

1.3 Remuneration report

The remuneration report describes the features of the remuneration system and remuneration for individual current and former members of our Management Board and Supervisory Board for the fiscal year 2023 in accordance with Section 162 AktG [“Aktengesetz”: German Stock Corporation Act] and the recommendations of the German Corporate Governance Code.

1.3.1 Introduction

A founder-led company, Zalando has evolved rapidly from a start-up selling flip-flops out of a flat in Berlin in 2008 to a leading European destination for fashion and lifestyle with around 50 million active customers. Our success is a direct result of the company’s entrepreneurial spirit and culture, and the remuneration system for our Management Board has always reflected our “Act like an Owner” principle. At the same time, Zalando’s remuneration framework has evolved to reflect our development in meeting stakeholder needs, attracting and retaining talent, and adapting to our changing operating environment.

The Supervisory Board is proposing adjustments to the remuneration system for our Management Board and will submit these for approval to the annual general meeting 2024. The adjustments are in line with market practice and reflect proposals made by shareholders and proxy advisors at the annual general meeting on May 24, 2023 in connection with the resolution on the approval of the remuneration report for the fiscal year 2022. They also ensure that remuneration promotes the realization of our business strategy and at the same time maintain the distinctive entrepreneurial elements that have made us the successful company we are today.

The revision of the remuneration system for the Management Board was an important topic for our Supervisory Board. The chairperson engaged in thorough dialogue with investors to evaluate areas for improvement. The proposed new system, described in more detail below, will introduce a short-term incentive component to the remuneration. This component will include a financial performance indicator, bringing Zalando more in line with established practices. The long-term incentive will change to an annual instead of sequential model, strengthening the alignment of the system among the Management Board members and making it more transparent.

Our Supervisory Board is convinced that the proposed new remuneration system aligns our practices with shareholders’ expectations, upholds our commitment to responsible corporate governance and enables Zalando to attract and retain the best national and international talents as well as providing strong incentives for profitable growth. Furthermore, the proposed new remuneration system fully complies with all recommendations of the German Corporate Governance Code, demonstrating our commitment to best practices in corporate governance.

The revised remuneration system will be presented at the annual general meeting on May 17, 2024. Subject to approval at the annual shareholders' meeting, it will apply to all new members and re-appointments of the Management Board from May 18, 2024 onwards.

In addition to updating the remuneration system, we have restructured the remuneration report to make it more transparent and easier to understand. For example, we are disclosing for the first time the target total remuneration of our Management Board to facilitate a better understanding of remuneration levels. By enhancing the transparency of our remuneration practices, we aim to provide a clearer understanding of the link between executive remuneration and the creation of sustainable long-term value.

Overview of the components of the revised remuneration system

The revised remuneration system will be based on the current framework with important proposed new features in the following areas:

Remuneration System for the Management Board

	Current System		Proposed New System	
Fix	Fixed salary & Fringe benefits	Fixed cash component	Fixed salary & Fringe benefits	Fixed cash component
		Paid in monthly installments		Paid in monthly installments
		Standard benefits		Standard benefits
Variable	Zalando Ownership Plan 2021 (ZOP 2021)	Quarterly grant of ZOP 2021 Options (PO) and Shares (PS)	Zalando Growth Incentive (ZGI 2024)	Annual performance measurement based on financial performance metric, payout cap
		No performance conditions		Increased upside potential in case of overperformance
		Immediate vesting for PS, two year waiting period for PO, payout caps		Portion of net payout to be invested in shares
	Sequential Long-Term Incentive 2021 (LTI 2021)	Sequential four year grant of LTI 2021 Options (PO) and Shares (PS)	Rolling Long-Term Incentive 2024 (LTI 2024)	Rolling annual grant of LTI 2024 Options (PO) and Shares (PS)
		Free to select mix, but minimum portion of PO of 50%		Fixed mix between PO and PS with flexibility for Supervisory Board to deviate if appropriate
		Performance metrics: Gross Merchandise Volume (GMV) and (optional) adj. EBIT; ESG modifier (0 to -20% points)		Performance metrics: Gross Merchandise Volume (GMV) and adj. EBIT, ESG modifier (factor 0.8 - 1.2)
	Performance period equals term of service agreement		Three-year performance and one year-holding period	
	Payout caps		Payout caps	
Maximum remuneration	Annual max. rem. Co-CEO: EUR 15.75m	Maximum remuneration	Annual max. rem. Co-CEO: EUR 15.75m	
	Annual max. rem. Board Members: EUR 10.5m		Annual max. rem. Board Members: EUR 10.5m	

*) **Bold** = changes to existing system

Two significant changes are worth highlighting. First, the existing Zalando Ownership Plan (ZOP) will be replaced by a Zalando Growth Incentive (ZGI), introducing financial targets into the short-term variable remuneration component. The ZGI will be a market-standard cash-settled short-term incentive that depends upon the achievement of annual financial targets. In order to further promote an entrepreneurial culture, the Management Board will be obliged to reinvest 50% of the net payouts under the ZGI in Zalando shares with a holding period of one year. As a result of the introduction of the ZGI, the members of the Management Board no longer have the flexibility to individually determine the proportion of remuneration instruments during their term of office. Secondly, the Long-Term Incentive (LTI) grant will be changed to an annual grant structure, replacing the previous sequential grant model in order to align the incentive structure within our Management Board and to increase transparency of the remuneration levels.

Changes in the composition of the Management Board and Supervisory Board during 2023

In the reporting year 2023, Robert Gentz and David Schneider continued to lead our company as Co-CEOs. Dr. Sandra Dembeck (CFO), David Schröder (COO) and Dr. Astrid Arndt (CPO) also continued to be members of the Management Board during the reporting period.

Our Co-CEOs Robert Gentz and David Schneider were reappointed as members of the Management Board for a period of four years starting December 1, 2023 until November 30, 2027. Further, David Schröder was reappointed as member of the Management Board as of April 1, 2023 for a period of four years until March 31, 2027. Jim Freeman (CBPO) left the company upon expiry of his term of office on March 31, 2023.

The term of office of all shareholder representatives on the Supervisory Board expired at the end of the Annual General Meeting on May 24, 2023. With the exception of Cristina Stenbeck, all shareholder representatives were re-elected at the annual general meeting on May 24, 2023. Cristina Stenbeck did not stand for re-election after serving on the Supervisory Board from 2014 to 2016 and from 2019 to 2023. In her place, Susanne Schröter-Crossan was newly appointed to the Supervisory Board. All shareholder representatives were elected for a term ending at the Annual General Meeting that will decide on the discharge of liability for the fiscal year 2024. Kelly Bennett was elected chairperson and Mariella Röhm-Kottmann was elected deputy chairperson of the Supervisory Board. For further details on the composition of the various Supervisory Board committees please refer to section [2.5 of the Corporate Governance statement](#).

1.3.2 The Remuneration System 2021 for the Management Board members

The current remuneration system for the Management Board was approved by the company's annual general meeting on May 19, 2021, and came into effect as of June 1, 2021 (the Remuneration System 2021).

Design of the Remuneration System 2021

The Remuneration System 2021 is designed to contribute significantly to the promotion and execution of the business strategy, as well as the sustainable long-term development of the Zalando group. It ensures remuneration that is appropriate and at market standard for the members of the Management Board, in order to attract and retain the talent required to achieve our strategic ambitions. Remuneration is based on performance targets and considers in our opinion appropriately the performance of each member of the Management Board. In this context, we believe that actions of the members of the Management Board are oriented towards the interests of shareholders, resulting e.g. in no or considerably lower payouts of variable remuneration in the case of a declining share price or moderate payouts in the case of moderate share price increases. The fixed integration of Environmental, Social and Governance (ESG) targets into the remuneration structure encourages sustainable and future-oriented action. The overall structure is further designed to promote an entrepreneurial culture of ownership in the Management Board and across our company.

The Remuneration System 2021 comprises the following features:

Remuneration System 2021 – Overview

Fixed remuneration components

Fixed salary	Paid in monthly installments
Fringe benefits	Company car, allowance for health insurance, reimbursement of expenses, employee voucher, employer's contribution to the statutory pension and unemployment insurance and D&O insurance

Variable remuneration components

Zalando Ownership Plan 2021 (ZOP 2021)	Structure	Share-based remuneration component consisting of virtual options (ZOP 2021 Shares and ZOP 2021 Options) with a free choice of mixture of ZOP 2021 Options and ZOP 2021 Shares. The ZOP 2021 Shares and the ZOP 2021 Options may be settled, at the election of the company, in shares of the company or in cash.
	Grant	Quarterly grant
	Waiting period	ZOP 2021 Shares - no waiting period ZOP 2021 Options - two-year waiting period
	Exercise period	Three years
	Exercise price	ZOP 2021 Shares - EUR 1.00 ZOP 2021 Options - share price at grant
	Share price cap	ZOP 2021 Shares - 200% of initial share price at grant ZOP 2021 Options - 250% of initial share price at grant
	Long-Term Incentive 2021 (LTI 2021)	Structure
Grant		One-off grant at the beginning of the service agreement
Waiting period		Four years
Performance targets		Depending on the achievement of performance targets the number of LTI 2021 Shares and LTI 2021 Options may range between 0% and 125% of the initially granted number at plan start Gross merchandise volume of Zalando SE (promotion of the continuous growth of the Company's business) Optional: additional financial target, either adj. EBIT or revenue of Zalando SE ESG-targets taken into account by way of a modifier (promotion of sustainable corporate management) with a potential reduction of payout of 0 to -20% points
Exercise period		Three years
Exercise price		LTI 2021 Shares - EUR 1.00 LTI 2021 Options - share price at grant
Share price cap		LTI 2021 Shares - 200% of initial share price at grant LTI 2021 Options - 250% of initial share price at grant

