

# **ZALANDO SE – Platform Rules**

er:		

Date valid from: July 1, 2023

Status: Final

0. Definitions	4
1. General	4
2. Markets & Distribution Channels	4
2.1 Markets	4
2.2 Distribution Channels	5
3. Requirements towards the Partner as a Company	5
3.1 Zalando's Sustainability Requirements & Ethical Guidelines	5
3.2 Extended Producer Responsibility (EPR) Regulations	6
4. Requirements towards Partner Articles on Zalando	6
4.1 Eligible Categories & Products' Safety & Quality	6
4.1.1 Which Partner Articles can be sold?	6
4.1.2 Product Safety & Quality	6
4.2 Image & Content Guidelines	7
4.2.1 Specific Guidelines on Beauty, Toys & Electronics	7
4.2.2 Specific Guidelines for Sports & Designer Brands	7
4.2.3 Partner Article Rejections and Error Codes	7
4.3 Seasonality, Season Switch & Retagging Guidelines	7
4.3.1 Seasonality & Season Switch	7
4.3.2 Article season retagging	8
4.3.2.1 Retagging of Articles unique to Partners	9
4.3.2.2 Retagging of backfilling Articles	9
4.3.3 Older Season Articles in the Sales Section	9
4.4 Fair Pricing Guidelines	9
4.4.1 Pricing Misconducts: Illegal pricing and discounting practices of partners	9
4.4.2 Fair Black Prices	10
4.4.3 Lower Discount Bound	10
4.5 Offboarding of Partner Articles	10
5. Article visibility, search and sorting rules	11
5.1 Popularity sorting	11
5.2 Sale sorting	12
5.3 New-in sorting	12
5.4 Price ascending / descending sorting	13
5.5 Sponsored Products	13
6. Merchant selection	13
6.1 Wholesale mode	13
6.2 Price mode	13

<sup>&</sup>lt;sup>1</sup> The translations of the platform rules were done keeping the English version as reference. In case of differences between the translated version and the English version, the English version shall prevail and be considered binding.



6.3 Use of modes	14
6.4 Rules Specific for Connected Retail Partners	14
6.4.1 Price Aggregation	14
6.4.2 Order Allocation	14
7. Requirements towards the partners on Orders Fulfillment	15
7.1 Order Cancellation	15
7.2 Logistics	15
7.2.1 Authorized carriers	15
7.2.2 Authorized warehouse/stock locations	15
7.2.3 Shipment confirmation and tracking	15
7.2.4 Delivery time	16
7.2.5 Reimbursement time	16
7.2.6 Forward address for wrongly returned articles	16
7.2.7 100-day return policy	16
7.3 Customer Care	17
7.4 Manual Refund	17
7.5 Order quality	18
7.6 Customer Experience Model (CXM)	19
7.7 Processing costs	20
8. Data Access	20
8.1 Partner Program	20
8.1.1 Personal Data	20
8.1.2 Other Data	20
8.1.2.1 Data Access for Partners	20
zDirect	21
ZMS Insights	21
ZMS AdManager	22
CXM Performance	23
8.1.2.2 Data access for Zalando	23
8.1.3 Data Sharing with Third Parties	24
8.2 Connected Retail	24
8.2.0 Stock Feed Integration specific to Connected Retail Partners:	24
8.2.1 Personal Data	24
8.2.2 Other Data	24
8.2.2.1 Data access for Partners	24
Sales reports	24
ZMS Insights	25
ZMS AdManager	25
8.2.2.2 Data access for Zalando	25
8.2.3 Data sharing with third parties	25
9. Internal complaint handling	25
APPENDIX	27
A0 Business Terms & Conditions	27
A1 Overview of CXM requirements	28



A2 Country specific logistics targets	28
A3 Authorized carriers	29
A4 Order Quality Requirements	32
A5 Content from linked articles	33



## 0. Definitions

- **Article** means the Config SKU sold to the customer via the Zalando International Online Shops, whether by Zalando or by Partner.
- **Config SKU** means the stock keeping unit of a product. This is a unique identifier for each product and differs between colors.
- Connected Retail organizes platform access and provides integration services that allow Partners
  to integrate their stock locations (i.e. brick and mortar store(s)) with the Zalando International Online
  shops.
- Customer means an end consumer who makes a purchase in the Zalando International Online Shops.
- **CXM** means Customer Experience Model. This is a tool used to monitor Partners' performance.
- Merchant means Partner or Zalando Wholesale.
- Onboarding means the process of integrating a Partner Article in the Zalando International Online Shops.
- Partner means a seller in the Zalando Partner Program or Connected Retail, which is not Zalando Wholesale.
- Partner Program is a sales channel allowing Partners to sell in the Zalando International Online Shops.
- Partner Article means an Article sold to the customer via the Zalando International Online Shops by Partner.
- **Simple SKU** means the stock keeping unit of a product. This is a unique identifier for each product and differs between colors and sizes.
- **Zalando International Online Shops** means all the webshops available at <a href="www.zalando.com">www.zalando.com</a> where Partner Program and/or Connected Retail partners can sell<sup>2</sup>.
- **Zalando Partner University (ZPU)** is a knowledge database where Partners find all the information they need to sell a product via the Partner Program.
- Zalando Wholesale means Zalando's own business of selling goods to the customer.
- **Zalando Fulfillment Solution (ZFS)** is a service offered by Zalando giving Partners access to the logistics network and capabilities of Zalando.

### 1. General

The Zalando Platform rules determine the terms and conditions on which Partner Articles can be sold via the Zalando International Online Shops. They are revised and updated at regular intervals.

The Zalando Platform rules apply to Partner Program and Connected Retail Partners. Any discrepancies in the rules that apply between these two types of Partners are specifically indicated in this document.

## 2. Markets & Distribution Channels

### 2.1 Markets

2

<sup>&</sup>lt;sup>2</sup> Subject to compliance with conditions in point 2 (Markets & Distribution Channels).



Partners may sell Partner Articles in the Zalando International Online Shops mentioned in the <u>appendix</u>, subject to the stated terms and conditions (some markets may be excluded for Connected Retail).

Following a country specific profitability assessment, Zalando may reject an Internationalisation request made by a partner. The assessment will consider forecasted sales potential, operational costs as well as the customer acquisition potential based on the local relevance of the respective brand.

#### 2.2 Distribution Channels

<u>www.zalando.com</u> is offered via Web and App. Partner Articles will not be offered via other distribution channels. Zalando Partners are free to offer their goods subject to different terms and conditions on other platforms.

## 3. Requirements towards the Partner as a Company

## 3.1 Zalando's Sustainability Requirements & Ethical Guidelines

In order to sell on our platform, all partners are required to meet Zalando's Sustainability Requirements & Ethical Guidelines. This includes ensuring that all Partner Articles and content provided by the Partner complies with current European standards and legislation, and with all requirements laid out in the corporate website.

- Zalando's Code of Conduct
- Zalando's Product, Content & Brand Guidelines
- Animal Welfare Policy
- Sustainable Sourcing Policy

Brands in addition must also meet the following minimum Sustainability Requirements and Ethical Guidelines as mentioned below:

- 1. Have an own Code of Conduct.
- 2. Have Tier 1 Supply Chain transparency,
- 3. Have a responsible person for sustainability in their company. Partners must share the contact information of this person with Zalando via this link.
- 4. Complete an annual brand assessment (data will be treated confidentially, more information here)
- Potentially setting science-based targets, if required (partners that surpass a certain threshold of CO2 emissions will be required to set science-based targets by the end of 2025, more information here.)

Please note that the above applies to brands only. We define brands here as companies who produce or manufacture their own products (this includes private labels), as opposed to retailers, licensees, distributors or service providers, who only sell third-party brands' products.

All partners are encouraged to offer sustainability assortments that match our criteria (more information here).

Zalando reserves the right to deactivate the Partner Articles or even take offline the Partner's account, if the Partner's Articles have the potential to harm Zalando's reputation or adversely affect the customer experience (e.g. offensive or controversial content).



