

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	3
		ESRS 2 GOV-2: Information on sustainability matters addressed by Zalando's governance bodies	5
		ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes	6
		SBM-1: Strategy, business model and value chain	9
		SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	19
		Entity-specific information: Innovation and partnerships: Governance	98

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	5
		SBM-2: Interests and views of stakeholders	13
		IRO-1: Identification and assessment of material IROs	15
		S1-2: Process for engaging with own workforce	73
		S1-3: Processes to raise concerns	73
		S2-2/3: Workers in the value chain engagement: Impacts, concerns, and remediation channels	79
		Entity-specific information: Innovation and partnerships: Management of IROs related to innovation and partnerships	98
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	15
		SBM-3: Material IROs and their interaction with strategy and business model	19
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	37
		E2-2: Actions and resources related to pollution	48
		E3-2: Measures and resources related to water resources	50
		E5-2: Actions and resources related to resource use and circular economy	53
		S1-4: Actions and resources related to own workforce	74
		S2-4: Actions and resources related to workers in the value chain	80
		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	83, 87, 89, 91
		G1-3: Prevention and detection of corruption and bribery	95
		Entity-specific information: Innovation and partnerships: Management of IROs related to innovation and partnerships	98
		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.
E1-5: Energy consumption and mix	42		
E1-6: Gross scopes 1, 2, 3 and total GHG emissions	43		
E3-4: Metrics for our water consumption	50		
E5-3: Targets related to resource use and circular economy	55		
E5-4: Resource inflows	56		
E5-5: Resource outflows	58		
S1-5: Targets related to own workforce	75		
S1-11: Social protection	66		
S1-14: Health and safety metrics	69		
S1-15: Work-life balance metrics	67		
S1-17: Incidents, complaints and severe human rights impacts	72		
G1-4: Incidents of corruption and bribery	96		

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

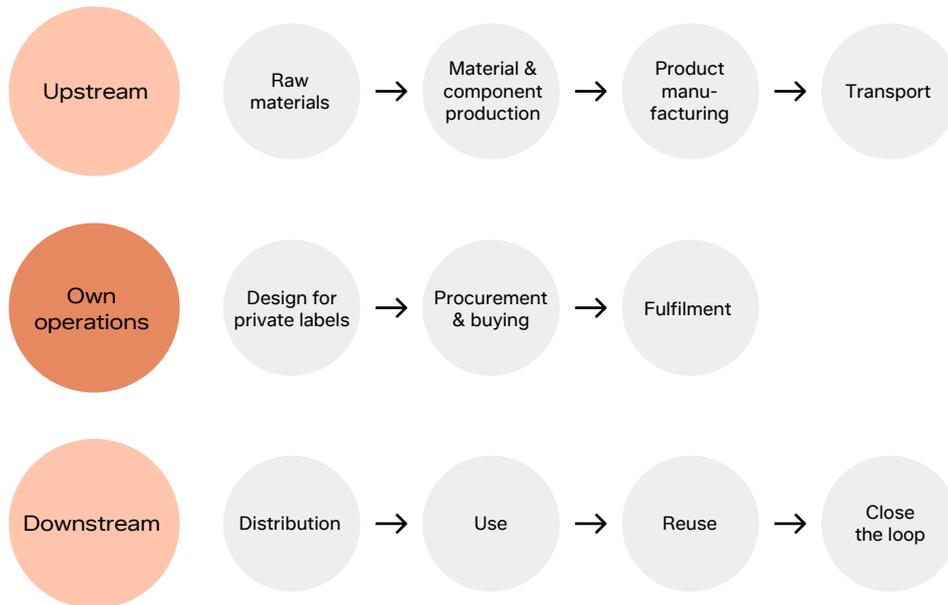
In B2C, we offer a multi-brand shopping experience for fashion and lifestyle products to more than 60 million active customers in 29 markets that includes clothing, footwear, accessories and beauty. In B2B, we are opening up our logistics infrastructure, software and service capabilities to become a 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.	<ul style="list-style-type: none"> Customers' questions and feedback via customer care channels Use of customer insight programmes for understanding and cultural insights Using digital tools to enhance insights into consumer trends 	<ul style="list-style-type: none"> Climate change Governance, 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.	<ul style="list-style-type: none"> Brand partner questions, feedback and requests received via email and in meetings Brand partner days Customer and industry conferences and events Collaborative relationships with ongoing dialogue through all partner-facing colleagues 	<ul style="list-style-type: none"> Climate change Governance, 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.	<ul style="list-style-type: none"> Assessments Supplier audits Collaborations to improve performance Multi-stakeholder initiatives Supplier events: capacity building, discussing issues Direct engagement with supplier relationship managers 	<ul style="list-style-type: none"> Climate change Synthetic fibres Human rights Innovation capabilities Raw material availability Responsible sourcing and traceability
Employees To foster an inclusive, safe and innovative workplace where everyone can thrive and contribute.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Annual general meeting Annual investor conferences and investor roadshows Quarterly earnings calls and financial reports Briefings with sell-side analysts Conferences including ESG-focused topics with investors and other financial stakeholders 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Local site community engagement programme, e.g. Design Academy connecting young brands and designers with industry experts in collaboration with VORN - The Berlin Fashion Hub Ongoing dialogue with local authorities and organisations Employees volunteering in local social activities through corporate volunteering with the 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) 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> ILO Better Work German International Cooperation Society (GiZ) Federal Ministry for Economic Cooperation and Development CDP (formerly the Carbon Disclosure Project) 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Global network of accelerators and incubators Partnerships with innovators, accelerators and academia Connected to disruptive and digital trends Co-creation and co-innovation opportunities 	<ul style="list-style-type: none"> Climate change Innovation capabilities Product environmental / 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