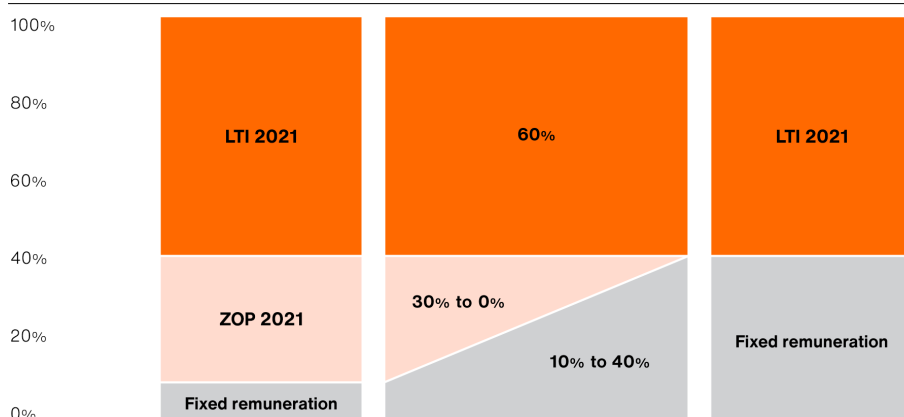
Further provisions

Maximum remuneration	Maximum remuneration for one fiscal year of EUR 15.75m for each of both Co-CEOs and EUR 10.5m for each ordinary Management Board member
Malus and clawback provisions	Right of the Supervisory Board to retain or reclaim variable remuneration in case of a severe breach of statutory obligations or internal compliance policies and behavioral guidelines or severe compliance infringements; right of the Supervisory Board to reclaim variable remuneration in case of an unduly payout based on incorrect information
Severance cap	Severance payments shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the service agreement
Change of control	No payments in case of an early termination due to a change of control; right to cancel vested but unexercised LTI 2021 Shares and LTI 2021 Options against a compensation payment in case of a change of control

Composition of the remuneration

In the Remuneration System 2021, the LTI 2021 amounts to 60% of the target total remuneration for members of the Management Board. The remaining 40% can be allocated flexibly, depending on personal circumstances and preferences: A minimum of 10% and a maximum of 40% of the target total remuneration is represented by the fixed remuneration component (i.e. fixed salary plus fringe benefits). Consequently, the ZOP 2021 makes up between 0% and 30% of the target total remuneration, traded-off with the fixed remuneration component.

Composition as % of target total remuneration



Determination of the appropriate remuneration

The Supervisory Board sets the remuneration for the Management Board pursuant to Section 87 (1) AktG. In order to assess whether the remuneration of the individual members of the Management Board is in line with market practice, the Supervisory Board benchmarks it with the remuneration paid to the management boards of a group of comparable companies taking into account the market position (including market capitalization, revenue, industry, size and country) and the overall financial position.

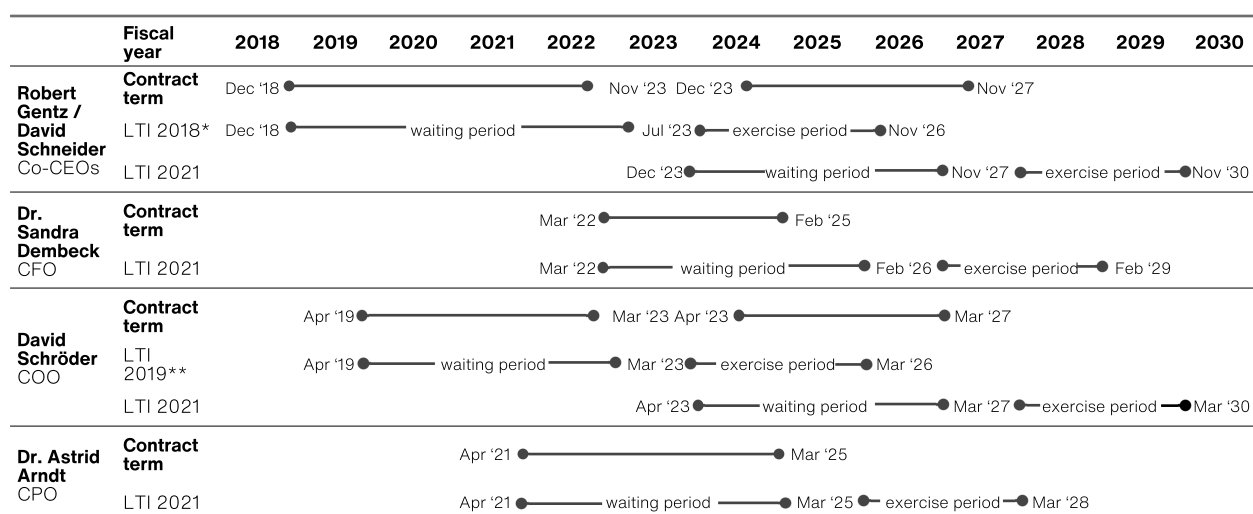
In order to ensure an appropriate remuneration of the members of the Management Board, the Supervisory Board further considers the level of remuneration of the members of the Management Board in relation to the remuneration structure within the company. As a matter of principle, the Supervisory Board and its remuneration committee consult external experts to develop the remuneration system and to assess the appropriateness of the remuneration.

Application of the Remuneration System 2021

At the beginning of the reporting year 2023, the Remuneration System 2021 was only applied to the service agreements of our Management Board members Dr. Sandra Dembeck (CFO) and Dr. Astrid Arndt (CPO). Our Co-CEOs Robert Gentz and David Schneider as well as our COO David Schröder had service agreements that were entered into before the implementation of the Remuneration System 2021 and which entitle them to option rights under the previous long-term incentive programs LTI 2018 and LTI 2019.

As outlined above in the section [1.3.1 Introduction](#), the appointments of Robert Gentz, David Schneider and David Schröder as Management Board members were prolonged in the reporting year 2023 and their respective new service agreements were concluded in compliance with the Remuneration System 2021. In particular, the remuneration under the new service agreements of our Co-CEOs Robert Gentz and David Schneider and our COO David Schröder was benchmarked with the companies included in the DAX and MDAX by an independent external expert. To put the remuneration levels of this benchmark exercise into an international perspective, the Supervisory Board also acknowledged the remuneration levels of technology-driven peer companies in Europe and the USA.² The Supervisory Board also considered to base the new service agreements of our Co-CEOs Robert Gentz and David Schneider upon the new remuneration system that will be presented to the annual general meeting on May 17, 2024 for approval. Statutory law required the Supervisory Board, however, to apply the Remuneration System 2021 as this system has been approved by the company's General Meeting. All solutions to incorporate potential changes through the new remuneration system into the service agreements entailed legal and economic risks, in particular due to the numerous uncertainties that would have to be taken into account. Therefore, the Supervisory Board decided after a thorough review that it is in the best interest of the company to base the new service agreements of our Co-CEOs with a runtime of four years on the current Remuneration System 2021.

As of today, the Remuneration System 2021 applies thus for all current service agreements with the members of the Management Board. This facilitates the comparison and increases the transparency of the Management Board member remuneration. The following overview shows the contract term of the different service agreements and their related variable long-term incentive remuneration components throughout the reporting year for all Management Board members that were in office at the end of the reporting year 2023:



*) The LTI 2018 contains different waiting periods. The last waiting period ended on July 31, 2023.

**) The LTI 2019 contains different waiting periods. The last waiting period ended on March 30, 2023.

² The composition of this international comparison group was as follows: Alphabet Inc.; Amazon.com, Inc.; Apple Inc.; ASOS Plc.; boohoo group plc.; Booking Holdings Inc.; Chewy, Inc.; eBay Inc.; Etsy, Inc.; Farfetch Limited; Meta Platforms, Inc.; Netflix, Inc.; Ocado Group plc.; PayPal Holdings, Inc.; Pinterest, Inc.; Qurate Retail, Inc.; Snap Inc.; Spotify Technology S.A.; Twitter, Inc.; Uber Technologies, Inc.; Wayfair Inc.