## 3.2 Extended Producer Responsibility (EPR) Regulations

**Extended Producer Responsibility (EPR)** is a concept where manufacturers, importers or distributors of products (such as Zalando and its partners) will bear a significant degree of responsibility for the environmental impacts of their products throughout the product life-cycle. Partners must commit to being compliant with the country specific laws on this.

In addition, the following applies to the subsequent countries:

#### **3.2.1 France**

Partners selling certain products to customers whose physical delivery address is in France must have Unique Identification Number(s) (UIN, "Identifiant Unique") from the French Agency for ecological transition (ADEME), and be able to provide this number to Zalando on request. This applies to all products that fall under an EPR category in France, including household packaging, electrical and electronic equipment (EEE), textiles/shoes, toys and sport articles. In addition, the partner must also provide Zalando its VAT number and additional necessary company identifiers on request. Should UIN not be provided to Zalando upon request and Zalando thus have to pay corresponding EPR-fees ("eco-contributions") for the Partner, Zalando may reclaim the costs incurred from the Partner.

For further information, see the relevant <u>Zalando Partner University article</u> for Partner Program and <u>Partner Hub article</u> for Connected Retail.

## 3.2.2 Germany

Partners selling certain products to customers whose physical delivery address is in Germany are subject to various regulations on Extended Producer Responsibility (EPR). This applies to products in the category of household packaging, electrical and electronic equipment (EEE), batteries and accumulators. Therefore, Partners must prove the participation of their packaging in a dual system via a certificate from their system and provide Zalando with their EPR registration number(s). For electrical equipment and batteries, the registration number issued by the EAR Foundation (WEEE Reg. No. DE, or Batt Reg. No. DE) must also be provided on Zalando's request.

For further information, see the relevant <u>Zalando Partner University article</u> for Partner Program m and <u>Partner Hub article</u> for Connected Retail.

## 3.2.3 Austria

Partners selling certain products to customers whose physical delivery address is in Austria are subject to various regulations on Extended Producer Responsibility (EPR). This applies to products in the category of household packaging, electrical and electronic equipment (EEE), batteries and accumulators.

Partners hereby contractually assure that if they place the respective products on the market in Austria they comply with the requirements of extended product responsibility in accordance with the Austrian Waste Management Act (Abfallwirtschaftsgesetz, AWG; cf. §§ 13a, 13g and 14 AWG).



Specifically, this means (if applicable):

- i. Participation in the collection and recovery system for household packaging or for commercial packaging;
- ii. Participation in a collection and recycling system for producers of electrical appliances, batteries and disposable plastic products; or the individual arrangement of the take-back;
- iii. The establishment of a collection point for electrical appliances and batteries and the return of these at these points free of charge.

Therefore, from 1st January 2023 Partner contractually commits to being compliant with these laws.

For further information, see the relevant <u>Zalando Partner University article</u> for Partner Program and <u>Partner Hub article</u> for Connected Retail.

## **3.2.4 Spain**

Partners selling products with packaging to customers whose physical delivery address is in Spain are subject to various regulations on Extended Producer Responsibility (EPR). Partners need to register with the Spanish Register of Product Producers (packaging section) and, if necessary, appoint an authorized representative. Upon request Partners must provide Zalando with their EPR registration number and the necessary information about their company as well as about the authorized representative. Should this information not be provided to Zalando upon request and Zalando thus have to pay corresponding EPR-fees for the Partner, Zalando may reclaim the costs incurred from the Partner.

## 4. Requirements towards Partner Articles on Zalando

## 4.1 Eligible Categories & Products' Safety & Quality

## 4.1.1 Which Partner Articles can be sold?

The following categories (among others, but not limited to this list and subject to Zalando's approval) are generally suitable for sale in the Zalando International Online Shops:

• shoes, clothing, accessories, underwear/beachwear, sports apparel, toys, consumer electronics, sports gear, and beauty products.

Once Zalando has approved a category for offering in the Zalando International Online Shops, Partners are free to pick Partner Articles within this category they would like to sell in the Zalando International Online Shops, subject to compliance with the onboarding guidelines.

## 4.1.2 Product Safety & Quality

Zalando's core premise is to provide consumers with safe, high-quality merchandise. To this end, all Partner Articles must be delivered to the end customer in grade "A" quality, fit for purpose and without defects of



any kind. Required documents such as test reports, partner improvement plans etc. must be shared with Zalando upon request.

Partners are required to familiarize themselves with the product safety and product quality requirements defined in the Quality Assurance Manual for Partner Program. Each Partner must ensure that this documentation is passed along to all relevant parties within that Partner's organization and that the Partner Articles meet the requirements contained in the manual.

The latest version of the Quality Assurance Manual for Partner Program is available here.

## 4.2 Image & Content Guidelines

Zalando has a number of qualitative and quantitative requirements that must be met before Partner Articles can be onboarded. This is done in order to guarantee a unique, superior customer experience. If any of these requirements are not met, the Partner Article may be rejected. An overview of the different onboarding guidelines can be found <a href="https://example.com/here">here</a>.

Zalando aims to provide the customer with authentic experiences via high-quality content. With this in mind, Zalando has created guidelines for images and content that are binding on the Partner when providing images. For further information, please see the <u>Image and Content Guidelines</u>.

Zalando reserves the right to deactivate from the platform the Partner Articles that are not compliant with Zalando content guidelines as mentioned in the entire section <u>4.2</u>.

## 4.2.1 Specific Guidelines on Beauty, Toys & Electronics

Zalando also has specific guidelines for the categories of beauty, toys and electronics, which are subject to further requirements. You can consult these guidelines within the Zalando Partner University by visiting the Mapping Guide and also referring to the image guidelines for these specific categories.

## 4.2.2 Specific Guidelines for Sports & Designer Brands

To ensure we provide our customers with a differentiated and distinct authentic shopping experience, Zalando retains the right to tag only Designer and Sport brands defined by Zalando into the Designer and Sport categories.

## 4.2.3 Partner Article Rejections and Error Codes

When a Partner receives an error code in the onboarding process, the Partner can use that code to check the reason for rejection and take corrective action to bring the Partner Article in question live. A listing and descriptions of the reasons for rejection can be found here.

Zalando reserves the right to reject Partner Articles during onboarding if they do not conform to the strategic, seasonal, performance and/or marketing focus of the Zalando International Online Shops (including product group and/or brand focus).

## 4.3 Seasonality, Season Switch & Retagging Guidelines



## 4.3.1 Seasonality & Season Switch

Partners are responsible for defining the seasonality of their product range. At the Partner Article level, an initial season must be assigned during the onboarding process. This season should reflect the actual season of the article it was produced for at the time of onboarding. This can later be updated for carryovers through the season retagging process.

Partners must choose between two possible season options for each Partner Article according to the correct seasonality, as in their own shop:

- Range-specific seasons: the spring-summer (SS) and autumn-winter (AW) season of a specific year
- Never Out of Stock: An NOS Article is a Config SKU that is sold either i) all year round or ii) as a
  Spring Summer or Autumn Winter Basic and is not specific to a season, and is constantly
  replenishable, indicated by a very high average Article availability rate and article performance.

The Season Switch is defined by the process when Zalando transitions the product range from one season to the next. It includes the regular season changes as defined by the periods below and the Article onboarding and offboarding processes that accompany them.

Zalando seasonality consists of two main seasons:

- Spring Summer (SS), active from November to August of each year, and
- Autumn Winter (AW), active from May to February of each year.

Specific dates may vary from season to season and will be communicated to partners.

Articles with an NOS season are not affected by the end-of-season offboarding process However, they need to show a high size availability and performance on a permanent basis. Partner Articles assigned an SS or AW season are deactivated by the end of the respective seasons.

After a season switch, the Partner Articles move to the sales section of the platform. In order to retain the visibility in the regular browsing section of the platform, partners may request to retag their Partner Articles if the guidelines mentioned below in section 4.3.2 are met.

## 4.3.2 Article season retagging

Season retagging is the process by which Partners can request to update their Partner Articles' seasonal designation in order to both guarantee the freshness of the Zalando and Partner product range and ensure a clean, uncluttered shopping experience for customers. The retagging process is a recurring process which takes place every two to three weeks in a defined timeframe and is limited for articles which the product brand defines as seasonal carryovers. Specific dates may vary from season to season and will be communicated to Partners in due course.