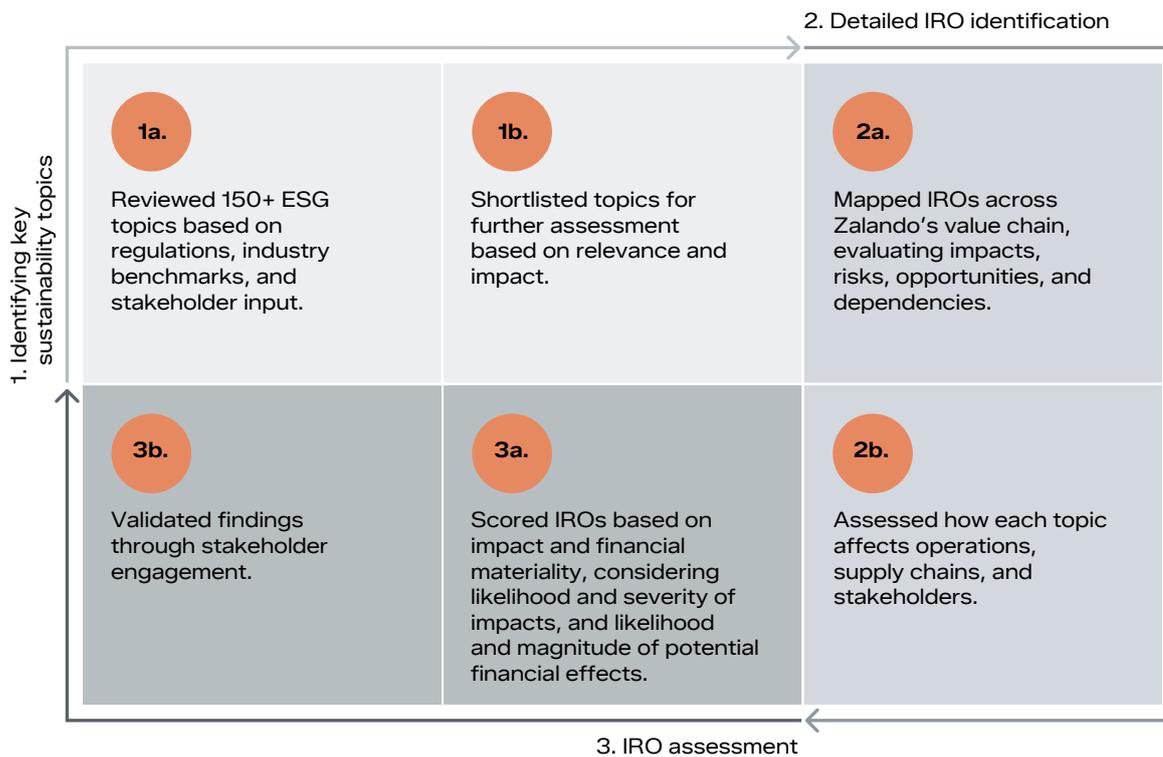
in the materiality analysis. Additionally, we mapped the IROs across our value chain in terms of time horizons and our role in relation to the impacts or risks and opportunities.

