ABOUT YOU transaction, we are combining our complementary logistics and software capabilities ZEOS, Tradebyte and SCAYLE to create an even more advanced e-commerce operating system that enables brands and retailers to manage their multi-channel business across Europe. In 2025 we deepened our strategic partnerships with NEXT and Marks & Spencer. Moreover, we launched the ZEOS Shopify app to open our multi-channel fulfilment to Shopify's European merchants and expanded our social-commerce enablement as TikTok Shop's preferred logistics partner in continental Europe. See section [2.1.3 Group strategy](#) for more detailed information on our B2B business.

Our target is to become an enabler of a more sustainable future for the fashion industry. Our organisation is set up in a way that allows us to be adaptive and therefore increase the resilience of our business model. Our long-term ambition is to achieve net-zero GHG emissions in our own operations and private labels by 2040, and net-zero emissions across the group's value chain by 2050 (see [2.1.3 Group strategy](#)). For further information on innovation and partnerships, see section [2.8.5 Entity-specific information](#) of our sustainability statement.

Human capital: our employees

Our employees are key enablers in creating and enhancing our resources and ultimately creating value. We have more than 17,000 direct employees, with many more working indirectly for Zalando at our partners, suppliers and service providers. Around 3,000 employees work in our tech departments to build our technological capabilities, and more than 7,000 employees work in our fulfilment centres, ensuring customer convenience in B2C and leveraging our B2B business. And although most of our employees (around 8,000) are employed in Berlin, we have a very diverse workforce from around 140 different nations. Around 47% of our employees and 37% of our leadership is female.

We want to create an inclusive workplace that provides equal opportunities. This starts with our hiring policies, to ensure inclusive hiring and reduce potential biases. This vision also determines how we physically build a modern and inclusive workplace, and sets clear guidelines on how we expect our employees to behave (our Code of Ethics). It determines the work-related standards we and our partners should adhere to (our Code of Conduct), and how we

define our cultural principles that guide us through our day-to-day work decisions (our founding mindset). Finally, we have introduced a policy around promotion and development which is based on feedback to regularly assess performance and define individual development paths in a fair and transparent process. We have established Zalando as a brand that attracts talents and leaders and ensures that we have access to the skills, competencies and knowledge needed to execute our business models. For further information on our business conduct, please see section [2.8.4 Governance information](#) of our sustainability statement.

In addition to setting standards for our own employees, our vision to be a fashion platform that is welcoming to everyone also comes with the commitment to build a company where respect and inclusive behaviour are second nature in every area. Thus, by 2028 we aim 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. These ambitions will support our business model by reducing possible negative impacts for Zalando related to workers in our own operations and at our partners. For further information regarding our own workforce and workers in the value chain, please see section [2.8.3 Social information](#) of our sustainability statement.

2.2 Report on economic position

2.2.1 Macroeconomic and sector-specific environment

In 2025 the global economy proved more resilient than expected, despite persistent underlying fragilities. Growth was primarily bolstered by a front-loading of production, robust investment in artificial intelligence and supportive macroeconomic policies. However, global trade growth slowed in the second quarter of 2025 as higher tariffs artificially inflated import cost, forcing retailers to hike prices and effectively curbing household discretionary spending. While labour markets remain relatively tight, signs of easing have emerged as job openings return to 2019 levels, the last period of global economic stability prior to the pandemic-induced distortions.²⁵

Global GDP growth was estimated to have reached 3.2% in 2025, and is set to reach 2.9% in 2026. During the same period, euro area growth is forecast to remain stable yet modest, shifting from 1.3% to 1.2%.²⁶ Households in the euro area and in Germany have maintained high savings rates, reflecting heightened economic and geopolitical uncertainty.²⁷ The Federal Statistical Office (Destatis) reported a 0.2% increase in Germany's GDP for 2025, following a 0.5% contraction in 2024. Structural challenges, high energy costs and the impact of new US trade tariffs have prolonged this period of stagnation.²⁸

Consumer price inflation in the euro area was confirmed at 1.9% year-on-year in December 2025, aligning closely with the European Central Bank's target of 2%.²⁹ Consumer confidence in the region continued to recover slowly compared to last year, ending the year at -13.1 points. Nevertheless, it remains below the long-term average of -10.4 points recorded since 2000.³⁰ Despite the ECB's rate-hiking cycle coming to an end and prices stabilising, households — particularly in Germany — are maintaining elevated savings rates. This reflects a cautious stance fuelled by ongoing economic and geopolitical uncertainties.³¹

The German fashion market in 2025 has confirmed that online retail is once again the primary driver of structural growth, widening the gap with physical stores. Online sales of clothing and shoes accelerated, recording a robust growth of 3.5% in 2025 after the stabilisation seen in 2024, reaching a total value of 19.2bn EUR, including VAT.³² In contrast, German brick-and-mortar stores recorded negative sales figures in 2025, down by 4%.³³

2.2.2 Business development

The year 2025 marked an acceleration in our growth trajectory, following a successful return to growth in 2024. The successful execution of our updated strategy, combined with the ongoing shift from offline to online shopping, drove this result, even as the macroeconomic landscape remained volatile and muted.

As a combined group, Zalando and ABOUT YOU now serve a joint active customer base of more than 60 million customers in our B2C business. Above 5 million customers already take advantage of both on Zalando and ABOUT YOU. They exhibit a significantly higher spend compared to customers who only shop on either Zalando or

²⁵ Source: OECD Economic Outlook, December 2025.

²⁶ Ibid.

²⁷ Source: European Central Bank, December 2025.

²⁸ Source: Deutsche Bundesbank: Monthly Report, December 2025.

²⁹ Source: Eurostat, January 2026.

³⁰ Source: European Commission, January 2026.

³¹ Source: European Central Bank, December 2025.

³² Source: BEVH press release, January 2026.

³³ Source: Textilwirtschaft, January 2026.

ABOUT YOU. At the same time, the high share of unique customers on both platforms is a clear testament to the appeal of our multi-app approach.

The expansion of our Zalando Plus loyalty programme has been a major focus in our B2C business this past year. By the close of 2025, the updated programme had grown to serve over 16 million customers with members exhibiting a higher average order frequency and spending than non-members. By the end of 2025, Zalando Plus is active in 17 markets. In addition to this, we broadened the geographic reach of the Zalando platform by launching in Portugal and Greece.

In the B2B segment, by the end of 2025 ZEOS Fulfilment reached 25 markets, supporting over 600 partners selling across 17 marketplaces and on its own dedicated e-commerce shop. The year also saw successful completions of several large-scale client go-lives and extensions, alongside securing enterprise merchant wins for both ZEOS and SCAYLE. A key achievement is the successful launch of our collaboration with British retailer NEXT in September, which now utilises the ZEOS logistics infrastructure across continental Europe. This supports both NEXT's own Direct webshop and its marketplace.

SCAYLE significantly expanded its reach, evidenced by key partnerships. DEICHMANN, Europe's top shoe retailer, successfully launched its German online shop on the SCAYLE platform. Additionally, German grocer Netto Marken-Discount partnered with SCAYLE to upgrade its digital shopping experience. By the close of 2025, SCAYLE was powering a total of 330 online shops.

We maintained a sharp focus on boosting efficiency across both business segments. This involved implementing organisational changes within our leadership structure, customer care and content production units. Furthermore, we strategically reshaped our logistics network. As part of this effort, we have decided to close our fulfilment centre in Erfurt, Germany, scheduled for the end of September 2026. Additionally, we will cease operations at three non-German warehouses currently being managed by external service providers for Zalando and ABOUT YOU.

With the successful completion of the ABOUT YOU transaction we continue to invest in strategic growth opportunities to drive long-term value whilst simultaneously pursuing cost efficiencies. Synergies stemming from the ABOUT YOU acquisition will contribute to the goal of achieving an annual EBIT synergy of 100m EUR already starting in 2028; we began realising the first synergies in late 2025.

To offer our customers a fashion assortment that aligns with their values and needs, in 2025 we continued to elaborate our inclusive assortment as well as our fashion assortment with special product criteria, including, among other things, regenerative and recycled materials. Our Adaptive assortment now encompasses Adaptive sportswear, Adaptive fashion and Adaptive footwear from Zalando's private labels with low entry prices and partner brands such as Tommy Hilfiger, BOSS, Nike, Adidas, Skechers and, for the first time in 2025, Calvin Klein. To facilitate a seamless shopping experience for consumers that have disabilities, we also worked on further improving our platform's accessibility.

With the aim of supporting our partners in providing our platform and customers with a more sustainable and inclusive assortment, in 2025 we introduced an Adaptive fashion masterclass, inspiring our brand partners to embark on the Adaptive journey. In addition, we continued the Circularity Masterclass to empower future designers to drive fashion's transformation by placing circularity and sustainability at the core of their design process.

2.2.3 Economic situation

Financial performance of the group

The financial year 2025 was defined by the continued execution of our strategy. Despite a market environment characterised by geopolitical instability and economic volatility, Zalando successfully leveraged its platform capabilities and delivered increased scale for its two segments, B2C and B2B. A significant milestone was the closing of the ABOUT YOU acquisition on 11 July 2025, which should be factored in when evaluating how our financial statements compare to the prior year. This transaction, funded from existing cash reserves, aligns with our strategic ambition to cover a larger share of the European fashion and lifestyle market. Top-line development was additionally bolstered by continued growth in online fashion demand across core European markets, while both our retail business as well as the partner business continued on their growth path.

Condensed consolidated income statement

in m EUR	2025	As % of revenue	2024	As % of revenue	Change
GMV	17,560.2	142.2%	15,311.3	144.8%	-2.6pp
Revenue	12,346.1	100.0%	10,572.5	100.0%	0.0pp
Cost of sales	-7,422.4	-60.1%	-6,270.5	-59.3%	-0.8pp
Gross profit	4,923.8	39.9%	4,302.0	40.7%	-0.8pp
Fulfilment costs	-2,842.3	-23.0%	-2,418.4	-22.9%	-0.1pp
Marketing costs	-1,125.2	-9.1%	-979.2	-9.3%	0.1pp
Administrative expenses	-541.0	-4.4%	-513.3	-4.9%	0.5pp
Other operating income	25.7	0.2%	20.9	0.2%	0.0pp
Other operating expenses	-53.7	-0.4%	-20.1	-0.2%	-0.2pp
EBIT	387.2	3.1%	391.9	3.7%	-0.6pp
Share-based payments	91.9	0.7%	82.4	0.8%	0.0pp
Acquisition-related expenses	56.6	0.5%	30.5	0.3%	0.2pp
One-time effects	12.1	0.1%	6.3	0.1%	0.0pp
Restructuring costs	42.8	0.3%	0.0	0.0%	0.3pp
Adjusted EBIT	590.7	4.8%	511.1	4.8%	0.0pp

The key performance indicators developed as follows in the reporting period:

Key figures

	2025	2024	Change
Key performance indicators			
Gross merchandise volume (GMV*) (in m EUR)	17,560.2	15,311.3	14.7%
Revenue (in m EUR)	12,346.1	10,572.5	16.8%
Adjusted EBIT (in m EUR) ³⁴	590.7	511.1	15.6%
Adjusted EBIT margin (as %)	4.8	4.8	0.0pp
EBIT (in m EUR)	387.2	391.9	-1.2%
EBIT margin (as %)	3.1	3.7	-0.6pp
Capex (in m EUR)	-222.5	-206.9	7.6%
Active customers (LTM**) (in m)	62.0	51.8	19.7%
Number of orders (in m)	278.6	251.0	11.0%
Average GMV* per active customer (LTM**) (in EUR)	302.6	295.7	2.3%
Average orders per active customer (LTM**) (in EUR)	4.8	4.8	-0.6%
Average basket size (LTM**) (in EUR)	62.8	61.0	3.0%

pp = percentage points

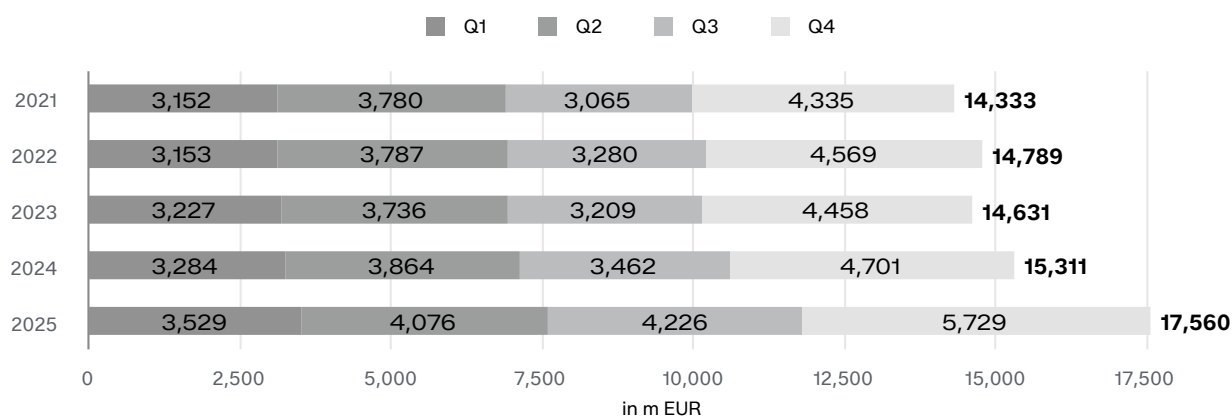
Rounding differences may arise in the percentages and numbers provided in this annual report.

*) GMV (gross merchandise volume) is defined as the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically reported. It includes neither B2B revenues (e.g. ZEOS services) nor other B2C revenues (e.g. partner business commissions, retail media business and service charges like express delivery fees); these are included in revenue only. GMV is recorded based on the time of the customers' orders. Due to the dynamic reporting of GMV, prior-year figures may deviate from former published reports.

**) Calculated based on the last 12 months (LTM).

Results of operations³⁵

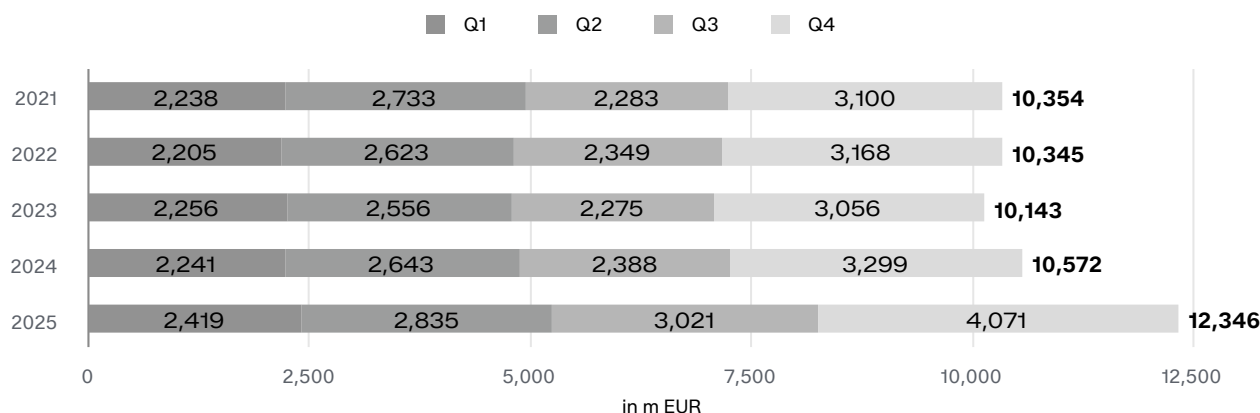
GMV by quarter (2021–2025)



³⁴ Adjusted EBIT is EBIT before equity-settled share-based payment expenses, restructuring costs, acquisition-related expenses and significant non-operating one-time effects.

³⁵ The statements on the quarterly development of GMV and revenue are unaudited.

Revenue by quarter (2021–2025)



In 2025, GMV increased by 14.7% to 17,560.2m EUR (prior year: 15,311.3m EUR), with the growth achieved being a reflection of the ABOUT YOU consolidation, successful season starts, a strong Cyber week and strategic growth investments (e.g. the roll-out of beauty to new markets, the Zalando launch in Portugal and Greece, as well as the roll-out of our updated Zalando Plus loyalty programme). On a pro-forma basis, i.e. considering ABOUT YOU for the same period in 2024, GMV growth amounted to 6.8%, similar to pro-forma revenue growth of 6.9% representing an acceleration of topline development.³⁶

As of 31 December 2025, Zalando including ABOUT YOU serves a combined customer base of 62.0 million. The increase of 19.7% from 51.8 million active customers as of 31 December 2024 is a result of the above-mentioned consolidation and strong underlying growth in the respective customer base of Zalando and ABOUT YOU. The combined GMV per active customer increased by 2.3%, reaching 302.6 EUR. In 2025 the average basket size per order reached 62.8 EUR, corresponding to a 3.0% increase. Combined average orders per active customer remained broadly stable at 4.8 (-0.6% compared to 2024). All KPIs were calculated on the basis of the last 12 months.

Revenue was up 16.8% to 12,346.1m EUR (prior year: 10,572.5m EUR) and surpassed GMV growth of 14.7% on the back of the inclusion of ABOUT YOU, strong revenue growth of 14.6% in B2B, as well as in the group's retail media business.³⁷ The difference between GMV and revenue development is inherent in our partner business model, where selling prices are fully reflected in the GMV metric, while revenue is limited to the commission earned. Revenue from our retail media business as well as from our B2B segment contributes to revenue without being captured in GMV. In 2025, the growth relationship between these two metrics was further influenced by the first-time consolidation of ABOUT YOU. Because ABOUT YOU operates with a significantly lower partner business share than Zalando's operations, the GMV-to-revenue growth gap has structurally narrowed, as a higher proportion of ABOUT YOU's total revenue is recognised in GMV.

The group partner business share stood at 32.1% in 2025 (2024: 34.2%). This year-over-year decline is attributable to the first-time consolidation of ABOUT YOU, which operates at a lower partner business share. The partner business continued to demonstrate strong GMV growth of 7.5%.

³⁶ The pro-forma comparative growth rates are based on the inclusion of ABOUT YOU as of 11 July 2025, and therefore, the assumption is also included for the same period in the prior year. Pro-forma numbers were not in the scope of the audit.

³⁷ Group retail media consists of Zalando Marketing Services (ZMS) as well as ABOUT YOU's retail media business.

Cost of sales to revenue ratio slightly increased to 60.1% (prior year: 59.3%), while cost of sales rose from 6,270.5m EUR to 7,422.4m EUR and gross margin reached 39.9% in 2025 (prior year: 40.7%). The improvement in buying conditions could not counteract the decline from a business mix change, the consolidation of ABOUT YOU and the rapid growth of the B2B segment, both of which have a lower gross margin.

The fulfilment cost ratio as a percentage of revenue remained broadly stable at 23.0% in 2025, from 22.9% in 2024, as higher fixed costs were nearly offset by better order economics.

The marketing cost ratio decreased to 9.1% compared to prior years level of 9.3%, driven by more efficient performance and brand marketing. Marketing expenditure reached 1,125.2m EUR. The absolute increase was driven by the inclusion of ABOUT YOU.

Administrative expenses in proportion to revenue decreased to 4.4% (prior year period 4.9%) despite a higher number of employees following the ABOUT YOU consolidation. In absolute terms, administrative expenses amounted to 541.0m EUR in 2025 (prior year: 513.3m EUR).

Other operating expenses increased to 53.7m EUR (prior year: 20.1m EUR), mainly driven by restructuring expenses from organisational changes.

Adjusted EBIT rose to 590.7m EUR in 2025 (prior year: 511.1m EUR). EBIT adjustments of 203.4m EUR (prior year: 119.2m EUR) mainly stem from share-based compensation, acquisition-related expenses including corresponding amortisation of acquired intangible assets (increased due to the ABOUT YOU consolidation), restructuring expenses, and other non operational effects. The adjusted EBIT margin reached 4.8% (prior year: 4.8%).

Our financial result of -28.8m EUR in 2025 (prior year: -23.9m EUR) mainly comprised interest and similar expenses of 72.9m EUR (prior year: 93.4m EUR) and interest and similar income of 38.8m EUR (prior year: 75.7m EUR). The financial result was primarily shaped by a lower interest rate environment, coupled with a lower cash position, which reduced financial income while simultaneously leading to a favourable decrease in financial expenses.

Income taxes of -145.7m EUR (prior year: -116.9m EUR) comprised current taxes of -151.0m EUR (prior year: -144.4m EUR), based on an EBT of 358.4m EUR (prior year: 368.0m EUR), and deferred tax of 5.2m EUR (prior year: 27.5m EUR). The increase in income taxes is primarily attributable to non-tax-deductible expenses and unrecognised unused tax losses. The net income of our group was 212.7m EUR (prior year: 251.1m EUR).

Results by segment

The segment results of our group can be summarised as follows:

Segment results of the group 2025

in m EUR	B2C	B2B	Total	Reconciliation	Total group
GMV	17,560.2	–	17,560.2	0.0	17,560.2
(prior year)	(15,311.3)	–	(15,311.3)	(0.0)	(15,311.3)
Revenue	11,278.7	1,091.3	12,370.0	-23.9	12,346.1
(prior year)	(9,657.7)	(952.6)	(10,610.3)	(-37.8)	(10,572.5)
thereof intersegment revenue	0.0	23.9	23.9	-23.9	0.0
(prior year)	(0.0)	(37.8)	(37.8)	(-37.8)	(0.0)
Adjusted EBIT	536.0	53.9	590.0	0.7	590.7
(prior year)	(488.7)	(22.8)	(511.5)	(-0.4)	(511.1)
Adjusted EBIT margin	4.8%	4.9%	4.8%	–	4.8%
(prior year)	(5.1%)	(2.4%)	(4.8%)	–	(4.8%)
Share-based payments	82.7	9.2	91.9	0.0	91.9
(prior year)	(74.2)	(8.2)	(82.4)	(0.0)	(82.4)
Acquisition-related expenses	38.2	18.5	56.6	0.0	56.6
(prior year)	(14.0)	(16.5)	(30.5)	(0.0)	(30.5)
One-time effects	9.5	2.6	12.1	0.0	12.1
(prior year)	(6.3)	(0.0)	(6.3)	(0.0)	(6.3)
Restructuring costs	36.7	6.0	42.8	0.0	42.8
(prior year)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
EBIT	368.9	17.7	386.5	0.7	387.2
(prior year)	(394.2)	(-1.9)	(392.3)	(-0.4)	(391.9)

Our B2C segment, which now also includes ABOUT YOU's Commerce segment, encompasses a diverse lifestyle portfolio including but not limited to Fashion, Sports, Kids & Family, Beauty, Pre-owned and Designer, alongside the online outlet Zalando Lounge and our retail media business.

The full-year 2025 GMV in B2C, which equals Zalando's group GMV, increased by 14.7%. The positive development reflects the consolidation of ABOUT YOU alongside robust organic growth. Growth levers included the scaling of our beauty category and the expansion of our geographic footprint into Portugal and Greece. Furthermore, the evolution of the Zalando Plus loyalty programme and strong performance during key seasonal trading events acted as important catalysts for top-line performance. Ultimately, these results were underpinned by a continued strengthening in online sales trends.

Revenues reached 11,278.7m EUR and rose by 16.8% due to the aforementioned factors. The 2.2 percentage points increase above the GMV growth rate was driven by the consolidation of ABOUT YOU's Commerce business coupled with a strong growth in our retail media business. Simultaneously, Zalando's partner business sustained its growth momentum. However, the group partner business share of GMV reached 32.1% (2024: 34.2%), a decrease primarily

attributable to the consolidation of ABOUT YOU, which currently operates with a low single-digit partner business contribution. B2C revenue on a pro-forma basis increased by 6.2%.³⁸

Gross margins in B2C decreased to 42.3% (2024: 43.5%); the positive contribution from our partner business and retail media was more than counterbalanced by the inclusion of ABOUT YOU and negative impacts from active customer participation in commercial activation in various markets. A lower marketing and admin cost ratio supported the adjusted EBIT, which increased to 536.0m EUR compared to 488.7m EUR in 2024, while the adjusted EBIT margin decreased to 4.8% in 2025 (5.1% in 2024) driven by the inclusion of ABOUT YOU.

The B2B segment encompasses the range of services offered to our partners, both on and off Zalando and ABOUT YOU. Our B2B products comprise our ZEOS brand (including ZFS and our multi-channel fulfilment offering), while our software layer includes Tradebyte and SCAYLE, ABOUT YOU's enterprise digital commerce platform. Furthermore, Highsnobiety is included in the B2B segment. As mentioned above, B2B does not contribute to GMV.

B2B revenue showed an increase of 14.6%. On a pro-forma basis revenues in B2B grew 11.7%, thereby continuing to outgrow pro-forma group revenues of 6.9%.³⁹ B2B revenues reached 1,091.3m EUR (prior year: 952.6m EUR), with ZFS being the major growth driver. Gross margin in B2B reached 15.0% (prior year: 11.6%). The B2B segment recorded an adjusted EBIT of 53.9m EUR in 2025 compared to 22.8m EUR in 2024. The adjusted EBIT increased strongly and reached 4.9%, up from 2.4% in the prior-year period due to efficiency gains and the inclusion of SCAYLE.

Cash flows

The group's condensed statement of cash flows is presented in the following table:

Condensed statement of cash flows

in m EUR	2025	2024
Cash flow from operating activities	1,126.3	654.1
Cash flow from investing activities	-1,080.3	-269.8
Cash flow from financing activities	-756.4	-325.6
Net change in cash and cash equivalents from cash-relevant transactions	-710.3	58.8
Change in cash and cash equivalents due to exchange rate movements	-0.1	-4.2
Cash and cash equivalents at the beginning of the period	2,587.8	2,533.2
Cash and cash equivalents as of 31 December	1,877.4	2,587.8
Free cash flow	-2.9	379.4

In 2025, we generated a positive cash flow from operating activities of 1,126.3m EUR, driven mainly by our operating income (considering that our net income comprises non-cash expenses like depreciation and share-based payments) and the development of our net working capital. The year-on-year increase of 472.2m EUR resulted primarily from the development of net working capital, which mostly related to early payouts to our partners at the end of 2024 to ensure compliance with safeguarding requirements for our funds received from our customers. In 2025, we enhanced our safeguarding strategy to avoid the need for early payouts of funds received.

³⁸ Pro-forma numbers were not in the scope of the audit.
³⁹ *ibid.*

Our cash flow from investing activities amounted to -1,080.3m EUR (prior year: -269.8m EUR) and comprised -906.8m EUR cash paid (less cash acquired) for the acquisition of shares relating mainly to the consideration transferred in 2025 for the acquisition of ABOUT YOU. Furthermore, capex amounted to -222.5m EUR (prior year: -206.9m EUR), which consisted mainly of investments in the logistics infrastructure related to the fulfilment centres in Germany, France and Poland, as well as capex for internally developed software. The increase was also related to the inclusion of ABOUT YOU.

The free cash flow declined, hence, by 382.3m EUR to -2.9m EUR, from 379.4m EUR in the prior year.

Cash flow from financing activities of -756.4m EUR (prior year: -325.6m EUR) consisted predominately of the repayment of convertible bonds of 400.0m EUR (prior year: 95.5m EUR), the payments of the principal portion of lease liabilities amounting to 162.3m EUR (prior year: 134.5m EUR), which increased due to the first-time consolidation of ABOUT YOU, and payments for the repurchase of treasury shares of 98.2m EUR (prior year: 99.5m EUR). Furthermore, we completed the squeeze-out to acquire the remaining shares of ABOUT YOU, resulting in a cash outflow of 96.6m EUR (prior year: 0.0m EUR).

Overall, considering the payments for the acquisition of ABOUT YOU and the repayment of convertible bonds, our cash and cash equivalents remained strong at 1,877.4m EUR as of 31 December 2025 (31 December 2024: 2,587.8m EUR).

Credit facility

The revolving credit facility of an amount of 1,250.0m EUR with a group of banks is in place until 20 May 2029. The amount stayed the same and can be increased up to 1,500.0m EUR. The facility can be drawn in EUR and utilised for general business purposes (including acquisitions) as well as for guarantees. As of 31 December 2025, an amount of 179.6m EUR had been utilised for bank guarantees and letters of credit (prior year: 148.4m EUR).

Financial position

The group's financial position is shown in the following condensed statement of financial position.

Assets

in m EUR	31 Dec, 2025		31 Dec, 2024		Change	
Non-current assets	3,770.2	40.7%	2,532.3	31.7%	1,237.9	48.9%
Current assets	5,487.5	59.3%	5,451.6	68.3%	35.9	0.7%
Total assets	9,257.7	100.0%	7,983.9	100.0%	1,273.8	16.0%

Equity and liabilities

in m EUR	31 Dec, 2025		31 Dec, 2024		Change	
Equity	2,825.8	30.5%	2,665.3	33.4%	160.5	6.0%
Non-current liabilities	1,472.7	15.9%	1,328.5	16.6%	144.2	10.9%
Current liabilities	4,959.3	53.6%	3,990.2	50.0%	969.1	24.3%
Total equity and liabilities	9,257.7	100.0%	7,983.9	100.0%	1,273.8	16.0%

Compared to 31 December 2024, our total assets increased by 16.0% to 9,257.7m EUR. The statement of financial position is dominated by intangible assets, net working capital,⁴⁰ as well as cash and cash equivalents.

The development of our non-current assets was mainly driven by the acquisition and first-time consolidation of ABOUT YOU, where we capitalised intangible assets totalling 1,253.3m EUR, which principally comprise goodwill, customer relationships, brands and software. Furthermore, additions to property, plant and equipment of 112.0m EUR (prior year: 109.5m EUR), primarily relating to the fulfilment centres in Germany, France and Poland, are included. The effects were compensated for by depreciations. Additions related to capitalised development costs increased to 125.3m EUR (prior year: 84.2m EUR) among others due to the consolidation of ABOUT YOU. Key components of the software used in our group are developed internally, e.g. for order and fulfilment processes. Financial assets decreased to 85.8m EUR (prior year: 143.4m EUR) due to the consolidation of ABOUT YOU shares acquired in 2024.

The development of current assets was essentially driven by our inventories and cash and cash equivalents. In 2025, inventories rose to 2,105.1m EUR (prior year: 1,549.7m EUR), mainly impacted by the acquisition of ABOUT YOU and driven by higher purchased goods to support growth ambition of our retail business. Cash and cash equivalents decreased to 1,877.4m EUR (prior year: 2,587.8m EUR); for more detailed information please refer to the [Cash flows section in 2.2.3 Economic situation](#).

Equity increased by 6.0%, with a carrying amount of 2,825.8m EUR as of 31 December 2025 (prior year: 2,665.3m EUR). The increase primarily stems from our positive total comprehensive income for the period and is partly offset by the repurchase of treasury shares under our share buy-back programme and by changes in equity arising from the acquisition of ABOUT YOU, including the squeeze-out of the remaining shareholders of ABOUT YOU. In the reporting period, the equity ratio developed from 33.4% at the beginning of the year to 30.5% as of 31 December 2025.

Our non-current liabilities increased by 144.2m EUR to 1,472.7m EUR as of 31 December 2025, driven by higher lease liabilities and deferred taxes associated with our ABOUT YOU acquisition. The development of current liabilities is largely influenced by trade payables and similar liabilities, which increased by 42.8% to 3,918.8m EUR as of 31 December 2025 (prior year: 2,745.1m EUR) mainly as a result of the consolidation of ABOUT YOU and also related to early payouts to our partners at the end of 2024 to ensure compliance with safeguarding requirements for our funds received from our customers. In 2025, we enhanced our safeguarding strategy to avoid the need for early payouts of funds received. The development was partially offset by the repurchase of our convertible bond. Supplier claims against Zalando, totalling 931.6m EUR as of 31 December 2025, were transferred to various factoring providers (prior year: 639.2m EUR); these balances were recognised under trade payables and similar liabilities.

Net working capital, consisting of inventories as well as trade and other receivables less trade payables and similar liabilities, decreased from -269.3m EUR in the prior year to -676.0m EUR as of 31 December 2025.

Overall assessment

The management board is very satisfied with the business's progress throughout 2025. In the second year of executing our updated strategy, we significantly expanded both our reach and capabilities. A key milestone was the successful closing of the ABOUT YOU acquisition on 11 July 2025, which allowed us to serve a combined active customer base of 62.0 million by the end of the year.

⁴⁰ Defined as the sum of inventories and trade and other receivables less trade payables and similar liabilities.

In 2025 we scaled our segments, evolving B2C into a lifestyle destination through quality and AI-driven inspiration, while expanding B2B by scaling ZEOS. Integrating ABOUT YOU's SCAYLE further bolstered our B2B software, offering partners a premier enterprise shop system.

On 6 March 2025, we released our initial full-year 2025 guidance, with GMV and revenue growth expected to be in the range of 4% to 9%, adjusted EBIT forecasted to be in the range of 530m EUR to 590m EUR and capex to amount to 180m EUR to 280m EUR. Following the ABOUT YOU closing, we updated our guidance, providing an initial combined guidance including ABOUT YOU with the publication of half-year results on 6 August 2025. The first combined outlook for the group anticipated GMV between 17.2bn EUR and 17.6bn EUR (a 12% to 15% increase vs. 2024 Zalando stand-alone) and revenue between 12.1bn EUR and 12.4bn EUR (a 14% to 17% increase vs. 2024 Zalando stand-alone). On a pro-forma basis, this translates to GMV and revenue growth rates of 4% to 7% for financial year 2025. In terms of profitability, the combined adjusted EBIT was expected to range between 550m EUR to 600m EUR on the back of a strong performance in the first half of 2025, a continued focus on profitable growth and the early realisation of synergies between Zalando and ABOUT YOU. Furthermore, combined capex investments of between 200m EUR to 280m were planned.

With GMV growth of 14.7% (pro-forma 6.8%) and revenue growth of 16.8% (pro-forma 6.9%), we ended the year at the upper end of the GMV and revenue guidance ranges. The adjusted EBIT reached 590.7m EUR, and consequently reached the upper end of the 550m EUR to 600m EUR guidance range. Capital expenditure amounted to 222.5m EUR, in line with our guidance range of 200m EUR to 280m EUR.

	Initial guidance (06 Mar, 2025)	Combined guidance (06 Aug, 2025)	FY 2025 Results
GMV	4% to 9% 15.9bn EUR to 16.7bn EUR	pro-forma 4% to 7% 17.2bn EUR to 17.6bn EUR Reported 12% to 15%	pro-forma 6.8% 17.6bn EUR Reported 14.7%
Revenue	4% to 9% 11.0bn EUR to 11.5bn EUR	pro-forma 4% to 7% 12.1bn EUR to 12.4bn EUR Reported 14% to 17%	pro-forma 6.9% 12.3bn EUR Reported 16.8%
Adjusted EBIT	530m EUR to 590m EUR	550m EUR to 600m EUR	590.7m EUR
Capex	180m EUR to 280m EUR	200m EUR to 280m EUR	222.5m EUR

2.2.4 Employees

The average headcount 2025 increased by 1,273 employees (an 8.3% increase) from 15,309 to 16,582 employees compared to prior year.⁴¹ The increase is mainly driven by the inclusion of ABOUT YOU employees.

⁴¹ Headcount excludes working students, interns & apprentices.

2.3 Risk and opportunity report

Identifying and acting on opportunities as well as mitigating risks is essential for the continued success of our group. We define opportunities and risks as events that, in the case of materialisation, would result in positive or negative deviations from our business goals.

As a large international company, we are exposed to macroeconomic, sector-specific and company-specific risks and opportunities. In the current forecasting period we identified no individual or aggregate risks that might threaten us as a going concern.

The management board of Zalando SE holds overall responsibility for the development and operation of an effective risk management system (RMS) and internal control system (ICS). Both are subject to monitoring through internal audits, which are embedded into the overall process. Furthermore, external quality assessments are periodically performed on each of these systems. As a result of these various examinations, assessments and reportings regarding the RMS and ICS, the management board is not aware of any circumstances that undermine the appropriateness and effectiveness of these systems.⁴²

2.3.1 Risk and opportunity management system

Our management board has tasked the Risk Management team with managing the RMS based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management standard and on the requirements of assurance standard 981 of the Institute of Public Auditors in Germany, Incorporated Association (IDW).

Our risk management policy, complemented by its risk management manual, outlines the strategic principles for the development, implementation and operation of the RMS of the Zalando group. The RMS defines the organisational roles and responsibilities as well as the processes and required documentation for identifying, assessing, steering and reporting risks and opportunities.

Our RMS includes the risk-bearing capacity (RBC) model: for determining Zalando's total risk exposure (TRE), the group's risk portfolio is aggregated by using a Monte Carlo simulation.⁴³ The result is compared to the organisation's risk capital consisting of our liquidity and equity position. In the case of inadequate risk capital, the management board will be informed in order to take appropriate measures.

In 2025, the Risk Management team took appropriate measures to incorporate the ABOUT YOU risks into the group RMS, as well as to incorporate additional risks related to the value creation assumptions of this acquisition. These have been taken into consideration into the aforementioned overall TRE calculation.

The RMS provides the framework for establishing our risk culture and ensuring that the objectives of our RMS are met by systematically identifying, assessing, steering, monitoring and communicating the risks and opportunities effectively. We are continuously improving and enhancing our RMS, aligning it with COSO, IDW standards and best practices.

⁴² The effectiveness test was not part of the substantive audit of the combined management reporting.

⁴³ This method simulates different outcomes using random (integer) variables from the selected distribution functions that describe the risk.

The major topics of focus of our biannual risk cycles are discussed and defined by the risk committee comprising senior management representatives from different business and governance areas which provide a cross-functional view of Zalando's risk situation. The result is discussed and aligned with the management board. Subsequently, the Risk Management team organises risk workshops with respective experts.

RMS objectives

The main purpose of the RMS is to ensure Zalando's financial stability by identifying early on any risks that could threaten us as a going concern or hinder the achievement of our strategic objectives. Furthermore, the RMS aims to foster a company-wide culture of risk and opportunity awareness, providing decision-makers with the transparency and insights they need.

Risk and opportunity identification

Multiple methods, including workshops and self-assessments, are used to identify and assess risks and opportunities which are used by the risk and opportunity owners (i) during day-to-day operations and (ii) together with the Risk Management team in the biannual risk cycles.

To rapidly identify and act upon emerging risks outside of our biannual risk cycle, we have implemented a reporting procedure that informs the Risk Management team and the management board about current risk events and major risk changes in levels of materiality on an ad-hoc basis.

To ensure the continuation of our future success, we aim to systematically identify and efficiently seize opportunities within our various business areas. Hence, reporting on opportunities is an important element of our RMS.

Risk and opportunity assessment

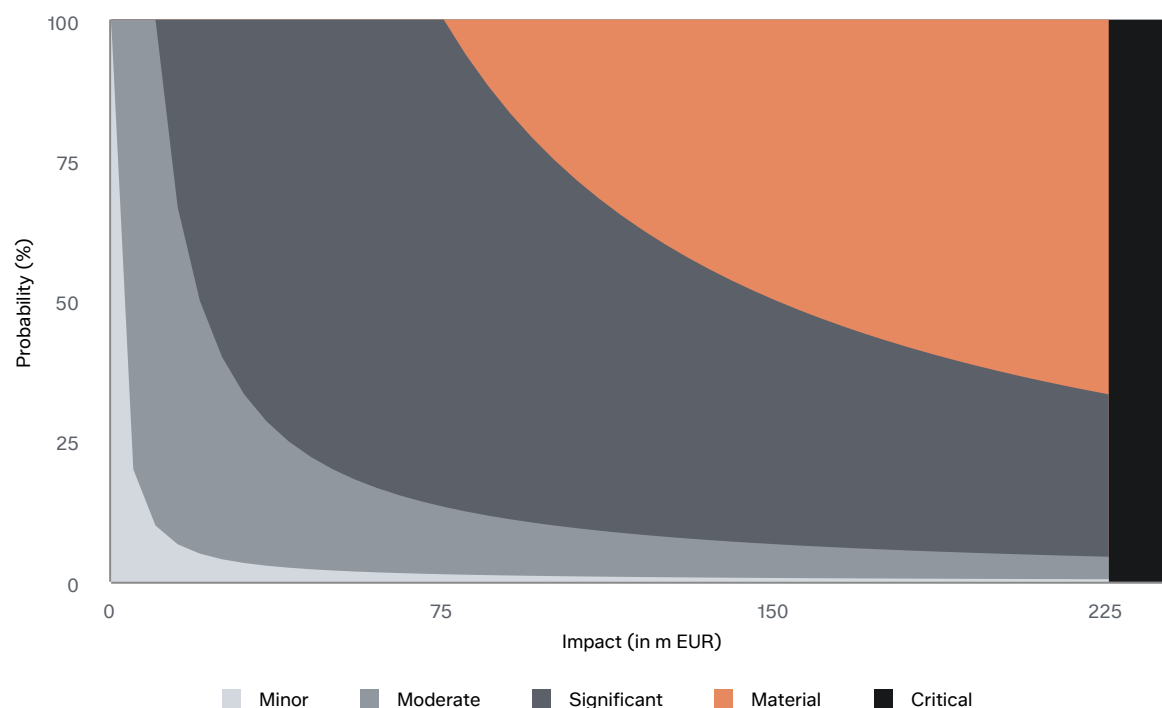
All individual risks and opportunities identified are separately evaluated with regard to their probability of occurrence and their potential impact over a three-year horizon as well as on an inherent (gross) and residual (net) level.⁴⁴ The identified net individual risks and opportunities are aggregated to determine our TRE, and its result is compared with our liquidity and equity positions as part of the RBC assessment.

The probability of occurrence represents the possibility that a specific impact for a risk or an opportunity may materialise within a one-year time horizon. The impact assessment is conducted on quantitative or qualitative scales depending on the nature of the risk or opportunity. The quantitative scale refers to the potential financial impact on profit (EBIT), whereas the qualitative scale considers the impact on our reputation. The net quantitative impact assessments are based on a three-point analysis method considering a best-, likeliest- and worst-case scenarios. If any risks with a net impact exceeding 225m EUR on EBIT are identified, we track these separately as being business-critical, since these risks might threaten the achievement of our strategic goals and/or us as a going concern. This report focuses exclusively on the result of the net risk assessments.

Based on the respective combination of probability and impact, risks and opportunities are classified as minor, moderate, significant, material or critical. All risks and opportunities falling into the categories significant, material or critical are described in detail in this report.

⁴⁴ Also referred to as gross and net risks and opportunities. Gross risk represents the inherent risk before any mitigation efforts, whereas net risk reflects the residual risk after all implemented mitigation measures have been considered.

Risk and opportunity matrix



Risk and opportunity measures

Risk and opportunity owners are responsible for defining and implementing effective measures to mitigate risks and seize opportunities within their areas of responsibility, and for managing their risks and opportunities effectively, with the ultimate goal of safeguarding Zalando's best business interests. Depending on the type and assessment of the risks, different risk strategies or a combination of them could be applied by the risk owners after considering the corresponding costs and benefits. These risk strategies include risk avoidance, mitigation, transfer (to a third party) and acceptance.

Risk and opportunity communication, monitoring and improvement

Risk and opportunities are regularly reported to the various stakeholders to ensure a transparent overview of our risk and opportunity situation so that the management board has a good oversight of our risk situation and can steer it effectively. Moreover, it ensures that the supervisory board is able to comply with their duty of care and supervision. In cases of the ad hoc reporting mechanism being activated, it also ensures that risks are communicated to the SVP Corporate Governance and subsequently to the management board or audit committee of the supervisory board in a timely manner.

The effectiveness and improvement of the RMS is monitored through different measures, first and foremost by the management board according to Section 93 (1) AktG and the audit committee of the supervisory board according to Section 107 (3) AktG, as well as through internal or external audits. In 2025, the RMS successfully underwent an

external quality assessment in an IDW AsS 981⁴⁵ effectiveness audit stating that the principles, procedures and measures of the RMS were appropriately presented in the RMS description and are suitable for the timely identification, assessment, steering and monitoring of material risks hindering the achievement of strategic and operational corporate objectives.

2.3.2 Internal control systems

In addition to the overall RMS, we have implemented a system of internal controls based on the widely accepted COSO ICFR⁴⁶ integrated framework, as well as on the requirements of assurance standard 982 published by the IDW.

ICS objectives⁴⁷

The ICS enables us to provide reasonable assurance with regard to achieving our strategic objective of reliable financial reporting. This is realised through the identification of risks in our key financial, information technology and regulatory processes and the implementation of mitigating controls. The ICS encompasses both financial and non-financial reporting. Non-financial reporting includes the sustainability statement as well as material regulations such as the Digital Services Act.

Control environment, risk assessment and control activities⁴⁸

The ICS aims to identify, assess and manage risks that could have a significant impact on the appropriate content and presentation of the separate and consolidated financial statements, including combined management reporting and the annual sustainability statement. The ICS ensures the accuracy of these reports by embedding preventive, monitoring and detective control measures into the relevant processes that have a significant influence.

The processes, the risks relevant to financial and non-financial reporting, as well as the controls mitigating these risks are reviewed, evaluated and documented. A risk and control matrix contains the relevant controls, including a description and the type of control, the frequency with which the control is carried out, the mitigated risk, and the person responsible. The ICS landscape includes mechanisms for determining principles and procedures, defining processes and controls, and introducing approval and testing plans and guidelines, among other things.

Improvement and communication

The ICS is continuously updated and the control landscape is adapted to the changing processes using a standardised methodology. The effectiveness of the controls is assessed annually, either through a test of controls or a structured self-assessment process. A detailed risk-based scoping exercise serves as a precursor to this. The management board and the audit committee have oversight of the ICS, with the results reported at least once a year.

⁴⁵ From "Prüfungsstandards" in German, referring to the principles of proper auditing of the risk management systems from the Institute of Public Auditors in Germany [Institut der Wirtschaftsprüfer, IDW].

⁴⁶ Internal control over financial reporting.

⁴⁷ The appropriateness and effectiveness of the system of non-financial controls as part of our sustainability statement and of performance management were not part of the audit of the combined management reporting.

⁴⁸ The appropriateness and effectiveness of the system of non-financial controls as part of our sustainability statement and of performance management were not part of the audit of the combined management reporting.

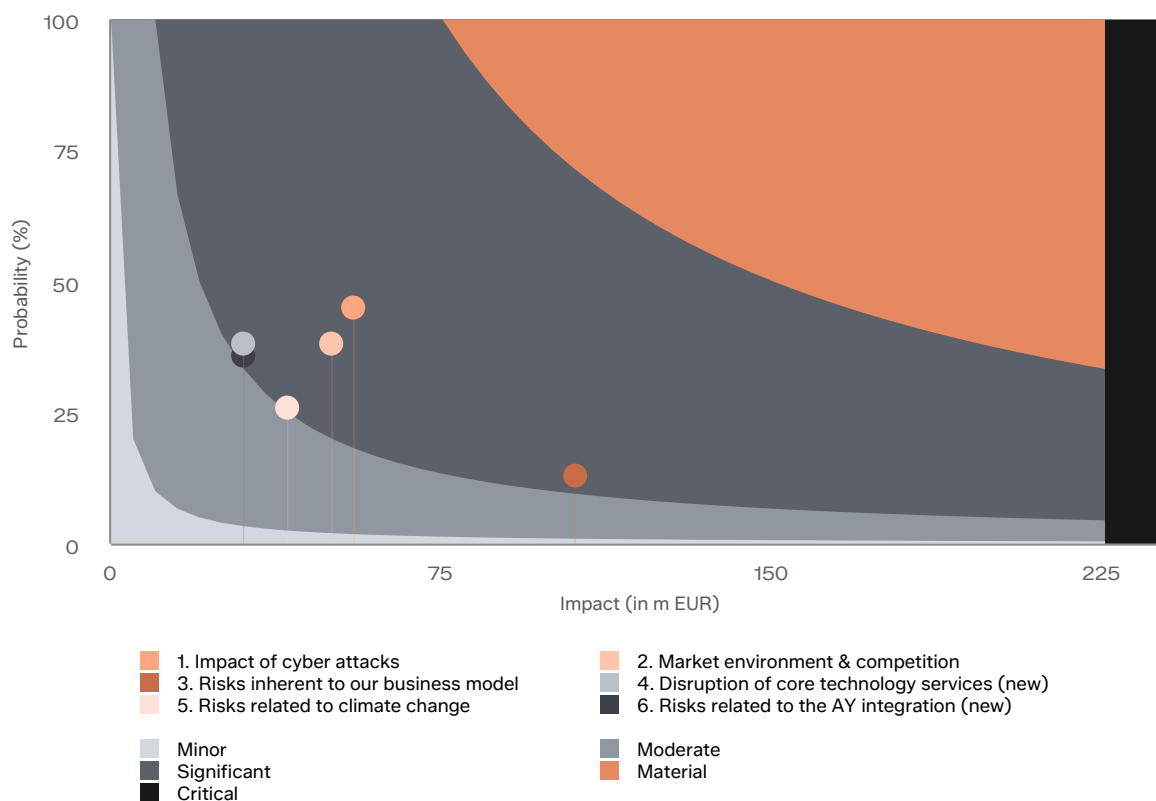
2.3.3 Illustration of risks

The individual risks that are part of the Zalando risk landscape have been aggregated using Monte Carlo simulation to determine the TRE of Zalando. As a result, we identified no single risk or aggregate risks that might threaten Zalando SE as a going concern. The following risk table and matrix provide an overview of the top risks that are the strongest drivers of Zalando's overall risk situation.

Top risks

Risk	2025			2024	
	Assessment	Impact	Probability	Impact	Probability
1. Impact of cyber attacks	Significant	High	Medium	High	Medium
2. Market environment & competition	Significant	High	Medium	High	Medium
3. Risks inherent to our business model	Significant	Very High	Low	High	Low
4. Disruption of core technology services (new)	Significant	High	Medium	–	–
5. Risks related to climate change	Significant	High	Medium	High	Medium
6. Risks related to the AY integration (new)	Significant	High	Medium	–	–

Risk matrix: probability & impact



The high-level explanations for the changes to the top risks displayed in the risk table above are as follows:

- The cyber threat and market environment and competition risks remain stable compared to 2024.
- The risks related to climate change were reassessed in 2025. The updated assessment reflects a lower net impact level, driven by strengthened operational resilience and agility in navigating volatile and unpredictable seasons.
- Recent macroeconomic and geopolitical developments have elevated the risk of relying on major international tech providers for their infrastructure and cloud services.
- The risks inherent to our business model increased in impact due to the fact that the scope of the risks was expanded to include risks to the B2B business on top of the B2C-related risks.
- The key value creation assumptions for partnering with ABOUT YOU have been included as part of our comprehensive risk reporting in our risk universe and are displayed as a new risk.
- The risk of failing to offer an attractive digital user experience is now categorised as “moderate”, thus moving out of the top risks. In reassessing this risk, the business took into consideration the successful execution of key initiatives around inspiration and entertainment that increased the maturity of our user experience and platform usability.

As a company operating in many countries, we are continuously exposed to macroeconomic, market and geopolitical developments. We consider the external developments described below as being particularly relevant to Zalando as they may influence Zalando’s top risks or lead to new risks in the short, medium, or long term.

The macroeconomic outlook 2026 remains challenging, with increased uncertainty arising from Europe’s moderate GDP projections lagging behind global outlooks, political instability in Europe, risks to Europe’s economy and security due to unfavourable policy interventions in European affairs by the USA and China and a prolonged Middle East conflict. These factors can contribute to increased operational costs for companies, declining household incomes and weakened consumer sentiment, which is not likely to resolve in 2026. The overall fashion market in 2026 is forecasted to show moderate growth, especially in the middle and lower price segments, as well as in the recommerce segment.

On the regulatory front, two opposing trends are becoming visible. On the one hand, we envisage stricter and more complex regulatory requirements emerging at the EU level, focused on securing the digital environment for consumers and increasing product quality, safety and sustainability requirements for the fashion industry. On the other hand, the EU’s Omnibus Simplification Package and related initiatives are offering simplifications designed to ease some of the administrative burden introduced by the previously strict sustainability and due diligence regulations. Whether these simplifications will manifest as tangible reductions in bureaucracy in the affected companies remains to be seen over the course of 2026 and beyond.

The following section provides an overview of the six main risks listed above.

Impact of cyber attacks on Zalando

Providing a secure experience for our customers, partners and employees is paramount to Zalando. In 2025 Zalando continued strengthening our tools and processes to keep our IT infrastructure and data safe. As part of this commitment, ZEOS achieved SOC 2 Type 1 attestation in 2025. This independent audit provides our partners with assurance that Zalando is handling its data securely. Additionally, Zalando continues to be compliant with PCI DSS, having successfully passed the 2025 audit under the latest version of the standard (v4.0.1), allowing Zalando to continue accepting electronic payment cards.

However, risks to our infrastructure, services, applications and data remain, including potential disruptions from cyber attacks such as denial of service, malware, ransomware and confirmed data breaches. The growing sophistication of threats requires ongoing threat intelligence and adaptive measures to protect our customers, employees, partners and our overall organisation. To support this, we are refining Zalando's IT infrastructure by investing in new and more advanced cybersecurity systems as well as running a diverse educational programme providing dynamic training for continuous security awareness to prevent attacks. Simultaneously, we continue to upskill our team to address emerging trends and implement effective measures to improve our ability to detect and minimise the impact of attacks. Zalando has also launched a series of cybersecurity crisis simulations to educate our executives on how to respond to a major cyber incident.

Market environment and competition

While the fashion industry is projected to grow moderately in 2026, high competition will persist, forcing companies to compete for a potentially declining share of consumer fashion spending amid a challenging macroeconomic and geopolitical climate. Strong competition is anticipated from Asian low-cost and ultra-fast-fashion e-commerce companies, as well as from the recommerce fashion segment, which has evolved into a mainstream segment and is successfully capturing demand for "affordable aspiration". Furthermore, the rise of AI agents as digital gatekeepers marks the start of a new era focused on generative engine optimisation (GEO) for digital marketing.

As a consequence, we see an accelerated market polarisation, mainly focused on the low- to mid-price range. The integration of ABOUT YOU into the Zalando group expands our customer reach across Europe by combining the younger target group of ABOUT YOU with Zalando's vast customer base. We plan to better serve the needs of our customers and partners through our complementary B2C and B2B offerings, delivering personalised inspiration and entertainment by seamlessly integrating discovery and shopping into one platform.

Disruption of our core technology services

Zalando's tech infrastructure relies heavily on major international tech providers. While these companies offer best-in-class solutions, their geographic and legal jurisdictions introduce a set of risks to most European businesses. These risks, even though deemed unlikely, have been intensified in 2025 by geopolitical factors, especially the US tariffs enacted on European goods and the EU threatening the US with digital services taxes as a retaliatory measure, with potential impacts on our operational costs, data compliance, strategic planning and overall business resilience. The tech industry's move towards integrated cloud-based offerings instead of traditional on-premise solutions increases our dependency on certain providers and the associated costs.

Beyond geopolitical factors, the strategic decisions taken by our service providers also have an indirect impact on us, a notable example being one of our software providers' decision to invest substantially in cryptocurrency. This strategy could divert focus away from its core services and have implications for their financial stability.

Shifting away from these large partners would be costly as well as demand significant time and resource investments due to the complexity of software migrations. While fully abandoning these partners would, in most cases, be an impractical solution, selective diversification where feasible to European alternatives, along with continuous monitoring of the geopolitical landscape and the strategic decisions of our providers, will be vital in safeguarding Zalando's digital resilience.

Risks related to climate change

Climate change continues to cause volatility in seasonal patterns, resulting in “blurred” seasons. This unpredictability remains a significant risk to inventory management, demand forecasting, supply chain resilience and actual consumer demand. As this exposure has systematically been flagged as a top risk since 2023, the business has strengthened its operational resilience. This strategic change has been factored into the current assessment, resulting in a lower net impact level. Moving forward, we continue to mature our mitigation mechanisms and processes to manage this as the new normal.

Other effects of climate change that are increasingly significant are extreme weather events. These affect our business and pose a risk to our logistics sites with potential disruptions to our logistics operations due to the unavailability of our own or public infrastructure. While a reduction in frequency of extreme weather events was noted in 2025, the potential for such events remains a constant threat.

Risks inherent to our business model

Through our updated strategy, Zalando aims to create a platform in Europe where customers can explore lifestyle choices across fashion, sports, beauty and more, with the ultimate goal of creating an attractive platform. In this way, we want to continue to be relevant and create additional value for all participants: customers are offered an unmatched customer experience; partners are provided with a vast customer base and valuable fashion and lifestyle expertise while we hope to unlock new growth potential.

As economic conditions remain challenging, customers remain wary of their fashion spending. To earn and retain customers’ attention, we believe the best strategy is to excite customers with a balanced assortment more tailored to their needs, inspirational stories about our offer and new ways to experience their fashion and lifestyle choices on our platform. By continuously improving our platform capabilities for customers and brands we aim to deliver on our promises of fashion inspiration, partner brand equity and engagement.

We offer brands a platform where they can interact directly with customers through tailored marketing campaigns and place their products in a distinguished way on Zalando, as well as providing them with flexibility for content generation that aligns to their branding and unique needs. With the Zalando Assistant and the new home feed functionality, we enhance our customers’ experience through inspiration by giving them fresh fashion ideas and engaging ways to explore what is new and what is upcoming. In this way we can offer our partners meaningful growth and customer loyalty opportunities, while at the same time providing an opportunity to deepen our customer and partner relationships.

Neglecting the necessary changes or inadequately implementing these measures mentioned above could lead to the migration of customers or partners away from Zalando, followed by revenue losses.

Risks related to the ABOUT YOU integration

Following a smooth and successful closing of the public take-over offer and registration of the squeeze-out of the remaining minority stakeholders, we have integrated several risks related to potential deviations from the value creation assumptions of the ABOUT YOU acquisition into the Zalando risk universe. Mitigation plans are in place for the identified risks.

The integration process continues to pose a disruption risk to both Zalando's and ABOUT YOU's core businesses due to the prioritisation challenges. The strong business performance of both companies hints towards a successful risk mitigation. Execution risks which could ultimately disrupt the successful execution of integration activities and prevent us from fully achieving the value creation ambition are managed by a central tracking mechanism overseen by a dedicated team.

