

## 2.7 Report on Equality and Equal Pay for ZALANDO SE<sup>44</sup>

In accordance with Section 21 German Act on Transparency of Pay (Entgelttransparenzgesetz).

### 2.7.1 Gender Equality

#### Measures to Promote Equality Between Women and Men

Promoting equality across genders is an important part of our diversity and inclusion efforts. In the first half of 2018, we are revisiting our goals and ambitions regarding inclusion and diversity in an effort to accelerate the agenda. But we already have much to build on having taken a number of measures focused on gender equality in 2017.

#### We Have Revised Our Promotion Process

Our revised promotion process articulates clearly what the expectations for each role are and defers promotion decisions to a committee instead of the direct leader. These committees of senior leaders are tasked with making consistent decisions across the organization based on facts and well-defined performance and promotion criteria. Additionally, members are trained to be aware of conscious and unconscious biases (in particular around gender) in order to mitigate them. We also track the outcomes of those decisions across genders.

#### We Have Raised Awareness and Understanding about Equality Across Genders

We have increased our embedded communications to bring the topic of gender equality forward in our internal social media channels.

We have also increased the number of analyses and reports to understand the status quo, e.g., to

- analyze the gender distribution of employees across work fields, roles and seniority levels
- assess potential differences in average pay across genders for comparable roles and grades
- understand whether gender (of an employee or that of their leader) is correlated with the likelihood of promotion or performance rating
- understand cultural health (satisfaction, engagement, sense of purpose, community, inclusion, etc.) across genders
- track the number and reasons for employee attrition out of the company for each gender.

This increased level of insights into the facts allows us to define more relevant and targeted measures to further promote gender equality.

44) The report on equality and equal pay for ZALANDO SE is not part of the audited combined management report.

### We Have Taken Ad Hoc Measures as Necessary

While we intend to be proactive on gender equality, we also want to capture opportunities to advance the topic as they arise. To name but two examples: triggered by internal employee initiatives, we have recognized those employees who do not identify either as a woman or man; and in the wake of the #metoo campaign, we have revised and broadcasted our guidelines and routines to prevent and deal with sexual harassment, discrimination and reprisals, reinforcing our zero tolerance principle and our Ask and Tell policy and process.

### Measures to Promote Equal Pay

At Zalando, we are committed to pay salaries based on objective criteria and regardless of gender.

The implementation of centralized processes based on defined criteria is aimed to assure fairness for individual pay decisions and to reduce the impact of factors that would lead to any potential bias. The target pay range for each employee is built on a role-based approach and has been consistently applied across Zalando. A new salary band structure was defined in 2017, which has been applied company wide.

In the past year, we also implemented a centralized annual pay review, which is steered by a central team to assure consistency and internal fairness. To increase transparency, our employees are informed in annual feedback and development talks about how their individual salary compares to the internal salary bands.

In addition, we have raised awareness with our leadership teams about the importance of objective pay decisions and a fair salary for both male and female employees.

#### 2.7.2 Employee Statistics for ZALANDO SE

##### Average Headcount 2017

Male	2,136
Female	2,149

##### Average Headcount 2017 (Part-Time / Full-Time)

	Full-time	Part-time
Male	2,020	116
Female	1,913	236