



Social Responsibility  
Report 2023

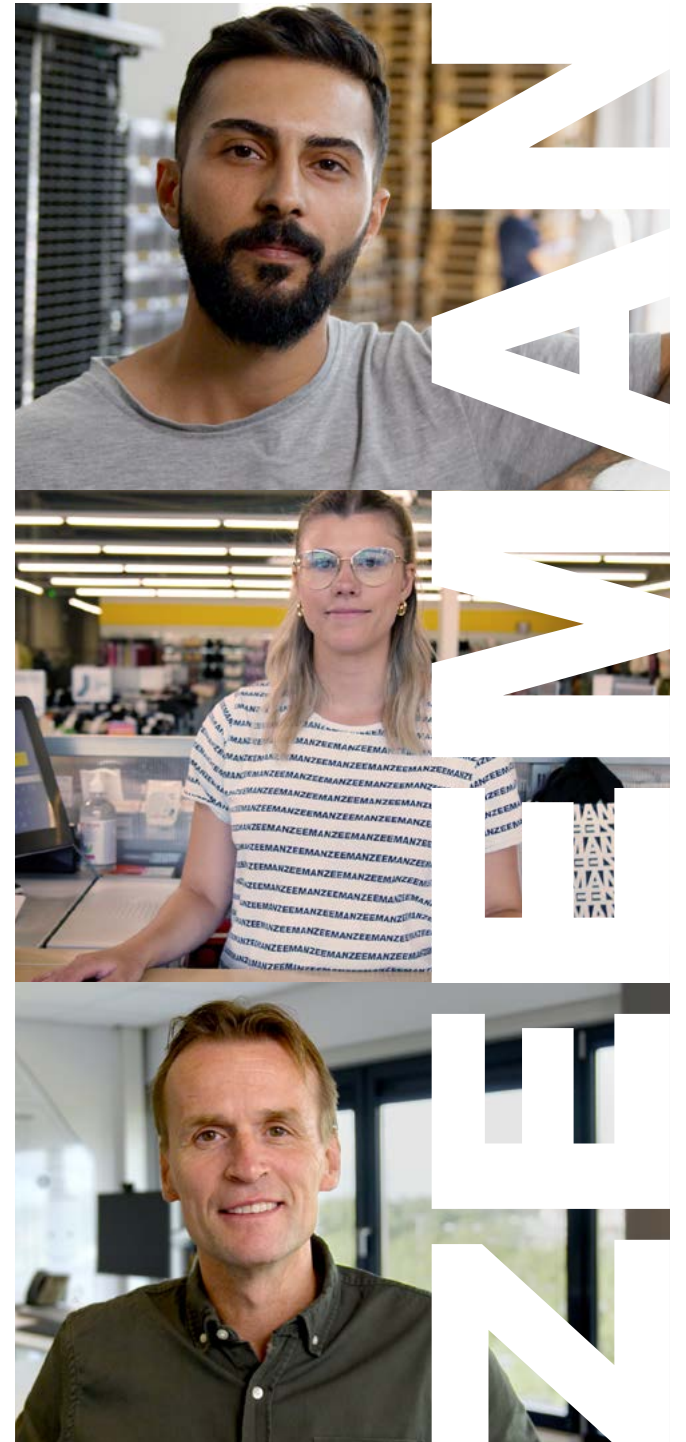
# Zuinig at heart.

# Zuinig.

[zui.nig] ■ adjective

*Zuinig* is a word from the Netherlands. It's about being both economical and caring. Not so easy to explain, but simple to live by. If we are all *zuinig*, together we can make the world a little better.

**ZEEMAN**



# A word from our CEO.

For us, 2023 was a special year in a number of ways. We were named the most transparent fashion retailer in the Transparency Benchmark and once again made great strides in terms of sustainability and circularity. In June, Zeeman had the honour of welcoming Queen Máxima of the Netherlands. A great compliment for everything Zeeman has stood for all these years.

At the same time, we realise all too well that we are part of one of the most polluting industries in the world. This means we have a huge task ahead of us. But that's not all – we have another important ambition: we believe that textile basics should remain accessible and available to everyone. Because babies and children keep growing out of their clothes. And we all need socks and underwear. Our challenge is to balance these two big ambitions. In this



report, we will bring you up to speed on everything Zeeman is doing to make the textile industry more sustainable – and on the dilemmas we face along the way.

So our mission is to ensure that honest textile basics remain accessible to everyone – with care for people, planet and society. We call this *zuinig at heart*. In 2023, this resulted in a number of achievements we are more than proud of.

## **We have taken a big first step in measuring the environmental impact of our organisation.**

Our goal is to use these findings to more effectively mitigate our negative impact. As you will read on page 26 of this CSR report, the production of our goods has the largest impact on the environment. Moreover, we have learned that in addition to the effect of carbon emissions on climate change, there are other substantial environmental impacts, such as the depletion of fossil resources and loss of biodiversity. Knowing this, we can take even more focused action to reduce our footprint and to strive for even greater transparency, something we've been working on for quite a few years. This is also evidenced by the Transparency Benchmark: in 2023, we achieved a top-10 placement in the overall ranking. This makes us the most transparent retailer in the Netherlands.



## **Fair Wear and living wage.**

As a family business, it's in our DNA to ensure good working conditions in our factories and to combat child labour. Our practices in this respect are independently audited by organisations such as Fair Wear. In 2023, Fair Wear gave Zeeman a 'good' score for our approach, the second-highest possible rating. Our approach to a living wage is being noticed, but there is still plenty of work to be done, as shown by Fair Wear's audits, for example. We want to guarantee good wages and working conditions among all our suppliers. In 2022, Zeeman launched living-wage programmes in five factories. For our share of production, we fund the difference between the minimum wage and a living wage. This extra amount is paid directly to the employees. And in 2023, we started preparing five new programmes, paving the way for a living wage in a total of ten factories at the beginning of 2024. We estimate that they will represent 25% of the purchase value of our clothing and textile orders.



### Visit from Queen Máxima.

Zeeman has had an eye for sustainability from day one. We are not a fast-fashion chain; we mainly sell textile basics such as underwear, socks and baby bodysuits. As a result, our range is not subject to trends and our customers can enjoy products that last. In 2023, 71% of our textiles were made from more sustainable materials. We also collect used clothing in 1,043 stores in the Netherlands, Belgium and France, and, together with the Het Goed foundation, we give these clothes a second lease on life.

For a year now, one of our buyers has been fully dedicated to leading the circular transition at Zeeman, because we want to be a company that continually reduces its use of new raw materials. The dilemma we face is that it is still difficult to make circular products profitable. Yet we're determined to persist: we encourage reuse and are making more and more products in part from textile waste. In recognition of this, Queen Máxima and the Minister for the Environment, Vivianne Heijnen, visited us in June. It was a crown on our efforts.



### We can only make the textile industry more sustainable by joining forces.

We can look back on great and important steps, but this year, we realised more than ever that we cannot do it alone. With around 1,350 stores, Zeeman isn't big enough to make the entire textile industry greener. That's why we welcome the fact that more and more fashion retailers are taking responsibility for the production chain. And that's why we are actively looking to team up with other parties. We are keen to engage with them, as I did in July 2023 when I joined a roundtable discussion at the Social and Economic Council of the Netherlands (SER) during a working visit by Dutch Prime Minister Mark Rutte. If you want to go fast, go alone; if you want to go far, go together.

For us, the concept of *zuinig* has two sides to it: we are both caring and cost-conscious. At Zeeman, this comes from the heart and aligns well with everything you will read in this CSR report. We hope you enjoy it.

Best wishes,  
Erik-Jan Mares



If you have any questions, feel free to get in touch with me at [zeeman.com/nl/mvo/qa](https://zeeman.com/nl/mvo/qa).

# Our manifesto.

## From remarkably simple to *zuinig* at heart. It can be that simple.

At Zeeman, we like simplicity. But today's world isn't that simple at all. We live in a fast-moving, throw-away society. We get rid of things – and sometimes even people – too quickly nowadays. Yet we believe that everyone, everywhere should be able to build a decent life.

We want to make a big shift at Zeeman and contribute to this even more. But making the whole world a much better place is a tall order for a simple textile retailer like Zeeman.

That's why we prefer to look at the world closer to home, where we can make a difference – for our customers, for the people who work for us, and for the local communities in which our Zeeman stores are located.

We are champions in basics, and with more than 1,350 stores in Europe, we're never too far away. We're there for people on tight budgets, but increasingly also for people who simply don't want to pay too much. They've all come to the right place, because we are *zuinig*\*. Because we keep everything simple and don't make things unnecessarily expensive. And because we stick to timeless basics (as reflected in our consistently low prices).

But being *zuinig* is so much more than simply wanting to save money. It all starts with the question: "What do you *really* need?" For yourself. For the people around you. For the world. That means using high-quality materials, and as few materials as possible. It means making things last longer before throwing them away. And also being *zuinig* with (valuing) our partnerships with the factories (and their people) we've worked with for years.

So are we there? Not by a long shot. But doing nothing isn't an option. We need to shift gears *now*. That's why, in the coming years, we will leave no stone unturned at Zeeman to become even more *zuinig*, to care about everything and everyone. To give people a solid foundation, and keep everyone on board.

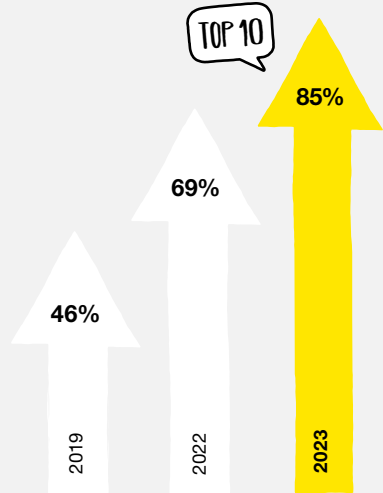
There's a case for making do with less. For being a little more *zuinig* – with resources, with products, with each other. Because being *zuinig* at heart pays off. It's as simple as that.

\* *Zuinig* is a Dutch word with the double meaning of being cost-conscious and caring.

[Watch our manifesto video on Zeeman.com](https://www.zeeman.com)



# 2023 in focus.



## Transparency Benchmark.

Zeeman secured 9<sup>th</sup> place, making us the highest-ranked retailer for transparency in sustainability reporting.

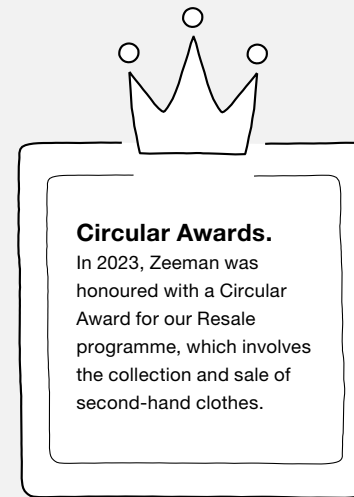
## Living-wage programmes.

In 2023, we reviewed our ongoing living-wage programmes. We also prepared five new programmes to be launched in early 2024, enabling a living wage for our share of production at 10 suppliers.



## Fair Wear Brand Performance.

In 2023, like in previous years, Zeeman achieved a 'good' score.



## Circular Awards.

In 2023, Zeeman was honoured with a Circular Award for our Resale programme, which involves the collection and sale of second-hand clothes.

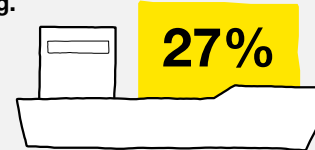


## Design for recycling.

In 2023, for the first time, our stores offered products made from recycled textiles. Together with our partner Wolkat, textile waste was turned back into fibres, spun, and then woven or knitted. A circular collection was developed using the result.