See section [2.3.4 Illustration of opportunities](#) for the measures taken to positively influence the commercial and strategic objectives of Zalando.

2.3.4 Illustration of opportunities

According to the definition of an opportunity as a positive deviation from planned values, we identified no material opportunity that could help us significantly overachieve our targets. Going beyond the materiality boundary, our major initiatives, including deepening customer relationships and enabling partners and customers on our platform, continue to be key drivers that put us in a position to seize opportunities and support our growth targets.

Inspiration and entertainment projects

In their customer journey, the new generation of online shoppers is increasingly looking to be inspired by new fashion and lifestyle choices and having those choices presented in appealing and entertaining ways through conversational and engagement-focused experiences.

This new trend in online consumer behaviour, driven in particular by the increasing influence of social commerce, presents opportunities. Our vision is to become the leading platform for fashion and lifestyle in Europe where customers look for continuous inspiration and entertainment, with a seamless integration of the shopping experience.

To enable this, Zalando created inspirational and engaging experiences during 2025 on its platform, that offer more than a purely transactional shopping experience. The rollout of the new home feed marks a significant shift into this direction by serving as the starting point that gathers all inspirational features, providing a dynamic, more personalised entry point and allowing customers to seamlessly navigate and discover on our platform. The acquisition of an AI-driven augmented reality tool is further enhancing our ability to create three-dimensional content at scale, allowing us to merge physical and digital shopping through virtual experiences. Through these initiatives we plan to overcome the challenge of turning Zalando from a shopping platform into a platform that integrates the journeys of discovery and shopping.

ABOUT YOU value creation

On July 11, 2025 Zalando and ABOUT YOU announced that they had completed their strategic combination, allowing them to better serve customers and partners across Europe. With their complementary B2C and B2B offerings, the two companies will cover a larger share of the European fashion and lifestyle e-commerce market.

The transaction presents compelling value-creation opportunities that the two companies operating in the same industry can generate by collaborating in a wide range of areas, including B2B, logistics, payments and commercial collaboration. In the longer term, Zalando is targeting significant group EBIT synergies of around 100m EUR per annum.

2.4 Outlook

- European fashion sales are expected to grow at an annual rate of 1% to 2% in 2026, with economic uncertainty being the main risk factors.
- Private consumption in the euro area is expected to grow, supported by continuing real disposable income gains as inflation remains stable.
- Zalando's long-term ambition remains to further increase its market share in the fashion market.
- For 2026 we are expecting GMV and revenue growth of 12% to 17%; adjusted EBIT is expected to be between 660m EUR and 740m EUR.
- Our 2026 outlook reflects our ambition to further expand the topline, while at the same time we continue to focus on profitability.

2.4.1 Future overall economic and industry-specific situation

The global economy is expected to experience a temporary slowdown as the full impact of higher tariffs and policy uncertainty is felt. Inflation is projected to return to European central bank targets in most major economies by mid-2027. However, risks remain elevated, including the possibility of abrupt corrections in high asset valuations and further trade barriers being introduced. The OECD expects global GDP growth to slow to 2.9% in 2026, before picking up modestly to 3.1% in 2027. In the euro area, GDP growth is projected at 1.2% for 2026, strengthening to 1.4% in 2027. Domestic demand is expected to be the primary driver, supported by a recovery in trade and resilient labour markets.⁴⁹ In Germany, a recovery is anticipated, with GDP growth projected at 0.6% in 2026 and 1.3% in 2027. This recovery will be heavily supported by an expansionary fiscal stance, including additional government spending on infrastructure and defence.⁵⁰

In 2025, the euro area experienced an inflation rate of 2.1% (12-month average rate). This is anticipated to decrease further towards the target of 2.0% in 2026 and 2027 as labour cost pressures gradually ease. Private consumption in the euro area is forecast to benefit from continued real disposable income gains as inflation remains stable. Consumer confidence is estimated to return to historical levels in the medium term, supported by a robust labour market. Although stable employment prospects should result in a slight decrease in household savings, the savings ratio is expected to remain high due to ongoing economic uncertainty.⁵¹

The table below shows OECD actual (through 2025) and forecast (2026–2027) private consumption growth rates for the period 2023 through 2026.⁵²

⁴⁹ Source: OECD Economic Outlook, December 2025.

⁵⁰ Source: Deutsche Bundesbank: Monthly Report, December 2025.

⁵¹ Source: European Central Bank, December 2025.

⁵² Percentage changes, volume (2020 prices); source: OECD Economic Outlook, December 2025.

Private consumption growth per country

	Historical data			Forecast	
	2023	2024	2025	2026	2027
Euro area	0.5	1.2	1.2	1.1	1.2
Germany	-0.5	0.5	1.1	0.9	0.8
Switzerland	1.4	2.4	1.5	2.4	1.4
Spain	1.8	3.1	3.4	2.7	2.1
France	0.8	1.0	0.4	0.7	1.1
Italy	0.6	0.6	0.5	0.4	0.7

The European non-luxury fashion industry is expected to grow at an annual rate of 1% to 2% by 2026. Economic uncertainty continues to weigh on consumers, driving value-conscious consumer behaviour.⁵³

2.4.2 Future development of the group

B2C and B2B is build on the technology platform for fashion and lifestyle, that is powered by our data and infrastructure. Following the ABOUT YOU transaction, we are driving a multi-app approach in B2C. Zalando, ABOUT YOU, and Lounge by Zalando are now serving the needs of more than 60 million customers across Europe.

The 2025 fiscal year was characterised by successful strategic execution and an acceleration of our financial performance. The group delivered a GMV of 17.6bn EUR, representing a 14.7% increase compared to 2024 (pro-forma 6.8%). Revenue reached 12.3bn EUR, a 16.7% increase YoY (pro-forma⁵⁴ 6.9%), supported by the integration of ABOUT YOU and high-margin Retail Media services. We achieved an adjusted EBIT of 590.7m EUR, reflecting substantial progress in operational efficiency and overhead leverage.

In 2026 we will continue to accelerate in our B2C and B2B segments. In B2C, we will further leverage our multi-app approach with Zalando, ABOUT YOU, and Lounge by Zalando. We are deepening our "matchmaking moat" through AI-driven personalisation. In B2B, we continue to strengthen the operating system for e-commerce across Europe, with ZEOS, SCAYLE, and Tradebyte serving as a modular full stack offering for cross border multi-channel commerce to serve all needs of our partners.

For the financial year 2026⁵⁵, we expect continued topline expansion. Including a full year of ABOUT YOU in 2026, our GMV is expected to grow between 12% and 17% reaching 19.7bn EUR to 20.6bn EUR. Our B2B segment does not contribute to GMV.⁵⁶

Our revenue is expected to grow between 12% to 17% (13.8bn EUR to 14.4bn EUR). While 2026 will be a year of continued focus on our platform transition in B2C, our B2B segment is set for further acceleration, with B2B revenue growth rates projected to outpace moderately group revenue growth rates. While B2C revenue growth rate is forecasted to be moderately below group revenue growth rate.

⁵³ Source: McKinsey, The State of Fashion 2025.

⁵⁴ The pro-forma comparative growth rates are based on the assumption that ABOUT YOU is included as of 11 July 2025, and is therefore also included for the same period in the prior year. Pro-forma numbers were not in scope of the review.

⁵⁵ Our outlook excludes potential impact from a prolonged Middle East conflict. Any potential future impact cannot be reliably assessed at the moment.

⁵⁶ As per definition GMV does not include B2B revenues. As such our GMV outlook for the group relates to the B2C segment only, meaning Group GMV equals B2C GMV.

We continue focussing on profitability, and anticipate an adjusted EBIT of the group between 660 EUR and 740m EUR, implying an adjusted EBIT margin between 4.8% to 5.1%. The growth rate of the adjusted EBIT in B2B is significantly higher than the growth rate in adjusted EBIT in B2C.

To support our long-term growth ambitions, we plan for capex in the range of 240m EUR to 300m EUR, representing ~2% of revenue.⁵⁷ Key investments will focus on the completion of fulfillment centres in Paris, France and Frankfurt, Germany, maintenance and upgrades to existing sites, and continued investments into our technological infrastructure, including AI capabilities.

Overall, we remain dedicated to capitalising on the vast market opportunities within B2C and B2B. By deepening our relationships with customers and partners, we are confident in Zalando's ability to cover a larger share of the European fashion market and create sustainable long-term value for our shareholders.

Outlook 2026

	in EUR	% yoy growth
GMV	19.7bn to 20.6bn	12% to 17%
Revenue	13.8bn to 14.4bn	12% to 17%
Adjusted EBIT	660m to 740m	12% to 25%
Capex	240m to 300m	

2.4.3 Overall assessment by the management board of Zalando SE

The management board is very satisfied with the progress of the business in 2025 and the successful closing of the ABOUT YOU transaction. Despite a market environment characterised by geopolitical instability and economic volatility, Zalando successfully leveraged its platform capabilities to accelerate topline growth while continuing to focus on margins.

The financial year 2025 marked a year of increased scale and performance acceleration for our B2C and B2B segments.

Zalando made significant strides in its B2C segment, driven by strong progress on its growth initiatives and the successful closing of the ABOUT YOU transaction. These businesses were key in driving Zalando's overall growth and topline results in B2C.

B2B continued to significantly outgrow group revenue. Our multi-channel fulfillment (MCF) offering showed tremendous growth, with ZFS remaining the primary growth driver for the B2B segment as it continues to scale. Through the acquisition of ABOUT YOU, we successfully complemented our software offering with SCAYLE, a leading enterprise digital commerce platform, which contributed to the segment's strong traction and supported us in our aim of becoming the operating system in Europe.

We continue to selectively invest in strategic growth opportunities. Key initiatives included the scaling of our updated loyalty programme, Zalando Plus, which now serves over 16 million customers, and expanding our geographic

⁵⁷ Zalando invests into logistics and technology at Group level and does not segment these investments into B2C and B2B.

footprint into Portugal and Greece. We also doubled down on the sports opportunity through a strategic partnership with the German Football Federation (DFB). To make fashion discovery more inspiring and personal, we launched a new AI-powered discovery feed and further enhanced the Zalando Assistant.

Zalando has a clear ambition to be the leading technology platform for fashion and lifestyle and to provide our unique Zalando e-commerce operating system, ZEOS, which is based on logistics, software, and service infrastructure, to merchants across Europe. We serve more than 60 million active customers across Europe, covering 29 markets. By further developing and leveraging our unique technology platform, and by enhancing our relationships with customers and partners, Zalando is confident that we will be able to capitalise on the tremendous market opportunity ahead of us and to serve more than 15% of the fashion market in the long term.

The year 2026 will be about accelerating growth, while at the same time continuing to focus on margins.

The forward-looking statements contained in this management report are made to the best of the management board's knowledge and belief, based on estimates made at the time these financial statements were prepared. These statements are inherently subject to a number of risks and uncertainties. Should one of these or other uncertainties materialise, or should the assumptions on which the statements are based prove to be incorrect, actual results may differ from these forecasts.

2.5 Corporate governance statement⁵⁸

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

2.5.1 Corporate governance

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

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

Our sustainability efforts as well as our efforts to foster diversity and inclusion (D&I) form an integral part of our corporate governance. More information on the company's sustainability and D&I activities can be found in section [2.8 Sustainability statement](#).

We constantly monitor our corporate governance efforts and take into consideration the recommendations and suggestions set out in the German Corporate Governance Code.

2.5.2 Declaration of conformity

The management board and supervisory board of Zalando SE issued the following declaration regarding the recommendations of the Government Commission German Corporate Governance Code in accordance with Section 161 of the AktG (German Stock Corporation Act) in December 2025 and published it on the company's website:

The management board and supervisory board of Zalando SE issued the last annual declaration of conformity with the recommendations of the "Government Commission German Corporate Governance Code" in December 2024. Pursuant to Section 161 of the German Stock Corporation Act (AktG), the management board and the supervisory board of Zalando SE declare the following:

Since the last annual declaration of conformity was issued in December 2024, Zalando SE has acted in conformity with the recommendations of the "Government Commission German Corporate Governance Code" in the version of 28 April 2022, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 27 June 2022 (GCGC), with the exception of recommendation G.7 explained below. Zalando SE complies with and will continue to comply with the GCGC with the exception of recommendation G.7 explained below.

⁵⁸ The statements on corporate governance in accordance with Sections 289f and 315d of the HGB are an unaudited part of the combined management report.

Deviation from recommendation G.7 of the GCGC

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

The new remuneration system for the management board members, which came into effect on 18 May 2024 (Remuneration System 2024), complies with all recommendations of the GCGC. In particular, all variable remuneration components under the Remuneration System 2024 are linked to the achievement of performance criteria. All current service agreements for the management board members are governed by the new Remuneration System 2024, thus complying with all GCGC recommendations.

The former remuneration system 2021 included the 'Zalando Ownership Plan' (ZOP), for which a deviation from the recommendation G.7 was declared. ZOP is a share-based remuneration programme which is linked to the share price performance without specific performance criteria. The last management board service agreement based on the former remuneration system 2021 expired on 28 February 2025. Under this agreement, the last ZOP grant was issued this year; no further grants will be made under the ZOP. The last ZOP exercise period will expire in 2030.

2.5.3 Two-tier board system

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

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

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

2.5.4 Management board

Composition

Our former CFO Dr Sandra Dembeck left the management board after expiry of her regular term of office on 28 February 2025. Our co-CEO David Schröder, who previously had held the CFO position, took over the CFO position for the interim period until the start of our new CFO Anna Dimitrova on 1 January 2026. Anna Dimitrova has been appointed as a management board member until 31 December 2028.

Composition of the management board

Name	Title	Last appointment as of	Appointed until
Robert Gentz	Co-Chief Executive Officer (co-CEO)	1 January 2025	30 November 2027
David Schröder	Co-Chief Executive Officer (co-CEO)	1 October 2024	30 November 2027
Dr Sandra Dembeck	Chief Financial Officer (CFO)	1 March 2022	28 February 2025
Anna Dimitrova	Chief Financial Officer (CFO)	1 January 2026	31 December 2028
David Schneider	Co-founder, Strategic Partnerships	1 October 2024	30 November 2027
Dr Astrid Arndt	Chief People Officer, Corporate Functions (CPO)	1 September 2024	31 August 2028

The supervisory board appoints the members of our management board and ensures that all members of our management board shall have the knowledge, skills and professional expertise required to duly fulfil their tasks and responsibilities. While qualification and the specific needs of the company shall be the decisive criteria with regard to the management board's composition, the supervisory board emphasises the importance of diversity.

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

- The management board as a whole should have appropriate management experience.
- The management board as a whole should, if possible, have knowledge and balanced experience based on different training and professional backgrounds, in particular in the fashion, technology and e-commerce industries, and should have international experience.
- The management board as a whole should, if possible, possess several years of experience in the fields of strategy, finance and personnel management.
- The supervisory board aims for a balanced gender representation in the management board and has resolved on a corresponding target in accordance with Section 111 (5) of the AktG (see section [2.5.6 Target of female representation on the supervisory board, the management board and on management levels below the management board according to Sections 76 \(4\), 111 \(5\) AktG](#)).
- A management board member should not be older than 65 years when elected.

As Dr Sandra Dembeck (former CFO) left Zalando at the end of February 2025, with David Schröder taking over the interim CFO-position, the female representation on the management board decreased to 25% as of 31 December 2025 (prior year: 40%). With the appointment of Anna Dimitrova as the new CFO and management board member effective as of 1 January 2026, female representation has increased back to 40%, aligning with our gender goal of 40–60%. The other criteria of the company's diversity concept have been fulfilled by the current composition of the management board.

Our supervisory board and management board collaborate closely to secure the management board's long-term succession. The supervisory board aims to fill management board positions with the most suitable candidates. It is in continuous contact with the management board and it monitors senior management personnel within Zalando as well as respective talent in the market in order to identify and develop candidates to fill management board positions.

The members of the management board of Zalando SE are not members of any statutory supervisory board or members of any comparable controlling body in Germany or abroad.

Tasks

The management board has overall responsibility to independently and diligently manage our company's business with the goal of achieving sustainable growth. The management board develops the strategic direction of our company, coordinates it with the supervisory board and ensures its implementation. This includes Zalando's integrated sustainability strategy with the ambition of becoming a key enabler of a more sustainable and equitable fashion industry at scale, and with Zalando's diversity and inclusion strategy bringing to life the diversity of our talents, leaders, customers and partners.

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

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

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

The management board meets regularly, typically every week. There is a constant and constructive exchange between the management board and the supervisory board members. In particular, the chairperson of the supervisory board is informed regularly, typically every two weeks, on the progress of our business and the situation of the company and other group entities, with the management board consulting with them on our strategy, planning, business development and risk management. Should an important event occur or should any business issue arise that could be of significance to the evaluation of the situation, or the development or management of our company, the management board will inform the chairperson of the supervisory board immediately. Furthermore, our CFO and the chairperson of the supervisory board's audit committee conduct a regular monthly exchange with regard to audit committee-related matters.

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

Conflicts of interest

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

Remuneration

The remuneration report for the financial year 2025, the opinion of the auditor pursuant to Section 162 of the AktG and the currently valid remuneration system for the management board are published on our [website](#). The remuneration report for the financial year 2025 is contained in section [1.3 Remuneration report](#) of this annual report.

2.5.5 Supervisory board

Our supervisory board consists of nine members, six of whom are shareholder representatives and three employee representatives. The representatives of the shareholders on the supervisory board are elected by the general meeting without being bound to election proposals. The participation of representatives of employees on the supervisory board and the appointment procedure in this respect are determined by the applicable statutory provisions as well as a co-determination agreement concluded in accordance with the provisions of the SEBG (German SE Participation Act).

Composition

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

Each member of the supervisory board shall have the knowledge, skills and professional experience required for them to duly fulfil their tasks and responsibilities and shall make sure that they have sufficient time to perform their 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 the company is operating. At least one member of the supervisory board must have expertise in the field of accounting and at least one further supervisory board member must have expertise in the field of auditing.

In addition, the supervisory board also considers further core competences of its members in the company's present and future business models. While qualification shall still be the decisive criterion, our supervisory board strives to adequately consider the international character of the company's business. At the same time, the supervisory board pays attention to diversity, in particular to variety as regards professional experience and expertise, cultural and educational background as well as age. In order to accommodate the international character of the company, the supervisory board shall, as a rule, have at least two international members. The supervisory board members should not be older than 70 years when elected.

Our supervisory board members shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of our company in the area of online platforms. No more than two former members of the management board shall be members of the supervisory board. Further, at least four shareholder representatives on the supervisory board shall be independent from the company and its management board as defined in

recommendation C.7 of the German Corporate Governance Code, and 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. In the view of the supervisory board, this is an adequate number of independent shareholder representatives.

The supervisory board aims for a balanced gender representation on the supervisory board and has set a target of at least 40% women and at least 40% men on the supervisory board (which corresponds to a minimum number of four female and four male members, respectively) until 31 December 2027 (see section [2.5.6 Target of female representation on the supervisory board, the management board and on management levels below the management board according to Sections 76 \(4\), 111 \(5\) AktG](#)).

Candidates who are likely to be confronted with an increased level of conflicts of interest should not be proposed for election by the annual general meeting. The regular limit of length of membership for members of our supervisory board shall be 12 years. The supervisory board is convinced that such a composition ensures an independent and efficient consultation and oversight of the management board.

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

The composition of our supervisory board changed during the reporting year. Due to the end of the regular term of office of all shareholder representatives and all employee representatives, the annual general meeting on 27 May 2025 resolved on the new composition of our supervisory board. All shareholder representatives were re-elected except for our former supervisory board member Jennifer Hyman who did not stand for re-election. Alice Delahunt was elected as a new shareholder representative to succeed Jennifer Hyman. All three employee representatives were newly appointed in accordance with the applicable co-determination regulations.

The composition of our supervisory board in financial year 2025 met the composition targets it had set itself in all respects; in particular, the required expertise is represented on the supervisory board and the targets of the diversity concept are met. Our supervisory board member Anders Holch Povlsen was re-elected by the annual general meeting on 27 May 2025 with 86.65% support, serving until the annual general meeting that decides upon the discharge for the financial year 2026. While his unique expertise and role as a major shareholder justify an individual extension, the average tenure across the supervisory board members remains well within the usual 12-year guideline.

The following overview shows the profile of skills and expertise of our supervisory board as well as the 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						
			Industry	Finance	Strategy	Super-vision	Inno-vation	Sustain-ability	Indepen-dence
Kelly Bennett	Canadian	Supervisory board member and executive advisor	✓		✓		✓	✓	✓
Jennifer Hyman (member until 27 May 2025)	US-American	CEO, chair of the board and co-founder at Rent the Runway Inc.	✓		✓	✓	✓	✓	✓
Alice Delahunt (member since 27 May 2025)	Irish	CEO and founder at SYKY, 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 Constantia Flexibles GmbH		✓*		✓		✓	✓
Susanne Schröter-Crossan	German	CFO of SEGRO plc		✓*		✓		✓	✓
Matti Ahtainen (member until 27 May 2025)	Finnish	Employee at Zalando Finland Oy	✓	✓**					***
Jade Buddenberg (member until 27 May 2025)	German	Employee at Zalando SE	✓		✓		✓	✓	***
Anika Mangelmann (member until 27 May 2025)	German	Employee at Zalando SE	✓						***
Maggie Ratay Sloan (member since 27 May 2025)	German / US-American	Employee at Zalando SE	✓		✓			✓	***
Rose Reynolds (member since 27 May 2025)	Danish	Employee at Zalando SE	✓	✓	✓				***
Zbigniew Laskowski (member since 27 May 2025)	Polish	Employee at Zalando Logistics Operations Polska sp. z o.o.	✓						***

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

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

***) In accordance with the German Corporate Governance Code; in principle, the supervisory board does not take the independence of employee representatives into consideration.

The following overview lists the companies and enterprises in which members of our supervisory board currently hold mandates on a statutory supervisory board or comparable controlling body in Germany or abroad. The overview also includes mandates that ended during the reporting period.

Current and past mandates of the supervisory board

Name of supervisory board member	Memberships of supervisory boards whose establishment is required by law or of comparable domestic or foreign controlling bodies of business enterprises
Kelly Bennett (chairperson)	–
Jennifer Hyman (member until 27 May 2025)	The Estée Lauder Companies Inc., USA (member of the board of directors)
Alice Delahunt (member since 27 May 2025)	Soho House & Co. Inc., USA (member of the board of directors)
Niklas Östberg	trivago N.V., Germany (member of the supervisory board)
Anders Holch Povlsen	Heartland A/S, Denmark, and various entities of the Heartland group (including entities in the Bestseller group) as well as entities with a family connection (member of the board of directors)
	J.Lindeberg AB, Sweden (member of the board of directors)
	Donau Agro Invest P/S, Denmark (member of the board of directors)
Mariella Röhm-Kottmann (deputy chairperson)	Siltronic AG, Germany (member of the supervisory board)
	From March 2025 until May 2025: Lehmann Marine GmbH (member of the advisory board)
Susanne Schröter-Crossan	Until June 2025: HelloFresh SE, Germany (member of the supervisory board)
Matti Ahtiainen (member until 27 May 2025)	–
Jade Buddenberg (member until 27 May 2025)	–
Anika Mangelmann (member until 27 May 2025)	–
Maggie Ratay Sloan (member since 27 May 2025)	–
Rose Reynolds (member since 27 May 2025)	–
Zbigniew Laskowski (member since 27 May 2025)	–

Tasks

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

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

The supervisory board appoints the members of the management board and determines the remuneration of the management board on the basis of the remuneration system approved by the general meeting.

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

Committees

In the financial year 2025, the supervisory board had four regular committees in accordance with its rules of procedure — the audit committee, the remuneration committee, the nomination committee and the D&I and sustainability committee. In addition, the supervisory board formed one ad hoc committee, the share buy-back committee (SBB). These committees comprise at least three members each. The chairperson of each committee reports regularly to the supervisory board on the activities of the committee.

Audit committee

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

The audit committee additionally monitors the effectiveness of the internal control system including the internal accounting control system and risk management. It is also competent in matters of strategic importance, provided that the supervisory board has delegated the authority to the audit committee accordingly.

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

Members of the audit committee until 27 May 2025

Mariella Röhm-Kottmann (chairperson)

Matti Ahtiainen

Susanne Schröter-Crossan

Kelly Bennett

Members of the audit committee since 27 May 2025

Mariella Röhm-Kottmann (chairperson)

Rose Reynolds

Susanne Schröter-Crossan

Kelly Bennett

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

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

Mariella Röhm-Kottmann holds a degree in economic engineering [Diplom-Wirtschaftsingenieurin], has passed the German chartered accountant [Wirtschaftsprüfer] exam as well as the tax advisor [Steuerberater] exam and has many years of professional experience as an audit partner at one of the big four audit companies. As CFO of one of the world's leading manufacturers of flexible packaging, and through her previous role as CFO of a leading European technology company, Mariella Röhm-Kottmann possesses extensive expertise in the financial sector, in particular in the field of accounting, ESG reporting, risk management and internal control systems. Mariella Röhm-Kottmann has been a member of the supervisory board and chairperson of the audit committee at Siltronic AG since May 2023. Mariella Röhm-Kottmann is an independent member of the supervisory board representing the shareholders.

Susanne Schröter-Crossan holds both a primary degree [Diplom-Kauffrau] and a master's degree in Business Administration. She serves as CFO of a publicly listed industrial real estate group since 1 December 2025. Previously, she had been CFO of a leading digital road freight and logistics company since March 2024. This followed several years as CFO at LEG Immobilien SE, where she was responsible for Investor Relations, Finance & Controlling, Portfolio Management, and Accounting & Taxes. Susanne Schröter-Crossan was a member of the supervisory board at HelloFresh SE from May 2021 to June 2025. She was also a member of its audit committee and, from July 2023 to June 2025, served as its chairperson. In these positions she was regularly involved in a wide variety of accounting and auditing matters. Susanne Schröter-Crossan is an independent member of the supervisory board representing the shareholders.

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

Remuneration committee

The remuneration committee deals with all questions related to the management board's remuneration. In particular, this includes responsibility for the company's remuneration system for the management board as well as the amount and appropriateness of the management board's remuneration. The remuneration committee reviews the performance of the management board members on a regular basis. It also supports the supervisory board regarding the annual executive position planning for the two management levels below the management board and material changes thereto, as well as the corresponding compensation framework for these positions. The remuneration committee provides recommendations as a basis for decision-making by the supervisory board. The chairperson of the remuneration committee, Kelly Bennett, is an independent member of the supervisory board representing the shareholders.

Members of the remuneration committee until 27 May 2025

Kelly Bennett (chairperson)

Anika Mangelmann

Anders Holch Povlsen

Susanne Schröter-Crossan

Members of the remuneration committee since 27 May 2025

Kelly Bennett (chairperson)

Zbigniew Laskowski

Anders Holch Povlsen

Susanne Schröter-Crossan

Nomination committee

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

Members of the nomination committee

Kelly Bennett (chairperson)

Anders Holch Povlsen

Niklas Östberg

D&I and sustainability committee

The D&I and sustainability committee supports the management board and supervisory board in measures related to diversity & inclusion as well as sustainability as part of our group strategy, and ensures the close involvement of the supervisory board in these areas and the related reporting.

Members of the D&I and sustainability committee until 27 May 2025

Susanne Schröter-Crossan (chairperson)

Jade Buddenberg

Jennifer Hyman

Mariella Röhm-Kottmann

Members of the D&I and sustainability committee since 27 May 2025

Susanne Schröter-Crossan (chairperson)

Maggie Reed Ratay Sloan

Alice Delahunt

Mariella Röhm-Kottmann

Share buy-back committee

In November 2025, the share buy-back committee discussed and approved the planned share buy-back programme as well as its conditions.

Members of the share buy-back committee

Kelly Bennett (chairperson)

Rose Reynolds

Susanne Schröter-Crossan

Mariella Röhm-Kottmann

Training

We believe that good corporate governance requires a high level of awareness of statutory requirements. The supervisory board members take responsibility for undertaking any training or professional development measures necessary for the performance of their duties and are supported in this by the company. New members of the supervisory board are supported by an onboarding training which includes topics like the tasks, rights and duties of the supervisory board, the internal organisation, the tasks of the committees of the supervisory board, conflicts of interest and directors' dealings, as well as insights into our business model. For further information on the trainings during the financial year 2025, please refer to [1.2 Report of the supervisory board](#).

Self-assessment

Our supervisory board regularly assesses the effectiveness of its own activities and those of its committees.

In January 2026, a self-assessment questionnaire was sent to the supervisory board members to monitor efficiency levels. The questionnaire focused on the supply of information to the supervisory board, the structure and efficiency

of meetings, the setup and procedures of the supervisory board's committees, the structure of the supervisory board, its succession planning as well as the level of information on specific focus topics the supervisory board has been involved with. No noteworthy shortcomings were identified in the self-assessment.

Conflicts of interest

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

Remuneration

The remuneration report for the financial year 2025, the opinion of the auditor pursuant to Section 162 of the German Stock Corporation Act and the latest resolution of the general meeting regarding the remuneration of the supervisory board pursuant to Section 113 of the German Stock Corporation Act are published on our [corporate website](#). The remuneration report for the financial year 2025 is included in this annual report.

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

We attach great importance to diversity & inclusion within Zalando and we are convinced that only a diverse and inclusive culture will ensure that we have the best talent on board and can truly serve our customer base. We aim for balanced gender representation in our leadership positions. Balanced representation is defined as a 40–60% corridor where we aim for women and men to reach a representation of 40–60%.

The supervisory board aims for a balanced gender representation on the supervisory board and management board within the 40–60% corridor by 31 December 2027. For the four leadership levels below the management board, our goal was to achieve a 40–60% corridor for each of the four leadership levels below the management board by 31 December 2025. These targets do not yet include ABOUT YOU. As the transaction occurred in July 2025, to incorporate ABOUT YOU into the target and to adjust the baseline and prior-year figures, we need a robust assessment of the methodological differences in target setting. An updated group consolidated target that includes ABOUT YOU will be established and launched in 2026.

As of 31 December 2025, the representation of women (excluding ABOUT YOU) is as follows:

- 55.6% of the supervisory board
- 25% of the management board⁵⁹
- 33.3% of the first management level below the management board (SVPs)
- 31.8% of the second management level below the management board (VPs)
- 33.6% of the third management level below the management board (Directors)
- 38.9% of the fourth management level below the management board (Heads)

⁵⁹ With our new CFO Anna Dimitrova joining the management board on 1 January 2026, this representation rate has increased to 40%.

2.5.7 Annual general meeting and investor relations

Our shareholders can exercise their rights at the annual general meeting that takes place within the first six months of each business year. Every shareholder is entitled to attend the annual general meeting, to speak on items on the agenda and to ask relevant questions and propose relevant motions. Each share has one vote. In particular, the annual general meeting decides on the appropriation of distributable profit, the discharge of the management board and the supervisory board, the election of supervisory board members and the appointment of the auditor. In addition, it decides on all amendments to the articles of association. The general meeting generally adopts advisory resolutions on the approval of the remuneration system for the management board members prepared by the supervisory board, on the actual remuneration of the supervisory board, and, in a recommendatory capacity, on the approval of the remuneration report for the preceding financial year. The management board presents the annual financial statements and the consolidated financial statements of Zalando SE together with the combined management report to the annual general meeting. Following the expiry of the previous authorisation granted by the annual general meeting on 24 May 2023, the annual general meeting held on 27 May 2025 authorised the management board of the company to make provision for a virtual general meeting for a period of two years after the registration of the new provision in Section 16a of the articles of association in the commercial register.

The next annual general meeting will take place on 12 May 2026 as a virtual meeting. The convocation and all relevant documents will be published on our [corporate website](#).

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

2.5.8 Corporate governance practices

Governance strategy and integration: The Zalando Corporate Compliance team is responsible for monitoring, managing, documenting and reporting on compliance risks derived from breaches of the law, group policies and ethical standards in business at a group-wide level. Following the acquisition of ABOUT YOU, the group is pursuing a strategic alignment of governance frameworks. During the 2025 reporting period, compliance and operative processes for ABOUT YOU continued to run separately. Zalando is currently steering the transition toward an integrated governance model.

Zalando compliance framework: Zalando's Compliance Management System encompasses policy management, a help desk function, whistleblowing management (including related investigations, where required), business partner due diligence and compliance-related training. The Corporate Compliance team also conducts risk assessment and management in the area of business partner-related compliance. For this purpose, legal and ethical risks covered by our Code of Ethics and Code of Conduct, including related policies, are centrally managed within the Corporate Governance department. The Zalando Code of Ethics outlines the standards to which we as a company adhere. Based on fundamental values of honesty, respect, trust and fairness, the code forms the basic guideline for our work-related interactions. It sets mandatory standards and clear expectations for professional, ethical and responsible behaviour. Our Code of Ethics requires all employees to follow the law and also defines our expectations with regard to diversity & inclusion, respectful behaviour and the avoidance of conflicts of interest. Fostering a speak-up culture so that employees actively participate and raise concerns or report potential compliance breaches is an essential part of

Zalando's culture. This expectation is complemented by the promise to protect all those who report an incident in good faith from negative consequences. The Code of Ethics has been communicated to all employees in various languages and is available on our corporate website. It also stipulates the obligation for all employees to comply with our data protection standards, as set out in internal policies, principles and guidelines. Protecting personal data, as well as collecting, processing and using data in accordance with the law, is fundamental to Zalando because it is essential not only for our employee and partner-related data, but especially for our customers and their trust in our products and services. This customer trust is the basis for long-term customer relationships. Therefore, Zalando ensures regular employee privacy training and has designed actionable privacy principles to create awareness and guardrails for privacy-compliant business design and conduct. For our employees, we have a dedicated online resource with guidance on how Zalando handles employee data and sets out rights employees have in relation to personal data they share with Zalando. Specialised privacy roles are trained to support all business divisions with guidelines and standards to ensure company-wide proper safeguards are implemented. In the reporting period, we also maintained our concept of having local enablers outside our headquarters to serve as multipliers for compliance topics as well as be an additional, local contact point to the centralised Corporate Compliance team. This ensures a better understanding of local challenges and helps drive well-informed solutions by removing (potential) barriers when seeking assistance with compliance.

Making ethical behaviour natural internally also leads to comparable expectations towards external partners. Therefore, the Zalando Code of Conduct outlines the standards to which we hold our business partners accountable. It covers the areas of human rights, including supply chain compliance and labour rights, environmental protection, fair and ethical business practices, monitoring and complaints. Our Code of Conduct is published on our corporate website. It applies to business partners of Zalando SE (including suppliers, service providers, platform partners, distributors, consultants and agents) and its subsidiaries with a comparable risk profile. We expect every business partner to acknowledge the standards set out in our Code of Conduct and require the existence of appropriate management systems and due diligence processes to be in place. Zalando carries out business partner due diligence reviews (sanction list screening and compliance database and adverse media checks, followed by an in-depth review carried out by the Corporate Compliance team if any findings are made) for defined groups of business partners and in cases where potential compliance risks are apparent.

Our compliance training encompasses our Code of Ethics, Code of Conduct and group policies, including anti-corruption-related policies such as our group policy benefits, gifts, events and expenses. We train colleagues with leadership responsibility in person or via video chat solutions. In the training sessions we discuss in detail all questions related to the relevant topics. We aim for a high level of knowledge among our leaders, particularly regarding our internal guidelines as those having leadership responsibility should be role models. Employees without leadership responsibility are made aware of our compliance-relevant regulations via e-learning courses. The e-learning courses are mandatory for all employees who have a Zalando email address (except for defined roles with low compliance risks in logistics and stores). Each mandatory training course is followed by mandatory refresher courses every other year. Employees receive an automatic reminder to fulfil their training obligations. If employees do not fulfil their obligations, the lead will be informed and reminded repeatedly until the training is completed. In 2025, Zalando conducted 37 face-to-face sessions (2024: 30), and 6,764 employees completed e-learning modules (2024: 4,759).

Various communication channels are available to facilitate the reporting of presumed compliance infringements to the Corporate Compliance team. Infringements can be reported — in various languages — via whistleblowing tools from a third-party provider, inter alia, and on an anonymous basis if preferred. The anonymous and protected reporting

channels are available to employees as well as third parties (further details can be found in [Process to raise concerns](#) under ESRS S1 Own workforce of section [2.8 Sustainability statement](#)). Reported cases which qualify as potential compliance violations are managed by the Corporate Compliance team; if a reported scenario qualifies as a potential serious case, a compliance panel takes over decision-making relating to the consequences. The panel consists of our Chief People Officer, the general counsel and a senior executive. Information on detected compliance infringements and important updates of processes or policies are reported to the management board and the audit committee of the supervisory board at least on a quarterly basis. Additionally, the latter receives information about training participation rates.

ABOUT YOU compliance framework and comparative assessment: Zalando and ABOUT YOU both operate under comprehensive governance frameworks designed to monitor and mitigate risks derived from legal breaches and ethical misconduct. ABOUT YOU's Compliance Management System manages policy distribution, whistleblowing and business partner due diligence. The ethical foundation of ABOUT YOU is divided into two primary pillars:

Business Code of Ethics (internal focus): This code defines the standards for all employees and represents the basis for all internal guidelines. It centres on the core values of honesty, integrity and respectful interaction. Beyond simple legal compliance, it stipulates mandatory standards for anti-corruption, the prevention of conflicts of interest and the protection of third-party data and sensitive information. It also establishes clear expectations regarding diversity, inclusion and the rejection of any form of harassment or discrimination.

Business Code of Conduct (external focus): This code sets binding minimum standards for all business partners producing or delivering goods and services for ABOUT YOU. It mandates safe working conditions, fair compensation and the avoidance of forced or child labour throughout the value chain. Partners are required to actively acknowledge these standards and ensure they are cascaded further down their own supply chains. Throughout the reporting period, ABOUT YOU also had whistleblowing mechanisms in place which allowed for anonymous reporting by employees, business partners and third parties in various languages. ABOUT YOU fosters a "speak-up" culture by guaranteeing protection from retaliation or discrimination for any person reporting a concern in good faith. For compliance trainings which are mandatory for all employees, ABOUT YOU utilises its fully digital LAYNE platform for on-demand e-learning. More details regarding ABOUT YOU can be found in the sections [ESRS S2 Workers in the value chain](#) and [ESRS G1 Business conduct](#) of our [2.8. Sustainability statement](#).

Suggestions of the German Corporate Governance Code

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

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

2.6 Takeover law disclosures pursuant to Sections 289a (1), 315a (1) HGB and explanatory report⁶⁰

The required disclosures pursuant to Sections 289a (1), 315a (1) HGB are listed and explained below.

Composition of issued capital

With respect to the composition of issued capital, please refer to section [3.5.7 \(20.\) Equity](#) in the Notes.

Restrictions relating to voting rights or the transfer of shares

At the end of the reporting year, Zalando SE had 6,027,342 treasury shares that do not grant rights in accordance with Section 71b AktG.

Shareholdings that exceed 10% of the voting rights

At the end of financial year 2025, Anders Holch Povlsen held an indirect shareholding in Zalando SE that exceeded the threshold of 10% of voting rights. Information on the amount of the shareholdings in the company can be found in [1.4 The Zalando share — 2025 in review](#).

Statutory regulations and provisions of the articles of association concerning the appointment and removal from office of management board members, and concerning modifications to the articles of association

According to Article 9 (1), Article 39 (2) and Article 46 of the SE Regulation, Sections 84 and 85 AktG and Article 7 (4) of the articles of association, the supervisory board appoints the members of the management board for a maximum term of five years. Reappointments are permissible. The supervisory board is authorised to revoke the appointment of a management board member for cause (for details, see Article 9 (1), Article 39 (2) of the SE Regulation, Section 84 AktG). According to Article 7 (1) of the articles of association, the management board consists of one or more members. The number of members of the management board is determined by the supervisory board.

The general meeting passes resolutions to amend the articles of association. According to Article 20 (2) of the articles of association, amendments to the articles of association require a two-thirds majority of the valid votes cast or, if at least one-half of the share capital is represented, a simple majority of the valid votes cast, unless this conflicts with mandatory legal provisions.

According to Article 12 (5) of the articles of association, the supervisory board is entitled to make changes to the articles of association that pertain to the wording only. Pursuant to Article 4 (3) of the articles of association, the supervisory board is authorised to adjust the wording of the articles of association to reflect the implementation of the increase in the registered share capital from authorised capital or after the term of authorisation has expired.

Authority of the management board to issue shares or acquire treasury shares

Our management board is authorised to increase the registered capital of the company until 26 May 2030 with the consent of the supervisory board, once or repeatedly, by up to a total of EUR 79,181,289 through the issuance of up to 79,181,289 new no-par value bearer shares against contributions in cash and/or in kind (Authorised Capital 2025).

⁶⁰ Takeover law disclosures pursuant to Sections 289a (1), 315a (1) HGB are part of the combined management report and also form part of the corporate governance statement, together with the declaration of conformity.

The shareholders are, in principle, entitled to subscription rights. The management board is authorised to exclude the subscription rights of the shareholders with the consent of the supervisory board in the cases described in the authorisation. The total shares issued under the authorisation with the exclusion of subscription rights must not exceed 10% of the registered share capital, either at the time the authorisation becomes effective or at the time it is exercised. Shares (i) issued or disposed of during the term of this authorisation with the exclusion of subscription rights in direct or mutatis mutandis application of Section 186 (3) sentence 4 of the German Stock Corporation Act and (ii) that are issued or can or must be issued to service bonds with conversion or option rights or conversion or option obligations, provided such bonds are issued in mutatis mutandis application of Section 186 (3) sentence 4 of the German Stock Corporation Act with the exclusion of the shareholders' subscription rights after this authorisation has come into force shall be deducted from the aforementioned 10% limit. The management board is authorised, with the consent of the supervisory board, to determine any further details of the capital increase, the additional content of the rights arising from the shares and the conditions of the share issue. The new shares participate in profits from the start of the financial year in which they are issued. However, the management board may, to the extent it is legally permissible, and subject to the consent of the supervisory board, determine that the new shares shall bear dividend rights from the beginning of an already past financial year for which no resolution of the general meeting regarding the appropriation of the net profit had been passed at the time when they were issued.

The share capital of Zalando SE is conditionally increased by up to 1,875.00 EUR by the issuance of up to 1,875 new no-par value bearer shares (Conditional Capital 2014). The Conditional Capital 2014 may only be used to fulfil the subscription rights which have been granted to employees of the company as well as members of the management bodies and employees of companies affiliated with the company according to the meaning of Sections 15 et seq. AktG in connection with the Stock Option Program 2014 in accordance with the resolution of the annual general meeting of the company on 3 June 2014, as amended by the company's annual general meetings of 11 July 2014, 23 June 2020 and 18 May 2022. The conditional capital increase will only be implemented to the extent that such subscription rights have been issued in accordance with the Stock Option Program 2014 as resolved by the annual general meeting on 3 June 2014, as amended by the company's annual general meetings of 11 July 2014, 23 June 2020 and 18 May 2022, the holders of the subscription rights exercise their rights, and the company does not deliver treasury shares to satisfy the subscription rights.

The share capital of Zalando SE is conditionally increased by up to 2,139,870.00 EUR against contributions in cash and in kind by the issuance of up to 2,139,870 new no-par value bearer shares with a pro rata share in the share capital of 1.00 EUR to fulfil subscription rights for shares of the company (Conditional Capital 2016). The Conditional Capital 2016 may only be used to fulfil the subscription rights which have been granted once or several times — partly as a component of stock appreciation rights — in accordance with the resolution of the annual general meeting of the company on 31 May 2016, as amended by the resolution of our annual general meeting on 18 May 2022. The new shares shall be subscribed against either a cash payment in the amount of the lowest issue price according to the meaning of Section 9 (1) AktG or against the contribution of the participants' remuneration entitlements under the stock appreciation rights granted to them, which are granted in accordance with the authorisation of the annual general meeting on 31 May 2016, as amended by the resolution of our annual general meeting on 18 May 2022. The conditional capital increase will be implemented only to the extent that subscription rights or stock appreciation rights with subscription rights have been issued in accordance with the resolution of the annual general meeting on 31 May 2016, as amended by the resolution of the company's annual general meeting on 18 May 2022, the holders of subscription rights exercise their rights, and the company grants no treasury shares or cash payments to satisfy the subscription rights. The subscription shares will be issued at the lowest issue price of 1.00 EUR.

Zalando SE's share capital is conditionally increased by up to 1,522,269.00 EUR by the issuance of up to 1,522,269 new bearer shares with no-par value (Conditional Capital 2019). The Conditional Capital 2019 exclusively serves the purpose of servicing subscription rights granted to members of the company's management board in connection with the Long-Term Incentive 2018 in accordance with the resolution of our annual general meeting on 22 May 2019 under agenda item 7, as amended by the resolution of our annual general meeting on 18 May 2022. The conditional capital increase will be implemented only to the extent that the holders of the granted subscription rights exercise their right to subscribe for shares of the company and the company grants no treasury shares or cash payments to fulfil the subscription rights. The new shares under the conditional capital will be issued for the minimum issue amount pursuant to Section 9 (1) AktG.

The share capital is conditionally increased by up to 48,879,168.00 EUR by issuing up to 48,879,168 new no-par value bearer shares (Conditional Capital 2025). The purpose of the Conditional Capital 2025 is (i) to grant shares to the holders/creditors of convertible bonds and/or bonds with warrants or a combination of all of these instruments that are issued pursuant to the authorisation resolved on by the general meeting on 27 May 2025 under agenda item 12 lit. b) until 26 May 2030 by the company or any subordinate group entity of the company and that grant a conversion or option right to new no-par value bearer shares of the company or provide for a conversion or option obligation or an option entitling the issuer to deliver shares, and (ii) to grant shares to the holders/creditors of convertible bonds and/or bonds with warrants or a combination of all of these instruments that are or were issued pursuant to the authorisation resolved on by the general meeting on 23 June 2020 under agenda item 11 lit. b) until 22 June 2025 by the company or any subordinate group entity of the company and that grant a conversion or option right to new no-par value bearer shares of the company or provide for a conversion or option obligation or an option entitling the issuer to deliver shares. The new shares from Conditional Capital 2025 may only be issued at a conversion or option price that (i) meets the requirements of the authorisation resolved on by the general meeting on May 27 2025 under agenda item 12 lit. b) or (ii) meets the requirements of the authorisation resolved on by the general meeting on 23 June 2020 under agenda item 11 lit. b), depending on which authorisation was applicable to the issue of the relevant convertible bonds and/or bonds with warrants or a combination of all of these instruments. The conditional capital increase is to be carried out only to the extent to which use is made of conversion or option rights or conversion or option obligations are fulfilled or an option entitling the issuer to deliver shares is exercised and no other forms of fulfilment of delivery are used. The management board is authorised, with the consent of the supervisory board, to determine the further details of the implementation of conditional capital increases.

The new shares from the Conditional Capital 2014, Conditional Capital 2016, Conditional Capital 2019 and Conditional Capital 2025 participate in the profits from the beginning of the financial year in which they were issued; notwithstanding this, the new shares participate in the profits from the beginning of the financial year preceding the financial year in which such new shares were created if the annual general meeting has not yet adopted a resolution on the appropriation of the distributable profit for the financial year preceding the financial year in which these new shares were created.

The management board is authorised, by resolution of the annual general meeting on 27 May 2025, to acquire treasury shares until 26 May 2030 for any permissible purpose totalling up to 10% of its registered capital as of the date of the resolution or as of the date on which the authorisation is exercised if the latter value is lower. Shares acquired may not at any time amount to more than 10% of the total share capital when taken together with other treasury shares held by the company or allocable to the company in accordance with Sections 71a et seq. AktG. In addition to this, the management board is authorised to use derivatives to acquire treasury shares until 26 May 2030.

All shares that are acquired using derivatives are limited to shares that pertain to, at most, 5% of the share capital existing as of the date of the resolution of the annual general meeting or, if the amount is lower, share capital existing at the time this authorisation is exercised.

With regard to details of the authorisation to acquire treasury shares, we refer to the resolutions proposed by the management board and the supervisory board in items 9 and 10 of our annual general meeting agenda of 27 May 2025, which was published in the German Federal Gazette on 15 April 2025.

Company compensation agreements that have been entered into with management board members or employees in the event of a takeover bid

The Long-Term Incentives LTI 2018, LTI 2021,⁶¹ and the Rolling Long-Term Incentive LTI 2024 allow for a replacement of option rights held by the management board in the case of a change of control. The supervisory board and the management board are both entitled to request the cancellation of the vested outstanding options in exchange for payment by the company. LTI 2018, LTI 2021 and Rolling LTI 2024 options not yet vested at the time of a change in control may be replaced at the discretion of the supervisory board by an economically equivalent new programme.

Significant company agreements subject to a change of control due to a takeover bid

The material agreements that are subject to the condition of a change of control involve the revolving credit facility, the convertible bonds, various reverse factoring agreements as well as individual agreements in the areas of B2B fulfilment services, third-party logistics services and packaging supply. In the event of a change of control, these agreements provide for the right to terminate the agreement and accelerate repayment or, for factors, the right to terminate the agreement or renegotiate the contractual terms. In the event of a change of control, each bondholder is entitled to call all or any of its bonds that have not yet been converted or redeemed. If a bondholder cancels the bonds, the bonds must be repaid on the control acquisition date.

⁶¹ The term "LTI 2021" includes all plan rules under the remuneration system 2021 regardless of their grant date, i.e. the plan rules with the denominations LTI 2021, LTI 2021/2022, LTI 2023 and LTI 2024.

2.7 Supplementary management report to the separate financial statements of Zalando SE

The management report of Zalando SE as a separate entity and the group management report have been combined. The following notes are based on the annual financial statements of Zalando SE, which were prepared in accordance with the provisions of the German Commercial Code [HGB, Handelsgesetzbuch] and the German Stock Corporation Act [AktG, Aktiengesetz] in conjunction with Art. 61 EU CR 2157/2001.

2.7.1 Business activity

Zalando SE is the parent company of the Zalando group. Its registered office is the corporate headquarters in Berlin. The company runs a European online fashion and lifestyle platform and connects customers, brands and partners. Its operating activities mainly include the development, sourcing, marketing, retail and commission sale of various types of goods, in particular clothing and shoes, as well as related consumer- and partner-facing services. Other responsibilities include the management of online destinations, HR management, IT, finance management and risk management.

As the parent company of the group, Zalando SE is represented by its management board, which determines the direction of the group and defines the corporate strategy.

The financial statements of Zalando SE are prepared in accordance with the HGB. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. This gives rise to differences in recognition and measurement policies. The differences primarily relate to provisions, fixed assets, financial instruments and deferred taxes.

In addition, Zalando SE has extensive supply and service relationships with its subsidiaries. The services provided essentially encompass fulfilment and distribution services, content creation and customer service, as well as procurement, administrative, payment and IT services.

2.7.2 Economic situation of Zalando SE

The results of Zalando SE's operations are presented in the following condensed income statement and are broken down by type of expense within the company. The year 2025 marked an acceleration in our growth trajectory, following a successful return to growth in 2024. This was achieved despite a continuously volatile and muted macroeconomic environment, and was due to the execution of our updated strategy and the ongoing shift from offline to online shopping. We continue to invest in strategic growth opportunities to drive long-term value whilst simultaneously pursuing cost efficiencies. Our full-year results affirm the effectiveness of our strategy in capturing growth opportunities and increasing profits.

Our strategy is deeply rooted in our platform approach, as brand partnerships are essential for offering our customers seamless access to their assortment of products alongside inspiring and entertaining content. We enable brands and retailers to easily access our platform through our retail and partner businesses.

This has resulted in increased revenues and an improved operating result.

Income statement of Zalando SE according to the German Commercial Code (condensed version)

in m EUR	2025	As % of sales	2024	As % of sales	Change in percentage points
Revenue	10,960.8	100.0%	10,272.6	100.0%	0.0 pp
Own work capitalised	80.6	0.7%	65.7	0.6%	0.1 pp
Other operating income	211.5	1.9%	186.5	1.8%	0.1 pp
Cost of materials	-5,611.6	-51.2%	-5,254.3	-51.1%	0.0 pp
Gross profit	5,641.3	51.5%	5,270.5	51.3%	0.2 pp
Personnel expenses	-693.8	-6.3%	-642.1	-6.3%	-0.1 pp
Amortisation and depreciation	-80.4	-0.7%	-80.3	-0.8%	0.0 pp
Other operating expenses	-4,554.2	-41.5%	-4,321.6	-42.1%	0.5 pp
Operating result	313.0	2.9%	226.5	2.2%	0.7 pp
Financial result	129.7	1.2%	10.3	0.1%	1.1 pp
Earnings before taxes	442.7	4.0%	236.8	2.3%	1.7 pp
Income taxes	-165.5	-1.5%	-77.6	-0.8%	-0.8 pp
Other taxes	-6.4	-0.1%	-6.4	-0.1%	0.0 pp
Net income for the year	270.7	2.5%	152.8	1.5%	1.0 pp
Operating result margin	2.9%	–	2.2%	–	0.7 pp

In the reporting period, revenue, as the main key performance indicator of Zalando SE, increased by 688.2m EUR to 10,960.8m EUR. The 6.7% increase in revenue was driven by continued growth in online retail demand across core European markets as well as focusing on the roll-out of our loyalty programme, Plus, and a roll-out to new markets. At the same time, both our retail business and partner business continued on their growth paths.

Other operating income mainly results from income from foreign currency translation, group recharges and the release of accruals. The increase compared to the prior year of 25.0m EUR is mainly due to an increased income from foreign currency translations.

The cost of materials increased by 357.4m EUR to 5,611.6m EUR. This increase was driven by the rapid expansion of the B2B segment, which operates at a lower margin profile. Overall, the company generated a gross profit of 5,641.3m EUR in the financial year 2025 (prior year: 5,270.5m EUR).

Personnel expenses rose by 51.7m EUR to 693.8m EUR, mainly impacted by an increase in the average headcount by 119, from 6,038 employees in the prior year to 6,157 in 2025. Salary increases and restructuring expenses in 2025 also contributed to this increase.

Amortisation and depreciation remained almost stable at 80.4m EUR (prior year: 80.3m EUR).

Other operating expenses primarily include fulfilment costs as well as marketing expenses. The increase of 232.6m EUR in other operating expenses is primarily due to an increase in fulfilment costs, expenses from exchange

rate differences, intercompany charges and internet hosting services, whereas marketing expenses slightly declined. The increase in fulfilment costs was mainly driven by the increased business volume.

The operating result for the year of 313.0m EUR increased by 0.7 percentage points in revenue, resulting in a solid profit, mainly due to an increased gross profit and improved other operating expenses.

The financial result mainly comprises income from equity investments in affiliated companies of 154.7m (prior year: 7.7m), income from profit transfers of 46.8m EUR (prior year: 30.8m EUR) and expenses from loss absorption of 12.5m EUR (prior year: 24.2m EUR), interest expenses of 72.9m EUR (prior year: 102.6m EUR) and interest income of 54.7m EUR (prior year: 108.1m EUR), as well as the amortisation of financial assets of 55.5m EUR (prior year: 30.9m EUR) during the reporting period.

Income taxes include deferred taxes and current income taxes paid or payable. They comprise trade tax, corporate income tax and a solidarity surcharge. As in the prior year, the statutory corporate income tax rate including the solidarity surcharge for the 2025 assessment period was 15.8%. The applicable trade tax rate was 14.8% (prior year: 14.7%).

The net income for the financial year amounted to 270.7m EUR (prior year: 152.8m EUR).

Net assets and financial position

The net assets of Zalando SE are shown in the following condensed balance sheet:

Assets

in m EUR	31 Dec, 2025		31 Dec, 2024		Change
Non-current assets	3,274.0	50.9%	2,181.2	33.2%	1,092.7
Current assets	3,098.1	48.2%	4,287.6	65.3%	-1,189.5
Prepaid expenses	44.0	0.7%	38.6	0.6%	5.4
Deferred tax assets	17.0	0.3%	58.2	0.9%	-41.2
Total assets	6,433.0	100.0%	6,565.6	100.0%	-132.6

Equity and liabilities

in m EUR	31 Dec, 2025		31 Dec, 2024		Change
Equity	2,350.3	36.5%	2,051.0	31.2%	299.3
Provisions	711.2	11.1%	715.2	10.9%	-4.0
Liabilities	3,368.3	52.4%	3,772.8	57.5%	-404.5
Deferred income	3.2	–%	26.7	0.4%	-23.5
Total equity and liabilities	6,433.0	100.0%	6,565.6	100.0%	-132.6

The total assets of Zalando SE decreased by 2.0%. The assets of Zalando SE mainly consist of financial and current assets, specifically shares in affiliated companies, inventories, receivables as well as securities and cash. Equity and liabilities comprise equity and current and non-current liabilities and provisions.

In the financial year 2025, additions to non-current assets mainly referred to financial assets (1,275.0m EUR) relating chiefly to shares in affiliated companies (1,138.3m EUR), loans to affiliated companies (127.8m EUR), as well as to intangible assets (107.5m EUR). Shares in affiliated companies increased mainly due to our acquisition of the ABOUT YOU shares, resulting in a total share value of 1,154.0m EUR as of 31 December 2025. Disposals mainly related to loans to affiliated companies (120.3m EUR) and to capital repayments of subsidiaries (35.9m EUR).

The decrease in current assets in the financial year 2025 was mainly driven by cash and securities, which decreased by 1,180.1m as these funds were mainly used to finance the acquisition of the ABOUT YOU shares. Inventories increased by 214.3m EUR, whereas intercompany receivables dropped by 289.5m EUR. The increase in inventories resulted mainly from higher inbounds. Inventories chiefly comprised merchandise used in the core operational business of Zalando SE. The decrease in intercompany receivables is primarily attributable to receivables from intercompany factoring. The balance decreased due to earlier payments, considering a shorter returns provision period.

The equity ratio was at 36.5% (prior year: 31.2%).

Provisions and liabilities decreased by 408.5m EUR to 4,079.5m EUR, mainly impacted by the decreased convertible bond, which was partially repaid with a principal amount of 400.0m EUR. As of 31 December 2025, this item pertains mainly to trade payables, intercompany liabilities, the convertible bond, and provisions for product return claims and outstanding invoices for fulfilment and marketing expenses.