To ensure we optimize the assortment we offer on the platform and create a trustworthy shopping experience for our shared customers, there is a minimum availability threshold retagging criteria for seasonal and Never Out of Stock / year round basics articles. Therefore only articles with high availability and with a good previous performance (e.g. sales) can be retagged to the current season. This applies to all articles that are requested to be retagged to the current season. Zalando reserves the right to tag articles that do not match the described conditions back to their respective previous season.



For more detailed information about season retagging and offboarding dates, please refer to the Zalando Partner University article on this topic, titled <u>Seasonality</u>.

## 4.3.2.1 Retagging of Articles unique to Partners

Partners can ask to update a Partner Article as NOS Articles or carryover Articles for the coming season. A carryover Article is a seasonal Article that a Partner decides to carry over from maximum the previous year's season and sell again in the coming season.

Zalando reserves the right to refuse or revert retagging requests based on performance (for example, sales) or product range concerns (e.g., if the Articles are inappropriate for the coming season or are not "basic items" – for example if they have patterns, prints or colors).

## 4.3.2.2 Retagging of backfilling Articles

Backfilling Articles are Articles that are sold both by Partners and Zalando Wholesale and that serve as backfilling articles out of sales periods when Zalando Wholesale runs out of stock.

The retagging of such backfiling Articles is ultimately decided upon by the Zalando Wholesale team. The decision is based on whether Zalando Wholesale still has old seasonal stock of the Article and whether they have placed a purchase order for the Article for the coming season.

In the event that Zalando Wholesale still holds stock, backfilling Articles are not eligible for retagging until that stock has been exhausted. If there is an existing or future purchase order from Zalando Wholesale's side, the Articles are rejected for retagging from partners, but will be automatically updated to the current or future season code along with the purchase order from Zalando Wholesale.

### 4.3.3 Older Season Articles in the Sales Section

The Partner Program and Connected Retail allows Partners to sell its remaining old seasonal Partner Articles in the Zalando International Online Shops sales section for one year beyond the initial season switch if Zalando's defined stock and discount requirements are fulfilled. These mirror season Partner Articles are regularly checked to see if they meet these stock and discount requirements and are activated or deactivated on this basis. By the end of the one-year mirror season, all these old seasonal Partner Articles are automatically offboarded.

## 4.4 Fair Pricing Guidelines

Zalando offers a <u>price validation service</u> to help prevent partners from submitting obvious pricing mistakes with major financial losses (e.g. Articles discounted greater than 80% or incorrect currency submissions) and from violating the pricing-related rules explained hereafter.

In the event of a pricing anomaly, price submissions will be rejected and the partner will receive notification via the price validation API or Zalando Partner Care requesting feedback.

## 4.4.1 Pricing Misconducts: Illegal pricing and discounting practices of partners



Pricing misconducts are unlawful behaviors under the rules of the Unfair Commercial Practices Directive (UCPD) and the <u>Omnibus Directive</u>. Pricing misconducts refer to misleading practices. Such practices are, for example, the reduction of a price in an unreasonably short period of time after the launch of the article and when not only one black price but two prices (black and red prices) are displayed, or making changes in the black price while introducing a price reduction (red price) to make the savings shown in percent look more lucrative.

Zalando reserves the right to deactivate articles immediately on detection of such practices. Repeated offenses of the same type may lead to the termination of partner agreements.

### 4.4.2 Fair Black Prices

In order to provide a safe and trusted experience to our customers, black prices on Zalando must not significantly exceed the respective articles' reference prices from other sources operating in the same markets as Zalando. Affected Partner Articles with such significantly high black prices will be subject to lower visibility or potential deactivations. Repeated offenses of the same type may lead to the termination of partner agreements.

### 4.4.3 Lower Discount Bound

To avoid misleading experiences for the customer, if a partner decides to offer a discounted price, this "red price" must be at least 5% lower than the partner's regular ("black") price for the same simple-SKU and market in question. If Partners intend to reduce the price of the article below 5%, they can do so, as per their discretion, by changing the black price. However, changes of black prices will not lead to a highlighting of the articles in the shop. Articles not meeting the above criteria may be subject to deactivation.

### 4.5 Deactivation of Partner Articles

For each Individual Partner Article that is offered for sale, both Zalando and the Partner are entitled to take the Partner Article offline or lower its visibility. Similarly, Zalando is entitled to take offline a Partner account. When making such a decision, Zalando and the Partner will consider whether any of the following are true:

- Partner Articles violate mandatory laws, infringe third-party rights (trademark or copyright or other IP rights) or violate rules of unfair competition law and/or mandatory laws related to pricing.
- 2. Partner Articles violate the rules set under the fair pricing guidelines in chapter 4.4.
- The sale of the Partner Article does not conform to the strategic, commercial performance and/or marketing focus of the Zalando International Online Shops (including product group and/or brand focus).
- 4. Partner Articles are sold within an exclusive or selective distribution system established by a brand or manufacturer, and the Partner is not authorized to sell these articles.
- 5. The Partner Article and/or Partner has the potential to harm Zalando's reputation or adversely affect the customer experience (e.g. offensive or controversial content).
- Partner Articles are not from the current season or not within the Never Out of Stock (NOS) range or not meeting the seasonal performance requirements.
- 7. The presentation of the Partner Article does not comply with the Zalando Image and Content Guidelines as outlined in chapter 4.2.
- 8. Zalando's SLA has not been complied with, as outlined in the CXM model in chapter 7.



- 9. Partner Articles that have a relatively high return rate due to 'size too small' or 'size too big' to ensure a good sizing customer experience. Partner will be informed if a Partner Article is flagged as a "size offender".
- 10. Partners Articles lead to a poor customer experience, expressed in a high customer care contact rate, or in a high number or share of order cancellations by the Partner.
- 11. Partner has faced an insolvency event, appoints an administrator, or where Zalando has reasonable belief that Partner is unable to pay its debts as they fall due.

## 5. Article visibility, search and sorting rules

This section covers how Articles are retrieved and ranked on Zalando's catalog and search result pages. On catalog pages, only Articles that are part of the category selected by Customer are displayed to Customer. On search result pages, the search engine is continuously optimized to retrieve Articles that have the highest relevance to the search query that has been entered by Customer. In both cases, only Articles that strictly match the selected filters will be visible. The search engine does not distinguish between different Merchants during retrieval, and it uses only the Article data provided and historical Customer interaction data.

There are four different ranking modes that can be chosen by the Customer: 1) Popularity, 2) New in, 3) Sale, 4) Price, ascending / descending.

In all sorting modes, there are fixed slots that are used by Zalando Marketing Services (ZMS) which offers auctions to uprank selected Articles that are part of a 'sponsored products' campaign. On each catalog and search result pages, specific rows are taken by such 'sponsored products' and marked as "sponsored". The rows differ based on Web or App; on Web, this is rows 1, 6, 12, 18, 24, 28 and 34. On App, this is rows 1, 4, 8,12, 16, 20, 24, 28, 32 and 36.

Zalando continuously improves its rankings and regularly conducts A/B tests in the course of these activities. During these tests, Customers in the test groups might be exposed to a ranking that does not strictly follow the methods described in this section.

Zalando ranks the Articles using a machine learning algorithm that learns continuously from onsite customer interactions how to rank all Articles to optimize the customer experience in the Zalando International Online Shops. The machine learning algorithm also provides for personal ranking outcomes differing for individual Customers based on personalized customer experience data. The algorithm favors Articles that lead to high-quality customer interactions, such as adding the Article to the cart or purchasing it. As part of this process, the algorithm factors in the context, such as the search term or the filters the customer has selected, along with explicit customer preferences and historical customer behavior, such as order history, in order to optimize the experience for the individual customer context. Apart from the previously mentioned aspects, the algorithm is amended if sale campaigns are active in order to enhance the sale specific customer experience.