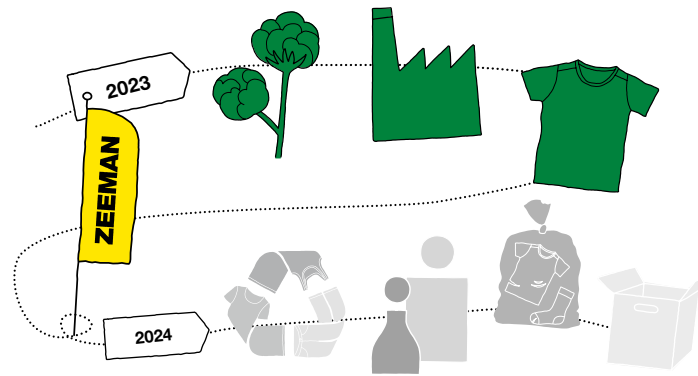
## Offsetting carbon emissions from maritime shipping.

We offset emissions from maritime shipments coming from Bangladesh and Pakistan to Rotterdam, making them carbon-neutral in collaboration with the GoodShipping Programme. In the past year, 906 tonnes of CO<sub>2</sub>eq were offset. This equates to 27% of the total emissions from our container ships by sea.



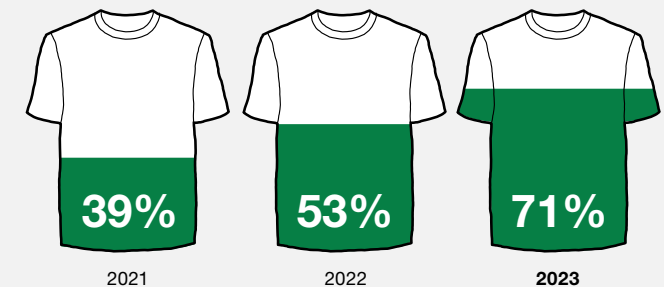
## On the Road to *Zuinig*: caring for the planet.

We have long been dedicated to reducing our environmental impact, yet a comprehensive understanding of Zeeman's total environmental footprint was still lacking. We are working together with Impact Institute and bAwear to determine our overall impact. Initial data show that a clear majority of the environmental impact originates from the manufacturing of our products, particularly through fibre production and the use of (often grey) energy in the supply chain. In 2024, we will extend insights to post-retail, such as the impact of consumer use and waste.



## Growth in share of more sustainable materials.

In 2023, 71% of our total textile consumption consisted of more sustainable materials. Growth was achieved mainly in recycled materials.



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# Management and operations.

We want to be the champion in basics and, with more than 1,350 stores in Europe, we're never too far away. We believe in being *zuinig*. And that begins with smart management.





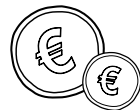
# About Zeeman.

Zeeman is a chain of more than 1,350 textile stores in eight European countries and an online shop covering each of these countries. Operating in the retail sector for clothing, textiles and household goods, Zeeman stands for quality textile basics that are produced responsibly.

Our designs are simple. This enables us to manufacture them at a low cost and in large quantities. And through smart organisation, we offer the lowest prices Zeeman can possibly achieve. In our stores, we offer a wide range of products categorised 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 personal care/hygiene products, home accessories and cleaning products. Zeeman is a family business: 100% of the shares are held by the Zeeman family.

## A single central service office and distribution centre.

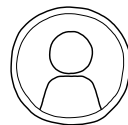
Zeeman's roots lie in the town of Alphen aan den Rijn, the Netherlands. Jan Zeeman opened the first shop for household textiles and basic clothing there in 1967. Today, our company consists of the Zeeman Groep B.V. holding company and our subsidiary companies in the Netherlands and various other European countries, as well as in Hong Kong. Our service office is still located in Alphen aan den Rijn. Outside the Netherlands, we only operate our sales organisation. Buying, distribution and all other supporting services are managed centrally by Zeeman textielSupers B.V. All stores are stocked from the central distribution centre in Alphen aan den Rijn.



	2019	2020	2021	2022	2023
Consumer sales in millions of €.	769	741	816	932	974
Net sales in millions of €.	639	617	679	774	810



	2019	2020	2021	2022	2023
Number of products sold in millions.	284	262	278	291	281



	2019	2020	2021	2022	2023
Average number of employees in FTEs.	6,067	6,246	6,479	6,575	6,718

## Profile

**+1,352** Textile stores

**8** **European countries**  
Austria, Belgium, France, Germany, Luxembourg, the Netherlands, Portugal and Spain.

**9** **Online shops**  
For Austria, Belgium (French-speaking), Belgium (Dutch-speaking), France, Germany, Luxembourg, the Netherlands, Portugal and Spain.

**4** **Core groups**  
Baby & children's clothing, legwear, household textiles, underwear & sleepwear.

**1** **Central service office and distribution centre**  
Alphen aan den Rijn, the Netherlands.

**since 1967** **Family business**  
100% of the shares are held by the Zeeman family.

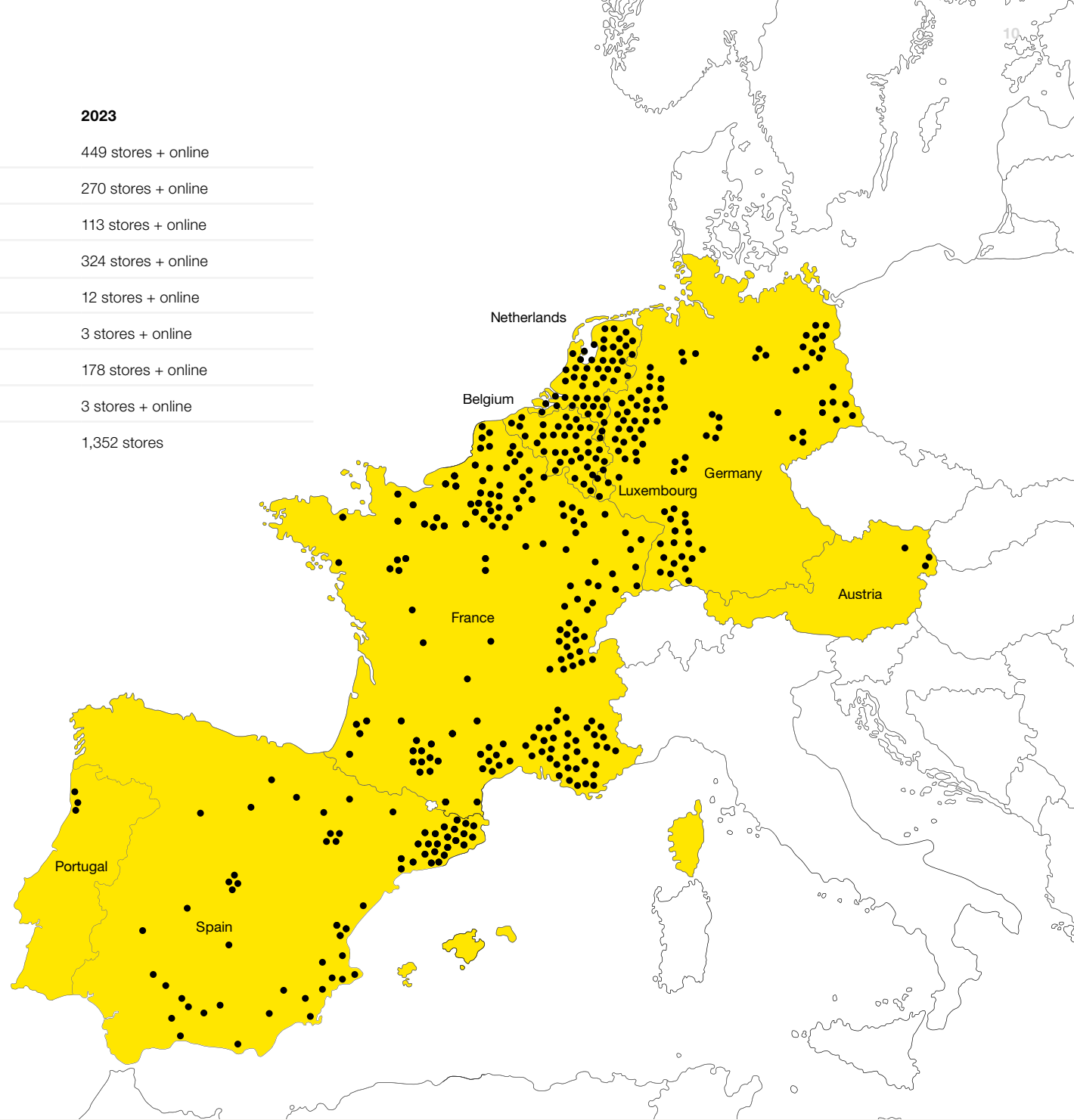
	2021	2022	2023
<b>Netherlands</b>	459 stores + online	454 stores + online	449 stores + online
<b>Belgium</b>	269 stores + online	267 stores + online	270 stores + online
<b>Germany</b>	141 stores	121 stores + online	113 stores + online
<b>France</b>	304 stores + online	305 stores + online	324 stores + online
<b>Luxembourg</b>	12 stores	12 stores + online	12 stores + online
<b>Portugal</b>	0 stores	0 stores	3 stores + online
<b>Spain</b>	117 stores	153 stores + online	178 stores + online
<b>Austria</b>	1 store	1 store + online	3 stores + online
<b>Total</b>	1,303 stores	1,313 stores	1,352 stores

## Investing in our distribution centre.

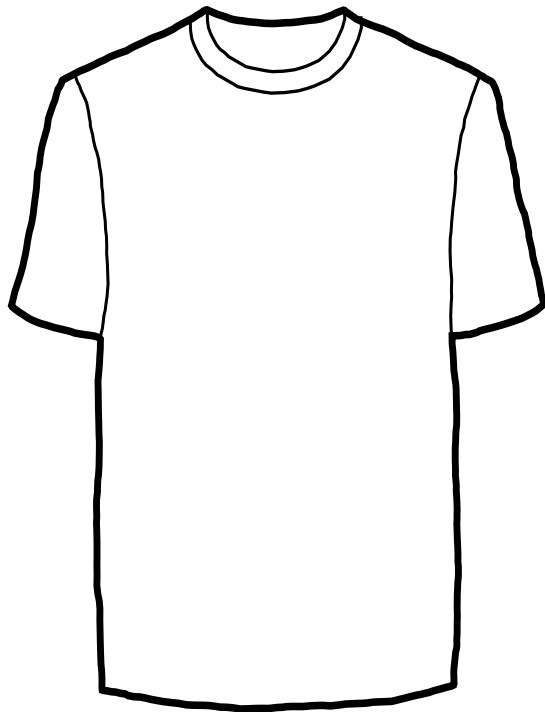
We started modernising our distribution centre in late 2021. The project will be completed in 2024. This modernisation is necessary to support our growth strategy in the long term. It also cuts back on heavy manual work, through process adjustments and a higher degree of automation.

## Investing in the quality of our stores.

In 2023, we continued the roll-out of our new store concept in all our countries. There are now a total of 60 Zeeman stores with the new concept. In these stores, we work as much as possible with recyclable promotional materials, such as paper and cardboard. We use as little plastic as possible. The display units can be used flexibly. And the products are better presented, to the benefit of sales and customer perceptions. Another aspect of the new concept is the implementation of sliding doors in all new stores and renovations since 2023, wherever possible, to save energy.



# The way others do it.



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

# The way we do it.

Low prices thanks to our smart operations.

Our designs are simple.

We produce large quantities in limited versions.

We buy directly from the factory without intermediaries.

We don't use any expensive 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.