Under reverse factoring agreements, suppliers' claims against Zalando totalling 646.6m EUR were transferred to various factors as of 31 December 2025 (31 December 2024: 639.2m EUR). These are recognised in the statement of financial position under trade payables.

Regarding the liquidity and financial development of Zalando SE, we refer to the financial development of the Zalando group, which basically reflects the financial development of Zalando SE. Furthermore, Zalando SE is responsible for the cash management of the Zalando group.

In the financial year 2025, Zalando generated a positive cash flow from operating activities of 332.2m EUR (prior year: 62.9m EUR). In addition to the net income of 270.7m EUR, operating cash flow was also mainly impacted by decreased receivables from affiliated companies.

The cash flow from investing activities in financial year 2025 was mainly impacted by the acquisition of the ABOUT YOU shares of 1,036.4m EUR, as well as investments in purchased and self-developed software.

The cash flow from financing activities predominately consisted of the repayment of convertible bonds of 400.0m EUR (prior year: 95.5m EUR), as well as the repurchase of treasury shares of 98.2m EUR (prior year: 99.5m EUR) as part of our share buy-back programme. Cash and cash equivalents consisted of cash on hand and bank balances, as well as fixed-term deposits at financial institutions and in money market funds. Zalando SE was able to meet its financial obligations at all times over the past financial year.

Overall assessment of the economic situation of Zalando SE

The management board takes a very positive view of Zalando SE's business development in 2025. Revenue and results showed a clearly positive trend, while the net assets were characterised by the strategic acquisition of the ABOUT YOU shares and a strengthened equity ratio. Despite extensive investments and the repayment of liabilities, the company maintained solid liquidity at all times. Revenue growth was within the expected range.

2.7.3 Risks and opportunities

The business development of Zalando SE is subject to essentially the same operating risks and opportunities as the group. Zalando SE participates fully in the operating risks of its subsidiaries. Statements made by the management board on the overall assessment of the group's risk situation thus also refer to the risk situation of Zalando SE. The description of Zalando SE's accounting-related internal control system and risk management system stipulated in Section 289 (5) HGB is provided in the risk and opportunity report of the group.

2.7.4 Outlook

The revenue development projections for the group largely apply to Zalando SE, given the close operational ties and the parent company's significant weight within the organisation, and also reflect the expectations for the parent company in terms of trends and intensity of the expected developments in the main key performance indicators. However, group expectations for 2026 have been elevated following the mid-2025 consolidation of ABOUT YOU. While the group reflects this broader scope, we anticipate the revenue growth rate for Zalando SE to be in the single-digit percentage range above prior year.

Berlin, 10 March 2026

Robert Gentz

David Schröder

Anna Dimitrova

David Schneider

Dr Astrid Arndt

2.8 Sustainability statement

2.8.1 General information

Basis for preparation (ESRS 2 BP-1 and BP-2)

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 2025.

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 2025 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. We also comply with the disclosure requirements of the EU Taxonomy Regulation.

This sustainability statement has been prepared on a consolidated basis and according to the same principles as the financial statements. The number of subsidiaries included in the basis of consolidation is 67 in financial year 2025 (prior year: 58). As of 11 July 2025, ABOUT YOU Holding SE, Hamburg, and its entities (hereinafter ABOUT YOU) became part of the Zalando group. For additional information on the transaction, please refer to section [3.5.8 \(5\) Business combinations](#) of the notes to the consolidated financial statements. Unless otherwise noted, "Zalando", "group" or "we" refers to the consolidated group. If an entity is not included, this is explicitly stated.

The contents of this statement is based on the results of a Double Materiality Assessment (DMA), which was performed in 2024 in accordance with the requirements set out in the CSRD and ESRS and subsequently updated in 2025. We incorporated ABOUT YOU's respective impacts, risks and opportunities (IROs) in the 2025 update, as well as the IROs arising from the transaction itself, and identified no significant changes. The sustainability statement includes topics that are relevant to our stakeholders or required by the national regulations which Zalando follows, and therefore contains the following topics:

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

The consolidated quantitative Environmental, Social and Governance (ESG) data comprises the parent company Zalando SE and subsidiaries controlled by Zalando SE as of the end of the reporting year. ABOUT YOU is incorporated into the calculation of all metrics from the transaction date onwards. Associates and joint ventures are not included in the consolidated ESG metrics.

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. For the 2025 reporting year, ABOUT YOU continues to apply its own policies, implement its own actions and set its own targets. During this period, the policies, actions and targets of Zalando are not applicable to ABOUT YOU, unless otherwise specified. Policies, actions and targets are either reported separately or on an aggregated basis. Where material differences exist, these will be explicitly disclosed and explained.

Value chain (ESRS 2 BP-2)

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 business 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 disclosures. 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.

Degree of estimations and assumptions (ESRS 2 BP-2)

We use assessments and estimates for the reporting of certain 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, remuneration report, the financial statements and notes demonstrate the interconnectivity between sustainability reporting and financial reporting. This additional information is not required by the ESRS; hence, it is not part of the sustainability statement.

Transitional provisions (ESRS 2 BP-2)

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 this level of detail, and we only have limited data on individual groups of workers across our entire value chain (for further information please refer to [ESRS S2 Workers in the value chain](#) in section 2.8.3 Social information).

We make use of the phased-in provision for disclosure requirements outlined in the ESRS 1 Appendix C.

On 8 January 2026, we announced the decision to close our fulfilment centre in Erfurt, Germany, planned for the end of September 2026. In addition, we will discontinue operations at three logistic centres outside of Germany that external service providers operate for Zalando. As we only started to implement the plan to close these sites and announced its main features after the reporting date, this is a non-adjusting event. For additional information, please refer to section 3.5.8 (11.) [Subsequent events](#) in the notes to the consolidated financial statements. The closure and discontinuations are expected to impact our future sustainability statement and the effects will be fully evaluated in our 2026 reporting.

Governance

Role of the administrative, management and supervisory bodies (GOV-1)

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.

Management board

The management of Zalando is exclusively assigned to our management board. As of 31 December 2025, our management board comprised four members: Robert Gentz (co-CEO and co-founder), David Schröder (co-CEO and interim CFO), David Schneider (co-founder, strategic partnerships) and Dr Astrid Arndt (CPO, corporate functions). Our management board has the overall responsibility to independently and diligently manage our company's business with the goal of achieving sustainable growth.

The supervisory board appoints our management board members, ensuring they possess the requisite knowledge, skills and professional expertise and adequately considering the various fields of core competences pertinent to our business model. For additional information, please refer to Governance and control in section [2.1.2 Group structure](#) of the combined management report. While the primary criterion is 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). 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 Dr Sandra Dembeck (former CFO) left Zalando at the end of February 2025, with David Schröder taking over the interim CFO-position, the female representation on the management board decreased to 25% as of 31 December 2025 (prior year: 40%). With the appointment of Anna Dimitrova as the new CFO and management board member effective as of 1 January 2026, female representation has increased back to 40%, aligning 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.

Additionally, our management board possesses an array of skills and expertise essential for addressing Zalando's material IROs related to sustainability. 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.

Supervisory board

Our supervisory board consists of nine members (six shareholder representatives and three employee representatives) and is responsible for overseeing and advising the management board. The competence profile of the supervisory board as a whole comprises industry competence (in particular in fashion, technology and commerce), as well as competences in finance, strategy, supervision, innovation and sustainability. The members, as a group, shall be familiar with our operating sector. While qualification remains the decisive criterion, our supervisory board places significant emphasis on diversity, especially in professional experience and expertise, cultural and educational background as well as age. Members should not exceed 70 years of age when elected. To reflect our international character, the board shall include a minimum of two international members — representatives of six different nationalities as of the end of 2025 — and strive for balanced gender representation, with a female representation on the supervisory board of 55.6% as of 31 December 2025 (prior year: 55.6%).

Furthermore, supervisory board members shall not hold governing or advisory roles at significant online platform competitors. A maximum of two former management board members may serve on the supervisory board. At least four shareholder representatives shall be independent from Zalando and its management board (as defined in the German Corporate Governance Code, GCGC, C.7) and at least two shall be independent from any controlling shareholder (as defined in GCGC C.9). As of 31 December 2025, five of the six shareholder representatives (83%, prior year: 83%) are considered independent.

Our supervisory board possesses strong functional competence. Seven members have direct industry experience, and key areas of expertise include strategy (six members), supervision (three members) and innovation (three members). Four members have experience in the field of finance. The chairperson and another member of our audit committee possess the required expertise in the areas of accounting and auditing, including ESG reporting.

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.

Both, our management board and supervisory board collectively possess a diverse set of expertise for addressing matters of business conduct, including corporate governance, compliance, corporate culture and political engagement, as well as supplier relationship management. Key compliance topics are reported quarterly, both to the management board and to the audit committee of the supervisory board. The chairperson of the audit committee reports regularly to the full supervisory board on corporate governance and business conduct matters. These reporting formats generally include key topics and insights into compliance investigation data and emerging trends, allowing the compliance function to determine further focus topics as needed.

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 (GOV-2)

The central Sustainability and Diversity and Inclusion (SDI) team is 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 strategic goals. These efforts are particularly supported by three governance bodies: Zalando Senior Executive team (consisting of SVPs), the management board and the diversity and inclusion (D&I) and sustainability committee of the supervisory board. To further embed our net-zero ambition (carbon emissions and reductions, the role of circularity and material substitution) and decent work (with a focus on workers in the value chain) into our strategy, the related IROs (see below under [Material IROs list](#)) were integrated into the relevant discussions taking place in the organisation's three governance bodies. Material IROs are also taken into account in our standard due diligence reviews during transaction processes.

The SVPs translate strategic ambitions into annual goals and oversee the IROs. In 2025, SDI goals and ambitions were owned at the following levels:

- Management board: 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**, which is responsible for the overall Zalando group strategy, including SDI ambitions. The board members 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.

Integration of sustainability-related performance in incentive schemes (GOV-3)

We have a remuneration system for our management board members that integrates sustainability matters as part of our commitment to sustainable corporate governance, aligning executive compensation with long-term value creation and ensuring that leadership is incentivised to meet both financial and ESG goals. The remuneration system was updated in 2024 to replace the former remuneration system from the year 2021 that also contained sustainability-related targets.

The service agreement of our former CFO Dr Sandra Dembeck, being the last remaining service agreement under the former remuneration system, expired at the end of its term on 28 February 2025 and was not renewed as Dr Sandra Dembeck had decided to leave our management board after the expiry of her regular term of office. Sustainability aspects were incorporated into the long-term variable LTI compensation component through a potential malus factor applied to the achievement of financial performance targets. All other service agreements of our management board members in the reporting year were subject to the rules of the current remuneration system.

The key characteristics of Zalando's incentive schemes for the management board under the current remuneration system include a mix of financial performance targets and ESG performance targets. The target total remuneration is composed as follows: fixed remuneration represents between around 10% to around 30% of the target total remuneration and 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% of the target total remuneration; 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.

Our management board members Robert Gentz, David Schröder, David Schneider and Dr Astrid Arndt were granted virtual options under the LTI in the financial year 2025 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.

ESG-related performance metrics influence the number of exercisable options under the LTI via modifiers ranging from a factor of 0.8 to 1.2, directly affecting variable remuneration. With 60% of target remuneration tied to LTI, full achievement of ESG targets can increase total remuneration by 12%, while non-achievement may reduce it by up to 12% (assuming complete achievement of the financial target). In total up to 24% of the target total remuneration could be impacted by outcomes of the ESG targets. In 2025, GHG emissions targets account for 50% of ESG modifiers, impacting 12% of total target remuneration. Overall, 12.2% (prior year: 13.4%) of variable remuneration is linked to ESG targets — split equally between sustainability and D&I.

The terms of the incentive schemes, including the sustainability-related targets, are defined and approved by the supervisory board. The supervisory board is responsible for setting ambitious and measurable 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.

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 (GOV-4)

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	128
		ESRS 2 GOV-2: Information on sustainability matters addressed by Zalando's governance bodies	130
		ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes	131
		SBM-1: Strategy, business model and value chain	134
		SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	144
		Entity-specific information: Innovation and partnerships: Governance	223

Statement on due diligence

Core elements of due diligence	Description	Paragraphs in the sustainability statement	Reference
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).	ESRS 2 GOV-2: Information on sustainability matters addressed by Zalando's governance bodies	130
		SBM-2: Interests and views of stakeholders	138
		IRO-1: Identification and assessment of material IROs	140
		S1-2: Process for engaging with own workforce	198
		S1-3: Processes to raise concerns	198
		S2-2/3: Workers in the value chain engagement: Impacts, concerns, and remediation channels	204
		Entity-specific information: Innovation and partnerships: Management of IROs related to innovation and partnerships	223
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	140
		SBM-3: Material IROs and their interaction with strategy and business model	144
d) Taking action to address these adverse impacts	Describes specific actions taken to address impacts related to Zalando's employees, such as disability inclusion initiatives. Outlines actions taken to address impacts in the value chain, including membership in the FWF and in industry associations.	E1-3: Actions and resources related to climate change policies	162
		E2-2: Actions and resources related to pollution	173
		E3-2: Measures and resources related to water resources	175
		E5-2: Actions and resources related to resource use and circular economy	178
		S1-4: Actions and resources related to own workforce	199
		S2-4: Actions and resources related to workers in the value chain	205
		S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	208 , 212 , 214 , 216
		G1-3: Prevention and detection of corruption and bribery	220
		Entity-specific information: Innovation and partnerships: Management of IROs related to innovation and partnerships	223
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	164
		E1-5: Energy consumption and mix	167
		E1-6: Gross scopes 1, 2, 3 and total GHG emissions	168
		E3-4: Metrics for our water consumption	175
		E5-3: Targets related to resource use and circular economy	180
		E5-4: Resource inflows	181
		E5-5: Resource outflows	183
		S1-5: Targets related to own workforce	200
		S1-11: Social protection	191
		S1-14: Health and safety metrics	194
		S1-15: Work-life balance metrics	192
		S1-17: Incidents, complaints and severe human rights impacts	197
		G1-4: Incidents of corruption and bribery	221

Risk management and internal controls over sustainability reporting (GOV-5)

To implement ESRS requirements and report on sustainability matters, we have established a dedicated project with supporting assessments, structures and processes. Our governance framework ensures continuous progress monitoring and includes monthly updates to project sponsors via the SVP goal review process, meetings with the CSRD steering committee every six weeks and quarterly updates to the executive management board as well as the audit committee of the supervisory board. Additionally, monthly progress updates were given to the SVP Corporate Development and the SDI team through established reporting channels.

The following risks were identified during the project phase:

- **Resource constraints:** Processes have been established to mitigate potential resourcing challenges related to capacity. 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 its implementation at Zalando. To address this and ensure clarity, the CSRD project team initiated early communication with the auditors to align on project milestones and interpretations.
- **Technical risks:** The 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 ensure 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 aims 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 CSRD steering committee and the management board.

In 2025, we built on the project initiated last year by expanding and enhancing our internal control system (ICS) for non-financial information. We have now thoroughly streamlined and updated all related processes to control risks affecting the content and presentation, including new data sources. The ICS assesses, prioritises and manages operational risks affecting the content and presentation of our sustainability statement through prevention, monitoring and detection controls and validation steps. Our ICS is integrated into various processes that significantly influence non-financial reporting, aims to ensure robust and accurate data for all sustainability statement metrics. For more general information on our ICS, please refer to section [2.3.2 Internal control systems](#) of our Risk and opportunity report.

Strategy

Strategy, business model and value chain (SBM-1)

Group strategy

In line with our group strategy, we have expanded our capabilities around two sets of customers: B2C (business-to-consumer) and B2B (business-to-business). For more detailed information, please refer to section [2.1.3 Group strategy](#) and our group segments in the section [2.1.2 Group structure](#) of the combined management report.

Zalando's average number of salaried employees (excluding apprentices, interns and working students) was 16,582 in financial year 2025 (prior year: 15,309). 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 to

12,346.1m EUR (prior year: 10,572.5m EUR), as disclosed in our 2025 consolidated financial statements and in section 3.5.7 (1.) Revenue in the notes to the consolidated financial statements.

Creating value through sustainability and diversity and inclusion

Sustainability and diversity & inclusion (SDI) are core elements of our strategy, integrated across all business models to create a competitive advantage. 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 purchasing choices with an assortment and brands that align with their values.
- Enable partners in working towards their sustainability ambitions and adapting to the evolving regulatory environment.
- Foster innovation to reduce negative environmental and social impacts at an industry level.

We are embedding **sustainability** across all areas of our group strategy and into our operations and decision-making processes with **two key long-term sustainability ambitions**:

- **Net-zero emissions** by 2040 in our own operations and private labels, and by 2050 for emissions of the remaining company value chain. In May 2025, our new science-based targets (SBTs), which are aligned with our net-zero ambition, were validated by the Science Based Targets initiative (SBTi) and published on both the SBTi website and on our corporate website. These include near-term (2033) and long-term (2040/50) targets and cover scopes 1 and 2 (own operations) and scope 3 (value chain) including fashion brand partners, packaging and transport-related GHG emissions. For more information on our net-zero ambitions, 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, we consider 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 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.

Given the diverse composition of our customer segments, we strive to ensure our company and culture mirror this **diversity and inclusion (D&I)**. In 2025, we focused on reviewing and refreshing our D&I strategy, with an update scheduled for 2026. In our previous D&I do.BETTER strategy we provided the framework for embedding respect, equity and inclusive behaviour within the organisation, while also advancing an inclusive assortment and representative customer content. The review process drew on a broad set of inputs, including analysis of internal data, such as the D&I survey, qualitative insights from employee focus groups and research into customer expectations regarding inclusive products and services. In addition, we engaged with subject matter experts and business leaders from across the functions to ensure that the refreshed approach was aligned with organisational priorities.

Throughout 2025 and during the refresh period, we continued to oversee and monitor progress against our do.BETTER ambitions and targets for female representation in leadership and tech roles, disability inclusion and employee culture, alongside continued work to expand inclusive customer offerings such as Adaptive, Modest and Genderless assortments. For more information, please refer to [ESRS S4 Consumers and end-users — Social inclusion](#) and [Targets related to own workforce](#) in section 2.8.3 Social information.

Business model and value chain

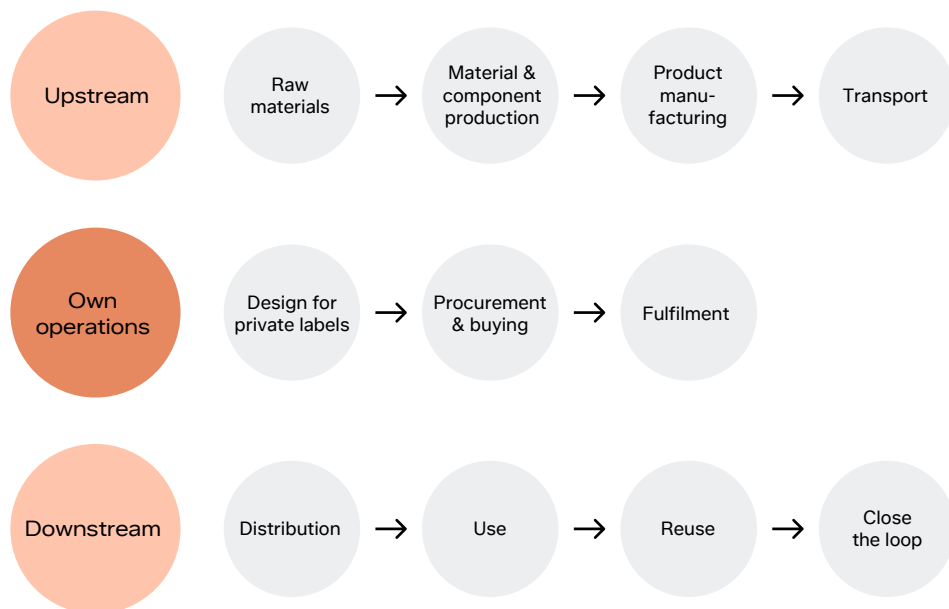
In B2C, we offer a multi-brand shopping experience for fashion and lifestyle products to more than 60 million active customers in 29 markets that includes clothing, footwear, accessories and beauty. In B2B, we are opening up our logistics infrastructure, software and service capabilities to become a 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 [2.1.1 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 of 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. Only the key value chains listed below are covered here, as we have multiple value chains, including the private labels and the partner business for third-party brands.

The following graphic offers a brief overview of our value chain.

Value chain*



*) For private labels, procurement & buying is in own operations. For brand partners, this stage is within upstream operations.

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 (SBM-2)

Our key stakeholders — investors, employees, customers and suppliers, authorities, associations, media and non-governmental organisations (NGOs) — are interdependent with our activities, both locally and globally. We have received an increasing number of SDI-related questions at our annual general meetings over the past few years. Our annual sustainability statement according to the ESRS offers stakeholders an overview of our ESG activities, performance and targets, aiming to build trust and address concerns.

The engagements we undertake, as delineated in our 2024 DMA, cover a multitude of topics of concern. Our customers and suppliers, whether brand partners or direct suppliers, expect continued ethical behaviour. Key focus areas include circularity and human rights issues (especially 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 2025, we continued engaging with diverse stakeholders across our industry on complex environmental, human rights and D&I issues. We prioritise listening to stakeholders to shape our sustainability efforts, and ensure transparent communications. Concerns are regularly shared with relevant business units and the D&I and sustainability committee. Our partnerships are detailed in [section 2.8.5 Entity-specific information: Innovation and partnerships](#).

Stakeholder feedback remains crucial for our decisions. The 2024 strategy update was informed by stakeholder feedback that our previous SDI efforts were too broad. We responded by refocusing resources on impactful areas. Consequently, our current strategy described above concentrates on three key ambitions: 1) our role as an enabler, 2) net-zero GHG emissions and 3) decent work.

We revise our stakeholder engagement approach with each new strategic development to align with objectives. We engage with policymakers and regulators to gain insights into evolving sustainability frameworks and regulations to adjust our strategies and operations while contributing our expertise. The stakeholders we are currently engaged with include:

Stakeholder engagement

Stakeholder group and purpose of engagement	Key engagement methods	Primary topics and concerns
Customers To understand their needs, predict trends and ensure trust in our product and ethics.	- 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	- Climate change - Governance, ethics, transparency - Human rights - Innovation capabilities - Product environmental / social performance - Product quality and safety
Brand partners To collaboratively anticipate market needs and ensure the right product offering.	- 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	- Climate change - Governance, ethics, transparency - Human rights - Innovation capabilities - Product environmental / social performance - Product quality and safety - Responsible sourcing and traceability
Suppliers To partner for mutual value creation and innovation, and ensure high ethical & environmental standards.	- Assessments - Supplier audits - Collaborations to improve performance - Multi-stakeholder initiatives - Supplier events: capacity building, discussing issues - Direct engagement with supplier relationship managers	- Climate change - Synthetic fibres - Human rights - Innovation capabilities - Raw material availability - Responsible sourcing and traceability
Employees To foster an inclusive, safe and innovative workplace where everyone can thrive and contribute.	- Quarterly meetings, quarterly engagement and culture survey - Regular D&I survey - Encouraging a horizontal, open feedback culture between employees, peers and leads - Strategic Employee Relations team, Zalando Employee Participation (ZEP) and works councils	- SDI ambitions, actions and concerns - People development - Health, safety and well-being - Compliance trainings (business conduct and ethics)
Investors and shareholders To ensure transparency, secure funding and build long-term trust through comprehensive reporting.	- Annual general meeting - Annual investor conferences and investor roadshows - Quarterly earnings calls and financial reports - Briefings with sell-side analysts - Conferences including ESG-focused topics with investors and other financial stakeholders	- Climate change - D&I - People development - Economic performance - ESG management - Governance, ethics, transparency - Human rights - Innovation capabilities - Product environmental / social performance - Raw material availability - Supply chain management - Water management - Biodiversity
Local communities To cultivate positive relationships and collaborate on initiatives that benefit local populations and ecosystems.	- 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 organisation <i>vostel.de</i> (opportunity for our employees to engage 16 hours each year) - Local partners (NGOs e.g. Society for Sports and Youth Welfare Berlin, Deutsches Rotes Kreuz, Ukraine Hilfe Berlin) or cooperatives (e.g. Berlin Social Academy) - Financial / in-kind donations to local Berlin-based non-profits - International non-profit alliances (e.g. Cascale, Fair Wear)	- Fashion industry transformation and innovation - Climate change - D&I - Local community development - Humanitarian aid
Public and regulatory agencies To lead by example as a responsible business entity and shape a supportive regulatory landscape through collaboration.	Amongst those we engage with include: - ILO Better Work - German International Cooperation Society (GiZ) - Federal Ministry for Economic Cooperation and Development - CDP (formerly the Carbon Disclosure Project)	- Climate change - Governance, ethics, transparency - Human rights - Product environmental / social performance - Product quality and safety - Responsible sourcing and traceability
Innovators and partners To expand our capabilities, access the latest trends and drive innovation mutually.	- Global network of accelerators and incubators - Partnerships with innovators, accelerators and academia - Connected to disruptive and digital trends - Co-creation and co-innovation opportunities	- Climate change - Innovation capabilities - Product environmental / social performance - Product quality and safety

Impacts, risks and opportunities

Identification and assessment of material IROs (IRO-1)

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 considers individually outward-looking impacts, such as those on the environment, society and the economy, as well as inward-looking risks and opportunities related to sustainability. By providing insight into different perspectives, the DMA highlights our stakeholder and societal expectations. 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.

In 2025, we conducted a structured comparison of our DMA with that of our new subsidiary, ABOUT YOU, and also re-assessed the DMA results of 2024. This process, which incorporated newly identified IROs as well as the IROs arising from the transaction itself, led to an updated group-level assessment for the reporting year. The material topics remain unchanged.

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 the 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).

Step 1: Identifying key sustainability topics

We reviewed over 150 ESG topics, drawing from ESRS 1, external reports (including industry and global risk reports as well as peer and consumer publications), other ESG frameworks, past assessments, and external and internal stakeholder inputs. These were categorised and refined into a focused list for materiality assessment, ensuring alignment with legal requirements and stakeholder relevance.

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 throughout our entire value chain and our own operations. Our internal teams collaborated to identify the ESG-related 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

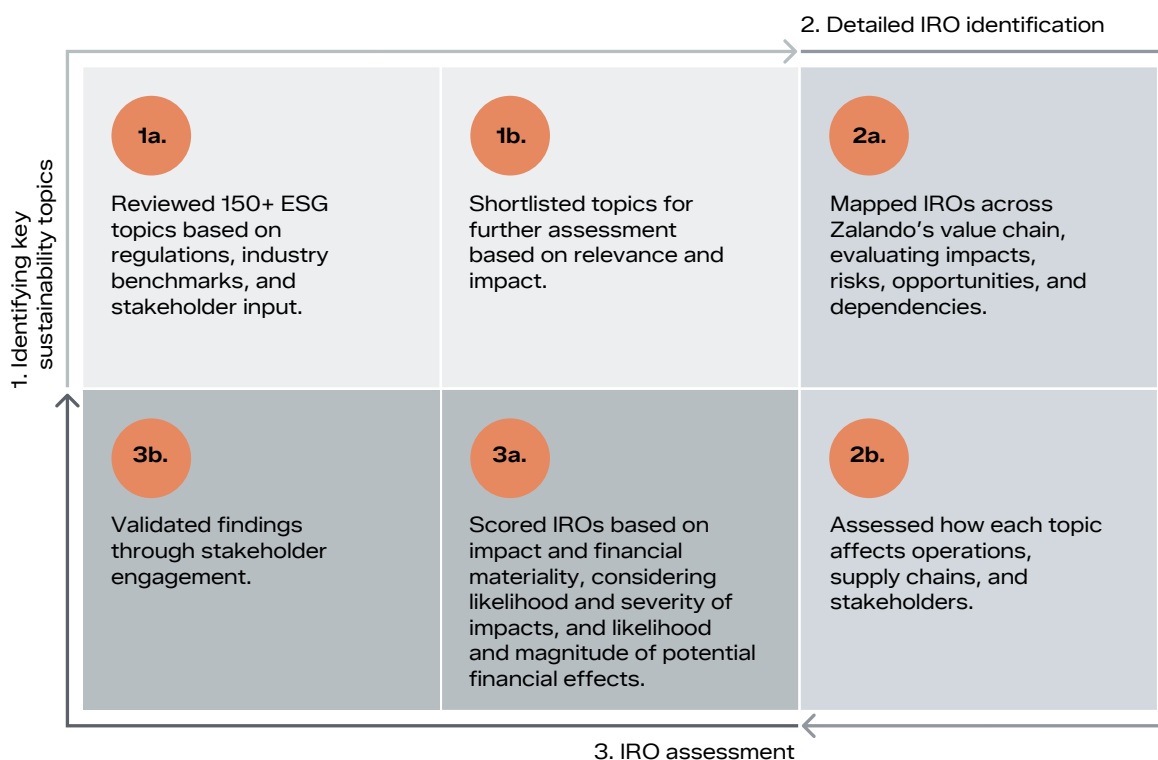
in the materiality analysis. Additionally, we mapped the IROs across our value chain in terms of time horizons and our role in relation to the impacts or risks and opportunities.

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.

Our three-step IRO assessment approach is illustrated in the graphic below.

Three-step IRO assessment approach



Impact materiality scoring methodology: The impacts were assessed and rated based on their severity and likelihood.

Severity is determined by scale, scope and irremediable character, as outlined in ESRS 1. The severity and likelihood of impacts were scored on a scale ranging from 1 (low) to 5 (high). Positive impacts are assessed based on scale, scope and likelihood, whereas the severity of negative impacts is based on scale, scope, irremediable character and likelihood.

Impact materiality | Positive and negative impact rating scales

Scores	Likelihood	Severity		
		Scale	Scope	Irremediable character of negative impacts
5	Very high	Very high	Global	Irreversible
4	High	High	Multi-regional	Reversible with difficulty in the long-term
3	Medium	Medium	Regional	Reversible with difficulty in the short- to medium-term
2	Low	Low	Local	Easily reversible in the long-term
1	Very low	Very low	Sub-local	Easily reversible in the short- to medium- term

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. The assessment of the magnitude of potential financial effects was based on quantitative impacts whenever available, supplemented by qualitative analysis when quantitative analysis was unavailable. We considered the connections between impacts and dependencies with the associated risks and opportunities by mapping these elements, thus ensuring a comprehensive understanding of their interdependencies. This process involved identifying the dependencies of each impact 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 table below.

Financial materiality | Risk and opportunity rating scales

Scores	Likelihood	Magnitude of potential financial effects	
		Quantitative impact EUR EBIT	Qualitative impact
5	Very high	> 70m	Global
4	High	> 20–70m	Multi-regional
3	Medium	>6–20m	Regional
2	Low	>1–6m	Local
1	Very low	0–1m	Sub-local

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 financially material if it can generate risks or opportunities that affect Zalando's financial position, performance, cash flows, or access to capital — impacting enterprise value in the short-, medium-, or long-term, even if not yet reflected in the financial reporting. 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, thus 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.

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](#) below.

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, we identified five factories within Tier 1 private label supply chain located in a biodiversity-sensitive area. In 2025, we also assessed whether we have sites located near biodiversity-sensitive areas. We identified a total of nine sites (one Tier 1 private label factory, four office locations, four logistic centres) located near biodiversity-sensitive areas. Due to the environmental protection measures already in place we concluded that additional site-specific mitigation measures are currently not required.

Integration into risk management process

The risk and opportunity assessment for establishing double materiality is partially integrated into our RMS. The Governance and Risk team reviewed the financial material risks stemming from the DMA, and all relevant risks were incorporated into the RMS. This integration ensures not only their proper representation and consideration in the overall assessment of the group risk landscape (via the biannual risk RMS cycle), but also a cohesive governance, control and reporting of all risks. 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 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 any of the five aspects.

DMA stakeholder engagement

Since 2023, during the preparation of our DMA, we have actively collaborated with stakeholders likely to be affected by our activities and who have significant influence on us achieving our sustainability targets. Stakeholders are categorised into two groups: affected stakeholders and users of sustainability statements. The affected stakeholders primarily include suppliers, employees, customers, local communities, broader society and the environment. Users of sustainability statements typically encompass customers, investors and regulatory authorities. By engaging with a relevant sample of diverse stakeholder groups to refine and assess the IROs, we obtained comprehensive insights into their key concerns. The interviews provided a comprehensive understanding of stakeholder perspectives, which are crucial for informing our sustainability strategy and decision-making processes.

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

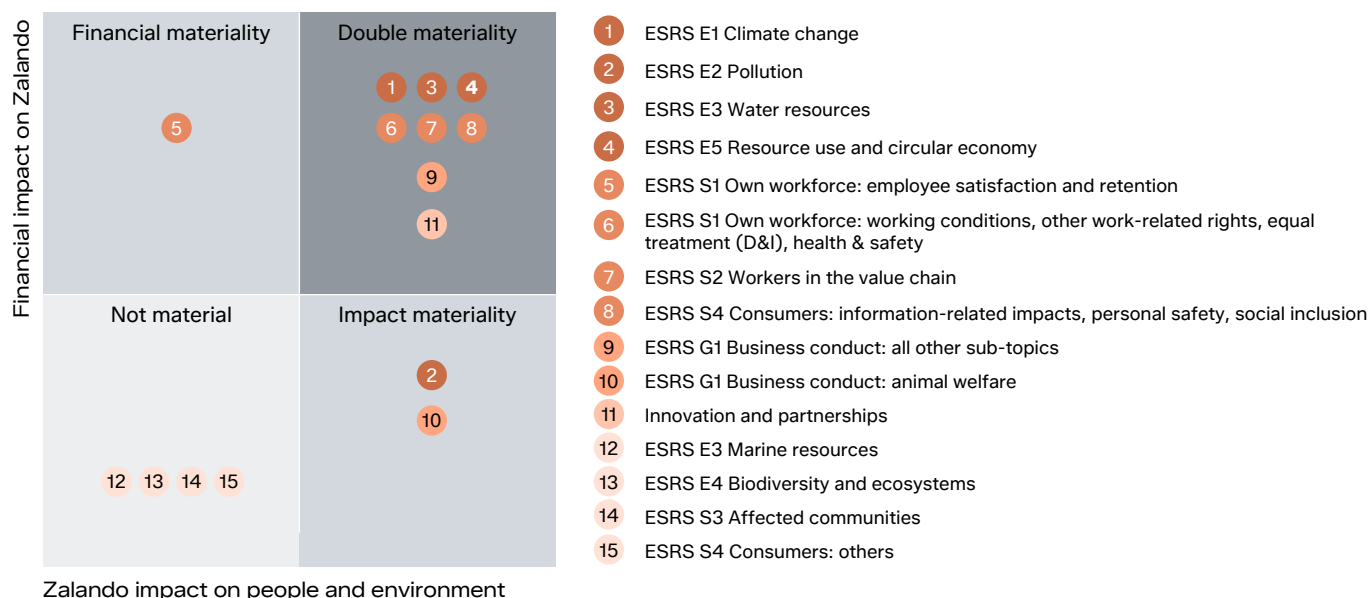
List of ESRS disclosure requirements (IRO-2)

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 the [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 (SBM-3)

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



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 and 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, thus ensuring a thorough understanding of our sustainability landscape. The table includes information on the level of responsibility, time horizon and value chain stage that each material IRO entails. The responsibility is categorised as “caused”, “contributed” or “linked to”. These triggers can stem from factors within our control, from our business relationships or from 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”, which reflects immediate, realised impacts, and “potential”, which captures longer-term, forecasted or anticipated impacts.

Overview of material IROs

Material sub-topic	Description of IROs	Time horizon	Connection
ESRS E1 Climate change			
Climate change mitigation	[Negative impacts — VC & OO] Zalando's operations and value chain emit GHGs, including forestry, land, and agriculture (flag) emissions, 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.	Actual, >5 years	Caused by and linked to Zalando
	[Transition risks — OO] The risk of a decrease in the availability of renewable energy sources, increasing own operations emissions due to logistics network expansion, low brand engagement on SBTs and energy market volatility for the implementation of strategic goals.	>5 years	Linked to Zalando
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.	0–1 year, 1–5 years and >5 years	Within Zalando's control; business relationship dependencies
	[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 impact Zalando from a reputational and/or financial perspective.	1–5 years	Within Zalando's control; business relationship dependencies
Energy	[Transition opportunities — OO] Potential decrease in energy consumption and costs due to improved energy efficiency and other decarbonisation initiatives.	1–5 years	Within Zalando's control
	[Transition risks — OO] The risk of higher financial burdens resulting from an increase in energy prices related to logistics sites, office buildings and physical stores.	1–5 years	Within Zalando's control; resource dependencies
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 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	[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.	Potential, 1–5 years	Linked to Zalando
	[Risks — OO] Water scarcity leads 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 poses a risk to Zalando's financial position and performance due to the likelihood of higher procurement costs.	1–5 years	Resource dependencies
ESRS E5 Resource use and circular economy			
Resource 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 could reduce 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 and end-of-life products. Missing data availability (e.g. life cycle assessments) challenges the monitoring of progress towards circularity targets.	1–5 years	Business relationship; resource dependencies
Resource 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; resource dependencies

Overview of material IROs

Material sub-topic	Description of IROs	Time horizon	Connection
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 pose reputational risks related to the recycling of unsold products. Packaging risks include the lack of scalable alternatives, limited control over third-party packaging and the absence of industry-wide solutions. Downstream recycling processes is country-dependent and leads to negative reputational effects.	1–5 years	Within Zalando's control
ESRS S1 Own workforce			
Working conditions; other work-related rights	[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 negatively affect employees' physical and mental well-being. Lack of secure employment leads to uncertainty for employees resulting in e.g. loss of employment. The absence of social protection further impacts employee well-being during significant life events.	Actual, 0–1 year	Caused by Zalando
	[Risks — OO] Incidents of human rights violations result in reputational risks. 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. Lack of secure employment leads to uncertainty for employees, resulting e.g. in lawsuits and fines.	0–1 year	Within Zalando's control
Health and safety	[Negative impacts — OO] Insufficient work-life balance, such as inadequate flexible working time models, result in health issues. Additionally, inadequate prevention measures, including lack of proper training, qualification and personal protective equipment, lead to severe health consequences.	Actual, 0–1 year	Caused by Zalando
	[Risks — OO] Lack of work-life balance and limited flexible working models cause employee burnout and reduced productivity. Insufficient prevention measures, such as inadequate training and personal protective equipment, lead to long-term effects of physical labour, workplace injuries and fatalities.	0–1 year	Within Zalando's control
Equal treatment (D&I); development	[Positive impacts — OO] Enhanced skill set of office employees leads to a more inclusive and equitable work culture, increased employability, purchasing power and standard of living.	Actual, 0–1 year	Caused by Zalando
	[Negative impacts — OO] Lack of inclusiveness results 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
	[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
	[Risks — OO] Failure to promote D&I within the organisation expose the company to legal and reputational liabilities due to discrimination (e.g. gender or inclusion of employees with disability).	0–1 year	Within Zalando's control
Employee satisfaction and retention	[Risks — OO] A lack of diversity in hiring and support structures and the challenges in attracting and retaining talent leads to reduced employee satisfaction and pose reputational risks.	1–5 years	Within Zalando's control

Overview of material IROs

Material sub-topic	Description of IROs	Time horizon	Connection
ESRS S2 Workers in the value chain			
Working conditions; equal treatment and opportunities for all; other work-related rights	[Negative impacts — VC] Child and forced labour as well as human trafficking represent severe violations, resulting in loss of freedom and diminished quality of life. Inadequate wages and excessive working hours 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 increase the risk of workplace accidents and health problems. Discrimination against vulnerable groups — including Indigenous peoples, minority groups, migrant workers, sexual minorities, and women and girls — pose further risks, undermining their rights and well-being. The use of force against workers and a lack of secure employment create additional concerns.	Actual, 0–1 year	Linked to Zalando; contributed by Zalando
	[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. 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.	0–1 year	Business relationship dependencies
ESRS S4 Consumers and end-users			
Information-related impacts (including privacy)	[Positive impact — VC] By providing reliable, standardised sustainability data for consumers through third-party standards, Zalando can contribute to an informed decision-making process for consumers.	Potential, 1–5 years	Caused by Zalando
	[Risks — OO] Misleading sustainability claims or discrepancies between external portrayals of diversity and internal practices 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 leads to data breaches, exposing personal and confidential business information. This can result in potential personal financial damage and privacy violations.	0–1 year	Business relationship dependencies; caused by Zalando
	[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
	[Negative impact — VC & OO] Inadequate security in IT systems can lead to a loss of personal data of e.g. employees or customers. Data breaches can lead to the publication of private data or confidential business-related information which can be used by (cyber) criminals for fraud.	Actual, 0–1 year	Caused by Zalando
Personal safety	[Negative impacts — VC] Inadequate product safety standards (e.g. regarding chemicals in beauty products, garments and accessories) 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) result in fines or loss of reputation.	1–5 years	Within Zalando’s control; business relationship dependencies

Overview of material IROs

Material sub-topic	Description of IROs	Time horizon	Connection
Social inclusion	[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
	[Risks — OO] Possible discrepancies between external representations of D&I and internal practices of “pink-washing” lead to reputational damages if accused of pink-washing, which negatively affect our consumers purchasing behaviour and lead to a loss in customer loyalty.	0–1 year	Business relationship dependencies
	[Opportunity — OO] By offering a diverse partner portfolio, Zalando caters to underserved consumer segments and thereby increases its market share.	1–5 years	Within Zalando’s control
ESRS G1 Business conduct			
Animal welfare	[Negative impact — VC] Low standards of livestock treatment, e.g. leather, wool or down sourcing 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, Corporate Sustainability Due Diligence Directive (CSDDD), Ecodesign for Sustainable Products Regulation, Extended Producer Responsibility and employee regulations results in negative impacts. Additionally, non-compliance also leads 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	[Risks — OO] Bribery and corruption in the fashion industry conceal serious violations like child labour and environmental abuses, posing legal and reputational risks for Zalando. Failure to promptly address sustainability and 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 can potentially impact brand differentiation by fostering regulatory awareness and contributing to a progressive industry landscape. Enforcing higher environmental and social standards with suppliers can attract customers and drive sales. Using digital solutions can reduce product returns and costs. Comprehensive climate risk management can enhance 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
ESRS 2 Entity-specific information			
Innovation and partnerships	[Risks — OO] Failing to meet Zalando’s sustainability goals due to a lack of innovation poses 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 2025, 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 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 addressing adaptation risks, such as shifting seasonality and supply disruptions from extreme weather, 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 updates and future bans like the Ecodesign for Sustainable Products Regulation and the CSDDD, thereby enhancing our long-term regulatory resilience.
- **Customer engagement:** Our strategy to empower customers to make informed choices aligns with evolving customer preferences for fashion that contributes positively to environmental and social issues, supporting our long-term market position.

The positive results of the resilience assessment inform our ongoing strategy development and business model evolution, to ensure that we can adapt to and thrive in a rapidly changing sustainability landscape.

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 Regulation — 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), as supplemented by Delegated Regulation (EU) 2021/2178. Companies shall extend their non-financial disclosures by reporting on if and to what extent the company's activities are associated with economic activities that qualify as environmentally sustainable. For the financial year 2025, taxonomy reporting will be carried out in accordance with Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486, as applicable on 31 December 2025. The application of the Commission Delegated Act of 4 July 2025 ((EU) 2026/73) simplifying the reporting of the EU Taxonomy Regulation has been waived.

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. 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 of Article 9, in accordance with Article 17;
- is carried out in compliance with minimum safeguards laid down in Article 18.

Our approach

As in prior years, we performed our taxonomy eligibility and alignment assessment across the six environmental objectives of the EU Taxonomy Regulation. First, we assessed our economic activities against the activities listed in the EU Taxonomy Regulation. This review resulted in identifying one material Taxonomy-eligible economic activity: acquisition and ownership of buildings (climate change mitigation activity 7.7). As for prior years, we apply a materiality threshold of 1.0% on total CapEx, total OpEx and total turnover. However, total CapEx, OpEx and turnover are calculated without applying a materiality threshold.

Eligible turnover: No material turnover-related economic activities were identified as Taxonomy-eligible. We calculated total turnover as Zalando's revenue as disclosed in the notes to the consolidated financial statements under 3.5.7 (1.) Revenue. Total turnover for financial year 2025 is 12,346.1m EUR (prior year: 10,572.5m EUR).

Eligible CapEx: In 2025, we expanded the number of leased buildings, which led to additional right-of-use assets of 145.0m EUR (prior year: 62.6m EUR). This is material from our group perspective and is therefore reported as Taxonomy-eligible CapEx. The additions relate to the right-of-use assets acquired through the business combination with ABOUT YOU. We calculated total CapEx as additions to intangible assets (excluding goodwill), 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.⁶² Additions to right-of-use assets of 210.3m EUR

⁶² Under the EU Taxonomy Regulation, CapEx is defined as additions to assets, which is different to our KPI CapEx in the consolidated financial statements that is defined as payments for assets.

(prior year: 97.3m EUR) as disclosed in the notes also include 64.7m EUR (prior year: 34.7m EUR) related to re-measurements that are not included in total CapEx. Furthermore, acquired goodwill of 629.6m EUR is not included. Total CapEx for the 2025 financial year therefore amounts to 1,008.2m EUR (prior year: 258.8m EUR) resulting in Taxonomy-eligible (EL) CapEx of 14.4% (prior year: 24.2%). The significant increase in CapEx is related to the additions to property, plant and equipment, to intangible assets as well as to right-of-use assets acquired through the business combination with ABOUT YOU.

Eligible OpEx: For the reporting period, our Taxonomy-eligible OpEx for the lease of buildings was related to maintenance and repair as well as the day-to-day servicing of these assets. For our leased buildings we calculated Taxonomy-eligible OpEx of 13.7m EUR (prior year: 12.5m EUR). For 2025, total OpEx amounts to 220.5m EUR (prior year: 199.4m EUR). The increase in total OpEx is mainly driven by higher non-capitalised IT costs.

Furthermore, we assessed if our CapEx qualifies as environmentally sustainable and can therefore be 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. The available information relating to the technical screening criteria, including both the substantial contribution and the DNSH principles, was insufficient to complete the assessment. As a result, we were unable to qualify our Taxonomy-eligible CapEx related to the leasing of buildings as Taxonomy-aligned CapEx for the 2025 financial year. This, correspondingly, also applies to related OpEx.

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

2025		Year		Substantial contribution criteria					
Economic activities	Code	CapEx (m EUR)	Proportion of CapEx, 2025 (%)	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 transition		0.0	-						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Acquisition and ownership of buildings	CCM 7.7	145.0	14.4	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)		145.0	14.4	14.4					
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		145.0	14.4	14.4					
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		863.2	85.6						
Total		1,008.2	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, 2024 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							24.2		
							24.2		
							24.2		

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

2025		Year		Substantial contribution criteria					
Economic activities	Code	OpEx (m EUR)	Proportion of OpEx, 2025 (%)	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	13.7	6.2	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)		13.7	6.2	6.2					
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		13.7	6.2	6.2					
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		206.8	93.8						
Total		220.5	100.0						

DNSH criteria ("Do No Significant Harm")							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (%)	Category enabling activity (E)	Category transitional activity (T)
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)			
							0.0		
							-		
							-		
							6.3		
							6.3		
							6.3		

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

2025		Year		Substantial contribution criteria					
Economic activities	Code	Turnover (m EUR)	Proportion of turnover, 2025 (%)	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		12,346.1	100.0						
Total		12,346.1	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, 2024 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							0.0		
							0.0		

Environmental information

The following sections cover Zalando's management practices and performances related to climate change, pollution, water and resource use, and circular economy matters. Logistics and non-logistics sites that are under construction and therefore not yet in operation throughout the financial year are not included in the scope of our environmental disclosures.

ESRS E1 Climate change

We assessed the following sub-topics related to climate change as material:

- Climate change adaptation
- Climate change mitigation
- Energy

Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

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.

Identification and assessment of material climate-related IROs (ESRS 2 IRO-1)

IROs related to climate change identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information.

Our business operations are linked to emissions being released into the atmosphere through our value chain. To understand what has the highest 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.

To identify and assess the physical and transition risks and opportunities we may be exposed to, we considered the results of the climate scenario 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. When assessing transition risks and opportunities for our business, we considered factors such as the availability of new technologies, regulatory developments, macroeconomic trends, customer expectations and the broader business environment, including competitor actions. 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 and other internal stakeholders such as logistics.

The climate scenario analysis adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to conduct an initial assessment of our exposure to climate change. This assessment considered longer time horizons and was conducted to better understand the potential risks and opportunities associated with climate change. Two different global GHG emissions pathways were used to analyse the evolution of these risks and opportunities across scenarios. In particular, we considered the Intergovernmental Panel on Climate Change's (IPCC's) AR5 Representative Concentration Pathway (RCP) 2.6 scenario, which assumes an increase in global temperatures of 1.5°C, and the IPCC's AR5 RCP 8.5 scenario, with an increase of 4°C. These scenarios consider temperature, precipitation and the number of hot days. The 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.

In assessing the extent to which our business activities may be exposed and are sensitive to the identified climate-related hazards and climate-related transition events, we considered the likelihood and magnitude of impacts. We did not use geospatial coordinates or the full magnitude and duration of the hazards. The 1.5°C climate scenario analysed in 2022 supported us in assessing 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, as 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 or assets were found, efforts are in place to reduce our impact and risk exposure. This involves 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 2025 financial statements, we also make assumptions in alignment with the scenarios used for identifying climate-related physical and transition risks relating to the expected climate change developments and 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 our financial statements or on the estimates and assumptions made when preparing the annual report and consolidated accounts.

For more information, please refer to the following section: ["Risk and opportunity assessment — resilience analysis and climate scenario planning"](#).

Risk and opportunity assessment — resilience analysis and climate scenario planning (ESRS 2 SBM-3)

Our climate scenario analysis conducted in 2022 enabled us to assess our business resilience, 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). Our full value chain has been included in this analysis: upstream, including design (for brand partner products), raw material production and manufacturing processes; own operations, including design (for private label products), procurement and buying plus fulfilment; downstream, including transport, product use and end-of-life.

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 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 scenarios analysis as outlined in ESRS 2 IRO-1. We do not explicitly link short-, medium- or 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.

Climate risk and opportunity analyses enhance our strategic planning by assessing key 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 emissions reduction targets and changes in customer preferences.

Due to the qualitative assessment of the likelihood and magnitude of the potential impacts, uncertainties remain — particularly in financial, reputational and strategic analyses. Climate risks for ABOUT YOU were assessed against the group material IROs, and were integrated and aligned with the material risks identified at the group level. For further information, please refer to the section [Identification and assessment of material IROs \(IRO-1\)](#). We enriched our understanding of physical risks by conducting a site-specific logistics climate risk assessment in 2025. As an outcome of this assessment, we have started implementing prioritised mitigation measures such as making adjustments to the drainage system at our site in Verona and automating the night cooling process in Mönchengladbach. We plan to expand the implementation of measures to three additional sites in 2026.

Our business activities, including production, distribution, transportation and sale of goods, are major contributors to our carbon footprint. Our group 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 our B2B business model ZEOS Fulfilment, which maximises the use of our existing logistics services and 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 the [Targets related to climate change mitigation and adaptation](#) and [Gross scopes 1, 2, 3 and total GHG emissions](#) sections below.

Policies related to climate change mitigation and adaptation (E1-2)

The mitigation of and adaptation to the impacts of climate change are critical for the resilience of our business operations and value chain. We have developed a climate change policy to address the identification, assessment, management and remediation of our material climate change mitigation and adaptation impacts and risks. Our climate change policy applies to our own operations and value chain. In terms of our management board, the highest level of oversight and decision-making authority for climate-related topics lies with our co-CEO Robert Gentz.

For policy purposes, the term “climate change mitigation” describes our endeavours to both support the Paris Agreement goals relating to our climate 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 adopting 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. 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 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 (E1-3)

The actions listed below showcase our main initiatives to support our 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](#) below. 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, in alignment with operational priorities.

1. Decarbonisation of our own operations

In 2025, scope 1 and scope 2 contributed less than 1.0% (prior year: < 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 Zalando. This is followed by the emissions stemming from our own vehicles (swap body trucks) that operate on our sites. Our main actions to decarbonise our operations and achieve our SBTs are described below.

- **Heating:** Most heating-related emissions are generated from within our logistics network. While some sites are already fully electrified, in 2025 we continued to work towards decarbonising sites through the replacement of gas boilers with heat pumps, initiated in 2024 in the office areas of three of our fulfilment centres in Poland and for the warm water supply in Lahr. Fossil-free heating infrastructure is a requirement for all future logistics network additions.
- **Electricity:** Switching to renewables is an important practice that is related to reducing overall electricity and energy consumption. Zalando (excluding ABOUT YOU) is a member of the RE100 initiative. We procured 100.0% of our electricity from renewable sources in 2025. This includes the continued generation of electricity from photovoltaic panels at our fulfilment centres in Lahr, Rotterdam and Verona. Purchasing renewable electricity is an ambition we strive to maintain on an annual basis, and is a pillar of our scope 1 and 2 decarbonisation strategy for the foreseeable future. Similarly, we transitioned our fossil-fuel based swap body trucks to electric vehicles in Mönchengladbach and Lahr. We are evaluating more sustainable fuel alternatives to replace fossil fuel consumption for the existing fleet.
- **Efficiency:** Our energy management system (excluding ABOUT YOU) is certified under ISO 50001. Beyond this, we continue implementing 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 2025 we continued to engage 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 has already contributed to our 2025 target "suppliers SBT setting" and supports our net-zero ambition. 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 and last-mile delivery partners suppliers. The year 2025 was also the year in which we published an absolute reduction SBT for 2033. For further information, please refer to the section [Targets related to climate change mitigation and adaptation](#).

3. Decarbonisation of the value chain: brand engagement

The majority of our emissions fall under scope 3, primarily concentrated in one category: products we buy and sell to customers (around 66.2%). We need our brand partners to set and achieve their own emissions reduction targets in alignment with our net-zero ambition. In 2025, we continued our collaboration with brand partners selling on our channels, further offering the FASHION LEAP FOR CLIMATE learning platform (LEAP). This platform provides brands with free peer-learning opportunities and step-by-step guidance to measure emissions and set ambitious reductions targets. In 2025, we recruited 13 brands (prior year: 19) to join the programme.

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 remains essential to achieving our own net-zero ambition. Through the LEAP initiative, we

are positioning ourselves as an enabler for industry-wide climate action and aligning with other retailers to accelerate brand action.

4. Decarbonisation of value chain: factory improvement programme

In 2025, in collaboration with the Apparel Impact Institute (Aii) and RESET Carbon, our private labels (excluding ABOUT YOU) continued the factory improvement programme with a cumulative total of 25 Tier 1 and Tier 2 suppliers across China, Bangladesh, India and Turkey (prior year: 18). The programme focuses on implementing site-specific action plans to reduce GHG emissions and water consumption. Our particular emphasis is on wet processing facilities, which are highly water- and energy-intensive. These plans are designed not only to ensure that factories have robust environmental management systems but also to implement concrete measures to enhance energy efficiency, transition to cleaner fuels, increase renewable energy use and improve water recycling, thereby reducing wastewater discharge. Among these 25 suppliers, we have started providing action plan implementation support targeting some of the strategic suppliers. This support includes more frequent on-site visits, identification of key projects and dedicated engineering support.

Looking ahead to 2026, we will apply our key learnings regarding factory maturity and our role in enabling decarbonisation. Our priority remains to set clear expectations for factories to decarbonise and to continue working with those that are showing progress. We will also continue to explore opportunities for collective action with other brands where our supply chains overlap. Our decarbonisation efforts and expectations support our net-zero ambition while building resilience into our supply chain. They help mitigate physical risks, like operational disruptions from extreme heat which can be reduced by replacing heat-intensive coal boilers, and addresses transition risks such as carbon pricing and shifting energy markets.

5. Building a data foundation for sustainable logistics

To drive sustainable progress, our focus in 2025 was the creation of a robust data foundation for our complex logistics network, currently not applicable to ABOUT YOU. This is a critical enabler for our climate action plan, enhancing our ability to meet evolving regulatory requirements with precision and at scale. A key pillar of this foundation is our logistics carbon accounting system. This system transitions our carbon accounting from a highly manual, annual process to an automated, more frequent cycle. This shift transforms carbon accounting from a reactive reporting exercise into a proactive management tool, providing the data-driven insights necessary to steer our decarbonisation initiatives and empower our teams to make more informed investment decisions. The system will be used to capture all main logistics emissions from 2022 to 2025.

Targets related to climate change mitigation and adaptation (E1-4)

Zalando's validated SBTs aligned with our net-zero ambition were published in May 2025 via the SBTi targets dashboard and on our corporate website. These targets include near-term (2033) and long-term (2040/50) goals; they cover scopes 1 and 2 (own operations) and scope 3 (value chain) including fashion product, packaging and transport-related GHG emissions. Since the SBTs were validated before the ABOUT YOU transaction in July 2025, ABOUT YOU is not yet included in these reduction targets. They replaced our 2020–2025 SBTs and serve as the basis for our 2025 targets progress reporting, expressed in absolute GHG reductions (tCO₂eq) versus the 2022 baseline year.

1. Zalando first generation targets (2020–2025)

We aimed to achieve our short-term SBTs by the end of 2025 — validated by the SBTi in 2020 and a core component of our previous do.MORE strategy — to reduce GHG emissions and engage suppliers on their climate journeys. These targets and progress towards them as of the end of 2025 are:

- To reduce scope 1 and 2 GHG emissions by 80.0% by 2025 against a 2017 base year. As of the end of 2025, we reduced scope 1 and 2 GHG emissions by 80.8% against 2017 (prior year: 82.0%).
- To source 100% renewable electricity by 2025 for our scope 2 GHG emissions. We have achieved and maintained this target since 2020.
- To reduce scope 3 GHG emissions from private label products by 40.0% per million euros gross profit by 2025 from a 2018 base year. As of the end of 2025, we had achieved 36.8% against 2018 (prior year: 48.2%).
- To have 90.0% of our suppliers (by emissions, including goods and services sold through our platform, packaging, and last-mile delivery partners) set SBTs by 2025. As of 2025, 74.1% of our suppliers within the scope of our target had set SBTs (prior year: 70.5%). Of these:
 - Brand partners having set SBTs accounted for 72.9% of our brand supplier-related emissions (prior year: 70.0%).
 - Packaging partners having set SBTs increased to 92.5% (prior year: 74.5%).
 - Last-mile delivery partners having set SBTs increased to 90.1% (prior year: 76.9%).