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



Zalando impact on people and environment

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	<p>[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.</p> <p>[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.</p>	Actual, >5 years	Caused by and linked to Zalando
Climate change adaptation	<p>[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.</p> <p>[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.</p>	0–1 year, 1–5 years and >5 years	Within Zalando's control; business relationship dependencies
Energy	<p>[Transition opportunities – OO] Potential decrease in energy consumption and costs due to improved energy efficiency and other decarbonisation initiatives.</p> <p>[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.</p>	1–5 years	Within Zalando's control
ESRS E2 Pollution			
Pollution of air; water and soil; substances of concern; substances of very high concern; microplastics	<p>[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.</p>	Actual, 0–1 year and potential, 1–5 years	Linked to Zalando
ESRS E3 Water resources			
Water	<p>[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.</p> <p>[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.</p>	Potential, 1–5 years	Linked to Zalando
ESRS E5 Resource use and circular economy			
Resource inflows and outflows related to products and services	<p>[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.</p>	Potential, 1–5 years	Caused by Zalando
Resource outflows related to products and services	<p>[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.</p>	Actual, 0–1 year and potential, 1–5 years	Linked to Zalando
Resource outflows related to products and services	<p>[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.</p>	1–5 years	Business relationship; resource dependencies
Resource inflows and outflows related to products and services	<p>[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.</p>	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	<p>[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.</p> <p>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.</p> <p>Insufficient preventive measures and training increase the risk of workplace accidents and health problems.</p> <p>Discrimination against vulnerable groups — including Indigenous peoples, minority groups, migrant workers, sexual minorities, and women and girls — pose further risks, undermining their rights and well-being. The use of force against workers and a lack of secure employment create additional concerns.</p>	Actual, 0–1 year	Linked to Zalando; contributed by Zalando
	<p>[Risks — OO] The garment and footwear sectors are becoming increasingly vulnerable due to the weak governance and enforcement of child labour laws, leading to serious reputational risks for the company. Insufficient and inaccurate worker data complicates the identification of various risks. The employment of migrant workers, especially those with irregular status, further heightens the risk of forced labour.</p> <p>Wage non-compliance is a critical issue across labour-intensive stages in the supply chain, particularly in countries lacking strong regulatory frameworks and effective collective bargaining. This contributes to significant wage disparities.</p> <p>Additionally, occupational health and safety (OHS) failures remain a serious concern, although some progress has been made, OHS risks continue to threaten worker safety.</p>	0–1 year	Business relationship dependencies
ESRS S4 Consumers and end-users			
Information-related impacts (including privacy)	<p>[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.</p>	Potential, 1–5 years	Caused by Zalando
	<p>[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.</p>	0–1 year	Business relationship dependencies; caused by Zalando
	<p>[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.</p>	1–5 years	Within Zalando’s control; business relationship dependencies
	<p>[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.</p>	Actual, 0–1 year	Caused by Zalando
Personal safety	<p>[Negative impacts — VC] Inadequate product safety standards (e.g. regarding chemicals in beauty products, garments and accessories) lead to adverse human health effects.</p>	Actual, 0–1 year	Caused by and linked to Zalando
	<p>[Risks — OO] Inadequate product safety standards (e.g. regarding materials in beauty products and garments) result in fines or loss of reputation.</p>	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](#).¹ Additions to right-of-use assets of 210.3m EUR

¹ 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

Economic activities	Code	Year		Substantial contribution criteria					
		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

Economic activities	Code	Year		Substantial contribution criteria					
		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")

Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular Economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (%)	Category enabling activity (E)	Category transitional activity (T)
							0.0		
							-		
							-		
							6.3		
							6.3		
							6.3		

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

Economic activities	Code	2025		Substantial contribution criteria						
		Year	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 SBTi's 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 (Highsnobiety) 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						
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	
	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	
	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
Region										
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-overhead 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														
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],² 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.