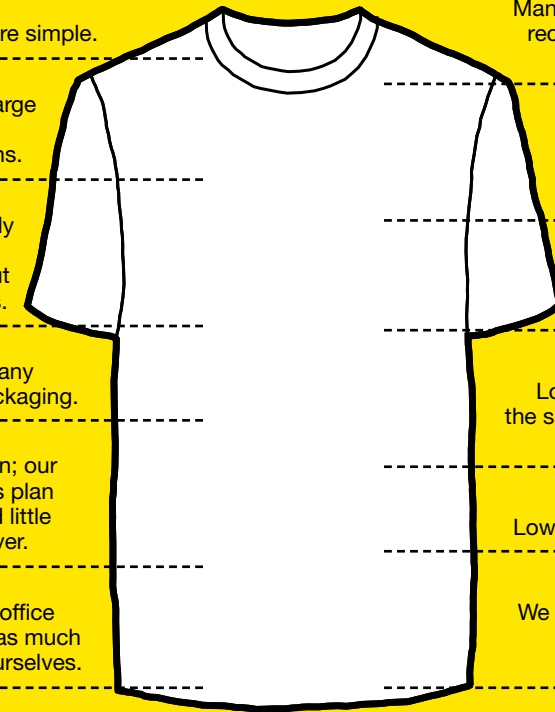
Simple stores without fitting rooms.

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>49</sup>**

# Building the strategy house together.

In 2022, we reviewed and described our strategy. With our new manifesto, we show that CSR is embedded across our organisation. *Zuinig* is and remains core. For us, it's a concept that comes straight from the heart. And that's why it will remain a guiding tenet for the company in the years to come. With one important difference: the emphasis we will place on the social role we play in local communities. We can't change the world on our own, but we can make a difference locally – around our stores, our office, and in the countries where we produce. For instance, our store teams have the flexibility to engage with their customers in supporting charitable causes and activities. We also continue to focus on manufacturing responsibly and reducing our impact on the environment.

## Launch.

In 2023, a lot of hard work went into aligning the Zeeman organisation with the new strategy. To introduce the new strategy, we held a 'Strategy Experience' in March 2023 for the different parts of the company: the service office, the Warehouse, the drivers and the regional managers. With videos and moments of reflection, we lived through our new contribution, mission and ambition together, and discussed how we want to achieve these with the updated strategy. In the weeks that followed, the regional managers ensured that this was all put into practice in the stores. All stores received a toolkit that included a strategy video and a manifesto video (co-created by employees from Europe and factory workers from Asia), posters, and the theme of the 2023 store competition, 'customer focus', also tied in with this.

## Building blocks.

There was an immediate and enthusiastic response. Everyone is thinking along and participating; we are renovating and rebuilding the strategy house together. We do this figuratively, but also literally: each individual project has been turned into a building block. When another block is "finished", we celebrate together. In 2024, the focus will be on connecting the stores with their surrounding areas: the 'community focus'. In 2023, a local toolkit was developed for this purpose, from which store teams can choose their initiatives. Nationwide, we complement this with a major media campaign focused on "looking out for each other". We summarise our key message with the question: What do you really need?

## What we contribute to the world.



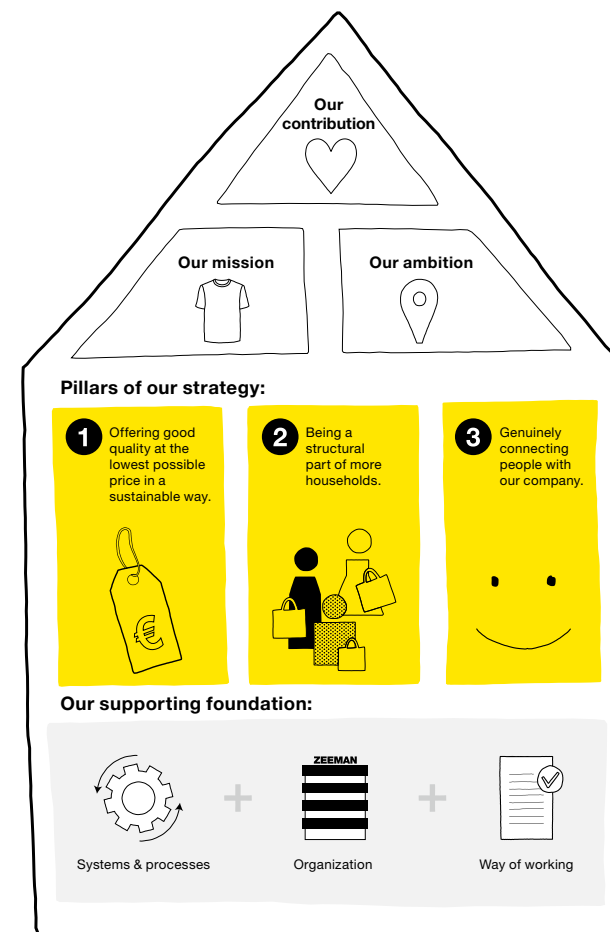
**Our contribution**  
is to take on inequality by offering everyone a fair chance at a decent standard of living.



**Our mission**  
is to make fair basic textiles accessible to all, while reducing our footprint.



**Our ambition**  
is to become the local hero for low-income and cost-conscious, sustainability-minded customers alike.



## The pillars of our strategy.

We are working towards our ambition by providing good quality at the lowest possible price in a sustainable way. By structurally becoming part of more households. And truly connecting people to our company. The milestones in our annual Social Responsibility Report show that we deliver on our promises.

# Integrating CSR.

At Zeeman, sustainability is an integral part of our strategy and multi-year plan. Sustainability is a key item on the agendas of both our Management Team (MT) and Supervisory Board (SB). We also consider it important that corporate responsibility has a key place within all departments.

In 2023, we started preparing for CSRD – see page 24 – which is the new reporting directive that will apply to us from 2025. Several departments are involved in the dual materiality analysis and preparations for this sustainability reporting. The environmental baseline measurement also involves a wide range of colleagues. Our colleagues' commitment to CSR was also strengthened by the Dutch royal family's attention to our sustainability policy.

In 2024, the departments will set concrete ambitions and targets for making their fields of expertise more sustainable. The CSR Steering Committee meets every six weeks. It consists of the CEO, Director of Buying & CSR, CSR & Quality Manager, CSR Specialist and Junior CSR Specialist. Whenever specific topics are discussed – such as quality or circularity – the relevant colleague joins in. Twice a year, there is an 'Extended CSR Steering Committee' meeting. This consists of the full MT and the entire sustainability team, including the Circularity Buyer.

The Supervisory Board maintains oversight of the management's policies and strategy implementation. It also monitors whether the interests of the various stakeholders have been sufficiently considered. [See page 95 for Organisational chart of the Supervisory Board.](#)

## Audit Committee and Remuneration Committee.

The Supervisory Board has two active committees: the Audit Committee and the Remuneration Committee. For Management Team members, at least 25% of the achievable bonus is linked to people & planet business targets. The Zeeman family owns 100 percent of the company. Therefore, the family is also always involved in important strategic decisions. The Audit Committee discusses both the annual Financial Report and the annual Social Responsibility Report.



## International frameworks and commitment.

Zeeman strives to be a responsible employer, respecting human rights and ensuring the right to decent work. This commitment is embedded in a series of policy documents and guidelines. We carry this out using 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 recognised 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 Labour Organisation (ILO) international labour 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 behaviour, for ourselves and our suppliers. Read more about this on page 65. 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 signed by Zeeman's Management Team and sends an important message to our suppliers.

# Zeeman's format will stand the test of time.

Interview with Pieter Saman, Zeeman Supervisory Board.

## What is your role as a member of Zeeman's Supervisory Board?

"I was approached by Zeeman to sit on its Supervisory Board in 2019 because, being a young CEO at the centre of the market, I had a great deal of experience in digital transformations. As a member of the Supervisory Board it's my responsibility, of course, to play a supervisory role and to give strategic advice. But a topic such as 'digital changes' touches on a whole host of developments within the organisation. And so I join the conversation on subjects like omnichannel, but also Zeeman's commercial strategy and all sorts of other topics that are related directly or indirectly to online."

## How do you think the Supervisory Board, and you personally, can help Zeeman become more sustainable?

"For Zeeman, sustainability isn't an afterthought – it is part of business-as-usual and deeply ingrained in our DNA. It's the Supervisory Board's duty to encourage Zeeman to pursue its sustainability ambitions as much as possible and to ensure that the company stays on course. At times, that means speeding things up; at other times, we cast a critical eye or offer resistance. As the Supervisory Board, we must always keep the big picture in mind. After all, Zeeman can only go greener if the business is future-proof. It's not one or the other."

## How will Zeeman stay relevant in the long term?

"Zeeman's proposition *and* position are unique. What makes the brand special is the combination of low prices, good quality and a very strong emphasis on sustainability. This makes the company highly forward-looking and future-proof, and keeps its format relevant. I believe that Zeeman will be able to serve an even wider audience in the future."

## In the past year, environmental experts helped Zeeman measure its environmental impact.

### What do you think of the initial results?

"The transparency provided by the baseline measurement is good and important. The environmental impact of producing textiles is huge – that's the case everywhere. The results of the baseline measurement have made us even more aware of that. They have shown us which concrete steps Zeeman needs to take, and the journey we need to embark on. They also show how complex the supply chain is. Impact is about more than our carbon footprint. It's also about damage to nature and climate change. That's quite something."

## Which aspect of CSR is close to your heart, and why?

"The people aspect. That's something I like about retail in general. Retail companies always employ a lot of people, and they come from all parts of society, which I find both nice and enlightening. What appeals to me is that Zeeman really cares about its people. It's a true family business – and that's where that sense of responsibility comes from."



"Being in the textile business, you have a big responsibility. Zeeman takes that responsibility seriously and has now assumed a leading role in the field of CSR. I find that especially impressive given that Zeeman is a company for everyone, offering good quality at the lowest possible price."

This is extremely valuable: as a company, you need to keep everyone on board to be able to bring your ambitions and strategy to life."

## Will Zeeman succeed?

"The course we've set has already delivered tangible results, and we're seeing that this is an inspiration to others. There's still a way to go, but Zeeman will certainly succeed."

# It doesn't have to be either/or.

Interview with Erica Roolvink, Director of Buying and CSR.

## How do you view Zeeman's new brand strategy and sustainability's role in it?

"Being *zuinig* is truly in Zeeman's DNA. That's why I really believe in our new brand strategy. We're not *zuinig* because we're supposed to be. It's part of us. We want to make a difference for people, planet and society. That's what makes working for Zeeman so enjoyable and meaningful."

## As Zeeman's Buying Director, you are also responsible for CSR. What's it like to combine these responsibilities?

"I joined Zeeman five years ago and what immediately appealed to me was that CSR is not a separate department here. The CSR team is part of the buying team – we work together very closely. I see that as an absolute strength of this company, and it's because of this that we've been able to make great strides."

## Zeeman's brand values are unconventional, committed and *zuinig*. Which value do you identify with most?

"All three of them are just as important to me, and it's the combination I really like. It's the whole that counts! *Zuinig*, for example, has a double meaning for us. We are cost-conscious, but at the same time, we are committed to being responsible stewards of our human, environmental and social resources. That's where our value 'committed' comes in.

We care about people, in all European countries as well as in our production countries. As for being unconventional, to me that only makes our brand even stronger."

## Zeeman wants to become fully sustainable. What is the company's greatest challenge?

"Our greatest challenge, of course, is that we must think carefully how we want to reduce our footprint. We operate in a highly polluting industry. How can we do things differently while staying true to ourselves? We want to stay accessible to everyone by offering textile basics at the lowest possible price, while at the same time becoming more sustainable and reducing our footprint. Striking that balance is one of the pillars of our new brand strategy. We want to offer good quality at the lowest possible price and in a responsible way. It's not easy, but it doesn't have to be either/or – both are possible. And I'm eager to play a role here."