2. Zalando net-zero near-term (2033) and long-term (2040/50) targets

The following table presents the Zalando net-zero SBTs. Absolute GHG emissions values in the table below do not match values in the GHG emissions table; this is due to:

- Zalando targets adopting the operational control consolidation approach.
- ABOUT YOU GHG emissions not being incorporated in the targets as of 2025, because the transaction occurred in July 2025.

For more information, please refer to the section about the methodology used for target setting below. As part of its commitment to sustainability, ABOUT YOU had validated SBTs for the end of 2025 and reported progress toward these targets in its annual report 2024/2025. Following the transaction in July 2025, ABOUT YOU's individual SBTs were discontinued in the second half of 2025. Over the course of 2026, ABOUT YOU will be integrated into the group-wide sustainability targets.

In accordance with the SBTi's Corporate Net-Zero Standard criteria, we aim to reduce our GHG emissions across scopes by 90% by 2050 (2022 baseline) at the latest through abatement. We aim to neutralise residual emissions through carbon removals. 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* (E1-4)

	2022 baseline value	2033 near-term target value	Long-term target value	2025 progress (against baseline)
Scope 1 and 2 GHG emissions targets				
Absolute value of total GHG emissions scope 1 and 2 (market-based)	6,342 tons CO ₂ eq	Reduction of 55.0%	Reduction of 90.0% (2040)	Reduction of 17.0%
Absolute value of scope 1 GHG emissions	5,776 tons CO ₂ eq			Reduction of 19.5%
Absolute value of scope 2 GHG emissions (market-based)	566 tons CO ₂ eq			Increase of 7.2%
Scope 3 GHG emissions targets				
Scope 3 categories 1 and 4	2,090,085 tons CO ₂ eq	Reduction of 33.0%	Reduction of 90.0% (2050)	Reduction of 10.6%

*) Excluding ABOUT YOU

Methodology used for target setting

The SBTi develops standards, tools and guidance to allow companies to set GHG emissions reduction targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at the latest. 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. The methodology of the SBTi is subject to inherent uncertainties regarding the underlying scientific findings and forward-looking assumptions relating to 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.

Our targets cover scope 1, 2 and 3 emissions. In alignment with SBTi requirements, the targets use a representative baseline inventory year that is qualitatively robust and representative of Zalando's business performance. For targets setting and annual progress reporting, we use the operational control consolidation approach, as opposed to the financial control plus operational control approach required by ESRS E1. 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 under ESRS as the situation where "the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset". Due to lack of operational control, 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 target scope within scope 3 category 4, upstream transportation and distribution. The development and validation of these emissions reduction targets involved engagement with internal stakeholders during 2023 and 2024 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 target baseline year of 2022 was selected based on the most recent GHG inventory available during the target-setting process, reflecting Zalando's average and expected performance at that time.

Zalando's scope 1 and 2 GHG emissions reduction targets — both near-term 2033 and long-term 2040/2050 targets — are aligned with SBTi requirements for 1.5°C IPCC decarbonisation pathways. They are calculated using the absolute contraction approach. Our emissions reduction targets scope 1 and 2 portion covers 39.0% of the financial year 2025 GHG emissions inventory. For scope 3, while our near-term (2033) target aligns with a well-below 2°C

pathway, our long-term (2050) target is aligned with the SBTi's 1.5°C mitigation pathways. Our scope 3 targets include our two main emissions hotspots: category 1 purchased goods and services and category 4 upstream transportation and distribution, which represent 73.6% of the 2025 financial year GHG emissions inventory. To determine the percentage values, we first calculate the 2025 GHG emissions within the SBTs scope using the operational control consolidation method, while omitting ABOUT YOU's 2025 emissions; this figure is then divided by the 2025 GHG values reported in E1-6. We are working to integrate ABOUT YOU's emissions within the target boundary for the 2026 reporting cycle.

For our scope 1 and 2 GHG emissions reduction 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 our private labels suppliers and partner brands, which result from the manufacturing stages of fashion and lifestyle products and the raw materials used in these stages.

In relation to some of the current actions, and mostly in relation to industry-wide efforts to decarbonise our 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 (E1-1)

We currently do not have a transition plan and the timeline for adopting a transition plan is undefined and being reassessed. In 2025, we focused on our near-term 2033 targets and clarifying our actions for the next 1–2 years. Our efforts were directed at deepening our understanding of key levers — better materials, better energy and better systems — and identifying initiatives that will drive progress.

Energy consumption and mix (E1-5)

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, as well as fuel consumption in logistics facilities, non-logistics facilities and vehicles. Fuel consumption includes the combustion of fuels within our own operations, and comprises natural gas and burning oil for stationary heating, 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 (E1-5)

	Unit	2025	2024
Fuel consumption from coal and coal products	MWh	0.0	0.0
Fuel consumption from crude oil and petroleum products	MWh	2,890.2	2,802.4
Fuel consumption from natural gas	MWh	28,624.1	25,479.1
Fuel consumption from other fossil sources	MWh	0.0	0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	21,692.8	25,972.2
Total fossil energy consumption	MWh	53,207.1	54,253.7
Percentage of fossil sources in total energy consumption	%	26.8	30.7
Total nuclear energy consumption	MWh	0.0	0.0
Percentage of nuclear sources in total energy consumption	%	0.0	0.0
Fuel consumption from renewable sources, including biomass	MWh	0.0	0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	135,771.5	115,141.7
Consumption of self-generated non-fuel renewable energy	MWh	9,799.7	7,614.6
Total renewable energy consumption	MWh	145,571.2	122,756.3
Percentage of renewable sources in total energy consumption	%	73.2	69.3
Total energy consumption	MWh	198,778.3	177,010.0
Renewable energy production	MWh	0.0	0.0
Non-renewable energy production	MWh	0.0	0.0
Total net revenue from activities in high climate impact sectors	m EUR	12,346.1	10,572.5
Total energy consumption from activities in high climate impact sectors	MWh	198,778.3	177,010.0
Energy intensity per net revenue	MWh/m EUR	16.1	16.7

The primary reason for the change in the 2025 energy consumption and mix compared to 2024 is mainly due to the inclusion of ABOUT YOU data from the transaction date onwards.

Gross scopes 1, 2, 3 and total GHG emissions (E1-6)

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. When available, we use CO₂-equivalent emissions factors in our GHG inventory to account for the Kyoto Protocol GHGs. Our scope 3 emissions accounted for 99.5% (prior year: 99.9%) and scope 1 and 2 emissions accounted for 0.5% (prior year: 0.1%) of our total GHG emissions.

Scope 1 emissions are calculated as the sum of emissions from 1) mobile fuel combustion by 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 tariff contracts. For less than only 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 categories for us are category 1, purchased goods and services, and category 4, upstream transportation and distribution. The methodology used for these two categories is explained below in further detail. In our GHG inventory, we overall 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 purchased products, 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 CO₂eq/kg). Finally, product volumes are multiplied by product weights, then multiplied by the Higg MSI emission factors to arrive at total emissions.

In 2025, we implemented significant methodological improvements to enhance the accuracy of our fashion product emissions calculations, thus directly addressing previous estimation biases. These changes will be reflected in the ABOUT YOU contributions starting from the 2026 reporting cycle. Most importantly, these changes include:

- We shifted from a single-component to a multi-component **footwear** accounting methodology. Previously, we allocated 100% of the footwear weight to the upper material, which overestimated emissions, particularly when using high-emitting materials like leather for the upper. By establishing detailed footwear component assumptions, we now distribute material volume across different components (e.g. upper, sole, lining), allowing us to apply material-specific emission factors more precisely to the respective component weights.
- For our **private labels**, we successfully integrated primary data on our use of preferred materials (e.g. organic/ recycled materials) into our GHG accounting. This corrects the previous blanket assumption of 100% conventional materials, allowing us to accurately reflect and account for the emission reductions achieved through the substitution of conventional with preferred materials. Additionally, we substituted broad assumptions based on secondary lifecycle analysis with primary data collected directly from our Tier 1 factories via the Higg Facility Environmental Module, thus significantly increasing the reliability and specificity of our Tier 1 emissions inventory.

The material impact of these methodological enhancements required us to recalculate our full inventory back to our 2022 base year. Consequently, the emissions figures presented in this report differ from those previously disclosed. The emissions for the prior year 2024, previously reported as 2,540,840.0 tCO₂eq (ESRS E1 scope), have been revised to 1,630,561.2 tCO₂eq. The -35.8% adjustment reflects a more accurate and robust inventory baseline, ensuring transparency and comparability across our reporting period.

For packaging emissions calculations 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.

Category 4 — Upstream transportation and distribution: This category integrates different emissions accounting methods based on data availability and the specific transport leg/distribution segment. Emissions from inbound and network transportation are calculated based on modelled vehicle energy consumption for our transport orders. For last-mile logistics, emissions are based on average emissions per parcel, as reported by our carrier partners, and multiplied with our tracked number of shipments per carrier and sales market.

The 2025 GHG emissions account for ABOUT YOU emissions starting from the transaction date, whereas 2024 emissions do not include ABOUT YOU.

GHG emissions (E1-6)

	Unit	2025	2024
Scope 1 GHG emissions			
Gross scope 1 GHG emissions	tCO ₂ eq	8,066.9	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	63,822.9	60,638.8
Gross market-based scope 2 GHG emissions	tCO ₂ eq	5,405.8	5,127.7
Scope 3 GHG emissions			
Gross scope 3 GHG emissions*	tCO ₂ eq	2,527,277.9	2,102,244.4
Purchased goods and services*	tCO ₂ eq	2,012,642.8	1,630,561.2
Capital goods	tCO ₂ eq	20,357.1	26,705.0
Fuel and energy-related activities	tCO ₂ eq	11,283.6	10,089.3
Upstream transportation and distribution	tCO ₂ eq	304,553.8	305,512.0
Waste generated in operations*	tCO ₂ eq	575.1	217.2
Business travel	tCO ₂ eq	3,593.7	3,173.0
Employee commuting	tCO ₂ eq	10,343.7	7,559.0
Upstream leased assets	tCO ₂ eq	0.0	0.0
Downstream transportation and distribution	tCO ₂ eq	4,438.8	5,972.0
Processing of sold products	tCO ₂ eq	0.0	0.0
Use of sold products*	tCO ₂ eq	70,663.7	37,707.6
End-of-life treatment of sold products*	tCO ₂ eq	87,348.6	72,052.1
Downstream leased assets	tCO ₂ eq	0.0	0.0
Franchises	tCO ₂ eq	0.0	0.0
Investments	tCO ₂ eq	1,477.0	2,696.0
Total GHG emissions			
Total GHG emissions (location-based)	tCO ₂ eq	2,599,167.7	2,169,393.9
Total GHG emissions (market-based)	tCO ₂ eq	2,540,750.6	2,113,882.8

*) The 2024 values were adjusted as follows: purchased goods and services revised as explained in the section above; waste generated in operations is 71.7% lower — changes due to a revised emission factor; use of sold products is 92.3% lower — changes due to the exclusion of indirect use-phase emissions; end-of-life treatment of sold products is 1.5% lower — changes due to updated product data used in the purchased goods and services category. Gross scope 3 GHG emissions were adjusted as the aggregate of the aforementioned changes and are lower by 39.3%.

Deviating from the structure prescribed by the ESRS, the table above does not include the columns regarding a base year or target milestones, as our scope for targets is different to the ESRS E1-6 reporting scope. Please refer to the table under Targets related to climate change mitigation and adaptation (E1-4) showing base year, targets and progress of our targets.

GHG emissions intensity

	Unit	2025	2024
GHG emissions intensity, location-based*	tCO ₂ eq/m EUR	210.5	205.2
GHG emissions intensity, market-based*	tCO ₂ eq/m EUR	205.8	199.9
Net revenue (in financial statements) used to calculate GHG intensity	m EUR	12,346.1	10,572.5

*) The 2024 values were adjusted to reflect the aforementioned changes in 2024 GHG accounting: GHG emissions intensity, location-based revised from 334.0 tCO₂eq/m EUR; GHG emissions intensity, market-based revised from 329.0 tCO₂eq/m EUR.

Biogenic emissions

in tCO ₂ eq	2025	2024
Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in scope 1 GHG emissions	39.2	43.0
Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in scope 2 GHG emissions	0.0	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	0.0

We procure most of our electricity through green tariff 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 unbundled Guarantees of Origin for the corresponding kWh which also includes information about energy-generation attributes.

Contractual instruments linked to scope 2 GHG emissions

	2025	2024
Percentage of energy consumption related to market-based scope 2 GHG emissions, linked to contractual instruments	81.2	77.4
Percentage of energy consumption related to market-based scope 2 GHG emissions, linked to bundled contractual instruments by energy generation type	80.6	76.6
Hydropower	0.0	50.0
Wind	77.4	37.2
Solar	9.1	11.3
Unspecified	13.5	1.5
Percentage of energy consumption related to market-based scope 2 GHG emissions linked to unbundled contractual instruments	0.6	0.8

GHG removals and GHG mitigation projects financed through carbon credits and internal carbon pricing (E1-7 and E1-8)

As in the prior year, in 2025 we neither purchased carbon credits nor initiated any carbon removal projects. Our primary focus is reducing our GHG footprint in alignment with our net-zero targets with the residual < 10% of emissions to be permanently sequestered via carbon removals.

We do not currently apply internal carbon pricing schemes.

ESRS E2 Pollution

We assessed the following sub-topics related to pollution as material:

- Pollution of air, water, and soil
- Substances of concern and substances of very high concern
- Microplastics

Identification and assessment of material pollution-related IROs (ESRS 2 IRO-1)

IROs related to pollution identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information. 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 insignificant. 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). For further information on our process of stakeholder engagement in our DMA, please refer to [Impacts, risks and opportunities](#) in section 2.8.1 General information. Our disclosures focus on our chemical management approach within product manufacturing. Accordingly, we have not established any policies, actions or targets in relation to pollution of air, water, soil and microplastics in line with the ESRS.

Policies related to pollution (E2-1)

To manage upstream and downstream impacts and comply with regulations, we have developed a chemical management system. For our private labels, we have established a Manufacturing Restricted Substances List (MRSL) comprising a list of chemicals and substances that are restricted or prohibited in the manufacturing process, which aligns with Zero Discharge of Hazardous Chemicals (ZDHC) standards. The MRSL is regularly reviewed and updated to include the most current restricted substances and limits. The most recent MRSL is shared with suppliers to ensure that safe chemicals are used in the manufacturing process. Our private labels, excluding ABOUT YOU, monitor MRSL effectiveness through a risk-based due diligence programme. For more information on our quality checks on products and materials, please refer to [ESRS S4 Consumers and end-users — Policies related to personal safety](#) in section 2.8.3. Social information.

Actions and resources related to pollution (E2-2)

In 2025, our private labels, with the exception of ABOUT YOU, joined ZDHC as a Signatory Friend, aligning with ZDHC's holistic framework to phase out hazardous substances, improve supply chain chemical transparency and enhance compliance through available tools. 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 (E2-3)

We have not adopted targets or other tracking means in line with the ESRS that specifically address 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, as well as proactively preventing harmful substances for our private label products.

ESRS E3 Water resources

We assessed the following sub-topics related to water resources as material:

- Water consumption
- Water withdrawals
- Water discharges

Identification and assessment of material water-related IROs (ESRS 2 IRO-1)

IROs related to water resources identified during our DMA are discussed in Impacts, risks and opportunities in section 2.8.1. General information. 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. In 2024 we undertook our first assessment of water risk areas related to our own operations. This assessment specifically focused 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 the water impact of our private labels, particularly in high water stress areas. Direct consultations with affected communities have not been conducted.

Policies related to water (E3-1)

We established our water management policy in 2024, and the policy was extended to ABOUT YOU in 2025. It reflects our ambition to address 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 committed to continuously improving our water management approach by following industry standards and listening to stakeholder expectations.

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 high levels of 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 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 with 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 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, with the exception of ABOUT YOU.

Within our management board, the highest level of oversight and decision-making authority for environment-related topics, including water, lies with our co-CEO Robert Gentz.

Our water management policy and initiatives, the updated 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.

Our current focus is on understanding and assessing our impact in areas of high water consumption and stress while working towards a holistic net-zero climate strategy that balances environmental considerations, including water. This will inform future policies that address high water stress areas.

Actions and resources related to water management (E3-2)

Our key action is the factory improvement programme — an initiative to engage factories in our private labels' value chain (excluding ABOUT YOU) 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 (E3-3)

We are currently in the exploratory phase and have not set specific water targets or other tracking means in line with the ESRS. Our ambition is to progressively integrate water management into our net-zero climate strategy to ensure a holistic sustainability strategy, recognising the critical interplay and trade-offs between water and carbon. 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.

Metrics for our water consumption (E3-4)

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 meter 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. The increase in water consumption in 2025 compared to 2024 is mainly due to the integration of ABOUT YOU.

Water withdrawal and consumption (E3-4)

	Unit	2025	2024
Total water withdrawals	m ³	278,409.1	229,380.4
Total water consumption	m ³	27,840.9	22,938.0
Share of the measure obtained from direct measurement	%	48.0	46.0
Total water consumption in areas at material water risk, including areas of high water stress	m ³	2,170.6	1,901.3
Total water recycled and reused	m ³	551.3	0.0
Total water stored*	m ³	28,947.2	20,478.9
Change in water storage	m ³	8,468.3	–
Water intensity	m ³ /m EUR	2.3	2.2

*) The 2024 data has been restated from 19.2 m³. The adjustment is mainly due to a previous format error and to the addition of minor water retention volumes.

Water consumption: For each Zalando logistics and non-logistics site, the values for water consumption are estimated as 10% of the measured water withdrawal data 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, including physical risks (quantity and quality), regulatory and reputational risks, allowing for a comprehensive risk assessment. The calculation is performed 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 72 logistics and non-logistics sites (prior year: 63). Among all the Zalando sites, our fulfilment centre in Lodz, Poland, is classified as an area at high overall water risk (same as prior year). 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.

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

Change in water stored: This represents the year-on-year difference in the volume of water stored at our logistics and non-logistics facilities.

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 2.3 m³/m EUR (prior year: 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

We assessed the following sub-topics related to resource use and circular economy as material:

- Resource inflows related to products and services
- Resource outflows related to products and services

Identification and assessment of material resource use and circular economy-related IROs (ESRS 2 IRO-1)

IROs related to resource use and circular economy identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information. To assess the environmental impact potential with regard to circular economy aspects, we conducted life cycle assessments (LCAs) in 2022 and updated them during the 2024 DMA. These LCAs were performed to analyse circular business models such as pre-owned, take-back, care and repair and reusable packaging. Results showed that raw material extraction and processing are the most significant environmental impact areas in a product's life cycle. Our material use relies heavily on cotton, polyester and leather, which are key components in products from both our private labels and brand partners. By embedding more sustainable practices across our value chain, from sourcing and design to logistics and recommerce, we aim to stay resilient amid environmental challenges while creating long-term value for stakeholders. The business unit responsible for managing IROs related to resource use and circular economy is our SDI team, which leads the strategic direction for our circular economy transition. It oversees the assessment of IROs related to resource use and drives initiatives and partnerships with the purpose to accelerate circular innovation.

Policies related to resource use and circular economy (E5-1)

Our **circularity policy** provides an overarching strategic framework for driving progress in the circular economy to manage our material IROs. The 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, broadly covering our business activities across both private label and partner brand operations and spanning both B2C and B2B channels. 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. The policy was closely developed in collaboration with key external partners, notably the Ellen MacArthur Foundation (EMF). As a partner of EMF, we align our circularity strategy with its guiding principles. In addition, the 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. The policy focuses on three foundational pillars, and is a complementary component of our net-zero targets:

- **Circular products:** To accelerate material substitution in our products, we commit to phasing out virgin resources, increasing the use of recycled content including textile-to-textile recycling, as well as sourcing safe and renewable materials. We also aim to continue investing in innovative materials and processing technologies. These efforts are supported by a sustainability product standards framework designed to help customers make informed choices when buying and wearing fashion. Beyond the scope of our private labels, we are committed to working with our brand and industry partners and participating in cross-industry initiatives.

- **Circular business models:** We aim to scale our pre-owned offer, with a priority focus on B2C, as we drive financially viable growth and strategic alignment. In parallel, we are exploring additional opportunities to enhance the circular value chain. Alongside recommerce, we continue to monitor other circular business models, such as repair based on compliance requirements, customer expectations and brand partner demand.
- **End-of-use:** We are currently exploring the landscape in detail to define the key areas in which we can support the industry in terms of implementing the Extended Producer Responsibility (EPR) regulations. For more details on our EPR approach, please refer to the [Waste](#) section below.

As part of our policy framework supporting circularity, we have established our sustainable sourcing policies, which set mandatory minimum sustainability and circularity product requirements for all brand partners listing products via Zalando. In 2025, we revised the sustainable sourcing policy, incorporating the previous standalone animal welfare policy into the updated framework, in an effort to streamline and consolidate sustainability-related requirements. 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. In certain areas, we in addition require all partners to comply with minimum requirements that go beyond legal obligations at the product level, banning potentially harmful processes from our supply chain, as well as specific materials. Where compliance with the requirements of our policy is uncertain, we may request supporting evidence to ensure that the minimum requirements are adhered to. Products that are found to be non-compliant with the policy's minimum requirements are off-boarded from the platform where necessary. Beyond these minimum requirements, the policy also defines an extra level of ambition for brands to work towards, along with industry initiatives that can support their sustainability journey.

Zalando and ABOUT YOU maintain comparable sustainable sourcing policies, with some distinctions. ABOUT YOU's policies encompass both private labels and business partners. Both prohibit the procurement of cotton from high-risk nations, although the respective lists of these countries have not yet been aligned. Similarly, for animal welfare standards, Zalando has implemented a ban on mulesing, a practice ABOUT YOU has prohibited from 2025 onwards.

In addition, Zalando's logistic sites in our operating countries are responsible for implementing a waste management approach and coordinating with logistic partners where applicable.

Actions and resources related to resource use and circular economy (E5-2)

Materials reduction

Our 2025 ongoing materials reduction initiative (currently not applicable to ABOUT YOU), has broadened its scope from specific targeting elimination of single-use plastics (such as the successful removal of low-density polyethylene (LDPE) shipping bags in 2024) to a comprehensive strategy focused on cutting down overall packaging material used across all packaging materials and types. We are achieving this through projects that optimise packaging design, for instance by removing the wicket lip on polybags, consolidating customer orders and systematically moving to smaller or lighter packaging formats. Our ambition is to use fewer materials overall while still ensuring products are protected and customer requirements are met.

A key initiative to reduce materials is increasing usage of paper shipping bags versus corrugated boxes to reduce overall packaging material shipped to customers. After fully transitioning to a 100% paper bag portfolio in April 2024, we have continued to refine our requirements and packing process to increase bag usage. The positive impact of the bag shift can be seen on overall material reduction via reduction of packaging waste per item sold. In 2025, the

average waste per item sold was 64.0 grams (prior year: 74.0 grams), this reflects a decrease in average waste per item of 12.3% compared to 2024.

This new direction supports our long-term goals by reducing resources used and waste created. Additionally, we continue to evaluate packaging not only related to the physical product but also its full life cycle. This strategy aligns with emerging regulatory expectations that increasingly focus on the full life cycle of materials. By adopting materials reduction as a core action in 2025, we are taking a more comprehensive approach to sustainable packaging.

Contract adjustments

In all contractual negotiations with our key suppliers for paper packaging, we have established a set of actions we expect them to adhere to (also in process of being selectively applied to ABOUT YOU supplier base where relevant). We are in the process of applying these requirements across our supply base in alignment with our tendering and contract renewal schedule. This set of actions for suppliers is detailed below:

- **LCA:** In collaboration with Zalando (with the exception of ABOUT YOU), suppliers are required to support the execution of an LCA of the products in accordance with the European Product Environmental Footprint methodology.
- **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.
- **Self-declaration:** Material breakdown per weight and material.
- **Material breakdown and/or recyclability documentation:** Upon written request, suppliers are required to declare a material breakdown by weight (excluding ABOUT YOU suppliers). For technical materials, further documentation on the mechanical recyclability of products can be submitted to support a recyclable claim, e.g. an ISO 14021 certification.
- **Commitment to emission reduction targets in line with the Paris Agreement.**

From 2024, these requirements have been introduced to new and renewed contracts with large, strategic packaging suppliers whose scope significantly impacts our overall footprint. We continue to engage with our suppliers by introducing mandatory requirements. This will allow us 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 come from responsibly managed forests, supporting our circularity policy by reducing waste and enhancing material reuse.

Intralogistics

We continue to investigate expanding our reusable systems for intralogistics boxes, which serve as tertiary packaging to move items between all our logistics sites. The initiative's focus has broadened to holistically address our complete intralogistics packaging portfolio. Our reusable boxes system is an effective initiative for reducing packaging waste. We have significantly cut down on the need for new packaging materials by continuously expanding the system and improving our operational processes, resulting in 1,417.2 metric tonnes of packaging material avoided in 2025 (prior year: 1,614.0 metric tonnes), excluding ABOUT YOU. We are currently investigating further expansion of the usage of our reusable boxes system into our inbound distribution centres, coupled with standardising operational processes and efficient reallocation of reused boxes.

Additionally, we are improving truck loading efficiency by adapting packaging sizes to better utilise truck space. This ongoing approach will allow us to fit more items per shipment, ultimately leading to a more streamlined and

cost-effective logistics process. The ongoing expansion and development efforts underscore the commitment to achieving a sustainable, fully closed-loop system for all intralogistics packaging.

Recommerce

In recommerce, we offer customers the opportunity to extend the life of fashion items through Trade-in and Pre-owned. Today, customers in 10 markets (AT, DE, NL, SE, DK, FR, ES, IT, BE, PL; prior year: 5) can sell back items previously purchased on Zalando (excluding ABOUT YOU). Since April 2025, in addition to women, men and unisex items in textile, sports, footwear and bags, customers can also sell back lightly-worn kids items to Zalando. 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. In 2025, we expanded our refurbishment processes, lightly cleaning or repairing items and making more items available for resale in like-new conditions. 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, with customers offered a choice between the two options.

Through Pre-owned, 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. The service is now live in 14 markets (AT, DE, NL, BE, LU, SE, DK, FI, FR, ES, IT, PL, CZ, IE; prior year: 13). Pre-owned is also available at ABOUT YOU.

To further enhance the customer experience, we are in the process of shaping an improved long-term concept which more fully integrates our Pre-owned offer within our physical stores, with the ambition to better satisfy the demand for Pre-owned clothing across the relevant Zalando outlet locations.

Preferred materials for private labels

In 2024, the private labels business unit defined a set of preferred materials, including organic, recycled or regenerative materials, and responsibly sourced materials, including trademarked man-made cellulosic fibres and Leather Working Group-certified leather. The private labels preferred materials initiative is set until 2033. Information on the targets for the materials used for our private labels is described in the section below. In 2025, our private labels, excluding ABOUT YOU, advanced the transition to preferred materials in line with our strategic direction, with key initiatives including piloting textile-to-textile recycling.

Targets related to resource use and circular economy (E5-3)

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 largest volume share of the private labels' material portfolio. We therefore prioritised setting targets for cotton and polyester for our private label business as well as for 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 total of 1,457 tons. The target currently does not include ABOUT YOU.

The current baseline, which is approximately 2% higher than the previously reported figure, has been updated to reflect recent corrections in our private labels systems where supplier data is collected. We will source preferred material options, including recycled for polyester and organic, regenerative, and recycled for cotton, amongst others.

Our target enables us to achieve impact at scale and aligns with the broader climate and resource efficiency goals and our net-zero ambition. The Private Label team developed the targets in consultation with the Private Labels' Commercial teams as well as the SDI team. The target has been approved by the VP Private Label and Product Supply. In 2025, significant progress was made towards the private labels' target to phase out virgin polyester and conventional cotton by 2033. The year closed with 1,135.1 tons (prior year: 1,125.7) of virgin polyester and 175.8 tons (prior year: 331.6) of conventional cotton used.

Packaging target

We aim to source 100.0% recycled or FSC-certified paper packaging on an annual basis. We have committed to either source recycled wood fibre content or virgin wood fibre content which comes from responsibly managed forests, with a preference for forests certified according to the FSC certification system and aligned with our circular economy and sustainable sourcing policy objectives. Our target covers all packaging procured by us for final products measured by total weight, and is currently not applicable to ABOUT YOU. It will be reviewed annually, taking into account changes in active suppliers and the products procured each year. We engaged with key internal and external stakeholders, including senior management, suppliers and environmental organisations, to align with industry best practices.

We base our calculations on the primary material, defined as the material which accounts for more than 95% of the product's total weight. For recycled content, only the percentage of recycled material within the primary component is defined as recycled, while remaining components must still be sustainably sourced. The FSC-requirement has been introduced to new and renewed contracts with large, strategic packaging suppliers whose scope significantly impacts our overall footprint. Supplier specifications are provided in contract annexes supported by FSC certification.

As of 2025, 99.4% (prior year: 89.0%) of our paper packaging is from recycled content or FSC-certified sources, against our aim of 100%. We aim to raise the bar in terms of transparency and traceability by requesting our suppliers to provide the proper documentation that validates the sourcing of the rest of the materials. We will continue to collaborate closely with our suppliers to close the gap by ensuring engagement of suppliers regarding sustainability certification validation and other technical documentation.

In 2025, we also conducted a supply chain risk assessment to evaluate supplier readiness for upcoming regulatory requirements, including the EU Deforestation Regulation. This process has helped us identify potential compliance gaps and ensure that sustainability commitments are reflected not only in certifications, but also in supplier practices and sourcing transparency.

Resource inflows (E5-4)

Resource inflows include all products and materials that enter our facilities, including packaging. This encompasses items from various businesses: our B2C segment with Fashion (including retail and partner business), all product categories, such as private labels, Lounge by Zalando, Zalando Outlets and recommerce, as well as 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 was already accounted for during the product's first life cycle.

All product categories, such as fashion, footwear, accessories and electronics, are reported in aggregated 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. During 2025, data quality was improved through more accurate materials information and the updated Zalando sustainability product standards framework, our internal framework used to evaluate and display sustainability-related information for products.

For paper packaging materials, this translates into meeting one of the following conditions: i) the supplier provides material that is specifically FSC-certified; ii) the supplier holds a 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. ABOUT YOU conditions for polymailers are that they contain at least 80% recycled content and have an environmental certification such as Blauer Engel. Sustainably sourced and recycled material data undergo 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 aggregate data results with GHG accounting results and (iv) testing results for duplication prior to calculation.

For fashion, the metrics relating to sustainably sourced materials include materials adhering to third-party certifications or licensed or trademarked standards, such as the Global Recycled Standard and the Global Organic Textile Standard, that fit our current sustainability product standards framework or that we have received from brands as a result of compliance with legislation.

As a fashion and lifestyle e-commerce destination 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, 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 for sharing this information upstream with a multi-brand retailer like Zalando.

We are actively addressing these industry challenges related to the acquisition of sustainability-related product data. We have initiated specific brand engagement strategies, including direct consultations and tailored support programmes, to identify solutions to support data sharing. Furthermore, to ensure our own requirements remain cutting-edge and drive industry progress, we have updated our voluntary sustainability product standards framework. Following a review of all product standards in the framework, we have verified that those remaining are sufficient for compliant green claims, have raised the accepted threshold for standards, where appropriate, and have initiated the transition to full-product weight-based claims. Through these actions, we aim to simplify the framework, facilitate greater sustainability data acquisition from partners and continuously raise the bar on our sustainability standards. In this initial year of integrating ABOUT YOU, discrepancies may arise between KPI reporting aligned with ESRS requirements and customer-facing sustainability claims due to the distinct definitions employed by the two frameworks.

We anticipate that the use of sustainably-sourced materials throughout the fashion sector will increase organically over the coming years as regulatory eco-design, EPR and reporting requirements continue to expand in Europe. However, we recognise this increase will be at a slow pace and therefore we aim to continue enabling and encouraging business partners to adopt sustainably sourced, recycled materials and design strategies that support the circular economy through our sustainable sourcing policy and our voluntary sustainability product standards framework.

We have implemented two key methodological changes this year to enhance the accuracy and granularity of the product and material data used for the resource inflows metrics:

- First, the more detailed material data from the Bill of Materials system has been applied to private labels product data where available. This change prioritises the preferred material data (e.g. recycled cotton) over conventional material data (e.g. cotton), providing a more robust basis for calculation.
- Second, the methodology for footwear products has shifted from a single-component approach to a multi-component one, now considering all available materials (upper, insole, inner, sole) with component weight assumptions. This change significantly improves the accuracy of material usage calculations across all business models.

Resource inflows (E5-4)*

	2025	2024
Overall total weight of technical and biological materials used during the reporting period (in tons)	238,183.0	199,204.7
Overall total weight of technical materials used during the reporting period	105,850.6	86,812.4
Overall total weight of biological materials used during the reporting period	132,332.4	112,392.3
Percentage of biological materials that is sustainably sourced	27.8	26.8
Products	5.1	4.6
Packaging	91.6	85.9
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products and services (in tons)	54,273.1	32,785.0
Products	8,436.6	6,351.8
Packaging	45,836.5	26,433.3
Percentage of secondary reused or recycled components, secondary intermediary products and packaging and secondary materials	22.8	16.5
Products	4.8	4.4
Packaging	73.3	48.5

*) Due to the methodological changes described above, the updated sustainability product standards framework and improved data availability of accepted claims, the following 2024 metrics were adjusted:

- (i) overall total weight of technical and biological materials used during the reporting period was 0.8% lower due to recalculation of products weights; overall total weight of technical and overall weight of biological materials used during the reporting period were revised respectively by -15.3% and +14.3%;
- (ii) percentage of biological materials that is sustainably sourced was 3.1% higher and the revised products contribution was 21.1% higher;
- (iii) absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products and services was 4.6% higher and the products contribution was 29.6% higher;
- (iv) percentage of secondary reused or recycled components, secondary intermediary products and packaging and secondary materials was 5.8% higher and the products contribution was 33.3% higher.

Resource outflows (E5-5)

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 in order for us to make comparisons. Therefore, durability is excluded from the 2025 sustainability statement. Further analysis will be conducted to incorporate any future 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. We are therefore dedicated to working 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.

We have developed our repairability guidelines for our private labels (excluding ABOUT YOU), 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). The CSRD aims to standardise sustainability reporting across companies. In line with this objective, we have excluded the information on 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: To achieve a consistent and defensible standard, we have adopted the logic of the German Packaging Act (VerpackG) and its minimum standard for recyclability as defined by the Central Agency Packaging Register (ZSVR). We apply this classification logic across all EU countries as it represents the most robust and well-defined framework available for assessing recyclability. 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, “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 complement this framework with supplier self-declarations, which we use to validate claims on material breakdown, especially for technical materials. This combined approach allows us to maintain a robust and standardised system for our official reporting on packaging materials throughout the EU.

The rate of recyclable content in products packaging in 2025 is 97.0% (prior year: 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. The majority of our waste (91.7%, prior year: 92.0%) is packaging-related. 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 (83.9% of our total generated waste, prior year: 83.7%), plastic (2.3%, prior year: 1.5%), wood (2.6%, prior year: 3.5%) and mixed packaging (2.8%, prior year: 3.0%). The rise in waste volume is primarily attributed to the transaction with ABOUT YOU. Our multi-channel sales strategy contributes positively to waste minimisation by optimising inventory management. Unsold inventory is redirected across various platforms, including Lounge by Zalando and outlet stores. We maintain a strict policy of selling remaining stock to retail partners to avoid waste and in line with our commitment to avoid destruction except for health, safety, or legal reasons. During the reporting period, we identified one localised breach involving return products in Switzerland; learnings will be included in our continuing efforts to strengthen our governance. 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 the applicable laws. As a result of the above, textile waste accounts for only 0.1% of our total generated waste (prior year: 0.3%). Of our total generated waste, 97.8% is recycled (prior year: 96.6%), 0.5% is incinerated (prior year: 3.1%), 0.9% is disposed of in landfill (prior year: 0.3%), and 0.8% is disposed of via other disposal operations (prior year: 0.03%).

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 (99.9% of total waste generated, prior year: 99.8%) includes paper, cardboard, metals, plastic packaging, biodegradable kitchen waste and non-dangerous electronic waste.
- Hazardous waste (0.1% of total waste generated, prior year: 0.2%) 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.

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 across our markets to ensure responsible collection, recycling and disposal of products and packaging. We are currently developing a scalable EPR solution, which is not yet applicable to ABOUT YOU. As a crucial first step towards achieving efficient and accurate compliance across multiple European markets, our solution leverages machine learning to automate the classification of our vast product assortment — approximately 18 million articles. This automated approach is essential for overcoming the limitations and potential errors inherent in manual classification, laying the foundation for our broader EPR compliance framework. ABOUT YOU has established a semi-automated standard process for their own procured packaging licensing placed on the market for the first time to fulfil EPR reporting obligations.

Resource outflows — Waste (E5-5)

	2025	2024
Total waste generated (in tons)	42,615.4	33,340.1
Total hazardous waste generated	53.6	79.0
Total non-hazardous waste generated	42,561.8	33,261.1
Non-hazardous waste diverted from disposal (in tons)	41,663.7	32,142.9
Non-hazardous waste diverted from disposal due to preparation for reuse	184.1	174.4
Non-hazardous waste diverted from disposal due to recycling	40,570.9	31,007.9
Non-hazardous waste diverted from disposal due to other recovery operations	908.6	960.7
Non-hazardous waste directed to disposal (in tons)	898.2	1,118.2
Non-hazardous waste directed to disposal by incineration	206.5	1,011.8
Non-hazardous waste directed to disposal by landfilling	363.6	105.5
Non-hazardous waste directed to disposal by other disposal operations	328.1	0.9
Non-recycled waste (in tons)	898.2	1,143.5
Percentage of non-recycled waste	2.1	3.4

2.8.3 Social information

ESRS S1 Own workforce

We assessed the following sub-topics related to own workforce as material:

- 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
- Culture
- Other work-related rights

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

Our workforce comprises a diverse array of job families and capabilities. It includes overhead employees in functions such as finance, human resources, IT, marketing, non-overhead employees working in our logistic centres and outlet stores, as well as non-employees 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 (Hugoboss) and China (private labels and tech hub), requiring compliance with the diverse legal frameworks across these regions.

IROs related to our own workforce identified during our DMA are discussed in [Impacts, risks and opportunities](#) in 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.

Our ambition is to adhere strictly to laws and regulations pertaining to human rights, as well as the prohibition of forced and/or child labour. We have not identified any risk of incidents of forced and/or child labour and we are committed to ensuring that no such incidents 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.

Employee metrics

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 2025, unless otherwise stated. Apprentices, interns as well as working students are included in any headcount-related calculations, unless otherwise indicated in the specific disclosures. 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 (FTE). For example, a part-time position with 50% of the weekly working hours corresponds to an 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 (S1-6)

Contract type	Female		Male		Others		Not reported		Total number of employees	
	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024
Permanent	6,996	6,440	7,777	7,367	12	9	4	4	14,789	13,820
Temporary	1,411	1,060	1,573	917	2	4	3	4	2,989	1,985
Non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
Full-time	6,442	5,715	8,056	7,139	10	10	6	6	14,514	12,870
Part-time	1,965	1,785	1,294	1,145	4	3	1	2	3,264	2,935
Total	8,407	7,500	9,350	8,284	14	13	7	8	17,778	15,805

Employee distribution by age group (S1-9)

Category	under 30 years old		30 to 50 years old		over 50 years old	
Year	Number	%	Number	%	Number	%
31 Dec, 2025	3,260	18.3	12,142	68.3	2,376	13.4
31 Dec, 2024	2,705	17.1	10,879	68.8	2,221	14.1

The following table shows an overview of the **distribution of our employees in countries** where we had more than 50 employees in the current or previous business year, 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, 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 (S1-6)

Contract type	Permanent		Temporary		Non-guaranteed hours		Full-time		Part-time	
Region	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024
Germany	13,944	13,020	2,901	1,957	0	0	13,609	12,121	3,236	2,856
China	40	16	61	3	0	0	100	19	1	0
Finland	152	147	0	0	0	0	149	145	3	2
Ireland	107	101	1	1	0	0	104	100	4	2
Italy	68	67	1	1	0	0	69	10	0	58
Poland	177	178	11	5	0	0	188	183	0	0
Sweden	48	52	0	0	0	0	48	52	0	0
Switzerland	63	47	0	0	0	0	49	36	14	11
United Kingdom	87	107	5	3	0	0	90	109	2	1
United States	55	48	2	5	0	0	57	53	0	0
Total headcount	14,789	13,820	2,989	1,985	0	0	14,514	12,870	3,264	2,935

As of 31 December 2025, the top management level (S1-9), according to our definition of the top five leadership levels, includes 258 women (prior year: 233) and 432 men (prior year: 398). Women account for 37.4% of these top management positions, an increase from 36.9% in the prior year, whereas men hold the remaining 62.6% (prior year: 63.1%). The ABOUT YOU entities were excluded due to the absence of a one-to-one alignment of leadership level structures; their exclusion has a limited impact on the reported gender distribution and they will be included from 2026 onwards following further alignment.

A total of 3,121 (prior year: 2,374) employees departed Zalando during the reporting period. The **employee turnover rate** for the reporting period was 18.0% (prior year: 14.7%). 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, e.g. requiring more logistic centre employees, which impacts non-overheard roles. Our overhead employees remained stable, with annual investments in capabilities for our strategic priorities and standard attrition/hiring processes.

Policies and practices related to own workforce (S1-1)

Our policies are integrated into our operational activities in alignment with our strategic objectives and commitment to our employees. Final accountability of the policy implementations lies with our CPO. Our internal Zalando employee portal provides employees with a comprehensive repository of all our policies. ABOUT YOU has a comparable structure, where final accountability lies with the ABOUT YOU co-CEO Operations and Finance, with policies available on the company's intranet.

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 in Germany 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, and employee participation and co-determination are central to our operations. We have defined our own regulations governing the ZEP, which have been agreed to by the management board.

We are supported by nine (prior year: 10) **works councils** across various locations in Germany. These works councils, which are created, elected and composed of our employees, play a critical role in our decision-making processes, particularly on matters that directly impact employees. They enable 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 was established to consider employee perspectives from all our operating countries within the EU and European Economic Area (EEA) (including the UK) into our European and global strategies. We also consider their perspectives for our employees from other operating countries. Furthermore, the employee representatives are eligible for employee participation at the supervisory board level.

In the following table, we present the percentage of **total employees covered by collective bargaining agreements**. Where multiple collective bargaining agreements exist within the EEA, we present the overall percentage of employees covered by such agreements for each country in which there is significant employment (defined as at least 50 employees by headcount representing at least 10% of the total number), and the respective coverage in non-EEA countries 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 (S1-8)

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
2025				
0–19%	Germany	Germany	–	–
20–79%	–	–	–	–
80–100%	–	–	–	Germany
2024				
0–19%	Germany	Germany	–	–
20–79%	–	–	–	–
80–100%	–	–	–	Germany

Less than 1% (prior year: < 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 and non-overhead functions. In general, for overhead employees (excluding ABOUT YOU), we offer an unlimited contract with six month probation period for both parties (employee and employer) to reach a long-term commitment agreement. In limited cases and certain instances, such as parental leave coverage and/or workload peaks, contracts are fixed-term. At ABOUT YOU, employees are generally offered limited-term contracts with a duration of two years. Exceptions apply for tech positions and for lead-level positions, where unlimited contracts are offered to newly hired employees. 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.

We are actively reshaping our logistics network, which may require a reassessment of our locations. Where we implement such changes, we plan to engage in negotiations with employees and their representatives to develop a comprehensive set of structured support offers, such as a balance of interests or a social plan, to assist our employees in this transition.

Social protection (S1-11)

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 up 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, employees (depending on their location and company group) are entitled to special leave in the event of major life events (such as marriage, becoming a parent, or time off for caregiving needs for relatives, relocation, or the death of a close relative).

Our employees are covered by **comprehensive social protection** aligned with local labour laws, which in most cases 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 (S1-15)

To facilitate a smooth return to work, we offer childcare support and return-to-work programmes. Employees working at our Zalando headquarters in Berlin have access to approximately 100 kindergarten places through partnerships with daycare providers and our on-campus daycare centre.

The percentage of employees entitled to take **family-related leave** is 100.0% (prior year: 100.0%). Furthermore, the following table shows the percentage of employees that took family-related leave, broken down by gender.

Family-related leaves (S1-15)

in %	2025	2024
Female	18.9	18.7
Male	10.7	11.5
Others	7.0	6.7
Not reported	0.0	0.0
Total	14.6	14.9

We have three different approaches to **working-time requirements**:

- Our policies for overhead employees 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. Our policies regarding working-time requirements are currently not applicable to ABOUT YOU employees. We aim to strictly adhere to legal working hour regulations (such as the Hours of Work Act [Arbeitszeitgesetz, ArbZG]), to ensure that all employees work within statutory limits.
- Our ABOUT YOU employees can voluntarily use a time-tracking system to monitor their working hours in order to confirm that they work their regular average working hours per week as defined by their employment contract.
- Our non-overhead employees have flexible shift patterns to 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 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 our employees. Our annual assessment and improvement of Cyber Week planning demonstrates our commitment to balancing employee needs with business demands.

Mobile work agreement: We have different mobile work agreements and regulations which allow our employees to work up to 60% of their time from home, with some exceptions depending on the role, location and internal team

guidelines. These agreements have been developed collaboratively across teams such as the works councils, the Strategic Employee Relations team, and the P&O Executive Leadership team.

Health and safety (S1-14)

The health and safety of employees is critical to our success. We are committed to providing safe and healthy work environments in every possible instance, with a particular focus on our own logistic centres, as highlighted by the findings of our DMA.

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

Our logistics Health and Safety team monitors **health and safety data** for our non-overhead employees working in our logistic centres. The aim is to provide an overview of health and safety incidents in our logistics network, including control measures implemented following their occurrence as well as actions taken to prevent future incidents. In addition, we conduct internal audits of Zalando logistics centres to assess their "Health, Safety and Fire Protection Logistics Standards" against existing control systems and corrective action plans.

The following table presents the **health and safety management data** for our employees. The rate of recordable workplace accidents is based on the contractually agreed working hours for the Zalando group. We perform calculations using regional holiday calendars and absence data. For our logistics sites and Lounge by Zalando, precise hours are taken directly from integrated time-tracking systems. For logistics employees, we categorise accidents into two types: lost-time accidents, which result in one or more lost days of work, and non-lost-time accidents, which require first aid but do not result in lost days.

Health and safety management for employees (S1-14)

Category	2025	2024
Coverage percentage		
Employees covered by our health and safety management systems (in %)	100.0	100.0
Work-related fatalities		
Number of fatalities from work-related injuries and illnesses (employees, non-employees and other workers)	0	0
Recordable workplace accidents		
Number of recordable workplace accidents	1,135	984
Thereof number of non-logistics accidents	39	40
Thereof number of logistics lost-time accidents	89	103
Thereof number of logistics non-lost-time accidents	1,007	841
Rate of recordable workplace accidents (per 1m worked hours)	50.8	43.5
Rate of non-logistics accidents	2.9	2.8
Rate of logistics lost-time accidents	9.9	12.7
Rate of logistics non-lost-time accidents	112.0	103.7

We are committed to fostering a supportive work environment that prioritises **employee well-being**. To this end, we offer access to an external Employee Assistance Programme (EAP) provided by the external vendors Fürstenberg Institute and nilo. These comprehensive services provide confidential, multilingual psychosocial counselling to our employees, their close relatives and friends. The external EAP supports individuals in addressing a wide range of personal and work-related challenges, including mental health concerns, work-life balance or financial challenges. For employees located outside of Germany, we leverage the Fürstenberg Institute's global network of partners to ensure access to external EAP services. ABOUT YOU provides access to nilo for all employees, regardless of their location. To ensure easy accessibility, detailed information about the entitlements, contact details and guidelines for the EAP is available on the respective internal portals.

Gender equality and equal pay (S1-16)

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 a process enabling employees to request such data. Our senior leadership receives a gender-based breakdown of salary increases to inform decision-making and ensure equitable compensation.

Gender pay gap: 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 the average gross hourly earnings of male paid employees and of female paid employees expressed as a percentage of the average gross hourly earnings of male paid employees. Pay refers to wages and salaries earned by full-time and part-time employees 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 average remuneration ratio is the ratio of the highest paid individual to the median annual total remuneration for all employees (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 (S1-16)

Category	Average remuneration ratio		Gender pay gap in %		Adjusted gender pay gap in %	
	2025	2024	2025	2024	2025	2024
Overhead	–	–	24.6	22.4	2.0	1.9
Non-overhead	–	–	1.8	1.9	0.1	0.2
Total	50.4	48.5	14.5	15.4	1.4	1.4

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 as they can significantly impact the pay average. Similarly, the relative share of male and female employees in the different countries influences the gender pay gap.

Adjusted 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. The adjusted gender pay gap excludes employees in certain entities (e.g. ABOUT YOU) where job family and job grade structures are not yet mapped to Zalando's framework, which is required for a consistent and comparable adjusted analysis. The calculation of the adjusted gap includes base salary, equity compensation, functional allowances, commuting allowances, bonuses, and shift and on-call premiums. It controls for differences in job grades, job functions and location.

Adequate wages (S1-10)

To determine our metrics on adequate wages, we applied statutory minimum wages for EEA countries and the UK, sourced from the Eurostat database and official government records. Where statutory minimums were unavailable or required adjustment to ensure adequacy — specifically in Finland, Italy, Sweden, Switzerland, the USA, China and Hong Kong — we set the benchmark at 50% of the gross average wage of each country. These figures were derived from national statistical bureaus and collective bargaining agreements. 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 (S1-12)

We are committed to creating an inclusive workplace for employees with disabilities regardless of their official status. To support this commitment, we have in place two Inclusion Officers and two works council representatives for severely disabled employees in Germany [Schwerbehindertenvertretung, SBV]. Our comprehensive workplace adjustments programme provides personalised accommodations and equal status for employees with severe disabilities. This includes the option for up to five days of remote work per week (depending on the task or nature of the role) and

several workplace adjustments, e.g. access to sign language interpreters within our German logistic centres, to support daily needs and ensure workplace equality. Zalando utilises an automated process, whereas ABOUT YOU executes this on an individual, case-by-case basis. We have designed a Disability Inclusion Toolkit, currently not accessible to ABOUT YOU employees, for our leads and business partners with guidance on the German legal framework, and provide specialised support through one of our EAPs for employees navigating official disability processes.

Diversity, elimination of discrimination

We have clear policies against discrimination documented in our Codes of Ethics as described in [ESRS G1 Business conduct](#) in section 2.8.4 Governance information.

In 2024, we conducted our second D&I survey to assess the outcomes of our former do.BETTER strategy. The results of this survey, in conjunction with findings from dedicated internal working groups, will inform the development of our next D&I strategy, scheduled for launch in 2026. As part of our 2026 roadmap, we will review and begin the process of expanding the updated strategy to include ABOUT YOU. We report biannually to the D&I and sustainability committee of the supervisory board, 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.

To embed D&I in our culture, we have an Employee Resource Groups (ERG) programme of 12 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. ERGs increase the visibility of under-represented groups and enable community support from career development to community celebrations. Each ERG has dedicated sponsors at the VP/SVP level and governance structures. ABOUT YOU has two ERGs and a diversity circle, which is a group of employees dedicated to driving diversity and is responsible for implementing measures that foster diversity and prevent discrimination.

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 during the reporting period. We also disclose the number of all complaints filed through channels for our employees to raise concerns and, where applicable, the National Contact Points for the OECD Guidelines for Multinational Enterprises, 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 (S1-17)

	2025	2024
Number of incidents of discrimination	13	0
Number of complaints filed through channels for employees to raise concerns	234	90
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0.0	0.0
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	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to employees	0.0	0.0
Number of severe human rights issues and incidents connected to employees	0	0
Number of severe human rights cases where Zalando played role securing remedy for those affected	0	0

The 234 (prior year: 90) complaints we received from our employees in the 2025 financial year related mainly to potential unequal treatment and work culture. This increase compared to the previous year reflects an expansion of our reporting scope, which now includes additional channels. During the reporting period, we identified and addressed no cases (prior year: 0) 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 provide comprehensive professional development opportunities through differentiated programmes. Centralised platforms offer an extensive portfolio of training, including leadership and language courses, to our office-based employees, while our logistic centres maintain programmes for leaders and specialists, and limited German courses for floor employees. Furthermore, depending on the respective federal state, employees in Germany may be entitled to German educational leave [Bildungsurlaub], a statutory educational leave programme allowing for up to five days of leave annually.

Culture

We have reviewed and refreshed our founding mindset principles (OFMs), which are encapsulated in four core values: customer focus, entrepreneurial thinking, speed and team spirit. These principles serve as a strategic framework to guide decision-making and empower employees to act in the best interest of our customers and partners. The review was a collaborative process, led by our Workplace Culture team in partnership with the management board, a broad group of leaders, our works councils and the ERGs. This ensured the principles are applicable to all organisational levels and include specific principles for our logistic centres that reflect the unique value of their working environment. ABOUT YOU has a so-called Culture Booklet, an internal document that explains why ABOUT YOU was founded and what its mission is. This booklet outlines all relevant aspects of ABOUT YOU's culture and is given to all employees as part of their onboarding package. In alignment with our customer-focus principle, we offer employees a warehouse experience tour of our German logistics centres. This initiative is designed to broaden knowledge of our core business operations and provide a direct understanding of Zalando's logistics operations. This experience is currently not available to ABOUT YOU employees.

Other work-related rights

We aim to adhere strictly to laws and regulations pertaining to human rights. Our human rights policies address human trafficking, forced or compulsory labour as well as child labour. In addition, our Codes of Conduct include provisions addressing the safety of workers, precarious work, and human trafficking, as well as the use of forced and child labour. The obligations are based on international standards such as the ILO Conventions. While detailed in section [ESRS S2 Workers in the value chain](#), these policies apply equally to our own workforce. Furthermore, our Codes of Ethics outline the fundamental values of honesty, respect, trust and fairness and set clear expectations for the professional, ethical and responsible behaviour of employees. In addition, our policy internal investigations and ABOUT YOU's rules of procedure for the complaints system describe 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 (S1-2)

We maintain a broad 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.

Our quarterly engagement and culture survey is a core tool for gathering anonymous feedback on employee experience. The survey provides comprehensive quantitative and qualitative insights on topics including belonging, fairness, leadership and overall sentiment. We hold leaders accountable for their respective team results. After analysing the data, leaders collaborate with their teams to develop and implement targeted action plans that address critical feedback. Our ABOUT YOU employees may voluntarily use the biweekly feedback feature of the engagement tool, allowing for quantitative and qualitative insights. While data is anonymous and aggregated, employees can also voluntarily provide information about ethnicity, age, religion, disability, etc. Based on these characteristics, the P&O team can filter for vulnerable groups. The ABOUT YOU co-CEO Operations and Finance, as the most senior person responsible, presents a summary of the insights collected every four weeks in a company-wide meeting and informs employees about the respective measures.

Processes to raise concerns (S1-3)

If an employee experiences inappropriate behaviour, feels discriminated against or harassed, wishes to discuss a sensitive situation or observes behaviour that is not in line with our Codes of Ethics, we strongly 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, they may contact the Corporate Compliance teams, which handles our group-wide human rights due diligence. Additionally, employees can use the group's Compliance Management System through a secure and protected reporting channel. We also offer whistleblowing tools for all employees. Employees and externals can raise issues through these tools anonymously 24/7. Employees may also reach out to the Corporate Compliance teams directly via email. 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 teams have access to the data generated through the whistleblowing tool and analyse the complaints to better understand where issues originate, e.g. business unit, nature of the issue or the location, etc. 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 Codes of Ethics and compliance platforms protect individuals who raise concerns against retaliation. These are accessible both externally on our corporate websites, as well as internally. 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 (S1-4)

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

Actions performed in 2025

- **Working-time management:** To ensure compliance with EU regulations and **enhance employee well-being**, we are developing a new working-time management system. The system will provide greater visibility into working hours, helping to mitigate the risk of undue overtime. The project is currently in its final stage involving negotiations with our works council. Following its implementation for overhead employees in Germany, the new system is scheduled to be deployed in 2026. A separate working-time management system is already in place for our non-overhead employees and our overhead employees working in our logistic centres as well as at ABOUT YOU.
- To **support a work environment of psychological safety**, we have expanded our Mental Health First Aiders networks with two more training cohorts of 71 employees. To enhance the accessibility of our EAP, we have expanded our partnership with certified counsellors. This provides our employees with support that is tailored to a diverse range of languages, cultural backgrounds and gender expressions.
- To **ensure compliance with EU artificial intelligence (AI) regulations**, we mandate compulsory training for all employees. This excludes our ABOUT YOU employees, for whom the training is planned for 2026. We also make AI tools accessible to our overhead workforce, enabling them to improve their working methods and expand their skill set.
- We invest in our leadership pipeline with a comprehensive new Inclusive Leadership Programme that reinforces our commitment to D&I by **equipping leaders with the skills needed for a diverse future workforce**. ABOUT YOU employees are currently outside of this programme scope.
- To **support our employees' work-life balance**, we have streamlined and automated the request process for both parental leave and childcare leave through an accessible self-service tool (currently not accessible to ABOUT YOU employees). Additionally, we have expanded our kindergarten (daycare) cooperation to offer more places, thus providing crucial support for parents and reinforcing our commitment to a family-friendly workplace.
- To **enhance disability inclusion**, we have implemented neurodiversity training for our hiring managers, reaching 95% of the team (excluding ABOUT YOU). We also launched a new ERG to provide a dedicated community and support network for employees with disabilities.
- To **simplify our ways of working and enhance productivity**, we are implementing a company-wide initiative in 2026 to review our **meeting culture**. Following a pilot in 2025, this programme will focus on reducing the number and duration of meetings across the organisation.