Remuneration structure of the service agreements which are based upon the Remuneration System 2021

As just described, all current service agreements of the members of the Management Board are based upon the Remuneration System 2021. The following overview summarizes the remuneration structure of these service agreements:

Remuneration structure based on Remuneration System 2021*

Applicable for	Robert Gentz Co-CEO	David Schneider Co-CEO	David Schröder COO	Dr. Sandra Dembeck CFO	Dr. Astrid Arndt CPO
Start date of contract term	Dec 1, 2023	Dec 1, 2023	Apr 1, 2023	Mar 1, 2022	Apr 1, 2021
Fixed salary and fringe benefits portion as % of target total remuneration	10%	10%	16%	26%	24%
Zalando Ownership Plan 2021 (ZOP 2021)	see below table for details				
ZOP 2021 grants as % of target total remuneration	30%	30%	24%	14%	17%
Long-Term Incentive 2021 (LTI 2021)					
End of performance period	Nov 30, 2027	Nov 30, 2027	Mar 31, 2027	Feb 28, 2025	Mar 31, 2025
Quarterly vesting starts	Feb 29, 2024	Feb 29, 2024	Jun 30, 2023	May 31, 2022	Jun 30, 2021
End of waiting period	Nov 30, 2027	Nov 30, 2027	Mar 1, 2027	Feb 28, 2026	Mar 31, 2025
End of exercise Period	Nov 30, 2030	Nov 30, 2030	Mar 1, 2030	Feb 28, 2029	Mar 31, 2028
LTI 2021 Shares portion as % of target total remuneration	15%	15%	15%	30%	30%
Share price cap in EUR	44.66	44.66	76.24	107.68	171.00
Exercise price in EUR	1.00	1.00	1.00	1.00	1.00
LTI 2021 Options portion as % of target total remuneration	45%	45%	45%	30%	30%
Share price cap in EUR	55.83	55.83	95.30	134.60	213.75
Exercise price in EUR	22.33	22.33	38.12	53.84	85.50
Weighting of performance conditions for LTI 2021 Shares and Options					
GMV CAGR	66.67%	66.67%	66.67%	100%	100%
Adjusted EBIT as % of revenue	33.33%	33.33%	33.33%	n/a	n/a
ESG modifier					
Sustainability Target Weighting in modifier	50%	50%	50%	60%	40%
Sub targets	(i) Scope 1 and 2 GHG emissions, (ii) renewable electricity, (iii) scope 3 GHG emissions, (iv) science-based targets at suppliers - all equally weighted				
Diversity & Inclusion Target Weighting in modifier	50%	50%	50%	40%	60%
Sub targets	Share of women in an (i) Senior Contributor 1 role, (ii) Senior Contributor 2 role, (iii) Executive Contributor 1 role, (iv) Executive Contributor 2 role (v) C8 role - all equally weighted		Share of women in an (i) Senior Contributor 1 role, (ii) Senior Contributor 2 role, (iii) Executive Contributor 1 role, (iv) Executive Contributor 2 role - all equally weighted		
Maximum total remuneration annualized in EUR	15,750,000	15,750,000	10,000,000	6,838,000	5,250,000

*) Percentage shares in target total remuneration are rounded.

Options under the ZOP 2021 are granted on a quarterly basis which leads to the following different exercise periods, waiting periods and share price caps for the tranches of options under the ZOP 2021 which were granted as remuneration to the Management Board members for their services performed during the reporting period:

ZOP 2021 option type	ZOP 2021 tranche grant date	Service period	Waiting period end	Exercise period end*	Grant share price in EUR	Share price cap in EUR
ZOP 2021 Shares	Apr 1, 2023	Jan 1 – Mar 31, 2023	n/a	Mar 31, 2026	38.68	77.36
ZOP 2021 Shares	Jul 1, 2023	Apr 1 – Jun 30, 2023	n/a	Jun 30, 2026	25.84	51.68
ZOP 2021 Shares	Oct 1, 2023	Jul 1 – Sep 30, 2023	n/a	Sep 30, 2026	21.61	43.22
ZOP 2021 Shares	Jan 1, 2024	Oct 1 – Dec 31, 2023	n/a	Dec 31, 2026	20.96	42.92
ZOP 2021 Options	Apr 1, 2023	Jan 1 – Mar 31, 2023	Mar 31, 2025	Mar 31, 2028	38.68	96.70
ZOP 2021 Options	Jul 1, 2023	Apr 1 – Jun 30, 2023	Jun 30, 2025	Jun 30, 2028	25.84	64.60
ZOP 2021 Options	Oct 1, 2023	Jul 1 – Sep 30, 2023	Sep 30, 2025	Sep 30, 2028	21.61	54.03
ZOP 2021 Options	Jan 1, 2024	Oct 1 – Dec 31, 2023	Dec 31, 2025	Dec 31, 2028	20.96	52.40

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

1.3.3 Description of our option programs

In addition to the option programs ZOP 2021 and LTI 2021 under the Remuneration System 2021, there are several different previous option programs under which (virtual) stock options were granted to Management Board members over the past years. In the following, we will describe all options programs that are relevant for this remuneration report, including the ZOP 2021 and the LTI 2021.

ZOP 2021

The ZOP 2021³ is a variable remuneration component under the Remuneration System 2021. Its share-based structure contributes to the alignment of the interests of the members of the Management Board with those of our shareholders in promoting the long-term development and growth of the company.

Under the ZOP 2021, virtual options in the form of ZOP 2021 Shares (with an exercise price of EUR 1.00) and/or ZOP 2021 Options (with an exercise price of the share price at grant) are granted in quarterly tranches. The Management Board members can freely determine the proportion of ZOP 2021 Shares and of ZOP 2021 Options (in steps of 5%) during a fixed annual selection window. The ZOP 2021 Shares are not subject to a waiting period, whereas the ZOP 2021 Options only are exercisable after a waiting period of two years. Upon exercise, the ZOP 2021 entitles the member of the Management Board to a cash payment in the amount of the difference between the company's share price⁴ as per the exercise date and the exercise price of the respective virtual option. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment.

³ As the concrete terms and conditions of the ZOP component under the Remuneration System 2021 differ in some details, there are ZOP plan rules with different denominations (ZOP 2021, ZOP 2021/2022, ZOP 2023 and ZOP 2024) to distinguish the applicable plan rules. For the purpose of this remuneration report, all different ZOP plan rules under the Remuneration System 2021 are collectively referred to as "ZOP 2021".

⁴ To the extent the company's share price does not exceed the applicable share price cap of the ZOP 2021.

LTI 2021

Along with the ZOP 2021, the LTI 2021⁵ is the second variable remuneration component under the Remuneration System 2021. The LTI 2021 is a performance-related long-term remuneration component that is linked to our strategic financial performance targets and, through the introduction of an ESG modifier, the sustainable development of the company.

Under the LTI 2021, the members of the Management Board are granted two types of options, namely virtual LTI 2021 Shares (with an exercise price of EUR 1.00) and virtual LTI 2021 Options (with an exercise price of the share price at grant), by way of a one-off grant at the beginning of the service term for the entire term of their service agreement (sequential plan). If the waiting period of four years and the other exercise conditions are fulfilled, the LTI 2021 entitles the member of the Management Board upon exercise to a cash payment in the amount of the difference between the company's share price⁶ as per the exercise date and the exercise price of the respective LTI 2021 option. The company is entitled to settle its obligation by delivering treasury shares instead of making a cash payment.

Upon conclusion of a service agreement with a Management Board member, the Supervisory Board sets ambitious financial and ESG performance targets for a performance period which equals the term of the service agreement. The financial performance targets relate to the growth of the company's GMV. As additional financial performance targets the company's adjusted EBIT or revenue may be considered. The final number of exercisable virtual options under the LTI 2021 depends on the extent to which the targeted rate of the financial and ESG performance targets is met during the performance period.

⁵ As the concrete terms and conditions of the LTI component under the Remuneration System 2021 differ in particular with regard to the performance targets, there are LTI plan rules with different denominations (LTI 2021, LTI 2021/2022, LTI 2023 and LTI 2024) to distinguish the applicable plan rules. For the purpose of this remuneration report, all different LTI plan rules under the Remuneration System 2021 are collectively referred to as "LTI 2021".

⁶ To the extent the company's share price does not exceed the applicable share price cap of the LTI 2021.

With regard to the growth of the company's GMV, the following financial performance targets have been set under the LTI 2021:

Overview performance calibration GMV CAGR

Applicable for	Robert Gertz Co-CEO	David Schneider Co-CEO	David Schröder COO	Dr. Sandra Dembeck CFO	Dr. Astrid Arndt CPO
Performance period	Dec 2023 – Nov 2027		Apr 2023 – Mar 2027	Mar 2022 – Feb 2025	Apr 2021 – Mar 2025
Target achievement rate					
–%		< 7.0%	< 6.0%	< 11.5%	< 11.5%
50%	≥ 7.0% and ≤ 8.0%		≥ 6.0% and < 6.5%	≥ 11.5% and < 13.5%	≥ 11.5% and < 13.8%
60%	≥ 8.1% and ≤ 9.0%		≥ 6.5% and < 7.0%	≥ 13.5% and < 15.5%	≥ 13.8% and < 16.1%
70%	≥ 9.1% and ≤ 10.0%		≥ 7.0% and < 8.0%	≥ 15.5% and < 17.5%	≥ 16.1% and < 18.4%
80%	≥ 10.1% and ≤ 11.0%		≥ 8.0% and < 9.0%	≥ 17.5% and < 19.5%	≥ 18.4% and < 20.7%
90%	≥ 11.1% and ≤ 12.0%		≥ 9.0% and < 10.0%	≥ 19.5% and < 21.5%	≥ 20.7% and < 23.0%
100%	≥ 12.1% and ≤ 13.0%		≥ 10.0% and < 11.0%	≥ 21.5% and < 23.5%	≥ 23.0% and < 25.3%
110%	≥ 13.1% and ≤ 15.0%		≥ 11.0% and < 13.0%	≥ 23.5% and < 25.5%	≥ 25.3% and < 28.8%
125%		> 15.0%	≥ 13.0%	≥ 25.5%	≥ 28.8%

The compound annual growth rate (CAGR) of the GMV in the performance period is determined by using Zalando's group GMV during the last twelve months prior to the grant date of the virtual options under the LTI 2021 and Zalando's group GMV during the last twelve months of the performance period as the final measurement period.

