A photograph of a baby lying on its back on a dark blue, quilted blanket. The baby is wearing an orange long-sleeved onesie. Handwritten in red ink on the back of the onesie is the text: "Does Zeeman take good care of my future?".

Does Zeeman  
take good  
care of  
my future?

**Social Responsibility  
Report 2022**

**ZEEMAN**

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# Foreword.

“Does the maker of this sweater get a decent wage?” And: “How much water does it take to make this shirt?” At Zeeman, we think it’s good that these questions are being asked and we want to be transparent about the answers. We do so not only in this annual CSR report, but also [through a campaign](#) in which we call on people to ask us such questions.

## Living wage

In the past year, we have again made great strides in corporate social responsibility. Something I am particularly proud of is the introduction of living wages in four factories in Bangladesh, India and Turkey. As people in these countries are not always able to make ends meet on a minimum wage, we supplement the salaries of our workers so they can better meet their basic needs. We ran a living-wage pilot in a factory in Pakistan in 2019 and now have living-wage programmes in five factories. I experienced first-hand how much this is appreciated when I visited two of these factories with our Buying Director Erica Roolvink in January this year. At the same time, we are keenly aware that it is now up to us to take the next step. We need to turn the lessons we have drawn from the pilots into policy. Preferably in collaboration with others, but alone if necessary.

Another significant event was the signing of the Pakistan Accord in January 2023, an extension of the agreement Zeeman signed in 2021.

## Second-hand clothes

We also started collecting used clothing at all our stores in the Netherlands. And we now sell second-hand clothes in six Dutch and two Belgian stores. With success: in 2022, we sold over 33,000 used garments, saving over 33,000 kilos of

carbon. We want to continue on this path in 2023. We are proud to have increased the proportion of sustainable materials in our textiles in 2022. Last year, nearly three-quarters of the cotton used for our clothing was more sustainable cotton, such as organic, recycled, or Better Cotton.

These are great steps we can build on going forward, and which have not gone unnoticed. For example, we achieved a ‘good’ score on Fair Wear’s Brand Performance Check, and Zeeman rose into the top ten of the Fashion Transparency Index.

At the same time, there are major challenges ahead, which we are not avoiding. We are honest about that in this report. We can’t do it alone. That is why we believe it is important to have international legislation on sustainable business. Because the more parties participate, the more impact we can make together.

## Zuinig: we care for people, planet and society as a whole

Meanwhile, of course, we continue to keep a sharp eye on the course we are taking and our vision on corporate social responsibility. At Zeeman, we simply call it: *zuinig*. For many years now, we have cared for people, planet and society as a whole, because not being wasteful – being *zuinig* – simply pays off. For everyone.

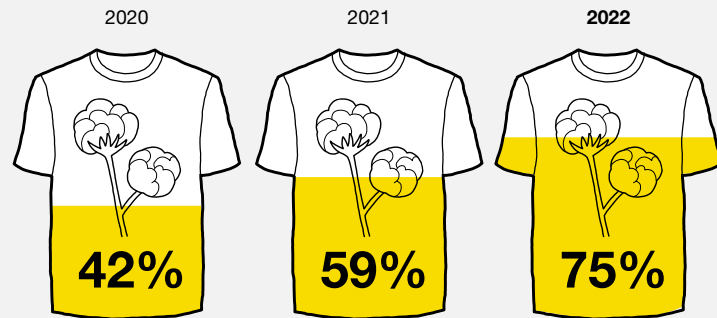
Perhaps the most important question this year was: “In these times of inflation, how do we keep our prices as low as possible so that textile basics remain affordable?” Due to inflation, we, like others, have been forced to raise some of our prices. With pain in our hearts, because the rising cost of living and growing inequality are of great concern to us. We see it as our role to keep basic needs, items you really need, accessible to everyone.

That *zuinig* has got to be at the core of our identity and our strategy became very clear when we started to map out our strategy for the coming years in 2022. For Zeeman, being *zuinig* comes straight from the heart. That’s why you will see this term used frequently in our annual CSR report. I hope you’ll enjoy reading it. And if you have any questions, please feel free to ask.

Best wishes,  
Erik-Jan Mares



# 2022 in focus.



## Growth in share of more-sustainable materials.

In 2022, our cotton consumption consisted of 75% more-sustainable cotton. In addition, 53% of our total collection consisted of more-sustainable materials, such as recycled polyester and more-sustainable viscose. In 2021, this figure stood at 39%.



X 33,673 garments sold  
= 33,673 kg CO<sub>2</sub> saved

## Selling second-hand clothing.

We have continued to expand our Resale program. Since early 2022, we have been collecting clothing in all Dutch stores. And in May 2022, we started collecting clothes and selling used baby/kids' clothes in two Belgian stores as well.

In 2022, we sold a total of 33,673 used clothing items. This is up from 20,605 second-hand garments in 2021.



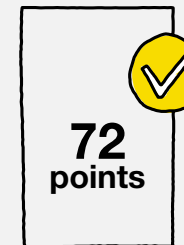
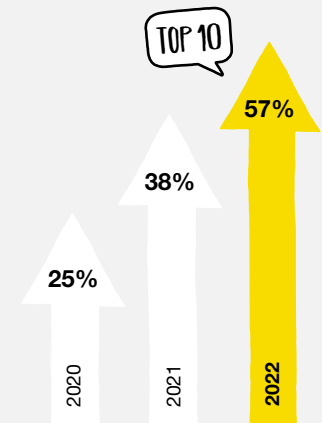
## Living-wage programs.

In 2022, we launched four new living-wage programs. This means we are enabling a living wage in South and East Asia and Turkey for our share of production for 12 percent of the purchase value of our textile suppliers.



## Fashion Transparency Index.

This year Zeeman once again participated in Fashion Revolution's Fashion Transparency Index. This study evaluates 250 international retailers and brands in the fashion industry for their transparency. The assessment covers a broad range of issues. For example, it looks at approaches to social issues and the environment. But also at topics like more-sustainable materials and living wages. The starting point is the information that is available to everyone online.



## Brand Performance Check, Fair Wear Foundation.

In 2021, Zeeman had already achieved a "good" score of 65 points, and in 2022 this was outdone by 7 more points.

## Introducing the Two-Way Code of Conduct.

We have had a Code of Conduct for a long time, but this was established unilaterally by Zeeman. In 2020 and 2021, we distributed a questionnaire to our suppliers to investigate our buying practices and their impact on people and the environment. The results have been incorporated into our new Two-Way Code of Conduct. Here, the focus is not only on the supplier's obligations to Zeeman, but also on Zeeman's obligations to the supplier. For example, it stipulates that Zeeman will not make unilateral adjustments to contracts.



# About Zeeman.

Zeeman is a chain of textile stores with over 1,300 stores in seven European countries and an online shop covering each of these countries. Zeeman stands for quality textile basics that are produced responsibly. Zeeman operates in the Retail sector for clothing, textiles, and non-food.

Our designs are simple. This enables us to manufacture them at low costs and in large quantities. And through clever organization, we ensure the lowest possible price. In our stores, we offer a wide range of products categorized into four core groups: baby & children's clothes, legwear, household textiles, and underwear & sleepwear. We also have women's and men's fashion, as well as non-textiles such as food, home accessories, and cleaning products. Zeeman is a family business: 100% of the stock is held by the Zeeman family.

## A single central service office and distribution center.

Zeeman's roots lie in the town of Alphen aan den Rijn in the Netherlands, where Jan Zeeman founded the first store for household textiles and basic clothing in 1967. Today, the enterprise consists of the Zeeman Groep B.V. holding company and our subsidiary companies in the Netherlands and various other European countries, as well as Hong Kong. Our service office can still be found in Alphen aan den Rijn. Outside the Netherlands, we only operate our sales organization. Buying, distribution, and all other supporting services are managed centrally from within Zeeman textielSupers B.V. All our stores are stocked from our central distribution center in Alphen aan den Rijn.

	2019	2020	2021	2022
Net revenue in millions of €	639.1	616.6	678.5	774.2
Consumer sales in millions of €	768.6	740.6	816.2	931.5
Number of products sold in millions	284.0	261.9	277.8	290.7
Average number of employees in FTE	6,067	6,246	6,479	6,575

## Profile

**+1,313** Textile stores

**7**

### European countries

Austria, Belgium, France, Germany, Luxembourg, the Netherlands, and Spain.

**8**

### Online shops

For Austria, Belgium (FR), Belgium (NL), France, Germany, Luxembourg, the Netherlands, and Spain.

**4**

### Core groups

Baby & children's clothing, legwear, household textiles, underwear & sleepwear.

**1**

### Central service office and distribution center

Alphen aan den Rijn, the Netherlands.

**since  
1967**

### Family business

100% of the stock is held by the Zeeman family.

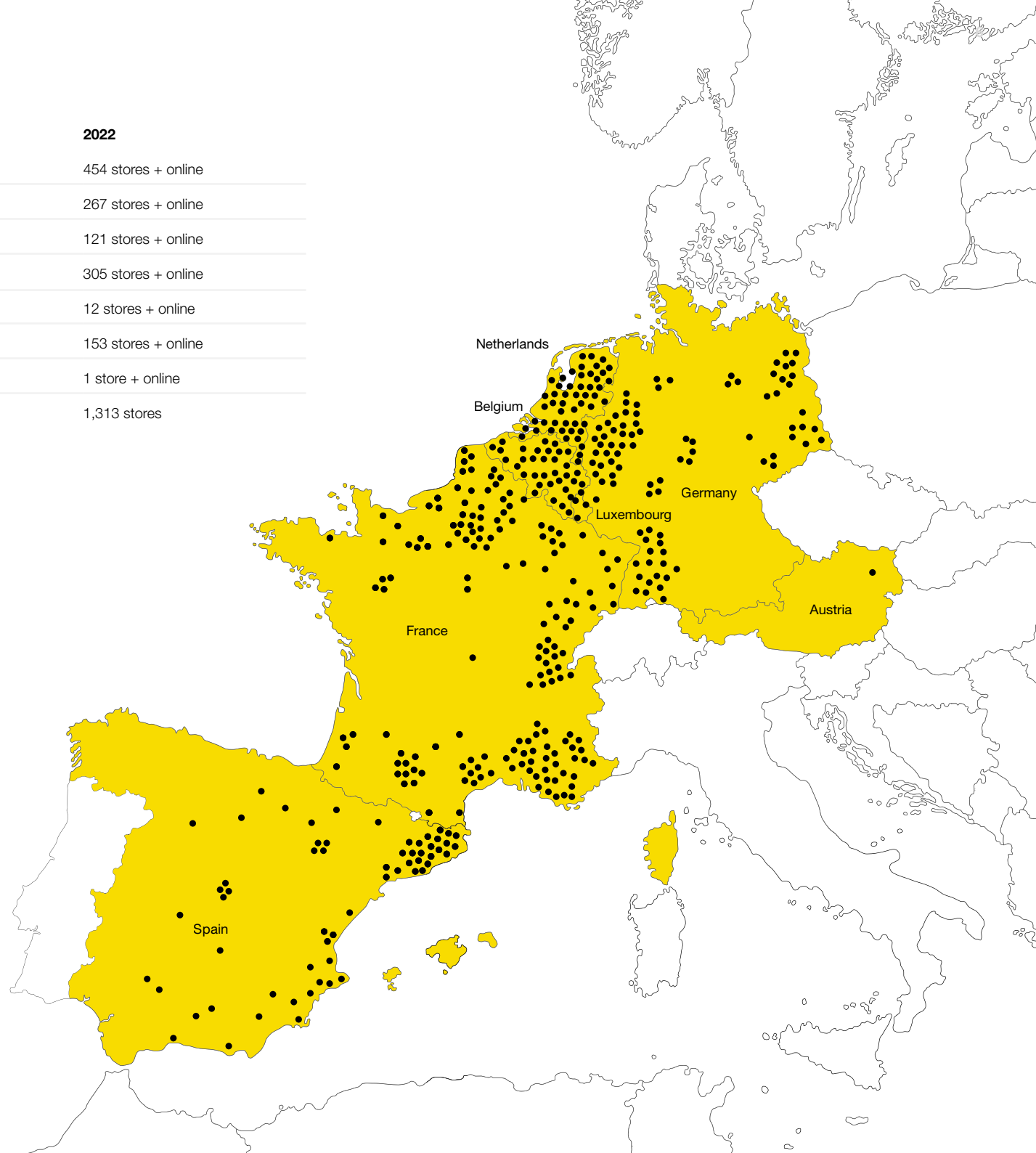
	2020	2021	2022
<b>Netherlands</b>	468 stores + online	459 stores + online	454 stores + online
<b>Belgium</b>	268 stores + online	269 stores + online	267 stores + online
<b>Germany</b>	149 stores	141 stores	121 stores + online
<b>France</b>	298 stores	304 stores + online	305 stores + online
<b>Luxembourg</b>	12 stores	12 stores	12 stores + online
<b>Spain</b>	83 stores	117 stores	153 stores + online
<b>Austria</b>	1 store	1 store	1 store + online
<b>Total</b>	1,279 stores	1,303 stores	1,313 stores

## Investing in the quality of our store portfolio.

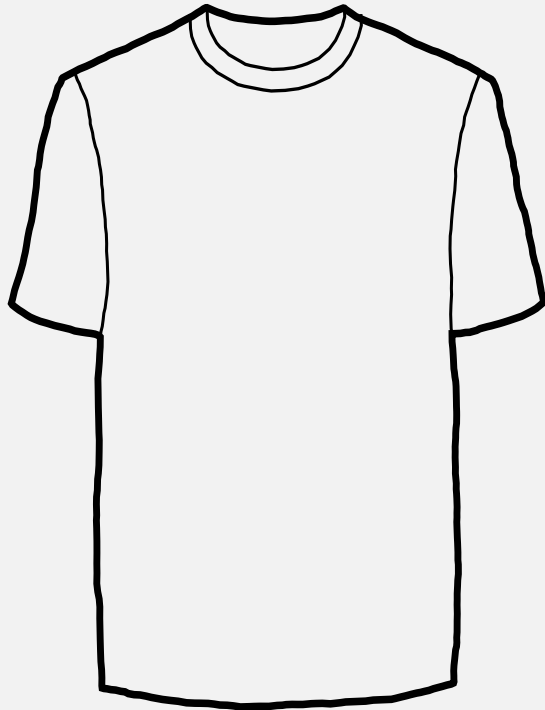
In 2022, we invested in improving and expanding our store portfolio, including introducing a new store concept. The quality of our store portfolio was improved by renovating properties and closing underperforming stores. At the end of 2022, there were a total of 1,313 Zeeman stores. In the new stores, we are maximizing the use of recyclable promotional materials such as paper and cardboard, while using as little plastic as possible. The furniture is flexible and can also be used in the existing format. In the new store concept, products are better presented, which benefits the products themselves.

## Investing in our distribution center.

We started modernizing our distribution center late 2021. In 2023, this project will be complete. This modernization is necessary to support our growth strategy in the long term.



# The way others do it.



Brand shirt  
**24<sup>95</sup>**

# The way we do it.

Our clever business operations result in our low prices.

Our designs are simple.

We produce large quantities in limited variants.

We buy directly from the factory without intermediaries.

We don't use any lavish packaging.

No fast fashion; our manufacturers plan efficiently, and little stock is left over.

Small service office where we do as much as possible ourselves.

Manufacturers do not receive penalties for late delivery.

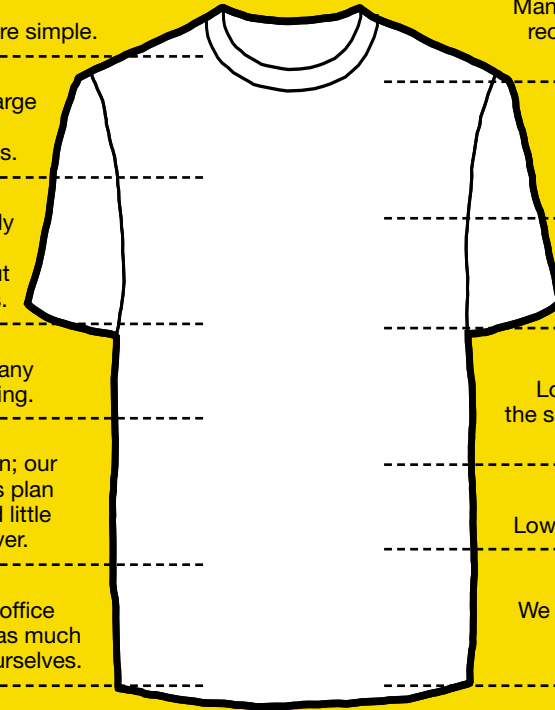
Simple stores without fitting rooms.

Sensibly transported over water.

Low profit margins; the savings are for our customers.

Low marketing costs.

We pay our suppliers immediately after shipment.



Zeeman shirt  
**3<sup>89</sup>**



# At the heart of our strategy.

In 2022, we reviewed and described our strategy. This was done with input from across the company as well as external input, such as from our stakeholders and an international group of students. This search demonstrated once again that *Zuinig* must be at the core of our identity *as well as* our strategy. For us, it's a theme that comes straight from the heart. That's why it will be a guide for the company in the years to come.

In 2022, time was taken to carefully define our refocused strategy. Starting in 2023, changes will gradually become apparent. To give you a preview, here is the story behind our new strategy.



## OUR STORY

At Zeeman, we love to keep things simple. But today's world is not so simple at all.

We live in a fast-paced, throw-away society where we are quick to discard not only things but also people. The way we see it, everyone should always be able to achieve a decent standard of living. At Zeeman, we want to do things differently to set the wheels of change in motion. But making the whole world a better place is quite a task for a simple textile retailer like us. Therefore, we believe in focusing on what's closest to home. Because that's where we can make the difference. Not just for people locally, our customers, but also for those who work with and for us.

Zeeman is the retail champion for basics, and with 1,300 stores across Europe, there's always a store nearby. We are popular with shoppers on a tight budget and increasingly so with people who consciously choose not to overpay for their essentials. This is made possible by being '*zuinig*'. Keeping it simple. Not making things unnecessarily expensive. And by focusing on timeless basics (which is reflected in our consistently low prices).

However: being '*zuinig*' goes beyond simply being mindful of cost. It starts with the question: "What is really needed?" For yourself. For your immediate environment. And for the world. It's about using good materials. And using less of them wherever possible. It's about making sure that what we have lasts for longer. It's about nurturing our relationships with the factories (and people) we have worked with for years. Are we there yet? There's still a long way to go. But: doing nothing is not an option. We need to shift gears now.

That's why Zeeman will work hard on becoming even more '*zuinig*' in the coming years. With everything and everyone. Providing people with a solid foundation and keeping everyone involved. A little less can do a world of good. If only we are '*zuinig*'. With our materials, with our things and with each other. Because being '*zuinig*' at heart offers us all so much more. It's that simple.

# Integrating CSR.

At Zeeman, we believe it is important that social responsibility has a central place within every department. We also want all colleagues to be involved in our CSR policy. To make everyone more aware of this, we delved into this topic during a series of brainstorming sessions in 2022. All departments have been asked to set concrete goals to become more sustainable within their own areas. The Supervisory Board supervises the management's policies and strategy implementation. It also monitors whether the interests of the various stakeholders have been adequately considered.

## Audit Committee and Remuneration Committee.

Two committees exist within the supervisory board: the audit committee and the remuneration committee. Variable remuneration for board members is linked to our sustainability goals. The Zeeman family owns 100 percent of the company. Therefore, the family too is always involved in important strategic decisions.

## International frameworks and commitment.

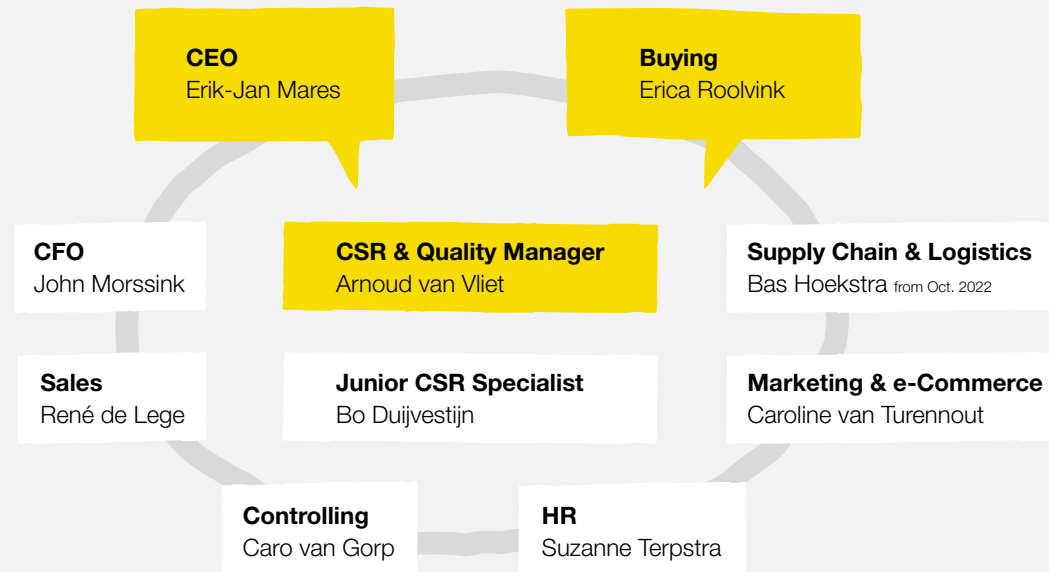
Zeeman wants to be a responsible employer and respect human rights and the right to decent work. This commitment is embedded in a series of policy documents and guidelines. Its implementation is operationalized through an approach based on CSR risk identification and CSR risk management, or the concept of Due Diligence for Responsible Business and, specifically for decent work and human rights, the concept of Human-Rights Due Diligence (HRDD). Our approach to human-rights due diligence takes place within a range of recognized international frameworks:

- UN Guiding Principles on Business and Human Rights (UNGPs)

- OECD Due Diligence Guidance for Responsible Business Conduct and OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector
- Universal Declaration of Human Rights
- International Labor Organization (ILO) International labor standards

The Two-Way Code of Conduct is one of the key policy documents that guide our work. It forms the basis for how we want to combine corporate social responsibility with responsible and ethical business behavior, for ourselves and our suppliers, subcontractors, and factories. Read more about this on page 21.

A list of all publicly available policy documents can be found on [Zeeman's corporate website](#). The Zeeman Two-Way Code of Conduct has been approved by Zeeman's Management Team.



See page 71 for Supervisory Board

# Anchored in sustainability.

Interview with Corrie Scholman, Supervisory Board.

## In what ways are you involved with Zeeman as a member of the Supervisory Board?

I am responsible for supervising Zeeman's operations. I provide advice to the management and have the role of a sounding board. This always involves strategy, important decisions, and the implementation of Zeeman's policies. For example, we monitor the financial health of the company. In addition, as the Supervisory Board, we are *also* the employer of the Board of Directors. To do that well, we hold regular meetings, occasionally visit the service office or Zeeman stores, and talk to management about a variety of topics, such as co-determination.

## From your role's perspective, what is your view on Zeeman's CSR policy?

The goal of our CSR (or sustainability) policy is to treat employees, customers, suppliers, partners, and our planet responsibly. At Zeeman, we describe this very neatly: we say that we treat colleagues, customers, and the planet *zuinigly*. It is important that we do this together, so that everyone does their part, every day. And... we'll never be done with that. Almost every day, we learn ways corporate responsibility can get better and better.

## How do you ensure that CSR is truly part of Zeeman's culture? And that the targets will be met?

We do that by measuring where we are so we can see if we are making strides. Our goal isn't really to "check off" that we have achieved a target. It's about making small daily improvements towards a better and more sustainable future. About learning from what we did yesterday. Doing just a little bit better today, and further again tomorrow.

## What do you personally think is the most relevant CSR theme? And why?

Very relevant is that we are transparent: both about ourselves, and about our activities. Being transparent is sometimes difficult. Some things we simply don't know (yet). But we can be open about many things because we have (more) insight into them. The question then is always: can we get even *more* insight? It is difficult to estimate what the future holds. As a result, transparency is *and* remains a challenge. For everyone.



## Do you think Zeeman communicates enough about its CSR policy?

Absolutely. In our communication of CSR policy, we are constantly asking new questions. Developments are rapid. Yesterday's CSR policy may not be current today and may be obsolete tomorrow. By asking questions of ourselves and our environment, we learn how we can *and* should interpret our sustainability policy — now and in the future. We are learning from today's CSR policies. Learning what could be better, different, sharper. That helps us take a step forward every time.



# The positive impact of higher wages.

Interview with Arnoud van Vliet, CSR & Quality Manager.

## Why are you so committed to a living wage?

We think a living wage for employees throughout the supply chain is very important. We feel responsible for everyone involved in the supply chain. This theme also featured heavily in the stakeholder dialogue in 2022. Experience shows how

“I have been working as a garment maker since 2011. And I am very happy with the supplemental pay: I plan to use the money to give my children a good education.”



much better it is when factory workers are paid a living wage. It means there's less risk that workers will need to do a lot of overtime. Health risks are also reduced. In addition, we find that a supplier's employees and management start talking to each other more.

## So is the legal minimum wage too low?

In a number of production countries, it appears that minimum wages for workers are not sufficient to meet basic living needs. This is partly because minimum wages are not raised regularly. While the cost of living does go up every year. In addition, in some of these countries, a factor is that local governments like to keep wages low to be competitive. So they get more business.

## How can you be sure that the living wage gets to the workers?

We work with separate billing for the amount of the supplemental pay. This wage increase is based on our share of production. In most cases, the supplier receives quarterly contributions from Zeeman to then pay out the supplement on a monthly basis. Our local agent ensures that this amount is handed over or transferred to the employees. In India, Fair Wear is also monitoring this. In addition, we request specifications of payments made to each employee. So we can check whether the amounts paid match what we have transferred.

## What are the conditions for success?

When introducing a living wage in a factory, everyone involved must feel comfortable. The supplier must have commitments



from Zeeman's buyers for an extended period. The supplier must be willing to take a risk by collaborating on something that is new and unfamiliar and has a significant impact. In addition, it's best to collaborate with other brands or retailers working with the same factory: when several parties participate, the entire shortfall can often be filled. Collaboration within our industry is an ultimate goal.

## When is the program successful for you?

In the coming period we plan to hold interviews with some workers from factories where a living wage is now paid. We also plan to send all employees involved an online questionnaire that they can answer anonymously. This survey should reveal the impact of the higher pay on their standard of living, on their children, on their work, on their environment, on their health, and on their labor productivity.