We have not implemented actions in line with the ESRS for freedom of association, collective bargaining and collective agreements, works councils and consultation and participation rights of workers, or the prevention of child labour and

forced labour. 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 (S1-5)

In parallel to our strategy refresh, in 2025 we continued to measure the progress of the targets we set as part of our former do.BETTER strategy.

Our women in tech and women in leadership targets do not include ABOUT YOU. As the transaction occurred in July 2025, we need a robust assessment of the methodological differences in target setting in order to incorporate ABOUT YOU into the target and to adjust the baseline and prior-year figures. Nevertheless, all processes and initiatives implemented at ABOUT YOU to enhance women in tech and women in leadership remain in effect for 2025. An updated group consolidated target that includes ABOUT YOU will be established and launched in 2026.

Women in tech target

Our women in tech target focuses on year-on-year growth towards our goal of 40–60% of women in tech job families. The following six job families are included in our tech job families: applied science; enterprise technology; product design; product management; project, programme and portfolio management; and software engineering. In 2024, the share of women in tech reached 27.2%. As of 31 December 2025, our women in tech share has increased by 1.6 percentage points to 28.8%. Achieving the target is highly dependent on successful hiring and lower attrition. Our strategy now includes targeted recruitment and retention, fostering an inclusive workplace culture, supporting internal development and collaborating with partners. This plan addresses both internal organisational changes and broader systemic issues. The following governance structures are in place to ensure our progress:

- Our women in tech steering committee meets quarterly, attended by our executive sponsors, goal owners and senior tech leaders. This allows us to allocate ownership for delivery and progress jointly to our senior leaders in both P&O and tech.
- Our project groups for our two delivery pillars — hiring and attraction and internal development and culture — meet biweekly to ensure adequate operational steering.
- Monthly progress reports and a thorough internal dashboard provide ongoing insights into progress, challenges and areas of focus.

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%.

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. The following table presents an overview of our progress towards achieving the women in leadership target in number and percentage across our five top leadership levels.

Women in leadership target

Category	Female				Male				Others				Not reported			
	Number		%		Number		%		Number		%		Number		%	
	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024
MB	1	2	25.0	40.0	3	3	75.0	60.0	0	0	0.0	0.0	0	0	0.0	0.0
SVP	5	5	33.3	45.5	10	6	66.7	54.5	0	0	0.0	0.0	0	0	0.0	0.0
VP	14	14	31.8	32.6	30	29	68.2	67.4	0	0	0.0	0.0	0	0	0.0	0.0
Director	38	38	33.6	33.3	75	76	66.4	66.7	0	0	0.0	0.0	0	0	0.0	0.0
Head	200	174	38.9	38.0	314	284	61.1	62.0	0	0	0.0	0.0	0	0	0.0	0.0
Total	258	233	37.4	36.9	432	398	62.6	63.1	0	0	0.0	0.0	0	0	0.0	0.0

We have implemented strategies in recruitment, development, promotion and workplace culture to attract and retain women, and proactively monitor the numbers for promotion by gender. In 2025, we introduced automated dashboards for our women in leadership and women in tech targets to monitor our progress and inform our actions. In addition, we adapted our hiring processes to prioritise gender-diverse pipelines from the start of every search. This is achieved through dedicated D&I sourcing for the first two to four weeks. 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. 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 [Sozialgesetzbuch (SGB) IX — Rehabilitation und Teilhabe von Menschen mit Behinderungen],⁶³ which means at least 5% of our employees must comprise employees with severe disabilities across all entities in Germany. On 31 December 2025, 2.5% (31 December 2024: 2.4%) of all Zalando employees based in Germany were officially recognised as having a severe disability. An annual fine is payable each year when the required employment quota of 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 constantly improving the safety of our employees within the logistics centres.

We have not adopted targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions for the other material sub-topics within ESRS S1 Own workforce. We aim to comply with the comprehensive legal and international frameworks that govern key labour and human rights issues to guide our practices, which ensures that we meet the required standards and effectively protect workers' rights. 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.

⁶³ Section 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

We assessed the following sub-topics related to workers in the value chain as material:

- Working conditions
- Equal treatment and opportunities for all
- Other work-related rights

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

Zalando's current group strategy has been in place since 2024 with decent work as a core focus. 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.

IROs related to workers in the value chain identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information. We acknowledge that impacts and risks related to forced labour, child labour, human trafficking, inadequate wages, excessive working hours and potential discrimination against vulnerable groups are amplified in certain regions in specific areas like cotton production, garment and accessories manufacturing, and footwear production. For our private labels (excluding ABOUT YOU), active in the apparel, accessories and footwear sector, we have identified a significant risk of child labour in Bangladesh and India as well as a significant risk for forced labour in Bangladesh, China, India and Vietnam. For ABOUT YOU's private labels, active in the same sectors, significant risks of child labour in Bangladesh, India and Morocco as well as significant risks of forced labour in Bangladesh, China, Morocco, the Republic of North Macedonia and Turkey have been identified.

Our business model and strategy integrate measures to address these impacts and risks through a dedicated decent work strategy, underpinned by our human rights due diligence. This includes dedicated teams, clear processes, and comprehensive policies. Our ambition is to consistently uphold our standards across all business activities. 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. To manage the complexities of the fashion supply chain, our due diligence has focused on collaborating with local organisations and multi-stakeholder initiatives. This approach helps us identify which groups of workers are most at risk for legal violations. While these assessments do not provide details on individual entities or workers, they are crucial for identifying significant risks and potential impacts. We have the ambition to eventually deepen our understanding of how our business directly impacts workers throughout our value chain.

Since our last report, we have primarily invested in new tools to enhance data collection for risk assessments, particularly concerning workers in the value chain. This investment is crucial because the availability of reliable data is the foundation for effective action, allowing for more accurate reporting and better tracking of our improvement initiatives. 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. The tools mentioned above are currently not applicable to ABOUT YOU. Following ABOUT YOU becoming part of the Zalando group, it continues to operate under its own due diligence programmes (for further information please refer to [Basis for preparation](#) in section 2.8.1 General information). Although our methodologies vary on some nuances, its due diligence efforts — including risk analysis, Codes of

Conduct, policies and social auditing — have strong similarities, given its comparable business models spanning private labels, retail, partner businesses and B2B offerings.

Policies related to workers in the value chain (S2-1)

We respect human rights and uphold responsible labour practices across our direct suppliers in line 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. When evaluating risks on a yearly basis, past years' grievances are also analysed. In this way, the interests of affected individuals in the supply chain are taken into consideration. Zalando's human rights policies set out the overarching principles for respecting and managing human and labour rights. These policies define the processes for rights' holders to report grievances, as well as the development of preventive and remedial measures and the mechanism to monitor their effectiveness.

Zalando's **Codes of Conduct** lay down the foundation for building strong business relationships. They outline the high ethical and legal standards to which we hold all our business partners, including our suppliers, service providers, distributors, consultants and agents, accountable. We require all partners to have appropriate management systems and due diligence processes in place to ensure compliance with the requirements laid down in our Codes of Conducts. Non-compliance will lead to measures being taken, which may include termination of the business relationship.

The **policy statement on Zalando's human rights strategy** addresses trafficking in human beings, forced or compulsory labour as well as child labour, and outlines our approach to human rights due diligence, thereby aligning with international standards like the ILO Conventions and the Universal Declaration of Human Rights. The policy sets the groundwork for managing human rights due diligence, which is embedded into our operating standards and management practices. It applies throughout our entities (excluding ABOUT YOU) and for all business activities, including facilities operating on behalf of ourselves, and specifies expectations and requirements for all our business partners within the supply chain. The policy statement has been approved by our co-CEO Robert Gentz and is implemented by the Corporate Governance team under the responsibility of our SVP Corporate Governance/General Counsel. Zalando's Human Rights Officer monitors these efforts and reports to the management board. To ensure our approach is effective, we continuously evaluate our risk-mitigating measures, such as audits and business partner checks. We use databases to document these actions and their results, which helps us determine if they are reducing risk adequately. If necessary, this assessment can trigger additional measures in specific parts of our supply chain.

ABOUT YOU's human rights and environmental policy formally outlines ABOUT YOU's commitment to human rights and environmental due diligence and is approved by all three ABOUT YOU co-CEOs and implemented under the responsibility of the Director Corporate Sustainability, who also holds the role of Human Rights and Environmental Officer. This role reports progress and impacts of the ABOUT YOU due diligence framework directly to the ABOUT YOU co-CEO Operations and Finance. ABOUT YOU's Corporate Sustainability team works closely with the Private Label Sustainability team as well as the Buying and Partner Management Sustainability team on the implementation of preventive and remedial measures and the evaluation of the effectiveness of the system.

Our overarching policies mentioned above, which establish our general direction and management approaches for several material matters, are supplemented by specific policies that prescribe detailed requirements for third-party brand partners and private label suppliers. These include, for example, our **private labels child labour prevention and remediation policy**, our **private labels supplier due diligence standards manual** and ABOUT YOU's **sustainable**

sourcing policy as well as **private label sustainable sourcing policy**. Collectively, these policies aim to improve the sustainability of the supply chain.

In addition, in line with legal requirements for companies conducting business in the UK, Zalando has published a **modern slavery statement** on the grounds of the United Kingdom's Modern Slavery Act 2015 that sets out commitments to prevent modern slavery throughout our business operations and supply chain.

Workers in the value chain engagement: Impacts, concerns, and remediation channels (S2-2/3)

Our **due diligence programmes** support 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. We continued our methodology of analysis, prioritisation, management and reporting as described in the 2024 sustainability statement. The programme is implemented through cyclical steps including:

- **Analyse:** The basis of our due diligence is the annual review of our direct contractors to determine their exposure to human rights risks and to a limited extent environmental risks by using a holistic risk assessment methodology. Various parameters are used to initially determine abstract risks.
- **Prioritise:** The risk profiles created through the analysis are enhanced and concretised with generic risk information from different internal measures and expertise to prioritise plans for prevention, remediation and risk management.
- **Manage:** Based on the assessed and prioritised risks, we deploy a two-pronged supplier-focused risk management approach, combining proactive risk prevention and reactive risk identification and mitigation.
- **Report:** Reporting of the processes and improvements of each year is conducted in adherence to the CSRD/ESRS.

Monitoring effectiveness: 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-on-year as well as reviewing the audit outcome development.

We take a proactive approach to ensure similar social standards are in place across our operations. This includes agreements with all our business partners to the standards laid down in the Codes of Conduct and conducting social audits at facilities belonging to our direct logistics suppliers as well as Zalando's customer care suppliers. For our private label suppliers, we require social audits based on widely recognised industry standards. In 2025, we evaluated 198 social audit reports from private label Tier 1 suppliers (prior year: 149). We conducted 27 social standard audits in our fulfilment area, covering customer care and logistic centre providers. In the prior year, we conducted 65 social standard audits. Due to the fact that we alternate between a risk-based approach and an audit of the complete supplier landscape each year, the numbers differ significantly.

Reactive risk identification and mitigation

To ensure workers and other stakeholders have channels through which they can effectively raise their concerns, we offer whistleblowing tools which allow them to (also) anonymously report potential issues and incidents. The tools are available in various languages and can be accessed via our corporate websites. As part of Zalando's (excluding ABOUT YOU) assessment of whether workers and other stakeholders are aware of and trust the channels, we integrate checks of the accessibility and awareness of the reporting channels via our social standard audits in the fulfilment area. In these audits, checks are conducted to ascertain whether posters referencing the tools and provided in various languages are printed out and displayed in public areas of logistic centres. We also analyse incoming

grievances on a quarterly basis and review these based on sector and related supply chain to understand reporting willingness and remedies for those affected. ABOUT YOU checks whether the tools are available in various languages and can be accessed via the corporate website, and whether the processes are predictable, equitable and transparent through the publication of process details.

In addition, Zalando's membership in the International Accord for Health and Safety in the Textile and Garment Industry and ABOUT YOU's in amfori's Speak for Change programme allow workers in our private label factories in Bangladesh, Pakistan, Turkey and India to report grievances through their established complaint mechanisms.

We use systemic processes to investigate and remediate violations. Our investigation and remediation processes provide 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. 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 the applicable laws and regulations. Our policies explicitly prohibit actions against individuals who raise concerns in good faith.

In 2025, we opened 23 investigations (prior year: 17) into potential human rights violations in our supply chain: 2 led to a termination (prior year: 1); a human rights violation in our supply chain could not be proven in 12 cases (prior year: 8); and 10 (prior year: 9) other investigations are still ongoing. 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.

In 2025, we made an investment in advanced software tools to enhance and automate our risk analysis processes which will help us in the future to focus even more on risk management activities that benefit workers in our value chain. This excludes ABOUT YOU's risk analysis, as this was independently conducted by ABOUT YOU in 2025.

Actions and resources related to workers in the value chain (S2-4)

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.

Training and capacity building

Training and capacity building are an essential part of our actions related to workers in the value chain. In 2025, we continued working on increasing our influence and building long-term relationships with our private label supply chain partners. Internally, we have provided training for our Private Label teams on responsible purchasing practices to raise awareness on how our buying decisions can have an impact on workers and risks in our supply chain. At the same time, we have developed a new process for responsibly exiting relationships with our private label supply chain partners, aimed at minimising the possible negative impacts for workers in the value chain.

Partnerships and collaboration

We partner with various stakeholders, external organisations like NGOs and government bodies, and also collaborate with other retailers, industry players and business partners. This collaborative approach allows us to understand on-

the-ground challenges, follow best practices and gain insights into workers' needs. By working with recognised groups that advocate for workers' rights, we build trust and calibrate our initiatives for effectiveness. We engage with workers both directly and indirectly through these partnerships. We distinguish our industry collaborations in two key areas: 1) our own private labels, where we focus on what we can do differently, and 2) brand-facing initiatives, where we explore what we can ask of third-party brands.

To work on our **private label practices**, we joined the Fair Wear Foundation (FWF) in March 2024. This year marks our first full year as a member of the FWF for our private labels. As of yet, the FWF membership does not include ABOUT YOU private labels. Our membership is a key part of our commitment to improving purchasing practices and human rights due diligence in our private labels production. To track meaningful progress, we were assessed by FWF through their annual brand performance check on our ability to carry out our due diligence responsibilities and adapt and improve our purchasing practices. The result was publicly released in November 2025, with an overall rating of "good" and a score of 100/204. The score reflects Fair Wear's assessment of our measures in place, compared to their detailed requirements on human rights due diligence. We commit to increase our score, to reflect improved performance based on their recommendations.

According to our DMA, we have identified a high risk of child labour due to our industry and the locations in which clothing is produced, particular for our private labels. Zalando has partnered with Save The Children, whereby during 2025 we worked on further enhancing our risk assessment methodology and ensuring comprehensive remediation solutions are in place. ABOUT YOU has been an active member of amfori since 2020. The amfori Business Social Compliance Initiative (amfori BSCI) is the main social audit system for its private label factories and their overall services are used to support the company's human rights due diligence processes. Through this membership, ABOUT YOU monitors compliance with its social standards, engages its partners to implement remedial and continuous improvement measures, participates in capacity building initiatives and connects with relevant stakeholders in the industry. We are furthermore disclosing relevant information via the Open Supply Hub (OSH). These partnerships provide us with expert guidance, increase transparency and help us further align our processes with the fashion industry's top OECD due diligence standards.

As part of our commitment to supporting worker welfare and fulfilling our due diligence responsibilities, we have provided financial support to the **Employee Injury Scheme in Bangladesh**. This initiative serves as both a proactive wage commitment and a remedial measure in a high-risk production country.

Brand partners: We are an active participant in the retailer round table of The Industry We Want (TIWW), an initiative focused on standardising the flow of human rights due diligence data between brands and retailers. This initiative is developing a unified questionnaire and a semi-automated tool that will converge brand data reporting across multiple retailers.

Targets related to workers in the value chain (S2-5)

We have not yet established measurable targets for all sub-goals of our decent work strategic ambition, as the roadmap is still being refined, particularly with the integration of ABOUT YOU.

Our overall ambition remains to empower workers through decent work, deepening human rights due diligence in our operations and with our partners, and further evolving our purchasing practices and wage management systems for our private labels by 2028. ABOUT YOU is within the scope of the human rights due diligence element of the decent

work ambition. The specificities for ABOUT YOU in relation to private labels purchasing practices and wage management systems need to be further established and decided on in 2026.

As part of our decent work strategic ambition, one specific measurable target has been defined in collaboration with internal stakeholders: we aim to achieve a “good” result in our FWF brand performance check for two consecutive years, demonstrating trackable improvements in our human rights due diligence and purchasing practices. The results of the first FWF brand performance check were published in November 2025 (see above under [Actions and resources related to workers in the value chain](#)).

ESRS S4 Consumers and end-users

We assessed the following sub-topics related to consumers and end-users (i.e. our customers) as material:

- Social inclusion
- Information-related impacts
- Personal safety
- Privacy

Social inclusion

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

IROs related to social inclusion identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information.

We want to offer 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 60 million active end-users have access 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 has access to the available information. We have not identified any specific groups of end-users that are at risk of harm due to our operations. This reinforces our commitment to offering diverse products and choices that are in line with our D&I values. Our ambition is to ensure that we are inclusive for all our consumers and takes into account 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.

The following policies, guidelines and processes were implemented as a result of Zalando’s previous do.BETTER strategy and our aim to be a thought-leader in the space of social inclusion. As part of our D&I strategy refresh and roadmap for 2026, we will review and begin expanding these policies and guidelines, and the process to include ABOUT YOU. As a result, the content below refers to Zalando, excluding ABOUT YOU.

Policies related to social inclusion (S4-1)

We are committed to offering a safe, inclusive and representative shopping experience for consumers and end-users. Our policies are updated on a regular basis, 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.

- **Product and brand guidelines:** These guidelines establish clear standards for products and brand partnerships on our marketplaces, aligning with our Code of Conduct and sustainability standards. These standards apply to all business partners and are based on not only legal requirements, but also what we consider appropriate. 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. Updated in 2025, the guidelines are supported by a dedicated e-learning programme to ensure teams are sufficiently educated on these topics.
- **Community guidelines:** We have strict standards for what kind of content we allow on the platform. Zalando's community guidelines, available on our corporate website, apply to all content on Zalando, including brands, partners, users and content creators, ensuring content aligns with our values of safety, inclusivity, respect, and quality.

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 to represent all consumer groups on our marketplaces. This includes:

- Visual content and post-production guidelines
- Content creation guidelines for Adaptive fashion⁶⁴
- Content creation guidelines for Modest fashion⁶⁵

Processes for engaging with consumers and end-users related to social inclusion (S4-2/3)

Consumer feedback informs our social inclusion-related decisions through a reporting mechanism next to each product on the website allowing anonymous email complaints. Our Product & Brand (P&B) Forum informs consumers of decisions and allows insights into requests pursuant to the Digital Services Act (DSA). Decisions are made within 24 hours, with unresolved cases escalated to the P&B 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 aims to address complaints within 30 business days through a mainly automated system.

Actions related to social inclusion (S4-4)

We work towards inclusion and representation of our consumers and end-users by establishing policies and taking actions to improve our practices. We have a dedicated SDI team that sets our 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 these actions work to include underrepresented groups.

Disability inclusion: Since 2022, we have offered our own Adaptive fashion assortment across all our private label brands, alongside curated selections from brand partners such as Tommy Hilfiger, Nike, and Friendly Shoes. We focus on improving our platform's accessibility to facilitate seamless shopping experiences for consumers with disabilities.

⁶⁴ Adaptive fashion is apparel made for people with permanent or temporary disabilities that offers additional functionality to make dressing easier.

⁶⁵ Modest fashion refers to clothing that follows the principles of modesty in dress, usually in accordance with religious or cultural beliefs.

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 various organisations help raise awareness about the Disabled community and equip our Design teams with Adaptive fashion design methodologies. Through these partnerships we aim to share knowledge and establish best practices for authentic inclusion.

Ethnic inclusion: Our ambition is to create more equitable opportunities in the fashion and beauty industry, so that every consumer feels seen and represented. We have taken meaningful steps to broaden our portfolio with products created by, and for, underrepresented communities. In 2025, we concluded our Black-owned Brands Accelerator, designed to support small Black-owned fashion businesses. We hosted a pitch day event that attracted over 250 industry and community attendees at our headquarters in Berlin. The brands from Germany, France and the UK presented their vision and explored opportunities to onboard on our marketplaces. At the same time, we developed partnerships with other brands and organisations managed by underrepresented groups across different cultural backgrounds to ensure our platform reflects the full richness of our customers' identities.

LGBTQIA+ inclusion: In 2025, the "Mother Tongue — Celebrating Queer Language" Pride campaign advanced LGBTQIA+ inclusion through authentic representation and strategic engagement. The Pride kick-off event, panel discussion and Zalando's participation at Berlin Pride strengthened visibility, inclusive culture and employee connection. By spotlighting the richness of queer language and aligning global and local initiatives, the campaign reinforced our commitment to an environment where diverse voices are recognised and respected.

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. Our ambition is to provide an equally accessible, relevant, and welcoming digital experience for consumers from underrepresented groups and to have our digital experience regularly evaluated by an independent external panel. A current pilot which replaces gendered feeds with personalised feeds, has resulted in an increase in content views per customer and increase in engagement time, delivering a more relevant and inspiring shopping experience for all.

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 different brands 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 SEO⁶⁶ 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 inclusion. Campaigns surrounding religious holidays such as Eid al-Fitr (the festival of breaking the fast) seek to demonstrate our commitment to celebrating consumer diversity.

Central collaboration point in fashion: Our ambition is to bring together brands, retailers, NGOs, academia, community thought leaders and members of the media to systematically empower and amplify underrepresented voices in the industry. This included achieving our goal to onboard 70 Black-owned brands and launching a dedicated

⁶⁶ SEO refers to for "search engine optimisation", whereby search engines understand a website's content and connect it with users by delivering relevant, valuable results based on their search queries.

accelerator programme to support small brands and start-ups. We also implemented product and brand guidelines to raise standards for all partners and products on the platform, while forging alliances with organisations. This includes hosting the annual Black Girls Tech Summit at the Zalando headquarters in Berlin or sponsoring the world's first Accountability Summit on Disability Inclusion.

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 rapidly 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 2024, helping us build our refreshed D&I strategy approach. In addition, we monitor the number of requests and complaints via our consumer engagement channels.

Targets related to social inclusion (S4-5)

At Zalando, we have not adopted measurable targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions specifically addressing social inclusion. However, we maintain an extensive framework of policies and actions (see above) to strategically address social inclusion risks and opportunities. This commitment aims to ensure our product offerings are inclusive and representative, thereby advancing our positive social impact.

Information-related impacts

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

Over 60 million active 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.

IROs related to information-related impacts identified during our DMA are discussed 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.

Policies on information-related impacts (S4-1)

At Zalando, with the exception of ABOUT YOU, we approach due diligence of sustainability-related information in two different ways. We focus on both verifying green claims and providing precise sustainability communication to prevent greenwashing:

- **Product claims verification:** We aim to ensure the reliability and accuracy of sustainability information at the product level. For our consumer experience, our ambition is to assign and present product sustainability claims only when we have sufficient, validated data from third-party product standards and certifications. To further enhance accuracy, we perform verification spot checks on these claims. This process includes collecting and reviewing supporting documentation and certifications from our partners to confirm that each claim is truthful. In a recent expansion of this verification process, we have integrated a new partnership with Compare Ethics with whom we can perform AI-powered spot checks as part of a risk-based due diligence approach. This expanded process helps us with our ambition to ensure that all green claims meet standards of accuracy and

transparency and comply with the evolving regulatory landscape. If partners cannot provide valid, supporting documentation, such as scope certificates, transaction certificates or bills of material, the claims will be removed from our platform.

— **Sustainability communication:** To further contribute to information reliability and avoid greenwashing, we have established sustainability communication guidelines that apply to internal teams and external partners. In 2025, we implemented our new policy on sustainability communications. This policy outlines clear requirements and expectations and is now incorporated into our partner onboarding process. It also applies to all internal employees who develop sustainability-related content. Both the product claims verification and communication policy are overseen at the SVP level.

At ABOUT YOU, sustainability compliance follows the same two pathways with the same ambition. Product sustainability claims are either based on attributes provided by brands that match ABOUT YOU's criteria or with validated data from third-party product standards and certifications. To further enhance accuracy of these claims, ABOUT YOU performs regular manual checks in collaboration with brand partners. ABOUT YOU has also established sustainability communications guidelines.

Processes for engaging with consumers and end-users about information-related impacts (S4-2)

We engage with our consumers regularly through our Customer Markets Insight team, which is currently not available to ABOUT YOU. 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 to raise concerns (S4-3)

Our processes regarding our channels to raise concerns are based on the requirements of the DSA. Our ambition 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 websites explaining what they are reporting and why. 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 content 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 rerouted to the expert teams.

When a product is made unavailable due to 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 must be 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, including environmental concerns, e.g. products or product-related claims with incorrect, misleading or missing environmental information, or when a product does not fulfil mandatory eco-design requirements. We review consumer complaints, investigate them thoroughly, and, where appropriate, revise or remove the information in question to ensure accuracy and compliance. Alongside direct consumer complaints and queries received via our Customer Care team, this is an essential way in which we collect sustainability-related consumer complaints and inquiries. When such complaints or questions are raised, these are directed to the relevant business unit for further investigation as needed.

Actions related to information-related impacts (S4-4)

In 2025 we continued to update our consumer experience approach based on our consumer engagement experience and existing work on developing product standards. For further information, please refer to [ESRS E5 Resource use and circular economy](#) in section 2.8.2 Environmental information.

Targets related to information-related impacts (S4-5)

At Zalando we have not adopted targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions specifically addressing information-related impacts as our ambition is to comply with relevant consumer protection legislation.

Personal safety

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

We define our consumers as anyone consuming or using products purchased from our websites and outlets. If a product is found to be unsafe or pose a serious risk, such as the risk of injury, we take immediate measures to inform our consumers. We cooperate fully with key stakeholders, including consumer associations and public authorities, to address and prevent serious threats to consumer health, safety and the environment that may arise from products in our assortment. We have enhanced our online product listings with more detailed information to empower customers to make informed purchasing decisions. This has been made possible through the rollout of new tools and systems developed in close collaboration with our business partners. We drive a high-priority, product compliance programme that strategically enhances the efficiency of our personal safety-related processes. Whereas this programme excluded ABOUT YOU in 2025, it will be expanded across the company and continue through 2026.

IROs related to personal safety identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information. 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.

Policies related to personal safety (S4-1)

Our general terms and conditions include provisions that contractually require third-party suppliers and business partners to comply with all applicable statutory product safety requirements. These are complemented by business-specific policies addressing product quality and compliance. They cover key areas such as the requirements of the EU General Product Safety Regulation, as well as our contractual agreements with business partners on notification obligations and data transfers. The policies are reviewed annually and updated as needed. Business partners and relevant internal departments are kept informed of any updates by email and via our partner portals. Our SVP Corporate Governance / General Counsel and Director Private Label Product Supply, as well as the ABOUT YOU Director Private Label are the most senior individuals accountable for implementing them.

We have updated any applicable policies to align with new legislation and support our expansion into new product categories and sales markets. Our policies will continue to evolve through 2026, driving the standardisation of processes and mechanisms across all our sales channels and business models and serving product and personal safety.

Quality assurance manual (QAM): The policy sets the overarching framework for the assurance of quality and safety standards across all foreign-branded products sold through our channels, excluding ABOUT YOU.

Private labels product compliance manual: The policy sets the overarching framework for the assurance of quality and safety standards across our private labels, excluding ABOUT YOU.

Product restricted substances list (RSL): This policy defines prohibited substances and maximum limits for restricted chemicals, and outlines testing methods for foreign-branded and private label products. ABOUT YOU's RSL defines ABOUT YOU's private label products requirements.

ABOUT YOU private labels minimum quality and product safety requirements: The policy outlines the minimum requirements for quality and product safety of ABOUT YOU's private labels.

Processes for engaging with consumers and end-users related to personal safety (S4-2)

Consumers may engage with us on any topic through various channels at any point before, during or after a purchase. This applies to all customers, whether they are registered users or not. The options for raising concerns are listed in the FAQ section of our websites. We communicate with each individual through their preferred method and keep them informed until their case is fully resolved.

Concerns related to personal health and safety are managed by a specialised assessment and validation team. These cases are escalated to a dedicated assurance team for a coordinated investigation and decision-making. Internal standards ensure timely and consistent communication throughout this process. The most senior individual responsible for customer engagement is our Director Customer Care Operations.

In the event of a verified health and safety issue involving one of our products, we initiate comprehensive communication to reach all affected consumers. We send direct emails and post safety notices in Zalando outlet stores and on our public product safety website. Each safety notice provides the contact details for the Zalando teams responsible for the product, allowing consumers to receive direct assistance. Furthermore, we ensure that the relevant national market surveillance authorities are informed. As a registered online marketplace and a user of the European Safety Gate, Zalando maintains active and transparent communication with local authorities.

Processes to remediate negative impacts and channels to raise concerns (S4-3)

We provide consumers with publicly available communication channels. We use these to issue important safety warnings regarding our sold products and to enable consumers to report product safety concerns. All channels are actively monitored by trained experts. We strive to review submissions promptly and take appropriate follow-up actions as required. Our rules of conduct strictly prohibit retaliation against anyone who reports health and safety concerns in good faith, and requires that all such reports are handled confidentially.

We address potential issues through a case-based investigation, working closely with our investigation teams, independent laboratories and relevant supply chain actors to ensure the expertise needed for immediate and effective remediation. For verified health and safety concerns, we immediately halt sales, remove the affected product from our website and inform impacted customers. Communications include details of the issue and available remedies, such as free returns and full refunds.

Relevant channels

- **Customer service:** Our primary contact channel to report issues, including product quality concerns and product-related health and safety risks. Customers can reach us via web form, chat, mobile app or email.

- **Notice and action mechanism:** A dedicated “Report” button on every product page enables customers to quickly and easily flag issues, such as illegal online content or product-related health and safety concerns.
- **Product safety single point of contact:** A dedicated email address for direct contact with specialised product compliance experts for instant support on product compliance issues.
- **Product responsible person and seller:** The postal and electronic contact address for direct contact with the manufacturer, responsible person and seller is available to consumers on every product detail page.
- **Whistleblowing channel:** A confidential reporting channel available to consumers and end-users for reporting product safety issues, amongst others. Reports can be made anonymously and are handled on a strict need-to-know basis.
- **Product safety notices:** In the event of a product-related health or safety risk, affected registered customers are contacted via direct email by our Customer Care team. Messages contain remedy information and direct customer support contact details.
- **Product safety website:** A dedicated resource for consumers featuring timely safety information about products sold on the Zalando and Lounge websites. Safety notices contain remedy information and direct customer support contact details.

Actions related to personal safety (S4-4)

Our comprehensive product compliance programme combines preventive and reactive measures to identify potential quality outliers and non-compliant products. When an issue is identified, our dedicated Quality Assurance teams implement appropriate corrective actions to mitigate potential negative impacts on affected consumers.

Product testing: We place a strong emphasis on product testing conducted by independent third-party laboratories before products are sold to the customer. This involves testing our finished private label products, as well as selected materials and components that they are made of, where relevant.

Documentation review: Our review includes checking the technical documentation accompanying our products prior to their release onto the market, including the manufacturer’s documentation proving product conformity and testing for any potentially hazardous chemical substances (SVHC).

Platform conformity: All traders must confirm that any products they intend to sell via our online marketplace will always comply with our policies and applicable EU harmonisation legislation and harmonised standards.

After-market monitoring: We monitor publicly available alert platforms, such as Safety Gate (formerly Rapid Alert System RAPEX), to supplement our consumer complaint channels and preventive measures. As a registered online marketplace and user of the European Safety Gate, we maintain active communication with local authorities from our sales countries.

Targets related to personal safety (S4-5)

We have not adopted specific ESRS-aligned targets for personal safety. We oversee this through a robust reporting hierarchy based on compliance standards and industry best practices. To measure the effectiveness of our customer service, we track internal performance indicators like response times. In addition, we monitor the product compliance programme with internal performance indicators that are reviewed annually against legislative benchmarks. Since October 2025, we have applied the four-eyes principle to our product compliance reporting. The internal performance indicators are centrally overseen by the product compliance function and will be integrated into our ICS in 2026.

Privacy

Material IROs and their interaction with strategy and business model and interests and views of stakeholders (ESRS 2 SBM-2 and SBM-3)

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. Protecting our business and investing in these relationships requires robust tools and processes that enable compliance and ensure we meet the expectations of consumers, partners and employees. Among these tools is a privacy portal available to all registered consumers on the website, with the exception of the ABOUT YOU website. The privacy portal aims to make exercising data subject rights, such as accessing a consumer's data or deleting an account, in an easy and transparent way. ABOUT YOU allows consumers to exercise their data subject rights via customer service as well as the external data protection officer (external DPO).

IROs related to privacy identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information.

Policies related to privacy (S4-1)

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 material 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 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 primarily aims to give individuals control over their personal data and to simplify the regulatory environment for international business by unifying regulations within the EU.

Information security management system (ISMS): The ISMS focuses on cybersecurity management and technology-related risks. Our VP Information Security is responsible for the implementation of the ISMS. For ABOUT YOU, the co-CEO Tech and Product is accountable for the implementation of the ISMS. As with all management processes, the governing principle behind the ISMS is that 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 requirements. Our cybersecurity and data protection documentation consists of four core elements:

- Policies articulate management's formal intent regarding cybersecurity and data protection, establishing the overarching mandatory requirements necessary to support the group's strategic objectives and mission.
- Standards provide specific, mandatory and quantifiable requirements for cybersecurity and data protection, detailing how policies are to be implemented.
- Procedures define the systematic, step-by-step practices performed to implement standards, satisfy control objectives and ensure consistent execution.
- Guidelines offer additional non-mandatory guidance and recommended best practices to assist in achieving compliance with policies and standards.

Processes for engaging with consumers and end-users related to privacy (S4-2)

We provide privacy notices which offer consumers and end-users transparency on how Zalando processes consumer data. These privacy notices apply to all benefits and services which we offer our consumers on our corporate websites and app platform. They are publicly accessible on the mentioned channels.

Processes to remediate negative impacts and channels to raise concerns related to privacy (S4-3)

Consumers can raise concerns regarding privacy with our Customer Care team where we have dedicated Privacy Champions (employees with special knowledge of privacy topics). ABOUT YOU consumers can raise these concerns with the external DPO. 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. At ABOUT YOU, employees can report incidents to IT security via a dedicated chat channel or using a dedicated IT-Security email. Additionally, a 24/7 system has been implemented where incidents can be reported.

Actions related to privacy (S4-4)

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

Targets related to privacy (S4-5)

We have not adopted targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions specifically addressing privacy-related impacts and risks as we are committed to upholding all EU-related privacy legislation.

2.8.4 Governance information

ESRS G1 Business conduct

We assessed the following sub-topics related to business conduct as material:

- Corporate culture
- Protection of whistleblowers
- Animal welfare
- Management of relationships with suppliers
- Corruption and bribery
- Political influence and lobbying activities
- Payment practices

The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1)

For information on the role of the administrative, management and supervisory bodies related to business conduct, please refer to [Role of the administrative, management and supervisory bodies](#) in section 2.8.1 General information.

Identification and assessment of business conduct-related IROs (ESRS 2 IRO-1)

IROs related to our business conduct identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information.

Policies related to business conduct (G1-1)

Our quarterly employee engagement and culture survey, currently not available to ABOUT YOU employees, evaluates our current **workplace culture**, combining both quantitative and qualitative insights. At ABOUT YOU, similar surveys are sent out every two weeks. We promise to and expect from all employees an environment in which the values of appreciation, speed, entrepreneurship and personal responsibility are lived.

For the following policies subject to EU or local laws, a group-wide approval process 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, with the exception of ABOUT YOU, for the 2025 reporting period (for further information please refer to [Basis for preparation](#) in section 2.8.1 General information). ABOUT YOU has a similar structure for implementing company-wide policies, with every policy developed and signed-off by the relevant departments. Final approval for the ABOUT YOU policies is secured at the highest seniority level and formally enacted through ABOUT YOU management board signatures.

We communicate the 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 Codes of Ethics and relevant policies. New employees (excluding ABOUT YOU employees) will be enrolled in the compliance training courses once they start their employment, followed by biennial refresher courses. ABOUT YOU provides mandatory compliance training in an annual repetition cycle. Along with information on the policies, they are provided with relevant day-to-day examples, information on where to receive further support, how to speak up and relevant links to further resources, amongst other things. 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.

For our **Codes of Conduct**, please refer to [Policies related to workers in the value chain](#) in ESRS S2 Workers in the value chain.

Codes of Ethics: Our Codes of Ethics outline the standards to which we as a company aim to adhere to. Based on fundamental values of honesty, respect, trust and fairness, they set clear expectations for the professional, ethical and responsible behaviour of all employees. The documents cover all grounds of discrimination, including, but not limited to, racial and ethnic origin, colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, as well as any other forms of discrimination covered by union regulation and national law. The relevant content is added by respective experts on the subject matter, e.g. corporate compliance, P&O, data protection, antitrust, insider compliance, tax and sustainability. Our Codes of Ethics apply to all employees, from new joiners to founders. It is a part of our employment contracts and is communicated in group-wide awareness campaigns, amongst others.

Policy internal investigations: Our policy internal investigations, currently not applicable to ABOUT YOU, 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. ABOUT YOU manages internal investigations according to their rules of procedure for the complaints system that sets binding standards and principles for the handling of complaints that are in line with the process and minimum requirements as outlined in the policy internal investigations.

Speak Up guidance: The Speak Up guidance, currently not applicable to ABOUT YOU, 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" from the policy internal investigations in line with EU Directive 2019/1937. For this reason, the Speak Up guidance is referenced in the policy. ABOUT YOU highlights the protection of whistleblowers in their rules of procedure for the complaints system.

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 policy benefits, gifts, events and expenses. As it also affects the event booking process, it is additionally embedded in the booking tool. While the policy is not currently applicable to ABOUT YOU, their executive bodies as well as all executives and employees are bound by their current anti-trust and anti-corruption guidelines, especially if they come into contact with external business partners in the course of their work.

Policy authority to sign: This policy defines who is permitted to sign contracts on behalf of Zalando (with the exception of ABOUT YOU), and includes who may represent Zalando to third parties in the context of establishing legal relationships, 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. For ABOUT YOU, signature processes and authorisations are governed by internal requirements without a harmonised signature guideline.

For information on our **animal welfare policy**, please refer to [ESRS E5 Resource use and circular economy](#) in section 2.8.2 Environmental information.

Management of relationship with suppliers (G1-2)

Indirect procurement (non-merchandising)

Our procurement policies and procedures for non-merchandising goods and services aim to ensure compliance, efficiency and cost-effectiveness with external vendors. Our Finance teams facilitate 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 our Legal team's involvement for thorough oversight and regulatory adherence.

We collaborate with business partners who adhere to our Codes 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. For high-risk vendors, we trigger a separate check to ensure that the relevant section of the Code of Conduct was initially signed. We also evaluate suppliers on human rights and environmental risks to elevate standards among indirect suppliers. Additionally, we provide guidelines on how we engage and manage relationships with strategic suppliers (supplier relationship management (SRM) concept). While the SRM is currently not applicable to ABOUT YOU, the company is working on a process to manage strategic supplier relationships.

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 those brand partners with the highest demand on our platform as well as those who have established practices characterised by performance and commitment to sustainability.

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 Codes of Conduct and sustainable sourcing policies by focusing our resources on the most impactful brand partners. This approach 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 gradually disclose our list of suppliers and their factories. Due to the size and variety of our product range, our private labels 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 teams of product, sourcing, quality and sustainability experts are located primarily in Berlin, with regional sourcing offices in Portugal and China.

Our sustainable sourcing policies complement our Codes 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 private label suppliers or factories (Tier 1, final assembly factory) aims to ensure compliance with the following key areas defined in our general instructions (GIs) alongside our terms and conditions: human rights and environment (ethics and sustainability), legal and finance, product labelling and packaging, logistics, product safety, and quality management. During supplier selection, the GIs must be signed, and are included in every contract between our private labels and their suppliers.

Ongoing collaboration takes place throughout the year on an ad-hoc basis based on the supplier's needs. An assessment every 12–24 months is always conducted in which suppliers/factories are evaluated to ensure their performance is in line with our goals and business strategy. In 2025 we evaluated 198 social audit reports from private labels' Tier 1 suppliers (31 December 2024: 149) and turned down the onboarding of 5 factories or suppliers (31 December 2024: 0) for not meeting audit requirements.

We have currently not adopted targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions specifically addressing the management of relationships with suppliers. However, our Codes of Conduct, procurement policies and procedures for non-merchandising goods and services as well as our SRM establish social and environmental compliance baselines for all business partners.

Prevention and detection of corruption and bribery (G1-3)

We utilise a holistic Compliance Management System that includes policies, communication, training, processes and monitoring with the aim to ensure legal compliance with anti-corruption and anti-bribery regulations. Reporters can raise allegations via different channels, which include raising reports anonymously via the whistleblowing tool. The detection of corruption and bribery is covered by the process outlined in the internal investigations policy and by ABOUT YOU's rules of procedure for the complaints system as described above.

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 relevant policies described above. The courses include relevant case examples, interactive elements, links to further resources and contact information. Every new employee (excluding ABOUT YOU employees) 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 is conducted via e-learning modules, employees with leadership responsibilities are required to attend face-to-face compliance courses (lead training programme). ABOUT YOU provides mandatory compliance training in an annual repetition cycle. The training format is through online self-learning that includes case studies and a respective test that must be passed to complete the training. Those employees who are deemed to be at risk of corruption and bribery as a result of their tasks and responsibilities are covered.

Prevention and detection of corruption and bribery (G1-3)

	31 Dec, 2025	31 Dec, 2024
Number of employees who completed the compliance courses	8,355	3,561
Percentage of functions-at-risk covered by training programme	67.9	74.8
Percentage of functions-at-risk covered by training programme (basic)	78.1	72.4
Percentage of functions-at-risk covered by training programme (lead)	56.6	78.3

Incidents of corruption or bribery (G1-4)

Our internal investigations policy and ABOUT YOU's rules of procedure for the complaints system describe the management of reported actual or suspected compliance violations, from report intake through the pre-assessment and investigation stages until completion of remediation. In cases of proven violation, any remediation measures must be in compliance with our Codes of Ethics, the policy and rules of procedure mentioned above as well as the applicable laws. 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 internal investigations policy. 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, process reviews, coaching, restriction of signatory power and/or access rights to specific IT systems, warnings, demotion, transfer, suspension from work, termination, legal action for damages, and criminal complaints. Any measure must be taken according to the applicable local labour laws, regulations and works agreements. Since there were no confirmed incidents of corruption or bribery in 2025 (prior year: 0), we do not have action plans to prevent corruption or bribery. Because we strive for legal compliance with anti-corruption and anti-bribery regulations, we have not adopted targets in line with the ESRS and employ no other means of tracking the effectiveness of our policies and actions specifically addressing the prevention and detection of corruption and bribery as well as the protection of whistleblowers.

As in 2024, there were no convictions and no fines for violations of anti-corruption and anti-bribery laws as well as no confirmed incidents of corruption or bribery in 2025.

Political influence and lobbying activities (G1-5)

Our Public Affairs team is located within the Corporate Affairs department, which reports to our CPO. 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. Waste Framework Directive, 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 (877966419254-70), in Germany (R003005) and in France (H929699051).

Lobbying expenses (G1-5)

in EUR	2025	2024
Amount of internal and external lobbying expenses*	824,970.0	907,477.0
Internal lobbying expenses	469,786.0	508,457.0
External lobbying expenses*	355,184.0	399,020.0
Amount paid for membership to lobbying associations	196,104.0	125,827.0

*) As part of this year's update of the assessment of contractual performance, the prior year's value was adjusted by 299,265 EUR.

The data in the table above is calculated using assumed percentages of actual expenses. Regarding the amount paid for membership to lobbying associations, we allocate 70% of the budget to lobbying, based on the estimate that association services consist of 70% active interest representation and 30% non-lobbying activities (such as the exchange of business practices and standards). For internal lobbying expenses, in-house Public Affairs work is divided equally (50/50) between active interest representation and internal advisory or alignment tasks. Our Public Affairs team is supported by external consulting firms, which primarily assist in the preparation and organisation of our political advocacy activities. These services account for approximately 60% of our external expenses. The remaining 40% mainly relate to monitoring activities and reactive research that are not classified as external lobbying activities.

Payment practices (G1-6)

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 payment 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 an 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 47 days (prior year: 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 at the latest 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 92.9% (prior year: 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 in the prior year, one legal proceeding was pending of 31 December 2025, in which an insolvency administrator is demanding payment of contractual consideration allegedly owed from the years 2018–2021. Zalando continues to consider these claims unfounded and the determination of which court has jurisdiction is still outstanding.

2.8.5 Entity-specific information: Innovation and partnerships

Material IROs and their interaction with strategy and business model

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 strategic goals and yearly evaluations with the SDI Leadership team. Biannual feedback sessions with our VP SDI and an SVP representative allow for discussions and escalation of crucial topics, with ad-hoc engagement when necessary. While this role handles the strategic direction, implementation is embedded into key organisational functions. For example, the day-to-day management of our partnerships with Textile Exchange and the EMF is conducted by the Private Label & Sustainable Product and Circularity teams, respectively. We also share our lessons learned with other organisations at external events and conferences.

Management of IROs related to innovation and partnerships

IROs related to innovation and partnerships identified during our DMA are discussed in [Impacts, risks and opportunities](#) in section 2.8.1. General information. We identify potential partners and innovators by taking our strategic goals as a starting point, actively seeking innovations to go beyond our internal capabilities. As a major European retailer, we leverage our position by engaging with an extensive innovation ecosystem, including a global network of accelerators and incubators. These collaborations, which may involve co-creation and co-innovation, studies, pilots or long-term solutions, allow us to assess the latest developments to accelerate our efforts. We support innovators and partners by giving them access to our expertise and industry knowledge and sharing best practices, thus ensuring mutual growth.

Organisations we are currently engaged with include:

Organisations we engage with

Organisation	Why we engage	How we engage
Action, Collaboration, Transformation (ACT) Drives living wages in the garment industry through collective bargaining and responsible sourcing.	To support collective bargaining and living wages	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, recognising the importance of social dialogue to address supply chain issues. At the same time, we actively participate in working groups.
Better Work (ILO) Improves working conditions and competitiveness in the global garment industry through factory-level programmes.	For improving working conditions in factories	We have enrolled our Vietnam-based private label factories in the Better Work programme. This ongoing engagement consistently improves working conditions and factory management systems.
Business for Social Responsibility (BSR) Business network that provides sustainability consulting and collaboration platforms for responsible business practices.	For direct access to expertise on ESG and industry trends	We work with BSR to strengthen our sustainability strategy to build value from sustainability, inclusion and justice. We are involved in workshops e.g. to address the strategic tension between business growth and sustainability objectives.
Cascale (formerly Sustainable Apparel Coalition) Global, non-profit alliance that develops the Higg Index to measure and improve sustainability performance in the apparel sector.	For standardising sustainability data and tools	We engage in Cascale working groups on EU policy, compliance and data harmonisation across the sector. We utilise Cascale tools to collect factory data and calculate our supply chain GHG emissions.
Copenhagen Fashion Week (CPHFW) A leading global fashion week setting new industry standards by integrating sustainability into every aspect of its events.	To inspire and accelerate industry sustainability	We created the Zalando Visionary Award to spotlight emerging talent and drive creativity and design, social impact and innovation in sustainable fashion.
Ellen MacArthur Foundation (EMF) NGO that promotes the circular economy, to eliminate waste and pollution and regenerate natural systems.	For the promotion of a circular economy in fashion	We partner with EMF to gain strategic support through their fashion advisory board. We participate in projects like Fashion ReModel, launched in 2024, to advance circular economy solutions.
Fair Wear Foundation (FWF) NPO that, among other things, works with brands, workers and factories to improve labour conditions in garment supply chains.	To ensure fair labour practices	We have been a member of FWF since 2024 and undergo annual social assessments. The results influence our 2028 roadmap and will be published externally to ensure transparency.
FASHION LEAP FOR CLIMATE Industry-led e-learning platform to drive climate action in the fashion industry.	To accelerate climate action by engaging more fashion brands to set SBTs	Together with partners, we co-developed FASHION LEAP FOR CLIMATE, a pre-competitive initiative and online learning platform guiding fashion brands in understanding the industry's stake in the global climate crisis and measuring emissions as well as setting SBTs.
Fashion for Good Global innovation platform that supports sustainable fashion technologies and startups.	For driving sustainable innovation, scaling the use of material innovation and seeking solutions for value chain decarbonisation	We have been a member since 2018 and take part in Fashion for Good foundational projects, including Sorting for Circularity and projects for the future of circularity for footwear.
Global Fashion Agenda Global platform focused on mobilising the fashion industry to take action on environmental and social sustainability.	To contribute actively to influential discussions around ESG topics at strategic level	We provide strategic leadership, contributing to industry-defining policy discussions and the definition of scalable solutions across European market.
International Accord for Health and Safety in the Textile and Garment Industry Bangladesh Accord & Pakistan Accord Legally binding agreements to ensure workplace safety in the textile and garment industry in Bangladesh and Pakistan.	For the improvement of health and safety within the textile and garment industry	We engage with the organisation through regular discussions, position papers and joint alignment while focusing on implementing health and safety improvements across our supply chain.
Reset Carbon Consulting firm helping companies design and implement effective carbon reduction and decarbonisation strategies as well as implementing partner of the Apparel Impact Institute's Carbon Leadership Program.	To collaborate with an expert partner driving measurable carbon reductions in the garment industry	We collaborate with Reset Carbon to decarbonise manufacturing in our private label value chain by applying the Carbon Leadership Program's proven methodology for our private label facility improvement programme to reduce GHG emissions.
Textile Exchange Organisation that promotes preferred fibres, integrity standards and sustainability practices across the textile supply chain to reduce GHG emissions.	For promoting preferred fibres and materials	We apply Textile Exchange standards for fibres and materials and promote their adoption across our assortment. We collaborate on industry-wide initiatives to advance traceability, transparency and to reduce raw material impacts and ensure credible green claims.

Organisations we engage with

Organisation	Why we engage	How we engage
Social and Labor Convergence Program (SLCP) Multi-stakeholder initiative that focuses on a standardised framework to measure working conditions and reduce repetitive social audits by facilitating data sharing.	For standardising labour data collection	We currently accept SLCP data and are working with stakeholders to apply this data for EU compliance (CSRD and CSDDD).
Save the Children (STC)/The Centre for Child Rights and Business Organisation that advocates and implements programmes to protect children's rights in global supply chains with the sub-organisation The Centre for Child Rights and Business offering partnership services around child labour prevention and remediation.	To protect children's rights in supply chains	We partner with both organisations to identify and address child labour risks. This includes providing training to factories in high-risk supply chains.

Targets and metrics related to innovation and partnerships

We do not establish specific targets and employ no other means of tracking the effectiveness of our policies and actions specifically addressing innovation and partnerships, as we regard this as an entity-specific possibility that supports the management of our IROs in relation to ESG considerations. There are no outcome-oriented targets in the sense of the ESRS, as the efficiency of processes and policies related to innovation and partnerships is derived from the achievement of the topical targets. Further information on how these partnerships support us in managing our IROs can be found in the relevant sections for each topic.