In the case of our CFO Dr. Sandra Dembeck and our CPO Dr. Astrid Arndt, the financial target of their LTI 2021 remuneration component relates only to the growth of the company's GMV as shown in the overview. For our Co-CEOs Robert Gertz and David Schneider and our COO David Schröder the average adjusted EBIT margin during the performance period has been introduced in their new service agreements in the reporting period as additional financial performance target which reflects the company's focus on profitable growth. The weighting of their financial targets is two-thirds for the GMV target and one-third for the adjusted EBIT margin target.

The following targets have been determined for the adjusted EBIT margin:

Overview performance calibration adjusted EBIT as % of revenue

Applicable for	Robert Gentz Co-CEO	David Schneider Co-CEO	David Schröder COO
Performance period	Dec 2023 – Nov 2027		Apr 2023 – Mar 2027
Target achievement rate			
–%		< 3.96%	< 3.60%
50%		≥ 3.96% and ≤ 4.25%	≥ 3.60% and < 3.75%
60%		≥ 4.26% and ≤ 4.50%	≥ 3.75% and < 4.00%
70%		≥ 4.51% and ≤ 4.75%	≥ 4.00% and < 4.25%
80%		≥ 4.76% and ≤ 5.00%	≥ 4.25% and < 4.50%
90%		≥ 5.01% and ≤ 5.25%	≥ 4.50% and < 4.75%
100%		≥ 5.26% and ≤ 5.50%	≥ 4.75% and < 5.00%
110%		≥ 5.51% and ≤ 6.90%	≥ 5.00% and < 6.00%
125%		> 6.90%	≥ 6.00%

Adjusted EBIT is defined as EBIT before equity-settled share-based payment expense, restructuring costs, acquisition-related expenses and non-operating one-time effects. The relevant adjusted EBIT margin during the performance period is based on the equally weighted average adjusted EBIT margin for each year of the four years' performance period.

The number of exercisable options under the LTI 2021 after the waiting period is calculated in a first step by multiplying the target achievement rate of the financial performance target with the number of vested options under the LTI 2021. In a second step, the ESG modifier needs to be considered. In this regard, ESG performance targets in the field of sustainability and diversity and inclusion (D&I) have been set. In the case of our Co-CEOs Robert Gentz and David Schneider and our COO David Schröder, the sustainability target and the D&I target are weighted equally; for our CFO Dr. Sandra Dembeck the weighting is 60% for the sustainability target and 40% for the D&I target and for our CPO Dr. Astrid Arndt the weighting is 40% for the sustainability target and 60% for the D&I target. The achievement of the ESG performance targets is considered by means of a modifier that leads to a reduction between 0 and 20 percentage points of the number of exercisable options under the LTI 2021.

The following ESG performance targets for sustainability have been set under the LTI 2021:

ESG Modifier – Sustainability targets

Performance period	Robert Gentz Co-CEO David Schneider Co-CEO		David Schröder COO		Dr. Sandra Dembeck CFO	Dr. Astrid Arndt CPO
	Dec 2023 – Mar 2025	Apr 2025 – Nov 2027	Apr 2023 – Mar 2025	Apr 2025 – Mar 2027	Mar 2022 – Feb 2025	Apr 2021 – Mar 2025
(i) Scope 1 and 2 GHG emissions (25% weighting)						
Target achievement rate						
–%	≥ 80.0 %	≥ 81.8 %	≥ 80.0 %	≥ 81.2 %	≥ 80.0 %	
-5%	≥ 79.3 %	≥ 81.2 %	≥ 79.3 %	≥ 80.8 %	≥ 75.0 %	
-10%	≥ 78.7 %	≥ 80.6 %	≥ 78.7 %	≥ 80.4 %	≥ 69.0 %	
-15%	≥ 78.0 %	≥ 80.0 %	≥ 78.0 %	≥ 80.0 %	≥ 64.0 %	
-20%	< 78.0 %	< 80.0 %	< 78.0 %	< 80.0 %	< 64.0 %	
(ii) Renewable electricity (25% weighting)						
Target achievement rate						
–%	100%					
-5%						
-10%						
-15%						
-20%	below 100%					
(iii) Scope 3 GHG emissions (25% weighting)						
Target achievement rate						
–%	≥ 40.0%	≥ 51.5%	≥ 40.0%	≥ 47.2%	≥ 40.0%	
-5%	≥ 33.0%	≥ 47.7%	≥ 33.0%	≥ 44.8%	≥ 33.0%	
-10%	≥ 26.0%	≥ 43.8%	≥ 26.0%	≥ 42.4%	≥ 26.0%	
-15%	≥ 19.0%	≥ 40.0%	≥ 19.0%	≥ 40.0%	≥ 19.0%	
-20%	< 19.0%	< 40.0%	< 19.0%	< 40.0%	< 19.0%	
(iv) Science-based targets at suppliers (25% weighting)						
Target achievement rate						
–%	≥ 90.0%	≥ 95.9%	≥ 90.0%	≥ 94.0%	≥ 90.0%	
-5%	≥ 79.3%	≥ 94.0%	≥ 79.3%	≥ 92.7%	≥ 74.0%	
-10%	≥ 68.7%	≥ 92.0%	≥ 68.7%	≥ 91.3%	≥ 58.0%	
-15%	≥ 58.0%	≥ 90.0%	≥ 58.0%	≥ 90.0%	≥ 42.0%	
-20%	< 58.0%	< 90.0%	< 58.0%	< 90.0%	< 42.0%	

The ESG performance targets for D&I under the LTI 2021 are as follows:

ESG modifier – D&I targets

	Robert Gentz Co-CEO	David Schneider Co-CEO	David Schröder COO	Dr. Sandra Dembeck CFO	Dr. Astrid Arndt CPO
Performance period	Dec 2023 – Nov 2027			Mar 2022 – Feb 2025	Apr 2021 – Mar 2025
Sub targets	Share of women in: (i) Senior Contributor 1 (SC1) role – 20% (ii) Senior Contributor 2 (SC2) role – 20% (iii) Executive Contributor 1 (EC1) role – 20% (iv) Executive Contributor (EC2) role – 20% (v) C8 – 20%			Share of women in: (i) Senior Contributor 1 (SC1) role – 25% (ii) Senior Contributor 2 (SC2) role – 25% (iii) Executive Contributor 1 (EC1) role – 25% (iv) Executive Contributor (EC2) role – 25%	
Target achievement rate					
–%	40% to 60%			40% to 60%	
-5%	≥ 39%			≥ 38%	
-10%	≥ 38%			≥ 36%	
-15%	≥ 37%			≥ 34%	
-20%	< 37%			< 34%	

It is important to note that the performance periods for the sustainability targets of our Co-CEOs Robert Gentz and David Schneider and our COO David Schröder have been divided into two sub-periods that are both weighted equally on a pro-rata basis. The first sub-period ends in all cases on March 31, 2025. The sustainability targets for the second sub-period shall be determined by the Supervisory Board in accordance with the sustainability targets as set out in the do.MORE strategy (or equivalent strategy) of the company for 2025 onwards that is currently prepared. The sustainability targets for the second sub-period displayed in the overview are a fall-back solution and shall only apply if no new determination of sustainability targets will take place (e.g. because the do.MORE strategy is not available as planned until 2025).

The performance measurement and evaluation based on the performance targets set out above can only be completed following the end of the relevant performance period. The target achievement will be disclosed in the remuneration report following the end of the respective performance period.

LTI 2019 and LTI 2018

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

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

Overview LTI 2019 and LTI 2018

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

Both LTI 2019 and LTI 2018 comprise identical financial targets that relate to the compound annual growth rate of the consolidated group revenue during the respective performance periods. The following overview shows the relevant financial targets as well as the target level achievement:

Financial Targets LTI 2019 and LTI 2018

Overview performance calibration consolidated revenue CAGR

Applicable for	Robert Gentz Co-CEO	David Schneider Co-CEO	David Schröder COO
End of performance period	57% of options: November 30, 2022 43% of options: July 31, 2023		March 30, 2023
Target achievement rate			
0%	< 10.0%		
10%	≥ 10.0% and < 11.0%		
20%	≥ 11.0% and < 11.5%		
etc.			
80%	≥ 14.0% and < 14.5%		
90%	≥ 14.5% and < 15.0%		
100%	≥ 15.0%		
Actual target achievement consolidated revenue CAGR ⁷			
November 30, 2022			
Consolidated revenue CAGR	25%		
Target achievement rate	100%		
July 31, 2023			
Consolidated revenue CAGR	21%		
Target achievement rate	100%		
March 31, 2020 - March 31, 2023			
Consolidated revenue CAGR			19% - 31%
Target achievement rate			100%

Further details on the LTI 2019 and the LTI 2018 can be found in the [remuneration report 2022](#).