Read more about living wages on page 28

# Sustainable Development Goals.

The 17 Sustainable Development Goals (SDGs) were developed by the United Nations and are part of the Sustainable Development Agenda. These goals focus on fighting hunger and poverty, as well as promoting health and well-being, clean-energy development, climate, and economics. The United Nations wants all of the goals to be met by 2030. We contribute to this by committing to the following SDGs:



Poverty must end: no one should live in extreme poverty by 2030. We believe that everyone whose work goes into Zeeman products should earn a living wage.  
**Read more on page 28.**



Goal three is about health and wellbeing for everyone, young and old. At Zeeman, we are committed to the health and well-being of our employees in a variety of ways. We do this, for example, by offering training on the topic of health. In this way, we hope to prevent sickness absence as much as possible and increase job satisfaction.  
**Read more on page 36.**



Since 2018, we have been actively working to reduce negative environmental impacts of production at our suppliers. An important example: the factories that produce for us must use a water treatment system to prevent polluting the local water. We also assess the quality of the treated water by requesting test reports.  
**Read more on page 41.**



We have long been committed to improving working conditions at our suppliers. We do this by working with our stakeholders, engaging in a dialogue about social conditions, and building long-term partnerships with our suppliers. The result: systematic improvements in working conditions. We continue to seek cooperation. And want to do it one step better each time.  
**Read more from page 20 onward.**



We think it is important to be *zuinig* with our planet. That is why we are increasingly using more-sustainable materials, such as organic cotton. In doing so, we set requirements for our dyehouses and laundries with regard to water and we apply our RSL to limit the use of chemicals harmful to the environment in our products. In addition, we plan to increasingly integrate circularity into our policies in the coming years.  
**Read more from page 47 onward.**



To do our part in the fight against climate change, we are also looking closer to home at how we can become more sustainable and reduce our footprint. For example, we have developed an environmental-impact roadmap and will be doing a baseline measurement of our overall organizational footprint in the coming year.  
**Read more from page 41 onward.**



To tackle major social issues, collaboration is essential. We do this within the International Accord for Health and Safety in the Garment and Textile Industry, Fair Wear, and with industry associations and NGOs. Together, we work on, among other things, safe and fair working conditions and lessening our impact on the environment.  
**Read more on page 20.**

# Our stakeholders.

Stakeholder group.	Principle.	Agenda items.	Manner of dialogue.	Frequency.
<b>Customers.</b>	Our (potential) customers are our most important stakeholders. We want to make well- and responsibly-produced clothing and textiles accessible to as many people as possible.	Transparency, Material use, Quality & product safety, Circular economy.	Stores, website, newsletters, advertisements and leaflets, social media, annual CSR report, customer service.	Daily.
<b>Suppliers and agents in production countries.</b>	We work together with our suppliers and agents and aim for long-term partnerships. In order to achieve our goals, joint commitment is important.	Transparency and traceability, Buying practices, Safe and healthy working conditions, Living wage, Child and forced labor, Freedom of association, Environmental impact in the supply chain, (Raw) materials, Circular economy.	Digital correspondence, visiting offices and factories, supplier meetings, tender procedures, agent newsletter.	Daily.
<b>Employees.</b>	Our own employees are the core of our organization. Only with involved, committed employees can we achieve growth.	Transparency, Buying practices, Sustainable employability and training, Personal growth and development, Diversity and inclusivity, Wellbeing at work.	Works council, CSR Steering Committee meetings, Management & Supervisory Board consultation, Sales & Service days, store work placement, internal Facebook page, CSR e-learning.	Daily.
<b>Government agencies.</b>	An engaged government will help to make the entire sector more sustainable. We believe it is important to have transparent discussions with governments and to involve them in our objectives and challenges.	Transparency, Legislation (for example: producer responsibility, due diligence, circularity, child labor, packaging materials and waste, quality and safety), Multi-stakeholder initiatives.	Digital correspondence, meetings, inspection visits, Multi-stakeholder initiatives.	Monthly.
<b>NGOs, unions and industry associations.</b>	We believe transparency pays off. That is why we enter into open discussions with NGOs, unions and industry associations.	Transparency and traceability, Buying practices, Safe and healthy working conditions, Living wage, Child and forced labor, Freedom of association, Environmental impact in the supply chain, (Raw) materials, Circular economy, Animal welfare.	Working groups, meetings through multi-stakeholder initiatives, annual CSR report, stakeholder dialogue.	Weekly.
<b>The Zeeman family.</b>	We have been a family business since our founding in 1967. More than 50 years later, the Zeeman family is still involved in the course we sail together.	Strategic decisions and objectives.	Meetings and consultations.	Quarterly.
<b>Supervisory Board (SB).</b>	The SB is a body consisting of four persons that carries out oversight of the organization. The SB meets at least once every quarter at our service office	Strategic decisions and objectives.		Periodic.
<b>Peers.</b>	We seek cooperation with peers and like to learn their best practices. Industry-wide collaboration is an important part of our strategy.	Buying practices, Transparency and traceability, Safe and healthy working conditions, Living wage, Child and forced labor, Freedom of association, Environmental pollution from factories, Sustainable (raw) materials, Circular economy.	Through stakeholder dialogue and meetings of the Bangladesh Accord, Agreement on Sustainable Garments and Textiles (until 31 December 2021), Fair Wear Foundation, and other (multi-stakeholder) initiatives.	Frequent.
<b>Media.</b>	We are eager to explain how low costs and social responsibility go hand in hand at Zeeman. We want to be transparent about what we're getting right and where there is still room for improvement.	Transparency (e.g. with regard to products, environmental impact, working conditions), Quality & product safety.	Telephone or in-person interviews, annual CSR report, stakeholder dialogue.	Frequent.



# Stakeholder Dialogue 2022.

In late February 2022, Zeeman hosted a roundtable meeting at De Groene Afslag in Laren. There was one session focused on workers' rights and one on environmental impact and circularity moderated by the Social and Economic Council (*Sociaal Economische Raad*, SER). Before the meeting, participants were given the opportunity to indicate which topics they felt were important to discuss. The sessions began by sharing how Zeeman has developed in recent years and what results have been achieved. Questions could then be asked about this. Next, plans for the coming years were shared. The dialogue did not lead to any shifts in material themes but helped sharpen them and also provided focus. Present were: UNICEF, Solidaridad, Clean Clothes Campaign, International Accord, SOMO, PwC, labor union CNV, ING, INretail, labor union FNV, ABN AMRO, the Dutch Ministry of Foreign Affairs, Fair Wear, IDVO, Arisa, Tex.Tracer, several suppliers, Zeeman management, and several buyers.



**Fleur Meerman**, Senior Policy Officer at SER & Human Rights and Environmental Due Diligence expert.

"I found it inspiring to contribute to the organization and moderation of this stakeholder day on behalf of SER. It is very valuable to explore together what constitutes meaningful dialogue with stakeholders, in line with OECD guidelines. Within several international RBC (Responsible Business Conduct) agreements, we see companies struggling with this. Their focus is often on materiality rather than due diligence. Zeeman is open to a dialogue that better and more meaningfully engages stakeholders. For example, by properly identifying needs beforehand through telephone contact, then a questionnaire, and also through proper feedback afterwards. Active involvement of top management — as practiced by Zeeman — before, during, and after a dialogue really gives more meaning to contact between the company and stakeholders. Zeeman is a partner in our 'Meaningful dialogue in international supply chains' project where we released a preliminary concept design with concrete tools for companies to engage in meaningful dialogue with stakeholders."



# Material themes.

Here you can see at a glance what the most important CSR issues are for Zeeman. The greater the impact, the higher the topic ranks on the list. By impact we mean: the effect Zeeman has or could have on the economy, the environment, and on people, including their rights. So these are themes where Zeeman is committed to sustainable development. Important sources for understanding include a Stakeholder Dialogue 2022, surveys such as Fair Wear Country studies, and Fair Wear audits of our suppliers.

A risk analysis has been carried out for most of the material themes. In each case, the color indicates the likelihood and severity of the impact of this theme. What could the possible consequences be? And are these consequences reversible? If the impact is negative, we also look at the extent to which Zeeman is involved.

In this annual report, we explain what we are doing to promote sustainable development in these areas.

The eight most important themes are accompanied by brief explanations.



## Transparency and traceability.

A supply chain in which all links in the production process are transparent, making it possible to trace the origin of a product.

## Buying practices.

Not just paying attention to price and quality when buying goods, but also to their impact on people and the environment. All this is laid out in our Two-Way Code of Conduct.

## (Raw) materials.

Responsible use of raw materials, buying them sustainably, and opting for more-sustainable materials whose environmental impact is low.

## Circular economy & packaging and waste.

Ensuring that at the end of their life cycle, materials and products are not destroyed but recycled and reused. And limiting the amount of material in which products are packaged.

## Living wage.

Everyone who performs labor is entitled to a wage that ensures a dignified existence for themselves and their family. This is a human right. As such, wages must be sufficient to meet the primary needs of life.

## Safe and healthy working conditions.

Employees must be able to do their jobs without risking physical or mental health problems.

## Child and forced labor.

Employment must be voluntary at all times and the applicable minimum age must be respected.

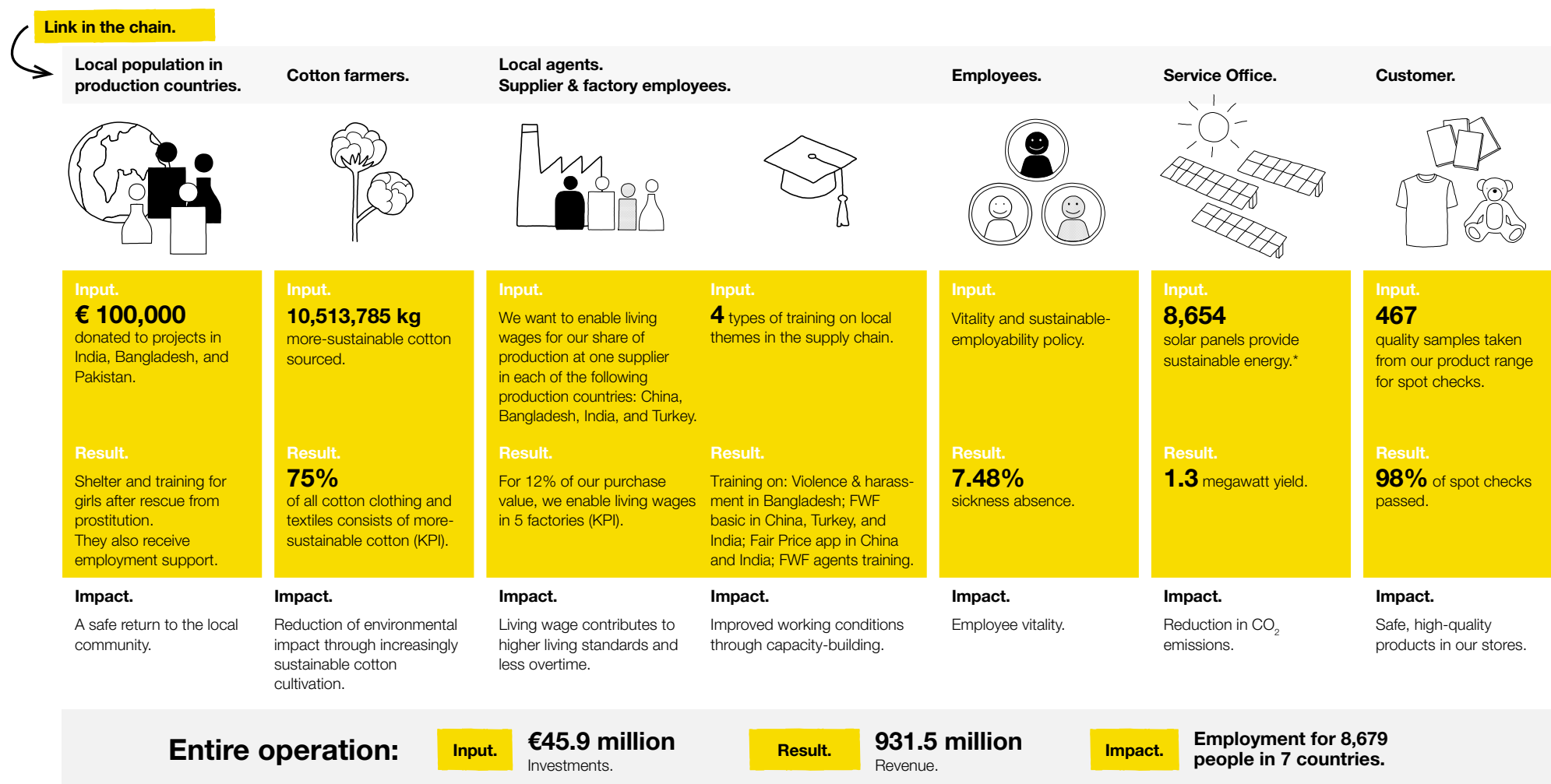
## Environmental impact in the supply chain.

The impact of production on the climate and local environment: using chemicals responsibly and using less water and energy.

# Value creation in the supply chain.

Our strategy and sustainability themes together determine where we add value for our stakeholders. From various angles, we are working on making our product range and business operations more sustainable. The concept *zuinig*, which is anchored in our strategy, is reflected in the eight current sustainability themes that suppliers, customers, employees, NGOs, and other involved stakeholders value.

The value-creation model shows where and how we add value. At the base are the materiality matrix, our strategy, sustainability themes, Human-Rights Due Diligence, and Sustainable Development Goals. Investments make it possible to do our work. We invest in our stores, products, transportation, and employees. And importantly, we offer employment opportunities. By doing business *zuinigly*, Zeeman has been a stable employer for 8,000 people for many years. Needless to say, the continuity of the organization is also an important starting point.



\* Some 400 panels have been unable to produce power since the February 2022 storm. These were damaged and have been removed.



# Connectivity matrix.

Below, you can see how our targets, material themes, and KPIs are linked. The matrix makes it easy to navigate to the corresponding information. We realize that the impact of our work on stakeholders goes beyond the numbers. We will explain this in more detail for each material

theme. For a number of themes we first take a baseline measurement and then set concrete objectives.

Transparency & traceability in the supply chain.

>

KPI

% of South and East Asian and Turkish suppliers where independent supplier audits have been carried out.

Target 2022	Achieved 2022	Target 2023
100%	99%	100%

Safe and healthy working conditions.

>

KPI

Score in Fair Wear Foundation Brand Performance Check.

Target 2022	Score 2022	Target 2023
N/A	72	N/A*

\*baseline measurement due to new method.

KPI

% complaints reported through the Fair Wear complaint mechanism that were resolved.

Target 2022	Achieved 2022	Target 2023
N/A	71%	100%

Child and forced labor.

>

KPI

% cotton out of our total cotton consumption where sub-suppliers are known (so that the origin can be traced).

Target 2022	Achieved 2022	Target 2023
85%	85%	90%

Buying practices.

>

KPI

% of purchase value from the 50 largest South and East Asian and Turkish suppliers.

Target 2022	Achieved 2022	Target 2023
75%	74%	76%

KPI

% of the 50 largest South and East Asian and Turkish suppliers with whom we have been working for 5 years or more.

Target 2022	Achieved 2022	Target 2023
92%	90%	92%

Living wage.

>

KPI

% of total purchase value at textile suppliers in South and East Asia and Turkey where we fund living wages for our share of production.

Achieved 2022	Target 2023
12%	20%

Target for 2022: We want to enable living wages for our share of production with at least one supplier in each production country.

SDG: 8

17

SDG: 3

8

17

SDG: 8

17

SDG: 8

17

SDG: 1

17

Environmental impact in the supply chain.

>

KPI

% purchase value produced at wet processing units using water treatment systems (ETP) in South and East Asia and Turkey.

Target 2022	Achieved 2022	Target 2023
100%	99%	100%

(Raw) materials.

>

KPI

% sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption.

Target 2022	Achieved 2022	Target 2023
70%	75%	90%

KPI

% total sustainable materials in clothing and textiles relative to total consumption.

Target 2022	Achieved 2022	Target 2023
50%	53%	70%

KPI

% recycled materials relative to total consumption.

Target 2022	Achieved 2022	Target 2023
10%	4.6%	15%

Circular economy & packaging and waste.

>

KPI

% recycled waste.

Target 2022	Achieved 2022	Target 2023
91%	90%	91%

KPI

Industrial waste (kg).

Achieved 2022
749,306 kg

SDG: 6

13

17

SDG: 12

17

SDG: 12

17



***Zuinig***  
**of people.**



***Zuinig***  
**of the environment.**

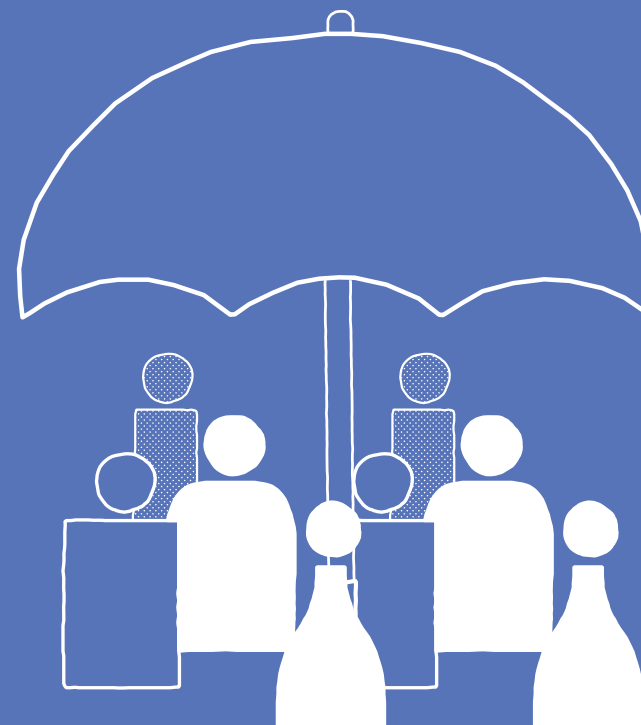


***Zuinig***  
**of society.**



# *Zuinig* of people.

We work with respect for each other, our customers, our colleagues, and our partners. We value the opinions of our colleagues and involve each other in everything we do. That's how we achieve our goals together. We also invest in long-term partnerships with our suppliers and aim for win-win situations.





## Safe and healthy

### working conditions.

Everyone in our supply chain should be able to work in good and safe conditions.

We also monitor this at all the factories with which we have a direct relationship. We work with Fair Wear, which visits our suppliers annually and performs extensive investigations of working conditions (e.g., health and safety). We also visit our suppliers ourselves. There is an additional focus on this issue in Bangladesh, and from 2023 in Pakistan as well, due to the International Accord. We also have strict criteria for selecting new suppliers: among other things, we pay extra close attention to factory safety.



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## Sustainability dilemmas.

In some countries, we have to deal with cultural and legislative differences. We are aware that issues such as overwork, freedom of association, and forced labor are difficult to influence there. We do have agreements in place with suppliers on these topics.

## Developments & results.

### Increased use of complaint mechanism.

In 2022, 7 reports were received through the complaint mechanism, the Fair Wear helpline. We see it as a positive development when workers stand up for their rights and make reports as needed. We are also committed to dialogue within factories so that problems are also solved internally when possible.

### Fair Wear Brand Performance Check.

In 2022, we achieved the designation 'Good' during our second Fair Wear Brand Performance Check. We rose from 65 to 72 points (score range 1 - 100).

We believe everyone in our supply chain should be able to work in good and safe conditions. Our principles are described in our [Two-Way Code of Conduct](#).

Last year, we rewrote our Code of Conduct. This document states what we expect from a supplier, as well as what the supplier can expect from Zeeman. Equal cooperation is what it's all about. That's why it is now called a Two-Way Code of Conduct. We worked on the details in collaboration with our agents. At a meeting with all agents in June 2022, we informed them all about the final text, and the document was signed at the end of the year — in the presence of Zeeman's CSR & Quality Manager and buyers — by the CEO, buying director, agents, and suppliers. Important themes in the new code of conduct include the Zeeman strategy, living wage, and more-sustainable materials.

## Sustainable industry-wide cooperation.

To make constructive improvements, it is important to collaborate with other retailers and businesses, local NGOs, and governments. For example, we are members of the organization Fair Wear. In addition, we are signatories to the International Accord.

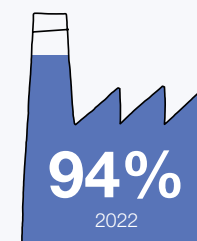
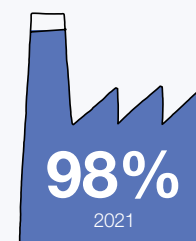
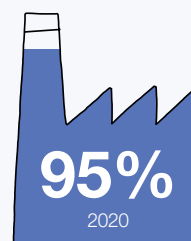
### International Accord for Health and Safety in the Textile and Garment Industry.

In August 2021, Zeeman signed the new International Accord for Health and Safety in the Textile and Garment Industry for a period of 26 months. The agreement applies to our suppliers in Bangladesh. Under the auspices of the agreement, we have worked in recent years to improve fire safety, building structures, and electrical systems.

By original improvement points, we mean: the points that emerged from the initial supplier safety inspections under the Accord.

As of 1 March 2023, the percentage of improvements implemented is 96%. December 2022 also saw the publication of the Pakistan Accord, which Zeeman had previously expressed support for. The first inspections at factories covered by the Pakistan Accord will take place in 2023. Then steps will be taken to make improvements in fire safety, building structures, and electrical systems.

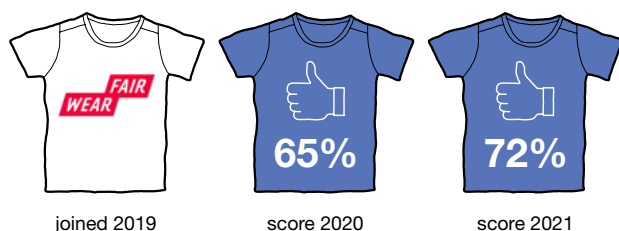
**Original Bangladesh Accord improvement points implemented in production sites/factories.**





## Fair Wear.

Fair Wear is a multi-stakeholder initiative with 130 members and a broad support base consisting of parties such as INretail, Modint, CNV International, Mondiaal FNV, and Clean Clothes Campaign. As an NGO, Fair Wear Foundation has been working for many years to promote good working conditions in the clothing industry, in the countries where production takes place. The most important issues are: no child or forced labor, normal working hours, and a safe and hygienic workplace. To verify compliance, Fair Wear conducts audits of our textile suppliers as an independent party. Members of Fair Wear undergo what is known as the 'Brand Performance Check' annually. This past year, Zeeman earned a "good" score of 72%. One of the recommendations was to prepare a risk analysis by country and factory. Based on this recommendation, we have prepared a [risk declaration form](#) and sent this to all our factories.



## Supply-chain monitoring.

We are aware that our own buying practices impact factory conditions. That's why we make conscious choices during the buying process. Read more on page 54. In addition, we monitor the factories' compliance with the code of conduct. Conducting an audit is a good tool for this, but at the same time we realize that this is a snapshot in time. This is why we are increasingly pursuing training and believe that a well-functioning complaint mechanism is very important.

Thanks to this approach and our close cooperation with suppliers, we are seeing a structural improvement when it comes to safe buildings and working conditions. In 2022, 19 factories were audited by Fair Wear. Through Fair Wear's audit methodology, we found more pressing areas for improvement than in previous years. An urgent point for improvement, for example, is an emergency exit being blocked or an inability to verify correct payment and attendance records during an audit.

Fair Wear's audit methodology is very comprehensive when it comes to working conditions. The topic of human rights, including e.g. wages and working hours, is covered in great detail. For example, interviews are conducted with factory employees and these interviews take place outside the walls of the factory, providing a safe environment to answer the questions. In addition, Fair Wear's audit methodology goes a layer deeper when it comes to examining root causes of non-compliance. For instance, it also investigates whether our buying practices may have a negative impact on working conditions in the factory. Furthermore, Fair Wear has local offices in the production countries, which allows them to actively guide our suppliers in implementing improvements and to organize training in the factory on specific topics.

By FWF	2020	2021	2022
Number of audits.	4	29	19*
Number of training sessions.	2	22	22
Number of complaints.	2	4	7

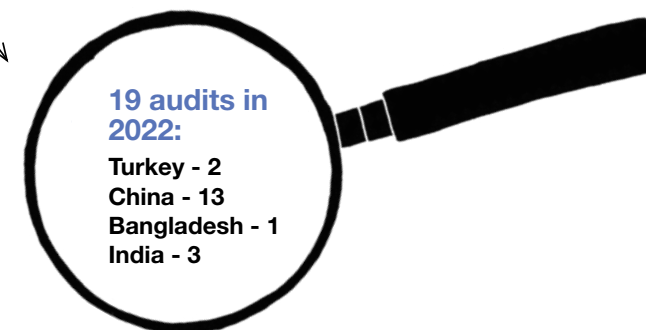
\*Because we want to have Fair Wear audits performed at our major suppliers in particular, the number of audits has dropped compared to last year.

Factories are checked on various aspects during such an audit. These can be found in the Fair Wear Code of Labour Practices. Themes covered include child labor, living wages, and discrimination.

## Capacity building.

Audits have helped us in recent years to achieve noticeable improvements.

At the same time, there is less focus on exploring the root causes of any problems. In order to achieve truly sustainable change, we will focus on capacity-building. This means we've begun to focus more and more on the causes of non-compliance with points for improvement. Each audit conducted by Fair Wear was followed by a Workplace Education Program (WEP) being carried out. This WEP training is designed for both factory management and employees. They are given the tools necessary to improve working conditions in the workplace through open dialogue. In addition, an important goal of the training is to make factory employees more aware of their rights and educate them on how to use the complaint mechanism. In 2022, 22 suppliers received training from Fair Wear.



## Complaint mechanism.

In the factories where our clothes and textiles are made, there is an information poster with Fair Wear's Code of Labour Practices, in the local language, with a phone number. In case of any complaints, factory workers can anonymously call the Fair Wear helpline. When a complaint is reported, Fair Wear first investigates whether it is valid. It is then shared with us. We then engage in a dialogue with the supplier to reach an appropriate solution. We see it as a positive signal that the mechanism is being used, because we think it is important for factory workers to know their rights and have their voices heard.



Needless to say, employees do need to know about the mechanism. Therefore, in 2022, we also distributed the information contained in the poster to all employees of the factories who had not yet received it in 2021. In 2022, seven complaints were reported through Fair Wear's complaint mechanism. Three from Bangladesh, one from Turkey, one from Pakistan, one from China, and one from India. In the event of a complaint, we work together with the local Fair Wear team, other Fair Wear members, local NGOs, our agent, and the supplier concerned. We consider it a positive sign that more complaints have been reported through the mechanism. This shows that the mechanism has come to the attention of workers. They feel enough confidence to make a report.

Four of the seven complaints were related to the payment of salaries. For example, one employee reported that [salaries were paid late](#). In two other cases, the employee was [forced to resign](#). Subsequently, they were [not paid their full salary](#). The fourth case concerned an employee who forgot to clock in and lost wages as a result. In all four cases, we made sure the supplier paid out. Fair Wear checks this not only with the supplier, but also with the worker in question.