APPENDIX

List of data points from other EU legislations (IRO-2)

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 ³ 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 ⁵ , Annex II		material	129
ESRS 2 GOV-1, para. 21 (e)			Regulation (EU) 2020/1816, Annex II		material	129
ESRS 2 GOV-4, para. 30	Indicator no 10 Table #3 Annex 1				material	132
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 ⁶ Table 1 and Table 2	Regulation (EU) 2020/1816, Annex II		n/a	n/a
ESRS 2 SBM-1, para. 40 (d) ii	Indicator no 9 Table #2 Annex 1		Regulation (EU) 2020/1816, Annex II		n/a	n/a
ESRS 2 SBM-1, para. 40 (d) iii	Indicator no 14 Table #1 Annex 1		Regulation (EU) 2020/1818 ⁷ , Article 12(1) Regulation (EU) 2020/1816, Annex II		n/a	n/a
ESRS 2 SBM-1, para. 40 (d) iv			Regulation (EU) 2020/1818, Article 12(1) Regulation (EU) 2020/1816, Annex II		n/a	n/a
ESRS E1-1, para. 14				Regulation (EU) 2021/1119, Article 2(1)	material	167
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)		n/a (no transition plan in place)	n/a
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	164
ESRS E1-5, para. 38	Indicator no 5 Table #1 and Indicator no 5 Table #2 Annex 1				material	167
ESRS E1-5, para. 37	Indicator no 5 Table #1 Annex 1				material	167
ESRS E1-5, para. 40 to 43	Indicator no 6 Table #1 Annex 1				material	167
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	168
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	172
ESRS E1-7, para. 56				Regulation (EU) 2021/1119, Article 2(1)	material	172
ESRS E1-9, para. 66			Regulation (EU) 2020/1818, Annex II Regulation (EU) 2020/1816, Annex II		material (phased-in)	n/a (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)	n/a (phased-in)

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 E1-9, para. 67 (c)		Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 paragraph 34; Template 2			material (phased-in)	n/a (phased-in)
ESRS E1-9, para. 69			Regulation (EU) 2020/1818, Annex II		not material	n/a
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				n/a	n/a
ESRS E3-1, para. 9	Indicator no 7 Table #2 Annex 1				material	174
ESRS E3-1, para. 13	Indicator no 8 Table 2 Annex 1				material	175
ESRS E3-1, para. 14	Indicator no 12 Table #2 Annex 1				not material	n/a
ESRS E3-4, para. 28 (c)	Indicator no 6.2 Table #2 Annex 1				material	175
ESRS E3-4, para. 29	Indicator no 6.1 Table #2 Annex 1				material	175
ESRS 2-SBM 3 - E4, para. 16 (a) i	Indicator no 7 Table #1 Annex 1				not material	n/a
ESRS 2-SBM 3 - E4, para. 16 (b)	Indicator no 10 Table #2 Annex 1				not material	n/a
ESRS 2-SBM 3 - E4, para. 16 (c)	Indicator no 14 Table #2 Annex 1				not material	n/a
ESRS E4-2, para. 24 (b)	Indicator no 11 Table #2 Annex 1				not material	n/a
ESRS E4-2, para. 24 (c)	Indicator no 12 Table #2 Annex 1				not material	n/a
ESRS E4-2, para. 24 (d)	Indicator no 15 Table #2 Annex 1				not material	n/a
ESRS E5-5, para. 37 (d)	Indicator no 13 Table #2 Annex 1				material	184
ESRS E5-5, para. 39	Indicator no 9 Table #1 Annex 1				material (only hazardous waste)	184
ESRS 2-SBM 3 - S1, para. 14 (f)	Indicator no 13 Table #3 Annex I				material	187
ESRS 2-SBM 3 - S1, para. 14 (g)	Indicator no 12 Table #3 Annex I				material	187
ESRS S1-1, para. 20	Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex I				material	198
ESRS S1-1, para. 21			Regulation (EU) 2020/1816, Annex II		material	187
ESRS S1-1, para. 22	Indicator no 11 Table #3 Annex I				not material	n/a
ESRS S1-1, para. 23	Indicator no 1 Table #3 Annex I				material	193
ESRS S1-3, para. 32 (c)	Indicator no 5 Table #3 Annex I				material	198
ESRS S1-14, para. 88 (b) and (c)	Indicator no 2 Table #3 Annex I		Regulation (EU) 2020/1816, Annex II		material	194
ESRS S1-14, para. 88 (e)	Indicator no 3 Table #3 Annex I				material (phased-in)	n/a (phased-in)
ESRS S1-16, para. 97 (a)	Indicator no 12 Table #1 of Annex I		Regulation (EU) 2020/1816, Annex II		material	195
ESRS S1-16, para. 97 (b)	Indicator no 8 Table #3 Annex I				material	195
ESRS S1-17, para. 103 (a)	Indicator no 7 Table #3 Annex I				material	197

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 S1-17, 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	<u>197</u>
ESRS 2-SBM 3 - S2, para. 11 (b)	Indicators no 12 and 13 Table #3 Annex I				material	<u>202</u>
ESRS S2-1, para. 17	Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1				material	<u>203</u>
ESRS S2-1, para. 18	Indicators no 11 and no 4 Table #3 Annex 1				material	<u>203</u>
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	<u>203</u>
ESRS S2-1, para. 19			Regulation (EU) 2020/1816, Annex II		material	<u>203</u>
ESRS S2-4, para. 36	Indicator no 14 Table #3 Annex 1				material	<u>205</u>
ESRS S3-1, para. 16	Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1				not material	n/a
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	n/a
ESRS S3-4, para. 36	Indicator no 14 Table #3 Annex 1				not material	n/a
ESRS S4-1, para. 16	Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex 1				material	<u>207, 210, 212, 215</u>
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)		material	<u>207, 210, 212, 215</u>
ESRS S4-4, para. 35	Indicator no 14 Table #3 Annex 1				material	<u>208, 212, 214, 216</u>
ESRS G1-1, para. 10 (b)	Indicator no 15 Table #3 Annex 1				material	n/a
ESRS G1-1, para. 10 (d)	Indicator no 6 Table #3 Annex 1				material	n/a
ESRS G1-4, para. 24 (a)	Indicator no 17 Table #3 Annex 1		Regulation (EU) 2020/1816, Annex II		material	<u>221</u>
ESRS G1-4, para. 24 (b)	Indicator no 16 Table #3 Annex 1				material	n/a

- 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 (IRO-2)

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

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Disclosure requirement	Title	Reference
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ESRS S4-1	Policies related to consumers and end-users	212
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	213
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ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	214
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Disclosure requirement	Title	Reference
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3.1 Consolidated statement of comprehensive income

Consolidated income statement

in m EUR	Notes 3.5.7	2025	2024
Revenue	(1.)	12,346.1	10,572.5
Cost of sales	(2.)	-7,422.4	-6,270.5
Gross profit		4,923.8	4,302.0
Fulfilment costs	(3.)	-2,842.3	-2,418.4
Marketing costs	(3.)	-1,125.2	-979.2
Administrative expenses	(4.)	-541.0	-513.3
Other operating income	(5.)	25.7	20.9
Other operating expenses	(6.)	-53.7	-20.1
Earnings before interest and taxes (EBIT)		387.2	391.9
Interest and similar income		38.8	75.7
Interest and similar expenses		-72.9	-93.4
Other financial result		5.3	-6.3
Financial result	(7.)	-28.8	-23.9
Earnings before taxes (EBT)		358.4	368.0
Income taxes	(8.)	-145.7	-116.9
Net income/loss for the period		212.7	251.1
thereof net income attributable to shareholders of Zalando SE		215.1	251.1
thereof net income attributable to non-controlling interests		-2.4	0.0
Basic earnings per share (in EUR)	(9.)	0.83	0.97
Diluted earnings per share (in EUR)	(9.)	0.82	0.96

Consolidated statement of other comprehensive income

in m EUR	2025	2024
Net income/loss for the period	212.7	251.1
Items recycled to profit or loss in subsequent periods		
Effective portion of gains/losses from cash flow hedges, net of tax	-16.3	42.0
Exchange differences on translation of foreign financial statements	-1.0	8.7
Other comprehensive income/loss	-17.3	50.7
Total comprehensive income/loss	195.4	301.8
thereof total comprehensive income attributable to the shareholders of Zalando SE	197.8	301.8
thereof total comprehensive income attributable to non-controlling interests	-2.4	0.0

3.2 Consolidated statement of financial position

Consolidated statement of financial position — assets

in m EUR	Notes 3.5.7	31 Dec, 2025	31 Dec, 2024
Non-current assets			
Goodwill	(11.)	765.1	138.7
Other intangible assets	(11.)	892.4	263.5
Property, plant and equipment	(12.)	1,212.8	1,229.5
Right-of-use assets	(13.)	795.9	742.3
Financial assets	(14.)	85.8	143.4
Non-financial assets	(14.)	2.1	4.4
Investments accounted for using the equity method	(15.)	7.0	1.4
Deferred tax assets	(27.)	9.3	9.0
		3,770.2	2,532.3
Current assets			
Inventories	(16.)	2,105.1	1,549.7
Trade and other receivables	(17.)	1,137.7	926.1
Other financial assets	(18.)	89.9	120.3
Other non-financial assets	(18.)	277.4	267.7
Cash and cash equivalents	(19.)	1,877.4	2,587.8
		5,487.5	5,451.6
Total assets		9,257.7	7,983.9

Consolidated statement of financial position — equity and liabilities

in m EUR	Notes 3.5.7	31 Dec, 2025	31 Dec, 2024
Equity			
Issued capital		258.2	259.2
Capital reserves		1,271.8	1,319.7
Other reserves		18.7	24.4
Retained earnings		1,277.1	1,062.0
	(20.)	2,825.8	2,665.3
Non-current liabilities			
Provisions	(22.)	97.2	104.0
Lease liabilities	(13.)	787.1	712.8
Convertible bonds	(25.)	481.2	469.8
Other financial liabilities		8.1	0.3
Other non-financial liabilities		0.1	0.1
Deferred tax liabilities	(27.)	99.1	41.4
		1,472.7	1,328.5
Current liabilities			
Provisions	(22.)	9.4	23.0
Lease liabilities	(13.)	173.3	148.8
Convertible bonds	(25.)	0.0	394.1
Trade payables and similar liabilities	(23.)	3,918.8	2,745.1
Prepayments received	(23.)	41.7	38.9
Income tax liabilities		43.4	60.7
Other financial liabilities	(24.)	289.3	202.2
Other non-financial liabilities	(24.)	483.4	377.4
		4,959.3	3,990.2
Total equity and liabilities		9,257.7	7,983.9

3.3 Consolidated statement of changes in equity

Consolidated statement of changes in equity 2025

in m EUR	Notes 3.5.7	Issued capital	Capital reserves
As of 1 Jan, 2025		259.2	1,319.7
Net income/loss for the period		0.0	0.0
Other comprehensive income/loss		0.0	0.0
Total comprehensive income/loss		0.0	0.0
Capital increase	(20.)	0.2	5.0
Issue of treasury shares	(20.)	3.1	30.1
Repurchase of treasury shares	(20.)	-4.4	-93.8
Share-based payments	(20.), (21.)	0.0	82.5
Transactions with non-controlling interests	(20.)	0.0	-61.4
Others	(20.)	0.0	-10.2
As of 31 Dec, 2025		258.2	1,271.8

Consolidated statement of changes in equity 2024

in m EUR	Notes 3.5.7	Issued capital	Capital reserves
As of 1 Jan, 2024		260.5	1,323.7
Net income/loss for the period		0.0	0.0
Other comprehensive income/loss		0.0	0.0
Total comprehensive income/loss		0.0	0.0
Capital increase	(20.)	0.2	1.5
Issue of treasury shares	(20.)	2.6	-0.4
Repurchase of treasury shares	(20.)	-4.1	-95.4
Share-based payments	(20.), (21.)	0.0	82.4
Others	(20.)	0.0	7.9
As of 31 Dec, 2024		259.2	1,319.7

Consolidated statement of changes in equity 2025

Other reserves						
Cash flow hedges	Currency translation	Retained earnings	Shareholders of Zalando SE	Non-controlling interest	Total	
4.2	20.2	1,062.0	2,665.3	0.0	2,665.3	
0.0	0.0	215.1	215.1	-2.4	212.7	
-16.3	-1.0	0.0	-17.3	0.0	-17.3	
-16.3	-1.0	215.1	197.8	-2.4	195.4	
0.0	0.0	0.0	5.2	0.0	5.2	
0.0	0.0	0.0	33.2	0.0	33.2	
0.0	0.0	0.0	-98.2	0.0	-98.2	
0.0	0.0	0.0	82.5	0.0	82.5	
0.0	0.0	0.0	-61.4	2.4	-59.0	
11.6	0.0	0.0	1.4	0.0	1.4	
-0.5	19.2	1,277.1	2,825.8	0.0	2,825.8	

Consolidated statement of changes in equity 2024

Other reserves						
Cash flow hedges	Currency translation	Retained earnings	Shareholders of Zalando SE	Non-controlling interest	Total	
-33.5	11.5	810.9	2,373.1	0.0	2,373.1	
0.0	0.0	251.1	251.1	0.0	251.1	
42.0	8.7	0.0	50.7	0.0	50.7	
42.0	8.7	251.1	301.8	0.0	301.8	
0.0	0.0	0.0	1.7	0.0	1.7	
0.0	0.0	0.0	2.3	0.0	2.3	
0.0	0.0	0.0	-99.5	0.0	-99.5	
0.0	0.0	0.0	82.4	0.0	82.4	
-4.3	0.0	0.0	3.6	0.0	3.6	
4.2	20.2	1,062.0	2,665.3	0.0	2,665.3	

3.4 Consolidated statement of cash flows

Consolidated statement of cash flows

in m EUR		Notes 3.5.7	2025	2024
1	Net income/loss for the period		212.7	251.1
2	+ Non-cash expenses from share-based payments	(21.)	91.9	82.4
3	+ Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets	(11.), (12.), (13.)	404.9	349.9
4	+/- Income taxes	(8.)	145.7	116.9
5	- Income taxes paid, less refunds		-179.7	-75.4
6	+/- Increase/decrease in provisions	(22.)	-13.6	7.5
7	-/+ Other non-cash income/expenses		-2.0	19.1
8	+/- Decrease/increase in inventories	(16.)	-179.4	-108.8
9	+/- Decrease/increase in trade and other receivables	(17.)	-114.1	-26.8
10	+/- Increase/decrease in trade payables and similar liabilities	(23.)	606.5	-18.1
11	+/- Increase/decrease in other assets/liabilities	(14.), (18.), (24.)	153.5	56.3
12	= Cash flow from operating activities	(26.)	1,126.3	654.1
13	- Cash paid for investments in property, plant and equipment	(12.)	-98.0	-120.6
14	- Cash paid for investments in intangible assets	(11.)	-124.5	-86.2
15	- Cash paid for acquisition of shares in associated companies, subsidiaries less cash acquired, and other equity investments	(15.), 3.5.8 (5.)	-906.8	-67.9
16	+/- Cash received from/paid for short-term investments in other financial assets	(18.)	49.0	0.0
17	+/- Change in restricted cash		0.0	4.9
18	= Cash flow from investing activities	(26.)	-1,080.3	-269.8
19	+/- Cash received from capital increases by the shareholders and stock option exercises less transaction costs/ cash paid for capital decreases	(20.)	0.6	4.0
20	- Payments for shares in other entities without change in control	3.5.8 (5.)	-96.6	0.0
21	- Cash paid for the repurchase of treasury shares	(20.)	-98.2	-99.5
22	- Cash paid for the repurchase/repayment of convertible bonds including transaction costs	(25.)	-400.0	-95.5
23	- Cash payments for the principal portion of lease liabilities	(13.)	-162.3	-134.5
24	= Cash flow from financing activities	(26.)	-756.4	-325.6
25	= Net change in cash and cash equivalents from cash-relevant transactions		-710.3	58.8
26	+/- Change in cash and cash equivalents due to exchange rate movements		-0.1	-4.2
27	+ Cash and cash equivalents at the beginning of the period		2,587.8	2,533.2
28	= Cash and cash equivalents as of 31 December	(19.)	1,877.4	2,587.8

3.5 Notes to the consolidated financial statements

3.5.1 Company information

Company name, registered office

Zalando SE (the "company") is the ultimate parent of the Zalando group ("Zalando" or the "group"). The company was filed in the commercial register at the Berlin-Charlottenburg district court on 28 May 2014 (HRB 158855 B). Zalando SE's registered office is located at Valeska-Gert-Straße 5, 10243 Berlin, Germany. Zalando was founded in 2008. The shares of the company have been listed on the regulated market (Prime Standard) on the Frankfurt Stock Exchange since 1 October 2014. Zalando SE joined the German stock market index (DAX) as of 20 September 2021.

Nature of operating activities

The Berlin-based company offers its customers a one-stop inspirational and convenient shopping experience with an extensive selection of lifestyle articles including shoes, apparel, accessories and beauty products, with predominantly free delivery and returns as well as diverse payment options wrapped into an inspirational and personalised digital customer experience. For more information on Zalando's business model and its nature of operating activities, please refer to section [2.1.1 Business model](#) of our combined management report.

3.5.2 General principles

Application of IFRS

The consolidated financial statements of Zalando SE for the financial year from 1 January to 31 December 2025 were compiled in accordance with the IFRS Accounting Standards as adopted by the EU as of the reporting date. In addition, the provisions of Section 315e (1) of the HGB (German Commercial Code) have been taken into account. The consolidated financial statements have been prepared on a going concern basis and fairly represent the group's financial position, financial performance and cash flows.

General information

The consolidated financial statements have been prepared by accounting for assets and liabilities measured at amortised cost. Excluded from this are certain financial instruments that are measured at fair value. The income statement in the statement of comprehensive income was prepared using the function of expense method. Assets and liabilities are classified and presented as current and non-current in the statement of financial position.

The financial year is the calendar year. The consolidated financial statements are presented in euros. Due to rounding, it is possible that figures may not add up exactly to the total stated, and the percentages presented may not precisely reflect the figures to which they correspond.

3.5.3 New accounting standards

Effects of new or amended IFRS relevant for financial year 2025

The consolidated financial statements take into account all IFRS Accounting Standards endorsed as of the reporting date and whose adoption is mandatory in the European Union.

There was no material impact on our consolidated financial statements, financial performance and position resulting from new or amended IFRS subject to first-time application in the financial year 2025.

New or amended IFRS not yet applied

IFRS 18, presentation and disclosures in financial statements replaces IAS 1 and is mandatory for financial years beginning on or after January 1, 2027. New categories for the presentation of the income statement (operating, investing, financing), new mandatory subtotals (esp. the operating profit or loss) and new disclosure requirements (esp. regarding management defined performance measures) will be defined. There will also be respective changes to the statement of cash flows with impacts on our free cash flow disclosure. We will apply IFRS 18 and related amendments of other standards for all reporting periods starting on or after 1 January 2027. The standard will be applied retrospectively. Besides the changes to the presentation of our financials, we expect no material effects on our consolidated financial statements and external reporting. We do not plan any changes to our internal steering system and key performance indicators.

We do not expect any material impact resulting from the future application of other new or amended IFRS issued by the IASB but not yet to be adopted mandatorily.

3.5.4 Principles of consolidation

Basis of consolidation

The number of subsidiaries included in the basis of consolidation increased to 67 in financial year 2025 (prior year: 58, see sections [3.5.8 \(8.\) Shareholdings](#)), essentially driven by the acquisition of ABOUT YOU (see section [3.5.8 \(5.\) Business combinations](#)). This business combination should be factored in when evaluating how our financial statements compare to the prior year.

Reporting date of the consolidated financial statements

The consolidated financial statements cover the financial year 2025 on the basis of the reporting period from 1 January to 31 December 2025. The respective financial year of the consolidated entities also corresponds to the calendar year.

Consolidation policies

A business combination is a transaction in which an acquirer obtains control of one or more businesses. Within the scope of the first-time consolidation of such a business, all acquired assets and liabilities are recognised in the statement of financial position at their fair value at the acquisition date. Any excess of the consideration transferred (including any non-controlling interest or any previously held equity interest) over the proportionate fair value of identifiable assets, liabilities and contingent liabilities is shown as goodwill. Any shortfall is recorded in profit or loss as a gain on a bargain purchase.

The consolidated financial statements comprise Zalando SE and its subsidiaries over which the company has control within the meaning of IFRS 10.

The separate financial statements of the entities included in the consolidated financial statements have been prepared on the basis of the parent company's uniform accounting policies.

Intercompany receivables and liabilities are offset against each other. Offsetting differences are recognised through profit or loss if they arise in the reporting period. The company eliminates intercompany profits or losses from intercompany supplies and services and recognises deferred tax benefits and expenses from consolidation entries through profit or loss. The consolidation of intercompany profits or losses involves offsetting intercompany revenue and other intercompany income against the corresponding expenses.

Shares in associates, i.e. entities over which the owner can exercise significant influence within the meaning of IAS 28, are accounted for using the equity method. The same applies to joint ventures within the meaning of IFRS 11, i.e. arrangements whereby two or more parties have joint control over the net assets of the arrangement. Such investments are initially recorded at cost and subsequently updated to include any changes in the share of the investee's (joint venture) net assets attributable to the investor (joint venturer) after the acquisition date.

The consolidation policies were applied unchanged compared to the prior year.

Currency translation

The consolidated financial statements are presented in euros, which is Zalando SE's functional currency and the presentation currency of the group. Transactions of Zalando SE conducted in currencies other than the euro are translated into the functional currency using the historical rate on the date of the transaction.

Financial statements denominated in the foreign currency of foreign group entities are translated on the basis of the functional currency concept pursuant to IAS 21.

The assets and liabilities of subsidiaries whose functional currency is not the euro are translated to euros at the mean exchange rate prevailing as of the reporting date. Income and expenses in the statement of comprehensive income are translated into euros at the annual average exchange rate pursuant to IAS 21.40. Exchange rate differences are accounted for as exchange differences on translation of foreign financial statements in other comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange as of the reporting date. Exchange differences are recognised through profit or loss and reported in the financial result.

Non-monetary items in foreign currencies are translated using historical rates.

Foreign exchange rates

	ISO-Code	Closing rate		Annual average rate	
		31 Dec, 2025	31 Dec, 2024	2025	2024
Czech koruna	CZK	24.2370	25.1850	24.6879	25.1198
Danish krone	DKK	7.4689	7.4578	7.4634	7.4589
Norwegian krone	NOK	11.8430	11.7950	11.7173	11.6290
Polish zloty	PLN	4.2210	4.2750	4.2397	4.3058
Swedish krona	SEK	10.8215	11.4590	11.0663	11.4325
Swiss franc	CHF	0.9314	0.9412	0.9370	0.9526
US dollar	USD	1.1750	1.0389	1.1300	1.0824

3.5.5 Accounting policies

Intangible assets

Intangible assets are measured at amortised cost. We have assessed that our intangible assets, except for goodwill, have a finite useful life. Brands and customer relationships are amortised over their useful life of up to 15 years on a straight-line basis. Amortisation is presented within the functional area to which it relates. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the respective useful lives are taken into consideration prospectively when measuring amortisation. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Regardless of any indication of impairment, intangible assets under development and goodwill acquired in business combinations are tested yearly. The same applies to rare cases where an intangible asset was assessed to have an indefinite useful life.

Internally generated intangible assets are recognised at development cost if they satisfy the criteria of IAS 38; that is, if a newly developed or significantly enhanced software can be unambiguously identified, is intended to be completed and Zalando has the necessary resources to do so, is technically feasible, and is intended for own use. Other requirements are the generation of probable future economic benefits and the ability to reliably measure the cost attributable to the intangible asset.

Capitalised development costs are amortised over an anticipated useful life of an average of about three years. Amortisation of the asset begins when the asset is available for use. Research costs are expensed in the period in which they arise. An impairment test is performed once a year as long as the asset is under development, regardless of any indications of impairment.

Gains or losses arising from the disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

When testing for impairment pursuant to IAS 36, the carrying amount of an asset is compared to its recoverable amount. The asset is deemed to be impaired when the recoverable amount falls below its carrying amount.

The carrying amount of that asset is then reduced to its recoverable amount through profit or loss. The recoverable amount is the higher of an asset's fair value (according to IFRS 13) less costs of disposal and its value in use.

For assets subject to impairment testing, we primarily calculate the value in use.

At Zalando, value in use is calculated using cash flow projections based on approved budgets. The duration of the detailed planning phase is based on the (remaining) useful life of the assets being tested and is capped at five years. In the case of a cash-generating unit or groups of cash-generating units with allocated goodwill, the terminal value is added to the planning phase. A constant annual growth factor is assumed for the terminal value. The costs of capital before tax used as a discount rate are based on instruments with a comparable risk profile.

Property, plant and equipment

Property, plant and equipment are recognised at cost and depreciated in accordance with their expected useful life using the straight-line method. Depreciation is presented within the functional area to which it relates. The following useful lives are applied:

Useful lives

	Years
Leasehold improvements	1–17
Plant and machinery	4–30
Other equipment, furniture and fixtures	2–19

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Impairment of non-financial assets

At each reporting date the group assesses whether there is any indication that a non-financial asset presented in the statement of financial position may be impaired. If any indication exists, or when annual impairment testing is required, the group carries out an impairment test.

Current versus non-current classification

The group classifies assets and liabilities in the statement of financial position as current and non-current.

An asset / a liability is classified as current when:

- it is expected to be realised or intended to be sold or consumed / settled within the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is expected to be realised / due to be settled within 12 months after the reporting period, or

- it is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability / the company does not have the right to defer settlement of the liability for a period of at least 12 months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current assets or liabilities.

Leases

The group as lessee

At the commencement date of a lease, Zalando recognises a right-of-use asset and a lease liability for all leases, except for short-term leases (i.e. leases with a lease term of 12 months or less) and leases for which the underlying asset is of low value. Zalando has chosen the practical expedient to recognise the lease payments associated with those exceptional leases as an expense when incurred.

The lease payments included in the measurement of the lease liability primarily comprise fixed payments (less any lease incentives received) and variable lease payments that typically depend on an index or rate, initially measured using the index or rate as at the commencement date. A change in variable payments related to a change in the underlying index or rate will lead to a remeasurement of the lease liability at the point in time this change is effective. Usually, the interest rate implicit in the lease cannot be readily determined. Therefore, the present value of the lease payments is calculated using the term and risk equivalent incremental borrowing rate. The lease term is based on the non-cancellable period of a lease. Periods covered by an option to extend (or terminate) the lease are only included in the lease term if it is reasonably certain that such an option will be exercised (or will not be exercised in the case of a termination option). In determining the lease term, Zalando considers all relevant facts and circumstances to assess whether it is reasonably certain an option to extend a lease will be exercised or an option to terminate a lease will not be exercised. In particular, Zalando takes into consideration future business needs, the length of the non-cancellable period as well as economic incentives like additional rent-free periods or penalties.

Initially, right-of-use assets are recognised at the amount of the corresponding lease liability plus initial direct costs as well as less any lease incentives received. Costs of dismantling and removal are considered if they relate to the lease asset. Right-of-use assets are subsequently depreciated over the underlying lease term of up to 17 years using the straight-line method.

Depreciation of right-of-use assets is presented within the functional area to which it relates. Interest expenses on lease liabilities are shown as interest and similar expenses. They are also included in cash flow from operating activities, whereas cash payments for the principal portion of lease liabilities are presented as a separate line item in the cash flow from financing activities.

Subleases

A lessor shall classify each lease — including each sublease — either as an operating lease or as a finance lease.

A lease is classified as a finance lease if all of the risks and rewards incidental to the ownership of an underlying asset have been substantially transferred to the lessee. Otherwise, it is classified as an operating lease.

Zalando classifies subleases by reference to the right-of-use asset arising from the head lease. Typically, this assessment is based on the lease term of the sublease compared to the remaining lease term of the head lease. Whenever the lease term of the sublease is at least 75% of the remaining lease term of the head lease, Zalando classifies those leases as finance subleases; otherwise, they are classified as operating subleases. For operating subleases, the accounting for the head lease remains unchanged and lease payments from the sublease are recognised as income when incurred. For finance subleases, the corresponding right-of-use asset is derecognised and a receivable at an amount equal to the net investment in the (sub)lease is presented. Any difference is recognised through profit or loss. To measure the net investment in the (sub)lease, Zalando uses the (risk-adjusted) discount rate used for the head lease.

Income taxes

The income tax expense for the period comprises current and deferred taxes. Taxes are recognised in profit or loss for the period, unless they relate to items recognised directly in equity or in other comprehensive income, in which case the corresponding taxes are also recognised in equity or in other comprehensive income.

The current tax expense (tax recoverable) is calculated using the tax laws of the countries in which the entities operate and generate a taxable profit (tax loss) effective as of the reporting date.

Management regularly prepares tax returns, paying close attention to matters open to interpretation, and recognises provisions based on the amounts that are expected to be payable to the tax authorities.

Deferred taxes are calculated using the liability method on the basis of IAS 12. Deferred taxes are recognised on temporary differences between the carrying amounts recognised in the consolidated financial statements and the tax accounts if these differences lead to deductible or taxable amounts in future periods. The measurement of deferred taxes is performed taking into account the tax rates and tax laws expected to apply at the time when the differences are reversed. This does not apply to tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD.

Deferred tax assets are recognised for all deductible temporary differences, carryforwards of unused tax credits and unused tax losses to the extent that it is sufficiently probable that a taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Inventories

Merchandise is accounted for as inventories and recognised initially at cost pursuant to IAS 2. The cost of inventories comprises all costs of purchase (purchase price, import duties and other taxes) as well as costs for transport, handling and other costs incurred in bringing the inventories to their present location and condition if those costs are material for the group. Cost is calculated on the basis of an item-by-item measurement, based on moving average prices of goods. Supplier payments that are to be classified as a reduction of cost reduce the carrying amount of inventories. The same applies to discounts, rebates and similar items that are deducted from the purchase price in determining the costs of purchase.

Merchandise is measured at the lower of cost and net realisable value at the reporting date. The net realisable value is the expected selling price less the costs necessary to make the sale. Based on past experience, our estimates take into account seasonality and expected realisability of inventories as well as all costs that will incur in the ordinary course of business to sell merchandise in our sales channels. When the circumstances that previously caused merchandise to be written down below cost no longer exist, the write-down is reversed.

Financial instruments

General information

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are disclosed in the consolidated statement of financial position when Zalando becomes a contractual party to a financial instrument. Contracts are recognised irrespective of their classification as of the settlement date, i.e. the date on which an asset is delivered to or by the entity. In contrast, derivative financial instruments are recognised on the trade date. The trade date is the date that the company commits to purchasing or selling an asset.

Financial instruments classified as financial assets and financial liabilities are generally not netted; they are only netted if the group has a legally enforceable right to set off and intends to settle the amounts on a net basis. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset and all the risks and rewards of ownership of the financial asset have been substantially transferred. Financial liabilities are derecognised when the contractual commitments have been discharged, cancelled or have expired.

The fair value of a financial instrument is the price that would have been received when selling an asset, or paid when transferring a liability in an orderly transaction between market participants at the measurement date. If there are listed prices in an active market (e.g. share prices), these are used as a measurement base. If there is no active market, reference is made to the market most favourable to the entity for measurement purposes.

The amortised cost of a financial asset or a financial liability is the amount

- at which the financial asset or financial liability is measured at initial recognition
- less any repayments
- plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and
- adjusted for loss allowance for financial assets.

Amortised cost of current receivables and liabilities generally corresponds to the nominal value or settlement amount.

Financial assets

Financial assets are classified as one of the following categories for the purpose of subsequent measurement:

- amortised cost,
- fair value through other comprehensive income, or
- fair value through profit or loss.

When financial assets are recognised, they are initially measured at fair value, except for trade receivables, which Zalando measures at the amount determined by applying IFRS 15. For all categories except financial assets at fair value through profit or loss, the transaction costs incurred are included in the initial recognition.

The allocation to the aforementioned categories determines the subsequent measurement of financial assets. There are differing measurement rules for each category.

Financial assets measured at amortised cost are those which are held in a business model whose objective is to hold the financial asset in order to collect contractual cash flows and for which the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This measurement category is used for trade and other receivables, other financial assets, cash and cash equivalents and short-term deposits.

The category of financial assets at fair value through other comprehensive income relates to financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. On specified dates the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. The fluctuations in value recognised in other comprehensive income are transferred to profit or loss at the time the asset is derecognised. Impairment and foreign exchange gains or losses are nevertheless recognised in profit or loss. No financial assets were classified in this category in the 2025 financial year or in the prior year.

All other financial assets are measured at fair value through profit or loss. Hence, they are held within a business model whose objective is not to hold the financial asset to collect contractual cash flows or where cash flows are not solely payments of principal and interest on the principal amount outstanding. Derivative financial instruments that are not effective hedging instruments, as well as corporate investments, are allocated to this category. Changes in the fair value of these financial assets are recognised through profit or loss.

Impairment of financial assets

Zalando recognises a loss allowance for expected credit losses for all financial assets other than those measured at fair value through profit or loss. At each reporting date, the loss allowance is measured at an amount equal to a 12-month expected credit loss (general approach). If the credit risk has increased significantly, the loss allowance is measured at an amount equal to the lifetime expected credit loss.

For trade receivables, Zalando applies the simplified approach of IFRS 9 to measure the loss allowance at an amount equal to the lifetime expected credit loss. Zalando uses a scenario-based approach for this purpose and takes into account sales-channel and country-specific allowance rates based on expected risks of default and how long the trade receivables are past due. Trade receivables — typically resulting from the use of deferred payment methods (e.g. pay per invoice) — have due dates of 14 to 30 days, depending on the country in which the order is placed.

For other receivables — resulting from the purchase of receivables due from customers of our partners for sales concluded on the Zalando platform — Zalando applies the general approach of IFRS 9. Because these receivables also have due dates of 14 to 30 days, the 12-month expected credit loss is the same as the lifetime expected credit loss. Therefore, Zalando also applies a scenario-based approach to determine expected credit losses for other receivables.

Receivables, together with the allowance recognised, are derecognised when the contractual rights to the cash flows have expired. This is the case if there is no realistic prospect of future recovery and all collateral has been realised.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs in the case of loans and borrowings. Zalando allocates financial liabilities to one of the following categories upon initial recognition:

- fair value through profit or loss, or
- amortised cost.

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as measured at fair value through profit or loss. These include derivative financial instruments that are not designated as hedging instruments. Gains and losses from subsequent measurement are recognised through profit or loss.

Trade payables, borrowings and other financial liabilities not held for trading are allocated to the category of financial liabilities measured at amortised cost and are thus measured using the effective interest method.

Compound financial instruments

At issue of a non-derivative financial instrument, Zalando evaluates whether it has both a liability and an equity component. For its convertible bonds, Zalando separately recognises financial liabilities reflected in the line item convertible bonds and equity instruments reflected in capital reserves. The liability component is initially measured at fair value using the interest and principal payments discounted with a risk-adjusted interest rate of a comparable debt instrument without a conversion right. The equity component is initially measured at the residual value resulting from deducting the fair value of the liability component from the fair value of the compound instrument as a whole, i.e. the fair value of the proceeds received. The liability component is subsequently measured at amortised cost. The equity component is not remeasured. Incremental costs directly attributable to the issue of the compound instrument are allocated as transaction costs to the components pro rata on the basis of their initial fair values. Hence, the initial carrying amount of each component is measured at fair value less allocated transaction costs.

Derivative financial instruments and hedge accounting

Zalando uses derivative financial instruments such as forward exchange contracts and interest rate swaps exclusively to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are reported as financial assets if their fair value is positive. They are presented as financial liabilities in the statement of financial position if their fair value is negative.

Changes in the fair value of derivative financial instruments are recognised either through profit or loss or other comprehensive income, depending on whether the hedge accounting requirements of IFRS 9 are met.

In general, hedge accounting involves classifying derivative financial instruments either as an instrument to hedge the exposure to changes in the fair value of a hedged item (fair value hedge), an instrument to hedge forecast transactions (cash flow hedge) or an instrument to hedge a net investment in a foreign operation.

Zalando has set out and documented objectives and strategies for mitigating risk when using hedges.

A portion of the forward exchange contracts is used to hedge goods purchased in US dollars and pounds sterling as well as the resulting trade payables. Another portion of the forward exchange contracts is used to hedge goods sold in foreign currency and the resulting trade receivables. These forward exchange contracts are concluded in pounds sterling, Swiss francs, Czech korunas, Norwegian kroner, Polish zlotys and Swedish kronor.

Cash flow hedges

A cash flow hedge manages our exposure to fluctuations of future cash flows attributable to a recognised asset or liability (in the case of interest risks), to planned or highly probable forecast transactions and to fixed contractual obligations not shown on the face of the consolidated statement of financial position.

If a cash flow hedge is effective, the changes in the fair value of the hedge are recorded under other comprehensive income. Changes in the fair value of the ineffective portion of the hedging instrument are posted directly as profit or loss in the other financial result for the period. The gains and losses resulting from hedges initially remain in other comprehensive income and are later included in the initial cost of a non-financial asset when the hedged forecast transaction results in the recognition of that non-financial asset (inventory) or is reclassified through profit or loss for the period in which the hedged transaction influences the net income for that period (revenue).

Zalando uses forward exchange contracts as hedging instruments to hedge foreign currency risks resulting from contractual merchandise-sourcing transactions that are not yet fulfilled. In addition, Zalando uses forward exchange contracts to hedge planned revenue in foreign currency against exchange rate fluctuations. These are recognised as cash flow hedges if the conditions of hedge accounting are fulfilled. The amounts recognised as other comprehensive income are reclassified through inventories or profit or loss once the hedged items are realised. In the case of contractual merchandise-sourcing transactions, the amount of other comprehensive income is included in the initial cost of inventories. The share of other comprehensive income that is attributable to hedged revenue is posted via revenue to profit or loss.

Fair value measurement

The group applies valuation techniques that are appropriate under the respective circumstances and for which sufficient data is available to measure fair value. Observable market inputs are preferred over non-observable inputs.

Inputs to valuation techniques to measure assets and liabilities at fair value in the financial statements are classified on the basis of the following fair value hierarchy. The classification uses the input parameters of the lowest category that is relevant to the fair value measurement.

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices that are observable, either directly or indirectly, and which have a significant effect on the measurement of the asset or liability.
- **Level 3:** Unobservable inputs for the assets and liabilities.

For forward exchange contracts, the fair value is determined using the exchange rates as of the reporting date issued by the European Central Bank taking into account forward premiums and discounts for the respective remainder of the contract in comparison to the contractually agreed exchange rate. Interest rate hedges are measured on the basis of discounted future expected cash flows using market discount rates for the remaining term of the contracts.

Provisions

Provisions are recognised in accordance with IAS 37 when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the expenditure required to settle the obligation can be made. The best estimate takes into consideration all the expected risks arising from the obligation. This refers to the amount that is most likely needed to settle the liability. Provisions with a residual term of more than one year are discounted.

The group recognises provisions for dismantling obligations for leasehold improvements in leased fulfilment centres, office buildings and outlets. The provision is recognised at an amount equal to the present value of the estimated future dismantling obligations and included in the cost of the leasehold improvements they relate to. The estimated cash flows are discounted using a discount rate that adequately reflects the maturity and the risk profile. Unwinding of the obligation is recognised as an interest expense in the income statement.

Share-based payments

The share-based payment programmes in the group are basically accounted for as equity-settled share-based payment transactions. This also applies to share-based payment transactions in which Zalando has the choice of settling in cash or shares as long as there is no present obligation for Zalando to settle in cash.

Zalando recognises the equity-settled share-based payments as expenses at the fair value of options at grant date. Expenses and the corresponding additions to capital reserves are recognised over the contractually agreed vesting period. The vesting period is the period in which the service condition is to be satisfied. The fair value of the options is measured at the grant date and not subsequently adjusted.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The income or expense recognised in profit or loss for the period corresponds to the change in cumulative expenses recognised in the reporting period.

No expense is recognised for awards that do not ultimately vest due to a service or performance condition not being fulfilled. Equity-settled payment models with market-related performance conditions and other non-vesting conditions affect the fair value of the granted options on the grant date only.

When the terms of an equity-settled transaction are modified, the minimum expense recognised is the expense that would have been incurred if the original terms of the arrangement had been fulfilled. Zalando also recognises increases in the fair value of equity instruments granted due to modifications.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation. Any expense not yet recognised for the award is recognised immediately. However, if a new award substitutes the cancelled award as a replacement award on the grant date, the new awards are treated as if they were a modification of the original award.

Revenue recognition

Zalando generates revenue through our main business models:

- Retail business means that we buy inventory from brands and sell it to customers for our own account, including goods sold via Zalando, ABOUT YOU, Lounge by Zalando or through our outlets.
- Partner business enables brands and retailers to sell merchandise via Zalando and ABOUT YOU while maintaining full control over their offer, content and pricing.
- Retail media business, including Zalando Marketing Services (ZMS) and ABOUT YOU's retail media business unit, offers various advertising formats for brands.
- Zalando E-commerce Operating System (ZEOS) is our B2B brand in which we are opening up our logistics infrastructure, software and service capabilities to be a key enabler for e-commerce transactions of brands and retailers, regardless of whether they take place on or off the Zalando platform. We combine complementary logistics and software capabilities of ZEOS Fulfilment (including ZFS and MCF), Tradebyte and SCAYLE.

Revenue is recognised in accordance with the provisions of IFRS 15 when the goods or services promised have been transferred to the customer. Contractual performance obligations are typically satisfied when goods are handed over to the customer. Revenue is measured at the amount of the consideration Zalando expects to receive in exchange for transferring the promised goods and services.

For our retail business, we conclude that Zalando is the principal in these revenue arrangements because we control the goods before transferring them to the customer. Revenue is therefore recognised in full.

For the majority of our partner business, we do not control the goods before transferring them to the customer. Hence, revenue is mainly recognised in the amount of the commission that Zalando, as agent of these revenue arrangements, expects to receive from the partner. For B2B services, Zalando recognises all fees within revenue that we expect to receive from our partners for rendering those services. Revenue is recorded net of sales deductions, taxes and duties.

We identify performance obligations as the distinct goods or services promised in a contract with a customer. The goods or services promised in our retail business (goods, delivery and return with a return policy of up to 30 days, customer care, express delivery or minimum order fee) create a bundle that is distinct, i.e. the identified performance obligation. In contrast, all services promised to our partners are separately identifiable performance obligations.

When selling merchandise to customers, Zalando transfers control over the promised goods and services at a specific point in time. This is generally the case when the goods are delivered. For services rendered to our partners, revenue is recognised at the point in time the underlying performance obligations towards our partners are satisfied. Revenue is only recognised over time according to the continuous provision of services for some services (e.g. SaaS).

In assessing the consideration to be received, Zalando takes into account the right of return granted to customers in the retail and the partner business. Revenue is not recognised unless sufficient evidence is available on the probability of the non-exercise of these rights based on past experience. The expected volume of returns is estimated based on sales-channel and country-specific return rates and recognised as a reduction in revenue.

Zalando offers its customers a range of diverse payment options. Depending on the payment option and the country in which the order is placed, payments are typically due within 14 to 30 days.

Expected returns

Zalando presents the expected returns of goods on a gross basis in the income statement and reduces revenue by the full amount of sales that is estimated to be returned. Cost of sales that are recorded in full upon delivery of the goods is also corrected by the estimated amount of returns.

Zalando also presents expected returns on a gross basis in the statement of financial position. In this context, a right to recover goods from expected returns is recognised in other non-financial assets. The amount of the asset corresponds to the cost of the goods delivered for which returns are expected, taking into account the costs incurred for processing the return and the expected losses resulting from re-sale of these goods.

Trade receivables for which delivered goods are expected to be returned are also derecognised. For customer receivables already paid and for which returns are expected in the future, Zalando recognises a refund liability vis-à-vis the customer in other current financial liabilities.

Customer options for additional goods or services

Zalando offers its Plus programme, which is a points-based system to reward customer loyalty. The programme grants options to our customers for acquiring additional goods or services at a discount or for free in the form of level- and country-specific awards. These awards create a distinct bundle of goods or services and therefore a separate performance obligation that provides a material right to our customers.

We allocate a portion of the transaction price from the purchases that grant these awards to the future performance obligation. For this we estimate the stand-alone selling price of the awards and take into account the award-specific discount, the number of customers that participate in the programme, the number of awards that have been granted as well as the award-, tier-level- and country-specific likelihood of whether and when those awards will be redeemed.

3.5.6 Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS Accounting Standards requires our management to make assumptions and estimates that have effects on the amounts recognised in the financial statements and the related disclosures. Although these estimates, to the best of our management's knowledge, are based on current events and circumstances, there may be deviations between estimated and actual results. Significant estimates and assumptions have been used for the following particular matters:

- The identification and determination of write-downs of merchandise and receivables; see comments in sections [3.5.7 \(16.\) Inventories](#) and [3.5.7 \(17.\) Trade and other receivables](#).
- Setting the expected rate of returns; see comments in section [3.5.5 Accounting policies](#).
- The determination of the useful life of items of property, plant and equipment and of intangible assets as well as the determination of development costs of internally generated intangible assets; see sections [3.5.7 \(11.\) Goodwill and other intangible assets](#), [3.5.7 \(12.\) Property, plant and equipment](#) and [3.5.5 Accounting policies](#).
- The measurement of right-of-use-assets, in particular the identification of impairment losses as well as the determination of lease terms and corresponding discount rates; see sections [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#) and [3.5.5 Accounting policies](#).
- The determination of the fair value of obligations from financial liabilities and share-based payments; see comments in sections [3.5.7 \(21.\) Share-based payments](#) as well as [3.5.7 \(28.\) Financial instruments](#).

- The determination of the recoverability of deferred tax assets on unused tax losses; see comments in sections [3.5.7 \(8.\) Income taxes](#) and [3.5.7 \(27.\) Deferred taxes](#).
- The estimation of stand-alone selling prices for options to acquire additional goods or services; see section [3.5.5 Accounting policies](#).
- Applying the acquisition method for business combinations, in particular the identification and measurement of acquired intangible assets (e.g. determination of royalty rates, discount rates, growth rates and useful lives); see section [3.5.8 \(5.\) Business combinations](#).

All estimates and assumptions are based on facts and circumstances at the reporting date, the expected future development of the group's business and its business environment. If these general conditions develop differently, the assumptions and the carrying amounts of the assets and liabilities recognised will be adjusted accordingly. Apart from estimates and assumptions, Zalando also uses judgements in applying our accounting policies that significantly affect the amounts that are presented in the group's financial statements. Material judgements relate to:

- The definition of whether and when the customer obtains control of promised goods or services; see comments in section [3.5.5 Accounting policies](#).
- The assessment of whether liabilities that are part of a reverse factoring arrangement have a similar nature and function to trade payables; see [3.5.7 \(23.\) Trade payables and similar liabilities and prepayments received](#).
- The assessment of whether purchased partner receivables have a similar nature and function to trade receivables; see comments in section [3.5.7 \(17.\) Trade and other receivables](#)
- The assessment of whether it is reasonably certain that an option to extend a lease will be exercised or an option to terminate a lease will not be exercised; see comments in section [3.5.5 Accounting policies](#).

3.5.7 Notes to the consolidated statement of comprehensive income and statement of financial position

(1.) Revenue

Revenue

in m EUR	2025	2024
Revenue from the sale of merchandise	9,913.3	8,408.9
Revenue from other services	2,432.9	2,163.6
Total	12,346.1	10,572.5

Revenue from the sale of merchandise comprised sales of merchandise to our customers within the retail business and is therefore allocated entirely to the B2C segment. Revenue from other services comprised mainly revenues from partner business, Zalando Payment Services, retail media business, ZEOS Fulfilment (including ZFS and MCF) and the enterprise digital commerce platform SCAYLE. These revenues are allocated to the B2C and B2B segments.

Further information on revenue can be found in section [3.5.8 \(10.\) Segment reporting](#).

(2.) Cost of sales

Cost of sales

in m EUR	2025	2024
Non-personnel costs	7,082.4	5,964.3
Personnel costs	340.0	306.2
Total	7,422.4	6,270.5

Cost of sales consisted mainly of cost of materials, personnel costs, allowances on inventories, depreciation, third-party services and infrastructure costs.

Cost of sales

in m EUR	2025	2024	Change
Total	7,422.4	6,270.5	1,151.8
thereof historical acquisition costs	6,322.5	5,287.1	1,035.5
thereof changes of allowances	14.4	-28.7	43.1
thereof fulfilment services	860.0	772.5	87.5
thereof other	225.4	239.6	-14.2

"Other" comprised mainly partner business, Highsnobiety and retail media business.

(3.) Selling and distribution costs

Selling and distribution costs

in m EUR	2025	2024
Non-personnel costs	3,427.5	2,918.1
Personnel costs	540.0	479.5
Total	3,967.5	3,397.6

Selling and distribution costs comprised fulfilment costs of 2,842.3m EUR (prior year: 2,418.4m EUR) and marketing costs of 1,125.2m EUR (prior year: 979.2m EUR).

The non-personnel costs consisted of predominately B2C logistic outbound and marketing expenses as well as the depreciation of fixed assets and right-of-use assets.

(4.) Administrative expenses

Administrative expenses

in m EUR	2025	2024
Non-personnel costs	245.8	235.6
Personnel costs	295.2	277.7
Total	541.0	513.3

The non-personnel costs included predominately IT-related costs, office expenses, depreciation and impairments for right-of-use assets, as well as legal and advisory expenses.

(5.) Other operating income

Other operating income amounted to 25.7m EUR in 2025 (prior year: 20.9m EUR). Indemnification for damages, income from a sublease as well as income relating to other periods that cannot be classified by function were the main contributors to other operating income.

(6.) Other operating expenses

Other operating expenses amounted to 53.7m EUR (prior year: 20.1m EUR), mainly driven by restructuring expenses from organisational changes of 42.8m EUR (thereof personnel expenses 36.3m EUR). Furthermore, other operating expenses relate to disposals of assets (refer to sections [3.5.7 \(12.\) Property, plant and equipment](#), [3.5.7 \(11.\) Goodwill and other intangible assets](#) and [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#)), damages and expenses relating to other periods that cannot be classified by function.

(7.) Financial result

Financial result

in m EUR	2025	2024
Interest and similar income	38.8	75.7
thereof from hedging derivatives	2.1	1.4
thereof from trade and other receivables	3.2	2.3
thereof from money market funds	7.6	23.6
thereof from term deposits	8.2	33.6
thereof from other financial instruments	17.7	14.8
Interest and similar expenses	-72.9	-93.4
thereof from financial liabilities at amortised cost	-70.7	-89.3
thereof from hedging derivatives	-0.7	-0.7
thereof other interest and similar expenses	-1.5	-3.4
Result of investments accounted for using the equity method	3.3	-5.5
Other financial result	2.0	-0.8
thereof from hedging transactions	-1.6	1.4

Financial result

in m EUR	2025	2024
thereof from currency effects	7.9	-8.7
other valuation effects on financial instruments	-4.3	6.6
Financial result	-28.8	-23.9

Interest and similar income declined by -37.0m EUR compared to 2024, mainly due to the decrease in volumes invested in money market funds, which reduced interest income by 16.0m EUR to 7.6m EUR (prior year: 23.6m EUR) as well as from term deposits, which decreased by 25.4m EUR to 8.2m EUR (prior year: 33.6m EUR).

Interest and similar expenses decreased by 20.5m EUR compared to 2024, mainly due to the decrease in interest and similar expenses from financial liabilities at amortised cost, affected by the decrease in euro interest rates in 2025, resulting in a decrease in expenses related to Zalando's short-term financing instruments to 19.8m EUR (prior year 33.7m EUR). In addition, interest expenses related to convertible bonds decreased to 20.5m EUR (prior year 25.0m EUR) due to the convertible bond buyback of 400m EUR upon its maturity in August 2025.

Other financial result improved by 2.8m EUR compared to 2024 due to realised currency effects in USD and PLN.

(8.) Income taxes

Income taxes include deferred taxes and current income taxes paid or payable in the respective countries. Income taxes comprise trade tax, corporate income tax, the solidarity surcharge and the equivalent foreign tax charges. As in the prior year, the statutory corporate income tax rate including the solidarity surcharge for the 2025 assessment period in Germany was 15.8%. The trade tax rate was also unchanged in comparison to the prior year at 14.7%. This results in an expected tax rate for the group of 30.5% (prior year: 30.5%). If the reversal of temporary differences falls within the period of the phased corporate tax reduction starting in 2028, a correspondingly reduced tax rate was used.

Zalando group is subject to global minimum taxation in accordance with the Model Rules for Pillar Two and apply the temporary, mandatory exemption regarding the accounting for deferred taxes resulting from the global minimum tax and recognises these taxes as actual tax expense/income when they arise.

Current and deferred taxes are presented in the following table:

Income taxes

in m EUR	2025	2024
Deferred taxes	5.2	27.5
Current taxes	-151.0	-144.4
Total	-145.7	-116.9

Current tax expenses include 2.6m EUR related to prior years (prior year: 4.0m EUR). The deferred tax income of 5.2m EUR (prior year: 27.5m EUR) is described in further detail in section 3.5.7 (27.) Deferred taxes.

In July 2025, an amendment to corporate tax law was adopted in Germany. As a result, the corporate income tax rate will be reduced from 15% to 10% in phases from 2028 to 2032. This led to an expense of 5.3m EUR from the valuation of deferred tax assets and deferred tax liabilities.

The reasons for the difference between the expected and recognised tax expense in the group are as follows:

Tax rate reconciliation

in m EUR	2025	2024
Earnings before taxes	358.4	368.0
Income tax rate for the group	30.5%	30.5%
Expected tax expense (-)/tax income (+)	-109.3	-112.2
Share of taxes for:		
Non-deductible expenses, tax-free income	-34.9	-14.1
Recognition of previously unrecognised unused tax losses, tax credits	2.0	0.9
Unrecognised unused tax losses	-13.1	0.5
Tax expenses (-)/tax income (+) relating to other periods	2.3	1.8
Tax rate differences	7.3	6.2
thereof share of subsidiaries with higher tax rates	-0.9	-0.7
thereof share of subsidiaries with lower tax rates	8.3	6.9
Income tax expense according to the consolidated statement of comprehensive income	-145.7	-116.9
Effective tax rate	40.7%	31.8%

As of the reporting date, the Zalando group had unused corporate income tax losses of 798.0m EUR (prior year: 109.5m EUR) and unused trade tax losses of 758.6m EUR (prior year: 65.2m EUR). The increase is primarily attributable to the loss carryforwards acquired from ABOUT YOU. No deferred tax assets are recognised for corporate income tax losses of 501.3m EUR (prior year: 95.7m EUR) and unused trade tax losses of 461.5m EUR (prior year: 55.9m EUR). The increase in the year is due to the acquisition of ABOUT YOU for which corporate income tax losses of 410.8m EUR and trade tax losses of 411.0m EUR are unrecognised at the balance sheet date.

The utilisation of unused tax losses for which no deferred tax assets were recognised in the past affected the tax result by a total of 2.0m EUR in the reporting year (prior year: 0.9m EUR).

(9.) Earnings per share

Basic earnings per share (EPS)

	2025	2024
Net income for the period attributable to the shareholders of Zalando SE (in m EUR)	215.1	251.1
Basic weighted average number of shares (in millions)	260.4	259.1
Basic earnings per share (in EUR)	0.83	0.97

Diluted earnings per share (EPS)

	2025	2024
Net income for the period attributable to the shareholders of Zalando SE (in m EUR)	215.1	251.1
Diluted weighted average number of shares (in millions)	263.2	261.7
Diluted earnings per share (in EUR)	0.82	0.96

The dilutive effect stemmed solely from equity-settled share-based payment awards granted to employees and to members of the management board. All options were taken into account in the calculation of the diluted earnings per share, except for those equity-settled share-based payment awards containing performance conditions that had not yet been met as of the reporting date or that were out of the money due to a share price below the respective exercise price of the options in 2025. Hence, certain options granted within the scope of EIP, SOP, LTI and ZOP (prior year: EIP, SOP, LTI and ZOP) were not taken into account in the calculation of diluted earnings per share. For further information see [3.5.7 \(21.\) Share-based payments](#).

(10.) Personnel expenses

Personnel expenses

in m EUR	2025	2024
Wages and salaries	1,008.7	891.9
Social security, pensions and other benefit costs	202.9	171.5
thereof pension costs	1.3	1.2
Total	1,211.6	1,063.4

The average number of salaried employees (excluding apprentices, interns and working students) in the group was 16,582 in financial year 2025 (prior year: 15,309). Contributions to the pension insurance scheme amounted to 80.4m EUR (prior year: 70.5m EUR).

Personnel expenses related to restructuring expenses from organisational changes amounted to 36.3m EUR.

(11.) Goodwill and other intangible assets

Statement of movement of intangible assets 2025

in m EUR	Capitalised development costs	Industrial rights, similar rights and assets as well as licences	Goodwill	Prepayments and assets under development	Total
Historical cost					
As of 1 Jan, 2025	509.9	156.3	138.7	54.2	859.1
Additions	51.7	625.3	629.6	73.6	1,380.2
thereof from business combinations	0.0	623.7	629.6	0.0	1,253.3
Disposals	-86.2	-0.4	0.0	-1.4	-88.0
Reclassifications	41.4	0.7	0.0	-42.1	0.1
Currency translation differences	0.0	-3.3	-3.2	0.0	-6.5
As of 31 Dec, 2025	516.8	778.5	765.1	84.4	2,144.8
Amortisation					
As of 1 Jan, 2025	364.6	92.3	0.0	0.0	456.9
Additions	78.8	37.5	0.0	0.0	116.3
Disposals	-85.0	-0.3	0.0	0.0	-85.3
Reclassifications	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.0	-0.6	0.0	0.0	-0.6
As of 31 Dec, 2025	358.4	129.0	0.0	0.0	487.4
Carrying amounts					
As of 31 Dec, 2024	145.3	64.0	138.7	54.2	402.2
As of 31 Dec, 2025	158.5	649.6	765.1	84.4	1,657.4

The additions to intangible assets, which were not related to our ABOUT YOU acquisition, related to capitalised development costs as well as to prepayments and assets under development totalling 125.3m EUR (prior year: 84.2m EUR). Of these, 125.3m EUR (prior year: 83.7m EUR) is attributable to internally developed software and 0.0m EUR (prior year: 0.5m EUR) is reported under prepayments.

Amortisation of 116.3m EUR was recorded in the reporting period (prior year: 82.0m EUR). Of this amount, 17.2m EUR (prior year: 15.1m EUR) was recognised in cost of sales, 93.7m EUR (prior year: 58.7m EUR) in selling and distribution costs, and 5.4m EUR (prior year: 8.2m EUR) in administrative expenses.

Our software development departments optimise existing offers and work on establishing innovative products in the market. Accordingly, research has a subordinate role and consequently research costs were immaterial.

The additions from the business combination are mainly attributable to the acquisition of ABOUT YOU (see section 3.5.8 (5.) Business combinations).

Intangible assets not yet available for use are subject to annual impairment testing at the level of the cash generating unit or group of cash generating units to which those assets belong. The annual impairment testing in financial year 2025 (as well as in the prior year) did not result in any impairment loss for intangible assets not yet available for use.

Statement of movement of intangible assets 2024

in m EUR	Capitalised development costs	Industrial rights, similar rights and assets as well as licences	Goodwill	Prepayments and assets under development	Total
Historical cost					
As of 1 Jan, 2024	499.2	151.5	137.1	49.5	837.3
Additions	37.4	2.5	0.0	46.8	86.7
Disposals	-66.3	0.0	0.0	-1.9	-68.2
Reclassifications	39.2	0.5	0.0	-39.7	0.0
Currency translation differences	0.4	1.8	1.6	-0.5	3.3
As of 31 Dec, 2024	509.9	156.3	138.7	54.2	859.1
Amortisation					
As of 1 Jan, 2024	360.4	77.7	0.0	0.0	438.1
Additions	68.0	14.0	0.0	0.0	82.0
Disposals	-63.8	0.0	0.0	0.0	-63.8
Reclassifications	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.0	0.6	0.0	0.0	0.6
As of 31 Dec, 2024	364.6	92.3	0.0	0.0	456.9
Carrying amounts					
As of 31 Dec, 2023	138.8	73.8	137.1	49.5	399.2
As of 31 Dec, 2024	145.3	64.0	138.7	54.2	402.2

Impairment test for goodwill

Zalando recognised goodwill totalling 765.1m EUR as of 31 December 2025 (prior year: 138.7m EUR). A total of 637.8m EUR is allocated to B2C, which is a group of cash-generating units and has been identified as an operating segment. The remaining goodwill of 127.3m EUR is allocated to the operating segment B2B, which is also a group of cash-generating units. The goodwill has increased significantly due to the business combination with ABOUT YOU. Because synergies from the transaction are expected to arise in B2C and B2B, the goodwill is allocated to both operating segments based on the present value of the synergies (B2C: 507.9m EUR and B2B: 112.3m EUR).

The impairment tests for B2C and B2B are structured identically. Consequently, the following applies to both impairment tests. The annual impairment testing was carried out at the end of the reporting period at the level of each group of cash-generating units. Recoverable amounts were calculated using the value in use concept. Value in use is calculated using cash flow projections for a five-year planning period based on the most recent budgets that have been approved by the management board. Beyond that, a terminal value is added as a perpetual annuity. The underlying planned financial statements reflect current performance and management's best estimates on the future development of individual parameters, especially market prices and profit margins. Market assumptions, such as

economic development and market growth, are included based on external macroeconomic sources as well as sources specific to the business. The following basic assumptions were made:

Assumptions of the impairment test

	B2C		B2B	
	in 2025	in 2024	in 2025	in 2024
EBIT margin in terminal period	6.3%	6.3%	7.0%	n/a
Pre-tax discount rate	13.2%	15.2%	12.7%	n/a
WACC	9.6%	11.1%	9.3%	n/a
Growth in perpetuity	2.0%	2.0%	2.0%	n/a

Zalando calculated the discount rates using the capital asset pricing model. Consequently, a risk-free rate, a market risk premium and a spread for credit risk based on the respective business-specific peer group were determined. In addition, the calculations include capital structure and the beta factor of the respective peer group as well as the average tax rate of each group of cash-generating units.

The impairment testing did not result in any goodwill impairment loss. In addition, it was tested whether possible changes in the key assumptions (EBIT margin in terminal period -3.0 percentage points, growth in perpetuity -2.0 percentage points as well as WACC +3.0 percentage points) could reasonably lead to the carrying amount of the units exceeding their respective recoverable amounts. Such a situation did not exist in 2025 (prior year: no such situation existed).

(12.) Property, plant and equipment

Statement of movement of property, plant and equipment 2025

in m EUR	Plant and machinery	Other equipment, furniture and fixtures	Land and buildings and buildings on third-party land	Prepayments and assets under construction	Total
Historical cost					
As of 1 Jan, 2025	1,088.2	293.3	113.9	375.2	1,870.6
Additions	12.5	18.2	3.9	77.4	112.0
Thereof from business combinations	0.0	4.6	0.1	0.0	4.7
Disposals	-8.0	-4.7	0.0	-1.4	-14.2
Reclassifications	98.7	7.2	1.5	-107.4	-0.1
Currency translation differences	5.0	0.5	0.7	0.4	6.6
As of 31 Dec, 2025	1,196.3	314.4	120.1	344.2	1,975.0
Depreciation					
As of 1 Jan, 2025	417.1	194.1	29.9	0.0	641.1
Additions	90.3	28.5	11.9	0.0	130.7
Disposals	-7.6	-3.7	0.0	0.0	-11.3
Reclassifications	0.0	0.0	0.0	0.0	0.0
Currency translation differences	1.3	0.3	0.2	0.0	1.8
As of 31 Dec, 2025	501.2	219.2	42.0	0.0	762.3
Carrying amounts					
As of 31 Dec, 2024	671.1	99.2	84.1	375.2	1,229.5
As of 31 Dec, 2025	695.2	95.3	78.1	344.2	1,212.8

This year's additions to property, plant and equipment of 112.0m EUR (prior year: 109.5m EUR) were mainly related to the fulfilment centres in Germany, France and Poland. For the German and French fulfilment centres, Zalando is committed to investing a further 9.6m EUR (prior year: 59.5m EUR). Disposals are mainly related to other equipment, furniture and fixtures scrapped in the financial year 2025.