## What are you most proud of at Zeeman?

"We are in a highly competitive market. Other textile companies have special discounts and offers every week. I'm proud that we steer our own course. We hardly ever have special offers these days, and we don't need to because we are able to consistently keep our prices low. Our customers know that. I'm also proud that two and a half years ago we said: we've been talking about a living wage for long enough; now it's time to begin. In keeping with who we are as Zeeman, we then buckled down to the job."



## And how do you view the future?

"There's so much going on. We again made great strides this past year, such as the new brand strategy, which clearly states our sustainability ambitions. But also the baseline measurement of our environmental impact, Fair Wear keeping us on our toes, and the first circular products. We are just a simple player in the grand scheme of things, of course, but I'm convinced that, together with others, we can really set things in motion in the coming years."

# 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 wellbeing, 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 75.**



Goal three is about health and wellbeing for everyone, young and old. At Zeeman, we are committed to the health and wellbeing of our employees in a variety of ways. For example, by offering training on the topic of health. This way, we hope to prevent sickness absence as far as possible and increase job satisfaction.  
**Read more on page 84.**



Since 2018, we have been actively working to reduce the negative environmental impact that the manufacture of our products still often has. An important example: the factories that produce for us must use a water treatment system to prevent water contamination. We also assess the quality of the treated water by requesting test reports.  
**Read more on page 29.**



We are 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 64 onwards.**



We think it is important to be *zuinig* in caring for our planet. That is why we are increasingly using more sustainable materials, such as organic cotton and recycled materials. We also set requirements for our dyers and laundries around water use, and maintain our Restricted Substances List (RSL) to ensure we use fewer environmentally harmful chemicals in our products. Circularity is also gaining prominence in our policies.  
**Read more from page 36 onwards.**



To do our part in the fight against climate change, we are also looking closer to home at how we can become more sustainable. For example, we've developed an environmental impact roadmap and initiated an environmental baseline measurement of the entire Zeeman organisation.  
**Read more from page 26 onwards.**



In tackling major social issues, collaboration is essential. We do this within the International Accord for Health and Safety in the Garment and Textile Industry in Bangladesh and Pakistan, Fair Wear and with industry associations and NGOs. Together, we work to ensure, among other things, safe and fair working conditions and lessening our impact on the environment.  
**Read more on page 64.**



# Our stakeholders.

Stakeholder group.	Principle.	Topics.	Channels.	Frequency.
<b>Customers.</b>	Our (current and potential) customers are important stakeholders. We want to make high-quality, responsibly made 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 countries where production takes place.</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 labour, freedom of association, environmental impact in the supply chain, raw materials and other inputs, circular economy.	Digital correspondence, office and factory visits, supplier meetings, tender procedures, Two-Way Code of Conduct, agent meetings, buying practices survey.	Daily.
<b>Workers in the supply chain &amp; communities.</b>	A huge number of people are involved in making our products. We are committed to good working conditions, which cannot be achieved without engaging with workers in the supply chain.	Living wage, safe and healthy working conditions, freedom of association, social dialogue, environmental impact in the supply chain, child and forced labour.	Interviews, living-wage assessment, Fair Wear audit results, complaints procedure, supplier visits, supply-chain projects.	Monthly.
<b>Representatives of workers in the supply chain.</b>	Employee representatives such as (local) trade unions and NGOs are important experts to collaborate with and against whom we can test our way of working.	Transparency and traceability, buying practices, safe and healthy working conditions, living wage, child and forced labour, freedom of association, environmental impact in the supply chain.	In supply-chain projects, workshops, workers' committees, visits, and dialogue in production countries.	Monthly.
<b>Own staff.</b>	Our own employees are the core of our organisation. Only with involved, engaged 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, MT & SB meetings, Sales & Service days, store internships, internal Facebook page, CSR e-learning, workshops, project update.	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 targets and challenges.	Transparency, legislation (for example: producer responsibility, reporting, due diligence, circularity, child labour, packaging materials and waste, quality and safety), multi-stakeholder initiatives.	Digital correspondence, meetings, inspection visits, multi-stakeholder initiatives, roundtable discussion.	Monthly.

## Our stakeholders, continued.

Stakeholder group.	Principle.	Topics.	Channels.	Frequency.
<b>NGOs and industry associations.</b>	We believe transparency pays off. That is why we enter into an open dialogue with NGOs and industry associations.	Transparency and traceability, buying practices, safe and healthy working conditions, living wage, child and forced labour, freedom of association, environmental impact in the supply chain, raw materials and other inputs, circular economy, animal welfare.	Working groups, meetings through multi-stakeholder initiatives, annual CSR report, stakeholder dialogue, workshops, seminars.	Weekly.
<b>The Zeeman family.</b>	We have been a family business since we were founded in 1967. Now, more than 50 years later, the Zeeman family is still involved in the course we are taking together.	Strategic decisions and objectives.	Meetings and consultations.	Quarterly.
<b>Supervisory Board (SB).</b>	The SB is a body consisting of four people who carry out oversight of the organisation. The SB meets at least once every quarter at our service office.	Strategic decisions and objectives, baseline measurement.	Meeting.	Periodic.
<b>Peers.</b>	We seek cooperation with peers and like to learn from 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 labour, freedom of association, environmental impact of supply chain, raw materials and other inputs, circular economy.	Through stakeholder dialogue and meetings of the OECD, International Accord, Fair Wear, 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.
<b>Education.</b>	Today's students are tomorrow's directors, entrepreneurs and designers. They give us feedback and we share insights from our sustainability journey.	Strategy, transparency and traceability, buying practices, safe and healthy working conditions, living wage, child and forced labour, freedom of association, environmental impact in the supply chain, raw materials and other inputs, circular economy.	Guest lectures, presentations, workshops, podcasts.	Frequent.

# In dialogue about a living wage.

During stakeholder dialogues held in 2023, we raised the issue of a living wage on several occasions. Our five living-wage programmes in India, Bangladesh, Pakistan and Turkey were extensively evaluated in the past year (see page 77). We presented the results to an expert group made up of organisations including Fair Wear, IDH Trade, Clean Clothes Campaign, SER, trade unions FNV and CNV, and WageIndicator. We discussed the evaluation at length and took their input on board. We also shared our approach with fellow retailers such as HEMA, Prénatal and Wibra.

The external stakeholders asked us questions about the lessons learned and the dos and don'ts. One key insight is that ensuring a living wage is about having a long-term vision. You can't just drop it after a year. At Zeeman, we are willing to make this a long-term commitment, and we are able to do so because we have established long-standing and predictable partnerships with our suppliers. We have agreed a Memorandum of Understanding with each supplier in the programmes, in which we commit to maintaining a living wage, and the conditions under which we do so. In making a living wage happen, collaboration is vital. In the production countries, we have joined forces with employers' organisations, factory owners, management and our agents, and internally we work closely with our Buying department. Paying a living wage also involves a lot of administrative work – given the complexity, it can be quite a challenge to pay the wage supplement on time.

We also want to actively share our vision and approach at external events. That's why we took part in a panel discussion on 'Closing living wage gaps in garment supply chains: From commitment to action' at the OECD forum for the clothing sector in 2023. During this session, we shared our approach and talked about the obstacles we encounter on the way and what our next steps will be. The impact wages have on other risks in the chain was also discussed.

The people who receive the living-wage supplement are of course also very important stakeholders. The evaluation of our programmes among the makers of our products, which consisted of interviews and a survey, showed that a living wage is more than just a financial incentive. Our first five programmes are having a positive impact on around 2,700 employees *and* their families. In addition, the factories' management say they are proud to be able to offer their people this programme.

Unfortunately, it is mainly the smaller companies in the textile industry that commit to living wages. That is also why we must continue to include others in this journey. In 2024, we plan to get in touch with other customers of the factories in the countries where these programmes are up and running. We hope to get even more retailers on board by explaining our approach.



**Esther Germans,**  
Director of Apparel, IDH.

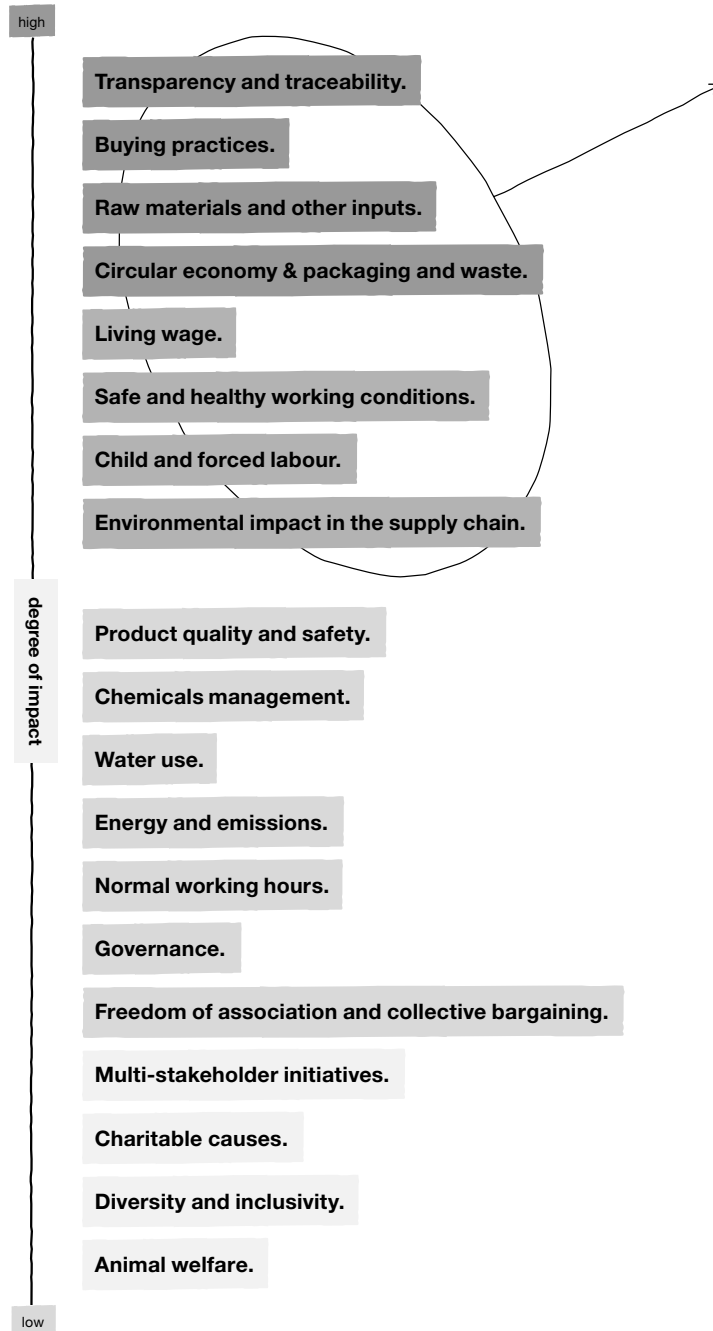
"As a member of the living-wage advisory group, I've been closely involved in the development and introduction of Zeeman's living-wage strategy. I'm truly impressed by the company's ambition and leadership. It's great to see that Zeeman will be expanding the living-wage approach to include more suppliers. Living wages must become the standard for everyone who produces our clothes. Zeeman can't do it alone, of course. It's time for other brands to join in, to put their commitment to paying a living wage into practice and achieve a better life for the millions of employees in the garment industry. IDH is keen to support Zeeman in shaping an international living-wage coalition. We look forward to continuing our collaboration with Zeeman so that together we can ensure that the living-wage approach is collectively embraced by our sector."