Another complaint came from Bangladesh. Here a woman said she had been [treated violently](#). All parties came together, and together we looked for an appropriate response. With a complaint like this, it is important to know what is behind it. Only then is a long-term solution possible. At this factory,

for example, we are now fully committed to training for management and employees.

Another [complaint came from Pakistan](#). Unfortunately, since there is no Fair Wear team operating here, it will take longer to fully resolve this complaint.

The final complaint came from an employee from Turkey who was fired without a reason given. In this case, Fair Wear and Zeeman were called in to mediate. This complaint was reported in late 2022. We are still in discussions about a suitable solution.



## Risks in the supply chain.

Over the past year, we have developed a [risk declaration form](#). A specific form was created for each production country describing the top three risks based on the severity and likelihood of negative impacts on people and the environment. This risk prioritization stems from our due-diligence process, for which we have conducted various risk assessments. Our stakeholder meeting provided important insights for this (among other things), as did Fair Wear audits of suppliers, investigation reports from NGOs, and what we ourselves see in the supply chain.

For each prioritized risk, the supplier is given a set of questions. It is important to find out if our suppliers are aware of the risk and how they deal with it. Next year we will evaluate the outcomes and formulate an approach. We will also renew this document when our annual risk assessments warrant this.

Based on this risk prioritization, we can select projects and/or set targets. For example, a major risk in the manufacturing country Pakistan is gender inequality. In addition, we see that freedom of association and social dialogue are often limited in Bangladesh.

### Gender distribution in Pakistan.

One risk that occurs in the garment and textile industry is discrimination based on gender. This is partly because women are underrepresented in unions. In 2023, we will start a project in Pakistan focused on Women's Empowerment. This will start at two of our suppliers. We see that in this country the risk of discrimination is most prevalent. In addition, over the past year we have already taken steps to achieve the goals we set for our Pakistani suppliers:

1. At least 50% of representatives on worker committees are women. As of the end of 2022, this is the case for 1 out of 20 active suppliers.
2. At least 10% of management positions to be held by a woman in 2022. As of the end of 2022, this has been achieved by 6 out of 20 active suppliers.
3. Organize training to promote social dialogue in the workplace. 11 out of 20 active suppliers internally organized gender-equality training in 2022.

### Freedom of association.

Social dialogue between management and employees is still often lacking. We believe it is important for employees to be able to exercise their rights. For example, in the area of freedom of association. Among other things, this means that they should be able to join a union, form a union, and engage in a dialogue with management (social dialogue). Unfortunately, these rights are impeded in many places. Through the Amplify project — supported by the trade unions Mondiaal FNV and CNV International — suppliers receive training around this issue. Also, in the selected factories, a union is actually established and additionally supported. In 2023, a Zeeman supplier in Bangladesh will join this program. The project was actually meant to have started already, as described last year, but was delayed due to the impact of the COVID-19 crisis.







## Child and

## forced labor.

We find child labor unacceptable. We want to prevent it in our production chain at all costs.

So we do everything we can to avoid and stop it. Our code of conduct describes what we've agreed together. This is about safe working conditions and not allowing child labor, but also about buying practices. Such as short payment terms and our commitment not to negotiate prices below cost. We regularly visit our suppliers. In particular, our approach focuses on our direct suppliers, also called the first tier. This is where our greatest influence lies, and this is where our partnerships are. We realize that child labor can also occur deeper down the supply chain. It is a lot harder to say with certainty that there is no child labor whatsoever deeper down the supply chain. In places where we suspect something may be going on, we participate in collaborative projects.



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## Sustainability dilemmas.

It is known that the risk of child and forced labor occurs particularly deeper in the supply chain. Moreover, the supply chain is often very complex. The tricky thing is that our suppliers often have their own suppliers as well. If there are problems, it is often with our suppliers' own suppliers. I.e., the factories that we have no direct relationship with and have less influence over.

## Developments & results.

### UNICEF project.

A project was launched in collaboration with UNICEF in Turkey in 2022. Together, we are working to improve children's rights. Risks were identified at two suppliers. No child labor was detected at these suppliers. We did see an elevated risk with one of the suppliers where another company was operating in their building. Based on this risk, as a first step, we have worked with the parties involved to prepare a code of conduct between our direct suppliers and their partners.

Child labor and forced labor are unacceptable and must not occur in our production chain. We verify this through audits, but we also critically examine our own buying policies.

We are also working to improve our buying practices. This was recently encoded in the new Two-Way Code of Conduct. In doing so, we have committed ourselves to good planning. This reduces the likelihood of outsourcing orders.

During audits compliance with the comprehensive Fair Wear age-verification procedure and the absence of forced labor is verified. In addition, Fair Wear's complaint mechanism helps factory workers report abuses like child or forced labor anonymously. The plan was to establish a Child Labor policy in cooperation with UNICEF by 2022. This was postponed because in the first phase of the project we wanted to focus mainly on risk mapping.

At this time, we did not find any child or forced labor. However, we continue to pay close attention to this, as there is still evidence of the risk of child and forced labor deeper in production chains. Indeed, some of our suppliers work with sub-suppliers: companies over which we have no direct influence. To reduce risks, we have identified a number of high-risk areas. Below is a list of the areas where we are on extra alert for potential abuses.

### High-risk areas in manufacturing countries.

#### Spinning mills in Tamil Nadu, South India.

Investigations have revealed a high risk of forced labor here. Next year we want to work on a suitable approach and implementation.

#### The Xinjiang region of China.

In this region (which contains cotton farms), ethnic minorities are forced to work in appalling conditions. See [In practice](#) for our approach. Ethnic minorities from the Xinjiang region are also being put to work in other parts of China.





**Pauline Owelle**, Child Rights and Business Specialist, UNICEF Netherlands

### Deeper down the supply chain.

“A significant proportion of Turkish children and Syrian refugees living in Turkey live in poverty. These communities often resort to survival mechanisms. Schooling and training have been replaced by labor, often in poor conditions. Vulnerable Turkish children and refugee children are also at risk of having their rights violated in the Turkish clothing and textile supply chain.

In 2021, UNICEF Netherlands, in collaboration with UNICEF Turkey, Fair Labor Association, Zeeman, and three other Dutch companies, launched the FBK project in Turkish supply chains. The links of the various supply chains have now been mapped out, along with the risks. In 2023, we will start activities to combat child labor and improve child rights through the deepest levels of the supply chain. In the coming years, we want this to be the permanent situation, in all levels of the supply chain.”

### In practice.

Because the likelihood of risks is greater deeper in the supply chain, it is important to understand the links involved: from raw material all the way to finished product. That's a challenge. The industry is complex and it takes many links to arrive at a final product. We set out to understand more about the origin of cotton. This includes information on the location of 'spinning' and 'ginning'. This way, we want to be able to rule out that cotton comes from high-risk areas. In 2022, this was achieved for 85% of our cotton use. That means we have met our target of 85% exactly, and we now want to increase our target to 90% for 2023. We were also able to continue the growth in certified cotton. In 2022, our cotton consumption consisted of 75% more-sustainable cotton.

### Project Children's Rights in Turkey.

Guided by UNICEF, we are working on a project aimed at improving children's rights in and around textile factories in Turkey. A local party is also connected for the implementation work: Fair Labor Association (FLA). In consultation with UNICEF and FLA, the entire supply chain was mapped from the two suppliers directly affiliated with this project. UNICEF and FLA also visited our two suppliers and their sub-sup-

pliers. In 2022, suppliers were visited by UNICEF, FLA, and Zeeman's team. Together with the suppliers, the analysis of the entire chain was discussed and the risks were clarified. The first steps have already been taken. For example, a code of conduct was developed between a direct supplier and its partners. Implementation of the action plan will continue in 2023.

### Goodweave.

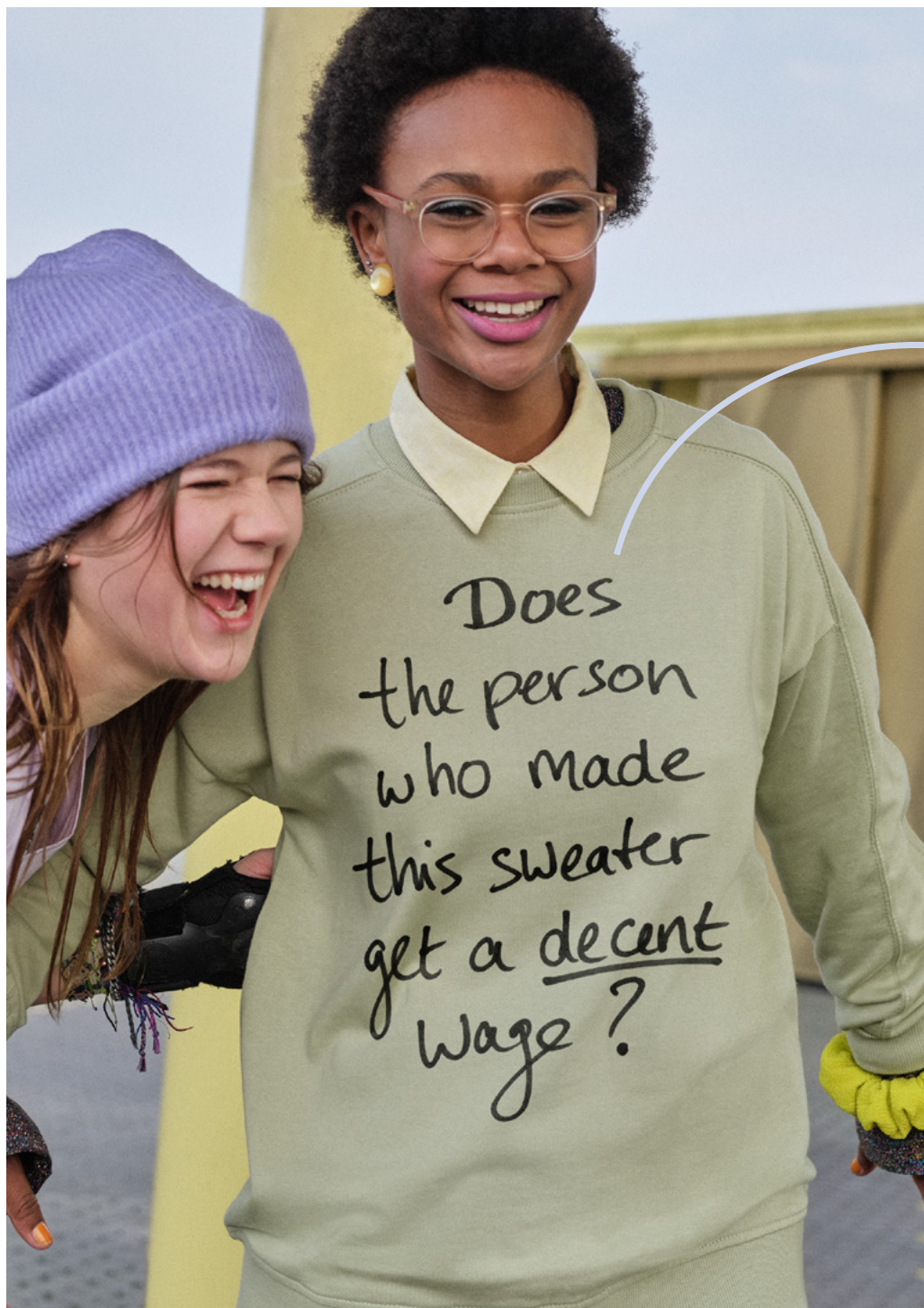
In recent years, we have been collaborating with GoodWeave in the Panipat region of northern India to comprehensively analyze the supply chains of local Indian suppliers. Goodweave is committed to completely eliminating child and forced labor in the industry. Where this does occur, the program provides schooling within the community where the child resides.

For four of our direct suppliers, the sub-suppliers were identified and assessed. Each supplier within this project uses a large number of sub-suppliers. Every active sub-supplier has been inspected by Goodweave. Any areas of concern were passed on to us. One example is the lack of a child-labor policy. A risk of child labor was not found. In 2022, the program was completed. Whether there will be an appropriate follow-up project is still under review.

#### Impact of Goodweave program.

#### Direct suppliers of Zeeman.

	Sheen Tex	Sarla Handicraft	Golden Terry	Aman Exports	
Total number of workstations identified.	38	36	25	13	112
Number of inactive workstations.	30	25	21	7	83
Number of active workstations.	8	11	4	6	29
Total number of audits/inspections.	8	11	4	6	29
% covered by audits/inspections.	100%	100%	100%	100%	100%



## Living wage.

Earning enough to meet basic living needs.

This is overseen by an independent organization with which we are affiliated: Fair Wear. Just like in the Netherlands, the legal minimum wage in our manufacturing countries is set by the government. But in countries like India, Pakistan, and Bangladesh, for example, this minimum wage is not enough to meet all the necessities of life. We think all of our suppliers' employees deserve a living wage. A wage that allows them to meet their basic needs, like housing, transportation, food, and care. We want to make the living wage financially possible for our share of a supplier's production. We first determined the difference between the minimum wage and the living wage by country and region. We started with five suppliers. These five suppliers together make 12% of our clothing and textile range. These workers receive an additional amount on top of their regular pay each month. Fair Wear monitors the payment of these wages. We are always seeking out collaboration with other retailers in these matters. Our goal is to continue to expand the number of suppliers each year so that more and more makers of our goods can earn a living wage.



## Sustainability dilemmas.

Implementing a living wage at a factory requires a tailored approach. As a result, it is difficult to scale up.

On the one hand, we find it important to cooperate with other buyers (retailers). On the other hand, we do not want to make the implementation of a living wage dependent on others.

## Developments & results.

### Living-wage program launched at four suppliers.

We started a living-wage program in 2022 with one Indian supplier, one Turkish supplier, and two Bengalese suppliers. At these suppliers, we are enabling a living wage for our share of production. In total, we now facilitate a living wage at five suppliers.

### Living-wage expert group.

An initial evaluation session has been held. We discussed with several experts whether our approach toward a living wage is working and what could be improved.

We want our suppliers' employees to earn a living wage. In other words, a wage that is sufficient to cover all basic needs, such as housing, transport, food, and healthcare. The statutory minimum wages set by the government in countries such as India, Pakistan, and Bangladesh are often not sufficient to cover these basic needs.

We believe that earning a living wage acts as a catalyst. With it, we can prevent other risks in our supply chain — such as excessive overtime and child labor. Back in 2019, we started a program with workwear manufacturer Schijvens at a joint factory in Pakistan. We've been paying out the difference between the minimum wage and the living wage for our share of production there. This project is still ongoing as of 2022.

## Living wage in practice

In 2022, we began implementing our Living Wage roadmap. First of all, we worked with NGOs such as Fair Wear, Wage-Indicator, and IDH Trade to determine what a living wage is for each country or region. We also calculated the gap between the lowest paid wage and the living wage based on the number of workers and our share of production. An action plan was then developed for each supplier. The goal: actually pay a living wage. We selected suppliers based on our turnover with them, our share of production, location, and relationship (which should be long-term). After this, we went over the calculation and approach with the respective suppliers and adjusted it if necessary.

In this way, programs started at four new suppliers in 2022. One program is at an Indian supplier where we work closely with Prénatal: together we account for more than 90% of the factory's orders. For this share of production, we close the gap between minimum wage and living wage with a supplement. We do this for all employees in the factory, so we do not distinguish between employees working for Zeeman or for other retailers.

Another living-wage program was started at a Turkish supplier. This supplier wanted to pay the supplement quarterly to all employees. We also had to consider tax on wages. We included the extra cost in our calculation.

In Bangladesh, the wage gap is the largest and has also proven to be a sensitive issue. We therefore engaged in careful discussions with everyone involved and found a supplier who was willing to help develop an appropriate approach. Three concerns emerged: a nearby factory (which also produces for Zeeman) also had to cooperate, the supplement needs not be paid monthly but semi-annually, and it had to be clear that it was a Zeeman bonus and not a living-wage supplement. While this is not our preference, we felt it was more important to actually get started.

Contrary to our roadmap, no test has been launched in China. Instead, we selected two Bengalese suppliers.



The calculation is the same for every program. But we do have slightly different approaches for each country. Based on the four new programs and the existing program, we are now funding a living wage for 12% of the purchase value of clothing and textiles in Turkey and South and East Asia. By 2027, this should be 50%. Notably, our agents play an important role in the implementation of the programs: they are even present at the time of disbursement.



## Evaluation.

Next year we will properly evaluate the programs. For example, we want to create online questionnaires, so workers can anonymously indicate what the extra pay means to them. In addition, we want to ask local NGOs like Fair Wear to interview various workers. So we hope to even better understand the impact of the program. A next step is to present our approach to other retailers operating in the factories. Because the more companies participate, the greater the impact.

## Cooperation.

Last year, for the first time, we met with experts from Fair Wear, IDH-Trade, Clean Clothes Campaign, and WageIndicator, among others. We discussed our approach in detail and took input. We also shared our approach with fellow retailers such as HEMA, We Fashion, and Hunkemöller. And we will continue to do so in 2023. We feel it is important to act together on these major topics and learn from each other.



# Living-wage roadmap.

## 2022



We want to enable living wages for our share of production at one supplier in each of the following production countries: China, Bangladesh, India, and Turkey.



We want to set up a living-wage expert group with external stakeholders who will think with us about how we can make a living wage possible.

### This expert group represents:

- (Local) employer associations
- Solidaridad
- Clean Clothes Campaign
- (Local) trade unions
- Fair Wear
- Peers
- Suppliers

## 2023

We want to enable living wages for our share of production from **five new suppliers** in each of the following production countries: Pakistan, China, Bangladesh, India, and Turkey.

We plan to actively evaluate the ongoing programs and improve them where possible, e.g. through questionnaires and interviews.

## 2024

We want to enable living wages for our share of production from **five new suppliers** in each of the following production countries: Pakistan, China, Bangladesh, India, and Turkey.

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## 2025

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We plan to actively evaluate the ongoing programs and improve them where possible, e.g. through questionnaires and interviews.

## 2026

We want to enable living wages for our share of production from **five new suppliers** in each of the following production countries: Pakistan, China, Bangladesh, India, and Turkey.

We plan to actively evaluate the ongoing programs and improve them where possible, e.g. through questionnaires and interviews.

## 2027

We enable living wages for our share of production for **at least 50% of our purchase value**.

Our goal is to include the cost of a living wage in the purchase price.





## Transparency & traceability

in the supply chain.

We now provide great insight into the locations of factories where Zeeman textile products are made.

We publish our Tier 1 (direct suppliers) and in many cases our Tiers 2 and 3 (the links behind our direct suppliers). We've partnered with Tex.Tracer with the aid of blockchain technology. We also request more and more information from our suppliers, for example about the materials they use and whether they meet all wet-processing requirements. This remains complex, because the supply chain contains many links.



8 DECENT WORK AND  
ECONOMIC GROWTH



17 PARTNERSHIPS  
FOR THE GOALS

## Sustainability dilemmas.

Deeper down the supply chain, it is difficult to gain insight into all the links: they are constantly changing and there is no direct link to the dyehouses, laundries, and spinning mills. As a result, it is difficult to get reliable information on which to base good decisions.

We think transparency is important, but it can also make us vulnerable. On the one hand, we think it is important for (critical) stakeholders to have the opportunity to closely observe alongside us. On the other hand, any abuses may be open to different interpretations, and the focus may be on the abuse rather than our handling.

## Developments & results.

### Pilot with Tex.Tracer

We launched a pilot this year to test the use of the blockchain technology of [Tex.Tracer](#). We want to use this to map the entire supply chain even more accurately.

### Cotton traceability.

We can trace the origin of the cotton for 85% of all our cotton orders. This information has also been published.

Transparency and traceability are essential components of our strategy. We want to be transparent about where and under what conditions our products are made. Within our supply chain, we deal with 181 direct suppliers in 9 different countries for all product groups combined. Although these are large numbers, our share of the global industry is small.

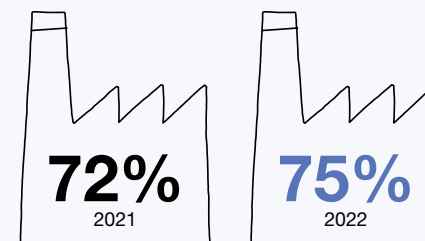
## Our supply chain.

Our products are typically produced in South and East Asia and Turkey. We do not have our own factories there, but work with specialized suppliers with whom we have long-standing partnerships. We've been working with some of our suppliers for some 20 to 30 years now. We use our relationships with suppliers to bring about positive changes in factories and improve working conditions. However, there are risks involved in outsourcing production abroad. We have less influence on working conditions because they are not our own factories. In the clothing and textile industry, it sometimes happens that suppliers outsource orders. This is also called subcontracting. This is a risk, because we cannot determine for ourselves that the factory in question works in accordance with our code of conduct. We have made agreements with our suppliers about this and have outlined them in a sub-contracting policy. We also strive to have sufficient leverage with suppliers so that we can influence working conditions.

In the production countries, we work with local agents. These agents play an important role. They regularly pay our suppliers a visit and check the quality of our products during production and before they are shipped. When a factory audit reveals areas for improvement, they ensure timely follow-up.

To a lesser extent, we also place orders with European importers. They in turn often place our orders with suppliers in South and East Asia with whom we have no direct relationship.

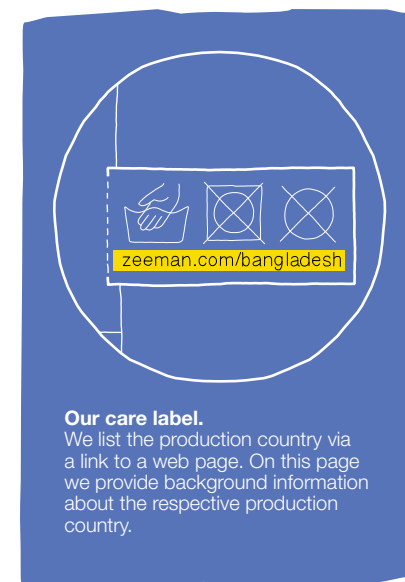
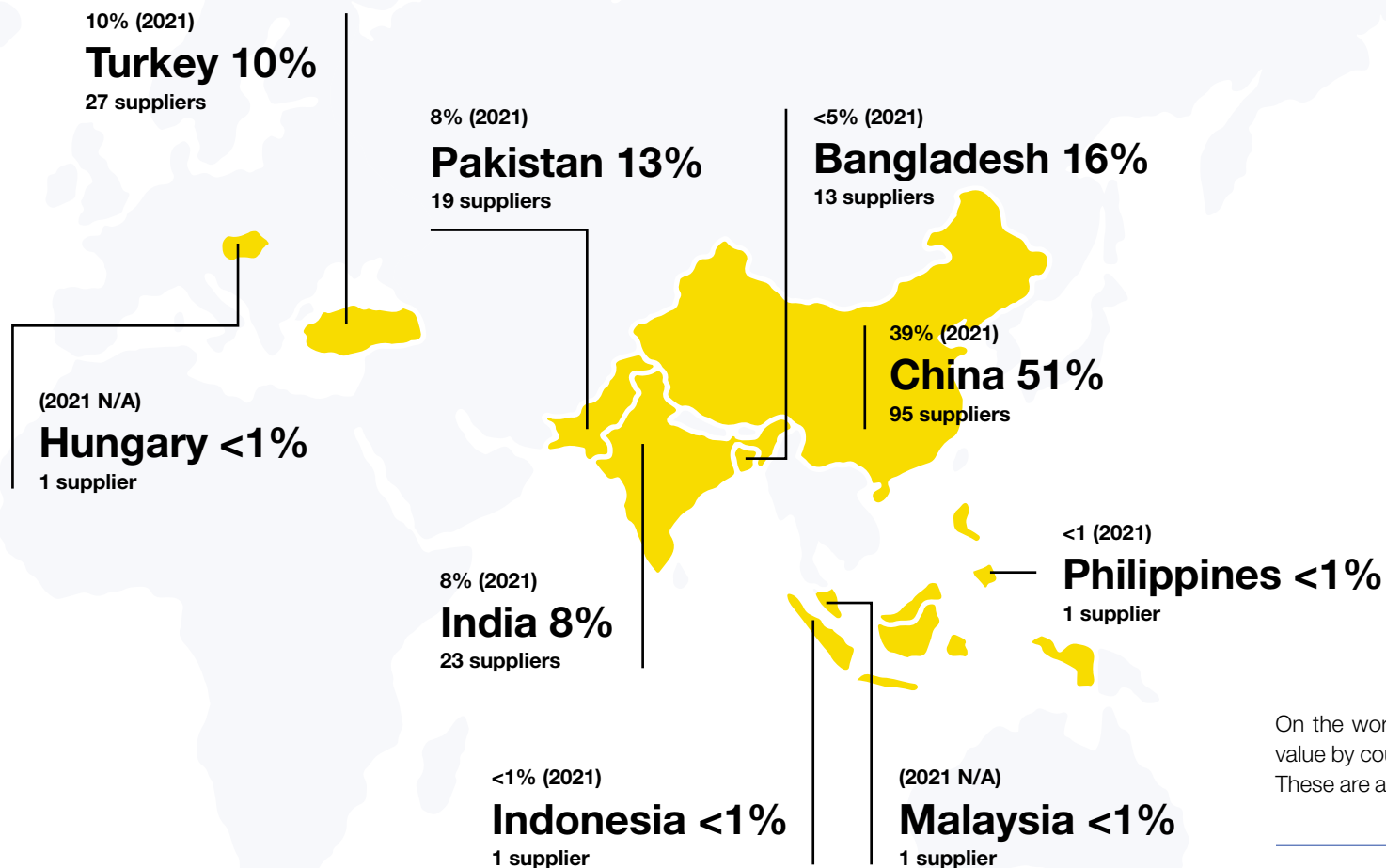
## Our 50 largest suppliers produced...



## ... of our purchasing value.

90% of these have been working with us for five years or more. In 2021, this figure was 84%.