## 5.1 Popularity sorting

Articles are sorted into four sections known as "buckets." Within each distinct bucket the articles are ranked individually, and the Articles are displayed in this order starting from the top to the bottom bucket. The buckets are:



- 1. **Top items:** Articles that do not fall into any other bucket.
- Low-visibility Partner items: Articles from Partners that fail to meet the minimum performance
  indicator requirements according to <u>CXM</u> (see <u>section 7.6</u>; <u>Appendix A1</u>) are affected by the "low
  visibility" consequence. Partners' CXM performance is driven by, amongst other things, the
  timeliness and reliability of delivery, cancellation rate, tracking coverage or order quality assurance.
- 3. **High-returning items:** Articles that are marked as a size offender or have a return rate that is higher than ~90% of comparable items.
- 4. **Low size availability items:** Articles that have a low number of sizes available. Only active if no sizing preference is available in the context.

If more than one condition is true for an Article, it is put into the lowest-ranked bucket.

## 5.2 Sale sorting

Articles are sorted into eight buckets. Each bucket is ranked individually, and the Articles are displayed in this order starting from the top to the bottom bucket. The buckets are:

- 1. Discounted top items: Discounted Articles that do not fall into any other bucket.
- 2. Discounted low-visibility Partner items: Partner Articles that are discounted and fail to meet the minimum performance indicator requirements according to <a href="CXM">CXM</a> (see <a href="section 7.6">section 7.6</a>; <a href="Appendix A1">Appendix A1</a>) and are thus affected by the "low visibility" consequence. Partners' CXM performance is driven by, amongst other things, the timeliness and reliability of delivery, cancellation rate, tracking coverage or order quality assurance.
- 3. **Discounted, high-returning items:** Discounted Articles that are marked as a size offender or have a return rate that is higher than ~90% of comparable items.
- 4. **Discounted items with low size availability:** Discounted Articles that have a low number of sizes available. Only active if no sizing preference is available in the context.
- 5. Non-discounted top items: Non-discounted Articles that do not fall into any other bucket.
- 6. **Non-discounted low-visibility Partner items:** All non-discounted Partner Articles that fail to meet the minimum performance indicator requirements according to <u>CXM</u> (see <u>section 7.6</u>; <u>Appendix A1</u>) and are thus affected by the "low visibility" consequence as outlined above.
- 7. **Non-discounted**, **high-returning items**: Non-discounted Articles that are marked as a size offender or have a return rate that is higher than ~90% of comparable items.
- 8. **Non-discounted items with low size availability:** Non-discounted Articles that have a low number of sizes available. Only active if no sizing preference is available in the context.

If more than one condition is true for an Article, it is put into the lowest-ranked bucket. Each bucket is ranked using a machine learning algorithm similar to the popularity ranking.

## 5.3 New-in sorting

An Article is considered new during the first 28 days after its initial activation. In this sorting type, Articles are put into different buckets according to their age in days and are then ranked within the buckets using a machine learning algorithm similar to the popularity ranking.

## 5.4 Price ascending / descending sorting



In this variant, Articles are ranked by price in ascending order if ranking by lowest price is selected and in descending order if ranking by highest price is selected.

## **5.5 Sponsored Products**

Zalando Marketing Services (ZMS) offers additional visibility of Articles in fixed slots (such as on catalog and search result pages) through a paid auctioning system that also uses context and, depending on the customers' privacy settings, personal information.

## 6. Merchant selection

Merchant selection means choosing a specific designated Merchant for a Simple SKU if the product is available from multiple Merchants. The selected Merchant is the one permitted to sell the product in question on the Zalando International Online Shops. Merchant selection takes place at the level of size, which means that one size of a product can be sold by one Merchant while another size of the same product is sold by another Merchant.

There are two different modes in which Merchant selection can take place:

- wholesale mode
- price mode (also known as 'dynamic partner selection')

In each case, only available offers are considered. An offer can be considered unavailable if there are missing factors such as price information, stock information, stock itself, or product information.

If all criteria are applied across a particular mode and there is still a tie among Partners, the Partner whose name comes first alphabetically is chosen as a fallback mechanism.

## 6.1 Wholesale mode

In wholesale mode, the designated Merchant is chosen as follows:

- 1. As long as Zalando Wholesale has stock, then Zalando Wholesale will win the offer.
- 2. If Zalando wholesale has no stock, then Partners using ZFS will win the offer.
- 3. If Partners using ZFS have no stock, then the remaining Partners will win the offer.

### 6.2 Price mode

Price mode is also known as 'dynamic partner selection'. In price mode, the designated Merchant is chosen as follows:

1. Merchant Tier: Partners are classified in two tiers based on their CXM performance reported on the first and fourth working day of the week³(see section 7.6), or their Cancellation Rate (only Connected Retail Partners⁴). Partners with a good performance (in line with the CXM targets as specified in Appendix A1) are placed in the first tier, together with Zalando Wholesale and pure ZFS partners. The other Partners are placed in the second tier. Partners from the second tier are

<sup>&</sup>lt;sup>3</sup> This refers to the first and fourth working day of the week in Germany.

<sup>&</sup>lt;sup>4</sup> Connected Retail uses cancellation rate as the KPI to determine partner participation when pricing mode is switched on, to guarantee customer satisfaction is not harmed.



only considered if no Merchant from the first tier offers the product. For partners using both own fulfillment and ZFS in parallel ("Hybrid Fulfillment partners"):

- a. If you have a share of own-fulfilled orders of 70% or higher your tier will be evaluated based on your CXM Performance. Partners with good performance in their own-fulfilled orders (in line with the CXM targets as specified in <u>Appendix A1</u>) are placed in the first tier, while partners with poor performance are placed in the second tier. The share of own-fulfilled orders is calculated based on the total orders shipped during the steering period (rolling 7-day period reported on the first and fourth working day of the week) for CXM performance evaluation.
- b. If you have a share of own-fulfilled orders that's less than 30%, you are placed in the first tier, together with Zalando Wholesale and pure ZFS partners.
- 2. Price: If there are multiple Merchants in the same tier, the one offering the absolute lowest price wins. Zalando can decide to apply the 5% threshold, in which case Partners not using Zalando Fulfillment Services will need to have a 5% lower price, compared to Partners using Zalando Fulfillment Services and Zalando Wholesale, to win the offer.

During price mode, if the same product article is also available with Zalando Wholesale or partners using ZFS, customers will also see an alternate option (apart from the default chosen merchant) wherein the article will be sold by Zalando wholesale or partners using ZFS.

## 6.3 Use of modes

Wholesale mode is the default mode in the Zalando International Online Shops. The price mode can be used flexibly by Zalando in order to adapt the available supply to meet demand, for example during sale periods.

## 6.4 Rules Specific for Connected Retail Partners

## 6.4.1 Price Aggregation

If a multi-store Connected Retail Partner has different prices for the same Simple SKU across stock locations (i.e. physical outlets), Zalando will represent the Partner's offer at the lowest price. This is to ensure that only one price will be shown to Customers according to Zalando Merchant Selection rules mentioned above.

#### 6.4.2 Order Allocation

When a Connected Retail Partner wins offer selection, a process will allocate the order to a specific store of the partner. The main goal of this process is to identify a single store that could consolidate *all or most* items in the order. This aims to improve the customer experience by delivering orders through as little parcels as possible. This applies mainly to Connected Retail multi-store partners.

## 7. Requirements towards the partners on Orders Fulfillment

## 7.1 Order Cancellation



If the Partner cannot fulfill an order, the Partner must inform Zalando via the IT interface. Zalando will notify the customer and arrange a refund and offer a courtesy voucher if applicable.

Partner's cancellation rate should not exceed a certain percentage, as specified in Appendix A1.

Should there be a technical price mistake caused by the Partner or the integrator, Zalando will not accept cancellations. If this does occur, Zalando has the right to get reimbursed for the courtesy voucher offered to customers.

If after the transmission of an order to the Partner, Zalando detects a risk of fraud, Zalando will forward this information to the Partner's customer service department. The Partner should then cancel the order if still possible to do so. Such cancellations should be communicated to Zalando's Partner Care or Success Manager, for exclusion from the Partner's cancellation rate.

Similarly, a cancellation for another reason than the Partner Article being out of stock should be communicated to Zalando's performance manager, to be considered for exclusion from the Partner's cancellation rate if applicable.