# 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, or people, including on their rights. So these are themes where Zeeman is committed to sustainable development. Important sources for understanding what this entails include a Stakeholder Dialogue held in 2022, various living-wage dialogues in 2023, the environmental baseline measurement with Impact Institute and bAwear, surveys such as Fair Wear Country studies, Fair Wear audits of our suppliers and the buying practices survey.

A risk analysis has been carried out for the most material themes. In each case, the colour 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.

In 2025, we will start reporting according to the CSRD. This is the European directive for sustainability reporting. The current materiality analysis is changing to a double materiality analysis, comprising impact materiality and financial materiality. Read more about this on page 24.



The eight material themes:

**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 and other inputs.**

Responsible use of raw materials, sourcing 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 labour is entitled to a wage that ensures a dignified existence for themselves and their family. This is a human right. This means the wage 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 labour.**

Employment must always be voluntary, 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 chain.

Our strategy and sustainability themes together determine where we add value for our stakeholders. From various angles, we are working on making our entire company and product range more sustainable. We also want to combat inequality by giving everyone a fair chance at a good standard of living. 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, transport and employees. Also, importantly, we offer employment opportunities. By doing business in a *zuinig* way, Zeeman has been a stable employer for more than 9,000 employees for many years. Needless to say, the continuity of the organisation is also an important starting point.

Local population in production countries.	Cotton farmers.	Local agents. Supplier & factory workers.	Employees.	Service office.	Customer.	
<p><b>Input.</b></p> <p><b>€100,000</b></p> <p>donated to projects in India and Bangladesh.</p> <p><b>Result.</b></p> <p>Shelter and training for girls after rescue from prostitution. They also receive employment support.</p> <p><b>Impact.</b></p> <p>A safe return to the local community.</p>	<p><b>Input.</b></p> <p><b>12,078,160 kg</b></p> <p>of more sustainable cotton sourced.</p> <p><b>Result.</b></p> <p><b>93%</b></p> <p>of all cotton clothing and textiles consists of more sustainable cotton (KPI).</p> <p><b>Impact.</b></p> <p>Reduction of environmental impact through increasingly sustainable cotton cultivation.</p>	<p><b>Input.</b></p> <p>We want to enable living wages for our share of production at 12% of textile suppliers in Turkey and South and East Asia.</p> <p><b>Result.</b></p> <p>For 12% of our purchase value, we enable living wages in 5 factories (KPI). We have also developed programmes for 5 new suppliers.</p> <p><b>Impact.</b></p> <p>Living wages contribute to higher living standards and less overtime.</p>	<p><b>Input</b></p> <p><b>2</b></p> <p>types of training on local themes in the supply chain.</p> <p><b>Result.</b></p> <p>FWF Basic training in China and Amplify training in Bangladesh.</p> <p><b>Impact.</b></p> <p>Improved working conditions through capacity building.</p>	<p><b>Input.</b></p> <p>Vitality and sustainable-employability policy.</p> <p><b>Result.</b></p> <p><b>7.25%</b></p> <p>sickness absence.</p> <p><b>Impact.</b></p> <p>Employee vitality.</p>	<p><b>Input.</b></p> <p><b>8,654</b></p> <p>solar panels provide sustainable energy.</p> <p><b>Result.</b></p> <p><b>1.6</b></p> <p>megawatt yield.</p> <p><b>Impact.</b></p> <p>Reduction in carbon emissions.</p>	<p><b>Input.</b></p> <p><b>504</b></p> <p>quality samples from our range.</p> <p><b>Result.</b></p> <p><b>98.4%</b></p> <p>of spot checks passed.</p> <p><b>Impact.</b></p> <p>Safe, high-quality products in our stores.</p>
<p><b>Entire operation.</b></p>		<p><b>Input.</b></p> <p><b>€41.0 million investment.</b></p>	<p><b>Result.</b></p> <p><b>€974 million in sales.</b></p>	<p><b>Impact.</b></p> <p><b>Employment for 9,035 people in 8 countries.</b></p>		

# 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 realise that the impact of our work on stakeholders goes beyond the numbers. We will explain this in more detail for

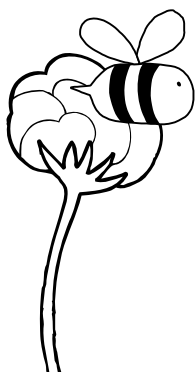
each material theme. This page features material topics on environmental issues. The next page presents the material themes linked to social issues. Targets for the material themes and explanations of all developments can be found in the chapters on the material themes.

## 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.

Achieved 2022	Target 2023	Achieved 2023	Target 2024
97%	100%	<b>94%</b>	100%

SDG: 6 8 13 17



## Raw materials and other inputs.\* >

**KPI**  
% of more sustainable cotton relative to total cotton consumption.

Achieved 2022	Target 2023	Achieved 2023	Target 2024
75%	90%	<b>93%</b>	95%

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
53%	70%	<b>71%</b>	75%

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
4.6%	15%	<b>13%</b>	20%

SDG: 12 13 17

## Buying practices. >

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
74%	76%	<b>75%</b>	75%

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
90%	92%	<b>92%</b>	93%

SDG: 8 17

## Circular economy & packaging and waste. >

**KPI**  
% of waste recycled.

Achieved 2022	Target 2023	Achieved 2023	Target 2024
90%	91%	<b>91%</b>	92%

**KPI**  
Industrial waste (kg).

2022	2023
749,306 kg	<b>565,835 kg</b>

SDG: 12 13 17

\* For data quality limitations, please see page 100.

Connectivity matrix, continued.

Safe and healthy working conditions. >

KPI

Score in Fair Wear Foundation Brand Performance Check.

Achieved 2022	Target 2023	Achieved 2023	Target 2024
72	N/A*	59	65

\*baseline measurement due to new method.

KPI

% of complaints reported through the Fair Wear complaints procedure that were resolved.

Achieved 2022	Target 2023	Achieved 2023	Target 2024
71%	100%	43%	100%

SDG: 3 8 17

Child and forced labour. >

KPI

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
85%	90%	96%	95%

SDG: 8 17

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	Achieved 2023	Target 2024
12%	20%	12%	25%

SDG: 1 17

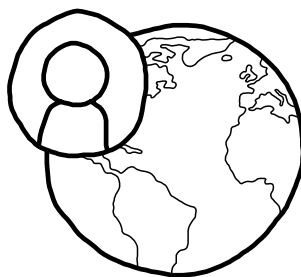
Transparency & traceability in the supply chain. >

KPI

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

Achieved 2022	Target 2023	Achieved 2023	Target 2024
99%	100%	95%	100%

SDG: 8 17



# Preparing for CSRD.

From 2025, the Corporate Sustainability Reporting Directive (CSRD) is set to ensure transparent and easily comparable sustainability reporting. This European directive requires us to report on an even broader spectrum of sustainability issues in our annual reports from the financial year 2025 onwards. As far as Zeeman is concerned, this is an important step forward: the new framework touches on all aspects of our business activities.

## A framework for goals and policy.

The CSRD provides us with a framework to further flesh out the ambitions we have long been committed to. Additionally, in our new brand strategy for 2023-2027, we have expressed the ambition to take a broader view of sustainability within our organisation. For example, by addressing questions like: How do we deal with the suppliers of our product inventory? What about a living wage for our own employees? The new legislation helps us identify blind spots, formulate actionable goals and map out a clear policy.

## Double materiality analysis.

The new European legislation is designed to improve the transparency and comparability of sustainability information. By setting clear and unambiguous requirements, the directive will make it easier for consumers, investors and other stakeholders to compare CSR reports. In 2023, we carried out a double materiality analysis in which we addressed the financial impact of sustainability risks on Zeeman, as well as Zeeman's own impact on people and planet. How do our activities impact climate change, scarcity of raw

materials or working conditions? Note that the CSRD covers sustainability in the broadest sense, including requirements for environmental, social and governance (ESG) aspects. In anticipation of this, we have included an appendix on Governance since our 2022 CSR Report (see page 96).

## Preparations in 2023.

In order to implement the new directive and be ready for CSRD reporting in 2025, we set up a project team in 2023 comprising sustainability specialists, financial specialists and Zeeman's CFO. A broader team of internal and external experts is also involved in this project. The outcome of the double materiality analysis will determine the subtopics on which we will need to report. It is important that stakeholders recognise this and are given the opportunity to ask relevant questions. At the same time, we investigated in detail which of the new data to be reported are already in our systems and which are not.

### 2 cross-sector standards.

General principles.

General, strategy, governance and materiality assessment, publication requirements.

### 10 thematic standards.

Climate change.

Biodiversity and ecosystems.

Pollution.

Use of resources and circular economy.

Water and marine resources.

Own employees.

Employees in the value chain.

Community engagement.

Consumers and end users.

Management and operations.

### Sector-specific standards.\*

\* to follow later.

## Steps in 2024.

In 2024, we want to be more or less ready to report under the CSRD on the year 2025. Among the steps we will be taking are drawing up policy and systematically collecting the missing data. The transition to CSRD reporting will require a concerted effort from our entire organisation. We will also be engaging with our stakeholders to test our approach.



# Environment.

In recent years, we have been investing heavily in projects around circularity. We are also mapping out our environmental impact with a baseline measurement in order to reduce our impact in more focused ways. For example, by choosing more sustainable materials more often and by setting requirements for the locations where our fabrics are washed, dyed and printed.



# When are we really *zuinig*?

## On the Road to *Zuinig*: a baseline measurement.

“*Zuinig* at heart” is the core of our updated brand strategy. Because we want to be *zuinig* in every respect: people, environment, resources and society. We already embarked on this path some time ago. And we will continue to follow it: our aim is to make our product range and our organisation ever more sustainable. Our focus is on making products responsibly and reducing our impact on the environment.

Our journey “On the Road to *Zuinig*” consists of several stages. And in 2023, we completed another important stage. We started work on a baseline measurement of the environmental impact of the Zeeman organisation. Our goal: to find out how we can effectively reduce our environmental impact – in both the short and the long term. The first part involved understanding the environmental impact all the way to the store. In 2024, we will extend this understanding to include the consumer phase and ‘end of life’. We will also study what space there is for Zeeman within the Earth’s boundaries. With all this information, we can make our ambitions more concrete. What is *zuinig*? When are we really *zuinig* with the environment? And how do we get there?

## What did we do in 2023?

In 2023, we started working on a baseline measurement to understand the environmental impact across the entire chain through to our stores. We are using Zeeman data from 2022, scientific sources and international standards for this purpose.