VSOP 2018

Jim Freeman, our former CBPO, left the Management Board at the end of March 31, 2023. Prior to his appointment as Management Board member on April 1, 2019, he had served the company as SVP Engineering and participated in the Virtual Stock Option Program (VSOP) 2018 at that time from which there are no outstanding options at the end of the reporting period. Further details on the VSOP 2018 can be found in the [remuneration report 2022](#).

SOP 2013

The former member of the Management Board Rubin Ritter participated among others in the pre-IPO long-term incentive Stock Option Program (SOP) 2013, which granted real stock options rather than virtual entitlements. All options granted under the SOP 2013 were exercised prior to the reporting period. Further details on the SOP 2013 can be found in the [remuneration report 2022](#).

⁷ In line with the provisions of the LTI 2019 and the LTI 2018, the company's consolidated revenue was adjusted to include full Partner Program merchandise volume, i.e. not including Partner Program commission only as in revenue, but treating the Partner Program as wholesale, thus grossed up to show 100% of the Partner Program merchandise volume.

1.3.4 Target Total Remuneration

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

The following tables show the individual target values, along with the minimum and maximum values, for the remuneration components contractually agreed for the reporting year 2023.

Annualized target total remuneration levels 2023⁸

all values in EUR	Robert Gentz Co-CEO ⁹			David Schneider Co-CEO ¹⁰		
	Target	Minimum	Maximum	Target	Minimum	Maximum
Fixed salary	93,550	93,550	93,550	93,550	93,550	93,550
Zalando Ownership Plan 2021 (ZOP 2021)						
ZOP 2021 Shares	78,750	0	146,453	78,750	0	146,453
ZOP 2021 Options	26,250	0	131,262	26,250	0	131,262
Long-Term Incentive 2021 (LTI 2021)						
LTI 2021 Shares	52,500	0	128,315	52,500	0	128,315
LTI 2021 Options	157,500	0	738,279	157,500	0	738,279
LTI 2018	5,798,100	0	31,166,680	5,798,100	0	31,166,680
LTI 2019 Type A						
LTI 2019 Type B						
Total remuneration	6,206,650	93,550	32,404,539	6,206,650	93,550	32,404,539

⁸ For the different LTI schemes, the contractual target value of the multi-year grant of options has been calculated down to annual values for the purpose of this overview. Fringe benefits are not included in the overview. The maximum values shown are purely arithmetical and do not take into account the applicable contractual maximum limits for the total remuneration (cf. the description under 1.3.7).

⁹ The target total remuneration for Robert Gentz is calculated pro-rata on the basis of his service agreement that ran from December 1, 2018 until November 30, 2023 and his new service agreements that came into effect as of December 1, 2023. The annualized target total remuneration under Robert Gentz' service agreement as of December 1, 2018 amounted to EUR 6.4m.

¹⁰ The target total remuneration for David Schneider is calculated pro-rata on the basis of his service agreement that ran from December 1, 2018 until November 30, 2023 and his new service agreements that came into effect as of December 1, 2023. The annualized target total remuneration under David Schneider's service agreement as of December 1, 2018 amounted to EUR 6.4m.

	David Schröder COO ¹¹			Dr. Sandra Dembeck CFO			Dr. Astrid Arndt CPO		
	Target	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum
	500,000	500,000	500,000	575,000	575,000	575,000	475,000	475,000	475,000 ¹²
	148,141	0	276,713	325,000	0	641,918	350,000	0	653,539
	444,391	0	2,221,955						
	371,250	0	916,000	687,500	0	1,702,791	625,000	0	1,553,375
	1,113,750	0	5,220,713	687,500	0	3,222,661	625,000	0	2,929,671
	394,941	0	1,754,000						
	108,609	0	680,625						
	3,081,082	500,000	11,570,005	2,275,000	575,000	6,142,369	2,075,000	475,000	5,611,585

¹¹ The target total remuneration for David Schröder is calculated pro-rata on the basis of his service agreements of April 1, 2018 that ran until March 31, 2023 and his new service agreements that came into effect as of April 1, 2023. The annualized target total remuneration under David Schröder's service agreement of April 1, 2018 amounted to EUR 2.5m whereby the ZOP 2021 component amounts to EUR 790,000 per year. The target amount of the ZOP 2021 component displayed in this overview differs slightly from the mathematical pro rata amount due to rounding differences in relation with the quarterly granting of the ZOP 2021 Shares and ZOP 2021 Options.

¹² In the case of our CPO Dr. Astrid Arndt, the maximum amount of fringe benefits per year amounts to EUR 25,000. Non-paid out fringe benefits are paid out in addition to the fixed salary.

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

1.3.5 Development of outstanding options

The following overviews show the development of the outstanding options in the reporting period for current and former members of our Management Board under the option programs described above under section [1.3.3 Description of our option programs](#).

ZOP 2021

Due to the quarterly grant structure of ZOP 2021, options under the ZOP 2021 in connection with the new service agreements of our founders Robert Gentz and David Schneider (as of December 1, 2023) will be first granted at the beginning of the first quarter of 2024 and do, thus, not appear in the following overviews on the development of the outstanding ZOP 2021 options.

ZOP 2021

	Dr. Sandra Dembeck	
	Number of ZOP 2021 Shares	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-
Granted during the year	7,317	1.00
Vested during the year	7,317	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2022	7,317	1.00
Exercisable as of Dec 31, 2022	7,317	1.00
Outstanding as of Jan 1, 2023	7,317	1.00
Granted during the year	10,915	1.00
Vested during the period	10,915	1.00
Forfeited during the year	0	-
Exercised during the year*	6,754	1.00
Outstanding as of Dec 31, 2023	11,478	1.00
Exercisable as of Dec 31, 2023	11,478	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2022		2.6
As of Dec 31, 2023		3.4
Weighted average share price (in EUR) for options exercised in		
2022		-
2023		35.61

*) All 6,754 options exercised in 2023 were exercised on March 10, 2023 at EUR 1.00.

ZOP 2021

	David Schröder			
	Number of ZOP 2021 Shares	Exercise price (in EUR)	Number of ZOP 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	0	-	0	-
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	0	-	0	-
Granted during the year	5,460	1.00	36,835	22.34
Vested during the period	5,460	1.00	36,835	22.34
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	5,460	1.00	36,835	22.34
Exercisable as of Dec 31, 2023	5,460	1.00	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		-		-
As of Dec 31, 2023		2.5		2.7
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

ZOP 2021

	Dr. Astrid Arndt	
	Number of ZOP 2021 Shares	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	1,903	1.00
Granted during the year	10,204	1.00
Vested during the year	10,204	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2022	12,107	1.00
Exercisable as of Dec 31, 2022	12,107	1.00
Outstanding as of Jan 1, 2023	12,107	1.00
Granted during the year	11,754	1.00
Vested during the period	11,754	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2023	23,861	1.00
Exercisable as of Dec 31, 2023	23,861	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2022		2.4
As of Dec 31, 2023		2.9
Weighted average share price (in EUR) for options exercised in		
2022		-
2023		-

LTI 2021

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

LTI 2021

	Robert Gentz			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	0	-	0	-
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	0	-	0	-
Granted during the year	112,853	1.00	846,395	22.33
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	112,853	1.00	846,395	22.33
Exercisable as of Dec 31, 2023	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		-		-
As of Dec 31, 2023		6.9		6.9
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

LTI 2021

	David Schneider			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	0	-	0	-
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	0	-	0	-
Granted during the year	112,853	1.00	846,395	22.33
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	112,853	1.00	846,395	22.33
Exercisable as of Dec 31, 2023	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		-		-
As of Dec 31, 2023		6.9		6.9
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

LTI 2021

	Dr. Sandra Dembeck			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	38,308	1.00	95,770	53.84
Vested during the year	9,578	1.00	23,942	53.84
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	38,308	1.00	95,770	53.84
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	38,308	1.00	95,770	53.84
Granted during the year	0	-	0	-
Vested during the year	12,769	1.00	31,923	53.84
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	38,308	1.00	95,770	53.84
Exercisable as of Dec 31, 2023	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		6.2		6.2
As of Dec 31, 2023		5.2		5.2
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

LTI 2021

	David Schröder			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	0	-	0	-
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	0	-	0	-
Granted during the year	51,941	1.00	389,559	38.12
Vested during the year	9,741	1.00	73,044	38.12
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	51,941	1.00	389,559	38.12
Exercisable as of Dec 31, 2023	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		-		-
As of Dec 31, 2023		6.3		6.3
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

LTI 2021

	Dr. Astrid Arndt			
	Number of LTI 2021 Shares	Exercise price (in EUR)	Number of LTI 2021 Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	29,240	1.00	73,099	85.50
Granted during the year	0	-	0	-
Vested during the year	7,310	1.00	18,275	85.50
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	29,240	1.00	73,099	85.50
Exercisable as of Dec 31, 2022	0	-	0	-
Outstanding as of Jan 1, 2023	29,240	1.00	73,099	85.50
Granted during the year	0	-	0	-
Vested during the year	7,310	1.00	18,275	85.50
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2023	29,240	1.00	73,099	85.50
Exercisable as of Dec 31, 2023	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2022		5.3		5.3
As of Dec 31, 2023		4.3		4.3
Weighted average share price (in EUR) for options exercised in				
2022		-		-
2023		-		-