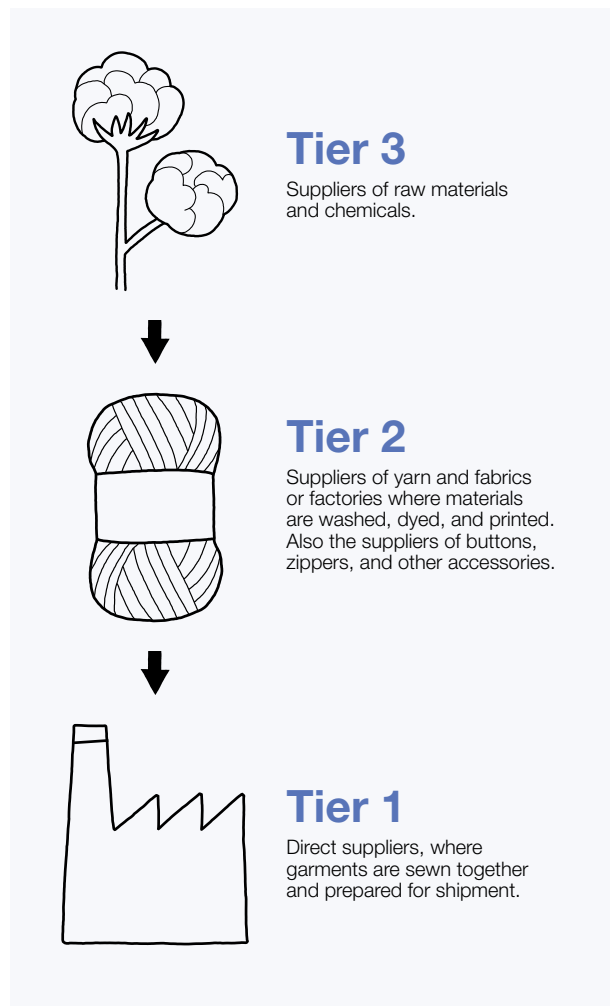
To get a handle on this, we request all available audit reports. We also ask our importers' textile suppliers to distribute the poster with information about Fair Wear's complaint mechanism, and to sign the code of conduct. In addition, we request quarterly reports with all information on material use and locations deeper down the supply chain. Such as dyeing and laundry facilities.



On the world map, we show the percentage of purchase value by country and the number of suppliers we work with. These are all the sites of production for clothing and textiles.

[Click here to view our production sites](#)





## Deeper in the supply chain.

There are many other links in the supply chain beyond these factories. A product has come a long way by the time it reaches our stores. For example, our suppliers work with locations where dyeing, washing, and printing take place, also known as Tier 2. The factory sometimes carries out these wet processes itself, but more often they are outsourced to other production sites. As we have collected more and more data over the past year, we have been able to share this data publicly via Open Supply Hub.

For cotton production, we have also provided insight into the steps that precede this. Initially, raw materials are needed, which are then spun into threads that can be used to weave cloth. For 85% of all cotton orders, the locations have been shared with us, allowing us to trace the origin of the cotton. These, too, can be found at [opensupplyhub.org](https://opensupplyhub.org) (Open Supply Hub was formerly Open Apparel Registry (OAR)).

## Open Supply Hub.

Publishing details of our suppliers is an important part of transparency in the supply chain. An overview can be found on the website [opensupplyhub.org](https://opensupplyhub.org). Sometimes there is overlap with other brands and retailers; that, too, is visible. When changes are needed, the best thing we can do is to act together. We believe in that. For example, we work with Prénatal — at a shared supplier in India — to enable a living wage.

## Tex.tracer test.

This year we started a pilot in partnership with tex.tracer: a platform working on supply-chain transparency using

blockchain technology. For this pilot, we provided insight into the supply chain for a number of NOOS (never out of stock) products: from materials to production and transportation. Through a QR code, customers can gain insight into the various links of our supply chain. In 2023, we want to test what our customers think of this. Gaining insight into the various links in our supply chain also makes sense for ourselves: it allows us to better monitor sites and take steps to improve things where necessary.

## Standout entry in Crystal Prize.

In 2022, Zeeman was nominated for the Netherlands' Ministry of Economic Affairs' Crystal Prize (*Kristalprijs*) on the theme of human rights. ABN AMRO was the eventual winner. But in the jury report, Zeeman emerged as a standout contender thanks to our transparency about dilemmas.

Having the courage to expose dilemmas faced by an organization in implementing human-rights due diligence is an important aspect of transparency on this topic. Detailed dilemmas with the pros and cons of different options contribute to knowledge sharing and counteract greenwashing. The standout within this theme is Zeeman textielSupers B.V.:

**“For each link in the supply chain and for different topics, the company explains what the nuances are on a day-to-day basis, things they are working on, and what they have not yet answered. All this is covered with great clarity in their annual CSR report.”**



# Growing together.

Growth is essential for our continuity. In 2019 we launched a new vision of HR, which we further developed for the future in 2022. The guiding principle is that Zeeman must be an attractive employer where we all grow together. Where there is room for personal development. And where we take care of each other by *actually* doing something. How do we approach that? By putting people at the center of our leadership, our culture, and our HR policies.

## Leadership.

In 2022, we further developed our vision of leadership: we speak of connective leadership at Zeeman, and we have started selecting parties who can guide our leaders in this journey. Connective leadership means that managers and supervisors are strongly connected both to themselves *and* to their employees. This way we are growing toward a culture where everyone can be themselves. A diverse and inclusive work environment where employee well-being is paramount.

## Onboarding.

Every new employee starting in one of our stores or at the service office, distribution center, or in transportation, is offered a contemporary Onboarding program through Learn@Zeeman, consisting of a mix of different learning activities. Through this we aim to give our new employees a flying start and a soft landing within Zeeman.

## Online learning environment Learn@Zeeman.

In 2022, the Learn@Zeeman library was expanded further with microlearnings developed in-house with the help of experts within the company. This is how we offer our employees practical support. In addition, the learning environment contains a nice selection of GoodHabitZ training courses, with new ones added every month, which employees are free to use for their own personal development. We have worked to improve the user-friendliness of Learn@Zeeman and are continuously expanding the use of the functionalities of the learning management system, Totara (e.g., study plans and certification programs for Emergency Response as well as Privacy and the GDPR). We also worked on the process of enrolling, inviting, administering, and reporting.



## Learning & Development.

The range of live online training courses on offer for our Sales employees was expanded in 2022. Anyone wishing to participate can enroll through Learn@Zeeman. Employees starting in the position of Store Manager or Assistant Store Manager are automatically invited to participate in our Store Management 1 or 2 learning tracks.

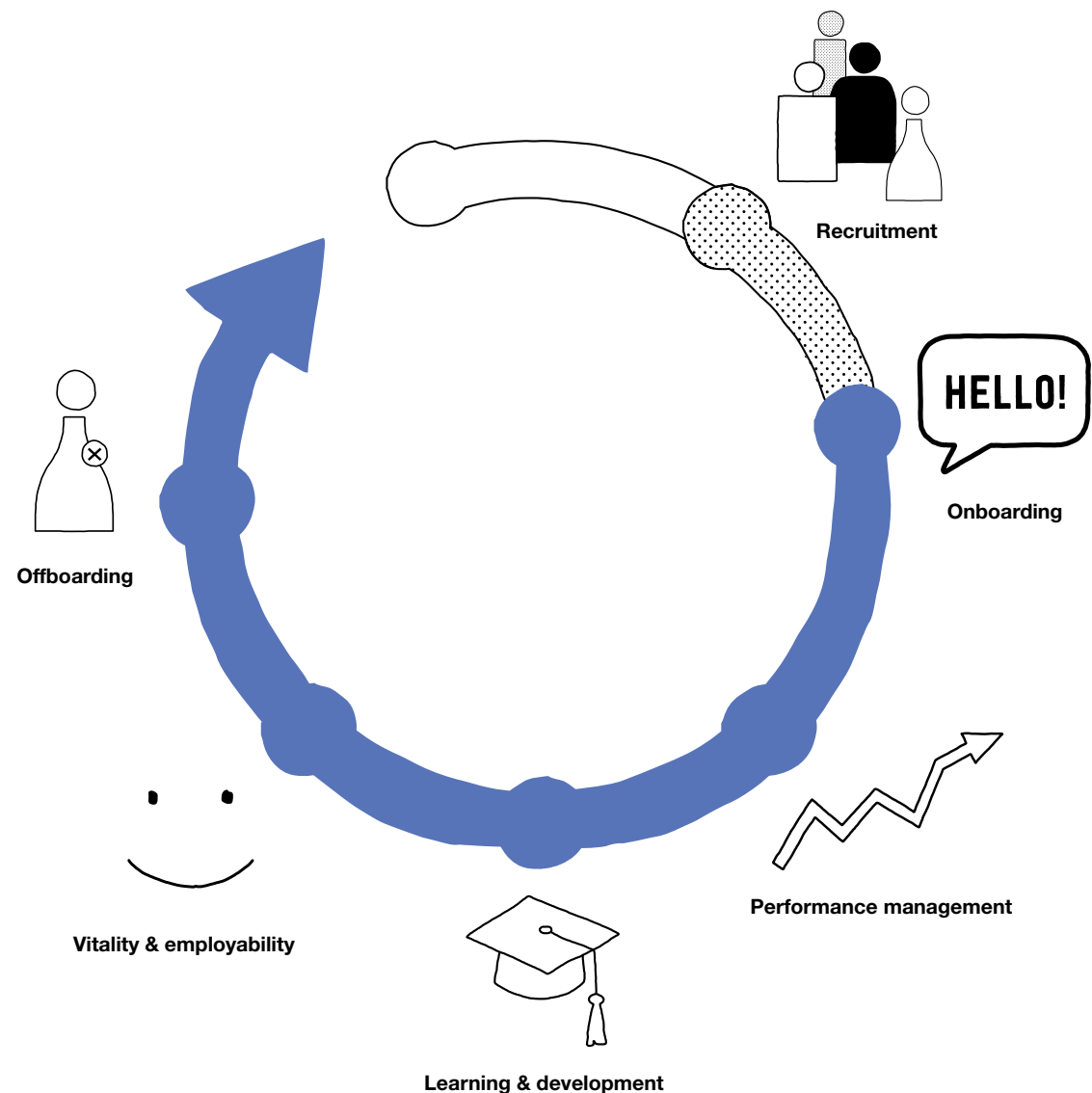
Zeeman has been an approved educational body in the Netherlands for more than 15 years for training in the Trade sector, from entry level through level 4. Vocational training gives our employees the opportunity to learn through practice. In 2022, we signed a collaborative agreement with SBB, which means that all stores in the Netherlands are accredited.

In 2022, Learning & Development was closely involved in several projects such as “The New World of Work”, the transition of the Distribution Center, Work Force Management, and the arrival of Portugal as the 8th country where Zeeman operates.

## Employee engagement survey.

In 2022, we measured employee engagement online: 84% of respondents scored positively on engagement.

In addition to paying attention to physical vitality, in 2022 we began paying even more attention to the mental vitality of our employees. We did this by giving employees access to a helpline, among other things. An approachable way to get in touch with a psychologist. In addition, “the good conversation” was introduced. In such a conversation, the manager and employee not only talk about the content of the job, they also delve thoroughly into well-being and job satisfaction. In 2022, among other things, we organized Vitality Weeks. Here we spent three weeks focusing on three lifestyle factors: diet, exercise, and sleep.



## Confidant.

The company has set up a procedure where any employee can anonymously voice their concerns to a confidential advisor who has direct access to the CEO and the HRM director. Every year, any matters reported are discussed at a meeting of the Supervisory Board. The number of formal reports made to the confidant in 2022 was seven. The nature of these reports concerns communication between managers and employees which can be perceived as harassment and thus impact the working relationship. This can cause anxiety and come across to the employee making the report as not being taken seriously, or as a lack of involvement/empathy from the manager. The reports made were resolved with the situation being talked out between manager and employee, where the confidant has a supportive role with respect to the employee. The confidant stays in touch with some employees to provide aftercare.

At Zeeman, we feel it is very important to discuss undesirable behavior. As such, we pay special attention to undesirable behavior, the risks involved, and how we deal with it within Zeeman in the various stages of the relationship between the employee and Zeeman. We do this particularly when introducing new employees and during performance appraisals. Also during (formal or informal) work meetings, managers are open to discussing this topic. In addition, a code of conduct applies at Zeeman that describes how we at Zeeman treat each other and third parties. This code of conduct is accessible to all our employees and can be found on the company intranet (WeAreZeeman).

## Flexible shell.

Especially at our distribution center, we use temporary workers to handle peaks in the flow of goods. It is expected that after mechanization, the need for this will be reduced. Temporary workers are used for the same work as our employees with permanent contracts.

Besides the regular work, there are no specific temp jobs

within our Distribution Center. Under the Workforce Allocation by Intermediaries Act (*Wet allocatie arbeidskrachten door intermediairs*, Waadi), temporary workers at the company where they work are always entitled to the same pay as employees under permanent contracts. So, too, at Zeeman.

## Employability.

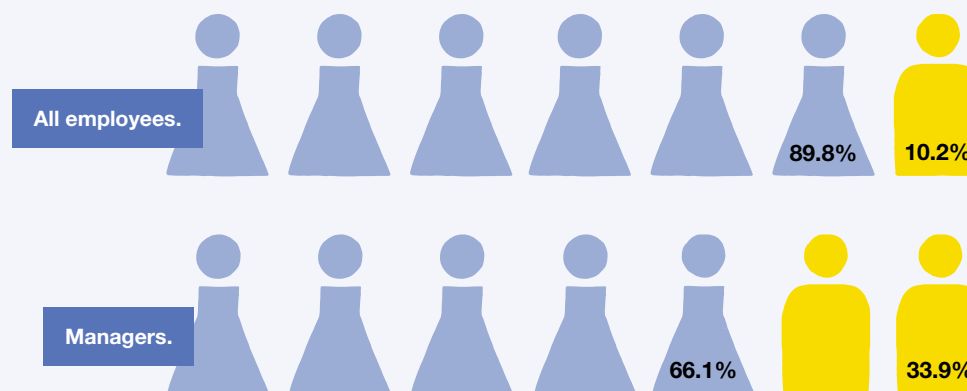
In 2022, the absence rate rose to 7.48%, from 6.72% in 2021. We saw a particular increase in the months of January, February, and March 2022 relative to 2021 — the months in 2021 when the COVID-19 pandemic led to store closures in the Netherlands, Germany, France, Luxembourg, and Austria. In early 2022, there were still coronavirus measures in the Netherlands (store closures through 15 January) and Germany (coronavirus entry permits through 20 March). Presumably an increase in absenteeism was due to society partially reopening even though the COVID-19 pandemic was not yet over. This is also reflected in the frequency of

absence: in 2021, employees reported sick an average of 1.08 times. In 2022, this figure rose to 1.49 times. Again, the first quarter saw the worst numbers.

## Diversity.

Zeeman values diversity. 89.8% of our employees are women, and among our managers, that figure is as high as 66.1%. Three out of the seven members of Zeeman's Board of Directors are women. To meet individual needs, we offer many part-time positions. 69% of our employees work part-time. In addition, we believe that everyone deserves a fair chance of finding a job. 2.8% of our employees are disadvantaged in the job market (e.g. due to disability). In 2021, this figure was 2.7%.

Percentage of women and men at Zeeman.



## Employees disadvantaged in the labor market.

In Germany and in France, a law stipulates that a company must have a certain percentage of its staff made up of people disadvantaged in the labor market (e.g. due to physical disability). For Germany and France, this is 5% and 6%, respectively.

In Germany and France, Zeeman has stores exclusively controlled from the Netherlands. The stores are small in size, and there are limited numbers of employees. When we hire employees who are disadvantaged in the labor market, that also brings with it a certain responsibility. For example in terms of mentoring and coaching these employees. Due to limited staffing in the stores, there is not always availability for this. In addition, our employees are not always trained for this type of task. This makes it complicated for Zeeman to meet the set quota. In 2022, we achieved a quota of 3.9% in Germany. This means we are required to pay a fine of €10,780.

In France, no declaration has yet been made for 2022 under this legislation. Therefore, we hereby report the amount we paid in fines in 2022 for the year 2021: Zeeman achieved a quota of 0.6% in 2021, meaning a fine of €152,100 was paid.

## Focus on the driver: Human Capital within Transportation.

Despite a very tight labor market, we have again managed to strengthen our team of drivers. We found success by adapting to the changing needs of drivers. For example, they are home more often or at home on set days. We provide a safe working environment and good equipment: drivers are themselves involved in choosing the brand and type of vehicles. Furthermore, in-house training (to become a driver) has continued. Two in-house employees have been trained as drivers. During the mandatory in-service training for drivers, the Code-95, we pay close attention to safety on the road through practical job training. Our drivers also receive additional support resources to reduce heavy work. We do this with Movexx container tractors. Physical strain for drivers will remain an important consideration in the years to come. After years of pandemic measures, an in-person drivers' meeting was held: a good opportunity to catch up with all our drivers.



# *Zuinig* of the environment.

By being *zuinig* of materials, we at Zeeman save on costs and at the same time ensure a reduced impact on the environment.





## Environmental impact

### in the supply chain.

It takes a lot of water. For a cotton T-shirt, the water footprint can be as much as 1,714 liters.

Therefore, we are increasingly choosing materials that require less water. Like organic cotton. Organic cotton has various advantages. For example, no pesticides are used, and no modified seeds are required. But even growing organic cotton requires a lot of (rain) water. A lot of water is also used during ownership, e.g. washing the garment regularly.



## Sustainability dilemmas.

Sub-suppliers where dyeing, washing, or printing takes place (wet processes) change regularly. This makes it difficult to work on structural improvements.

Another dilemma has to do with the amount of goods we produce to supply our stores. Because, of course, we want to open more stores, to play a role in more households. But we don't want to produce for the sake of producing. What is a responsible middle ground?

Corporate responsibility is often about using more-sustainable materials or reducing plastic packaging. An equally important issue is the impact that the production of goods has on the environment. This impact is invisible to our customers, but has a significant effect on the environment, and on the living conditions of local factory workers. We want to prevent the production of our goods from having an adverse effect on people or the environment.

We now know that the greatest environmental impact lies deeper in our supply chain. Namely, where our products are washed, dyed, and printed. We also call these the wet processes, or a wet processing unit. These processes sometimes take place in the factory where our products are sewn together. But often, these are outsourced to factories with which we have no direct relationship. This means our ability to influence conditions is more limited. In addition, we find that — especially in China — a number of sites where dyeing and washing take place are owned by the government. This makes it even more difficult to obtain and verify certain documentation.

## Monitoring dyehouses and laundries.

To reduce our environmental impact deeper down the supply chain, it is important to first gain a better understanding of the current situation at our sub-suppliers. Then we can take steps *together* to make improvements. As mentioned earlier, since 2021 we have a new approach to getting a grip on sub-suppliers. We request information from them and set clear requirements for our dyehouses and laundries. First of all, each supplier must use at least one “wet processing unit”

with a water treatment system. This was the case for 95% of our suppliers in 2021 and 99% by the end of 2022. With this, we unfortunately did not achieve our goal of 100% — at two suppliers, this was not yet the case. One direct supplier where the wet processes take place on site was still in the process of building a water treatment system. This system is expected to go live in 2023. Our supplier is keeping us informed by sending videos and photos from time to time. The other supplier failed to find a replacement site with a water treatment system in time without compromising product quality. This supplier has been asked to find a new location with a water treatment system in 2023. This is important in order to prevent pollution of water in the surrounding area. We are also requesting even more documentation and placing even higher demands on our dyeing and laundry facilities. Such as annual training on health and safety, signing the MRSL (Manufacturing Restricted Substances List), supplying various test reports to assess the quality of the treated water, and certificates proving that waste is processed in a responsible manner.



## Developments & results.

### Monitoring dyehouses and laundries.

In 2021, we established an approach for our dyeing and laundry facilities. We want to gain more insight into the environmental impact of our suppliers deeper in the supply chain. Our approach involves requesting information from them and setting clear requirements. We have been monitoring our dyeing and laundry facilities in this way over the past year.

### Design practices established.

In consultation with our stylists, this year we established a corpus of design practices. The document contains sustainable design goals: a guide for our stylists.

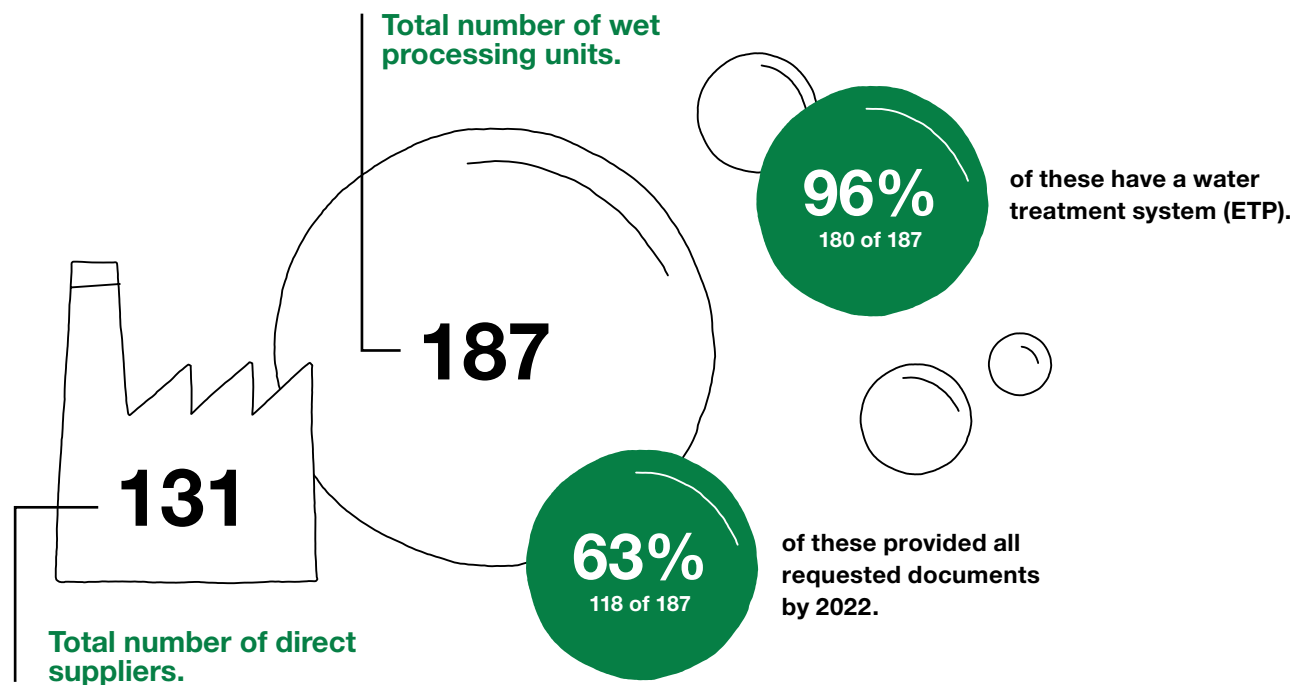
### Environmental-impact roadmap.

In 2022, we started our roadmap focused on the environmental impact of our production. We have developed a plan to map our impact over the next few years and take steps toward reduction.

In 2022, we requested and verified supporting documentation in these areas. In particular, we wanted to learn how realistic our requirements are in practice. Next year, we will conduct a risk assessment to identify key risks at our suppliers and further analyze and assess the data we collected this year. Ultimately, we want to translate the results into a rating for suppliers. Our Buying department will play a key role here.

99% of our suppliers use at least one facility for washing and dyeing with a water treatment system. Because some suppliers use multiple facilities, a total of 187 were registered, of which 96% had a water treatment system. To determine the quality of these facilities, the set requirements include: test

report to assess water quality after treatment, participation in health & safety training, signed MRSL, certificate proving waste is handled responsibly. We have now received these supporting documents from 63% of the facilities. Ultimately, we hope that this percentage can rise further: we want to evaluate suppliers based on the information collected and assign a ranking to them. We hope that our direct suppliers will then be able to accelerate collaboration with wet processing units that do meet our needs.





## Working responsibly with chemicals.

We are aware that many chemicals are used during the production of our clothing. Such as chemical pesticides to grow conventional cotton, or the many chemicals used in dyeing fabrics used for clothing. We want all substances that are used to make our products to be safe for people and the environment. That is why we have maintained a [Restricted Substances List \(RSL\)](#) since 2011. This list contains the limits for chemicals in finished products. We will continue to constantly update this list based on new developments.

In addition, last year we offered our wet processing units the opportunity to participate in an e-learning from Nimkartek. This concerned working responsibly with chemicals. 87% of suppliers with one or more active wet processing units had completed this training by the end of 2022. Topics covered included personal protective equipment (PPE), safe storage of chemicals, and mandatory information to be recorded in documentation (such as Material Safety Data Sheets (MSDS)). We believe that together with our suppliers, we are learning how to reduce our environmental impact. This e-learning gives us important knowledge and tools.

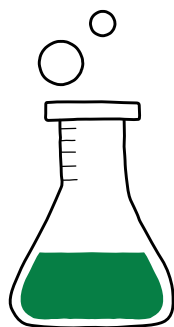


Photo of a water treatment system at [one of our suppliers](#) participating in the Better Mill project.

## Better Mill project.

The Better Mill project is a partnership between textile companies, wet-processing suppliers (e.g. dyeing, washing, printing), and Solidaridad, in Bangladesh. The focus is on exploring where the environmental impact at each supplier can be improved. For example, reducing energy or water consumption, or working more safely with chemicals. Five sites (direct factories or one of their sub-suppliers) of Zeeman are participating in this project. Other companies participating are America Today, Hunkemöller, and G-star.

Within this project, not only are the selected suppliers evaluated, but Zeeman's wet-processing policies are also considered. In 2022, for example, we received advice from a consultant on our approach and the wet-processing require-

ments we had established. Next year we will continue to improve our approach. For example, we want to perform a risk assessment and eventually translate the data we receive from our suppliers into a supplier rating.

In addition, there will be an assessment of the five selected suppliers in early 2023. From this, a recommendation report for each supplier will result. In consultation with suppliers, we will make improvements and set and tighten targets in the second phase of the Better Mill project. Ultimately, we hope to apply our approach and insights that this project will give us to our other wet processing units.

## Conscious design.

80% of the environmental impact of a garment is determined during the design phase ([source](#)). So last year we worked with our styling team to create a design-practices guide. The document gives our stylists tools to make more conscious choices when designing, e.g. by reducing material use (cutting waste) in the manufacturing process. In addition to our focus on more-sustainable materials, we want to look at longevity and opportunities for recycling a garment, for example. We also want to use trims and accessories (such as buttons and Velcro) and packaging more consciously. As part of this process, New Order of Fashion (NOoF) and Frankenhuis organized training for our stylists and the CSR team. This concerned innovations and recycling opportunities. The knowledge gained was also incorporated into the document.

The plan is to sit down with Styling, Buying, and CSR in 2023. We want to set a number of sustainability goals for each product group for next season. We will also review the design practices regularly: after all, developments around this topic move quickly.

## Undyed collection.

This year we released our first undyed collection. These are garments that are not dyed: they have their natural color. This saves a lot of water and energy needed to dye clothing. With this new collection, we hope to make customers more aware of the issue.



## Roadmap for tackling environmental impact.

In Europe, the Green Deal has been adopted to combat climate change. The goal is to reduce CO<sub>2</sub> emissions by 55% from 1990 levels by 2030, and by 2050 Europe should be climate-neutral. At Zeeman, we therefore want to better map our environmental impact. An important first step is to understand our carbon footprint. We have therefore created an environmental-impact roadmap.