## 7.2 Logistics

## 7.2.1 Authorized carriers

Last mile delivery and pick-up of returns must be performed by one of the logistics companies listed in <u>Appendix A3</u>. Partners are otherwise free in their choice of logistic set-up to inject the delivery parcels in the chosen last mile carrier network.

## 7.2.2 Authorized warehouse/stock locations

Partners must fulfill all orders for sales on an EU Partner Program market from an EU warehouse or stock location. It is prohibited to ship to customers on an EU Partner Program market from outside the EU.

### 7.2.3 Shipment confirmation and tracking

As soon as a parcel has been shipped, the Partner must notify Zalando via their IT interface. This shipping notification must take place within 12 hours after shipping, and include both:

- the delivery tracking number of the shipping parcel
- the return tracking number of the return label inserted in the shipping parcel.

The share of shipment confirmations including both the correct delivery and return tracking number must remain above a minimum threshold as specified in <a href="Appendix A1">Appendix A1</a>.

If Zalando does not receive the shipping notification within seven days after the Partner has been notified of the order, Zalando is entitled to cancel the order without this giving rise to any claims by the Partner against the customer or Zalando. Should this happen, such cancellations will be counted in the partner cancellation rate.

## 7.2.4 Delivery time

Delivery performance is measured via the KPI Delivery On Target (DoT).



- Orders delivered end to end by the Partner must be delivered to customers within the countryspecific target number of working days, counted from the export of the order to the Partner until the first delivery attempt (home delivery) or delivery at the pick-up point.
- Orders delivered via Zalando Shipping Solutions (ZSS) must be delivered to the Outbound Parcel Sorting Center (OPSC) within the target number of working days, counted from the export of the order to the Partner.

The minimum achievement thresholds and related target number of days are specified in <u>Appendix A1</u> and <u>Appendix A2</u>.

#### 7.2.5 Reimbursement time

Return performance is measured via the KPI Reimbursement On Target (RoT).

- Returns managed end-to-end by the Partner must be processed within the country-specific target number of working days, counted from the parcel pick-up by the carrier until Zalando receives the return confirmation from the Partner.
- Returns delivered to the Partner warehouse via Zalando Shipping Solutions (ZSS) must be
  processed by the Partner within the target number of working days, counted from the delivery of
  the parcel to the Partner warehouse. This does not apply to partners integrated via Tradebyte, for
  which the whole return processing is managed by Zalando.
- Returns processed end-to-end by Zalando Return Solutions (ZRS) are excluded from reimbursement time.

The minimum achievement thresholds and related target number of days are specified in <u>Appendix A1</u> and <u>Appendix A2</u>.

### 7.2.6 Forward address for wrongly returned articles

As specified in the Partner Agreement (section 5.3 of the agreement), if the customer returns to a Partner a non-Partner article, or a Partner article belonging to another Partner, the receiving Partner must forward the wrongly returned articles to the following addresses specified by Zalando on the zPU.

## 7.2.7 100-day return policy

As specified in the Partner Agreement (section 4.1 of the agreement), the sales contract between Customer on the one hand and Zalando and Partners on the other hand, is based on the General Terms and Conditions of the respective Zalando International Online Shop. As such, Partners must comply to the specified return policy of

- 30 days for orders shipped to Switzerland and Austria.
- 100 days for all other markets

The days are counted from (i) the date the customer receives the article, until (ii) the date the customer sends back the returned article, not the date when the parcel is physically received by the Partner. In case of dispute around this count, Zalando will refer to the timestamps provided by the carriers:

- I. date of actual delivery to the customer by the delivery carrier (in case of delivery to a pick-up point: date when the customer picked-up the parcel)
- II. date of pick-up of the return parcel by the return carrier



### 7.3 Customer Care

Zalando's customer service team (Zalando Customer Care or CuCa) will handle any customer inquiries. If a customer contacts the Partner, the Partner is required to redirect the customer request to Zalando Customer Care. If a customer requests information that the Zalando Customer Care does not have and cannot access (e.g. status of Partner returns), Zalando Customer Care will contact the Partner's customer service.

Partners are required to have at least one customer service representative available from 9am to 8pm, Monday through Saturday, via phone and email. All written inquiries should be responded to within 24 hours.

Partners are committed to provide Zalando with at least one escalation contact for Zalando Customer Care (contact person's email and phone number). Partners are responsible for ensuring that the escalation contact is known and up to date on Zalando's side.

Upon request, the Partner's customer service team must issue a new return label or an invoice in order to process customer requests. Invoices must be made available upon request for a minimum time period of one year, counting from the order date. No further information than the order number will be provided by Zalando Customer Service for such requests. Please note that Zalando is not positioned to support Partners with tax advice.

Zalando monitors the volume of CuCa contacts generated by the Partner orders with regard to the average volume of contacts generated in the Zalando International Online Shops.

Partners that have a high CuCa Contact Rate will be flagged and, depending on the severity of the impact over the customer experience will be downsorted or deactivated. In case of a significantly elevated volume of CuCa contacts, Zalando will notify Partner about this. Zalando reserves the right to charge Partner in exceptional cases for handling the excess cases that occur after a grace period of 5 working days after sending the notification.

### 7.4 Manual Refund

Zalando wants to ensure that we meet our Customer promises and adhere towards our obligations to the Customers. This involves compensating Customers in the events of

- not receiving their order,
- · not receiving the refunds for their returns,
- product reclamations.

Manual Refunds are reimbursements that Zalando grants to Customers in case of justified complaints (logistic related or article complaints). In case these complaints are related to the delivery or return of Partner Articles fulfilled by a Partner with their own fulfillment and contract, Zalando is entitled to reimburse Customers on behalf of the Partner since (partial) loss and/or damage to Partner Articles during transportation to/from Customer lies within the liability of the Partner (see liability clause in Partner Agreement).



The manual refund amounts are deducted from the Partner invoice. "Partners that operate under Single Seller-Business-Model will receive a detailed invoice about orders, returns and return-related manual refunds together with their monthly payouts."

Before issuing manual refunds to our customers, Zalando is conducting a number of validations to ensure we protect Zalando and our partners' interests. In particular, we apply the following procedures:

- Review of the order status based on available tracking information and advising customers for patience where the delivery/return requires operational time for the logistics handling to be completed.
- Customer screening facilitated by a machine learning technology that takes into account different factors from the Customer shopping history
- Continuous monitoring of fraud behavior in order to respond to any new appearing trends and applying fraud countermeasures in real time.

In the case of **deliveries** (whether it is a completely missing parcel or missing items), or in case of **returns** (whether it is a completely missing return or customer complaint about only partial refund) Zalando will check all available tracking information and reach out to the Partner if any clarification is required. If no response is provided by the partner within the established inquiries response time described in <u>section 7.3</u> *Customer care*, Zalando reserves the right to make a decision to reimburse the Customer on the Partner's behalf. In case of any doubt Zalando would apply its standard fraud countermeasures and, if necessary, request a written confirmation from the Customer and forward it to the Partner.

"In the event of returns by the customer to the partner that are the subject of a reclamation, the partner must book the products as a regular return. Zalando will reimburse the customer for the costs and the Partner will be informed upfront that they will receive the faulty item back. In accordance with European consumer law, Partner bears the burden of proof to have delivered an accurate product within the reclamation period of one year. Should the partner not book the products as returned, Zalando has the right to trigger a manual refund, which will be later charged to the partner."

Please note that logistic related Manual Refunds in this section only apply to Partners with their own fulfillment (ZFS, ZRS, ZSS are excluded) and contract with the carrier (Connected Retail Umbrella and DHL-Nummernkreis contracts are excluded).

## 7.5 Order quality

The Partner is required to meet the order quality requirements listed in Appendix A4.

These requirements are focusing on the delivery documentation and delivery experience (of which delivery note, invoice, shipping label, working tracking links, delivery by a compliant carrier), packaging, and return experience (of which accurate return instructions, working return labels, correct return tracking numbers, return by a compliant carrier).

Zalando is entitled to place a test-order at any point of time to validate the Partner compliance with these requirements. If non-compliance is identified, a dedicated test-order report will be issued to notify the Partner of the findings, related consequences (see below), necessary corrective actions, and deadline for correction.