LTI 2019

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

LTI 2019

	David Schröder		David Schröder		Jim Freeman	
	Number of Type A options	Exercise price (in EUR)	Number of Type B options	Exercise price (in EUR)	Number of Type C options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	240,302	29.84	56,140	1.00	111,314	1.00
Granted during the year	0	-	0	-	0	-
Vested during the year	120,000	29.84	27,500	1.00	68,500	1.00
Forfeited during the year	0	-	0	-	0	-
Exercised during the year*	0	-	0	-	68,500	1.00
Outstanding as of Dec 31, 2022	240,302	29.84	56,140	1.00	42,814	1.00
Exercisable as of Dec 31, 2022	120,302	29.84	28,650	1.00	0	-
Outstanding as of Jan 1, 2023	240,302	29.84	56,140	1.00	42,814	1.00
Granted during the year	0	-	0	-	0	-
Vested during the year	120,000	29.84	27,500	1.00	42,814	1.00
Forfeited during the year	0	-	0	-	0	-
Exercised during the year**	0	-	0	-	42,814	1.00
Outstanding as of Dec 31, 2023	240,302	29.84	56,140	1.00	0	1.00
Exercisable as of Dec 31, 2023	240,302	29.84	56,140	1.00	0	-
Weighted average remaining contractual life of options outstanding (in years)						
As of Dec 31, 2022		3.3		3.3		1.0
As of Dec 31, 2023		2.3		2.3		0.0
Weighted average share price (in EUR) for options exercised in						
2022		-		-		34.76
2023		-		-		26.09
Share price cap***		100.00		100.00		100.00
Measured CAGR for exercised options in 2023 based on adjusted consolidated revenue		-		-		23.3%
Target achievement		-		-		100.0%

*) Of 68,500 options exercised in 2022 42,814 options were exercised on May 19, 2022, 8,562 options were exercised on August 5, 2022 and 17,124 options were exercised on November 15, 2022 at EUR 1.00.

**) All 42,814 options exercised in 2023 were exercised on June 5, 2023 at EUR 1.00.

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

LTI 2018

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

LTI 2018

	Robert Gentz*		David Schneider*		Rubin Ritter**	
	Number of options	Exercise price (in EUR)	Number of options	Exercise price (in EUR)	Number of options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Granted during the year	0	-	0	-	0	-
Vested during the year	350,000	47.44	350,000	47.44	0	-
Forfeited during the year	0	-	0	-	0	-
Exercised during the year	0	-	0	-	0	-
Outstanding as of Dec 31, 2022	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Exercisable as of Dec 31, 2022	973,983	47.44	973,983	47.44	848,983	47.44
Outstanding as of Jan 1, 2023	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Granted during the year	0	-	0	-	0	-
Vested during the year	350,000	47.44	350,000	47.44	0	-
Forfeited during the year	0	-	0	-	0	-
Exercised during the year	0	-	0	-	0	-
Outstanding as of Dec 31, 2023	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Exercisable as of Dec 31, 2023	1,723,983	47.44	1,723,983	47.44	848,983	47.44
Weighted average remaining contractual life of options outstanding (in years)						
As of Dec 31, 2022		3.9		3.9		3.9
As of Dec 31, 2023		2.9		2.9		2.9
Weighted average share price (in EUR) for options exercised in						
2022		-		-		-
2023		-		-		-

*) In fiscal year 2022, a number of each 750,000 options were transferred to a company wholly owned by the Management Board member Robert Gentz and a company wholly owned by the Management Board member David Schneider. Those options are still allocated to both members of the Management Board and therefore included in the table.

**) In fiscal year 2022, a number of 100,000 options were transferred by the former Management Board member Rubin Ritter to a charitable limited liability company. Those options are still allocated to the former member of the Management Board and therefore included in the table.

VSOP 2018

The number of options outstanding under the VSOP 2018 of Jim Freeman developed as follows in the reporting period:

VSOP 2018

	Jim Freeman	
	Number of options	Exercise price (in EUR)
Outstanding as of Jan 1, 2022	140,000	29.84
Granted during the year	0	-
Vested during the year	70,000	29.84
Forfeited during the year	0	-
Expired during the year	0	-
Exercised during the year*	80,000	29.84
Outstanding as of Dec 31, 2022	60,000	29.84
Exercisable as of Dec 31, 2022	0	-
Outstanding as of Jan 1, 2023	60,000	29.84
Granted during the year	0	-
Vested during the year	30,000	29.84
Forfeited during the year	0	-
Expired during the year	60,000	29.84
Exercised during the year	0	-
Outstanding as of Dec 31, 2023	0	-
Exercisable as of Dec 31, 2023	0	-
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2022		1.0
As of Dec 31, 2023		-
Share price cap**		100.00
Weighted average share price (in EUR) for options exercised in		
2022		32.87
2023		-
Measured CAGR for exercised options in 2023 on net merchandise volume		-%
Target achievement		100.0%

*) 80,000 options were exercised on November 15, 2022 at EUR 29.84.

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

SOP 2013

The number of options outstanding under the SOP 2013 developed as follows in the reporting period:

SOP 2013

	Rubin Ritter*	
	Number of options	Weighted average exercise price (in EUR)
Outstanding as of Jan 1, 2022	407,475	1.00
Granted during the year	0	-
Vested during the year	0	-
Forfeited during the year	0	-
Exercised during the year	407,475	1.00
Outstanding as of Dec 31, 2022	0	-
Exercisable as of Dec 31, 2022	0	-
Outstanding as of Jan 1, 2023	0	-
Granted during the year	0	-
Vested during the year	0	-
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2023	0	-
Exercisable as of Dec 31, 2023	0	-
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2022		-
As of Dec 31, 2023		-
Weighted average share price (in EUR) for options exercised in		
2022		35.90
2023		-
Measured CAGR for exercised options in 2022 on transactional net sales (TNS)		26.9%
Target achievement		100.0%

*) For 3,253,800 options, Rubin Ritter used the contractually agreed provision to reduce the exercise price to EUR 1.00 in 2018 and 2020. This reduced the number of these options to 2,503,246, of which 200,000 were exercised in 2018, 170,571 in 2019, 800,000 in 2020, 925,200 in 2021 and 407,475 in 2022. Of 407,475 options exercised in 2022 100,000 options were exercised on March 7, 2022 and 307,475 options were exercised on May 19, 2022. All options were exercised at EUR 1.00.

Remuneration of the members of the Management Board

IN EUR	Robert Gentz, Co-CEO		David Schneider, Co-CEO		Dr. Sandra Dembeck, CFO (since March 1, 2022)	
	2023	2022	2023	2022	2023	2022
Fixed remuneration						
Fixed salary	93,550	65,000	93,550	65,000	583,846	479,167
Fringe benefits	15,356	13,385	15,076	13,389	24,830	17,950
Total fixed	108,906	78,385	108,626	78,389	608,676	497,117
Variable remuneration						
One-year variable*	-	-	-	-	-	500,000
Multi-year variable						
VSOP 2018	-	-	-	-	-	-
LTI 2018**	-	-	-	-	-	-
LTI 2019	-	-	-	-	-	-
ZOP 2021	-	-	-	-	229,771	-
409A tax indemnification***	-	-	-	-	-	-
Total variable	-	-	-	-	229,771	500,000
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	108,906	78,385	108,626	78,389	838,447	997,117
Proportion of fixed remuneration****	100.0%	100.0%	100.0%	100.0%	72.6%	49.9%
Proportion of variable remuneration****	-	-	-	-	27.4%	50.1%

*) Includes a sign-on bonus for Dr. Sandra Dembeck awarded and due in 2022.

**) For a total of 1,500,000 options granted under LTI 2018, of which each 750,000 options were granted to Robert Gentz and David Schneider, the applicable performance criteria has been fulfilled in 2023. The target achievement has been 100% so that all of the 1,500,000 options have become exercisable in 2023. Because the exercise price of 47.44 EUR was above the closing price of 21.45 EUR at the end of the performance period, the corresponding remuneration awarded and due is nil.

***) With respect to negative tax consequences resulting for the former member of the Management Board Jim Freeman as a citizen of the United States of America from the application of certain provisions of Sec. 409A of the U.S. Internal Revenue Code, specific rules of the LTI 2019 have been amended (the Restated LTI 2019) and 68,500 options vested by March 31, 2020 have been canceled and settled by the company as cash and share consideration. The company has indemnified Jim Freeman from the tax penalty under US law imposed on the settlement value and the remaining options under the Restated LTI 2019, whereby the indemnity in relation to remaining options is capped and will not exceed the amount which would have been payable.

if the relevant per-share value of the respective remaining options for purposes of calculating the respective penalties had been EUR 55.00.