This year we met with various parties to discuss our environmental-impact roadmap. Our starting point was to find a tool that would allow us to scale up quickly. That is, not just being busy collecting data, but rather spending our time reducing our impact. We want to be able to convert the results to carbon impact and costs. This information will guide us in our buying discussions.

At the end of the year, we discussed this with bAwear, Impact Institute, and MODINT. Together with bAwear, we will be collecting the data in our supply chain and supplementing it with secondary data. This is necessary for a product impact calculation. Our goal for 2023 is to incorporate 20% of our collection in this tool. Impact Institute will then do a costing and make a recommendation accordingly. Through MODINT, we hope to compare and exchange data with other retailers. We should then need less time collecting data and be able to focus more on what really matters: reducing our environmental impact.

We also want to better understand the environmental impact of our organization. With Impact Institute, we will do a baseline measurement of our overall impact next year. This will cover logistics, our stores, and our service office. Our goal: to create concrete targets so that we can track the reduction of our overall environmental impact.

# Environmental-impact roadmap.

**2022**



**Monitor facilities based on the parameters we set**, as described in Zeeman's Environmental Requirements document.



**Select a tool** that will allow us to map environmental impacts at the product level.



Formulate **design practices** for sustainable design.

**2023**

We want to understand and reduce the environmental impact of **20% of our clothing** and textiles.

**Baseline measurement of our overall environmental impact** as a company and set goals for reduction.

Assess facilities based on our established parameters and translate lessons learned from the Better Mill program in Bangladesh into an approach for all facilities.

**2024**

We want to understand and reduce the environmental impact of **40% of our clothing** and textiles.

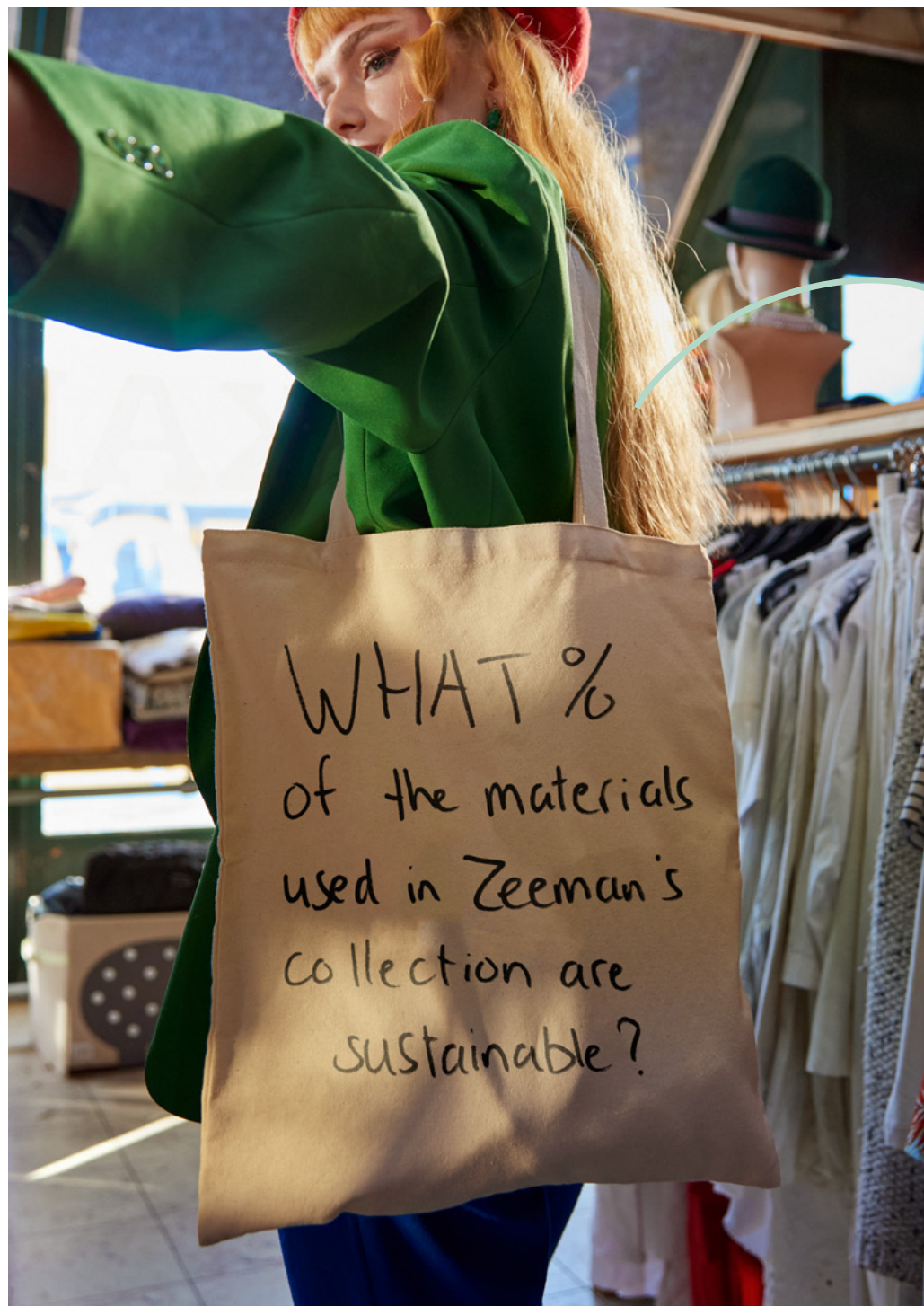
Translate key focus points for reduction into design and buying practices.

**2025**

We want to understand and reduce the environmental impact of **60% of our clothing** and textiles.

**2026**

We want to understand and reduce the environmental impact of **80% of our clothing** and textiles.



(Raw)

materials.

Zeeman's collection consists mainly of cotton (66%). In 2022, 75% of our cotton consumption was of a more sustainable variety than conventional cotton.

Of our total textile consumption, 53% was made up of more-sustainable materials. Especially in the area of recycled materials, we want to grow. Currently, 4.6% of our textile consumption consists of recycled materials. Our target is to grow this to 15% in 2023.



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CONSUMPTION  
AND PRODUCTION



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## Sustainability dilemmas.

We find that raw materials are becoming scarce and costs are rising as a result. In 2022, this was the case for organic cotton, among other raw materials.

It is sometimes difficult to work toward a higher percentage of recycled materials without compromising product quality.

Using more-sustainable materials is the basis for making our collection more sustainable. We have our own tool that allows us to report monthly on material usage: by country, by supplier, by buyer, and by agent.

By doing so we can properly monitor progress and make adjustments as needed. In 2021, the target was for 35% of our total textile collection to be made from more-sustainable materials. We surpassed this target and ended up with 39% more-sustainable materials out of our total textile collection. In 2022, we continued this growth and reached 53%

more-sustainable materials within the overall collection. The target was 50%. In 2023, we will increase our target to 70% more-sustainable materials. There is a lot of focus internally on this topic. Nevertheless, we also see challenges in achieving our targets. For example, raw materials are becoming scarcer and therefore more expensive.

## Developments & results.

### Consumption of more-sustainable materials.

In 2022, 53% of our total textile consumption consisted of more-sustainable materials. This is a 14% increase over 2021.

### More-sustainable cotton use.

Our 2022 cotton consumption consists of 75% more-sustainable cotton. This is an increase of 16% compared to 2021.

### Recycled-materials consumption.

When it comes to recycled materials, we still have a long way to go. In 2022, 4.6% of our total textile consumption consisted of recycled materials. This is a 1.1% increase over 2021.

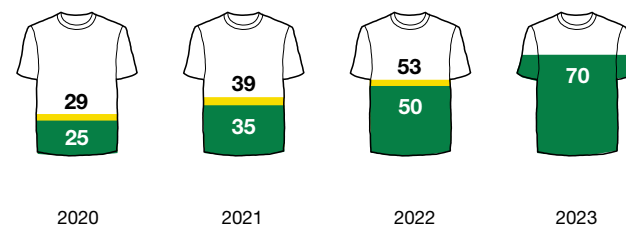
Share of recycled materials in our total textile consumption.



Share of more-sustainable cotton in our total cotton consumption.



Share of more-sustainable materials in our total textile consumption.



■ Target %  
■ Result %

## More-sustainable cotton.

Cotton is our main raw material. Because 66% of our textile range is made of cotton. We use cotton to make underwear, socks, and bodysuits. But also dish towels and bath towels. Cotton production is environmentally harmful because it requires a lot of water and uses pesticides and artificial fertilizer. Therefore, we are increasingly opting for variants that are more sustainable than conventional cotton. For example, organic cotton. This cotton is produced without the use of harmful chemicals or fertilizers. We also use recycled cotton. Residual materials from previous production runs are reused, thus saving new, costly raw materials. But most of our cotton consumption is now sourced through Better Cotton. Our cotton consumption in 2022 consists of 75% more-sustainable options (than conventional cotton). Next year, we aim to have at least 90% of our cotton come from more sustainable sources.

## Better Cotton.

To improve cotton farming globally, we have been a proud member of Better Cotton (BC) since 2015. Better Cotton is an organization working to improve conditions in the cotton sector around the world. The focus is on social conditions and environmental impact. In recent years, we have been sourcing more and more Better Cotton. As of 2022, we have already reached 71% of our total cotton consumption. This is up from 53% in 2021. We want Better Cotton to become the standard and replace conventional cotton. So in the coming years, our share of Better Cotton will continue to increase. If Better Cotton is to become the standard, we will also have to revise our target for more-sustainable cotton.

Because we buy cotton through Better Cotton, farmers made an estimated two million euros more in profits. This is up from an estimated 1.4 million euros in 2021. Better Cotton farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser). Further, thanks to our sourcing of Better Cotton, an estimated 4.6 billion liters of water were saved in 2022. This is up from an estimated 3.2 billion liters of water in 2021 and an estimated 2.3 billion liters of water in 2020.

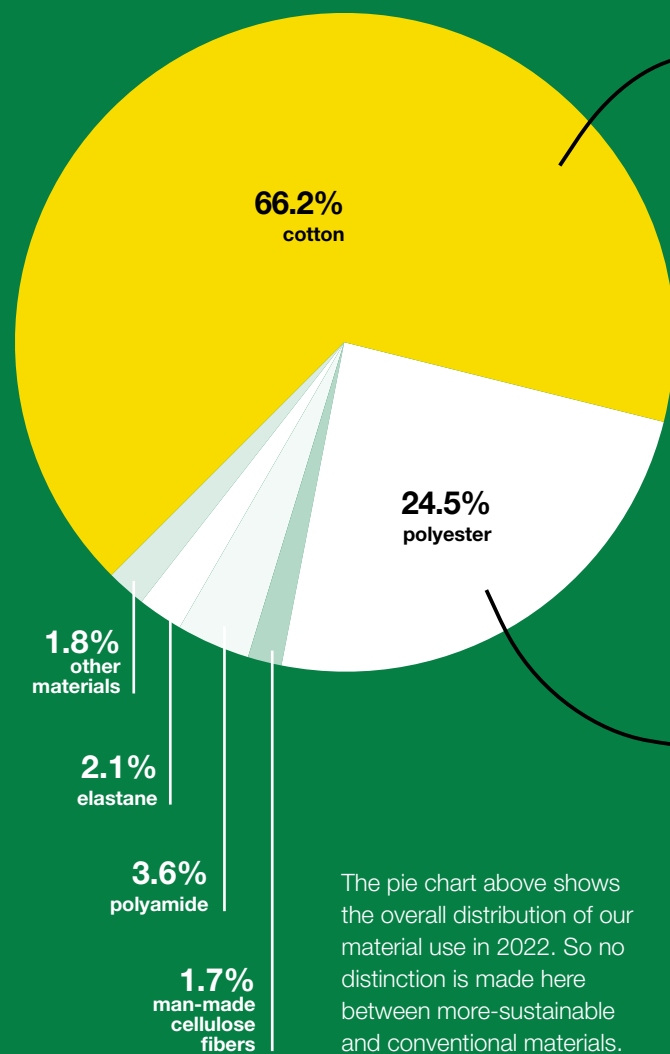
## Recycled materials.

To continue growing the use of more-sustainable materials, we want to increase our focus on recycled materials. Our target was to have 10% of our collection made up of recycled materials in 2022. Unfortunately, we did not achieve this; by the end of 2022, we reached 4.6% recycled content in our overall textile collection. Notably, what we find is that a higher percentage of recycled material in an item often still results in lower quality. Since it is important to us that our products are of good quality, this is another challenge we have to work on.

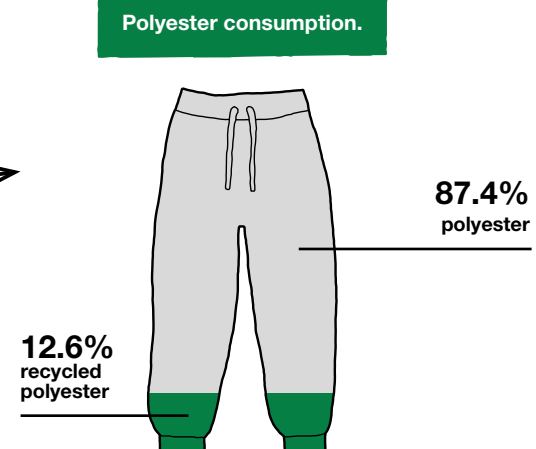
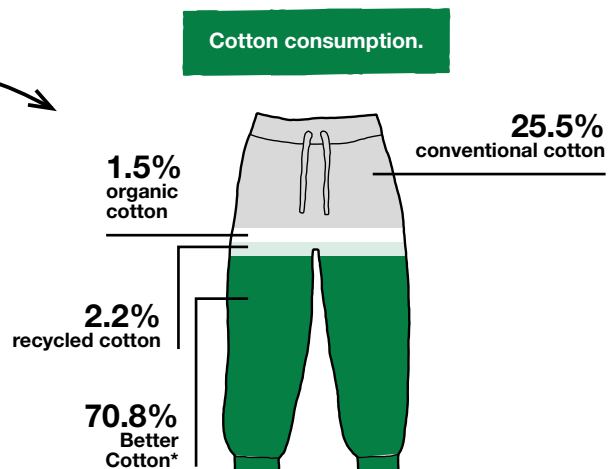
## Our target is 15% recycled materials in 2023.

A lot of our recycled material is recycled polyester. After cotton, polyester is the most commonly used material in our collections. In 2021, 8% of the polyester we used consisted of recycled polyester. In the past year, this has increased to 13%. In addition, our recycled-materials target covers recycled cotton and our second-hand collection (Resale). To meet our recycled-materials target, our share of recycled materials will need to increase in the coming years. That is why a Circularity Buyer was hired in 2022; read more on page 60. We hope to make a big leap here in the coming years.

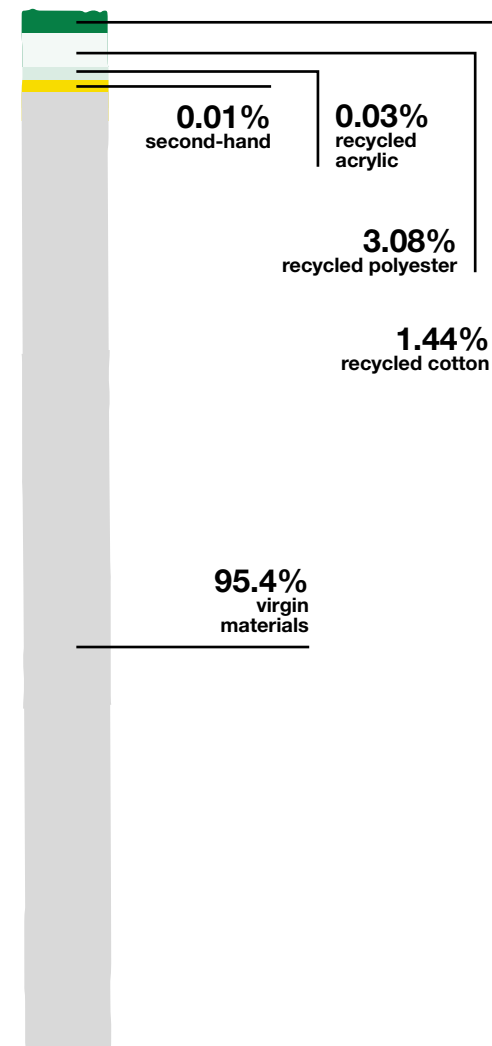
## Total distribution of material use in 2022.



## Share of more-sustainable material.

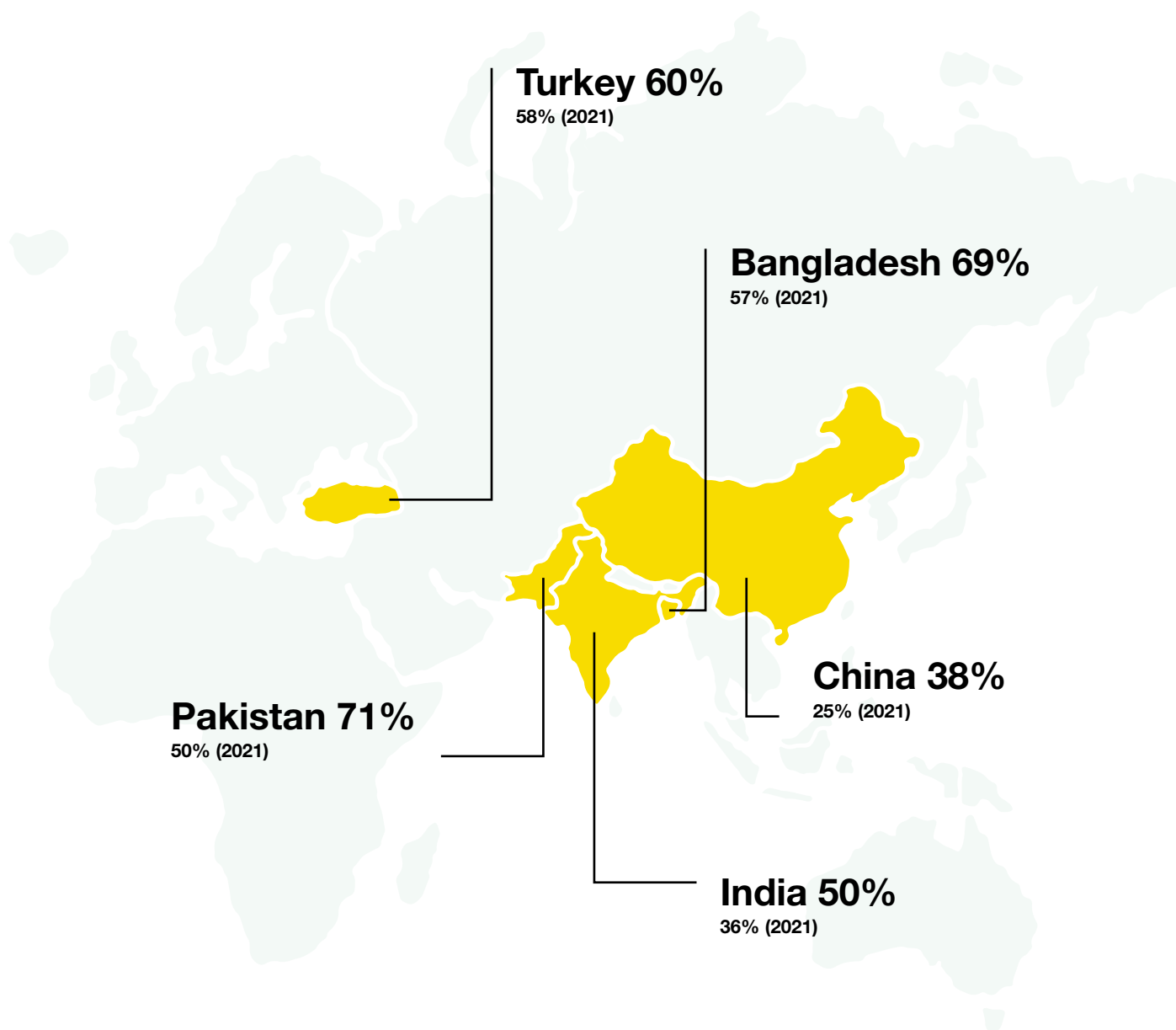


## Total distribution of recycled materials.



\*Better Cotton uses a Mass Balance system, meaning it cannot be traced back to the final product.

[Read more about Better Cotton here.](#)



Percentage more-sustainable materials bought, by country.

## More-sustainable materials by country.

With the data we collect we get a good overview by country of the share of more-sustainable materials within the total production of clothing and textiles. Across all countries, the share of more-sustainable materials has increased.

China is our largest manufacturing country. We see that the use of more-sustainable materials there lags behind compared to other countries. This may be because the proportion of synthetic materials there is higher than in the other countries. Sustainability can be achieved if we use more recycled materials in a product, this does sometimes come at the expense of quality.

In Turkey, we have already managed to buy 100% more-sustainable cotton (Better Cotton, organic cotton, or recycled cotton).

	Share of more-sustainable cotton relative to total cotton consumption	Share of recycled materials relative to total textile consumption.
Turkey	100%	23.2%
Bangladesh	76%	0.2%
China	70%	6.5%
Pakistan	82%	0.8%
India	53%	3.7%



## More-sustainable materials by product group.

In addition to a good overview by country, we also have insight into more-sustainable material use by product group. This is important for optimizing buying. We also give each buyer a KPI for using more-sustainable materials for their assigned product group. In addition, this also touches on what we want to do with the design practices: to set some concrete goals for each product group.

## Recycled deposit shopping bag.

Back in 2014, we introduced our deposit shopping bag made entirely of recycled polyester. When customers need a bag to take their purchases home, they have the option to buy a deposit bag. Customers who later return this bag always get their deposit back. We are exploring opportunities to upcycle the used bags into new products.



## Making non-text items more sustainable.

Besides textiles, Zeeman also has a limited range of products such as toys, home accessories, and electronics. Within these groups, we are also targeting more sustainable options such as recycled glass and plastic. In addition, last year we launched our *Zuinig* collection, which includes refillable cleaning products. We also include these product groups in our workshops & design practices.





## Buying practices.

We have established several agreements and guidelines with our buyers. These documents guide them in implementing our CSR policy.

For example, the Two-Way Code of Conduct is a code of conduct that applies to suppliers with respect to buyers, and vice versa. What's important here is that our buyers always know where something is produced and, when it comes to materials, a more-sustainable option is chosen as often as possible. In addition, as part of our Fair Wear membership, we are part of the Learning and Implementation Community. We will be working with several other companies over the next two years to improve our buying practices. Our buyers are closely involved in this. And every six months we reevaluate again.



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS

## Sustainability dilemmas.

Suppliers routinely take on more orders than they have the capacity to support. They do this to avoid any gaps in their production schedule and to achieve as much turnover as possible. However, this increases the risk of employees working overtime.

We want to work on the basis of equality, but realize that we do not always have insight into the impact of the (commercial) considerations made by our buyers.

## Developments & results.

### Two-Way Code of Conduct.

We have developed a Two-Way Code of Conduct. This is a code of conduct that applies to suppliers with respect to buyers, and vice versa.

Making buying practices more sustainable goes to the heart of our business. Zeeman is buying-driven. This means that the collection and the purchase price, but also the sale price, quality, stock levels, and margins, fall under the responsibility of the Buying department.

In order to become more sustainable, we must consider the impacts on people and the environment in every facet of the buying process. It is no coincidence that the majority of themes in this report directly touch on our buying practices. To increase integration between buyers and corporate social responsibility, there are regular consultations between the CSR & Quality and Buying teams.

## Buying procedures.

### Buying practices.

Together with our buyers, we have established guidelines. Key priorities are that our buyers are always aware of the exact production location and make sustainable choices as much as possible when using materials. Also, the price of an item must be such that a supplier earns enough to cover its costs. For example, to be able to pay its employees. To reduce the risk of overtime, we want to place our orders in a timely fashion. Suppliers can then schedule production appropriately. In practice, however, it is still common for people to work a lot of overtime because more orders are accepted than there is capacity for. We also look at our share of total production capacity. We want to comprise no more than 50% of a supplier's production. This way we ensure that suppliers are not too dependent on Zeeman and vice versa.

### Supplier onboarding procedure.

The supplier onboarding process helps us make conscious choices before getting started with a new supplier. We want to focus on a smaller supplier base and increase our share with existing suppliers so that we can make more impact. But under the condition that we do not become too dependent on each other. To keep our supplier base healthy, we add suppliers only when it fits within our sourcing and supplier policies. When a buyer wants to start with a new supplier, it is important that this is a conscious decision. A deliberate decision also includes a detailed look at documentation, such as an audit report and other certifications. In addition, we ask the new supplier to communicate Fair Wear's complaint mechanism in the factory. Buyers have an important role in the onboarding process. Thus, when selecting a new supplier, we also pay close attention to the underlying motivation.

### Responsible exit strategy.

We don't take starting a new partnership lightly. We strive for long-term partnerships. Still, sometimes it is inevitable that we have to end a partnership with a supplier. This may be due to, e.g., persistent quality or supply problems, supplier unwillingness to cooperate in improving working conditions, changing market demand, geopolitical developments, or other commercial and strategic reasons. Therefore, an exit strategy has been established. An important principle here is that we end a relationship responsibly, in stages, and in mutual consultation. In doing so, we take into account the impact of the decision on the supplier. Violation of labor rights is not a reason to leave a factory immediately. We'd



prefer to use our leverage to improve the situation. In those cases, we first engage the supplier in a dialogue. Only when it appears that a supplier is not willing to cooperate to achieve a solution do we part ways.

As of the end of 2022, we have 8% fewer direct suppliers than in 2021. This is a direct result of our pursued policies. On the one hand, we are making more conscious choices before getting started with new suppliers. On the other hand, we are also more consciously choosing to end cooperation with suppliers representing low turnover for Zeeman. We therefore see this as a positive development.

### **Investigation of buying practices.**

In 2020, we launched a study of our buying practices. Through a questionnaire, our suppliers gave us feedback on our buying practices. The results of this research were translated into the buying practices included in our Two-Way Code of Conduct. This Code is based on the OECD guidelines. In the reporting of the [Fashion Transparency Index](#), our code of conduct was highlighted. Zeeman is the only one of the 250 brands/retailers surveyed that has incorporated human-rights due diligence, order and payment terms, onboarding, and an exit strategy into buying practices.

## **Buying Department actively involved.**

As part of our Fair Wear membership, starting this year we are participating in the Learning and Implementation Community. Alongside a — very diverse — group of other companies, we are working over the next two years to improve our buying practices. This is done in cooperation with our Buying department. The CSR team and one of the buyers will attend the meetings. By engaging in an open dialogue with these companies, we can learn from each other's insights and share best practices.



## **Open costing.**

Our raison d'être is to sell products at the lowest possible price. We've been doing it for 55 years. But what exact price is possible is partly determined by our suppliers. Therefore, it is important for us to know how the cost price is constructed. We don't want to negotiate a purchase price that is below the cost of production and that the factory can't earn anything from. Because that can have a negative impact on the working conditions of its workers.