The requirements are split into two categories - *Blockers* and *Downsorters*, depending on the gravity and consequences of non-compliance, as indicated in the table below.

New sales channels (Zalando international online shops)		Existing live sales channels (Zalando international online shops)	
Blocker requirements	Go-live suspended	- Immediate low visibility - Deactivation if not fixed within one month	
Downsorter requirements	Low visibility if not fixed within one month	- Immediate low visibility	

No consequences will be applied before the related test-order report is sent to the Partner.

To revert the consequences resulting from such non-compliance, the Partner is required to notify Zalando of the issue resolution and request a follow-up test-order. Once the new check confirms the correction of the finding(s), any previous consequences will be immediately reverted.

## 7.6 Customer Experience Model (CXM)

The CXM is a monitoring tool measuring Partners' performance against a set of KPIs representative of the customer experience on Zalando:

- CXM applies to all Partner's dropship sales channels live on Zalando.
- CXM thresholds on DoT, RoT and MCR are applicable to Connected Retail partners as listed in Appendix <u>A1</u> and <u>A2</u>. Failure to comply with these thresholds will result in consequences impacting sales and could also lead to deactivation.
- CXM does not apply to ZFS sales channels.

Failure of partner program partners to comply with the minimum requirements ("CXM target") listed in <u>Appendix A1</u> on any KPI in a country results in a temporary exclusion from Price Mode (when activated) or lower visibility. Deactivation is considered where the Deactivation risk / Deactivation threshold is triggered in line with Appendix 1 with regard to Partner Articles in this country.

Changes to any CXM rules, KPIs or targets are communicated to Partners upfront via a banner in zDirect CXM Module and in this <u>dedicated ZPU article</u>. A grace period is always included to allow Partners to familiarize themselves with new or changed KPIs or targets.

Any operational incident impacting the monitored KPI should be reported via the form provided for this purpose. Depending on the matter's nature (one-time vs recurring) and impact, CXM consequences may be mitigated accordingly.

Detailed explanations and introductory videos about the CXM KPIs and performance review process are available on the Zalando Partner University, in section <u>Customer satisfaction and CXM</u>.

### 7.7 Processing costs

Zalando is entitled to charge the Customer additional costs incurred for the processing of a purchase (e.g.



should this be below a minimum order value), which Zalando alone can determine at its discretion (billiges Ermessen) and benefit.

### 8. Data Access

The data access section is split between Partner Program and Connected Retail.

## 8.1 Partner Program

#### 8.1.1 Personal Data

Partners have access to personal data of Customers to be used when a Customer purchases Partner Articles. Data access is limited to the extent necessary to fulfill the purchase contract, i.e., to issue invoices, make shipping arrangements and take care of returns and complaints. Personal data involves the Customer name and shipping/invoicing address along with data contained in the order itself (such as shoe or clothing sizes).

In addition to having access to **Customer's personal data** as mentioned above, **Zalando** has access to Customers' payment information. Zalando also receives data about the status of any order, e.g., timestamps for shipping and return from the Partner.

In addition, Zalando has access to data on the Customer's behavior while on Zalando sites. This includes purchases from Zalando, the Partner and any other partners as well as other on-site behavior like product detail page views, Articles added to the wish list and shopping cart, etc. For full details regarding the personal data to which Zalando has access, please see our <u>Privacy Policy</u>.

**Zalando** also collects **personal data** of its **Partners**' contacts. These data may include names, email addresses and company names.

#### 8.1.2 Other Data

#### 8.1.2.1 Data Access for Partners

Zalando provides different tools for **Partners** in order to analyze their performance and success in the Zalando International Online Shops.

#### **zDirect**

zDirect is a Partner-facing portal that is offered to Partners to manage their Partner Program business on Zalando. All **Partners** have free access to zDirect, which provides aggregated insight into key performance indicators such as the following:

- Sold Items before return
- Expected return rate
- Unique PDP views
- Add to basket
- Conversion rate
- First date on offer for an article

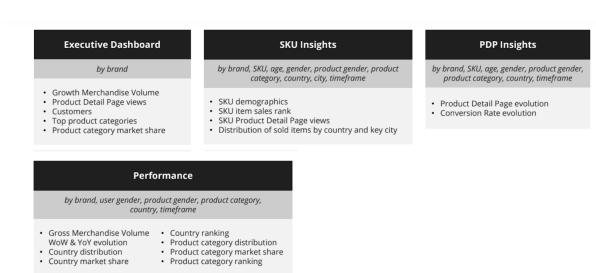


- Days on offer
- Week on week sales benchmark
- Cancellation rate
- Tracking coverage
- Delivery on Time rate
- Reimbursement on Time rate
- Top 10 search keywords to arrive on partners products
- New and returning customer counts
- In case of advertising: sponsored product advertisement related attributed performance metrics broken down by article, market, ad location and time

Partners can also use zDirect to access their entity-related data, including commissions, all Partner Articles onboarded, order-related data, sales-related data such as NMV and returns, on-site data on Zalando apps and website, post-delivery customer experience data and scores like delivery time and reimbursement time, along with ZFS (Zalando Fulfillment Services) reports where applicable.

#### **ZMS** Insights

ZMS Insights is a tool provided by Zalando Marketing Services GmbH that is intended to give Partners aggregated insight into key performance indicators such as GMV, Config SKU insight, product detail page insight and insight into the Partner's customers (age, gender preference). This chart presents an exhaustive list of available metrics:



The tool offers the option to benchmark the Partner's performance against that of an anonymous peer group on an aggregated level without disclosing individual data. The peer group consists of a relevant selection of other Partners offering a comparable range of products in the Zalando International Online Shops. This option is limited to the data sets shown in the "Executive Dashboard," "Performance" and "Customer" segments.

The ZMS Insights tool is available free of charge to Partners who are also customers of Zalando Marketing Services GmbH as well as selected Partners of Zalando.

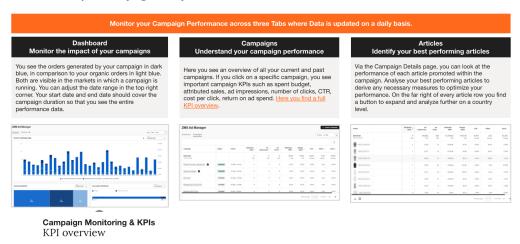


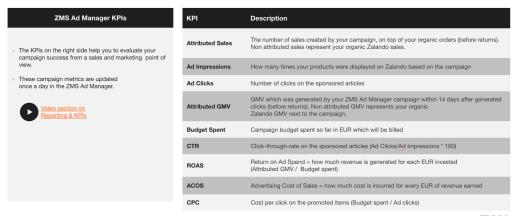
## **ZMS AdManager**

The ZMS Ad Manager is the Advertising module within zDirect which allows users to create and manage their marketing campaigns for their Partner Program business on Zalando.

The charts below provide an overview of available metrics (with break down options by market, article, ad location or time):

**Campaign Monitoring & KPIs**Monitor your campaigns and performance





#### **CXM Performance**

The Partner can access their daily visibility and KPI performance (delivery and return performance, tracking coverage, and latest Order Quality Assurance result if applicable) via Customer Experience Model tab within the Orders Module on zDirect.

## 8.1.2.2 Data access for Zalando

Zalando uses the same set of data to provide all the tools and reports discussed above. Zalando can also use the personal data to which it has access (see <u>section 8.1.1</u>) to glean insight at the Config SKU level in relation to aspects such as product gender preference and more.

Within Zalando, Category Management has access to limited and selected KPIs on Partners' business in the Partner Program. Category Management is tasked with supporting Partners in planning and steering



the Partner Program business, optimizing operations and providing a holistic offering to the customer. Data access is limited to the scope necessary to achieve these aims in practice.

## 8.1.3 Data Sharing with Third Parties

Zalando shares data only where necessary in order to provide the Zalando International Online Shops. The third parties with which data is shared may include providers of technical services such as cloud storage and integrators that are engaged by Partners in order to integrate with the Zalando International Online Shops.

Zalando shares these types of information with Zalando Marketing Services GmbH in order to provide the ZMS Insights tool.