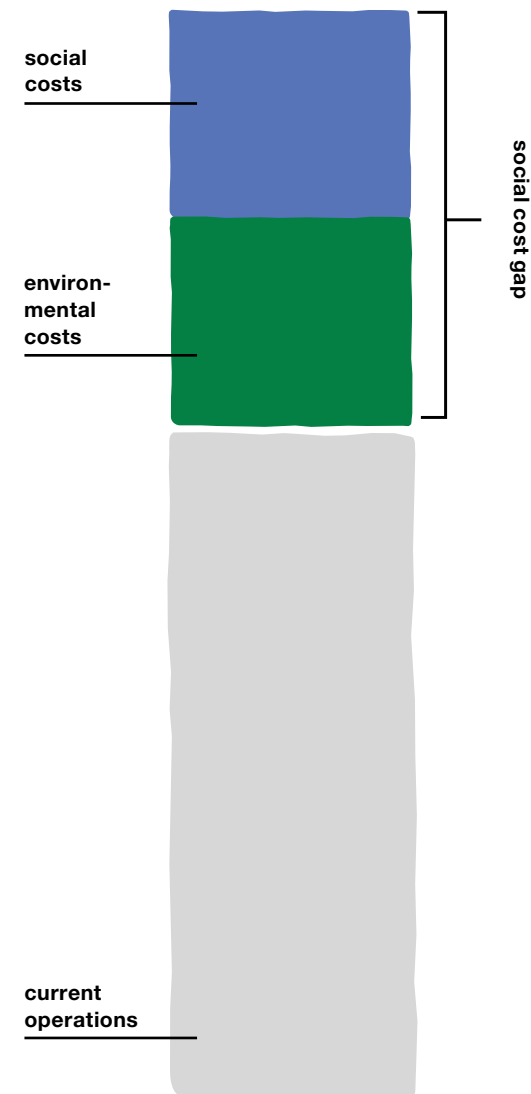
We collected data in our supply chain for 196 articles of clothing. The textile experts at bAwear then conducted

life-cycle analyses on these items. The Impact Institute has converted this and a great deal of other data from our non-textile range, packaging, goods transport, buildings and business transport to calculate our environmental impact. To gain further insight from all the data collected, the social costs of all forms of environmental impact were translated into an amount in euros, also known as ‘true pricing’. This helps us compare different environmental impacts and target the areas where we can achieve the most significant improvements.

## What are social costs?

Social costs or true pricing reveals hidden environmental and social costs of products by actually expressing the costs in euros. Examples of hidden costs include costs due to climate change, air pollution and underpayment. These costs may not be reflected in the price tag, but they are often borne by society. For example, air pollution leads to health costs for everyone. In the baseline measurement, we focused on understanding the environmental costs for society.

To measure environmental impacts, the Impact-Weighted Accounts Framework (IWAF) was used. The framework is based on international standards such as the Natural Capital Protocol. The True Price Monetisation Factors from the True Price Foundation were used to translate social costs into a euro amount.



## New insights in 2023.

Our chain starts with the extraction of raw materials, such as the cultivation of cotton, and ends with items that have reached the end of their lifecycle, such as discarded clothes that are incinerated. We know from several studies that a large part of the environmental cost (at least climate cost) often lies in the production of items and their use, such as washing clothes.

In this first baseline measurement, we collected data on five components of the chain up to the sale of items:



This enabled us to measure an important part of the chain where Zeeman has a lot of influence on the environmental impact. In subsequent stages, we will take measurements up to the wardrobe and then even to incineration.

We consider five environmental impacts:

- Impact on climate change;
- Depletion of fossil resources;
- Air, water and soil pollution;
- Biodiversity loss through land use;
- Impact on water scarcity.

With these environmental impacts, we measured an important part of our overall impact. One component for which we have even less data available is the environmental impact of chemicals employed in the manufacture of products. We

have already gathered and reported more Zeeman data on carbon emissions. Now that this data is available, we can further enhance our emission reporting in the future.

## The baseline measurement requires us to make ambitions more concrete.

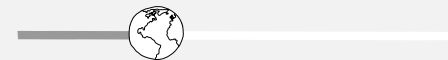
The baseline measurement has given us a lot of insight. But it also got us thinking. Because how far do our ambitions go? Are our ambitions in line with European targets? And when we say we want to work within the limits of the planet, what do we really mean? What can the planet handle? The task facing our sector of the economy is great, because for an operation within planetary limits, we're talking about reduction targets of around 90%. The baseline measurement provides insight into where Zeeman can very specifically improve its environmental impact. In the coming period, we need to carefully weigh up what we can and want to do as a company, and in what timeframe. After all, what is truly *zuinig*? The initial results of the baseline measurement seem likely to provide guidance in this regard:

- Our product range has by far the biggest environmental impact from supply chain to store.
- We have to be careful to avoid carbon tunnel vision; the other forms of environmental impact are also very tangible and concrete.
- An important step in reducing our impact is: transitioning from grey energy – such as coal and gas – to green energy. This applies to our own operation and in the stores, but also to consumers doing their laundry, and to all production processes in the supply chain.
- In addition, recycling and reuse offer many opportunities. Indeed, the circular transition we have already embarked on is crucial to further enhancing sustainability.

## First insights into the breakdown of 5 forms of environmental impact.

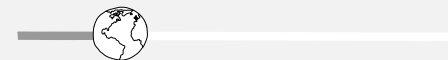
### Impact on climate change.

Amount of greenhouse gases (such as methane and carbon dioxide) emitted by Zeeman.



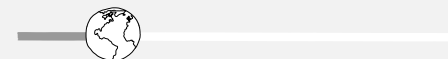
### Depletion of fossil fuels.

Amount of scarce fossil resources (oil, gas and coal) used by Zeeman.



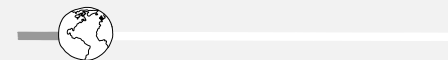
### Air, water and soil pollution.

Amount of polluting and toxic substances released into the air, water or soil by Zeeman.



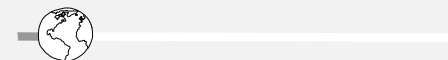
### Biodiversity loss through land use.

Land area used non-naturally by Zeeman (e.g. for agriculture).



### Impact on water scarcity.

Amount of scarce water consumed by Zeeman (the definition of scarcity depends on local conditions).



## Next steps.

In 2023, the baseline measurement involved all layers of the organisation, from Zeeman's Management Team and Supervisory Board to in-store colleagues. Based on these insights, we took a number of new concrete steps the same year to reduce our environmental impact:

- When energy contracts expire, we switch to green power, such as wind or solar power, as standard practice.
- We have started to make maritime transport more sustainable by partially offsetting carbon emissions through GoodShippinging.
- We are further expanding the sale of second-hand clothes (Resale).
- New stores are fitted with sliding doors.

In 2024, we will continue our journey. We will extend the scope of our baseline measurement by also calculating the envi-

ronmental impact of the part of the chain beyond Zeeman's stores. This includes consumer use, waste streams, collection of used clothes, and shipping of online orders from the fulfilment centre.

We are making every effort internally and externally to be even more *zuinig*. Caring for everything and everyone. It starts with the question:

### “What do you really need?”

We will do this in 2024 by translating our ambitions into concrete reduction targets, in line with the Science Based Targets Initiative (SBTI) for climate change. But we will also set reduction targets for the other environmental impacts. We are working on a transition plan to determine our goals for the coming years and how we can achieve them. In the meantime, of course, we will leverage the insights we have gained so far. We will be discussing this with our agents, with suppliers and with relevant departments within Zeeman. For

example, on green power in the production chain, reducing packaging, and more stores with Resale.

This process also requires us to refine our sustainability ambitions. For instance, Impact Institute will help us understand what costs we need to take into account if our organisation really wants to stay within the limits of the planet. In the longer term, the challenge is what this means for our business model and what steps we can take in this regard. So that we can ultimately fulfil our ambition of being *zuinig* in all respects.

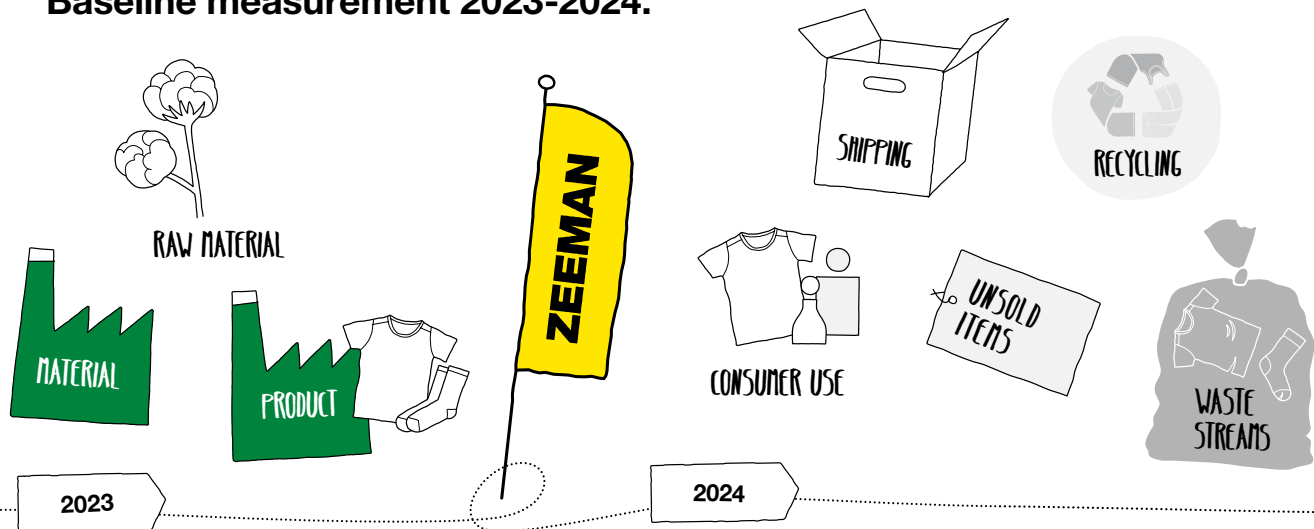
## About bAwear.

bAwear is an organisation with more than 35 years of experience in textile research using LCA technology. LCA stands for Life-Cycle Assessment. The company makes sustainability calculations and produces reports for clothing and textile products. To gain insight into the entire supply chain (from raw material to packaging and transport), bAwear includes all figures: on fibres, water consumption, energy consumption, climate impact, chemical consumption and land use. bAwear and Zeeman are working together to further develop the calculation tools and make impact calculations for more and more products in Zeeman's range. Read more on page 34.

## About Impact Institute.

Impact Institute maps companies' environmental and social impact. Its aim is to help them make conscious choices around the environment, people and society. Impact Institute enjoys working with companies that set their own course, make their own choices and dare to be pioneers. Like Zeeman, Impact Institute believes that companies (with family businesses at the forefront) have a defining role in achieving social change.

## Baseline measurement 2023-2024.



# Environmental impact in the supply chain.

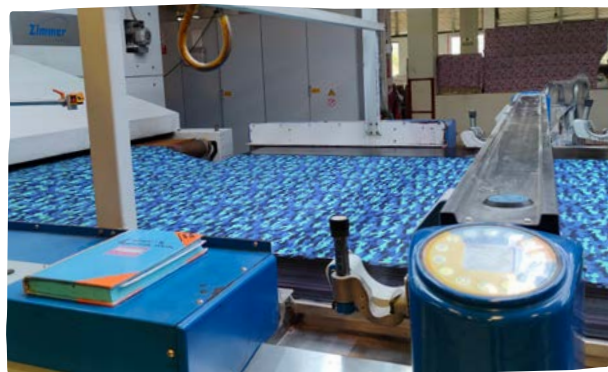


"I have been working at Şimşek Textiles for two years. This Turkish family business has been a partner of Zeeman since 2010. We enjoy working with Zeeman, and the living-wage supplement has raised my standard of living."

Ali Uluşan, Label Storage Department, Şimşek, Turkey.

The initial insights from the environmental baseline measurement will guide us in reducing our environmental impact in the coming years. There are lots of gains to be made, especially when it comes to fibre production, washing, dyeing and printing.

Corporate responsibility is often about using sustainable materials or reducing plastic packaging. However, the environmental consequences of production are equally crucial. Although hidden from customers, these consequences significantly contribute to climate change and loss of biodiversity. We aim to ensure that the manufacturing of our products does not harm people or the natural world.