In 2021, Fair Wear developed the Fair Price app, which allows a supplier to easily visualize a product's cost price. Four of our suppliers attended the Fair Price app training and got to work filling in the app. The relevant buyer then receives the information that emerges from the app. In the coming year, we will train even more suppliers. We also use the results from the app for our approach to living wages (see page 29).

In 2022, buyers have received training from the Fair Wear team on cost prices and living wages. The Fair Price app was covered in great detail. There was also a focus on the challenges of getting accurate information from suppliers and the steps needed once the cost price is transparent.

## **CSR team training.**

We also consider capacity building important within Zeeman, for example when it comes to fair and safe working conditions, human rights, and environmental impact. The CSR team has attended various training courses, such as a Circular Design training course in Eindhoven and an environmental-policy training course from Solidaridad.



## Circular economy &

## packaging and waste.

In 2021, we started selling second-hand clothing and collecting textiles. We continued this program in 2022.

We have been selling used clothing in 8 pilot stores and collecting clothing in all of our Dutch stores. We are also affiliated with a collaborative project Van Afval tot Zeeman (*From Waste to Zeeman*): we are exploring the creation of a product from post-consumer textiles. This means recycling used textiles to make a new product. We know that circularity is becoming increasingly important. That's why a Circularity Buyer was also recruited this year. She will be focusing on this even more.





## Sustainability dilemmas.

We know that a transition from a linear to a circular business model is necessary and that this takes more time than we would like.

Some products are still offered in packaging to prevent damage. We continue to seek out sustainable solutions.

The current business model in retail is mainly linear and not as future-proof as it should be. First, raw materials are used to produce and offer items. After use, they often disappear in residual (non-recycled) waste. Circularity is about using raw materials as little as possible and reusing existing materials as much as possible. This way, we prevent them from being depleted.

## Circular design.

If sustainable considerations are made in the development of collections, this has a positive impact throughout an item's lifecycle. So for the past year, we have been working with our styling team to establish design practices. With these, we hope to more actively involve our styling team in our sustainability strategy. So that they make more sustainable choices during the design process. Two key principles are: extend the life of our items and consider the impact of design on recycling opportunities. Because our stylists can take a more critical look at their designs in many ways, e.g.: is that button functional or could it be left out?



## Van Afval tot Zeeman (From Waste to Zeeman).

With a group of partners, we are working to develop a circular product. The idea is that we make a new product within the Netherlands from the highest possible percentage (ideally 100%) consumer-recycled textile waste (post-consumer recycling). To develop this product, we formed a recycling chain. These are our partners: Cirkelwaarde, Frankenhuis, and Enschede Textielstad. In addition, Saxion joined this year to test the quality of yarn we can make from post-consumer fibers. Het Goed has also joined as our sorting partner for the material we plan to use.

This is an entirely new process, so it will be some time before we have a 100% post-consumer recycled product in our stores. But we are already eager to share the knowledge we gain and the challenges we encounter through our [web page](#).

## Developments & results.

### Expansion of second-hand clothing sales into Belgium.

In collaboration with Het Goed, we have been selling second-hand clothes in 6 stores since June 2021. This year we expanded the Resale pilot to 2 Belgian stores, selling second-hand baby/children's clothes.

### Collection of used textiles.

In 2022, we expanded the collection of used textiles to all stores in the Netherlands. Cardboard collection bins in stores allow customers to give clothing they no longer use a second life.

### Project Van Afval tot Zeeman (From Waste to Zeeman).

With a group of partners, we are working on a product made from post-consumer textiles (recycled textile waste from consumers). You can follow exactly what we're doing on our webpage, which went online this year.

### Circularity Buyer

In September, our Circularity Buyer began work. In particular, she will focus on Resale and developing a circular collection produced in Europe.

## Resale.

Since June 2021, we've partnered with Het Goed to sell secondhand clothing under the name Resale, breathing new life into used garments. Furthermore, we encourage our customers to recycle their clothes by allowing them to return worn items to us. By the end of 2021, we had implemented this service in nearly 50 stores, and by the start of 2022, it was available across all our Dutch stores.

Our objective with this innovative initiative is to reduce waste and promote the recycling of clothing, which is still incorrectly discarded with general waste 55% of the time. Through active awareness campaigns, we aim to inform customers about proper clothing disposal.

Het Goed operates specialized sorting centers for the collected clothing, providing valuable, accessible work-experience opportunities to hundreds of individuals daily, thus adding a significant social impact to our collaboration.

All collected items are donated to Het Goed. Apparel that is still in good condition gets a second chance either in Het Goed's thrift stores or as part of our Resale collection. Items that are not suitable for direct reuse are optimally recycled, further contributing to a more sustainable future and circular economy by creating new products from old materials.

In May, we also started selling used baby and children's clothing in two Belgian stores. So by the end of 2022, our Resale collection was on sale in 6 Dutch stores and 2 Belgian stores. In these 8 pilot stores, we sold a total of 33,673 used clothing items in 2022. Nevertheless, we also face some major challenges. For example, the logistics process is still very manual and would need to be automated further before we can expand. Also, sales results still fluctuate throughout the year, and we find that Resale's success is closely related to the motivation and time put into it. Because we believe in the success of Resale and would like to expand this pilot further abroad, a Circularity buyer was recruited in 2022.



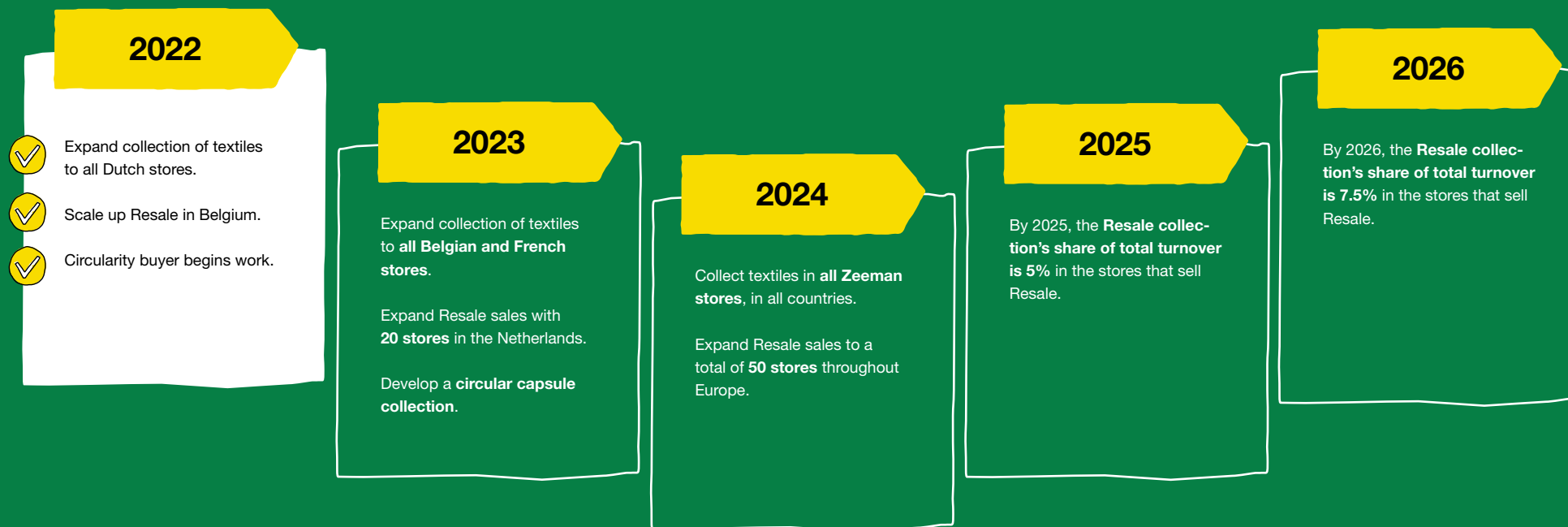
**Elles Kempers,**  
commercial director, Het Goed.

"In a circular society, it is not only important that clothing is produced as sustainably as possible, but it is also essential that clothing be used for as long as possible. Zeeman and Het Goed together are committed to extending clothes' lifespan. The clothing collected by Zeeman is checked at Het Goed's textile sorting center and all quality clothing is given a second life, either at Zeeman stores or at Het Goed's 31 thrift stores. Het Goed is a social enterprise: we provide suitable work, giving our employees the opportunity to gain work experience. Through our partnership with Zeeman, social employment is growing.

We look forward to further scaling up Resale. We would like to work more with Zeeman on social and local recycling. Contributing to a circular *and* inclusive society, together."



# Circularity roadmap.



We believe that an economy in which raw materials are reused is the only way we can use resources responsibly. We are increasingly committed to a circular economy. For the next few years, we have established the following roadmap.



**Mariëlle van Dillen**, Zeeman Netherlands.

### Circularity Buyer

On 1 September 2022, Mariëlle van Dillen started work as Circularity Buyer. She has worked at Zeeman for over 17 years, including as a buyer in women's fashion, accessories, household textiles, and now circularity & Resale. We want to develop a circular collection with a focus on local production within Europe.

"For Zeeman, sustainability is becoming increasingly important, in the broadest sense of the word. We no longer want to focus only on using more-sustainable materials, but also on the second-hand and circular market. My job is to research what is feasible for Zeeman with over 1,300 stores in seven different countries. One of the priorities I have set for myself is to better structure the used goods and improve the Resale process. In addition, I hope to have the first circular collection in stores by the end of 2023."

### Dutch Design Week.

Circularity is about using raw materials as little as possible and reusing existing materials as much as possible. This means it is very interesting to see what can be made from an existing item. Especially if it can become something even more beautiful. Like last year, Zeeman participated in a project by New Order of Fashion (NOoF) during Dutch Design Week in Eindhoven. NOoF's design talents created unique designer items from second-hand garments from Het Goed. Everything sold went into a reused deposit shopping bag from Zeeman. We also handed out repair kits and there was a Resale collection box where people could turn in used textiles.



### EPR: Extended Producer Responsibility.

EPR legislation states that manufacturers are responsible for their products in the post-consumer stage, that is, after the consumer has finished with them. We therefore expanded our program to collect used clothing to all Dutch stores in 2022. We also pay a waste management fee.

### Separated waste streams.

In 2022, we were able to recycle 90% of all our waste streams. In 2021, this figure was 89%. This includes the plastic and paper that comes back from our stores separated, but also materials from other waste streams for which we determine the correct waste processing method together with our waste processing partner RCN. In addition, we have been reporting on the total weight of our waste for years, and for the past three years we have also been reporting separately on hazardous substances. Our goal is to recycle more materials each year and reduce total waste streams. One of the ways we do this is by using as little packaging material for our products as possible.



# A good product.

Operating with sustainability in mind also means that we want to offer products with a long lifespan. That is why we pay a lot of attention to the quality of our products. A long-term partnership with a supplier is of great importance in order to be able to guarantee quality. Customers can rely on the quality of our products because our suppliers know our standards.

## Quality Specialist.

The CSR & Quality department is jointly responsible for implementing and enforcing our quality policy. This year, an additional Quality Specialist was appointed within the team. This allows us to focus even more on implementing our quality policy.

A list of high-risk items was created. Based on this, inspections and spot checks have been increased.

In addition, cooperation was sought with our suppliers, agents, and a third party such as TÜV Rheinland. With the help of TÜVR's knowledge and innovation center, there have been various training sessions to share knowledge and experience.

And we stay sharp: for example, we are in constant dialogue with regulator NVWA. We initiate improvement processes to continuously improve our quality assurance.

## Product testing.

To ensure that items meet our quality requirements, they are tested by TÜV Rheinland before shipping.

### What we test for:

- Any chemicals and other harmful substances listed on the [Restricted Substances List \(RSL\)](#). This way we rule out the presence of substances that are harmful to health or the environment (such as azo dyes and plasticizers in plastic) in our products.
- Whether children's sleepwear is fireproof: we fully comply with the European standard. Our sleepwear is also compliant with the Agreement on the Fire Safety of Nightclothes.
- In terms of general product safety, think of small components of toys or cords on children's clothing.

Additional spot checks are also conducted every year in cooperation with TÜV Rheinland. Here, (high-risk) items are taken from the store and tested by TÜVR.

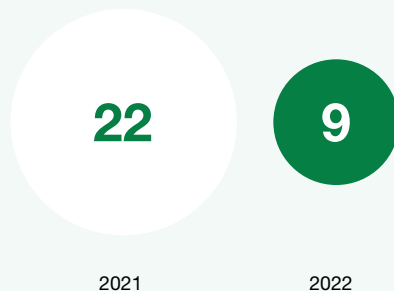
In 2022, 467 spot checks took place. As in 2021, 98% (456 items) of these samples met Zeeman's strict safety standards. For 11 items, we took corrective action. This may range from replacing certain parts to completely removing them from sale.

## Spot checks.

At the production site, all of our orders are inspected by agents that Zeeman has worked with for many years. They know Zeeman's quality requirements inside out and check that items meet the standards Zeeman has set. As a result, customers can rely on Zeeman's quality.

Additional spot checks are also done at the service office when orders arrive. The (high-risk) items are checked based on strict safety requirements such as cord length in baby and children's clothing, small parts in toys, and seam strength for plush toys.

### Number of items removed from stores.



## Product recalls.

With more than 5,000 different products in our range and over 300 million items sold per year, things can still go wrong — despite strict controls and many checks. If something does end up in the store that does not meet our strict safety requirements, the items are withdrawn from sale. Unfortunately, this does not completely prevent customers from buying and using these products. So there is and always will be a (small) chance of harm from our products.

In 2022, nine items were removed from stores due to a potential safety risk. This is 60% less than last year, when 22 items were recalled due to a possible safety risk.

In 2022, due to greater risk, we had to publicly recall four products: pieces of children's clothing, toys, and cookware.

# A *zuinig* operation.

## Load factor.

We've been working more intensively with our suppliers and agents to further increase load factors. As a result, the average load factor of a shipping container ended up at 81%; our target was 80%. Despite the fact that the shipping industry was in a difficult situation in early 2022, Zeeman was also able to ship 81% of the total volume of goods using the largest type of container. For 2023, the load-factor target is 83%. Thanks to this high load factor, we limit the number of shipping containers. Thus also reducing emissions. We want to achieve the higher load factor through port consolidation in South and East Asia. We will start a test in one port in early 2023. Depending on its success, we will adopt this at other ports as well.

## Inland navigation.

For transport from the port to our distribution center in Alphen aan den Rijn, we use inland waterways as much as possible. This way we reduce the number of transport movements on the road, as well as emissions. We use the 'green corridor', in which different companies bundle transport flows via inland navigation. 42% of our volume is transported by electrically powered inland vessels. This percentage does not include the CTU terminal. In 2022, 83% of sea containers were delivered via inland waterways; our target was 80%. This was because our warehouses were fuller than usual, which reduced our need for road transport. For 2023, our target is 85% supply via inland waterways. We want to achieve this by working together more intensively and relying on automated information provision and tools to plan further ahead.

## Distribution Center redesign.

In 2021, we started redesigning our distribution center and building a new mechanized storage and sorting system. The bulk of this project was realized in 2022. The result: a new distribution-center layout, a new Warehouse Management System, and a Shuttle system for automated storage and sorting. Phased commissioning is scheduled for Q2 2023. This major investment doesn't just come from a commercial interest in increasing capacity for the distribution process. We also do this based on two key CSR pillars: improving working conditions in the distribution center and reducing the number of required transport movements on the way to the stores. In the new situation, heavy manual operations have been replaced by automated processes: e.g., many conveyor belts, robotization, and AI solutions. Combined with task rotation, physical workload will be greatly reduced.

Using smart control systems, we will increase the load factor of roll containers, thus requiring fewer transport trips for the same volume of goods. Ultimately resulting in lower emissions.

## Clothes hangers.

With a project focused on reusing clothes hangers, use was reduced by 23%. All returned clothes hangers will now be checked and sorted for reuse. As a result, the standard order for new hangers for stores is much lower.

## Launch of “You are the central focus in everything we do” in the distribution center.

We are *zuinig* of the people who make our products, but also the people who work in Europe in the stores and in the service office. This project is all about paying more attention to the employee. E.g., better communication, a new locker room for all employees, and new ergonomic workstations. We also ensure that managers have more time for their employees.

## Pallet repair.

More than 5,000 pallets were repaired in 2022: at our external partner *and* internally. As a result, there was no need to replace pallets.

## Trucks.

In 2022, we continued with what we had devoted great attention to in previous years. Our new trucks have the lowest possible CO<sub>2</sub> emissions. Diesel consumption decreased slightly as drivers increased their use of cruise control at a lower set speed. In addition, we've been optimizing routes on an ongoing basis. This, too, reduces fuel consumption and therefore emissions.

The transportation industry is also far along in researching the use of hydrogen- and battery-powered trucks. The supplier hopes to say in 2023 whether we can participate in a pilot; this process had previously been delayed.

We unfortunately temporarily stopped intermodal transport to Spain in 2022. The reliability of Spain's railroads in particular caused many delays. Timely delivery of goods was compromised. In 2023, we will start this up again, with a new partner. We also want to fit a third 45ft container into the transport schedule to Spain in 2023 — if the French railroads allow it. This brings "road to rail" to Valencia and Madrid back into the picture after all.

Within our passenger-car fleet, the number of diesel cars continues to be reduced. These cars have been replaced by electric models.

## Emissions per roll container.

Emissions per roll container (rc) were slightly lower in 2022, at 12.1 kg CO<sub>2</sub>/rc (2021: 12.3 kg CO<sub>2</sub>/rc). More roll containers were shipped in 2022 than last year, namely 478,000 rc (2021: 464,000 rc). So the trips were better filled. Compared to a year with a similar number of roll containers shipped (there were also 478,000 rc shipped in 2019), an increase in emissions per rc can be observed. In 2019, emissions per rc were still 11.2 kg CO<sub>2</sub>/rc. The increase comes from expansion in Southern Europe. In Spain, many new stores were opened (36 stores) which meant that more roll containers had to go to destinations farther afield.

## Lighting.

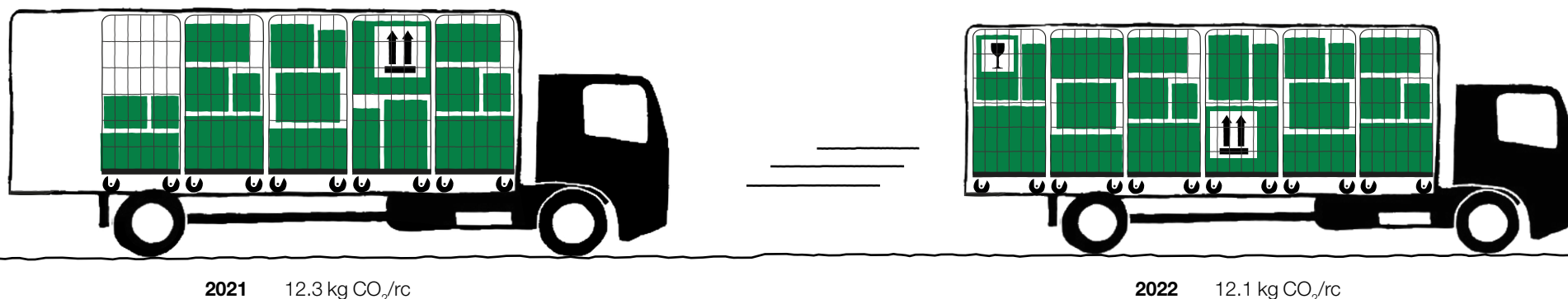
You won't find any needless luxuries at our stores. What you *will* find is LED lighting. By the end of 2022, 1,002 stores (out of 1,313) were fitted with LEDs. This comes to 76% (2021: 66%).

LED lighting uses less than a third of the energy required by traditional fluorescent tubes. The 1,002 stores with LED lighting ensure a lower energy bill. This is friendly for the environment as well as our budget.

### The advantages:

- About 69% less kWh used per light source (LED fluorescent-replacement tubes) in each store compared to fluorescent lighting.
- LED tubes last over four times longer than ordinary fluorescent tubes, among other things because they are made of sustainable, recyclable synthetic materials.

### Emissions per roll container.





# *Zuinig* of society.

By doing business *zuinigly*, Zeeman has for many years been a stable employer for more than 8,500 people, a reliable customer for a large number of manufacturing and service companies, and a producer of responsibly made products that are accessible to everyone.



# Our social projects in production countries.

For many years, Zeeman has supported a number of projects in Central Asia, in order to give something back in the countries where we produce.

The goal of the projects: prevent sexual exploitation of girls, and help girls and young women who have become victims of human trafficking. In 2022, a project was added in Pakistan. Here, we focus on something very different: women's participation in the labor force.

## India.

In Mumbai, India, we have been active since 2005. Our Save our Sisters project is run there by our partner, the Vipla Foundation. We help girls who have involuntarily ended up in prostitution, but have been freed from it. We give them support to build a new life. As in 2021, in 2022 we focused particularly on an existing group of girls. Many of them are already well off. But not all. This was mainly due to high unemployment during the COVID-19 crisis. To prevent these girls from being recruited into prostitution again, we sought them out and supported them. We were able to provide entrepreneurship training to most of the 180 girls. As a result, they are able to start their own businesses. Those who have already reached this point also receive some start-up capital. Across all programs combined, we supported 572 girls this year. Separately, 698 group sessions were held for psychological counseling, mostly for girls admitted to the shelters after their liberation.

In addition, 256 police officers received training to make them aware of human trafficking. Eight of these police officers have now been selected. They will focus specifically on freeing girls from prostitution.

## Bangladesh.

In Bangladesh, we have a similar project to Mumbai, but here since 2016. We have a shelter in the city of Faridpur that houses between 20 and 30 girls who have been rescued from prostitution. In all, we have helped nearly 50 girls on their way to a new life.

There has also been a lot of outreach: to teachers and people from other sectors. Through group sessions, they were made aware of the extent and danger of human trafficking.

Unfortunately, we had to say goodbye to our partner in Bangladesh at the end of 2022. The organization could not (any longer) meet our standards of quality and transparency. A new partner has been found with whom we will continue this effort in 2023.

## Pakistan.

An entirely new activity (see Women's Empowerment project on page 24) was launched in Pakistan in 2022. Here — very differently from India and Bangladesh — the focus is on



women's participation in the labor market. Women are still often barred from factories in Pakistan. The project revolves around giving a number of women training *and* the equipment to work independently in factories which Zeeman has a relationship with. These are factories that until now have employed almost exclusively men.

We are implementing this project in collaboration with another clothing company from the Netherlands; it will be rolled out in the coming years. Everything is still in its infancy and in a society like Pakistan, such a project is not easy. But we still hope that we are bringing about the beginnings of positive change with this. And thus contributing to equal opportunities for all.

# Local support near our stores.

Many of our store colleagues have great social hearts. At Zeeman, they are given the space with the store team to facilitate a charity that fits their neighborhood, and to sponsor a local team with game jerseys. Centrally, we facilitated a cleanup event in 2022.

## ***Zuinig* of your Neighborhood campaign.**

In March we had a *Zuinig* campaign where we asked our customers to join us in cleaning up the neighborhood. On Saturday 19 March 2022, customers could report to one of our 1,300 Zeeman stores to pick up trash together in the neighborhood. The goal was to pick up as much trash as possible with all customers and colleagues.



# Contribution to societal image.

As a company, your communications, portray an image of how you view society. In Zeeman's campaigns, we show everyday situations in a realistic setting, rather than ideal advertising images, and instead of models, they feature our own customers (of all shapes and sizes). We have been doing this consistently for many years. We also want to contribute to inclusiveness in this way.



[See all our campaigns on Zeeman.com](https://www.zeeman.com)





# Being *zuinig* is appreciated.

## Consumers are becoming ever more conscious.

The Brand & Society Monitor (continuation of *Dossier Duurzaam*) is a collaboration of B-open and [Market Response](#). They conduct annual market research among consumers on the importance of sustainability. In 2022, 56% of consumers paid attention to societal impact when buying clothing. In 2017, this figure stood at 45%. Government and businesses carry the most responsibility for a better world, consumers feel in 2022. Some 49% of consumers have stopped buying products from companies that don't take the environment or human or animal welfare issues seriously. Consumers pay attention to various themes, such as the environment, local production, and animal welfare. 76% of consumers believe companies should make a positive contribution to the environment and the welfare of people and animals. In 2017,

this figure was 69%. In this time of high inflation, consumers indicate they are less willing to pay extra for sustainable products, dropping from 42% to 35%. In addition, 73% say they buy fewer things they don't really need. Consumers also became more packaging-conscious this year. 73% of consumers are more likely to buy products with less plastic packaging.

## The lowest possible price.

At Zeeman we have the lowest possible prices every day. As such, again in 2022, we did not go along with the familiar discount promotions on major shopping days like 'Black Friday'. We actually made use of that opportunity to make our position clear, using the store poster pictured to the left.

We are further committed to the EDLP proposition: every day low prices, i.e. few markdowns. At Zeeman, a clearance sale is not a ploy to bring in customers. It is a genuine necessity to deal with remainders. We made this clear to our customers through special communication.

## The result in sales.

Zeeman recorded sales growth of over 20% in 2022, slightly outperforming the overall fashion market (+14%, source: INretail). This growth was achieved both online and in stores. Online stood out in particular, as the market saw a contraction (-16%, source: INretail). After the lockdowns in 2021 and the first few weeks of 2022, store visits recovered, customers came back to the store more often, and the share of total clothes sales online decreased compared to the years 2020 and 2021. Growth was achieved within men's, women's, and children's fashion. The number of units sold also increased, but not as much as sales. A major development in 2022 was

high inflation. Production costs rose sharply due to higher raw-material prices, higher transportation costs, and higher energy prices. After several years with fairly stable prices, these costs also led to higher selling prices, especially in the 2nd half of the year (+10%, source: INretail).

## Sustainable Brand Index.

The Sustainable Brand Index measures consumers' perceptions of brands and retailers in terms of sustainability. The most sustainable brand of 2022 was The Vegetarian Butcher. Zeeman ranks 107th out of a total of 202 companies (2021: 84th). 11,000 consumers participated in the panel. The purpose of the Sustainable Brand Index is to visualize the value of sustainable branding and increase knowledge about sustainability within branding and communications.

## Customer satisfaction.

In order to measure customer satisfaction in 2022, just like in previous years, customers were given cards with a web address for a survey at the checkouts. This enabled customers to report their experience at our store immediately following their visit. As of 31 December 2022, the average score across the Netherlands was 8.61 (measured from 1 Jan 2022). This is again a slight increase from the previous year, when the average satisfaction score was 8.57. The NPS score rose in 2022 from 59.0 to 61.6 and the NLS score from 68.6 to 70.5.



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## Economic Aspects.