Depreciation of property, plant and equipment totalled 130.7m EUR (prior year: 129.0m EUR). Of this, an amount of 39.8m EUR (prior year: 37.0m EUR) was recognised in cost of sales, 80.8m EUR (prior year: 79.7m EUR) in selling and distribution costs and 10.1m EUR (prior year: 12.3m EUR) in administrative expenses.

Statement of movement of property, plant and equipment 2024

in m EUR	Plant and machinery	Other equipment, furniture and fixtures	Land and buildings and buildings on third-party land	Prepayments and assets under construction	Total
Historical cost					
As of 1 Jan, 2024	959.9	292.5	95.3	433.6	1,781.3
Additions	28.4	14.1	7.8	59.2	109.5
Disposals	-2.8	-16.5	-0.6	-6.3	-26.2
Reclassifications	98.5	2.8	10.7	-112.0	0.0
Currency translation differences	4.2	0.4	0.7	0.7	6.0
As of 31 Dec, 2024	1,088.2	293.3	113.9	375.2	1,870.6
Depreciation					
As of 1 Jan, 2024	330.3	178.3	18.6	0.0	527.2
Additions	87.3	30.8	10.9	0.0	129.0
Disposals	-1.3	-14.9	-0.3	0.0	-16.5
Reclassifications	-0.2	-0.3	0.5	0.0	0.0
Currency translation differences	1.0	0.2	0.2	0.0	1.4
As of 31 Dec, 2024	417.1	194.1	29.9	0.0	641.1
Carrying amounts					
As of 31 Dec, 2023	629.6	114.2	76.7	433.6	1,254.1
As of 31 Dec, 2024	671.1	99.2	84.0	375.2	1,229.5

(13.) Right-of-use assets and lease liabilities

Zalando's leases are related mainly to buildings (e.g. fulfilment centres, office buildings and outlets). These contracts include options to extend and, in some cases, terminate the contracts. Furthermore, these contracts include variable payments depending on the development of consumer price indexes as well as payments relating to non-lease components (e.g. service costs). Other leases recognised in right-of-use assets relate mainly to other equipment (e.g. company cars) as well as technical equipment and machinery.

At the end of the reporting period, right-of-use assets totalled 795.9m EUR (prior year: 742.3m EUR). Additions to right-of-use assets were 210.3m EUR (prior year: 93.7m EUR) and mainly relate to the acquisition of ABOUT YOU.

During the financial year 2025, Zalando recognised depreciation in the amount of 157.9m EUR (prior year: 138.9m EUR). Of this, an amount of 31.3m EUR (prior year: 29.6m EUR) was recognised in cost of sales, 81.5m EUR (prior year: 60.2m EUR) in selling and distribution costs and 45.1m EUR (prior year: 49.1m EUR) in administrative expenses. A total amount of 7.3m EUR (prior year: 9.1m EUR) of the recognised depreciation resulted from the impairment of right-of-use assets for buildings which are not planned to be used for our own business any longer.

A breakdown by class of the underlying asset is as follows:

Right-of-use assets 2025

in m EUR	Buildings	Other equipment	Total
Carrying amount			
As of 1 Jan, 2025	741.4	1.0	742.3
Additions	209.8	0.6	210.3
thereof from business combinations	145.0	0.0	145.0
Disposals	0.0	-0.1	-0.1
Depreciation	-157.2	-0.6	-157.9
thereof from impairment	-7.3	0.0	-7.3
Currency translation differences	1.2	0.0	1.2
As of 31 Dec, 2025	795.1	0.8	795.9

Right-of-use assets 2024

in m EUR	Buildings	Other equipment	Total
Carrying amount			
As of 1 Jan, 2024	783.6	1.9	785.5
Additions	96.6	0.7	97.3
Disposals	-3.6	0.0	-3.6
Depreciation	-137.2	-1.7	-138.9
thereof from impairment	-9.1	0.0	-9.1
Currency translation differences	2.1	0.0	2.1
As of 31 Dec, 2024	741.4	1.0	742.3

Total lease liabilities amounted to 960.3m EUR as of 31 December 2025 (861.6m EUR as of 31 December 2024). The maturity of the undiscounted payments related to the lease liabilities is as follows:

Maturity of lease liabilities

in m EUR	Due in			Total	Carrying amount as of 31 Dec
	Less than 1 year	1–5 years	More than 5 years		
2025	216.6	661.2	242.9	1,120.7	960.3
2024	172.9	554.7	300.8	1,028.4	861.6

Variable payments relate to rent payments on consumer price indexes. As a rule, adjustments will be made, where applicable, once a year. On average, the rent changes at a rate of about 80–90% of the change of the underlying index. In 2025, additional payments for such index-based rent adjustments totalled 3.7m EUR (prior year: 1.8m EUR).

From the group's perspective, options to extend the lease contracts are material. These vary from between three and up to 20 years. Exercising all of the options that have not been included in the measurement of the lease liabilities could lead to an additional total cash outflow of 1,735.1m EUR (prior year: 1,744.9m EUR).

Furthermore, Zalando leases office and photo equipment as well as cars. Such leases are in general either leases for assets of low value or short-term leases. Corresponding to our accounting policies described in [3.5.5 Accounting policies](#), for these contracts Zalando applies the practical expedient in IFRS 16.5 and recognises lease payments on a straight-line basis over the respective lease term in accordance with IFRS 16.6. In the financial year 2025, expenses relating to short-term leases amounted to 6.8m EUR (prior year: 10.8m EUR) and expenses for leases of low-value assets amounted to 3.1m EUR (prior year: 4.7m EUR). There was no material change in the portfolio of short-term leases during the financial year.

Interest expenses on lease liabilities totalled 27.9m EUR for the financial year 2025 (prior year: 26.8m EUR); these are presented in the cash flow from operating activities. Cash payments for the principal portion of the lease liabilities totalled 162.3m EUR (prior year: 134.5m EUR); these are presented in the cash flow from financing activities (see [3.4 Consolidated statement of cash flows](#) and [3.5.7 \(26.\) Notes to the statement of cash flows](#)).

The total cash outflow for leases in 2025 for the group (including payments for short-term and low-value leases) amounted to 200.0m EUR (prior year: 176.8m EUR).

As of the reporting date, the carrying amount of the lease receivable for an office sublease in Berlin that commenced in 2021 was 42.2m EUR (prior year: 48.5m EUR), and the sum of the undiscounted lease payments to be received amounted to 45.0m EUR (prior year: 52.3m EUR). The difference of 2.8m EUR (prior year: 3.8m EUR) represents unearned finance income. In each of the following five years, undiscounted lease payments of 8.6m EUR (prior year: 8.4m EUR) will be received. The remainder of the undiscounted lease payments of 2.1m EUR (prior year: 10.5m EUR) is due over the course of the remaining lease term after this five-year period.

(14.) Non-current financial assets and non-current non-financial assets

As of the reporting date, non-current financial and non-financial assets comprise the following components:

Non-current financial and non-financial assets

in m EUR	31 Dec, 2025	31 Dec, 2024	Change
Other non-current financial assets	85.8	143.4	-57.7
thereof lease receivable	42.2	48.5	-6.3
thereof participations	28.6	92.7	-64.0
thereof loans issued and similar investments	7.5	1.0	6.6
thereof others	7.4	1.3	6.1
Other non-current non-financial assets	2.1	4.4	-2.3
thereof deferred items	2.1	4.4	-2.3

The decrease in other non-current financial assets by 57.7m EUR to 85.8m EUR (prior year: 143.4m EUR) was mainly driven by the acquisition of ABOUT YOU shares amounting to 67.9m EUR in 2024, which we have now fully

consolidated by obtaining control. The lease receivable totalled 42.2m EUR as of 31 December 2025 (prior year: 48.5m EUR). For further information see section [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#).

(15.) Investments accounted for using the equity method

We sold our shares in Moncalieri Logistics S.r.l. during the financial year 2025. Furthermore, there are no significant investments accounted for using the equity method.

(16.) Inventories

Inventories of merchandise, consisting mainly of shoes and textiles, are presented in the following table:

Inventories

in m EUR	31 Dec, 2025	31 Dec, 2024	Change
Inventories	2,105.1	1,549.7	555.4
thereof historical acquisition costs	2,468.0	1,856.9	611.1
thereof allowances	-362.9	-307.2	-55.7

Inventories increased by 35.8% to 2,105.1m EUR in the financial year (prior year: 1,549.7m EUR) driven by the acquisition of ABOUT YOU inventories and higher inbounds. The rise in the allowance for inventories of -55.7m EUR reflects higher inventory levels as well as the inclusion of ABOUT YOU (-34.5m EUR).

(17.) Trade and other receivables

As of the reporting date, trade and other receivables comprised the following:

Trade and other receivables

in m EUR	31 Dec, 2025	31 Dec, 2024	Change
Trade and other receivables	1,137.7	926.1	211.6
thereof trade receivables	821.2	593.9	227.3
thereof other receivables	316.5	332.2	-15.7

Trade receivables are due from customers of our retail business as well as from our retail media business, ZEOS Fulfilment (including ZFS and MCF), Tradebyte, Highsnobiety as well as shipping fees. Other receivables are essentially due from customers of our partners for sales concluded on our platform which have been purchased from our partners and assessed as similar in nature and function to trade receivables. The entire portfolio of receivables was reduced by bad debt allowances, as in the prior year.

On aggregate, bad debt allowances developed as follows:

Development of bad debt allowances

in m EUR	2025	2024
Accumulated bad debt allowances as of Jan 1	39.3	68.6
Additions	57.2	28.3
Usage	-29.7	-48.5
Reversals	-3.4	-9.1
Exchange rate effects and other changes	0.1	-0.1
Accumulated bad debt allowances as of Dec 31	63.4	39.3

Disaggregation of bad debt allowances 2025

in m EUR	Gross Amount	Allowances	Net Amount
≤ 30 days	1,022.1	5.4	1,016.7
31–60 days	78.7	4.9	73.8
61–90 days	15.9	4.1	11.8
91–180 days	30.8	20.4	10.4
> 180 days	34.4	28.6	5.8
Total	1,181.8	63.4	1,118.4

Disaggregation of bad debt allowances 2024

in m EUR	Gross Amount	Allowances	Net Amount
≤ 30 days	834.8	9.0	825.8
31–60 days	80.6	6.4	74.1
61–90 days	17.6	5.3	12.3
91–180 days	17.9	8.7	9.2
> 180 days	14.5	9.9	4.7
Total	965.4	39.3	926.1

Additions to bad debt allowances totalled 57.2m EUR in the financial year (prior year: 28.3m EUR), and include 9.3m EUR related to the first time consolidation of ABOUT YOU. Of the bad debt allowances recognised as of 31 December in the prior year, 3.4m EUR was reversed (prior year: 9.1m EUR) and 29.7m EUR used (prior year: 48.5m EUR). Uncollectable receivables with a gross amount of 49.9m EUR were derecognised in the financial year (prior year: 74.2m EUR).

Bad debt allowances increased compared to the prior year's allowance, mainly due to higher old portfolios.

Additions to bad debt allowances are reported under selling and distribution costs. Receivables do not bear interest and are therefore not subject to interest rate risks.

(18.) Other current financial assets and other current non-financial assets

As of the reporting date, other current financial and non-financial assets comprised the following components:

Other current financial and non-financial assets

in m EUR	31 Dec, 2025	31 Dec, 2024	Change
Other current financial assets	89.9	120.3	-30.4
thereof term deposits/money market funds	2.3	50.8	-48.4
thereof derivative financial instruments	8.6	17.2	-8.6
thereof creditors with debit balance	33.3	14.0	19.3
thereof other financial instruments	45.6	38.3	7.3
Other current non-financial assets	277.4	267.7	9.7
thereof VAT receivables	54.5	124.0	-69.5
thereof right to repossess goods	138.5	95.9	42.7
thereof deferred items	68.4	36.8	31.6
thereof income tax receivables	11.7	10.2	1.5
thereof other non-financial assets	4.3	0.9	3.4

The development in other current financial assets was largely driven by our deinvestment of 48.4m EUR in term deposits in 2025. Furthermore, we recorded decreases in market values of derivative financial instruments amounting to 8.6m EUR as of 31 December 2025 (prior year: 17.2m EUR) resulting from changes in foreign exchange rates (see also section 3.5.7 (28.) Financial instruments). This movement was partly offset by increased creditors having a debit balance. The development of the other non-financial asset is also related to the first time consolidation of ABOUT YOU, reflected especially in the increase in right to repossess goods.

(19.) Cash and cash equivalents

Cash and cash equivalents comprise the categories presented in the following table:

Cash and cash equivalents

in m EUR	31 Dec, 2025	31 Dec, 2024
Money market funds	250.7	365.4
Cash in bank	1,495.5	1,272.1
Short-term bank deposits	131.0	950.0
Cash on hand	0.2	0.3
Total	1,877.4	2,587.8

As of 1 June 2025, we expanded our safeguarding strategy for funds received in the provision of payment services within Zalando Payments and added escrow accounts, whereas we previously only used an insurance solution in accordance with Section 17 of the German Payment Services Supervision Act (ZAG). As of 31 December 2025, such funds held in escrow accounts under cash in bank amounted to 295.7m EUR.

The short-term deposits have original terms to maturity of up to three months. In total, cash and cash equivalents decreased by 710.4m EUR in comparison to the prior year mainly relating to the acquisition of ABOUT YOU. For more information regarding the change in cash and cash equivalents, please refer to section [3.5.7 \(26.\) Notes to the statement of cash flows](#).

(20.) Equity

Zalando SE, as the parent company of the Zalando group, issued 264,181,977 ordinary bearer no-par value shares [auf den*die Inhaber*in lautende Stückaktien ohne Nennbetrag] as of the reporting date (prior year: 263,937,633). Each share represents an imputed share of issued capital of 1.00 EUR and entitles the bearer to one vote at the company's general meeting.

During the financial year 2025, the issued capital of the parent company was increased by a total of 0.2m EUR (prior year: 0.2m EUR) to 264.2m EUR (prior year: 263.9m EUR) by making partial use of the Conditional Capital 2014 and 2016. The capital contribution for the newly issued shares is fully paid-in.

As of the reporting date, authorised and conditional capital comprise the following items:

Authorised and conditional capital

	Amount in m EUR	Number of no-par value shares	Purpose
Authorised Capital 2025	79.2	79,181,289	Capital increase for contributions in cash or in kind until 26 May 2030
Conditional Capital 2014	0.2	164,051	Servicing of subscription rights from SOP 2014
Conditional Capital 2016	2.2	2,222,038	Servicing of subscription rights from EIP 2016
Conditional Capital 2019	1.5	1,522,269	Servicing of subscription rights from LTI 2018
Conditional Capital 2025	48.9	48,879,168	Servicing of convertible bonds and/or bonds with warrants or a combination of these instruments issued until 26 May 2030

The capital reserve amounted to 1,271.8m EUR (prior year: 1,319.7m EUR). The contributions made for newly issued shares increased the capital reserve by 5.0m EUR (prior year: 1.5m EUR). Furthermore, the capital reserve was affected by the issue of treasury shares by 30.1m EUR (prior year: -0.4m EUR), mainly related to shares transferred for the ABOUT YOU acquisition (31.6m EUR). The capital reserve was reduced in this financial year by an amount of 93.8m EUR due to the repurchase of treasury shares (prior year: 95.4m EUR). In the financial year, contributions of 82.5m EUR (prior year: 82.4m EUR) were made under share-based payment plans in accordance with IFRS 2.

Due to the business combination with ABOUT YOU, non-controlling interests totalling 37.5m EUR were recognised. Through a squeeze-out at the beginning of November 2025, all non-controlling interests (35.1m EUR, taking into account the loss attributable to these non-controlling interests of 2.4m EUR) were acquired at a price of 96.6m EUR fully paid in cash. As a result, the capital reserve was reduced by 61.4m EUR. For further information regarding the acquisition of ABOUT YOU see section [3.5.8 \(5.\) Business combinations](#).

Within others, the capital reserves were also affected by an equity item in accordance with IAS 12.68C of 1.5m EUR (prior year: 2.0m EUR) and by deferred taxes from share-based payments of -5.3m EUR (prior year: 5.9m EUR).

In 2025, Zalando SE repurchased 4,386,716 treasury shares (prior year: 4,092,095 treasury shares). Total repurchased shares as of 31 December 2025 amounted to a notional share in share capital of 6,027,342 EUR (prior year: 4,738,381 EUR) and thus to 2.3% (prior year: 1.8%) of share capital. The treasury shares are intended to be used to serve stock option plans. In 2025, a total of 1,992,657 treasury shares were distributed through stock option plans (prior year: 2,630,292 treasury shares) and 1,105,098 treasury shares were distributed as part of the consideration transferred for the acquisition of ABOUT YOU (prior year: no treasury shares were distributed).

Other reserves included effects from cash flow hedging of -0.7m EUR (prior year: 6.1m EUR) and deferred taxes on the resulting measurement differences of 0.2m EUR (prior year: 1.9m EUR). Due to cash flow hedging in the reporting year, an expense of 3.0m EUR (prior year: expense of 17.0m EUR) was recycled from other reserves to revenue. Furthermore, the historical costs for inventories were decreased by 11.6m EUR due to reclassifications from other reserves to inventories (prior year: increase of inventories by 4.3m EUR).

The retained earnings resulted from the profit and loss carryforwards of past reporting periods and the profit of the current reporting period. All of the equity of the group is equity of the shareholders of Zalando SE, hence no equity is held by non-controlling interests.

The development of equity is shown in section [3.3 Consolidated statement of changes in equity](#).

(21.) Share-based payments

As of the reporting date, Zalando has various share-based payment awards in place for which expenses amounting to 91.8m EUR (prior year: 82.4m EUR) have been recognised. The awards that are material to our consolidated financial statements are described in detail below. All these awards are accounted for as equity-settled plans granted to employees and executives in 2025 and prior years. The basic assumption is that the rules of any programme apply to all participants equally; however, compliance with the jurisdictions concerned sometimes requires minor adjustments for certain groups of participants.

Description of the management board programmes

LTI 2018

Each member of the management board was granted 1,750,000 options under LTI 2018 (of which 1,000,000 options are virtual options and 750,000 options are equity options). This formed part of the remuneration system effective as of 1 December 2018. Each option relates to one share in the company and has an exercise price of 47.44 EUR. The options vest in quarterly tranches over a five-year period. The options can only be exercised after the expiry of a waiting period of four years for 57% of the options and 4.75 years for the remaining 43% of the options, commencing on the effective date 1 December 2018. The performance period relevant for the achievement of the performance criteria equals the waiting period (i.e. 4 and 4.75 years) for the respective options. The percentage of vested options of the beneficiaries which can be exercised depends on the extent to which a targeted compound annual growth rate (CAGR) of at least 15% has been achieved during the performance period. If the CAGR equals or exceeds 15%, 100% of the vested options can be exercised. Otherwise, depending on the extent of the shortfall of the actual CAGR from the target CAGR, the percentage of the relevant vested options which can be exercised decreases in steps with each 0.5 percentage point of CAGR below 15% resulting in a 10% payout reduction, and the last step being < 11.0% and ≥ 10.0%. At a CAGR below 10% the payout is zero.

Upon the exercise of virtual stock options, the beneficiaries are entitled to the amount by which the share price as per the exercise date exceeds the exercise price of 47.44 EUR. This amount (the settlement value) is limited to a maximum of 97.14 EUR per option. In order to achieve this maximum amount, the company's share price will need to have reached 144.58 EUR. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

Upon the exercise of equity stock options, the beneficiaries are entitled to the respective number of new shares of the company equivalent to the amount by which the share price as per the exercise date exceeds the exercise price of 47.44 EUR. This amount (the settlement value) is limited to a maximum of 97.14 EUR per option. In order to achieve this maximum amount, the company's share price will need to have reached 144.58 EUR. The company is entitled to settle its obligation in cash or by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

LTI 2019 and restated LTI 2019

With effect as of April 2019 Zalando expanded its management board by two new members, namely David Schröder and Jim Freeman. Each new member of the management board was granted options under a new long-term incentive programme, the LTI 2019. In total, 400,000 Type A, 110,000 Type B and 274,000 Type C options were granted. Each option relates to one share in the company and has an exercise price of 29.84 EUR (Type A options) or 1.00 EUR (Type B and C options). The options vest in quarterly tranches over a four-year period. The options can only be exercised after the expiry of waiting periods of one, two, three or four years, commencing on the effective date 1 April 2019. The performance period relevant to the achievement of the performance criteria equals the waiting period for the respective options. The percentage of vested options of the beneficiaries which can be exercised depends on the extent to which a targeted CAGR of at least 15% has been achieved during the performance period. For Type A and B options, 100% of the vested options can be exercised if the CAGR equals or exceeds 15% during the relevant performance period. Otherwise, depending on the extent of the shortfall of the actual CAGR from the target CAGR, the percentage of the relevant vested options which can be exercised decreases.

At a CAGR below 10% the payout is zero. In addition, the number of exercisable Type A and B options of any particular performance period is limited to a number that would, together with the already exercisable options of previous performance periods, add up to a total number of exercisable options that would have become exercisable if the performance criteria were applied to the total number of vested options at the relevant point in time. However, this adjustment of the number of exercisable options cannot lead to the number of exercisable options for any particular performance period to be below zero. For Type C options, 100% of the vested options can be exercised if the CAGR equals or exceeds 15%. Otherwise, depending on the extent of the shortfall of the actual CAGR from the target CAGR, the percentage of the relevant vested options which can be exercised decreases. At a CAGR below 11% the payout is 50%. Non-performing options (i.e. options that could not be exercised due to a shortfall in CAGR) with a four-year waiting period are forfeited without compensation.

For all types of options, non-performing options with a waiting period of less than four years may become exercisable at a later stage, provided the relevant CAGR increases. The beneficiaries are entitled to the amount by which the share price as per the exercise date exceeds the exercise price of 29.84 EUR for Type A options and 1.00 EUR for Type B and Type C options. This amount (the settlement value) is limited to a maximum of 70.16 EUR per Type A option and 99.00 EUR per Type B and Type C options. In order to achieve this maximum amount, the company's share price upon

exercise needs to have reached 100.00 EUR. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

With respect to negative tax consequences resulting for Jim Freeman, as a citizen of the United States of America, from the application of certain provisions of Sec. 409A of the U.S. Internal Revenue Code, specific rules of the LTI 2019 applicable to Jim Freeman have been amended (restated LTI 2019), and options vested until 31 March 2020 were cancelled and settled by the company as cash and share considerations. The company has indemnified Jim Freeman from the penalty imposed on the settlement value and for the remaining options under the restated LTI 2019.

Under the restated LTI 2019, the 17,125 options granted to Jim Freeman vest at the end of each quarter or, in the case of the vesting date falling on 31 December, the options vest on 1 November of each calendar year, beginning at the end of June 2020 until the end of March 2023. Vested options can only be exercised after the expiry of the relevant vesting period as described above. As of the end of each calendar year after the expiry of the waiting period, all unexercised options will be forfeited without compensation.

LTI 2021

The LTI 2021 was introduced in April 2021 as a variable remuneration component of the Remuneration System 2021 for the members of the management board. The LTI 2021 is a share-based virtual option programme which is linked to the development of the company's GMV as well as the ESG targets. Under the LTI 2021, the members of the management board are granted two types of options, namely LTI Shares and LTI Options, by way of a one-off grant for the entire term of their service agreement (sequential plan). The LTI provides for the flexibility of the members of the management board to individually determine the proportion of LTI Shares (LTI Shares Ratio) and LTI Options (LTI Options Ratio). For this purpose, the supervisory board sets a target value in euros as the grant value. The number of LTI Shares to be granted is calculated by dividing this grant value by the product of the share price as per the grant date and a fixed conversion factor for LTI Shares of 1 and multiplying this quotient with the LTI Shares Ratio. The number of LTI Options to be granted to the individual management board member is calculated by dividing the grant value by the product of the share price as per the grant date and a fixed conversion factor for LTI Options of 0.4, and then multiplying this quotient with the LTI Options Ratio.

The number of LTI Shares and LTI Options which can be exercised is subject to their prior vesting and the expiration of the relevant waiting period, and depends on the extent to which the performance criteria are met during the performance period. The options vest in quarterly tranches over a performance period equal to the relevant term of service agreement. LTI Shares and LTI Options can only be exercised after the expiry of a four-year waiting period commencing on the grant date. Further, LTI Shares and LTI Options can only be exercised within a fixed exercise period of three years after the expiry of the waiting period. LTI Shares and LTI Options which still have not been exercised as per the expiration of the exercise period are forfeited without compensation. LTI Shares entitle the member of the management board to a cash payment in the amount of the difference between the company's share price as per the exercise date and an exercise price of 1.00 EUR per LTI Share. LTI Options entitle the member of the management board to a cash payment in the amount of the difference between the share price as per the exercise date and the share price as per the grant date. The payout (settlement value) under the LTI 2021 is capped at 200% of the share price as per the grant date for LTI Shares and at 250% of the share price as per the grant date for LTI Options. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

LTI 2024 (annual tranche 2024 and 2025)

The LTI 2024 is a performance-related long-term remuneration component that is linked to our strategic financial performance targets and, through the introduction of an ESG modifier, the sustainable development of the company. It is a variable remuneration component in our Remuneration System 2024, which came into effect on 18 May 2024. Under the LTI 2024, the members of the management board are granted two types of options, namely virtual LTI Shares (with an exercise price of 1.00 EUR) and virtual LTI Options (with an exercise price of the share price at grant) in annual tranches (rolling plan). The ratio of the LTI Shares and the LTI Options is fixed and amounts to 25% LTI Shares and 75% LTI Options. If the waiting period of four years and the other exercise conditions are fulfilled, the LTI 2024 entitles the member of the management board upon exercise over an exercise period of three years to a cash payment for the difference between the company's share price at the exercise date and the exercise price of the respective LTI 2024 option. The payout (the settlement value) under the LTI 2024 is capped at 200% of the share price as per the grant date for LTI Shares and at 250% of the share price as per the grant date for LTI Options. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment.

The final number of exercisable LTI Shares and LTI Options of an LTI 2024 tranche is subject to their prior vesting and depends on the extent to which the targeted rate of the GMV and adjusted EBIT of the Zalando group as well as defined ESG targets are met over a three-year performance period, starting on the grant date of the relevant LTI tranche. The options vest in quarterly tranches over the performance period. The final number of exercisable options from the annual LTI 2024 tranches granted in the reporting period is calculated by first determining the target achievement of the financial performance targets, whereby the GMV target is weighted with 60% and the adjusted EBIT margin target is weighted with 40%. In a second step, the ESG modifier needs to be considered. In this regard, ESG performance targets in the field of sustainability and diversity and inclusion (D&I) have been set (each weighted at 50%). The degree of achievement of the ESG performance targets may result in an increase or a decrease in the financial target achievement by a factor of 0.8 to 1.2. The final number of exercisable LTI options after the end of the waiting period is the product of the initial number of granted LTI Shares and LTI Options and the overall target achievement.

ZOP 2021

The ZOP (Zalando Ownership Plan) was introduced in April 2021 as a variable remuneration component of the Remuneration System 2021 for the members of the management board. Under the ZOP, at the end of each quarter of service, the participants are granted fully vested equity in the form of stock options as a reward for each quarter. Performance options can only be exercised after a waiting period of two years commencing on the grant date. The annual target equity amount of each participant is divided into quarterly tranches and each tranche is converted into a specific number of performance shares (options with a strike of 1.00 EUR) and performance options (options with a strike price equal to the closing price of the Zalando stock on the grant date (grant share price)). The participants can choose how to split the quarterly tranches into performance shares and performance options. The conversion into stock options is based on different conversion factors for performance shares (1.05) and performance options (0.3).

At the end of the two-year waiting period applicable to performance options of the respective tranche, beneficiaries can exercise their stock options at any time over a period of three years, except during black-out periods. Performance shares can only be exercised within three years following the grant date. The ZOP Shares entitle the member of the management board to a cash payment in the amount of the difference between the share price at the time the ZOP Shares are exercised and the exercise price of 1.00 EUR per exercised ZOP Share. The ZOP Options entitle the member of the management board to a cash payment in the amount of the difference between the share

price as per the exercise date and the share price as per the grant date. The payment claim (settlement value) under the ZOP Shares is limited to 200% of the share price as per the grant date per ZOP Share and to 250% of the share price of the grant date per ZOP Option. The company is entitled to settle its obligation by delivery of the number of treasury shares as settlement shares equivalent to the settlement value.

Description of the leadership programmes

SOP 2014

SOP 2014 entitles senior members of the top leadership level as well as selected key employees to subscribe to a total of 6,732,000 shares in Zalando SE. The options vest provided that the recipient has worked for the company for the period specified within a tranche. Vested options can only be exercised if the performance conditions contained in the SOP 2014 have been fulfilled and the waiting period has elapsed. The exercise price is 17.72 EUR, 22.79 EUR, 25.03 EUR, 29.92 EUR, 30.48 EUR and 31.60 EUR per option based on the respective grant date of the options. Each option entitles the recipient to acquire one new share or treasury share (at the company's sole discretion). The options vest in 16 tranches over a period of four years. The performance condition stipulates that Zalando must achieve a certain level of revenue growth over a period of four years, starting on the grant date. If the contractual revenue target is not achieved, the options are forfeited without compensation. The four-year waiting period commences on the grant date.

The recipients can exercise vested options after the waiting period over a period of five years. Prior to 27 July 2020, the options could only be exercised in defined exercise windows, namely within three weeks of the publication of a quarterly statement, a half-year report or the annual financial statements. As per the resolution of the annual general meeting of the company and the resolution of the supervisory board on 23 June 2020, the exercise periods under SOP 2014 have been amended as follows: from this date, the options can now be exercised at any time outside of any black-out period, namely the period from the 45th calendar day prior to the company's annual general meeting until the day of the annual general meeting, the period from the day on which the company or any of its affiliated companies publicly announces its offering of securities until the day on which the offer period for such offering closes, and closed periods as set by the company's general insider policies. The recipients have no claim to a cash payment. The company is nevertheless entitled to settle its obligation by making a cash payment in an amount equal to the excess of the share price as of the exercise date above the exercise price for each exercised stock option.

EIP

The EIP was a yearly equity award granted to members of the top leadership level of the group. The EIP awards were granted in July (as a full annual grant) and in January (as a pro rata annual grant) of each year. The first EIP award was granted in July 2016. The options issued under EIP entitled the participants to receive an annual mix (portfolio) of performance shares and performance options depending on the total amount in euros granted to each participant (annual grant). The participant could decide how to split the annual grant between performance shares and performance options and, regarding the performance options, whether these would be granted as ATM (at the money) performance options or OTM (out of the money) performance options. The swap ratio was based on the fair value measurement of the performance shares and options. Performance shares had an exercise price of 1.00 EUR, ATM performance options had an exercise price equal to the volume-weighted average stock exchange price on the last 60 trading days prior to the grant date (base price), and the OTM performance options had an exercise price of 120% of the base price. The portfolios vested provided the recipient had worked for the company for the period specified within a tranche.

Vested portfolios could only be exercised if the performance target defined in the EIP had been fulfilled and the waiting period had elapsed. The performance condition stipulated that Zalando had to achieve a certain level of growth over a period of four years, starting on the grant date. If the contractual performance target was not achieved, the portfolio was forfeited without replacement. The four-year waiting period commenced on the grant date. The recipients could exercise vested portfolios after the waiting period of four years, except during black-out periods. The management board had sole discretion to decide in each case whether the settlement of options would be processed in shares of the company (through conditional capital or treasury shares) or in cash. As of July 2019, the EIP was replaced by the ZOP (Zalando Ownership Plan).

ZOP 2019

The ZOP (Zalando Ownership Plan) was introduced in July 2019 going forward to replace the EIP. Under the ZOP, at the end of each quarter of employment, the participants are granted fully vested equity in the form of stock options as a reward for the quarter. The annual target equity amount of each participant is divided into quarterly tranches and each tranche is converted into a specific number of performance shares (options with a strike price of 1.00 EUR) and performance options (options with a strike price equal to the closing price of the Zalando stock on the grant date (grant share price)). The participants can choose how to split the quarterly tranches into performance shares and performance options. The conversion into stock options is based on different conversion factors for performance shares (1.05) and performance options (0.3).

At the end of the two-year waiting period applicable to the performance options of the respective tranche, beneficiaries can exercise their stock options at any time over a period of three years, except during black-out periods. Performance shares can only be exercised within three years following the grant date. Performance shares entitle the beneficiaries to a cash payment in the amount of the difference between the share price at the time the performance shares are exercised and the exercise price of 1.00 EUR per exercised performance share. Performance options entitle the beneficiaries to a cash payment in the amount of the difference between the share price as per the exercise date and the share price as per the grant date. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the respective settlement value.

Description of other employee programmes

Zalando has a company-wide Zalando share plan and a top performance plan.

Zalando share plan

The Zalando share plan offers an opportunity for self-financed acquisition of shares by participants (investment shares) with a subsequent issue of matching shares by the company as well as procedures for the granting of bonus shares in the company without cash consideration.

Top performance plan

The purpose of the yearly top performance plan is to reward employees who have delivered excellent performance during the performance year. Participants receive the number of shares of the company that is equivalent to the bonus amount granted to the employee.

Development of outstanding options

	SOP 2014		EIP		ZOP 2019		ZOP 2021	
	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)
Outstanding as of 1 Jan, 2024	415,061	26.98	2,640,291	38.46	6,042,415	25.97	77,634	11.13
Granted during the year	0	–	0	–	3,604,562	10.65	264,119	16.93
Forfeited during the year	0	–	1,132	42.62	11,159	33.95	19,137	1.00
Exercised during the year	69,260	22.91	131,345	8.94	2,404,847	2.83	0	–
Expired during the year	181,750	24.36	285,776	30.04	53,551	28.99	0	–
Outstanding as of 31 Dec, 2024	164,051	31.60	2,222,038	41.28	7,177,420	26.00	322,616	16.48
Exercisable as of 31 Dec, 2024	164,051	31.60	2,222,038	41.28	3,881,383	25.49	107,220	1.00
Outstanding as of 1 Jan, 2025	164,051	31.60	2,222,038	41.28	7,177,420	26.00	322,616	16.48
Granted during the year	0	–	0	–	2,949,313	9.19	19,108	14.31
Forfeited during the year	0	–	0	–	0	–	0	–
Exercised during the year	162,176	31.60	90,111	4.06	1,806,948	4.46	19,614	1.00
Expired during the year	1,875	31.60	791,172	43.51	366,859	45.21	0	–
Outstanding as of 31 Dec, 2025	0	–	1,340,755	42.47	7,952,926	23.77	322,110	17.29
Exercisable as of 31 Dec, 2025	0	–	1,340,755	42.47	5,620,870	22.73	135,401	6.81
Weighted average remaining contractual life of outstanding options (in years)								
As of 31 Dec, 2024	0.2		1.2		2.8		3.5	
As of 31 Dec, 2025	–		0.6		2.6		2.9	
Weighted average share price for options exercised (in EUR)								
2024	23.61		28.79		27.56		29.24	
2025	35.51		30.62		29.25		31.66	
Range of exercise prices for options outstanding (in EUR)								
	min	max	min	max	min	max	min	max
As of 31 Dec, 2024	31.60	31.60	1.00	54.23	1.00	101.25	1.00	29.00
As of 31 Dec, 2025	–	–	1.00	54.23	1.00	101.25	1.00	32.22

LTI 2018		LTI 2019		LTI 2021		LTI 2024	
Number of options	Exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)
4,296,949	47.44	296,442	24.38	2,596,413	24.80	0	–
0	–	0	–	0	–	125,389	23.22
0	–	0	–	1,747,133	13.26	0	–
0	–	0	–	0	–	0	–
0	–	0	–	0	–	0	–
4,296,949	47.44	296,442	24.38	849,280	29.90	125,389	23.22
4,296,949	47.44	296,442	24.38	0	–	0	–
4,296,949	47.44	296,442	24.38	849,280	29.90	125,389	23.22
0	–	0	–	0	–	498,246	28.55
0	–	0	–	223,624	47.80	0	–
0	–	296,442	24.38	0	–	0	–
0	–	0	–	0	–	0	–
4,296,949	47.44	0	–	625,656	23.51	623,635	27.48
4,296,949	47.44	0	–	0	–	0	–
1.9		1.3		5.2		6.7	
0.9		–		4.7		6.7	
–		–		–		–	
–		36.54		–		–	
min	max	min	max	min	max	min	max
47.44	47.44	1.00	29.84	1.00	85.50	1.00	29.00
47.44	47.44	–	–	1.00	38.12	1.00	32.22

Valuation of newly granted options

The fair values of newly granted options during the current and the prior years were calculated using the input parameters shown in the table below. The fair value comprises the intrinsic value and the time value multiplied by the probability that the performance target will be reached.

Valuation parameters 2025

	LTI 2024	ZOP 2019	ZOP 2021
Option pricing model	Binomial	Binomial	Binomial
Weighted average share price (in EUR)	32.2	29.7	32.2
Weighted average exercise price (in EUR)	28.6	9.2	14.3
Expected volatility (%)	45.1	47.4	49.2
Expected dividends (%)	0.0	0.0	0.0
Risk-free interest rate for equivalent maturities (%)	2.3	2.1	2.1
Probability of reaching the performance target (%)	88.9	n/a	n/a
Weighted average fair value of option (in EUR)	11.3	24.2	22.9

Valuation parameters 2024

	LTI 2024	ZOP 2019	ZOP 2021
Option pricing model	Binomial	Binomial	Binomial
Weighted average share price (in EUR)	26.2	24.6	24.6
Weighted average exercise price (in EUR)	23.2	10.7	16.9
Expected volatility (%)	44.1	49.0	48.2
Expected dividends (%)	0.0	0.0	0.0
Risk-free interest rate for equivalent maturities (%)	2.1	2.2	2.2
Probability of reaching the performance target (%)	88.9	n/a	n/a
Weighted average fair value of option (in EUR)	9.2	18.3	13.7

The parameters used in the valuation were determined as follows: the share price was set with reference to the trading price of the Zalando share. The expected volatility used in the model is based on the historical share price of the Zalando share. A best estimate was made for the expected life of the option reflecting both the contractual term and the expected or historical exercise behaviour. The risk-free interest rate for equivalent maturities was calculated using the Svensson method. The probability that the performance target will be reached was determined based on assumptions regarding future performance.

(22.) Provisions

Provisions developed as follows in the reporting year:

Development of provisions

in m EUR	1 Jan, 2025	Usage	Addition	Release	Interest expense	31 Dec, 2025
Provisions for dismantling obligations	93.4	0.5	10.2	12.1	0.1	91.1
Other provisions	33.6	35.5	21.9	4.5	0.1	15.4
Total	127.0	36.0	32.1	16.6	0.1	106.6

Provisions developed as follows in the prior year:

Development of provisions

in m EUR	1 Jan, 2024	Usage	Addition	Release	Interest expense	31 Dec, 2024
Provisions for dismantling obligations	87.7	0.4	9.1	4.1	1.1	93.4
Other provisions	26.1	7.2	18.8	4.2	0.2	33.6
Total	113.8	7.6	27.8	8.3	1.3	127.0

The provisions for dismantling obligations are exclusively related to leasehold improvements. Other provisions pertain to provisions for restructuring expenses from organisational changes, provision for staff as well as retention obligations. In addition, other provisions pertain to provisions for impending losses resulting from no longer use parts of our office buildings for our own business. The decrease of other provisions resulted from the development of acquisition-related provisions.

The following table shows the maturities of the provisions at the end of the financial year 2025:

Maturity of provisions

in m EUR	Due in			Total
	Less than 1 year	1–5 years	More than 5 years	
Provisions for dismantling obligations	4.7	44.0	42.4	91.1
Other provisions	4.7	7.2	3.5	15.4
Total	9.4	51.2	45.9	106.6

The following table shows the maturities of the provisions at the end of the financial year 2024:

Maturity of provisions

in m EUR	Due in			Total
	Less than 1 year	1–5 years	More than 5 years	
Provisions for dismantling obligations	0.0	48.2	45.2	93.4
Other provisions	23.0	8.8	1.8	33.6
Total	23.0	57.0	47.0	127.0

(23.) Trade payables and similar liabilities and prepayments received

Trade payables and similar liabilities increased by 1,173.7m EUR to 3,918.8m EUR in 2025, mainly as a result of the consolidation of ABOUT YOU. Furthermore, the development also relates to early payouts to our partners at the end of 2024 to ensure compliance with safeguarding requirements for our funds received from our customers, whereas in 2025, we enhanced our safeguarding strategy to avoid the need for early payouts of funds received.

Zalando has supplier finance arrangements containing contracts in which finance providers (factor) purchase claims held by some of our suppliers against us for goods delivered to Zalando (reverse factoring). These arrangements provide our suppliers with early payment terms compared to the related invoice payment due dates, and provide us with longer payment terms in comparison to liabilities that are not subject to these reverse factoring arrangements. Zalando does not provide any additional security or guarantees under these arrangements.

As of 31 December 2025, suppliers' claims against Zalando totalling 931.6m EUR (thereof 672.5m EUR for which suppliers have already received payments; prior year: 630.0m EUR) were transferred to various reverse factoring providers (prior year: 639.2m EUR). These amounts were recognised under current liabilities, i.e. trade payables and similar liabilities, because they have been assessed as similar in nature and function to trade payables. Accordingly, payments made to reverse factoring providers, including interest paid, are presented in the cash flow from operating activities (see section [3.5.7 \(26.\) Notes to the statement of cash flows](#)).

Payment due dates after the invoice date for liabilities that are subject to reverse factoring vary between 60 to 180 days. Comparable trade payables with suppliers outside of reverse factoring have payment due dates after the invoice date of typically 45 to 90 days. The business combination with ABOUT YOU led to an increase in trade payables and similar liabilities that are subject to reverse factoring of 284.9m EUR as of the reporting date. There was no other business combination, exchange difference or other transaction that led to material non-cash changes in trade payables and similar liabilities during 2025.

Prepayments received pertain to advance payments received from customers for orders. The balance of prepayments received as of the beginning of the reporting period was recognised in revenue in the financial year (as for the prior year) after delivery of the goods, taking into account the returns of the underlying orders.

(24.) Other current financial liabilities and other current non-financial liabilities

As of the reporting date, other current financial and non-financial liabilities comprise the following components:

Other current financial and non-financial liabilities

in m EUR	31 Dec, 2025	31 Dec, 2024	Change
Other current financial liabilities	289.3	202.2	87.1
thereof obligations to reimburse customers for returns	214.8	144.6	70.2
thereof derivative financial instruments	10.7	10.1	0.6
thereof debtors with credit balances	20.8	22.5	-1.7
thereof others	43.0	25.0	18.0
Other current non-financial liabilities	483.4	377.4	106.1
thereof VAT liabilities	195.1	186.7	8.4
thereof liabilities from gift vouchers	125.9	102.2	23.7
thereof liabilities from wages and salaries	78.1	51.9	26.2
thereof others	84.3	36.5	47.8

The movement in other current financial liabilities was mainly impacted by the increase in obligations to reimburse customers for returns to 214.8m EUR. This increase results from the acquisition of ABOUT YOU. The development of other current non-financial liabilities was essentially driven by increased liabilities from gift vouchers amounting to 125.9m EUR (prior year: 102.2m EUR) as well as by the acquisition of ABOUT YOU.

(25.) Convertible bonds

On 6 August 2020, Zalando issued two tranches (Tranche A and Tranche B) of unsubordinated, unsecured convertible bonds with an aggregate principal amount of 1,000.0m EUR and each with a principal amount of 500.0m EUR. Tranche A was priced at 100.88%, with an annually payable coupon of 0.050% per annum and a maturity of five years. Tranche B was priced at 100.00%, with an annually payable coupon of 0.625% per annum and a maturity of seven years. Zalando received aggregated gross proceeds of 1,004.4m EUR from the issue of the two tranches of the bonds in 2020. The tranches are each divided into 5,000 bonds of 100,000 EUR each.

Zalando may redeem only all, but not some, of the outstanding bonds at their principal amount plus accrued interest with effect (i) on or after 27 August 2023 (Tranche A) and on or after 27 August 2025 (Tranche B), respectively, if the price of Zalando's share is equal to or exceeds 130% (Tranche A) and 150% (Tranche B), respectively, of the prevailing conversion price within a certain period, or (ii) if less than 15% of the aggregate principal amount of the bonds of the relevant tranche originally issued are outstanding. Bondholders do have the right to declare all or only some of their bonds still not converted or redeemed to be due in the case an acquisition of control occurs. An acquisition of control is an event where an investor indirectly or directly gains such a number of shares to control at least 30% of the voting rights of Zalando. The bonds for which this put right is exercised are redeemed at their principal amount plus accrued interest on the date of the acquisition of control.

The bonds are initially convertible into 11.1m new or existing no-par value ordinary bearer shares of Zalando. The initial conversion price was set at 87.6375 EUR (Tranche A) and 92.2500 EUR (Tranche B), which represented a conversion premium of 42.5% and 50.0% above the reference share price of 61.50 EUR. The conversion price may change based

on typical anti-dilution clauses. Unless previously converted, redeemed or repurchased and cancelled, the bonds of each tranche will be redeemed at their principal amount at their respective maturity.

The bonds were offered by way of an accelerated book-building process to institutional investors outside specific jurisdictions in which offers or sales of the bonds would be prohibited by the applicable law. The pre-emptive rights of existing shareholders of Zalando to subscribe to the bonds were excluded. The bonds are traded on the open market segment of the Frankfurt Stock Exchange.

In accordance with IAS 32, Zalando has evaluated whether the convertible bonds are compound financial instruments. The conversion right included was identified as an equity instrument, which needs to be recognised separately from the financial liability. The liability component was initially measured at fair value less directly attributable transaction costs using the interest and principal payments discounted with a risk-adjusted interest rate of a comparable debt instrument without a conversion right. At issue, an amount of 441.3m EUR (Tranche A) and 423.7m EUR (Tranche B) was recognised within convertible bonds. The liability is subsequently measured at amortised cost. The difference between the initial measurement and the principal amount is recognised as interest expenses over the lifetime of the bonds using the effective interest method.

The equity component was initially measured at the residual value resulting from a deduction of the fair value of the liability component from the fair value of the compound instrument as a whole, i.e. the fair value of the proceeds received, less directly attributable transaction costs. This led to an initial measurement of 57.9m EUR (Tranche A) and 71.2m EUR (Tranche B) presented within capital reserves. From these amounts, deferred tax liabilities of 14.6m EUR (Tranche A) and 20.1m EUR (Tranche B) were initially deducted (see [3.5.7 \(27.\) Deferred taxes](#)). The equity component is not subsequently remeasured.

According to their contractual maturity on 6 August 2025, the remaining convertible bonds of Tranche A with a principal amount of 400.0m EUR were redeemed through a respective cash payment. Convertible bonds of Tranche A with a principal amount of 100.0m EUR were already repurchased in 2024 for a purchase price of 95.5m EUR. Therefore, all bonds of Tranche A have extinguished.

As of the reporting date 31 December 2025, an amount of 481.2m EUR for Tranche B (prior year: 469.8m EUR) is presented under convertible bonds. Accrued interest of 1.3m EUR for Tranche B (prior year: 1.3m EUR) is presented within other current financial liabilities.

(26.) Notes to the statement of cash flows

The consolidated statement of cash flows is categorised into cash flow from operating activities, cash flow from investing activities and cash flow from financing activities, irrespective of the consolidated statement of financial position. The operating cash flow is indirectly derived; cash flows from investing and financing activities are derived directly from cash inflows and outflows. Therefore, the changes in the consolidated statement of financial position items that are presented in the consolidated statement of cash flows cannot be directly derived as the effects of currency and other non-cash transactions are eliminated, as well as due to reclassifications not affecting net income.

In 2025 we generated a positive cash flow from operating activities of 1,126.3m EUR (prior year: 654.1m EUR) driven mainly by our operating income (considering that our net income comprises non-cash expenses like depreciation and share-based payments) and the development of our net working capital, which mostly related to early payouts to our

partners at the end of 2024 to ensure compliance with safeguarding requirements for our funds received from our customers. In 2025, we enhanced our safeguarding strategy to avoid the need for early payouts of funds received.

All interest paid and received are included in the cash flow from operating activities:

Cash-effective interest

in m EUR	2025	2024
Interest paid	-51.0	-70.3
Interest received	47.8	70.7
Total	-3.2	0.4

Interest paid in financial year 2025 included cash payments for the interest portion of lease liabilities of 27.9m EUR (prior year: 26.8m EUR) classified as cash flow from operating activities (see also [3.5.5 Accounting policies](#) and [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#)). Moreover, interest paid on convertible bonds amounted to 3.4m EUR in 2025 (prior year: 3.4m EUR). Further information on interest development can be found in [3.5.7 \(7.\) Financial result](#).

The table below shows the calculation of free cash flow based on the cash flow from operating activities:

Free cash flow

in m EUR	2025	2024
Cash flow from operating activities	1,126.3	654.1
Cash paid for investments in property, plant and equipment	-98.0	-120.6
Cash paid for investments in intangible assets	-124.5	-86.2
Cash paid for acquisition of shares in associated companies, subsidiaries less cash acquired, and other equity investments	-906.8	-67.9
Free cash flow	-2.9	379.4

Cash flow from investing activities amounted to -1,080.3m EUR (prior year: -269.8m EUR) and comprises -906.8m EUR cash paid (less cash acquired) mainly for the acquisition of ABOUT YOU in 2025 as well as cash paid for capex. For more details, please refer to the section [3.5.8 \(5.\) Business combinations](#).

Cash flow from financing activities of -756.4m EUR (prior year: -325.6m EUR) predominately consisted of the repayment of convertible bonds of 400.0m EUR (prior year: 95.5m EUR), the payments of the principal portion of lease liabilities amounting to 162.3m EUR (prior year: 134.5m EUR) and payments for the repurchase of treasury shares of 98.2m EUR (prior year: 99.5m EUR). Furthermore, we completed a squeeze-out to acquire the remaining shares of ABOUT YOU, resulting in a cash outflow of 96.6m EUR (prior year: 0.0m EUR).

Considering the payments for the acquisition of ABOUT YOU and the repayment of convertible bonds, our cash and cash equivalents remained strong at 1,877.4m EUR as of 31 December 2025 (31 December 2024: 2,587.8m EUR).

Changes in liabilities from financing activities (including leasing) impacted the statement of cash flows and the statement of financial position as follows:

Reconciliation of liabilities arising from financing activities 2025

in m EUR	Carrying amount as of 1 Jan, 2025	Cash flows	Non-cash flow changes	Carrying amount as of 31 Dec, 2025
Non-current financing liabilities	1,182.6	0.0	85.6	1,268.2
Current financing liabilities	542.9	-562.3	192.6	173.3

Reconciliation of liabilities arising from financing activities 2024

in m EUR	Carrying amount as of 1 Jan, 2024	Cash flows	Non-cash flow changes	Carrying amount as of 31 Dec, 2024
Non-current financing liabilities	1,719.3	-95.5	-441.2	1,182.6
Current financing liabilities	132.2	-134.5	545.2	542.9

(27.) Deferred taxes

Deferred tax assets and liabilities recognised as of the reporting dates of the reporting and comparative prior period as well as the implied net deferred tax liabilities are broken down as follows:

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net balance	
in m EUR	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024	31 Dec, 2025	31 Dec, 2024
Intangible assets	1.8	2.3	-248.1	-59.9	-246.3	-57.5
Property, plant and equipment	2.0	2.1	-18.9	-23.0	-16.9	-20.9
Leases	258.1	236.8	-227.8	-218.7	30.2	18.1
Inventories	0.0	0.8	-10.1	-12.3	-10.1	-11.6
Trade and other receivables	22.2	10.5	-16.1	-16.6	6.1	-6.1
Provisions	25.4	24.3	-0.6	-0.7	24.8	23.6
Convertible bonds	0.0	0.0	-5.8	-11.0	-5.8	-11.0
Other financial and non-financial liabilities	12.2	8.3	-5.7	-13.0	6.4	-4.7
Share-based payments	26.5	33.8	-0.2	0.0	26.3	33.8
Unused tax losses	95.3	3.9	0.0	0.0	95.3	3.9
Total	443.4	323.0	-533.4	-355.3	-89.9	-32.3
Netting	-434.1	-313.9	434.1	313.9	0.0	0.0
Total recognised deferred tax assets and liabilities	9.3	9.0	-99.2	-41.4	-89.9	-32.3

There is a decrease in deferred tax assets on options granted under Zalando's share-based payment programmes. In contrast to the accounting treatment under IFRS, expenses from these share-based payments are only tax deductible when the options are exercised by the plan participants. The corresponding temporary difference has been determined based on the difference between the share price at the reporting date and the exercise price of the options. Because the deductible amount depends, amongst other things, on the share price at the time the options are exercised, the amount recognised as a deferred tax asset is an estimate and may change in the future. Due to the

application of IAS 12.68C, an amount of -5.3m EUR (prior year: 5.9 m EUR) of deferred tax assets on share-based payment programmes is recognised directly in equity.

Deferred taxes from hedging derivatives (cash flow hedges) included in the positions trade and other receivables and other financial and non-financial liabilities are directly recognised in other comprehensive income. The corresponding equity position increased from -1.9m EUR in the prior year to 0.2m EUR in the reporting period (prior year decrease from 14.7m EUR to -1.9m EUR).

The acquisition of ABOUT YOU resulted in a net deferred tax liability increase in a total amount of 57.3m EUR, mainly driven by the fair value adjustments in the purchase price adjustment calculation offset by a deferred tax asset on the respective element of acquired losses after taking into account minimum taxation in Germany.

In total, deferred taxes in the amount of 0.8m EUR (prior year: 4.1m EUR) were recorded in equity or other comprehensive income.

As of 31 December 2025, there is a temporary difference of 29.3m EUR (prior year: 22.8m EUR) associated with investments in subsidiaries. A deferred tax liability has not been recognised because the group controls the reversal of the difference and does not expect a reversal in the foreseeable future.

Zalando is currently involved in tax audit procedures in certain jurisdictions, including Germany, covering several historical periods. These audits involve technical matters relating to the periodic recognition of certain items of an operational nature. While Zalando has not yet received any formal assessments for all periods under audit, it is anticipated that the tax authorities may issue assessments requiring payment of disputed amounts for the year of initial disallowance in the near term.

Zalando intends to contest any such assessments through the appropriate legal channels. Based on an assessment of the technical merits, the group considers it more likely than not that its position will be sustained. Consequently, no income tax liability has been recognised. While a formal assessment may require an initial cash payment of the disputed amounts (18.4m EUR plus accrued interest), the group expects such amounts to be recoverable; therefore, no net tax expense or related deferred tax impact has been recorded for this initial disallowance or potential future year impacts.

(28.) Financial instruments

Carrying amounts of financial assets/liabilities and their fair values 2025

		Amount recognised in the statement of financial position pursuant to IFRS 9				
in m EUR	Category pursuant to IFRS 9*	Carrying amount as of 31 Dec, 2025	Amortised cost	Fair value not through profit and loss	Fair value through profit and loss	Fair value as of 31 Dec, 2025
Assets						
Cash and cash equivalents	–	1,877.4				
thereof cash in bank, on hand, short-term bank deposits	AC	1,626.7	1,626.7	–	–	–
thereof money market funds	FVtPL	250.7	–	–	250.7	250.7
Trade and other receivables	AC	1,137.7	1,137.7	–	–	–
Other financial assets**	–	175.7				
thereof money market funds	FVtPL	2.3	–	–	2.3	2.3
thereof derivative financial instruments designated as hedging instruments	n/a	8.3	–	8.3	0.0	8.3
thereof other derivative financial instruments	FVtPL	–	–	–	–	–
thereof corporate investments	FVtPL	28.5	–	–	28.5	28.5
thereof others	AC	136.5	136.5	–	–	–
Liabilities						
Trade payables and similar liabilities	FLAC	3,918.8	3,918.8	–	–	–
Convertible bonds	FLAC	481.2	481.2	–	–	482.4
Lease liabilities**	–	960.3				
Other financial liabilities**	–	297.4				
thereof derivative financial instruments designated as hedging instruments	n/a	10.3	–	9.0	1.2	10.3
thereof other derivative financial instruments	FVtPL	0.1	–	–	0.1	0.1
thereof others	FLAC	287.0	287.0	–	–	–

*) AC — amortised cost
FLAC — financial liabilities measured at amortised cost
FVtPL — at fair value through profit and loss

n/a — not assigned to a category
**) Including current and non-current

Carrying amounts of financial assets/liabilities and their fair values 2024

		Amount recognised in the statement of financial position pursuant to IFRS 9				
in m EUR	Category pursuant to IFRS 9*	Carrying amount as of 31 Dec, 2024	Amortised cost	Fair value not through profit and loss	Fair value through profit and loss	Fair value as of 31 Dec, 2024
Assets						
Cash and cash equivalents	–	2,587.8				
thereof cash in bank, on hand, short-term bank deposits	AC	2,222.4	2,222.4	–	–	–
thereof money market funds	FVtPL	365.4	–	–	365.4	365.4
Trade and other receivables	AC	926.1	926.1	–	–	–
Other financial assets**	–	263.8				
thereof money market funds	FVtPL	50.8	–	–	50.8	50.8
thereof derivative financial instruments designated as hedging instruments	n/a	17.5	–	16.2	1.3	17.5
thereof other derivative financial instruments	FVtPL	8.8	–	–	8.8	8.8
thereof corporate investments	FVtPL	92.5	–	–	92.5	92.5
thereof others	AC	94.2	94.2	–	–	–
Liabilities						
Trade payables and similar liabilities	FLAC	2,745.1	2,745.1	–	–	–
Convertible bonds	FLAC	863.9	863.9	–	–	842.4
Lease liabilities**	–	861.6				
Other financial liabilities**	–	202.5				
thereof derivative financial instruments designated as hedging instruments	n/a	10.1	–	10.1	–	10.1
thereof other derivative financial instruments	FVtPL	0.0	–	–	–	0.0
thereof others	FLAC	192.4	192.4	–	–	–

*) AC — amortised cost
 FLAC — financial liabilities measured at amortised cost
 FVtPL — at fair value through profit and loss

**) n/a — not assigned to a category
 Including current and non-current

For short-term positions it was assumed that the carrying amount is a reasonable approximation of fair value. In these cases, no fair value was therefore stated in the table above. As of the reporting date, Zalando had forward exchange contracts in Pound sterling, Norwegian kroner, Polish zloty, Swedish kronor, Swiss francs, Czech koruna, US dollars and Hungarian forint.