## Fibre production and finishing processes.

We now know that the greatest environmental impact lies deeper in our supply chain. The greatest impact comes from fibre production. For textiles, this relates to fossil energy consumption throughout the chain, land use for growing natural raw materials like cotton, and the use of oil for synthetic fabrics. Taken together, this accounts for 34% of Zeeman's total measured environmental impact, followed by finishing processes at 13%. These are manufacturing processes such as washing, dyeing and printing. Here, energy consumption in particular is the polluting factor, through carbon emissions and the use of fossil fuels, such as coal burning and the use of natural gas. These finishing processes sometimes take place in the factory where our

products are sewn together. But often, they are outsourced to factories with which we have no direct relationship. This means our ability to influence and monitor conditions is more limited. So we need to work with our direct suppliers to reduce our impact deeper down the supply chain.

## Working responsibly with chemicals.

We are aware that many chemicals are used during the production of our clothing. Such as chemical pesticides used in conventional cotton cultivation, or the many chemicals used in dyeing fabrics used for clothing. We want all the substances 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 and applies mainly to our direct suppliers. We will continue to constantly update this list based on new developments and legislation. We also have a [Manufacturing Restricted Substances List \(MRSL\)](#) for suppliers deeper down the supply chain. The MRSL version 2.0 February 2022 has been updated to version 3.0 May 2023. This latest version is in line with the Zero Discharge Hazardous Chemicals (ZDHC) MRSL version 3.0 (May 2023). The ZDHC MRSL is leading the way across the textile, leather and footwear industries. Our direct suppliers must provide these two separate documents to all their suppliers (of raw or other materials), who then have to implement the guidelines. We also request a signed version from the suppliers where dyeing, washing and/or printing takes place.

## Sustainability dilemmas.

Chinese suppliers say that electricity is so cheap that it does not pay for suppliers to switch to green power, for example with solar panels. But in order to achieve emission reductions in our range, the move by suppliers and their sub-suppliers to cleaner forms of energy is crucial.

The biggest environmental impact is in the finishing processes and fibre production. We do not buy directly here and need our direct suppliers to join us in bringing the chain along in these changes. If direct suppliers do not want to cooperate on this, that could have consequences for our long-term partnership.

## Developments & results.

In response to the first insights gained from the environmental baseline measurement, we will put more focus on energy consumption in the supply chain in order to make the transition to green energy with our suppliers and deeper in the chain.

The Better Mill project examined five sites where finishing processes (like washing and dyeing) are carried out. The operators of these facilities received advice on ways to reduce their environmental impact.

## Monitoring dyehouses and laundries.

To reduce our environmental impact deeper down the supply chain, it is important that we gain a better understanding of the current situation at our sub-suppliers. But also that we have reduction targets so that suppliers know what we are working towards, so that we can take steps *together* to make improvements. Since 2021, we request information from sub-suppliers and set clear requirements for our dyers and laundries. In 2023, these requirements were further tightened. In the past, we required each supplier to use at least one “wet processing site” with a water treatment system. Now, we are aiming to ensure that suppliers only work with locations where a water treatment system is present. We are doing this through our supplier manual, materials policy and other initiatives.

Such a water treatment system is important to prevent water pollution in the immediate surroundings. We are also requesting further documentation and setting further requirements for our dyeing and laundry facilities. These include signing the MRSL (Manufacturing Restricted Substances List), and supplying various test reports to assess the quality of the treated water and certificates proving that waste is processed in a responsible manner.

## Initial insights from the environmental baseline measurement.

The environmental baseline measurement has provided many new insights. What stands out at first is that energy



consumption contributes a great deal to the environmental impact, for both the textile and non-textile ranges. In 2024, we will therefore start requesting information on energy consumption from our suppliers and suppliers deeper down the chain. For example, whether green or grey power is used. Green power is generated using natural resources such as solar, wind and water. Grey power is generated using fossil fuels, such as natural gas and coal. To reduce the environmental impact of our product range, it is important that as many suppliers and sub-suppliers as possible, such as dyers and laundries, start using green power.

88% of the facilities our suppliers use for washing and dyeing have a wastewater treatment system. In previous years, we recorded in our reporting whether a supplier had a system for treating wastewater at a minimum of one laundry/dyeing plant. We believe it is important that wastewater is always treated so that it does not harm the environment. We are therefore now keeping records of how many laundries/dyers have a water treatment system. We have set a corresponding target for this too, and adjusted the 2022 result based on the new criteria. At the same time, we have learned from the Better Mill project (see page 32) that the mere presence of a wastewater treatment system doesn't tell us everything. Other important aspects are that the system actually gets used, the quality, the knowledge and skills of the staff, and the monitoring of the water.

Because some suppliers use multiple facilities, a total of 189 were registered, 88% of which had a water treatment system. Several parameters were set to determine the quality of these facilities:

- Test report to assess water quality after treatment;
- Participation in health & safety training;
- Signed RSL & MRSL;
- Certificate confirming that waste is treated responsibly.

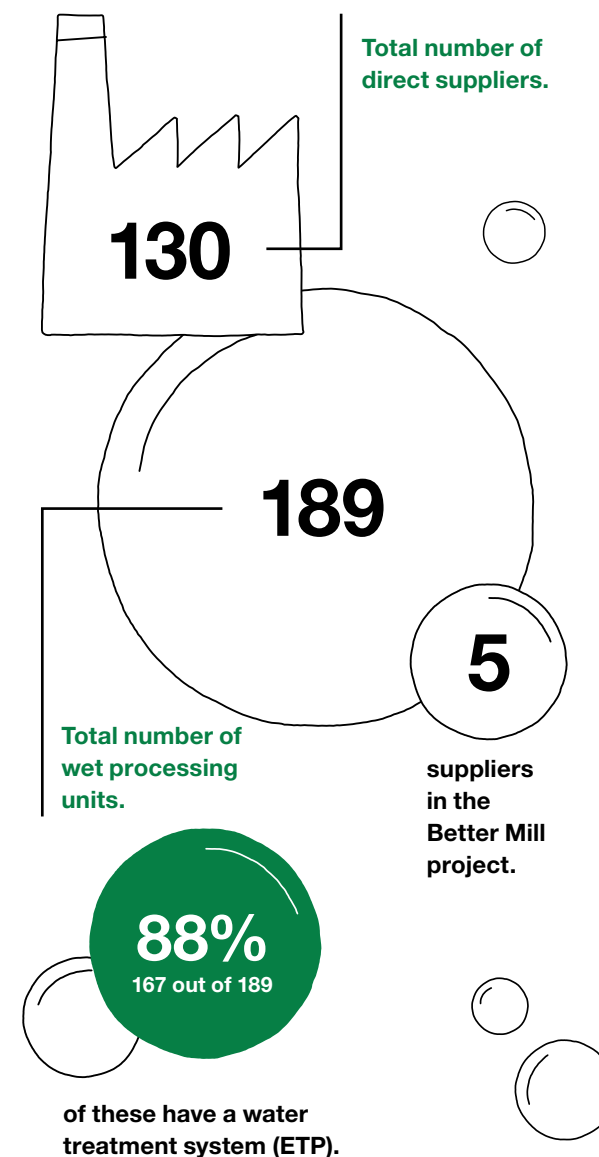




Photo of a water treatment system at [one of our suppliers](#) participating in the Better Mill project.

## Better Mill project.

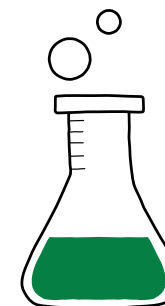
Another way we monitor locations deeper in the supply chain is through the Better Mill project, in which Zeeman has participated since 2022. Better Mill is a partnership between textile companies, suppliers that perform finishing processes (e.g. dyeing, washing and/or printing) and Solidaridad in Bangladesh. The focus is on studying opportunities for each individual supplier to reduce its environmental impact. For example, by reducing energy or water consumption, or by using chemicals more safely. Five sites (direct factories or one of their sub-suppliers) used by Zeeman are participating in this project. Other participating companies are America Today, Hunkemöller and G-Star.

This project not only evaluates the selected suppliers, but also looks at Zeeman's policies regarding finishing processes. In 2023, five risk assessments took place at the five participating suppliers in our chain. Environmental experts from Solidaridad visited suppliers and inspected various areas, such as:

- Factory safety and health;
- Environmental management systems;
- Energy and greenhouse gases;
- Water use;
- Wastewater treatment;
- Air emissions;
- Waste;
- Management of chemicals.

The findings and improvement recommendations were discussed in detail with each supplier, our agent in Bangladesh, the Solidaridad team and Zeeman's CSR team. What stood out was that there is still a lot of room for improvement among all participating suppliers. All the suppliers performed best in terms of factory safety and health, and all of them had the lowest score on the topic of air pollution. During the risk-assessment discussion, we saw that the suppliers had immediately started working on the recommendations.

In 2024, the five suppliers will receive support in implementing improvements, for example through training sessions focusing on chemical and wastewater management, as well as energy, water and carbon emissions. They will also be expected to start setting reduction targets. The project has so far taught us that we need to push for greater sustainability on these specific issues, both with our suppliers and with their sub-suppliers. The reduction targets we set in 2024 will provide a framework to guide these efforts.





## Survey of the impact of climate change on suppliers.

In 2023, we conducted a survey on our buying practices among our direct suppliers (read more about this on page 42). One of the questions we asked was how climate change is affecting them so far. Many of the suppliers said that the direct impact on their business operations so far has been limited. While they can tell weather conditions are becoming more extreme, they are not yet experiencing negative effects on their business. Those suppliers who are feeling the effects of climate change say phenomena such as extreme heat are slowing down production. One supplier, for example, says he moves goods elsewhere during extremely hot nights to avoid the heat. Suppliers are also reporting that the warmer weather means longer cycles when sourcing materials, and that the costs of raw materials are rising.

A supplier in India emphasised that sudden flooding is influencing production planning. Another supplier said that heavy rains had destroyed the cotton crop, resulting in higher costs and impacting production planning and pricing strategies. Yet another reported that the higher temperatures have led to a shortage of power and gas, disrupting production planning and causing costs to rise. And one supplier mentioned that policy measures are increasingly aimed at energy savings and emission reductions, forcing some poorly performing factories to shut down. This has also resulted in a shift of costs from downstream suppliers to our suppliers. One of the suppliers notes that according to the United Nations, Pakistan is among the top 3 countries impacted by climate change. It suffered massive floods in 2022 and an extreme

heat wave in 2023. All in all, these experiences illustrate how climate change is gradually starting to impact various aspects of business operations. For Zeeman, climate adaptation is still a new area, but one that is becoming increasingly important.

## Conscious design.

Zeeman's environmental impact can be largely attributed to our product range. As research conducted by the European Commission has shown, 80% of the environmental impact of a piece of clothing is determined during the design phase. This is why we introduced conscious design a few years ago, and why Zeeman's styling team created a design practices guide. The document gives our stylists tools to make more conscious decisions during the design process. In 2023, New Order of Fashion (NOoF) and Frankenhuis organised training sessions for our Buying department about innovations and recycling, as a follow-up to the training our Styling team had completed the year before. Impact Institute and bAwear also hosted a workshop on the environmental impact of Zeeman's product range and sustainability options.

bAwear thoroughly calculated the environmental footprint of 196 of Zeeman's products. Our stylists and buyers can now use this information to help them make design and buying choices. One of the insights gained, for example, concerned the dyeing process: designers should opt for light or medium colours, since much more dye and water is needed for dark colours.

In 2023, the Styling, Buying and CSR teams took this a step further – each team set four sustainability targets (KPIs), which were evaluated and set down on paper at the end

of the year. Examples include reducing plastic packaging for baby pyjamas and using cardboard sock display hooks instead of plastic ones. The KPI document is shared with all team members so that we can inspire each other and build on each other's ideas. In doing so, we also have a better idea of who is doing what. Not only can we learn from this, but it also gives us additional tools to take the next steps – teamwork to make a difference through design.



## Undyed and naturally dyed collections.

We will continue to develop our undyed collection. We have selected items from our first collection, released in 2022, and included them in our standard store offering. Undyed garments retain their natural colour. This saves a lot of water and energy needed to dye them.