This CSR report is an annual publication and describes the strategy, policies, goals, activities, and results of Zeeman Groep B.V. and its subsidiaries in the field of corporate social responsibility. Zeeman comprises the following subsidiary companies: ZEEMAN textielSupers B.V., Alphen aan den Rijn, The Netherlands (100%) ZEEMAN textielSupers N.V., Merksem, Belgium (100%) ZEEMAN textielSupers GmbH, Cleves, Germany (100%) G+W Wahler der Modemarkt GmbH, Cleves, Germany (100%) ZEEMAN textielSupers SARL, Paris, France (100%) ZEEMAN textielSupers SARL, Esch-sur-Alzette, Luxembourg (100%) ZEEMAN textielSupers, SLU, Barcelona, Spain (100%) ZEEMAN textielSupers, UNIPESSEAL LDA, Lisbon, Portugal (100%) ZEEMAN textielSupers GmbH, Vienna, Austria (100%) Profitex Import Export Company Ltd, Hong Kong (100%) Romanee Ltd, Hong Kong (100%)

Zeeman Groep B.V. and its subsidiaries operate based on a financial year that is concurrent with the calendar year. This CSR report also reports on calendar year 2022. Zeeman Groep B.V.'s consolidated annual accounts have been filed with the Chamber of Commerce through the financial year 2021. The scope of the CSR report is similar to that of the financial consolidation in the financial statements.

## Governance in the Netherlands.

Zeeman is managed by the management team (of seven people). Erik-Jan Mares - CEO (1968), John Morssink - CFO (1966), René de Lege - Director of Sales, Construction, and Real Estate (1966), Erica Roolvink - Director of Buying (1968), Suzanne Terpstra - Director of HRM (1972), Caroline van Turennot - Director of Marketing & e-Commerce (1969), and Bas Hoekstra - Director of Supply Chain & Logistics (1978). As of the end of 2022, the Supervisory Board consists of Mr. B. Roetert, Mr. P. Saman, Mr. I.J.S. Vliegen, and Ms. C. Scholman. Two committees exist within the supervisory board: the audit committee and the remuneration committee. With this group of people, Zeeman's board of directors consists of 42% women. The legal target is 30% women on board seats. At 25%, this is not the case on the Supervisory Board. We will give due consideration to the statutory target in a subsequent appointment.

### Transparency.

Zeeman's management wants to be transparent about its CSR policy. We believe it is important that customers, shareholders, consumers, politicians, employees, and other stakeholders have a clear understanding of the CSR policy we pursue. That openness provides the opportunity for stakeholders to track our CSR performance, and to make an informed judgment of how we are doing as an organization. This is also the reason why our accountants, PwC, perform an assurance assignment with a limited level of assurance, as can be read in the assurance report of the independent auditor on page 78.

## Organizational chart of the Supervisory Board.

	<b>Mr. Bert Roetert</b> (1956) Chairman	<b>Mr. Pieter Saman</b> (1977) Supervisory Director	<b>Mr. Ivo J.S. Vliegen</b> (1963) Supervisory Director	<b>Ms. Corrie Scholman</b> (1968) Supervisory Director
Current positions	Member of audit committee, member of Zeeman Group SBR Committee, chair of Zeeman Supervisory Board	CEO of Gall & Gall, Ahold Delhaize.	Group CFO of QSRP.	Director of People at Heineken Group.
1st appointment – end of term	31 May 2018 – 21 May 2022 2nd appointment: 21 May 2022 – 21 May 2026	1 Sep 2019 – 31 Aug 2023	27 May 2021 – 26 May 2025	16 Dec 2021 – 16 Dec 2025
Additional positions	Chair of Centraal Bureau Levensmiddelen (Central Food Bureau), director at Afvalfonds (Waste Fund), member of Alliander supervisory board, member of Royal Smilde supervisory board, chair of Jan Linders Supermarkten supervisory board.	N/A	N/A	Member of Supervisory Council of Hotel De L'Europe Amsterdam.
Relevant work experience	Chairman of the Board of Friesland Foods Western Europe, CEO of Schuitema NV/1000, and various supervisory directorships at FMCG.	Strategic consultant, co-founder of 3 startups, Marketing & Omnichannel director and later CEO at Bever, director at AS Adventure Group.	CFO of HEMA BV, CFO of Fast Retailing Europe, CFO of Mexx	HR Director of UMC; chair of HR directors at 8 teaching hospitals, Supervisory Board of Zozijn, Supervisory Board of academic transfer, Supervisory Board of Partou.

## Corporate structure.

Zeeman's corporate structure includes the Shareholders, the Supervisory Board (SB), the Audit Committee, the Remuneration Committee, the Digicom, the statutory directors (CEO and CFO), the management team, the department managers, and the operational staff.

**The Annual General Meeting (AGM)** provides strategic direction for the company by making the following decisions, among others:

- Appoint members of the SB and statutory directors.
- Discharge of the SB and statutory management.
- Appoint accountant.
- Adopt financial statements.
- Determine dividend allocation.
- Approve strategy, budget, and annual plans.

The role of the Supervisory **Board (SB)** is to supervise the policies of the management and the general affairs of the company and assist the management with advice.

In 2022, the SB consisted of one woman and three men, namely Bert Roetert (chairman), Ivo Vliegen, Corrie Scholman, and Pieter Saman. All four are independent of Zeeman and independent of the MT. Each member is appointed for a four-year term with an option to renew for another four years. SB members are nominated and appointed by the shareholder at an AGM. The SB meets five times a year for a meeting.

Pursuant to the provisions of article 14, paragraph 7 of the Zeeman Group's articles of association, the remuneration and further terms of appointment of each director are determined by the AGM in consultation with the SB. In this regard, the SB has established a **Remuneration Committee** (hereafter referred to as "Remunco"). The Remunco has four members:

- The chair of the Remunco is Corrie Scholman. Member of the SB.
- Bert Roetert, the chairman of the SB.

- Erik-Jan Mares, CEO of the Zeeman Group and statutory director of the Zeeman Group.
- John Morssink, CFO of the Zeeman Group and statutory director of the Zeeman Group.

Zeeman's directors (both statutory and titular) have an employment package specifically established for this group.

### Fixed annual salary.

In 2019, the salary of the directors was set based on a benchmark conducted by Korn Ferry on behalf of the SB. Since then, indexation has been granted annually at the discretion of the Remunco. The salary increase takes effect on 1 January.

### Bonus.

For directors, at least 25% of the bonus to be achieved is linked to people & planet business targets. The Remunco determines the extent to which the objectives were ultimately achieved and — based on this — determines the bonus each year.

### Retirement.

Board members participate in the pension plans that apply to every employee working at Zeeman in the Netherlands:

- Retail Industry Pension Fund pension plan (average-pay plan) for employees earning no more than the UWW wage;
- The excess pension plan for employees who earn more than the maximum UWW wage up to the tax maximum wage for pension accrual. This plan is insured with Aegon Cappital (defined-contribution plan).

In addition, board members are entitled to a gross reimbursement of the employer's portion of the available premium (in accordance with the graduated scale applicable to the

excess pension plan) in excess of the tax maximum. This is to compensate for the fact that no pension accrual is possible on that portion of the salary.

The main duties of the **Audit Committee** are to monitor the quality and execution of the company's financial disclosures. And to monitor how internal controls are designed, including in relation to internal checks and external audits.

This makes the audit committee an important part of the reporting process within the company. On behalf of the SB, the audit committee oversees the operation of the financial column and advises the SB on financial-economic issues. The audit committee is the interlocutor with the accountants on behalf of the SB. The accountants report annually to the SB and AGM on the financial statements and internal controls under the supervision of the audit committee.

In 2022, the audit committee consisted of Bert Roetert and Ivo Vliegen. They meet twice a year, discussing, among other things, the accountant's report, the financial report, and the risk analysis. On behalf of the MT, the CEO and CFO participate in these meetings.

The **Digicom** has no formal role within the company, but is the body that discusses commercial issues, market dynamics, and innovation directions. The SB delegation in 2022 consisted of two people: Pieter Saman and Bert Roetert. Participating on behalf of the MT are the CEO, the CFO, the Director of Marketing & e-Commerce, and the Director of Sales.

The **statutory directors** are nominated and appointed jointly by the SB and the shareholder. The other directors who make up the MT are nominated and appointed by the statutory directors following consultation with the SB.

The following **criteria** apply to the appointment of SB members, statutory directors, and titular directors alike:

- Relevant experience
- Job-related competencies
- Independence
- Diversity
- Fitting in with the culture at Zeeman

#### **Reporting information processes.**

Results are reported to the management team, Supervisory Board, shareholder, and banks on a monthly basis. Reporting consists of the P&L account, balance sheet, cash flow, and a number of key KPIs. There is a structure of stakeholder consultation where performance is discussed using a summary presentation. Sales are tracked daily and there is a weekly operational meeting where the previous week is discussed based on an overview of KPIs.

Reporting is prepared through collaboration between Administration, Group Control, Business Controllers, and the Data Competence Center. Group Control and Administration maintain internal controls to check for accuracy. The Data Competence Center manages most of the master data. Business controllers discuss performance with departments, perform analyses, and provide statements.

#### **Reward ratio.**

Zeeman is a retailer in the discount segment, with more than 1,300 stores in 7 countries. The group is managed centrally from the Service Office in the Netherlands.

All functions are carried out from this office, namely central management responsible for setting group policy and strategy, Buying, Supply Chain, e-Commerce, Marketing & Communications, Real Estate and Maintenance, Human Resources, ICT, Finance, and Administration. In countries outside the Netherlands, Zeeman employs only store personnel, sales management, and a limited number of support staff.

Overall, Zeeman employed an average of 6,575 FTEs during 2022. This includes interns in addition to permanent staff. Temporary and assignment workers are not included here.

The average number of employees consists of the following employee categories:

• Sales associates	5,808.8
• Service Office	426.7
• Warehouse	205.5
• Shipping	127.0
• Management	7.0

Given the international nature and size of the company, it is very important for the central management to possess a wide arsenal of competencies. In addition, the statutory directors are severally liable in all countries where Zeeman operates. The ratio of the gross salary of the highest paid employee (CEO) to the average gross salary within the company in 2022 was 23.71. This puts Zeeman well below the average of 40 as it is currently in the Netherlands (for publicly traded companies).



## Operating strategy and sustainability policy.

The MT is responsible for designing and recalibrating (1) the company's strategy, (2) the company's purpose, mission, and ambition, and (3) the sustainability policy and associated plans. The above is further developed with department managers and specialists from the organization. Items (1) and (2) pass review at five-year intervals; item (3) takes place on an annual basis. During the process, the SB is involved in the progress at appropriate times, and formal approval takes place at the relevant financial year's AGM. Each year, progress and any adjustments are discussed based on a strategic agenda. This is done at regular SB meetings and at the AGM.

Due diligence and the other processes to identify and manage the organization's environmental impact follow the same process.

The way responsibility is delegated to manage the above is as follows. Monitoring takes place during biweekly MT meetings, CSR steering-committee meetings (held twice a year), and during performance reviews that take place for each discipline at the director level. In addition, the CSR department is active on a daily basis and there are regular 1-on-1 meetings with both the Director of Buying & CSR and the CEO (at least monthly).

### **Awareness within our own organization.**

The newly developed Two-Way Code of Conduct applies to Zeeman's suppliers as well as its own staff. An important step for our internal organization is that we have started a campaign on this topic. The goal is to make our employees aware of how we want to do business responsibly at Zeeman. It also clearly describes what we mean by bribery and corruption, in order to prevent, e.g., conflicts of interest between suppliers and buyers, at all times. This year we will also see if we can roll out this Code more broadly to everyone who does business with Zeeman. By adding a CSR Specialist and Quality Specialist to our CSR team, it has become possible to support the awareness process even better by providing both solicited and unsolicited advice and encouragement.

### **Encouraging sustainable development.**

There are ongoing developments in reporting requirements for the CSR & Quality Department. Zeeman is discussing this with the accountant, PwC. Advice is also sought from other experts to know what possible additional steps need to be taken for the current financial year and as we head towards 2025, when major changes are to be implemented. Going forward, Group Control employees will be continuously trained to be up to date on the latest regulations.

### **Preventing conflicts of interest.**

The HRM, Group Control, Administration, CSR & Quality departments and the management team play a role in creating a working environment and internal regulations that prevent conflicts of interest. The HRM department manages policies and provides communication toward employees on how Zeeman wants to operate as a company. Within Group Control, there is a Legal Counsel & Compliance Officer who checks legal contracts and compliance matters. The Administration administers the Bill of Authority, which just indicates who is authorized to approve what in which contexts. The four-eye principle always applies here, and changes can only be made with the approval of the CFO. The CSR & Quality Department oversees the buying of products and whether responsible practices are followed throughout the supply chain. This is stipulated in the Two-Way Code of Conduct signed by the suppliers and Zeeman. In 2022, a financial review was carried out with respect to Zeeman's agents who have an essential coordinating role.

# Overview of memberships.

## Better Cotton.

To improve cotton farming worldwide, Zeeman has been a proud member of Better Cotton (BC) since 2015. Better Cotton is a partnership between development organizations, environmental organizations, and businesses, among others. Better Cotton's mission is to support the cotton sector and help it survive, while protecting and restoring the environment. For example, Better Cotton trains cotton farmers to use water efficiently, care for the soil, and reduce the use of the most harmful pesticides.

Better Cotton is not directly traceable to the final product. This is due to the Mass Balance system.

## Fair Wear Foundation.

The Fair Wear Foundation is a multi-stakeholder initiative with 130 members and a broad support base consisting of parties such as INretail, Modint, CNV International, Mondiaal FNV, and Clean Clothes Campaign (*Schone Kleren Campagne*). As an NGO, the Fair Wear Foundation has been working for many years to promote good working conditions in the clothing industry, in the countries where production takes place. Zeeman has been a member of Fair Wear since 1 October 2019.

## INretail.

INretail is an association with a board and council of members that represents the interests of entrepreneurs in the non-food retail sector. On the board, Albert van Bolderen (Zeeman ex-CFO) currently occupies the position of Treasurer. Zeeman is a member of the association.

## International Accord for Health and Safety in the Textile and Garment Industry.

This is a legally binding agreement between 190 clothing brands and global unions with the mission of ensuring safer workplaces in the textile and garment industry. Zeeman has signed this agreement.

## Modint.

Modint is the trade association of the clothing and textile sector of which Zeeman is a member.

## **Next Generation Agreement.**

The Next Generation Agreement is a negotiation between Dutch business, industry associations, unions, and NGOs on a follow-up to the Agreement on Sustainable Garments and Textiles (*Convenant Duurzame Kleding en Textiel*, CKT) which expired at the end of 2021. The parties are discussing whether to continue the agreement into the Next Generation Agreement (NGA).

## Pakistan Accord.

The Pakistan Accord is a legally binding agreement between global trade unions IndustriALL and UNI Global Union and clothing brands and retailers for an initial three-year term starting in 2023. Zeeman signed this agreement on 24 January 2023.

## Stichting Anton Dreesmann.

Chair of Retail Marketing (*Leerstoel voor Retailmarketing*) is a university knowledge platform for the Dutch retail sector.

## Transparency pledge.

The Transparency Pledge is an initiative of, among others, the Clean Clothes Campaign (*Schone Kleren Campagne*, SKC) and workers' and human-rights organizations. By committing to the Transparency Pledge, a company promises to be transparent about production by making production sites public and sharing relevant additional information. Zeeman signed the Transparency Pledge in 2019.

# About this report.

## About this report.

The report was prepared in accordance with the Global Reporting Initiative's Global Sustainability Reporting Standards (GRI Standards). Our 2022 CSR report covers the calendar year 2022 and runs from 1 January 2022 to 1 January 2023. This is equivalent to the financial year. The previous CSR report was published in May 2022. This 2022 CSR report was published in May 2023. In case of any questions about this report or the information contained in it, please get in touch with us via [csr@zeeman.com](mailto:csr@zeeman.com).

## Information gathering.

The information in the 2022 CSR report was gathered by a team of people within Zeeman. Depending on the type of information, employees from Buying, Sales, Supply Chain & Logistics, HR, and Marketing & e-Commerce are involved in the data collection. Data collection is mostly manual, based on existing operational and financial systems. The CSR Steering Committee, in particular the CSR & Quality Manager in cooperation with Controlling, gathers the information. Estimates are made where necessary. Third-party information is also used. Where relevant to the reader, we have clarified this in the report.

## Scope.

The CSR report covers the period from 1 January 2022 through 31 December 2022. This also applies to the KPIs and data points, unless otherwise indicated. The scope of the report is Zeeman Groep B.V., established in Alphen aan den Rijn. We apply the principle of financial control here, so all Zeeman stores across Europe and our office and distribution center are within scope unless otherwise stated in this report. For indicators and data points, a distinction is sometimes made when it comes to South and East Asia and Turkey. This includes the countries of Turkey, Pakistan, Bangladesh, China, and India. We make this distinction because these are

the countries we work with directly. We buy about 20% of our products through European suppliers. Where KPIs specifically concern South and East Asia and Turkey, this is mentioned in our reporting. European suppliers, in turn, often place our orders with suppliers in South and East Asia with whom we have no direct relationship. As such, these are not covered by most indicators. However, we are getting a better handle on this by asking for information regarding audit reports from manufacturers and sites deeper in the chain.

## Definitions of KPIs.

Based on our materiality analysis, we have determined the most relevant targets and themes to report on. In accordance with the GRI Standards, we have linked one or more key performance indicators (KPIs) to each material theme. We have summarized the definitions of the KPIs below. For your information, other data points are also listed in the Indicator overview appendix. Changes in definitions are listed — where relevant and/or material — in footnotes. The measurement date of the KPIs below is 31 December of the relevant financial year.

## % of South and East Asian and Turkish suppliers where independent supplier audits have been carried out.

The number of suppliers in South and East Asia and Turkey (from which Zeeman has bought products in the relevant financial year), where an independent supplier audit has been carried out in the past 3 years. An independent supplier audit is an audit conducted by a body independent from both the supplier and Zeeman. Zeeman accepts the following auditors for this purpose, among others: BSCI, Sedex, SA8000, Fair Wear, and TÜV SÜD. The audit must have been completed no later than 31 December of the relevant financial year or in the two years prior to the year in question. This KPI does not apply to European importers.

## Score in Fair Wear Foundation Brand Performance Check.

We work with Fair Wear to conduct audits in our manufacturing countries. In addition, Fair Wear also visits Zeeman every year for a detailed inspection. The Brand Performance Check (BPC) takes a detailed look at our approach to buying practices, supplier management, and topics such as male-female equality and union freedom, among others. The BPC considers the previous year's activities and assigns a score to various elements of performance.

## % complaints reported through the Fair Wear complaint mechanism that were resolved.

% is based on complaints received and resolved in the same year through Fair Wear's complaint mechanism. In every factory that manufactures textile products for Zeeman, there is a poster displaying Fair Wear's complaint mechanism. Additionally, all employees have received the poster in a smaller format to easily take home. It clearly states the phone number through which any employee can submit anonymous reports. For each complaint, cooperation is sought with Fair Wear, the worker, and any local stakeholders. A complaint is resolved when the employee indicates satisfaction and the complaint has the "resolved" status in Fair Wear's online platform. This KPI applies only to textile suppliers in South and East Asia and Turkey and does not apply to European importers.

**% cotton out of our total cotton consumption where sub-suppliers are known (so that the origin can be traced).**

% of the number of kg of cotton (both sustainable and conventional), whose origin must be 100% traceable. Traceable means that the cotton ginner, cotton spinner, and cotton planter are all known. Origin is established with a Better Cotton Claim Unit (BCCU) through the Better Cotton platform, GOTS certification, or other certifications. Every cotton order delivered in the relevant financial year counts. This KPI applies to European importers.

**% of purchase value from the 50 largest South and East Asian and Turkish suppliers.**

% of Zeeman's purchase value from the 50 largest South and East Asian and Turkish suppliers set against Zeeman's total purchase value in the relevant calendar year. The purchase value is measured when the order is placed. This KPI does not apply to European importers.

**% of the 50 largest South and East Asian and Turkish suppliers with whom we have been working for 5 years or more.**

% of suppliers that — based on purchase value — have been among the 50 largest suppliers where orders have been placed for 5 years or more. The purchase value is measured when the order is placed. Collaboration means: receiving products in a calendar year that is 5 or more than 5 years ago *and* in each consecutive calendar year. This KPI does not apply to European importers.

**% of total purchase value at textile suppliers in South and East Asia and Turkey where we fund living wages for our share of production.**

% purchase value at suppliers where we fund living wages — relative to total purchase value in the relevant financial year. The purchase value is measured when the order is placed. Living-wage funding involves closing the gap between the minimum wage and the living wage (or a step in this direction) for our share of production. The KPI focuses only on textile

suppliers in South and East Asia and Turkey and does not apply to European importers.

**% suppliers in South and East Asia and Turkey using at least one wet processing unit with a water treatment system (ETP, effluent treatment plant).**

% of Zeeman's purchase value from textile suppliers in South and East Asia and Turkey who have the wet processes for Zeeman products carried out by at least one dyehouse, laundry, or printer that has a water treatment system. The purchase value is measured when the order is placed. The quality of the water treatment system must meet the requirements set by Zeeman. This KPI does not apply to European importers.

**% more-sustainable cotton relative to total cotton consumption.**

% Zeeman more-sustainable cotton consumption in kg relative to Zeeman's total cotton consumption in South and East Asia and Turkey and at European importers. More-sustainable cotton includes: certified recycled cotton from leftover production (pre-consumer waste), cotton sourced through Better Cotton, and GOTS-certified cotton. This KPI applies to European importers.

**% total more-sustainable materials in clothing and textiles relative to total consumption.**

% Zeeman more-sustainable materials in kg measured relative to total materials used in clothing and textiles for Zeeman products by South and East Asian, Turkish, and European suppliers. This applies to clothing and textile orders placed by Zeeman during the relevant financial year. Sustainable certified materials are: recycled cotton from leftover production (pre-consumer waste), cotton bought via Better Cotton, GOTS-certified cotton, recycled polyester, ecovero viscose, Liva Eco viscose, Lenzing viscose, jute, and second-hand clothing bought by Zeeman from Het Goed. This KPI applies to European importers.

**% recycled materials relative to total consumption.**

% recycled materials in kg used for Zeeman clothing and

textile products produced by South and East Asia, Turkey, and European suppliers. Recycled materials are: certified recycled cotton from leftover production (pre-consumer waste), recycled polyester which is demonstrably certified, and clothing reused by Zeeman (second-hand clothing bought by Zeeman from Het Goed). This KPI applies to European importers.

**% recycled waste.**

% waste in kg that is recycled relative to the total weight of waste offered to waste processors and recyclers by Zeeman during the reporting period. Waste consists of products, packaging, secondary packaging, and residual waste. Waste is recycled when it is processed by a waste disposal company and able to be reused.

**Waste for disposal (kg).**

This is the total weight of waste excluding primary and secondary packaging offered to waste processors and recyclers during the reporting period. This concerns the sum of residual waste, metal, chemical waste, archives, electrical appliances, and textiles.

**% occupational accident rate.**

The occupational accident rate is calculated by plotting the number of recorded occupational accidents against the average number of FTEs during the reporting period. What we mean by an occupational accident is determined by the laws and regulations of the various countries in which Zeeman operates. The measurement date is 31 December of the relevant financial year.

# Assurance report with limited assurance from the independent auditor.

To: the management of Zeeman Groep B.V.



## Assurance report regarding the 2022 social-responsibility report

### Our conclusion

Based on the review activities we have carried out, we have no reason to believe that the 2022 social-responsibility report of Zeeman Groep B.V. does not provide, in all material respects, a reliable and adequate representation of:

- Policies and operations as they relate to corporate social responsibility; and
- The events and performance in this field in the year ending 31 December 2022;

in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the additional reporting criteria as clarified in the “Reporting criteria” section.

### What we have reviewed

We have reviewed the social-responsibility report for the year ending on 31 December 2022 (hereafter referred to as: the CSR information). The aim of a review is to obtain limited assurance.

### The basis of our conclusion

We have carried out our assessment in accordance with Dutch law, which includes Standard 3810N, ‘Assurance-opdrachten inzake maatschappelijke verslagen’ (*Assurance assignments relating to social-responsibility reports*). Our responsibilities in respect of the above are described in the section “Our responsibilities in reviewing the social-responsibility report”.

It is our opinion that the assurance information we have obtained provides a sufficient and appropriate basis for our conclusion.

### Independence and quality control

As required by the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)’ (*Regulation regarding the independence of accountants performing assurance assignments*), we are independent from Zeeman Groep B.V. In addition, we have complied with the ‘Verordening gedrags- en beroepsregels accountants (VGBA)’ (*Regulation on professional rules of conduct for accountants*).

PwC applies the ‘Nadere voorschriften kwaliteitssystemen (NVKS)’ (*Further requirements for quality systems*). Following from the aforementioned, PwC possesses a cohesive framework for quality control including defined guidelines and procedures to ensure compliance with ethical requirements, professional standards, and other relevant legislation and regulations.

### Reporting criteria

The reporting criteria used for the preparation of the social-responsibility report are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the additional reporting criteria used as explained in the section “About this report” in the social-responsibility report.

The absence of established practices for review and measurement of CSR information means there is a range of different, accepted measurement techniques that may be applied. This may impact comparability between different entities and over time.

Therefore, the social-responsibility report should be read and understood alongside the reporting criteria used.

### Limitations in the scope of our review

The social-responsibility report contains forward-looking information, such as expectations regarding ambitions, strategies, plans, estimates, and risk assessments. A factor inherent to this forward-looking information is that the actual future outcomes are uncertain and likely to deviate from these expectations. The resulting deviations may be of material importance. We provide no assurance regarding the assumptions and the feasibility of future aims.

The social-responsibility report makes reference to external sources or websites. The information in these external sources or websites does not form part of the social-responsibility report which we have reviewed. We therefore provide no assurance regarding such information.

Our conclusion has not been modified as a result of these matters.

### Responsibilities for the social-responsibility report and the review

#### Responsibilities of the management and supervisory board for the social-responsibility report

The management of Zeeman Groep B.V. is responsible for preparing reliable and adequate CSR information in accordance with the reporting criteria as explained in the “Reporting criteria” section, including selecting the reporting criteria, identifying stakeholders, and determining material topics. The management is also responsible for selecting and applying these reporting criteria and for determining that these reporting criteria are adequate for the legitimate information needs of stakeholders, taking into account applicable laws and regulations related to reporting. The decisions made by the management with respect to the scope of the CSR information and the reporting policy are set out in the section “About this report” of the social-responsibility report.

The management is also responsible for ensuring that the internal control processes are in place that it deems necessary to enable composition of the CSR information without any deviations of material relevance resulting from fraud or errors.

The Supervisory Board is responsible for supervising the entity’s reporting process with regard to the CSR information.