#### 8.2 Connected Retail

## 8.2.0 Stock Feed Integration specific to Connected Retail Partners:

Connected Retail offers an Application Programming Interface called Fashion Connector Importer (FCI). Connected Retail Partners must send its inventory information (e.g. stock, quantities) periodically and in the compliant format via FCI.

For further information please check: https://docs.partner-solutions.zalan.do/en/index.html

### 8.2.1 Personal Data

Connected Retail Partners have access to **personal data** to the same extent as Partner Program Partners. Please refer to 8.1.1 for details.

#### 8.2.2 Other Data

#### 8.2.2.1 Data access for Partners

Zalando provides different options for **Partners** to access data in order to analyze their performance and success in the Zalando International Online Shops.

#### Sales reports

All Partners can receive upon request a free daily, weekly, and monthly sales report that includes sales data (e.g., order date, order number, EAN, price, order status (returned, canceled), tracking number). Once the sales report is generated, it will be available for download for a period of 90-days and will be deleted after that. Partner is expected to download the reports when generated to keep historical reports.

#### **Connected Retail tool**

In addition to the sales reports, all Partners have free access to the Connected Retail tool, which allows each Partner to access more statistics, including sales totals before and after cancellation, average completion time, cancellation rate, average basket value, value of returns, reaction and received versus completed orders. Invoices are provided for each order fulfilled and credit notes for orders with a processed return.

## **Management Tool**

Order data, Inventory Data, Reporting tool, high return article data and store specific data.



### **Order Events API**

All Partners can set up a webhook to receive order notifications on the order state changes. This can contain information such as:

- order information: order id, order number, order state
- store information: store id
- order lines: ean, price, currency, article number, article location, return reason
- delivery details: correct delivery tracking number, delivery carrier name, correct return tracking number, return carrier name
- customer billing address: firstname, last name, address, zip code, city, country code.

More details can be found here.

## **ZMS** Insights

Partners can also gain access to ZMS Insights if certain conditions are met. For details, please refer to <u>8.1.2.1</u> ("ZMS Insights").

## ZMS AdManager

Partners can also gain access to ZMS Advertising Module if certain conditions are met. For details, please refer to <u>8.1.2.1</u> ("ZMS AdManager").

#### 8.2.2.2 Data access for Zalando

**Zalando** has access to all of the metrics mentioned above. Zalando compiles statistics based on these data and is happy to provide these statistics to Partners upon request.

## 8.2.3 Data sharing with third parties

Connected Retail shares data with third parties to the same extent as the Partner Program. For details, please refer to <u>8.1.3</u>.

## 9. Internal complaint handling

Zalando's Partner care team is responsible for handling all Partner inquiries and complaints. Partners are welcome to submit any issue via the central Partner care support email: <a href="mailto:partner-care@zalando.de">partner-care@zalando.de</a> (for Partner Program) and <a href="mailto:cr-partner-care@zalando.de">cr-partner-care@zalando.de</a> (for Connected Retail).

Additionally, Partner Program Partners are provided with a Zalando Partner University (ZPU) account login before beginning their integration process. Once logged in to the <u>ZPU</u> knowledge base, Partners have the option to either chat with an expert from the Partner care support team or contact Zalando via the request form to submit the issue.

To submit an official complaint, Partner Program Partners must use the form on <u>this page</u> on the zPU. Connected Retail Partners must use the form on <u>this page</u>.



When a Partner contacts us via any of the channels mentioned above (email, ZPU chat, ZPU contact form), the Partner care team issues an initial response to all written Partner inquiries within 24 hours, Monday through Friday from 9 a.m. to 5:30 p.m.

Any disputes that may arise can be settled out of court with one of the following external mediators mentioned below:

#### Sathees Sabaratnam

Geschäftsführender Partner

DWM Wirtschaftsmediation GmbH

Tel: +49 172 81 99 762

Email: sabaratnam@d-wm.de

## Dr. Sarah Athena Babaian

Verhandlungsexpertin, Juristin & Wirtschaftsmediatorin

SB Negotiation & Conflict Consulting

**Tel:** +49 176 627 075 91

Email: info@sarahbabaian.de

#### Oliver Knura

CEDR Accredited Mediator, Wirtschaftsmediator (IHK)

Ponschab + Partner Mediatoren PartG

**Tel:** +49 69 977 86 300 / +49 171 524 05

96

Email: p2b@ponschab-partner.com

٠



# **APPENDIX**

# **A0 Business Terms & Conditions**

Country	Web address	Business to Customer Terms & Conditions			
Austria	www.zalando.at	https://www.zalando.at/zalando-agb/			
Belgium	www.zalando.be	https://www.zalando.be/zalando-algemene-voorwaarden/			
Croatia	www.zalando.hr	https://www.zalando.hr/zalando-uvjeti-i-odredbe/			
Czechia	www.zalando.cz	https://www.zalando.cz/obchodni-podminky			
Denmark	www.zalando.dk	https://www.zalando.dk/zalando-handelsbetingelser/			
Estonia	www.zalando.ee	https://www.zalando.ee/zalando-tingimused/			
Finland	www.zalando.fi	https://www.zalando.fi/zalando-yleiset-sopimusehdot/			
France	www.zalando.fr	https://www.zalando.fr/zalando-cgv/			
Germany	www.zalando.de	https://www.zalando.de/zalando-agb/			
United Kingdom	www.zalando.co.uk	https://www.zalando.co.uk/zalando-terms/			
Ireland	www.zalando.ie	https://www.zalando.ie/terms/			
Italy	www.zalando.it	https://www.zalando.it/zalando-cgv/			
Latvia	www.zalando.lv	https://www.zalando.lv/zalando-noteikumi-un-nosacijumi/			
Lithuania	www.zalando.lt	https://www.zalando.lt/zalando-salygos-ir-nuostatos/			
Luxemburg	www.fr.zalando.be	https://fr.zalando.be/zalando-cgv/			
Netherlands	www.zalando.nl	https://www.zalando.nl/zalando-algemene-voorwaarden/			
Norway	www.zalando.no	https://www.zalando.no/generellevilkar/			



Poland	www.zalando.pl	https://www.zalando.pl/zalando-regulamin/		
Slovakia	www.zalando.sk	https://www.zalando.sk/zalando-obchodne-podmienky/		
Slovenia	www.zalando.si	https://www.zalando.si/zalando-pravila-in-pogoji/		
Spain	www.zalando.es	https://www.zalando.es/zalando-cgc/		
Sweden	www.zalando.se	https://www.zalando.se/aav/		
Switzerland	www.zalando.ch	https://www.zalando.ch/zalando-agb/		

## **A1 Overview of CXM requirements**

- CXM target = Partners should aim to have KPI performance better than the thresholds
- LV = Low Visibility and Price Mode exclusion threshold
- DR/D = Deactivation risk or Deactivation threshold
- See table A2 for the country-specific logistics targets for the KPIs DoT and RoT

KPI	Section	Short Description	LV	DR/D
Cancellation Rate	6.1	Share of articles canceled by Partner	>1%	>1.2%
Tracking coverage	6.2.3	Share of shipment confirmations including both correct delivery and return tracking numbers	<98%	<95%
DoT - non ZSS delivery	6.2.4	Share of orders delivered within the country target number of working days	<95%	<90%
DoT - ZSS delivery	6.2.4	Share of orders delivered to the OPSC within 2 working days	<95%	<90%
RoT - non ZSS return	6.2.5	Share of returns processed within the country target number of working days	<95%	<90%
RoT - ZSS return <sup>5</sup>	6.2.5	Share of returns processed within 2 working days after delivery to the partner	<95%	<90%

 $<sup>^{\</sup>rm 5}$  Not applicable to partners using ZSS for returns and integrated via Tradebyte.