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

David Schröder, COO		Dr. Astrid Arndt, CPO		Jim Freeman, CBPO (until March 31, 2023)	
2023	2022	2023	2022	2023	2022
500,000	500,000	498,760	480,847	200,000	800,000
23,851	19,012	23,406	22,492	6,596	20,266
523,851	519,012	522,166	503,339	206,596	820,266
-	-	-	-	-	-
-	-	-	-	-	227,306
-	-	-	-	-	-
-	-	-	-	-	2,197,470
-	-	-	-	-	-
-	-	-	-	972,852	2,398,232
-	-	-	-	972,852	4,823,008
523,851	519,012	522,166	503,339	1,179,448	5,643,274
100.0%	100.0%	100.0%	100.0%	17.5%	14.5%
-	-	-	-	82.5%	85.5%

In 2022, our CFO Dr. Sandra Dembeck received a sign-on bonus in the amount of EUR 500,000 in accordance with the provisions of the Remuneration System 2021. This additional remuneration was a market-standard compensation for the fact that Dr. Sandra Dembeck lost claims against her previous employer due to the termination of her former contractual relationship.

The following table shows the remuneration awarded and due as well as remuneration according to option exercises in the fiscal year 2023 (and 2022 respectively) for the former Management Board members Rubin Ritter and Jim Freeman received after the end of their respective service agreements.

Remuneration of former members of the Management Board

IN EUR	Rubin Ritter, former Co-CEO (after June 1, 2021)		Jim Freeman, former CBPO (after March 31, 2023)	
	2023	2022	2023	2022
Fixed remuneration				
Fixed salary	-	-	-	-
Fringe benefits	-	12,800	-	-
Total fixed	-	12,800	-	-
Variable remuneration				
One-year variable	-	-	-	-
Multi-year variable ¹³	-	-	1,074,328	-
Total variable	-	-	1,074,328	-
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	-	12,800	1,074,328	-
Proportion of fixed remuneration	-	100.0%	-	-
Proportion of variable remuneration	-	-	100.0%	-
Remuneration received from exercise of stock options				
SOP 2013	-	14,220,059	-	-
Total remuneration	-	14,232,859	1,074,328	-

The option exercise of Rubin Ritter in the year 2022 dates back to pre-IPO stock option programs (SOP 2013) granted in 2013 which were awarded and due in 2013 according to Section 162 (1) Sentence 1 AktG. The exercise of the SOP 2013 program was settled in conditional capital so as not to draw cash from the company, which was instead invested into further growing the business. Thus, these options represent and were granted for (performance) periods between 2013 and 2017, hence well before the reporting year 2023 when the company was at an early stage of its development.

The current and former members of the Management Board did not receive any remuneration from other group companies in fiscal year 2023 (and 2022 respectively).

¹³ Jim Freeman exercised 42,814 Type-C options under the LTI 2019 with an Exercise Price of EUR 1.00 on June 5, 2023.

1.3.7 Further information pursuant to Section 162 AktG

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

The maximum remuneration stipulated in the Remuneration System 2021 amounts to EUR 15.75m for each of our Co-CEOs and to EUR 10.5m for each of the further members of the Management Board. All current service agreements of the Management Board members provide for caps in line with the Remuneration System 2021.

In the current service agreements of our Management Board members, the total remuneration for each of our Co-CEOs Robert Gentz and David Schneider per fiscal year is capped at EUR 15.75m, for Dr. Sandra Dembeck at EUR 6.84m, for David Schröder at EUR 10m and for Dr. Astrid Arndt at EUR 5.25m. Since the pro rata inflow from the LTI 2021 Shares and LTI 2021 Options granted to the members of the Management Board can only be determined after the expiry of the waiting period of four years, compliance with the maximum remuneration for the fiscal year 2023 can only be conclusively reported in the context of the remuneration report for the fiscal year 2025 (for Dr. Astrid Arndt), 2026 (for Dr. Sandra Dembeck) and 2027 (for Robert Gentz, David Schneider and David Schröder).

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

The Remuneration System 2021 and – in its implementation – the service agreements of the members of the Management Board provide for malus and clawback clauses. In the case of a willful or grossly negligent serious breach of the obligations pursuant to Section 93 AktG or internal compliance policies and behavioral guidelines or severe compliance infringements by the member of the Management Board, the Supervisory Board may, at its sole discretion, retain in whole or in part variable remuneration that has not been paid out (malus). In such a case, the Supervisory Board may, at its sole discretion, reclaim in whole or in part variable remuneration that has already been paid out (clawback). Furthermore, the Supervisory Board has the possibility to reclaim variable remuneration in the case of an undue payout based on incorrect information.

In the fiscal year 2023, the Supervisory Board did not make use of the option to retain (malus) or reclaim (clawback) variable remuneration components as none of the above conditions were ascertained by the Supervisory Board.

The service agreements of the members of the Management Board which were concluded before the year 2021 do not include malus or clawback provisions. This does not affect the applicable legal situation regarding any claims for damages on the part of the company against the Management Board members in the event of culpable breaches of duty (such as according to Section 93 (2) AktG).

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

During the fiscal year 2023, no benefits were granted to the members of the Management Board by third parties. Also, there are no outstanding benefits that were promised by third parties to the members of the Management Board.

Benefits promised to the members of the Management Board in the event of regular or early termination (Section 162 (2) No. 2 and 3 AktG)**Severance entitlements upon premature termination**

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

Entitlement upon death and permanent incapacity

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

In the event of permanent incapacity to work, the service agreement will end without notice of termination being required at the end of the calendar quarter in which such permanent incapacity to work is determined. If a Management Board member is temporarily unable to work as a result of illness, accident or any other reason beyond the Management Board member's control, the Management Board member's service agreement provides for a continued payment of their fixed remuneration for up to six weeks, but not beyond the effective termination date of the service agreement.

Treatment of outstanding variable remuneration

In the event of a permanent incapacity of a Management Board member unvested options under the LTI 2021, the LTI 2019 and the LTI 2018 continue to vest (until termination of the office of the member of the Management Board) also during periods of inability to work.

Also unvested options under the LTI 2021, the LTI 2019 and the LTI 2018 which would have vested during the following two years can be kept by the member of the Management Board and continue to vest in accordance with the terms and conditions of the applicable LTI scheme.

Otherwise, as a general rule, if a leaver event occurs (as defined in each of the programs) all unvested options of the members of the Management Board under the LTI 2021, the LTI 2019 and the LTI 2018 are forfeited without compensation. However, in the case of a revocation of a member of the Management Board from office by the company for good cause pursuant to Section 84 (4) AktG without the Management Board member qualifying as bad leaver (as defined in each of the programs), the Management Board member retains all unexercised stock options under the LTI 2021, the LTI 2019 and the LTI 2018 and the ZOP 2021 and all unvested options under the LTI 2021, the LTI 2019 and the LTI 2018 which would have vested during the following two years can be kept by the Management Board member and continue to vest in accordance with the terms and conditions of the applicable LTI scheme.

If the Management Board member qualifies as bad leaver (as defined in each of the programs), all unsettled options of the Management Board member under the LTI 2021, the LTI 2019 and the LTI 2018 (irrespective of vested or not), and all yet unexercised virtual stock options under the ZOP 2021 and all yet unexercised options under the SOP 2013 are forfeited without compensation.

Under the VSOP 2018, in a leaver event (as further defined) the virtual stock options granted will irrevocably cease to vest, and all of the unvested virtual stock options will be forfeited without entitlement to compensation. In the case of a bad leaver event all vested and unexercised virtual stock options will be forfeited without entitlement to compensation. In the case of a leaver event that does not qualify as a bad leaver event (good leaver event) all of the vested and unexercised virtual stock options are retained.

Entitlements upon a change of control

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

However, the LTI 2021, the LTI 2019 and the LTI 2018 provide for a cancellation right of the Management Board members in the event of a change of control (as defined in each of the program rules) pertaining to unexercised vested options, and the SOP 2013 in relation to a certain portion of the options (equal to the portion of shares or assets of the company acquired by the acquirer(s) of control), in return for which the Management Board member is then entitled to a cash compensation per unexercised vested option.

The cash compensation per unexercised vested option (under the LTI 2021, the LTI 2019 and the LTI 2018) generally corresponds to the compensation per share under the takeover offer minus the exercise price or (in the case of the SOP 2013) the compensation per share under the takeover offer if such offer is made or the volume-weighted average share price of one share in the company during the last 30 trading days prior to the change-of-control-event, in each case minus the exercise price.

Also, under the LTI 2021, the LTI 2019 and the LTI 2018, the company itself can request a cancellation of unexercised vested options in exchange for a payment of the above cash compensation and replacement of unvested options by an economically equivalent new incentive program, and under the SOP 2013 the company can request a replacement of some or all of the unvested options by an economically equivalent new incentive program.

Under the VSOP 2018, in the event of a change of control (as defined in the program) the company may request that a portion of the then outstanding vested virtual stock options which is equal to the portion of the shares or assets (as the case may be) acquired of the company in the relevant change of control event shall be canceled in exchange for a payment by the company of an amount equal to the excess, if any, of (i) the product of the relevant share price and the number of virtual stock options canceled over (ii) the aggregate exercise price for all such canceled virtual stock options, subject to certain deductions. The remaining vested virtual stock options not subject to the cancellation request remain unaffected.