² 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 fashion³
- Content creation guidelines for Modest fashion⁴

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.

³ Adaptive fashion is apparel made for people with permanent or temporary disabilities that offers additional functionality to make dressing easier.

⁴ 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 SEO⁵ 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

⁵ 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	<u>4</u>
ESRS 2 GOV-1, para. 21 (e)			Regulation (EU) 2020/1816, Annex II		material	<u>4</u>
ESRS 2 GOV-4, para. 30	Indicator no 10 Table #3 Annex 1				material	<u>7</u>
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	<u>42</u>
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	<u>39</u>
ESRS E1-5, para. 38	Indicator no 5 Table #1 and Indicator no 5 Table #2 Annex 1				material	<u>42</u>
ESRS E1-5, para. 37	Indicator no 5 Table #1 Annex 1				material	<u>42</u>
ESRS E1-5, para. 40 to 43	Indicator no 6 Table #1 Annex 1				material	<u>42</u>
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	<u>43</u>
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	<u>47</u>
ESRS E1-7, para. 56				Regulation (EU) 2021/1119, Article 2(1)	material	<u>47</u>
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	<u>49</u>
ESRS E3-1, para. 13	Indicator no 8 Table 2 Annex 1				material	<u>50</u>
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	<u>50</u>
ESRS E3-4, para. 29	Indicator no 6.1 Table #2 Annex 1				material	<u>50</u>
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	<u>59</u>
ESRS E5-5, para. 39	Indicator no 9 Table #1 Annex 1				material (only hazardous waste)	<u>59</u>
ESRS 2-SBM 3 - S1, para. 14 (f)	Indicator no 13 Table #3 Annex I				material	<u>62</u>
ESRS 2-SBM 3 - S1, para. 14 (g)	Indicator no 12 Table #3 Annex I				material	<u>62</u>
ESRS S1-1, para. 20	Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex I				material	<u>73</u>
ESRS S1-1, para. 21			Regulation (EU) 2020/1816, Annex II		material	<u>62</u>
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	<u>68</u>
ESRS S1-3, para. 32 (c)	Indicator no 5 Table #3 Annex I				material	<u>73</u>
ESRS S1-14, para. 88 (b) and (c)	Indicator no 2 Table #3 Annex I		Regulation (EU) 2020/1816, Annex II		material	<u>69</u>
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	<u>70</u>
ESRS S1-16, para. 97 (b)	Indicator no 8 Table #3 Annex I				material	<u>70</u>
ESRS S1-17, para. 103 (a)	Indicator no 7 Table #3 Annex I				material	<u>72</u>

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 1		Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818 Art 12 (1)		material	<u>72</u>
ESRS 2-SBM 3 - S2, para. 11 (b)	Indicators no 12 and 13 Table #3 Annex 1				material	<u>77</u>
ESRS S2-1, para. 17	Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1				material	<u>78</u>
ESRS S2-1, para. 18	Indicators no 11 and no 4 Table #3 Annex 1				material	<u>78</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>78</u>
ESRS S2-1, para. 19			Regulation (EU) 2020/1816, Annex II		material	<u>78</u>
ESRS S2-4, para. 36	Indicator no 14 Table #3 Annex 1				material	<u>80</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>82, 85, 87, 90</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>82, 85, 87, 90</u>
ESRS S4-4, para. 35	Indicator no 14 Table #3 Annex 1				material	<u>83, 87, 89, 91</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>96</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.