-



Order Quality 6.5 Compliance to requirements listed in A4 S	See <u>6.5</u> and <u>A4</u>
---	------------------------------

## **A2 Country specific logistics targets**

WD = Working Days = all weekdays except Sundays and national public holidays

Shop	Delivery time in WD	Return processing time in WD	Saturday excluded
AT	5	8	no
BE	5	8	no
СН	5	9	no
CZ	5	8	no
DE	4	8	no
DK	5	8	yes
ES	6	8	yes
FI	7	10	yes
FR	6	8	no
UK	7	12	no
ΙE	7	10	yes
IT	5	8	yes
NL	4	8	no
NO	6	12	yes
PL	5	8	yes
SE	6	8	yes
SK	5	8	yes
SI	5	8	yes
HR	5	8	yes
LT	5	8	yes
LV	5	8	yes
EE	5	8	yes
HU	5	8	yes



RO 5 8 yes
------------

### A3 Authorized carriers

The authorized carriers listed below are the Last Mile Carriers (LMC) approved for each shop country. LMCs are the carriers directly interacting with the end customer (delivery to home or pick-up point shops, for returns our customers can bring their returns to LMC drop-off points). For example, a partner with a delivery warehouse sending from Austria can use PostAT sending to Germany, because PostAT hands over the deliveries and picks up returns in Germany via DHL Paket's network.

Local carriers usually work with international networks as their Last Mile Carriers. Kindly reach out to your local carrier if they work with any of the approved LMCs below.

Carriers marked in red have restrictions. See comment section for more details.

- 1. For DHL, only DHL Parcel (Paket) and DHL International are approved; DHL express and DHL Economy Select are not approved
- Poland, Czech Republic, Lithuania, Latvia, Estonia, Slovakia, Slovenia, Croatia, Hungary, and Romania are currently available only through Zalando Fulfillment Solutions for new internationalizations
- 3. Luxembourg is served via the Zalando.be website.

Chan acuntmy	Last mile carrier	Authorized for		Delivery options		Comment
Shop country		Delivery	Return	Mandatory	Optional	Comment
	DHL (1)	х	х	Home	-	
0.0000000000000000000000000000000000000	Hermes	x	х	Home	PuP	Only DHL and Hermes return labels
Germany	DPD	х	-	Home	-	can be offered to customers in Germany
	GLS	x	-	Home	-	
Switzerland	Post CH	х	х	Home	PuP	
A	Post AT	х	х	Home	PuP	Only Post AT return labels can be
Austria	DPD	x	-	Home	-	offered to customers in Austria
	Post NL	х	х	Home	PuP	
Netherlands	DHL (1)	х	х	Home	-	Only PostNL or DHL return labels can be offered to customers in the Netherlands
	DPD	x	-	Home	-	I ven lei lai lus
Belgium	BPost	х	х	Home	PuP	Only BPost and DHL International



	UPS	х	-	Home	-	return labels can be offered to customers in Belgium		
	DPD	х	-	Home	-	G		
France	Colissimo	Х	х	Home	PuP			
	Chronopost	х	х	Home	PuP	Only Colissimo and Chronopost return labels can be offered to		
	Colis Prive	x	-	Home	-	customers in France		
	UPS	х	-	Home	-			
United Kingdom	Evri (formerly Hermes)	х	х	Home	PuP			
Ireland	DHL / AnPost (1)	Х	X	Home	-	Returns possible via AnPost branches by usingDHL or AnPost return labels		
	Fastway	x	x	Home	PuP			
Sweden	PostNord	Х	х	PuP	Home**			
Denmark	PostNord	х	х	Home + PuP	-	Partner Program: Only PostNord return labels can be offered to		
	Bring	х	x*	Home + PuP	-	customers in Denmark, Finland and Norway		
Finland	PostNord	х	х	PuP	Home	Connected Retail: Only PostNord return labels can be offered to customers in Denmark Finland,		
Norway	PostNord	х	x	PuP	Home	Norway, and Sweden*		
Poland (2)	DHL (1) (Polish Post for returns)	Х	x	Home	PuP	Only DHL (Polish Post) return labels can be offered to customers		
	DPD	х	-	Home	-	in Poland		
Italy	SDA (Poste Italiane)	Х	х	Home	PuP	- SDA is the only carrier authorized for returns in Italy for new		
	UPS	х	-	Home	-	internationalizations - Partners previously integrated with UPS for returns are authorized		
	Bartolini	x	-	Home	-	to keep this set-up		
Spain	Celeritas	х	Х	Home	PuP	Datuma in Oneir and a self-like		
	Correos	Х	Х	Home	-	- Returns in Spain are possible via Zalando through Zalando Return		



	Seur	х	-	Home	-	Solution (ZRS), or via Celeritas or Correos return labels	
	DHL ES	x	-	Home	-		
Czech Republic (2)	PPL	х	х	Home	-		
	Ceska Posta	x	x	Home	-		
Lithuania (2)	Itella (Posti)	х	х	Home	PuP		
Latvia (2)	Itella (Posti)	х	х	Home	PuP		
Estonia (2)	Itella (Posti)	х	х	Home	PuP		
Slovakia (2)	Slovak Post	х	х	Home	-		
Slovenia (2)	Slovenia Post	х	х	Home	-		
Croatia (2)	Croatia Post	Х	х	Home	-		
Romania	FAN Courier	х	х	Home	-		
Hungary	GLS	х	х	Home	-		

<sup>\*</sup>only applies to Connected Retail

Zalando's aim here is to make sure that the customer-facing carrier (last-mile carrier) for deliveries and returns is in line with our matrix. Zalando is not interested in the line haul setup. For further information, please reach out to the respective carrier directly.

Zalando is entitled to nominate other logistics providers and update this carrier list at its discretion and with 16 weeks' advance notice.

## **A4 Order Quality Requirements**

All partners are required to comply with the following order quality requirements which are classified into blockers and downsorters according to their impact on customer experience.

Requirement	<b>Commodity Group</b>	Category	Blocker	Downsorter
Zalando order number must be present & correct.	ALL	All Delivery Documents	x	
Zalando FAQ link must be present & correct (customer care contact details, e. g. hotlines,		AU 5 11		
email addresses, availability hours shall not be used).	ALL	All Delivery Documents		x

<sup>\*\*</sup>Excluded for Connected Retail



Zalando bank information must be correct.	ALL	All Delivery Documents	x	
Delivery documents must be written in the correct and consistent language.	ALL	All Delivery Documents		X
Gender-specific salutation shall not be used in the documentation included in the parcel and shall not be used on the carrier labels.	ALL	All Delivery Documents		х
Delivery documents must be provided in undamaged, clean and proper condition.	ALL	All Delivery Documents		x
Return instructions must be present, correct & complete.	ALL	Return Note		x
Article information must be pre-printed (e. g. article number, article name, size, color, etc.).	ALL	Return Note		х
Return label must be present & correct.	ALL	Return Label	X	
Outer packaging must be a cardboard box (= NOT a plastic or a paper bag).	Hats, glasses, watches, jewelry, hanging garment, beauty, multiple shoes in shoeboxes	Packaging		х
Price on the article hang tag must be in line with the Zalando shop price and the delivery documents.		Article		х
Customer name and address must be printed correctly and completely (incl. c/o information).	ALL	Shipping Label	х	
Call-for-action advertisements shall not be used / included in the parcel.	ALL	Advertisement	X	
Working delivery tracking link must be provided to the customer.	ALL	Outbound Tracking Link	х	
Correct return tracking number must be provided to the customer and to Zalando.	ALL	Return Tracking Number		х
Partner must cooperate with the Zalando approved logistics providers for outbound and return.	ALL	Carrier	х	



## A5 Content from linked articles

All the content from the linked articles in these platform rules can be found in a folder at this link in downloadable PDF.

Zalando SE Valeska-Gert-Straße 5 D-10243 Berlin

E.: info@zalando.de T.: +49 (0) 30 20 00 88 400 F.: +49 (0) 30 275 94 693

corporate.zalando.de jobs.zalando.de Vorstand: Robert Gentz, David Schneider (beide Co-Vorstandsvorsitzende), Dr. Astrid Arndt, Dr. Sandra Dembeck, David Schröder

Vorsitzende des Aufsichtsrates: Cristina Stenbeck

Umsatzsteuer-ID: DE 260543043

Eingetragen beim Amtsgericht Berlin Charlottenburg, HRB 158855 B Sitz der Gesellschaft: Berlin Postanschrift: Zalando SE 11501 Berlin