The nominal and market values of the derivative financial instruments as of the reporting date are as follows:

Nominal and market values of derivative financial instruments

	Market value				Nominal value	Market value
	Nominal value	Assets	Liabilities	Total		
in m EUR	31 Dec, 2025	31 Dec, 2025	31 Dec, 2025	31 Dec, 2025	31 Dec, 2024	31 Dec, 2024
Forward exchange contracts in a hedge relationship	1,987.4	8.4	-10.3	-1.9	2,019.0	7.4
thereof in cash flow hedge	1,965.4	8.4	-9.0	-0.7	1,990.8	6.1
thereof in fair value hedge	22.0	0.0	-1.2	-1.2	28.2	1.3
Freestanding forward exchange contracts	5.2	0.0	-0.1	-0.1	0.0	0.0
Other derivative financial instruments	0.0	0.0	0.0	0.0	10.0	8.8
Total	1,992.6	8.4	-10.4	-2.0	2,029.0	16.2

The nominal amounts correspond to the sum of all the non-netted purchase and sales amounts of the derivative financial transactions. The market values reported correspond to the fair value. The fair values of the derivative financial instruments were calculated without taking into account opposite developments of the hedged items.

The market values of forward exchange contracts designated to a hedging relationship as well as forward exchange contracts that are not designated to a hedging relationship are reported in the statement of financial position under other current or non-current financial assets and liabilities.

The forward exchange contracts in place as of the reporting date have a remaining term of up to 15 months. The nominal value of forward exchange contracts with terms over 12 months is 2.2m EUR (prior year: 15.0m EUR).

In the reporting period, losses from the fair value measurement of financial instruments designated as cash flow hedges of 0.5m EUR (prior year: gains of 4.2m EUR) were recognised in other comprehensive income.

The accumulated amount of fair value hedge adjustments of -2.5m EUR in the reporting period (prior year: 1.9m EUR) was recognised in inventories.

The average contract rates per currency of the hedging instruments designated to hedge accounting as of the reporting date are as follows:

Average contract rates of the hedging instruments

	CHF	CZK	GBP	NOK	PLN	SEK	USD	HUF
Average contract rates as of 31 Dec, 2025	0.9116	24.3939	0.8946	11.8900	4.2956	10.9759	1.1647	395.8331
Average contract rates as of 31 Dec, 2024	0.9214	25.4616	0.8403	11.7783	4.4282	11.5736	1.0826	419.4681

Net gains and losses from financial assets and financial liabilities

The net gains/losses from financial assets and financial liabilities include effects from the fair value measurement of derivatives that are not designated as a hedge and changes in the fair value of other financial instruments as well as

interest payments. In addition, the net gains/losses include effects from the impairment losses, reversals of impairment losses, derecognition and exchange rate fluctuations of loans and receivables, as well as liabilities measured at amortised cost. Allowances according to IFRS 9 were only recorded for trade and other receivables since the expected credit loss for other financial assets was not material.

Net gains and losses from financial instruments 2025

	From interest affecting profit or loss	From subsequent measurement affecting profit or loss			From disposal affecting profit or loss	Total 2025
in m EUR		Fair value adjustment	Currency translation	Allowances		
Assets						
Amortised costs	21.8	0.0	-5.0	-53.8	29.7	-7.3
Fair value through profit or loss	7.2	12.2	0.0	0.0	0.0	19.5
Liabilities						
Amortised cost	-46.7	0.0	11.4	0.0	0.0	-35.3
Total	-17.6	12.2	6.4	-53.8	29.7	-23.1

Net gains and losses from financial instruments 2024

	From interest affecting profit or loss	From subsequent measurement affecting profit or loss			From disposal affecting profit or loss	Total 2024
in m EUR		Fair value adjustment	Currency translation	Allowances		
Assets						
Amortised costs	40.5	0.0	-13.8	-19.2*	48.5*	56.0*
Fair value through profit or loss	23.6	3.1	0.0	0.0	0.0	26.7
Liabilities						
Amortised cost	-62.5	0.0	5.0	0.0	0.0	-57.5
Total	1.5	3.1	-8.8	-19.2*	48.5*	25.2*

* Prior-year figures adjusted

Changes in the reserve for cash flow hedges 2025

in m EUR	Hedge reserve currency risk	Cost of hedging currency risk	Total 2025
Balance at 1 Jan, 2025	5.2	0.9	6.1
Gains or losses from effective hedging relationships	-40.1	-4.5	-44.6
Reclassifications due to changes in expectations about the hedged item	0.1	0.0	0.1
Reclassifications due to realisation of the hedged item	35.2	2.5	37.7
Balance at 31 Dec, 2025	0.4	-1.1	-0.7

Changes in the reserve for cash flow hedges 2024

in m EUR	Hedge reserve currency risk	Cost of hedging currency risk	Total 2024
Balance at 1 Jan, 2024	-47.7	-0.5	-48.2
Gains or losses from effective hedging relationships	37.5	4.0	41.5
Reclassifications due to changes in expectations about the hedged item	0.2	0.0	0.2
Reclassifications due to realisation of the hedged item	15.3	-2.6	12.7
Balance at 31 Dec, 2024	5.2	0.9	6.1

Fair value hierarchy

As of the reporting date, the group held financial assets and financial liabilities measured at fair value. These financial instruments are classified within a three-level fair value hierarchy.

With regards to financial instruments that are regularly measured at fair value, the group determines whether items are to be reclassified between hierarchy levels. This is determined by reassessing the inputs of the lowest level that is of significance to fair value measurement as of the end of the reporting period.

Level assignment

Assets	
Derivative financial instruments designated as hedging instruments	Level 2
Other derivative financial instruments	Level 2
Corporate investments	Level 2
Money market funds	Level 1
Liabilities	
Borrowings	Level 2
Convertible bonds	Level 1

As in the prior year, hedging instruments used to hedge foreign exchange risk exposure are measured based on observable spot foreign exchange rates of the European Central Bank and the interest yield curves of the corresponding currencies.

Other derivative financial instruments include a stand-alone derivative measured based on input factors observable on the market.

There are no hedging instruments used to hedge interest rate exposure.

Offsetting

For financial assets and liabilities, no global netting agreements of the ISDA (International Swaps and Derivatives Association) or any other comparable national framework agreements or similar contracts that lead to an offsetting effect were in place in 2025 and 2024.

Credit facility

The revolving credit facility of an amount of 1,250.0m EUR with a group of banks is in place until 20 May 2029. The amount stayed the same and can be increased up to 1,500.0m EUR. The facility can be drawn in EUR and utilised for general business purposes (including acquisitions) as well as for guarantees. As of 31 December 2025, an amount of 179.6m EUR had been utilised for bank guarantees and letters of credit (prior year: 148.4m EUR).

3.5.8 Other notes**(1.) Risks relating to financial instruments and financial risk management**

In the course of its ordinary activities, Zalando is exposed to credit risks, liquidity risks and market risks (mainly currency and interest rate risks). The aim of financial risk management is to limit the risks resulting from operating activities through the use of selected derivative and non-derivative hedging instruments. The derivative financial instruments are used in the group solely for the purpose of risk management. Zalando would be exposed to higher financial risks if it did not use these instruments. The group's management is responsible for the management of these risks.

Changes in exchange rates and interest rates can lead to considerable fluctuations in the market values of the derivatives used. These market value fluctuations should therefore not be considered in isolation from the hedged items as derivatives and hedged items form a unit in terms of their offsetting developments in value.

Market risk

Market risk arises from changes in the fair value of future cash flows from financial instruments due to changes in market prices. Market risks include interest rate, currency and other price risks.

The currency risk can be broken down into two further types of risk: translation risk and transaction risk. The translation risk describes the risk of changes in the items in the statement of financial position and income statement of a subsidiary due to exchange rate changes when translating the foreign local financial statements into the group's currency. The changes caused by currency fluctuations from the translation of items in the statement of financial position are presented in equity. Zalando is exposed to translation risks from foreign subsidiaries in China, Hong Kong, Poland, Sweden, Switzerland, the United Kingdom and the United States. Currently, Zalando does not hedge the translation risk for these subsidiaries.

Transaction risk relates to the fact that exchange rate fluctuations can lead to changes in the value of future foreign currency payments. Zalando operates in different markets and is therefore exposed to foreign currency risks generated from revenue and sourcing transactions in foreign currencies. Forward exchange contracts are used to hedge these activities. For this purpose, plain vanilla OTC derivative financial instruments are concluded and processed in accordance with internal guidelines that set out binding rules for the scope of action and responsibilities as well as reporting and controls. Risk exposure is hedged using a standard budget and rolling forecast approach. The economic relationship between the hedged item and the hedging instrument is determined prospectively through a critical terms match based on currency, tenor and notional amount. The hedge ratio is established through internal approval processes and calculated based on outstanding notional volume of foreign exchange forwards in relation to the notional volume of the underlying highly probable forecasted transactions. As of the reporting date, the average hedge ratio for 2025 ranged between 53.2% and 83.9% (prior year: between 82.8% and 99.6%), depending on the

currency. Sources of hedge ineffectiveness can be changes in the forecasted highly probable underlying business transactions.

The foreign currency sensitivity of the group is calculated by aggregating all foreign currency items that are not presented in the functional currency of the respective entity. These items are compared with the aggregated hedging transactions. The market values of the hedged items and hedging transactions included are measured at actual exchange rates and sensitivity rates. The difference between these measurements represents the effects on earnings and equity.

If the euro had appreciated by 5% against the foreign currencies as of 31 December 2025, earnings before taxes would have been 2.4m EUR higher (prior year: 2.6m EUR higher). If the euro had depreciated by 5% compared with the respective exchange rates as of 31 December 2025, earnings before taxes would have been 2.4m EUR lower (prior year: 2.6m EUR lower).

The impact of currency on profit or loss is broken down as follows:

Foreign currency sensitivity on profit and loss 2025

in m EUR	Impact on profit or loss										Total
	CHF	CZK	DKK	GBP	NOK	PLN	SEK	RON	HUF	USD	
FX rate as 31 Dec, 2025	0.9314	24.2370	7.4689	0.8726	11.8430	4.2210	10.8215	5.0968	385.15	1.1750	
Exposure as 31 Dec, 2025	-1.2	19.1	38.4	-8.5	-9.6	-111.5	13.7	13.0	7.7	-25.2	-64.2
5% increase in FX rate	0.1	-0.9	-1.8	0.5	0.5	5.7	-0.6	-0.3	-0.2	-0.6	2.4
5% decrease in FX rate	-0.1	0.9	1.8	-0.5	-0.5	-5.7	0.6	0.3	0.2	0.6	-2.4

Foreign currency sensitivity on profit and loss 2024

in m EUR	Impact on profit or loss										Total*
	CHF	CZK	DKK	GBP	NOK	PLN	SEK	RON*	HUF*	USD	
FX rate as 31 Dec, 2024	0.9412	25.1850	7.4578	0.8292	11.7950	4.2750	11.4590	4.9743	411.35	1.0389	
Exposure as 31 Dec, 2024	53.3	3.7	15.2	2.7	-5.4	-156.0	4.9	8.4	5.0	-10.4	-78.5
5% increase in FX rate	-2.7	-0.2	-0.8	-0.2	0.3	7.8	-0.2	-0.4	-0.2	-0.8	2.6
5% decrease in FX rate	2.7	0.2	0.8	0.2	-0.3	-7.8	0.2	0.4	0.2	0.8	-2.6

* Prior-year adjusted

As of 31 December 2025, the reserve for derivatives in group equity would have been 73.8m EUR lower (prior year: 71.8m EUR) if the euro had appreciated by 5% compared with the respective exchange rates. This reserve would have been 73.8m EUR higher (prior year: 71.7m EUR) if the euro had depreciated by 5%.

The impact of currency on other comprehensive income is broken down as follows:

Foreign currency sensitivity on other comprehensive income 2025

in m EUR	Impact on other comprehensive income								Total
	CHF	CZK	GBP	NOK	PLN	SEK	USD	HUF	
FX rate as 31 Dec, 2025	0.9314	24.2370	0.8726	11.8430	4.2210	10.8215	1.1750	385.15	
Exposure as 31 Dec, 2025	6.8	0.0	-0.4	1.2	-3.2	-1.9	-3.1	-0.2	-0.7
5% increase in FX rate	-35.8	-9.2	-1.3	-9.7	-20.8	-6.3	11.5	-2.2	-73.8
5% decrease in FX rate	35.8	9.2	1.3	9.7	20.8	6.3	-11.5	2.2	73.8

Foreign currency sensitivity on other comprehensive income 2024

in m EUR	Impact on other comprehensive income								Total
	CHF	CZK	GBP	NOK	PLN	SEK	USD	HUF	
FX rate as 31 Dec, 2024	0.9412	25.1850	0.8292	11.7950	4.2750	11.4590	1.0389	411.35	
Exposure as 31 Dec, 2024	5.9	-0.7	-0.1	2.2	-7.6	-1.5	7.8	0.1	6.1
5% increase in FX rate	-34.8	-7.9	-0.7	-8.8	-24.1	-7.3	13.4	-1.6	-71.8
5% decrease in FX rate	34.8	7.9	0.7	8.8	24.0	7.3	-13.4	1.6	71.7

Zalando was exposed to a share price risk arising from the fair value valuation of the derivatives. The impact on profit or loss was as follows:

Share price sensitivity on profit and loss

in m EUR	Impact on profit and loss 2025	Impact on profit and loss 2024
Exposure as 31 Dec	-	8.8
5% increase in share price	-	0.8
5% decrease in share price	-	-0.8

The share price sensitivity is calculated by comparing the normal fair value valuation scenario of the derivatives with the stress scenario.

Zalando is currently not exposed to any material interest rate risks that might arise from interest rate fluctuations on earnings, equity or cash flow for the current or future reporting period.

Credit risk

Credit risk is the risk of a customer or contractual partner defaulting on payment, resulting in the assets, financial assets or receivables reported in the consolidated statement of financial position having to be written down. Credit risks primarily concern trade and other receivables. The credit risk is provided for by portfolio-based valuation allowances based on historical experience and the maturity profile. Uncollectable receivables are written off in full individually. The interest levels, though currently falling but still remaining relatively high, are generally putting pressure on payment providers, especially through the buy now-pay later concept. This means that the credit default risk of individual customers is still putting pressure on Zalando.

There is no significant concentration of credit risk.

For cash and cash equivalents there is an additional credit risk that banks can no longer meet their obligations. The maximum exposure corresponds to the carrying amounts of these financial assets at the end of the respective reporting period. The company addresses this exposure by distributing its derivative financial instruments and cash held at banks over multiple financial institutions with good credit standing, and over money market funds with an AAA rating (according to S&P's).

Liquidity risk

The liquidity risk is defined as a possible lack of cash funds to fulfil the financial obligations of the company. This hazard may arise from the insufficient centralisation of cash where it is needed, inexact liquidity forecasting or an unbalanced investment strategy for the company's cash reserves.

Zalando manages its exposure to liquidity risk by regularly monitoring liquidity needs through an integrated platform for the short-, medium- and long-term forecasting of cash requirements.

Additionally, the group invests the cash reserves of the company in term deposits and money market instruments, and pools the cash balances centrally on a regular basis to ensure cash is located where it is needed.

To further reduce the liquidity risk, Zalando uses reverse factoring as an additional financing source to extend the payment terms with different financial partners and suppliers in order to improve working capital. Under these agreements, the factor purchases the claims held by the respective supplier against Zalando. These are recognised in the consolidated statement of financial position under trade payables and similar liabilities.

There is no significant concentration of liquidity risk.

The tables below show the contractually agreed (undiscounted) interest and principal payments for primary financial liabilities and for derivative financial instruments with their negative fair value. All instruments in the portfolio as of 31 December 2025 and 31 December 2024 for which payments had already been contractually agreed were included. Planned figures for new future liabilities were not included. The floating-rate interest payments from the financial instruments were determined based on the interest rates most recently fixed before 31 December 2025 and 31 December 2024, respectively. All on-call financial liabilities are always allocated to the earliest possible date.

Payments for financial liabilities and derivative financial instruments 2025

in m EUR	Carrying amount	Cash flows 2026		Cash flows 2027–2030		Cash flows 2031 and ff.	
	31 Dec, 2025	Interest	Repayments	Interest	Repayments	Interest	Repayments
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible bonds	481.2	3.1	0.0	3.1	500.0	0.0	0.0
Trade payables and similar liabilities	3,918.8	7.3	3,918.8	0.0	0.0	0.0	0.0
Other financial liabilities	297.4	0.0	289.3	0.0	8.1	0.0	0.0
thereof from derivatives	10.4	0.0	10.5	0.0	0.0	0.0	0.0
Total	4,697.3	10.4	4,208.1	3.1	508.1	0.0	0.0

Payments for financial liabilities and derivative financial instruments 2024

in m EUR	Carrying amount	Cash flows 2025		Cash flows 2026–2029		Cash flows 2030 and ff.	
	31 Dec, 2024	Interest	Repayments	Interest	Repayments	Interest	Repayments
Borrowings	0.3	0.1	0.3	0.0	0.0	0.0	0.0
Convertible bonds	863.9	3.3	400.0	6.3	500.0	0.0	0.0
Trade payables and similar liabilities	2,745.1	6.5	2,745.1	0.0	0.0	0.0	0.0
Other financial liabilities	202.2	0.0	202.2	0.0	0.0	0.0	0.0
thereof from derivatives	10.1	0.0	10.2	0.0	0.0	0.0	0.0
Total	3,811.5	9.9	3,347.6	6.3	500.0	0.0	0.0

For payments related to lease liabilities, see [3.5.7 \(13.\) Right-of-use assets and lease liabilities](#).

Capital management

The objectives of capital management in the group are short-term solvency and an adequate capital base to finance projected growth while sustainably increasing business value. This ensures that all group entities can operate on a going concern basis.

Capital management and its objectives and definition are based on key performance indicators derived from the consolidated financial statements in accordance with IFRS. We therefore define the net working capital key performance indicator as the sum of inventories and trade and other receivables less trade payables and similar liabilities. The net working capital was -676.0m EUR as of the reporting date (prior year: -269.3m EUR). The change year-on-year is driven mostly by higher trade payables and similar liabilities, partially offset by higher inventories and trade receivables.

Collateral

Zalando did not pledged financial assets as collateral in the reporting period, nor in the prior year.

(2.) Information about related parties

Zalando identifies the related parties of the group in accordance with IAS 24. Zalando had transactions with related parties in the reporting period in the ordinary course of business and in accordance with the arm's length principle. Transactions with related parties were related to the key management personnel of Zalando, i.e. members of the management board or supervisory board, their close family members or entities controlled or jointly controlled by these persons, as well as associates and joint ventures of Zalando (see [3.5.8 \(8.\) Shareholdings](#)).

Transactions with entities controlled or jointly controlled by our key management personnel resulting from the purchase of goods and services gave rise to trade payables and similar liabilities of 225.5m EUR as of the reporting date (prior year: 170.8m EUR), of which 148.9m EUR (prior year: 170.7m EUR) is due to a reverse factoring provider on account of reverse factoring agreements between Zalando and suppliers which were identified as related parties. Furthermore, trade and other receivables from related parties amount to 0.1m EUR (prior year: 0.2m EUR).

Merchandise of 362.0m EUR was ordered from these related parties in the reporting period. In the prior year, the order volume totalled 269.1m EUR. In addition, goods totalling 0.3m EUR were sold to related parties (prior year: 3.6m EUR). Furthermore, Zalando provided services to related parties totalling 36.4m EUR (prior year: 29.6m EUR) and received services in the amount of 10.5m EUR (prior year: 0.0m EUR).

Transactions with associates and joint ventures resulting from the purchase of goods and services gave rise to trade payables and similar liabilities of 2.5m EUR (prior year: 0.0m EUR). None of these are subject to reverse factoring agreements. Merchandise of 0.6m EUR was ordered from those entities in the reporting period (prior year: 0.0m EUR) and services in the amount of 1.1m EUR were received (prior year: 0.0m EUR). Furthermore, we delivered goods to those related parties of 0.2m EUR (prior year: 0.0m EUR) and provided services in the amount of 0.7m EUR (prior year: 0.0m EUR). Trade and other receivables from these related parties amount to 1.0m EUR (prior year: 0.0m EUR). In the financial year 2025 we recognised write downs for loan receivables against those related parties of 4.0m EUR (prior year: 0.0m EUR). The carrying amount of loan receivables as of the reporting date is therefore 0.4m EUR (prior year: 0.0m). In addition, we recognised interest income and dividends of 2.5m EUR (prior year: 0.0m EUR).

The management board of Zalando SE is made up as follows:

Members of the management board

Name	Responsibilities
Robert Gentz, co-CEO	As co-CEO, Robert oversees Zalando's strategy with a particular focus on expanding its B2C segment to build the go-to-destination for quality fashion and lifestyle shopping as well as inspiration.
David Schröder, co-CEO	As co-CEO, David is co-responsible for the company's strategy, with a focus on building the B2B operating system that enables e-commerce across Europe on and off the Zalando platform, and further developing Zalando's unique capabilities and infrastructure.
Anna Dimitrova, CFO (since 1 January 2026)	As CFO, Anna focuses on further strengthening the company's financial foundation, driving scalable growth and unlocking meaningful long-term value creation.
Dr Sandra Dembeck, CFO (until 28 February 2025)	Former management board member responsible for finance and corporate governance.
David Schneider	As a member of the management board, he focuses on building group-wide strategic partnerships across Zalando's B2C and B2B ambitions.
Dr Astrid Arndt, CPO	As Zalando's CPO, Corporate Functions, Astrid oversees the People & Organisation, Corporate Affairs and Workplace teams, strengthening all of Zalando's corporate functions to enable the effective execution of our strategy and building a diverse and inclusive culture.

Transactions with our key management personnel only related to the exercise of options under our share-based payment awards granted to the members and former members of the management board as part of the management board remuneration. In the reporting period, members of the management board exercised a total of 19,614 options under ZOP 2021 and 296,442 options under LTI 2019. In the prior-year period, members of the management board exercised a total of 19,137 options under ZOP 2021.

In the financial year, expenses of 8.9m EUR were recorded for the members of the management board (prior year: 9.1m EUR). Of this amount, 3.9m EUR is attributable to share-based payment awards in the financial year 2025 (prior year: 6.0m EUR). The expenses for long-term share-based payment awards are calculated using graded vesting, which means that the periodical expense gradually decreases over the course of the vesting period. All other remuneration is classified as short-term employee benefits.

The long-term share-based payment awards, for which expenses are recognised in the reporting period, were granted in the financial years 2022, 2023, 2024 and 2025. The share-based payment awards granted to key management personnel are included in the plans explained in [3.5.7 \(21.\) Share-based payments](#).

The supervisory board of Zalando SE is made up as follows:

Members of the supervisory board

Name	Position held	Member of the supervisory board since
Kelly Bennett (chairperson)	Chairperson of the supervisory board and executive advisor, British Columbia (Canada)	22 May 2019
Mariella Röhm-Kottmann (deputy chairperson)	Chief Financial Officer at Constantia Flexibles GmbH, Ottobrunn (Germany)	22 May 2019
Anders Holch Povlsen	Chief Executive Officer of Bestseller A/S, Viby (Denmark)	12 December 2013
Niklas Östberg	Chief Executive Officer and co-founder of Delivery Hero SE, Zurich (Switzerland)	19 May 2021
Alice Delahunt	Chief Executive Officer and founder at SYKY, Inc., New York (USA)	27 May 2025
Susanne Schröter-Crossan	Chief Financial Officer at SEGRO plc, London (Great Britain)	24 May 2023
Zbigniew Laskowski	Employed at Zalando Logistics Operations Polska sp. z o.o., Szczecin (Poland)	27 May 2025
Rose Reynolds	Employed at Zalando SE, Berlin (Germany)	27 May 2025
Maggie Ratay Sloan	Employed at Zalando SE, Berlin (Germany)	27 May 2025
Jennifer Hyman (until 27 May 2025)	Chief Executive Officer and co-founder at Rent the Runway, Inc., New York (USA)	23 June 2020
Matti Ahtainen (until 27 May 2025)	Employed at Zalando Finland Oy, Espoo (Finland)	23 June 2020
Jade Buddenberg (until 27 May 2025)	Employed at Zalando SE, Berlin (Germany)	23 June 2020
Anika Mangelmann (until 27 May 2025)	Employed at Zalando SE, Dorsten (Germany)	23 June 2020

In the financial year, expenses of 1.1m EUR were recorded for the members of the supervisory board (prior year: 1.1m EUR) which is solely related to their fixed annual compensation.

The members of the management board and supervisory board only receive remuneration relating to their function as persons in key positions. However, employee representatives of the supervisory board also receive remuneration according to their employment in the group.

(3.) Remuneration of the management and supervisory board of Zalando SE

Remuneration awarded and due to the members of the management board totalled 8.2m EUR in the financial year 2025 (prior year: 4.0m EUR). In the financial year 2025 a total number of 0.5m options under LTI 2024 annual tranche 2025 and ZOP 2021 with a total fair value of 6.0m EUR were granted to members of the management board (prior year: in total 0.4m options under LTI 2024 annual tranche 2024 and ZOP 2021 with a total fair value of 4.7m EUR).

There was no remuneration awarded and due to any former members of the management board in the financial year 2025 (prior year: 0.0m EUR).

The members of the supervisory board received remuneration awarded and due of 1.1m EUR in the financial year 2025 (prior year: 1.1m EUR). Of this amount, 1.1m EUR (prior year: 1.1m EUR) was outstanding at the reporting date and became due after the conclusion of the annual general meeting held on 12 May 2026 (prior year: 27 May 2025). The management board and supervisory board propose to the annual general meeting to grant remuneration in accordance with the provision contained in Art. 15 of Zalando SE's articles of association.

Further information regarding Section 162 AktG can be found in the remuneration report.

(4.) Information on the declaration of conformity

The last annual declaration of conformity by the management board and the supervisory board of Zalando SE regarding the recommendations of the government Commission on the German Corporate Governance Code pursuant to Section 161 AktG was issued in December 2025 and is published on our corporate website.

(5.) Business combinations

On 11 July 2025, Zalando SE obtained control of ABOUT YOU Holding SE, Hamburg (ABOUT YOU), the parent company of the ABOUT YOU group. Upon completion of all closing conditions, including the European Commission's merger control clearance, we increased our stake in ABOUT YOU from 6.8% to 91.5% (including treasury shares held by ABOUT YOU). In a separate transaction at the beginning of November 2025, we increased our share in ABOUT YOU to 100% by acquiring all remaining non-controlling interests for a purchase price of 96.6m EUR.

ABOUT YOU is an internationally operating e-commerce group, divided into two strategic business units: The online fashion store ABOUT YOU forms ABOUT YOU's B2C business with over 12 million active customers, making it one of the largest online retailers for fashion and lifestyle in Europe. ABOUT YOU's B2B operations largely relate to SCAYLE, which offers a modern, cloud-based enterprise store system that enables brands and retailers to scale their digital businesses quickly and flexibly.

The acquisition of ABOUT YOU will help us to better serve the needs of customers and partners through our combined and distinct B2C and B2B offerings, enabling the combined group to cover a larger share of the European fashion and lifestyle e-commerce market. ABOUT YOU's operations add scale and complementary capabilities, and also play into our strategy. In B2C, ABOUT YOU's commerce business will complement our multi-app approach. In B2B, ABOUT YOU's SCAYLE SaaS commerce platform will complement Zalando's B2B business by creating an advanced e-commerce operating system enabling brands and retailers to even better manage their multi-channel business across Europe. The transaction comes with compelling value creation opportunities that the two companies, operating in the same industry, can generate by collaborating in a wide range of areas such as B2B, logistics, payments and commercial collaboration.

The fair value of the consideration transferred for the acquisition of 91.5% of the ABOUT YOU shares amounts to 1,028.7m EUR. The consideration includes an amount of 917.7m EUR that was paid in cash, an amount of 79.4m EUR that is the acquisition date fair value of the previously held equity interest (6.8% of the ABOUT YOU shares already acquired in December 2024 and January 2025) and an amount of 31.6m EUR that is the acquisition date fair value of

the Zalando shares transferred. Costs associated with this business combination amounted to approximately 24.9m EUR, with 11.7m EUR already expensed in 2024.

The following table summarises the fair value of the assets acquired and liabilities assumed:

ABOUT YOU recognised assets and liabilities

in m EUR	As of 11 July 2025
Intangible assets	612.9
Right-of-use assets	145.0
Inventories	376.0
Trade and other receivables	62.9
Cash and cash equivalents	44.0
Other identifiable assets	121.0
Total identifiable assets	1,361.8
Lease liabilities	192.9
Trade payables and similar liabilities	504.9
Other non-financial liabilities	112.4
Other financial liabilities	48.3
Deferred tax liabilities	57.3
Total identifiable liabilities	915.8
Total identifiable net assets	446.0
Thereof non-controlling interests	37.5
Thereof acquired net assets	408.5
Total consideration transferred	1,028.7
Goodwill	620.2

The acquired intangible assets mainly comprise the ABOUT YOU and SCAYLE brand (191.0m EUR) as well as customer relationships (327.0m EUR), which were evaluated using recognized evaluation methods (relief from royalty, multi period excess earnings method etc.) and which are amortised over 15 and 10 years, respectively. We measured the fair value of those intangible assets with generally accepted valuation techniques based on level 3 input parameters. The goodwill acquired is not tax deductible. Because synergies from the transaction are expected to arise in the B2C and in the B2B, the goodwill of 620.2m EUR is allocated to both operating segments based on the present value of the synergies (B2C: 507.9m EUR and B2B: 112.3m EUR).

Since the acquisition date, ABOUT YOU has contributed 1,095.7m EUR to the revenues of the group as well as a net loss of 47.7m EUR. If ABOUT YOU had been part of the group since 1 January 2025, the revenues of the Zalando group would have been 1,080.9m EUR higher and the net income would have been 55.6m EUR lower than that reported as of 31 December 2025.

There were no other material business combinations in the financial year 2025 or in the prior financial year.

(6.) Average number of employees

The average number of employees (excluding working students, interns and apprentices) by individual operational area as of the reporting date is presented below:

Average number of employees

	2025	2024
Commercial	3,149	2,995
Operations	8,188	7,742
Technology	3,220	2,745
Other	2,025	1,827
Total	16,582	15,309

(7.) Information regarding the auditor

The consolidated financial statements and the annual financial statements of Zalando SE for the financial year from 1 January to 31 December 2025 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. The lead auditors were Marius Sternberg (since 2024) and Haiko Schmidt (since 2024).

The fees recognised for the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, increased mainly due to the business combination with ABOUT YOU and amounted to:

- 2.8m EUR for the audits of the separate and consolidated financial statements (prior year: 1.5m EUR),
- 0.7m EUR for other assurance services (prior year: 0.4m EUR) and
- 0.0m EUR for other services (prior year: 0.1m EUR).

Other assurance services mainly comprised the limited assurance review of our sustainability statement. Additional audit fees for KPMG network companies amounted to 0.4m EUR (prior year: 0.4m EUR).

(8.) Shareholdings

Zalando SE's direct and indirect shareholdings in its subsidiaries as well as associated companies and joint ventures as of 31 December 2025 are as follows:

List of shareholdings

No.	Company	Company domicile	Currency	Share of equity held by*	Share in capital in % 2025
Subsidiaries					
1	zLabels GmbH	Berlin	EUR	Directly	100.0
2	Zalando Operations GmbH	Berlin	EUR	Directly	100.0
3	Zalando Logistics SE & Co. KG**	Erfurt	EUR	Directly 2	99.0 1.0
4	Zalando Logistics Mönchengladbach SE & Co. KG**	Mönchengladbach	EUR	Directly 2	99.0 1.0
5	Zalando Logistics Süd SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
6	Zalando Logistics Operations France SAS	Paris, France	EUR	Directly	100.0
7	Zalando Customer Care DACH SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
8	Zalando Customer Care International SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
9	Zalando Lounge Service GmbH	Berlin	EUR	Directly	100.0
10	Zalando Outlets GmbH	Berlin	EUR	Directly	100.0
11	Zalando Ireland Ltd.	Dublin, Ireland	EUR	Directly	100.0
12	Zalando Finland Oy	Helsinki, Finland	EUR	Directly	100.0
13	BREAD & butter GmbH & Co. KG**	Berlin	EUR	Directly	100.0
14	Portokali Property Development III SE & Co. KG**	Berlin	EUR	Directly 2	99.9 0.1
15	Zalando Studios Berlin GmbH	Berlin	EUR	Directly	100.0
16	Mobile Fashion Discovery GmbH	Berlin	EUR	Directly	100.0
17	Zalando Marketing Services GmbH	Berlin	EUR	Directly	100.0
18	BREAD & butter tradeshow Verwaltungs GmbH	Berlin	EUR	13	100.0
19	zLabels Trading Ltd.	Hong Kong, Hong Kong	HKD	1	100.0
20	zLabels China Trading Co. Ltd.	Dongguan, China	CNY	19	100.0
21	ifansho Holding GmbH	Berlin	EUR	Directly	100.0
22	nugg.ad GmbH	Berlin	EUR	17	100.0
23	Zalando Logistics Operations Polska sp. z o.o.	Gardno, Poland	PLN	2	100.0
24	Tradebyte Software GmbH	Ansbach	EUR	Directly	100.0
25	Zalando Lounge Logistics SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
26	Zalando Logistics Operations Spain S.L.U.	Elche, Spain	EUR	1	100.0
27	zLabels LP GmbH	Berlin	EUR	1	100.0
28	Zalando Payments GmbH	Berlin	EUR	Directly	100.0

List of shareholdings

No.	Company	Company domicile	Currency	Share of equity held by*	Share in capital in % 2025
29	Zalando Switzerland AG	Zurich, Switzerland	CHF	Directly	100.0
30	Connected Retail GmbH	Berlin	EUR	Directly	100.0
31	Zalando Beauty Store GmbH	Berlin	EUR	Directly	100.0
32	Zalando Lounge Logistics Polska sp. z o.o.	Olsztynek, Poland	PLN	Directly	100.0
33	Tradebyte Software Ltd.	Cheltenham, United Kingdom	GBP	Directly	100.0
34	Zalando OpCo Polska Sp. z o.o.	Gluchow, Poland	PLN	2	100.0
35	zLabels Creation & Sales GmbH & Co. KG**	Berlin	EUR	1 27	99.0 1.0
36	zLabels Platform Services GmbH & Co. KG**	Berlin	EUR	1 27	99.0 1.0
37	Zalando Logistics Operations Italy S.R.L.	Bolzano, Italy	EUR	Directly	100.0
38	Zalando Logistics Operations Netherlands B.V.	Bleiswijk, Netherlands	EUR	Directly	100.0
39	Zalando Lounge Content Solutions SE & Co. KG**	Berlin	EUR	Directly 9	99.0 1.0
40	Zalando CuCa Ops Excellence SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
41	Zalando Stores Experiences & Clearance Solutions GmbH & Co. KG**	Berlin	EUR	10 2	99.0 1.0
42	Fashion Circle GmbH	Berlin	EUR	Directly	100.0
43	Zalando Logistics Gießen SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
44	Zalando BTD 003 GmbH	Berlin	EUR	Directly	100.0
45	Zalando BTD 007 SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
46	Zalando Lounge Operations Bydgoszcz Polska Sp. z o.o.	Bydgoszcz, Poland	PLN	Directly	100.0
47	Zalando BTD 009 SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
48	Zalando BTD 010 SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
49	Zalando BTD 011 SE & Co. KG**	Berlin	EUR	Directly 2	99.0 1.0
50	Zalando UK Ltd.	Cheltenham, United Kingdom	GBP	Directly	100.0
51	Zalando Netherlands B.V.	Bleiswijk, Netherlands	EUR	Directly	100.0
52	Titel Media GmbH	Berlin	EUR	Directly	100.0
53	Highsnobiety Incorporated	New York, USA	USD	52	100.0
54	Highsnobiety Metaverse GmbH	Berlin	EUR	52	100.0
55	Zalando Sweden AB	Malmö, Sweden	SEK	Directly	100.0
56	Zalando Customs Operations GmbH	Vienna, Austria	EUR	Directly	100.0

List of shareholdings

No.	Company	Company domicile	Currency	Share of equity held by*	Share in capital in % 2025
57	Zalando (Shenzhen) Technology Development Co., Ltd.	Shenzhen, China	CNY	Directly	100.0
58	I Love IceCream Ltd.	Cheltenham, United Kingdom	GBP	Directly	100.0
59	DeepAR Technology d.o.o.	Zagreb, Croatia	EUR	58	100.0
60	ABOUT YOU Holding AG	Hamburg	EUR	Directly	100.0
61	ABOUT YOU Verwaltungs SE	Hamburg	EUR	60	100.0
62	ABOUT YOU SE & Co. KG**	Hamburg	EUR	61 63	99.1 0.9
63	ABOUT YOU Beteiligungs GmbH	Hamburg	EUR	61	100.0
64	SCAYLE GmbH	Hamburg	EUR	61	100.0
65	SCAYLE Inc.	New York, USA	USD	64	100.0
66	SCAYLE Payments GmbH	Hamburg	EUR	61	97.0
67	Adference GmbH	Lüneburg	EUR	61	100.0
Associated companies and joint ventures					
68	6PM GmbH	Frankfurt am Main	EUR	61	20.0
69	Guido Maria Kretschmer Ajour GmbH	Hamburg	EUR	61	19.9
70	LeGer GmbH	Berlin	EUR	61	40.0
71	SOKO München GmbH	Hamburg	EUR	61	39.6
72	Supreme GmbH	Rostock	EUR	61	49.0
73	The HAUS Apparel GmbH	Berlin	EUR	61	49.0
74	WhyNot Enterprises GmbH (i.L.)	Berlin	EUR	61	43.0

*) The number refers to the ID of the respective company in the list of shareholdings.

**) Companies whose unlimited liability partner is the parent company or another company included in the consolidated financial statements.

Changes in the list of shareholdings:

- Acquisition of I Love IceCream Ltd., DeepAR Technology d.o.o.
- Acquisition of ABOUT YOU Holding AG, ABOUT YOU Verwaltungs SE, ABOUT YOU SE & Co. KG, ABOUT YOU Beteiligungs GmbH, SCAYLE GmbH, SCAYLE Inc., SCAYLE Payments GmbH, Adference GmbH.
- Investments in 6PM GmbH, Guido Maria Kretschmer Ajour GmbH, LeGer GmbH, SOKO München GmbH, Supreme GmbH, The HAUS Apparel GmbH, WhyNot Enterprises GmbH (i.L.).
- Divestiture of Anatwine Inc. and Moncalieri Logistics S.r.l.
- Change of the company names of Zalando CuCa Ops Excellence SE & Co. KG (prior year: Zalando Customer Care Central Services SE & Co. KG), Zalando Stores Experiences & Clearance Solutions GmbH & Co. KG (prior year: Zalando Stores GmbH & Co. KG).

(9.) Disclosure exemptions

According to Section 264b HGB, the partnerships⁶⁷ listed as shareholdings are exempt from the requirement to disclose financial statements and to prepare notes to the financial statements and a management report. In accordance with Section 264 (3) HGB, zLabels GmbH, Zalando Lounge Service GmbH, Zalando Outlets GmbH, Zalando Studios Berlin GmbH, Zalando Marketing Services GmbH, Tradebyte Software GmbH, Connected Retail GmbH, ifansho Holding GmbH, ABOUT YOU Holding AG, ABOUT YOU Verwaltungs SE, ABOUT YOU Beteiligungs GmbH, SCAYLE GmbH and Adference GmbH are exempt from the requirement to disclose their financial statements and to prepare notes to the financial statements and a management report. In addition, Zalando Logistics Operations Netherlands B.V. and Zalando Netherlands B.V. make use of the exemption in accordance with Section 403 Book 2 of the Dutch Civil Code to not prepare financial statements in accordance with Title 9 Book 2 of the Dutch Civil Code.

(10.) Segment reporting

The B2C segment, which covers the majority of our business, mirrors the multi-app approach and hence includes our Zalando B2C business (with the Zalando and Lounge by Zalando Apps) and its supporting services, including our partner and retail media business as well as the ABOUT YOU Commerce business. The B2B segment comprises B2B products and services we offer to our partners (i.e. ZEOS Fulfilment including ZFS and MCF, the enterprise digital commerce platform SCAYLE, the platform integration solution Tradebyte and our global media and agency business Highsnobiety).

Revenue and profitability generated through external business partners as well as internal transactions between our segments are reported to the chief operating decision-maker as required by IFRS 8. As a result, our segment reporting continues to include a reconciliation column to reconcile the segment figures (covering both internal and external transactions) with the consolidated group figures (showing only external transactions). The internal transactions relate to the exchange of goods and services between segments.

The management board measures the performance of the segments on the basis of revenue and adjusted EBIT, which for segment reporting purposes are defined in the same way as for the consolidated financial statements of the group. No information on segment assets or liabilities is available or relevant for decision-making.

Of the total external revenue generated in the group, Germany accounts for the largest portion at 29.8% (prior year: 28.0%), followed by Switzerland with a share in the low double-digit percentage range. External revenues are attributed to countries on the basis of the place where we transfer the promised goods or services to a customer. Most of the non-current assets of the group of 3,770.2m EUR are located in Germany (73.0%). The group also holds considerable non-current assets in its fulfilment centres in Poland (9.8%) and France (6.6%).

Cost of sales includes expenses from valuation allowances of inventories for the B2C segment of 14.4m EUR (prior year: income of 28.7m EUR).

The selling and distribution costs include valuation allowances for trade and other receivables and write-downs due to uncollectable receivables for the B2C segment of 26.8m EUR (prior year: 26.1m EUR) and for the B2B segment of 36.6m EUR (prior year: 13.2m EUR).

⁶⁷ Partnerships with the following numbers in the list of shareholdings shown on the previous pages are exempt from the requirement to disclose their financial statements: 3, 4, 5, 7, 8, 13, 14, 25, 35, 36, 39, 40, 41, 43, 45, 47, 48, 49 and 62.

Segment reporting 2025

in m EUR	B2C	B2B	Total	Reconciliation	Total group
Revenue	11,278.7	1,091.3	12,370.0	-23.9	12,346.1
(prior year)	(9,657.7)	(952.6)	(10,610.3)	(-37.8)	(10,572.5)
thereof intersegment revenue	0.0	23.9	23.9	-23.9	0.0
(prior year)	(0.0)	(37.8)	(37.8)	(-37.8)	(0.0)
Cost of sales	-6,503.3	-927.9	-7,431.3	8.9	-7,422.4
(prior year)	(-5,456.3)	(-841.9)	(-6,298.2)	(27.7)	(-6,270.5)
thereof intersegment cost of sales	-8.9	0.0	-8.9	8.9	0.0
(prior year)	(-27.8)	(0.2)	(-27.7)	(27.7)	(0.0)
Gross profit	4,775.4	163.3	4,938.8	-15.0	4,923.8
(prior year)	(4,201.3)	(110.7)	(4,312.1)	(-10.1)	(4,302.0)
thereof intersegment gross profit	-8.9	23.9	15.0	-15.0	0.0
(prior year)	(-27.8)	(37.9)	(10.1)	(-10.1)	(0.0)
Selling and distribution costs	-3,898.3	-85.0	-3,983.3	15.8	-3,967.5
(prior year)	(-3,349.4)	(-57.9)	(-3,407.3)	(9.7)	(-3,397.6)
thereof intersegment selling and distribution costs	-15.8	0.0	-15.8	15.8	0.0
(prior year)	(-9.7)	(0.0)	(-9.7)	(9.7)	(0.0)
Administrative expenses	-486.9	-54.1	-541.0	0.0	-541.0
(prior year)	(-458.4)	(-55.0)	(-513.3)	(0.0)	(-513.3)
Other operating income/expenses	-21.3	-6.6	-27.9	-0.1	-28.0
(prior year)	(0.7)	(0.2)	(0.9)	(-0.1)	(0.9)
Adjusted earnings before interest and taxes (EBIT)	536.0	53.9	590.0	0.7	590.7
(prior year)	(488.7)	(22.8)	(511.5)	(-0.4)	(511.1)
Share-based payments	82.7	9.2	91.9	0.0	91.9
(prior year)	(74.2)	(8.2)	(82.4)	(0.0)	(82.4)
Acquisition-related expenses	38.2	18.5	56.6	0.0	56.6
(prior year)	(14.0)	(16.5)	(30.5)	(0.0)	(30.5)
One-time effects	9.5	2.6	12.1	0.0	12.1
(prior year)	(6.3)	(0.0)	(6.3)	(0.0)	(6.3)
Restructuring costs	36.7	6.0	42.8	0.0	42.8
(prior year)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
EBIT	368.9	17.7	386.5	0.7	387.2
(prior year)	(394.2)	(-1.9)	(392.3)	(-0.4)	(391.9)

Total expenses include depreciation and amortisation of intangible assets, property, plant and equipment and right-of-use assets for the B2C segment of 376.5m EUR (prior year: 327.1m EUR) and for the B2B segment of 28.3m EUR (prior year: 22.9m EUR). The one-time effect adjustments relate mainly to impairment losses.

The group's financial result is not allocated to the segments.

(11.) Subsequent events

On 8 January 2026 we announced the decision to close our fulfilment centre in Erfurt, Germany, planned for the end of September 2026, and to discontinue operations at three warehouses outside of Germany that are being operated by external service providers for Zalando and ABOUT YOU. After the announcement we started negotiations with the Erfurt Works Council on a balance of interests and social plan for the 2,700 affected employees.

This decision is already reflected in our 2025 consolidated financial statements with a reduction in the lease term of the Erfurt site. In addition, we adjusted the remaining useful life of the affected property, plant and equipment, which will lead to an accelerated depreciation and hence higher expenses of up to 20m EUR in the 2026 financial year. In addition, we currently expect employee-related costs (mainly severance payments, etc.) in the range of up to 80.0m EUR. According to the announcement of the main features and the start of the implementation of the plan after the reporting date 31 December 2025, this will be recognised through profit or loss only in the financial year 2026. Based on our definition of adjusted EBIT, these amounts will be adjusted.

No other significant event occurred between the reporting date (31 December 2025) and the date the consolidated financial statements and the group management report were authorised for issue by the management board (10 March 2026) which could materially affect the presentation of the financial performance and position of the group.

(12.) Authorisation of the financial statements for issue

The consolidated financial statements and group management report of Zalando SE are published in the German Company Register [Unternehmensregister]. The consolidated financial statements and the group management report were authorised for issue by the management board on 10 March 2026.

Berlin, 10 March 2026

Management board

Robert Gentz

David Schröder

Anna Dimitrova

David Schneider

Dr Astrid Arndt

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4.1 Responsibility statement by the management board

We assure to the best of our knowledge and in accordance with the applicable reporting principles that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and that the group management report, which is combined with the management report of Zalando SE, includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Berlin, 10 March 2026

Management board

Robert Gentz

David Schröder

Anna Dimitrova

David Schneider

Dr Astrid Arndt

4.2 Independent auditor's report

Report on the audit of the consolidated financial statements and of the combined management report

To Zalando SE, Berlin

Opinions

We have audited the consolidated financial statements of Zalando SE, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the company and the group (thereafter "combined management report") for the financial year from 1 January to 31 December 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these

requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Acquisition of the ABOUT YOU Group

For the accounting and valuation methods used and the assumptions made, please refer to sections 3.5.4 "Consolidation principles," 3.5.6 "Use of estimates and assumptions," and 3.5.8 (5.) "Business combinations" in the notes to the consolidated financial statements.

The financial statement risk

On July 11, 2025, Zalando obtained control over ABOUT YOU Holding SE, the parent company of the ABOUT YOU group, after execution of all closing conditions. A consideration of EUR 1,029 million was transferred for the 91.5 percent of shares of ABOUT YOU Holding SE acquired in this transaction. Taking into account the acquired net assets at fair value of EUR 409 million, this resulted in a goodwill of EUR 620 million, of which EUR 508 million is attributed to the B2C segment and EUR 112 million to the B2B segment. As part of the acquired net assets, customer relationships with a fair value of EUR 327 million and brands with a fair value of EUR 191 million were recognized separately in the purchase price allocation.

In accordance with IFRS 3, the identifiable assets acquired and liabilities assumed are generally recognized at fair value at the acquisition date. Zalando used an external expert to identify and measure the identifiable assets acquired and liabilities assumed as part of the purchase price allocation.

The identification and measurement of the acquired assets and assumed liabilities are complex and based on judgemental assumptions made by Management. The significant assumptions, particularly with regard to the intangible assets recognized separately in the purchase price allocation, include the expected sales and margin developments as well as the useful lives, cost of capital, and royalty rates. The key assumptions also relate to the allocation of goodwill to the segments, which is based on discretionary synergy expectations.

There is the risk for the consolidated financial statements that the acquired assets and assumed liabilities, as well as goodwill, are incorrectly identified, incorrectly measured, or incorrectly allocated to the segments. There is also a risk that the disclosures in the notes to the consolidated financial statements may not be complete and accurate.

Our audit approach

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the identification and valuation methods and the significant assumptions. To this end, we first gained an understanding of the transaction through inquiries of employees in the finance and M&A departments and by reviewing the relevant contracts.

We reconciled the total purchase price with the underlying purchase agreements, the public takeover offer, and the payment evidence.

We assessed the competence, skills, and objectivity of the independent expert used by Zalando. In addition, we assessed the process of identifying the acquired assets and assumed liabilities using our knowledge of ABOUT YOU's business model for compliance with the requirements of IFRS 3. We evaluated the valuation methods used for compliance with the valuation principles.

We discussed the data used to value intangible assets with the independent expert and reviewed the underlying documentation. We also discussed the expected sales and margin developments used in the purchase price allocation with employees responsible for planning. In addition, we reconciled the figures with the approved budget prepared by Management and assessed the consistency of the assumptions with external market estimates. We compared the license rates used to measure intangible assets with reference values. We compared the assumptions and data underlying the cost of capital, in particular the risk-free interest rate, the market risk premium, and the beta factor, with our own assumptions and publicly available data.

In assessing the allocation of goodwill, we discussed the synergies expected by Management in the respective segments and assessed their plausibility.

To assess mathematical accuracy, we reviewed a risk-based selection of calculations.

Finally, we assessed whether the disclosures in the notes to the acquisition of ABOUT YOU are complete and appropriate.

Our observations

The approach used to identify and measure the acquired assets and assumed liabilities and to determine and allocate goodwill is appropriate and consistent with the applicable accounting and valuation principles. The significant assumptions and data are reasonable. The presentation in the notes to the consolidated financial statements is complete and appropriate.

Valuation of goods

Please refer to section 3.5.5 (Accounting policies) of the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used.

The financial statement risk

The consolidated statement of financial position as at 31 December 2025 includes inventories, in particular merchandise, of EUR 2,105 million after impairments of EUR 363 million.

The value of goods initially measured at acquisition cost (taking into account incidental acquisition costs and purchase price reductions) must be reduced if their expected net realisable value no longer covers the acquisition cost. The net realisable value is the estimated selling price less the costs necessary to make the sale.

The determination of net realisable value is based on assumptions. Based on historically observed data, the assumptions made by the group take into account the seasonality and the expected realisability of the inventories and all costs that the group is expected to incur in the ordinary course of business in the sales channels.

The result of this valuation is highly dependent on the assessment of Management with regard to the factors influencing the value. There is a risk for the consolidated financial statements that goods are not valued appropriately.

Our audit approach

Based on our understanding of the process, we assessed the design and implementation of the identified internal control relating to the determination of the expected impairment losses.

We examined the acquisition costs for a randomly selected sample.

In addition, we assessed the determination of the expected sales costs based on historically observed data. Furthermore, we assessed the attribution of the goods to the respective seasons using randomly selected sample. The assumptions of the group with respect to the expected realisability of the inventories were assessed based on losses experienced in the past in the respective distribution channels.

Finally, we assessed mathematical accuracy in the calculation of the impairments.

Our observations

The assumptions used to determine the impairments for goods and the judgement exercised by management are appropriate.

Other information

Management respectively the supervisory board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the sustainability statement, including the combined non-financial statement, which is included in section 2.8 of the combined management report
- the combined corporate governance statement, included in section 2.5 of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information comprises the remaining parts of the annual report. The other information does not include the consolidated financial statements, the audited content of the combined management report and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

In accordance with our engagement, we have performed a separate assurance engagement on the sustainability statement. With regard to the nature, scope and results of this assurance engagement, we draw attention to our assurance report dated 10 March 2026.

Responsibilities of management and the supervisory board for the consolidated financial statements and the combined management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion

on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the combined management report prepared for publication purposes in accordance with Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file [zalandose-2025-12-31-de] made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB

and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Responsibilities of the Auditor of the Consolidated Financial Statements for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i. e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU audit regulation

We were elected as group auditor by the annual general meeting on 27 May 2025. We were engaged by the Supervisory Board on 11 August 2025. We have been the auditor of the consolidated financial statements of Zalando SE without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report:

- Limited assurance audit of the sustainability report for the financial year 2025
- Audit of the remuneration report prepared in accordance with Section 162 AktG
- Statutory, contractually stipulated and voluntary special audits, such as audits in accordance with Section 20 WpHG, VerpackG and IDW PS 982
- Benchmarking services and provision of a tool to support the verification of VAT identification numbers

Other matter — use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marius Sternberg.

Berlin, 10 March 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Sternberg
Wirtschaftsprüfer
[German Public Auditor]

Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Group Sustainability Statement¹

To Zalando SE, Berlin

Assurance Conclusion

We have conducted a limited assurance engagement on the Group Sustainability Statement, included in section 2.8 of the combined management report, of Zalando SE for the financial year from 1 January to 31 December 2025. The Group Sustainability Statement was prepared to fulfil 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 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement and Sections 289b to 289e of the HGB for a non-financial statement of the company.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, Sections 289b to 289e of the HGB for a non-financial statement of the company and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section 2.8.1 General Information: "Impacts, risks and opportunities" of the Group Sustainability Statement, or
- the disclosures in section 2.8.2 Environmental Information: "Disclosures pursuant to Article 8 of EU Taxonomy Regulation" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

¹ Our engagement applied to the German version of the Group Sustainability Statement 2025. This text is a translation of the assurance report of the independent German Public Auditor issued in German language, whereas the German text is authoritative.

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in section 2.8.1 General Information: "Basis for preparation (ESRS 2 BP-1 and BP-2)" of the Consolidated Sustainability Statement, the quantification of the non-financial performance indicators mentioned there is also subject to inherent limitations due to significant estimations and measurement uncertainties.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement
- conducted site visits
- considered the presentation of the information in the Group Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use / Clause on General Engagement Terms

This assurance report is solely addressed to Zalando SE.

The engagement, in the performance of which we have provided the services described above on behalf of Zalando SE, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 million specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Berlin, 10 March 2026

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by]

Edelmann

Wirtschaftsprüferin

[German Public Auditor]

Säuberlich

Wirtschaftsprüfer

[German Public Auditor]

4.3 Glossary

Active customers

Active customers is the number of customers who have placed at least one order in the last 12 months during the reporting period, irrespective of returns. The number of customers who have completely cancelled their orders is excluded.

Adjusted EBIT

Adjusted EBIT is EBIT before equity-settled share-based payment expenses, restructuring costs, acquisition-related expenses and significant non-operating one-time effects.

Average basket size

Average basket size is the gross merchandise volume (including the gross merchandise volume from our partner business) after cancellations and returns and including VAT, divided by the number of orders in the last 12 months of the reporting period.

Average GMV per active customer

Average gross merchandise volume (GMV) per active customer is the average value of all merchandise sold to active customers after cancellations and returns and including VAT in the last 12 months of the reporting period.

Average orders per active customer

Average orders per active customer is the number of orders in the last 12 months of the reporting period, divided by the number of active customers.

Capex

Capex is the sum of the payments for investments in fixed assets and intangible assets excluding payments for the acquisition of companies.

EBIT

EBIT is the earnings before interest and taxes.

EBIT margin

EBIT margin is EBIT as a percentage of revenue.

Free cash flow

Free cash flow is the cash flow from operating activities plus cash flow from investment activities (excluding investments in time deposits and restricted cash).

GMV

GMV (gross merchandise volume) is defined as the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically reported. It includes neither B2B revenues (e.g. ZEOS services) nor other B2C revenues (e.g. partner business commissions, retail media business and service charges like express delivery fees); these are included in revenue only. GMV is recorded based on the time of the customers' order.

Net working capital

Net working capital is the sum of inventories and trade and other receivables less trade payables and similar liabilities.

Number of orders

Number of orders is the number of orders placed by customers during the reporting period, irrespective of cancellations or returns. An order is counted on the day the customer places the order. The number of orders placed may differ from the number of orders delivered because the orders at the end of the reporting period may still be in transit or may have been cancelled.

4.4 Financial calendar 2026

Financial calendar

Date	Event
Wednesday, 6 May	Publication of the first quarter results 2026
Tuesday, 12 May	Annual general meeting 2026
Tuesday, 4 August	Publication of the second quarter results 2026
Tuesday, 3 November	Publication of the third quarter results 2026

4.5 Imprint

Contact

Zalando SE
Valeska-Gert-Straße 5
10243 Berlin
corporate.zalando.com
press@zalando.com

Investor Relations

Patrick Kofler/Director Investor Relations
investor.relations@zalando.de

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Zalando image pool, Daniel Hofer

Disclaimer

This annual report contains statements that relate to the future and are based on assumptions and estimates made by the management of Zalando SE. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. Zalando SE makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this annual report. It is neither the intention of Zalando SE nor does Zalando SE accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this report is published.

The annual report is available in English. If there are variances, the German version has priority over the English translation. It is available for download in both languages at <https://corporate.zalando.com/en/investor-relations>.