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

Post-contractual non-compete clause

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

Benefits promised or granted to a former member of the Management Board whose position ended in the course of the reporting year (Section 162 (2) No. 4 AktG)

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

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

In exceptional cases, the Supervisory Board may temporarily deviate from the components of the remuneration system for the Management Board of Zalando in accordance with Section 87a (1) Sentence 2 AktG if this is necessary in the interest of the long-term welfare of the company. During the fiscal year 2023, there was no deviation from the Remuneration System 2021.

1.3.8 Remuneration of Supervisory Board members

The remuneration system for the members of the Supervisory Board is based on the legal requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code. The annual general meeting of the company on May 24, 2023, resolved to partially adjust the remuneration system for the Supervisory Board in accordance with Section 113 (3) AktG to reflect the increased demands of the role of a Supervisory Board member due to higher professionalization and time commitments. In this context, the remuneration of the chairperson of the Supervisory Board, the chairperson of its Audit Committee and the members of its Audit Committee was increased with effect as of May 24,

2023. Except for these adjustments, the former remuneration system for the Supervisory Board members as resolved upon by the annual general meeting 2021 remained unchanged.

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

The fixed annual remuneration is EUR 200,000 (previously 180,000) for the chairperson of the Supervisory Board, EUR 135,000 for the deputy chairperson of the Supervisory Board and EUR 90,000 for every other member of the Supervisory Board. For their work on the audit committee, members of the Supervisory Board receive an additional fixed annual remuneration of EUR 20,000 (previously 10,000). The chairperson of the audit committee receives an additional fixed annual remuneration of EUR 65,000 (previously 50,000).

The respective amount of the fixed remuneration takes into account the specific function and responsibility of the members of the Supervisory Board. In particular, in accordance with Clause G.17 of the German Corporate Governance Code, the higher time commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as of the chairperson and the members of the audit committee is also appropriately taken into account through a corresponding additional remuneration. Attendance fees are not paid.

Supervisory Board members who are members of the Supervisory Board or the audit committee or hold the office of the chairperson or deputy chairperson of the Supervisory Board or of the chairperson of the audit committee for part of a fiscal year only, receive a corresponding proportionate remuneration. The remuneration falls due at the end of the fiscal year for which the remuneration is paid.

In addition to the function-related fixed remuneration, the members of the Supervisory Board are reimbursed for their reasonable out-of-pocket expenses incurred in the performance of the Supervisory Board mandate as well as any value added tax payable on their remuneration and expenses. Furthermore, the members of the Supervisory Board are included in a D&O liability insurance policy for board members maintained by the company in the company's interests that will provide reasonable coverage against financial damages. The premiums for this insurance policy are paid by the company.

The annual general meeting determines the remuneration of the members of the Supervisory Board upon proposal of the Management Board and the Supervisory Board in the Articles of Association or by resolution. The general meeting resolves on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming

the existing remuneration is also permissible in this respect. Should the general meeting not confirm the remuneration system submitted to a vote, a revised remuneration system must be submitted to the following annual general meeting at the latest. In preparation for the resolution of the general meeting, the Management Board and the Supervisory Board each review whether the remuneration, in particular with regard to its amount and structure, continues to be in our interest and is in an appropriate relationship to the tasks of the members of the Supervisory Board and the situation of the company. The Supervisory Board may also carry out a horizontal market comparison for this purpose. In doing so, the Supervisory Board may seek advice from an external remuneration expert. If necessary, the Management Board and the Supervisory Board will propose an appropriate adjustment of the remuneration to the annual general meeting.

In accordance with Section 162 (1) Sentence 1 AktG, the following table shows the remuneration awarded and due (gewährte und geschuldete Vergütung) to the members of the Supervisory Board in the fiscal years 2023 and 2022. According to the remuneration system for the members of the Supervisory Board, the remuneration only consists of a fixed component for each member of the Supervisory Board:

Remuneration of the members of the Supervisory Board

IN EUR	2023	2022
Kelly Bennett (since May 22, 2019)	178,452	145,000
Mariella Röhm-Kottmann (since May 22, 2019)	176,493	140,000
Anders Holch Povlsen (since December 9, 2013)	90,000	90,000
Niklas Östberg (since May 19, 2021)	106,082	100,000
Jennifer Hyman (since June 23, 2020)	90,000	90,000
Susanne Schröter-Crossan (since May 24, 2023)	66,904	-
Matti Ahtiainen (since June 23, 2020)	106,082	100,000
Jade Buddenberg (since June 23, 2020)	90,000	90,000
Anika Mangelmann (since June 23, 2020)	90,000	90,000
Cristina Stenbeck (until May 24, 2023)	70,521	180,000
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	1,064,534	1,025,000

The current and former members of the Supervisory Board did not receive any remuneration from other group companies in the fiscal year 2023.

1.3.9 Comparative presentation of the development of the remuneration

In accordance with Section 162 (1) Sentence 2 No. 2 AktG, the following tables show the annual change in remuneration to the current and former members of the Management Board and of the Supervisory Board as well as the annual change in average employee remuneration on a full-time equivalent basis over the last five fiscal years and the company's performance. The remuneration of the Management Board members for the year 2019 is based on the amount of "benefits received" as reported in the annual report 2019.

The presentation of the average employee remuneration is based on the total workforce employed by Zalando SE. While the yearly target and fixed average remuneration on a full-time equivalent basis of employees increased year-on-year, the figures below show the remuneration including option exercises in the relevant year. In 2021, a higher amount of employee equity remuneration was exercised compared to 2022. Taking into account the holding periods over several years for the employee share programs, the figures shown are distorted.

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

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

	Annual change 2023 to 2022	Annual change 2022 to 2021	Annual change 2021 to 2020	Annual change 2020 to 2019
Remuneration of the members and former members of the Management Board				
Robert Gentz, Co-CEO	38.9%	0.4%	0.7%	2.2%
David Schneider, Co-CEO	38.6%	0.1%	-6.1%	8.1%
Dr. Sandra Dembeck, CFO (since March 1, 2022)	-15.9%	-	-	-
David Schröder, COO	0.9%	-96.4%	39.3%	457.8%
Dr. Astrid Arndt, CPO (since April 1, 2021)	3.7%	32.0%	-	-
Jim Freeman, CBPO (until March 31, 2023)	-60.1%	-56.1%	13.2%	947.5%
Rubin Ritter, Co-CEO (until June 1, 2021)	-100.0%	-71.2%	-47.0%	-98.8%
Company performance				
Net Income of Zalando SE	105.3%	-168.4%	-20.1%	373.5%
Revenue of the group	-1.9%	-0.1%	29.7%	23.1%
Average remuneration on a full-time equivalent basis of employees				
Zalando SE	14.1%	-3.4%	-3.2%	16.2%

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

	Annual change 2023 to 2022	Annual change 2022 to 2021	Annual change 2021 to 2020	Annual change 2020 to 2019
Remuneration of the members and former members of the Supervisory Board				
Kelly Bennett (since May 22, 2019)	23.1%	0.0%	55.8%	89.9%
Mariella Röhm-Kottmann (since May 22, 2019)	26.1%	0.0%	40.0%	63.2%
Anders Holch Povlsen (since December 9, 2013)	0.0%	0.0%	17.0%	-14.5%
Niklas Östberg (since May 19, 2021)	6.1%	61.5%	-	-
Jennifer Hyman (since June 23, 2020)	0.0%	0.0%	164.6%	-
Susanne Schröter-Crossan (since May 24, 2023)	-	-	-	-
Matti Ahtiainen (since June 23, 2020)	6.1%	0.0%	138.9%	-
Jade Buddenberg (since June 23, 2020)	0.0%	0.0%	164.6%	-
Anika Mangelmann (since June 23, 2020)	0.0%	0.0%	164.6%	-
Cristina Stenbeck (until May 24, 2023)	-60.8%	0.0%	20.0%	63.2%
Company performance				
Net Income of Zalando SE	105.3%	-168.4%	-20.1%	373.5%
Revenue of the group	-1.9%	-0.1%	29.7%	23.1%
Average remuneration on a full-time equivalent basis of employees				
Zalando SE	14.1%	-3.4%	-3.2%	16.2%

Berlin, March 12, 2024

Robert Gentz

David Schneider

Dr. Sandra Dembeck

David Schröder

Dr. Astrid Arndt

Kelly Bennett

Mariella Röhm-Kottmann

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

To Zalando SE

Opinion

We have audited the attached remuneration report of Zalando SE, Berlin, prepared to comply with Section 162 AktG [“Aktengesetz”: German Stock Corporation Act] for the fiscal year from January 1 to December 31, 2023 and the related disclosures. We have not audited the content of the disclosures of the remuneration report in sections “1.3.1 Introduction” where they go beyond the scope of Section 162 AktG.

Responsibilities of the executive directors and the Supervisory Board

The executive directors and Supervisory Board of Zalando SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Section 162 AktG. In addition, the executive directors and Supervisory Board are responsible for such internal control as they determine necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor’s judgment. This includes the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

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

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from January 1 to December 31, 2023 and the related disclosures comply, in all material respects, with the financial reporting provisions of Section 162 AktG. We do not express an opinion on the content of the abovementioned disclosures of the remuneration report that go beyond the scope of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Section 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Section 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Stuttgart, March 12, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Werling
Wirtschaftsprüfer
[German Public Auditor]

Störzinger
Wirtschaftsprüfer
[German Public Auditor]