#### Our responsibilities in reviewing the social-responsibility report

It is our responsibility to plan and execute the review assignment such that we obtain sufficient and appropriate assurance information to substantiate the conclusion we provide.

Our assignment is to obtain limited assurance to determine the plausibility of the CSR information. The work carried out in this context varies in nature and timing, and is also smaller in scope than that involved in an assurance engagement aimed at obtaining reasonable assurance. Therefore, the level of assurance obtained from an assurance engagement aimed at obtaining limited assurance is also significantly lower than the assurance obtained from an assurance engagement aimed at obtaining reasonable assurance.



### Activities performed

We have performed this review in a professional and critical manner, and, where relevant, we have applied professional assessment practices in accordance with Dutch Standard 3810N, ethical requirements, as well as the independence requirements. Our activities included the following:

- Performing an analysis of the external environment and gathering insight into the relevant social themes and issues as well as the characteristics of the entity.
  - Evaluating the suitability of the reporting criteria used, their consistent application, and the explanations given for these in the CSR information. This includes evaluating the results of the stakeholder dialogue and evaluating the reasonableness of management estimates.
  - Through intelligence gathering, gaining an outline understanding of the internal control measures, reporting processes, and information systems relevant to the preparation of the CSR information, not for the purpose of obtaining assurance information on the existence or testing of the operational effectiveness of the internal control measures.
  - Identifying areas in the CSR information with a higher risk of misleading or unbalanced information or material misstatements as a result of fraud or errors. The determination and execution of further work is focused on determining the plausibility of the CSR information in response to our risk assessment.
- These further activities included the following:
    - Conducting interviews with management (and/or relevant employees) at the group level responsible for the (CSR) strategy and policy and performance.
    - Conducting interviews with relevant employees responsible for supplying information for, performing internal checks on, and consolidation of data in the CSR information.
    - Obtaining assurance information showing that the CSR information is consistent with the underlying accounting records of the entity.
    - Reviewing relevant internal and external documentation on the basis of limited observations.
    - Analytical evaluation of data and trends provided for consolidation at the group level.
  - Evaluating the consistency of the CSR information with the other information in the social-responsibility report which falls outside the scope of our review.
  - Evaluating the overall presentation and content of the CSR information.
  - Considering whether the CSR information as a whole, including explanations contained within it, reflects the purpose of the reporting criteria used.

Among other things, we communicate with the supervisory board about the planned scope and timing of the review and the significant findings arising from our review.

Rotterdam, 17 May 2023  
PricewaterhouseCoopers Accountants N.V.

M.G. Bergers RA  
Partner

# GRI content index.

<b>Statement of use</b>	Zeeman textielSupers B.V. has reported in accordance with the GRI Standards for the period 1 January 2022 - 31 December 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	Not currently available

Disclosure		Page in 2022 CSR report	Notes and Omissions
<b>GRI 2: General Disclosures 2021</b>			
2-1	Organizational details	5-6	
2-2	Entities included in the organization's sustainability reporting	71	
2-3	Reporting period, frequency, and contact point	76	
2-4	Restatements of information	88	
2-5	External assurance	78	
2-6	Activities, value chain, and other business relationships	5-6	
2-7	Employees	5, 84-86	
2-8	Workers who are not employees		At the moment, we do not register which externals work for us on a monthly basis. We will report on this for 2023.
2-9	Governance structure and composition	72-73	
2-10	Nomination and selection of the highest governance body	72-73	
2-11	Chair of the highest governance body	72-73	
2-12	Role of the highest governance body in overseeing the management of impacts	74	
2-13	Delegation of responsibility for managing impacts	74	
2-14	Role of the highest governance body in sustainability reporting	74	
2-15	Conflicts of interest	74	
2-16	Communication of critical concerns	38	
2-17	Collective knowledge of the highest governance body	74	
2-18	Evaluation of the performance of the highest governance body	74	
2-19	Remuneration policies	72-73	
2-20	Process to determine remuneration	72-73	
2-21	Annual total compensation ratio	73	
2-22	Statement on sustainable development strategy	3, 8	

Disclosure		Page in 2022 CSR report	Notes and Omissions
2-23	Policy commitments	9	
2-24	Embedding policy commitments	9, 21, 32-35, 53-55, 74	
2-25	Processes to remediate negative impacts	22, 23, 54-55	
2-26	Mechanisms for seeking advice and raising concerns	22, 23, 38	
2-27	Compliance with laws and regulations	38	
2-28	Membership of associations	75	
2-29	Approach to stakeholder engagement	13, 14, 22, 29	
2-30	Collective bargaining agreements	38, 85	

### GRI 3: Material Topics 2021

3-1	Process to determine material topics	13-17	
3-2	List of material topics	15	

### Topics standards

#### GRI 3: Materials 2016

3-3	Management of material topics	47-52	
301-1	Materials used by weight or volume	87	Volume for garments and textile. Non-textile products are not included. We have set a target to report on this for 2024.
301-2	Recycled input materials used	50, 87	
301-3	Reclaimed products and their packaging materials	58, 87	We will report on this indicator for 2023 as 2022 data is not available. We do report on how many reclaimed products are sold in our stores through Resale.
Zeeman Indicator		48, 87	% total sustainable materials in relation to total consumption.
		51, 87	% sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption.
		51, 87	% recycled materials in relation to total consumption.

#### GRI 303: Water and Effluents 2018

3-3	Management of material topics	41-46	Partial omission for this GRI topic standard. Data unavailable for disclosure 303-1, 303-3, 303-4, and 303-5. (Not a material topic)
303-2	Management of water discharge-related impacts	17, 42-44	
Zeeman Indicator		43, 87	Number of manufacturers in South and East Asia and Turkey using at least one wet processing unit with a water treatment system (ETP, effluent treatment plant).

#### GRI 305: Emissions 2016

3-3	Management of material topics	42-46	
305-1	Direct (Scope 1) GHG emissions	86	
305-2	Energy indirect (Scope 2) GHG emissions	87	
305-3	Other indirect (Scope 3) GHG emissions	87	

Disclosure		Page in 2022 CSR report	Notes and Omissions
305-4	GHG emissions intensity		Information unavailable for 2022. We will conduct a baseline study in 2023.
305-5	Reduction of GHG emissions		We report electricity intensity for our stores, and will set emissions reduction goals in 2023 while we first conduct a CO <sub>2</sub> impact baseline study for our company.
GRI 306: Waste 2020			
3-3	Management of material topics	60	
306-1	Waste generation and significant waste-related impacts	44, 49, 52, 58	
306-2	Management of significant waste-related impacts	44, 58, 60	
306-3	Waste generated	86	
306-4	Waste diverted from disposal	48, 87	We report on the use of raw materials with recycled content (post-consumer waste). For comparability reasons, we report our reuse and recycling of waste in percent and not by weight or volume.
306-5	Waste directed to disposal	86	
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	42-46	
308-1	New suppliers that were screened using environmental criteria		Information incomplete. We will report on this for 2023 through a new KPI.
308-2	Negative environmental impacts in the supply chain and actions taken		Information unavailable. We will conduct a baseline study on our negative environmental impacts in the supply chain for 2023.
Zeeman Indicator		87	% of purchase value from the 50 largest South and East Asia and Turkish suppliers.
		87	% of purchasing value with the 50 largest South and East Asia and Turkish suppliers with whom we have been working for 5 years or more.
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	20-24	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20-24	
403-9	Work-related injuries	86	The occupational accident ratio is expressed per number of FTE of Zeeman employees. No distinction is made between 'high-consequence work-related injuries' and 'recordable work-related injuries', because there is no policy in place that meets the GRI guideline.
Zeeman Indicator		21, 87	Score in Fair Wear Foundation Brand Performance Check.
		22-23	% handled complaints through Fair Wear complaints mechanism.
		29-30, 87	% of total buying volume from textile suppliers in South and East Asia and Turkey where we provide a living wage for our share in production.
GRI 408: Child Labor 2016			
3-3	Management of material topics	25-27	
408-1	Operations and suppliers at significant risk for incidents of child labor	26-27	
Zeeman Indicator		87	% cotton out of our total cotton consumption where suppliers are known (so that the origin can be traced).



Disclosure		Page in 2022 CSR report	Notes and Omissions
<i>GRI 409: Forced or Compulsory Labor 2016</i>			
3-3	Management of material topics	25-27	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	26-27	
<i>GRI 414: Supplier Social Assessment 2016</i>			
3-3	Management of material topics	22	
414-1	New suppliers that were screened using social criteria	87	
414-2	Negative social impacts in the supply chain and actions taken	22-24	
<i>GRI 416: Customer Health and Safety 2016</i>			
3-3	Management of material topics	61-62	
416-1	Assessment of the health and safety impacts of product and service categories	61-62	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	61-62	
Zeeman Indicator		61, 87	% samples taken in the reporting period with good results.
		62, 87	Number of products recalled from our stores.

## Indicator overview.

In 2022, the material themes identified during the stakeholder dialogue at the end of 2018 and in 2022 were followed up. Relevant KPIs have been determined for the eight most material themes on which we report. The following pages include other indicators and/or breakdowns to the extent relevant and/or required by the GRI Standards.

	2018	2019	2020	2021	2022		2018	2019	2020	2021	2022
<b>Our employees</b>											
<b>Total number of employees</b>	7,927	7,968	8,317	8,473	8,679	<b>Total number of interns</b>	4,010	3,603	2,468	2,312	2,575
Netherlands woman	3,110	3,072	3,340	3,026	3,051	Netherlands	1,307	1,149	850	765	813
Netherlands man	395	446	292	473	473	Belgium	759	831	668	853	800
Belgium woman	1,548	1,523	1,270	1,638	1,706	Germany	1,192	1,052	724	509	600
Belgium man	67	70	412	73	81	France	674	515	162	84	302
Germany woman	803	721	694	669	599	Luxembourg	31	14	8	5	8
Germany man	23	26	14	17	20	Spain	20	25	46	86	48
France woman	1,491	1,454	1,582	1,552	1,540	Austria	27	17	10	10	4
France man	189	182	89	164	163	<b>What is the total number of employees working full-time at the end of the reporting period?</b>					
Luxembourg woman	61	68	61	73	65	<b>Total number of employees</b>	2,411	2,394	2,552	2,601	2,690
Luxembourg man	3	3	6	2	3	Netherlands woman	413	377	387	397	410
Spain woman	181	325	520	650	830	Netherlands man	292	307	348	338	337
Spain man	36	65	30	130	142	Belgium woman	197	184	228	168	227
Austria woman	20	13	5	6	6	Belgium man	7	12	12	14	13
Austria man	-	-	2	-	-	Germany woman	438	374	351	335	295
<b>Average number of FTEs</b>						Germany man	20	17	17	13	15
Netherlands	6,019	6,067	6,247	6,479	6,575	France woman	797	821	850	907	883
Netherlands	2,430	2,373	2,453	2,434	2,376	France man	116	120	117	114	113
Belgium	1,251	1,231	1,234	1,270	1,308	Luxembourg woman	45	51	48	50	51
Germany	743	690	617	592	546	Luxembourg man	3	1	-	-	3
France	1,368	1,435	1,459	1,531	1,545	Spain woman	61	104	161	228	296
Luxembourg	62	66	64	65	63	Spain man	14	20	28	35	46
Spain	151	260	412	582	731	Austria woman	8	6	5	2	1
Austria	14	12	8	6	5	Austria man	-	-	-	-	-

	2018	2019	2020	2021	2022
<b>What is the total number of employees working part-time at the end of the reporting period?</b>					
<b>Total number of employees</b>	5,516	5,574	5,765	5,872	5,989
Netherlands woman	2,697	2,695	2,767	2,629	2,641
Netherlands man	103	139	130	135	136
Belgium woman	1,351	1,339	1,380	1,470	1,479
Belgium man	60	58	62	59	68
Germany woman	365	347	336	334	304
Germany man	3	9	4	4	5
France woman	694	633	642	645	657
France man	73	62	62	50	50
Luxembourg woman	16	17	19	23	14
Luxembourg man	-	2	-	2	-
Spain woman	120	221	285	422	534
Spain man	22	45	76	95	96
Austria woman	12	7	2	4	5
Austria man	-	-	-	-	-

**What is the total number of employees on fixed-term contracts at the end of the reporting period?**

<b>Total number of employees</b>	3,136	3,101	3,200	3,171	3,208
Netherlands woman	1,609	1,606	1,653	1,557	1,657
Netherlands man	151	188	209	194	206
Belgium woman	594	563	624	649	711
Belgium man	52	53	56	53	59
Germany woman	252	208	188	169	165
Germany man	14	16	10	5	10
France woman	364	298	310	319	304
France man	63	53	53	50	39
Luxembourg woman	22	28	26	30	19
Luxembourg man	3	3	-	2	3
Spain woman	10	71	53	115	29
Spain man	1	12	18	28	6
Austria woman	1	2	-	-	-
Austria man	-	-	-	-	-

**What is the total number of employees on permanent contracts at the end of the reporting period?**

<b>Total number of employees</b>	4,791	4,867	5,117	5,302	5,471
Netherlands woman	1,501	1,466	1,501	1,469	1,394
Netherlands man	244	258	269	279	267
Belgium woman	954	960	984	989	995
Belgium man	15	17	18	20	22
Germany woman	551	513	499	500	434
Germany man	9	10	11	12	10
France woman	1,127	1,156	1,182	1,233	1,236
France man	126	129	126	114	124
Luxembourg woman	39	40	41	43	46
Luxembourg man	-	-	-	-	-
Spain woman	171	254	393	535	801
Spain man	35	53	86	102	136
Austria woman	19	11	7	6	6
Austria man	-	-	-	-	-

% employees covered by a collective agreement	89.5	90.5	91.4	91.8	92.8
% employees with a disadvantage in the labor market	2.7	2.5	2.4	2.7	2.8
% men in management positions (excl. Store Managers) <sup>1</sup>	25.9	28.4	32.7	36.4	33.9
% women in management positions (excl. Store Managers) <sup>1</sup>	74.1	71.6	67.3	63.6	66.1

**Age structure**

% 24 years and below	32.9	31.4	31.4	30.0	28.9
% 25-34	31.5	30.2	29.0	27.8	26.9
% 35-44	20.8	22.3	22.8	24.3	24.6
% 45-54	10.1	11.0	11.6	12.2	13.6
% 55 years and above	4.7	5.1	5.3	5.7	6.1

	2018	2019	2020	2021	2022
<b>% sickness absence</b>	6.5	6.8	7.0	6.7	7.5
Netherlands	5.7	6.2	7.3	5.7	6.6
Belgium	5.9	6.1	6.0	7.0	7.3
Germany	7.2	8.6	7.4	7.2	9.4
France	8.1	8.2	7.5	8.0	8.6
Luxembourg	5.8	5.9	7.5	7.6	9.1
Spain	5.9	4.3	5.2	7.6	7.8
Austria	9.6	9.1	1.7	2.7	3.5
Occupational accident rate	2.4	2.5	2.3	2.5	2.6
Number of deadly accidents	0	0	0	0	0
Training days / FTE	1.04	0.93	0.66	0.60	1.10
<b>Transport <sup>3</sup></b>					
<b>Fuel consumption (liters / 100 km)</b>					
Trucks	26.04	25.00	21.90	22.64	22.85
Passenger cars	5.78	5.77	5.56	5.64	4.73
Sea-container load factor (m <sup>3</sup> )	62	62	75	79	81
% avg. CO <sub>2</sub> emissions per roll container, own and external transport (outbound) <sup>12</sup>	Unknown	11.16	12.43	12.29	12.06
<b>Packaging &amp; Waste</b>					
Industrial waste (kg)	712,987	701,256	592,532	628,422	749,306
of which hazardous substances	1.4%	0.2%	0.2%	0.5%	2.3%
Secondary packaging (kg)	4,802,330	4,766,060	4,364,320	4,614,900	4,599,860
Total weight of waste (kg)	5,515,004	5,467,316	4,956,852	5,243,322	5,349,166
% recycled	88	89	90	89	90
% waste incinerated with energy recovery	12	11	10	10	10
% waste incinerated	0	0	0	0	0
Primary packaging (kg) <sup>10</sup>	2,251,675	2,407,729	2,086,606	2,105,352	2,484,150

	2018	2019	2020	2021	2022
<b>Energy consumption <sup>4</sup></b>					
<b>Gas consumption (m<sup>3</sup>/m<sup>2</sup>)</b>					
Netherlands	14	12	11	11	10
Belgium	13	11	10	13	10
Germany	21	20	17	17	15
France <sup>6</sup>	25	Unknown	Unknown	9	11
Luxembourg	16	19	12	10	11
DC + service office	2	2	3	2	2
<b>Electricity consumption (kWh/ m<sup>2</sup>)</b>					
Netherlands	65	63	59	55	58
Belgium	53	53	45	54	54
Germany	73	69	62	54	59
France	100	72	68	73	77
Luxembourg	40	37	34	47	40
Spain	Unknown	Unknown	Unknown	Unknown	80
DC + service office	38	37	36	39	50
<b>CO<sub>2</sub> footprint (tons) <sup>4</sup></b>					
<b>Scope 1 (per m<sup>2</sup>) <sup>7</sup></b>	<b>29</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>18</b>
Gas – stores in the Netherlands	27	23	21	20	18
Gas – stores in Belgium	25	21	19	23	17
Gas – stores in Germany	39	37	32	31	27
Gas – stores in France <sup>6</sup>	47	Unknown	Unknown	17	20
Gas – stores in Luxembourg	30	36	23	17	19
Gas – DC + service office	5	4	5	4	3
Scope 1 / net revenue <sup>3, 7</sup>	8	7	6	5	6
Transport – trucks	7	6	5	5	6
Transport – passenger cars	1	1	1	0	-



	2018	2019	2020	2021	2022		2018	2019	2020	2021	2022
<b>Scope 2 (per m²) <sup>8</sup></b>	<b>21</b>	<b>20</b>	<b>15</b>	<b>16</b>	<b>18</b>	Materials used for clothing and textiles by weight.	Unknown	Unknown	Unknown	Unknown	21.060.079
Electricity – stores in the Netherlands	28	27	33	25	26	% of materials used of renewable origin.	Unknown	Unknown	Unknown	Unknown	68
Electricity – stores in Belgium	15	13	9	11	11	% cotton out of our total cotton consumption where sub-suppliers are known (so that the origin can be traced).	Unknown	Unknown	42	70	85
Electricity – stores in Germany	46	56	38	32	35	<sup>16, 17</sup>					
Electricity – stores in France	6	6	3	4	5	% purchase value produced at wet processing units using water treatment systems (ETP) in South and East Asia and Turkey.	Unknown	Unknown	80	95	99
Electricity – stores in Luxembourg	16	15	15	21	18	% of purchase value from the 50 largest South and East Asian and Turkish suppliers.	Unknown	72	70	72	74
Electricity – stores in Spain	Unknown	Unknown	Unknown	Unknown	23	% of purchase value with our 50 largest South and East Asian and Turkish suppliers with whom we have been working for 5 years or more.	Unknown	86	86	84	90
Electricity – DC + service office	9	16	20	18	23	% of spot checks passed in the reporting period. <sup>13</sup>	96	96	97	98	98
						Number of products removed from sale.	17	19	3	22	9
<b>Scope 3 / net revenue <sup>9</sup></b>	<b>33.31</b>	<b>35.69</b>	<b>23.72</b>	<b>15.40</b>	<b>17.58</b>						
Sea shipping <sup>11</sup>	11.90	15.52	8.53	4.01	3.96						
Airfreight	0.79	0.35	0.93	0.61	0.13						
Third-party road transport	3.40	1.97	0.38	0.27	0.10						
Inland waterways	0.45	0.38	0.46	0.43	0.05						
Air travel	0.47	1.56	0.11	0.02	0.25						
Packaging materials	13.75	13.29	11.83	9.64	12.81						
Paper	2.55	2.62	1.48	0.42	0.27						
<b>Buying</b>											
% suppliers in South and East Asia and Turkey audited by an independent party.	94	100	100	98	99						
% of new suppliers in the supply chain that have been assessed against human-rights and community criteria.	Unknown	Unknown	Unknown	Unknown	100						
Score in Fair Wear Foundation Brand Performance Check.	Unknown	Unknown	Unknown	65	72						
Complaints reported through the Fair Wear complaint mechanism that were resolved.	Unknown	Unknown	Unknown	Unknown	71.4% (5 of 7)						
% of total purchase value at textile suppliers in South and East Asia and Turkey where we fund living wages for our share of production.	Unknown	Unknown	Unknown	Unknown	12						
% more-sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption. <sup>19, 15, 5</sup>	10	24	42	59	75						
% total more-sustainable materials in clothing and textiles relative to total consumption. <sup>19, 5</sup>	Unknown	Unknown	29	39	53						
% recycled materials relative to total consumption. <sup>14</sup>	Unknown	Unknown	Unknown	3.5	4.6						

## Footnotes.

1. New method for determining what constitutes a management position compared to previous years. As of 2020, someone who leads one or more people is considered a manager.
2. The value for 2020 has been rectified by applying the correct calculation.
3. Off-road vehicles are not included in these figures.
4. As in previous years, Austria has been excluded from this data as available consumption data is insufficient. There is no word at this time as to when this will be available.
5. Since 2020, we have had a methodology for calculating materials consumption in order to provide insight into the use of more-sustainable materials. No figures are available for previous years.
6. The new supplier of gas in France has not been able to supply the consumption data for 2019 and 2020 in time, which means that this data cannot be reported.
7. Scope 1: this includes all direct emissions generated by the company's own transport activities and from sources under the company's control or in its possession, such as transportation to the stores. Since 2017, the CO<sub>2</sub> calculation involves requesting the conversion factors from the supplier and from [www.co2emissiefactoren.nl](http://www.co2emissiefactoren.nl) for transport (2017). The conversion factor applied for gas is the same for all countries. Measurements within this scope are based on m<sup>2</sup> floor area and this applies to the stores, Distribution Center, and Service Office.
8. Scope 2: this includes indirect emissions from the use of energy procured to facilitate company activities, e.g. electricity. The CO<sub>2</sub> calculations from 2017 until the present were made using conversion factors provided by suppliers; each country has its own conversion factor.
9. Scope 3: this includes miscellaneous indirect emissions from third parties, such as: sea shipping, airfreight, road transport, inland navigation, paper consumption, packaging materials, and air travel. Emission streams not included in this calculation are: business & commuting, materials/textiles. The CO<sub>2</sub> calculation was made in accordance with the principles of the Greenhouse Gas Protocol (2016).
10. Primary packaging is the packaging for which we make legally required annual waste management contributions in the various countries. Packaging of products bought on the European market is not included.
11. Since 2020, a modified emission factor for sea shipping has been used, resulting in a significant reduction. Previous years' figures have not been revised.
12. Estimates and assumptions have been made regarding the fuel consumption of trucks and CO<sub>2</sub> emissions per liter of diesel (source [TTM.nl](http://TTM.nl)). In the calculation of the 'CO<sub>2</sub> emissions per roll container' for 2019, not all data regarding external exporters was included.
13. By 'passed', we mean that no defects were found during the spot check that could lead to a (potential) safety or health risk.
14. Since 2021, we have been reporting this new KPI through which we provide separate insight into the total of recycled cotton, polyester, and reused textiles.
15. Since 2020, this calculation includes organic and recycled cotton in addition to the Better Cotton share.
16. The result of this KPI was corrected for 2020 by applying the correct calculation.
17. Since 2021, the methodology has changed so that the ginner, spinner, and raw-material supplier are also made transparent for a portion of the conventional cotton. Part of the increase in the KPI compared to last year is explained by this.
18. Since 2022, the environmental-impact roadmap has been revised slightly. In 2022, we only managed to monitor our dyehouses and laundries (see page 42 and 43). Assessment of these sites will occur in 2023. Obtaining the correct documentation proved to be more difficult in practice than expected, because the wet processes, such as dyeing the fabric, frequently take place at factories with which we have no direct relationship.
19. The 2021 CSR report still referred to "sustainable materials" and "sustainable cotton". As of 2022, this has been changed to "more-sustainable materials" and "more-sustainable cotton", including for the KPIs, as this is more accurate.

# Glossary.

## **Audit committee.**

The audit committee supports the supervisory board in assessing the reliability of financial reporting.

## **Bangladesh Accord.**

The Bangladesh Accord was a unique partnership between various stakeholders from 2013 to 2018. The Accord was established in the aftermath of the Rana Plaza collapse, which killed more than 1,000 workers and (seriously) injured thousands. The Accord's purpose was to improve working conditions in the textile industry in Bangladesh. Factories of associated companies were independently inspected and improved with regard to fire safety, building structure, and electricity.

See also Overview of memberships.

## **Better Cotton (BC).**

See Overview of memberships.

## **Code of Labour Practices.**

A code of conduct that forms the basis of the cooperation between Fair Wear and a Fair Wear member. The core of this code comprises eight labor standards based on internationally recognized norms.

## **Fair Wear (FW).**

See Overview of memberships.

## **Fair Wear Brand Performance Check.**

FW's Brand Performance Check is a tool to evaluate and report on the activities of FW's member companies.

## **GOTS (Global Organic Textile Standard).**

GOTS is a standard for organic textiles that is applied chain-deep in the processing of organic fibers.

## **International Accord.**

See Overview of memberships.

## **LED.**

Light-emitting diodes provide energy-efficient lighting.

## **Open Supply Hub.**

An online platform where retailers can upload their suppliers and this information is visible to every consumer.

## **Pakistan Accord.**

See Overview of memberships.

## **Remuneration committee.**

The Remuneration Committee advises the Supervisory Board, among other things, on the terms of employment and remuneration of the directors and (senior) management.

## **(Manufacturing) Restricted Substances List ((M)RSL).**

A list of chemicals that are restricted in consumer products, usually because of government regulation or law. The aim of an RSL is to reduce the use of hazardous substances in consumer goods and supply chains. An MRSL also contains a list of chemicals that may not be used within a production facility.

## **Social audits.**

A process designed to assess business operations at a production site against predetermined criteria. An improvement plan must be drawn up for the criteria that a manufacturer does not meet. This plan sets out the corrective and preventive measures needed to meet the criteria. This is also called a corrective action plan (CAP).

## **Sustainable Development Goals, SDGs.**

A collection of seventeen global goals described by the United Nations, aimed at 'making the world a better place by 2030'. The first and most important goal is to eradicate extreme poverty, which, according to the UN, is 'the greatest challenge of our time'. There are also goals related to health, education, and clean drinking water, as well as goals concerning sustainable energy, reducing inequality, and tackling climate change.

## **Transparency Pledge.**

See Overview of memberships.

## **Two-Way Code of Conduct.**

A clear definition of our ethical values and standards for the behavior of Zeeman itself as well as its supply-chain partners.

## **Wet processing unit.**

A production site where wet processes (dyeing, washing, and/or printing) take place.

**May 2023**

**Zeeman textielSupers**

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ZEEMAN