Disclosure requirement	Title	Reference
ESRS 2 General disclosures		1
ESRS 2-BP-1	General basis for preparation of the Sustainability Statement	<u>1</u>
ESRS 2-BP-2	Disclosures in relation to specific circumstances	<u>1</u>
ESRS 2-GOV-1	The role of the administrative, management and supervisory bodies	<u>3</u>
ESRS 2-GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	<u>5</u>
ESRS 2-GOV-3	Integration of sustainability-related performance in incentive schemes	<u>6</u>
ESRS 2-GOV-4	Statement on due diligence	<u>7</u>
ESRS 2-GOV-5	Risk management and internal controls over sustainability reporting	<u>9</u>
ESRS 2-SBM-1	Strategy, business model and value chain	<u>9</u>
ESRS 2-SBM-2	Interests and views of stakeholders	<u>13</u>
ESRS 2-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	<u>19</u>
ESRS 2-IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	<u>15</u>
ESRS 2-IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	<u>104</u>
ESRS E1 Climate change		34
ESRS E1-ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	<u>34</u>
ESRS E1-1	Transition plan for climate change mitigation	<u>42</u>
ESRS E1-ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	<u>35</u>
ESRS E1-ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	<u>34</u>
ESRS E1-2	Policies related to climate change mitigation and adaptation	<u>36</u>
ESRS E1-3	Actions and resources in relation to climate change policies	<u>37</u>
ESRS E1-4	Targets related to climate change mitigation and adaptation	<u>39</u>
ESRS E1-5	Energy consumption and mix	<u>42</u>
ESRS E1-6	Gross scopes 1, 2, 3 and total GHG emissions	<u>43</u>
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	<u>47</u>
ESRS E1-8	Internal carbon pricing	<u>47</u>
ESRS E2 Pollution		48
ESRS E2-ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	<u>48</u>
ESRS E2-1	Policies related to pollution	<u>48</u>
ESRS E2-2	Actions and resources related to pollution	<u>48</u>
ESRS E2-3	Targets related to pollution	<u>48</u>
ESRS E3 Water resources		49
ESRS E3-ESRS 2 IRO-1	Description of the processes to identify and assess material water resources-related impacts, risks and opportunities	<u>49</u>
ESRS E3-1	Policies related to water resources	<u>49</u>
ESRS E3-2	Actions and resources related to water resources	<u>50</u>

Disclosure requirement	Title	Reference
ESRS E3-3	Targets related to water resources	50
ESRS E3-4	Water consumption	50
ESRS E5 Resource use and circular economy		52
ESRS E5-ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	52
ESRS E5-1	Policies related to resource use and circular economy	52
ESRS E5-2	Actions and resources related to resource use and circular economy	53
ESRS E5-3	Targets related to resource use and circular economy	55
ESRS E5-4	Resource inflows	56
ESRS E5-5	Resource outflows	58
ESRS S1 Own workforce		62
ESRS S1-ESRS 2 SBM-2	Interests and views of stakeholders	62
ESRS S1-ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	62
ESRS S1-1	Policies related to own workforce	64
ESRS S1-2	Processes for engaging with own workforce and workers' representatives about impacts	73
ESRS S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	73
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	74
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	75
ESRS S1-6	Characteristics of the undertaking's employees	63, 64
ESRS S1-8	Collective bargaining coverage and social dialogue	66
ESRS S1-9	Diversity metrics	63, 64
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ESRS S1-11	Social protection	66
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ESRS S1-15	Work-life balance metrics	67
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)	70
ESRS S1-17	Incidents, complaints and severe human rights impacts	72
ESRS S2 Workers in the value chain		77
ESRS S2-ESRS 2 SBM-2	Interests and views of stakeholders	77
ESRS S2-ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	77
ESRS S2-1	Policies related to value chain workers	78
ESRS S2-2	Processes for engaging with value chain workers about impacts	79
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	79
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	80
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	81

Disclosure requirement	Title	Reference
ESRS S4 Consumers and end-users – Social inclusion		82
ESRS S4-ESRS 2 SBM-2	Interests and views of stakeholders	82
ESRS S4-ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	82
ESRS S4-1	Policies related to consumers and end-users	82
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	83
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	83
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	83
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	85
ESRS S4 Consumers and end-users – Information-related impacts		85
ESRS S4-ESRS 2 SBM-2	Interests and views of stakeholders	85
ESRS S4-ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	85
ESRS S4-1	Policies related to consumers and end-users	85
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	86
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	86
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