### Our first collection made of 100% naturally dyed clothing.

Naturally dyed garments are dyed with olive leaves and pomegranate waste. The dyeing process is 100% natural, meaning synthetic binding agents are not used.

We also added other new, sustainable products to our collection in 2023, such as period underwear. Not only is it more convenient, it's also more sustainable, as it eliminates the need for tampons and sanitary towels.



### bAwear's approach.

bAwear used its Advanced methodology to thoroughly calculate the environmental footprint of 196 of Zeeman's products. The textile model used was developed in collaboration with PRé Sustainability and programmed in SimaPro, software widely used for life-cycle assessment (LCA) calculations. bAwear Advanced is a streamlined LCA to calculate the impact of a number of parameters, using a combination of primary data from the product supply chain and secondary data from bAwear's database. The secondary data have been selected to represent a worst-case scenario. As a result, the reported impact values are probably higher than the actual ones – that is to say, the impact is overestimated.



**Jesse Dolstra & Anton Luiken**  
COO & CEO, bAwear

“bAwear calculated the environmental impact of 196 textile products in close collaboration with Zeeman, enabling us to make considerable progress in refining our tools. The collaboration also produced valuable insights that will be key to our further development.

Our joint efforts have made the environmental impact of the textile range much more transparent, and we are set to continue down the road we are on. Our goal is to reduce the environmental footprint with targeted adjustments and innovations in production processes, as well as through conscious material choices and further insightful calculations. Our commitment to sustainability highlights the values we share. Together, we are charting a course towards a future where conscious and data-driven choices set the standard.”

# Environmental impact roadmap.

**2023**



We investigated the environmental impact of **196 clothing and textile products**.

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



**Started measuring our environmental impact as a company.**

Set targets for reduction.

Assessed facilities based on our established parameters and translated lessons learned from the Better Mill programme in Bangladesh into an approach for all facilities.

**2024**

**Utilise insights from the environmental baseline measurement.**

Define approach for short term to 2027, medium term to 2030 and long term (2050) to significantly reduce environmental impact and achieve environmental reduction targets.

Extend environmental baseline measurement to include post-retail.

Continue Better Mill Programme supporting five suppliers to reduce environmental impact.

**2025**

Implement approach to reduction targets & measure progress of environmental impact against base year 2022.

**2026**

Implement approach to reduction targets.

**2027**

Implement approach to reduction targets & measure progress of environmental impact against base year 2022.

# Raw materials and other inputs.



“I have been working at Şimşek Tekstil for about three years. People who buy clothes at Zeeman may not think about it, but behind every box of Zeeman clothes is a whole team of makers, packers and transporters. I am really proud to contribute to that.”

**Deniz Duygu Tarımoğlu, Packaging Department,  
Şimşek, Turkey.**

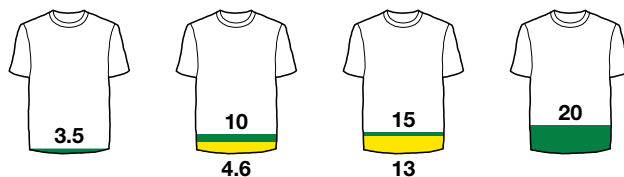
We want to make our products responsibly. That is why we are increasingly working with more sustainable raw materials and recycled materials.

## More sustainable use of materials.\*

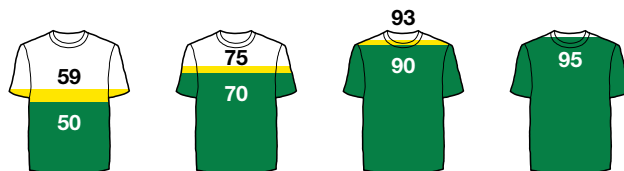
Using more sustainable materials is an important component of making our collection more sustainable. We have our own tool that allows us to report monthly on material usage: by country, by supplier, by buyer and by agent. In doing so, we can properly monitor progress and make adjustments as needed. In 2022, the target was for 50% of our total textile collection to be made from more sustainable materials. We surpassed this target and ended up with a 53% share of more sustainable materials in our total textile collection. In

2023, we continued this growth and reached a 71% share of more sustainable materials in the total collection. The target was 70%. For 2024, we are raising our target to 75% more sustainable materials. We aim to reach 90% more sustainable materials in 2027, growing by 5 percentage points every year. 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.

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 %

2021                      2022                      2023                      2024

## Sustainability dilemmas.

Recycled polyester is often made of RPET (recycled polyethylene terephthalate) from collected soft-drink bottles. It would be better if polyester from clothing were recycled for new clothing, making it a circular process. But this form of recycled polyester is still in limited supply, which means we still have to choose a non-circular variant of recycled polyester.

## Developments & results.

In 2023, 71% of our total textile consumption consisted of more sustainable materials. This represented an increase of 18% compared to 2022.

We are GOTS- and GRS-certified. As a result, our products made from organic and recycled materials will in future have a seal of approval that meets these internationally recognised standards.

\* For data quality limitations, please see page 100.

## More sustainable cotton.

Cotton is our main raw material. 63% of our textile collection is made of cotton. In 2022, this figure was 66%. We use cotton to make underwear, socks and bodysuits. But also tea towels and bath towels. Cotton production is environmentally harmful because it requires a lot of water and uses pesticides and artificial fertiliser. Therefore, we are increasingly opting for variants that are more sustainable than conventional cotton, such as Better Cotton or organic cotton. This cotton is produced without the use of harmful chemicals or fertilisers. We also use recycled cotton. Residual materials from previous production runs are reused, thus saving on new, costly raw materials. But most of our cotton consumption is now sourced through Better Cotton. Our cotton consumption in 2023 consists of 93% more sustainable options (than conventional cotton). The target was 90%. Next year, we aim to have at least 95% of our cotton come from more sustainable sources.



## Better Cotton.

To broaden the sustainability of our collection and improve the cotton cultivation process worldwide, we have been a member of Better Cotton since 2015. Better Cotton is an organisation working to improve conditions in the cotton industry around the world. The focus is on social conditions and environmental impact. In recent years, we have been sourcing more and more Better Cotton. In 2023, it had already reached 88% of our total cotton consumption – up from 71% in 2022. 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.

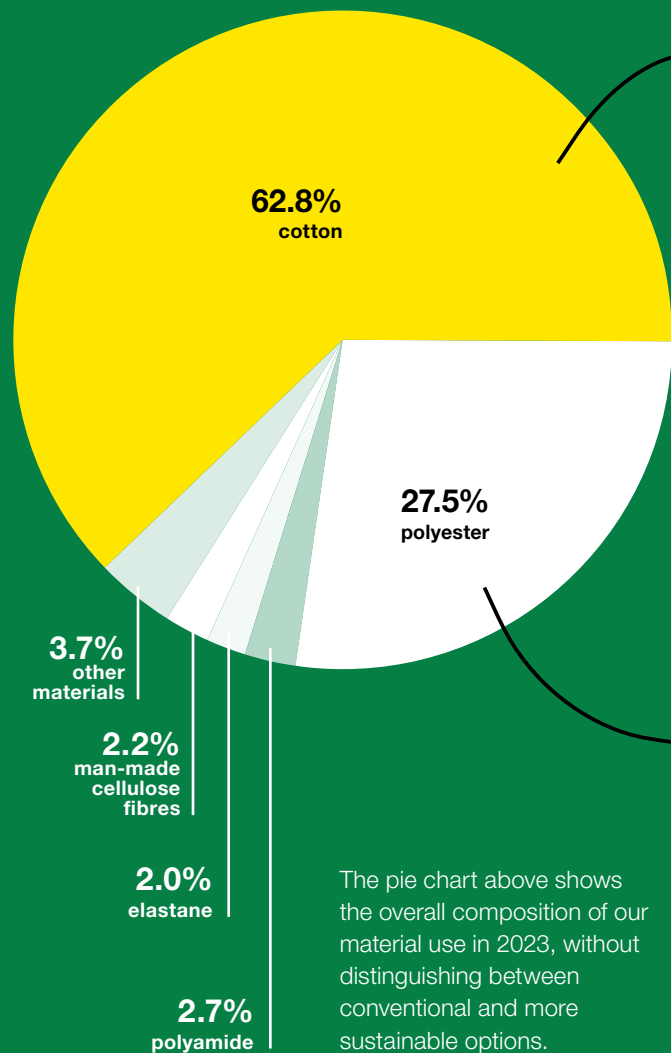
Thanks to our sourcing of Better Cotton, farmers benefited from an estimated €1.5 million in additional profit compared to conventional cotton. This was an estimated €1.4 million and €2.0 million in 2021 and 2022, respectively. Better Cotton farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of resources (such as irrigation water, pesticides or synthetic fertiliser). Further, our sourcing from Better Cotton has saved an estimated 7.97 billion litres of water compared to conventional cotton farming. This is up from an estimated 4.6 billion litres of water in 2022 and 3.2 billion litres of water in 2021.

## Recycled materials.

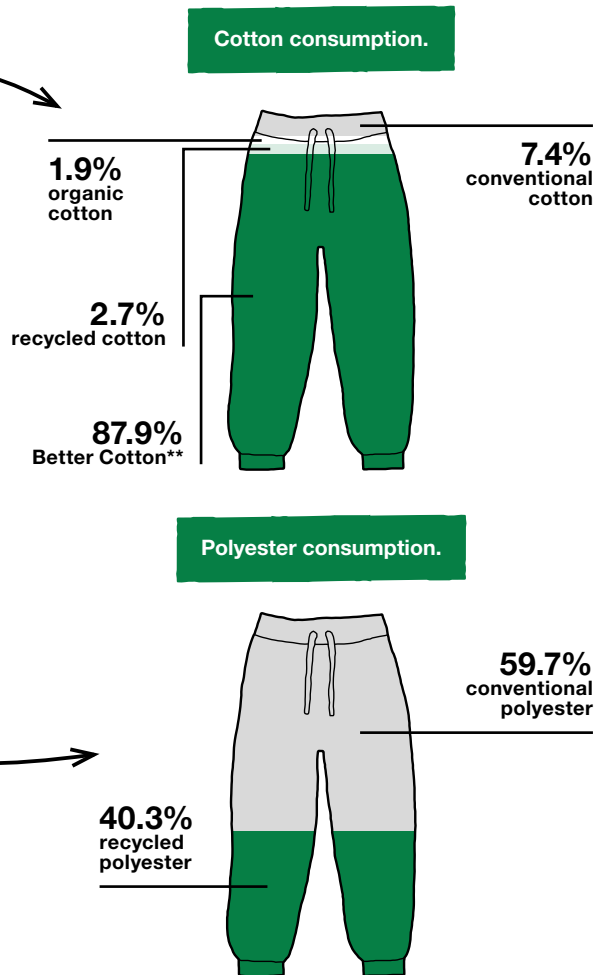
To continue growing the use of more sustainable materials, we want to increase our focus on recycled materials. In 2022, 4.6% of our textile collection consisted of recycled materials. In 2023, this grew sharply to 13%. However, our target was more ambitious, at 15%. Notably, what we are seeing is that a higher percentage of recycled material in an item still often results in lower quality. Since it is important to us that our products are of good quality, this is another challenge we have to address.

Much of our recycled material is polyester. After cotton, polyester is the most commonly used material in our collections. In 2022, 13% of the polyester we used consisted of recycled polyester. In the past year, this has increased to 40%. To meet our target for recycled materials, our share of recycled materials will need to increase in the coming years. That is why a Circularity Buyer started in 2022 and has launched a whole host of new initiatives in 2023. Read more about this on page 46. We hope to make a big leap here in the coming years.

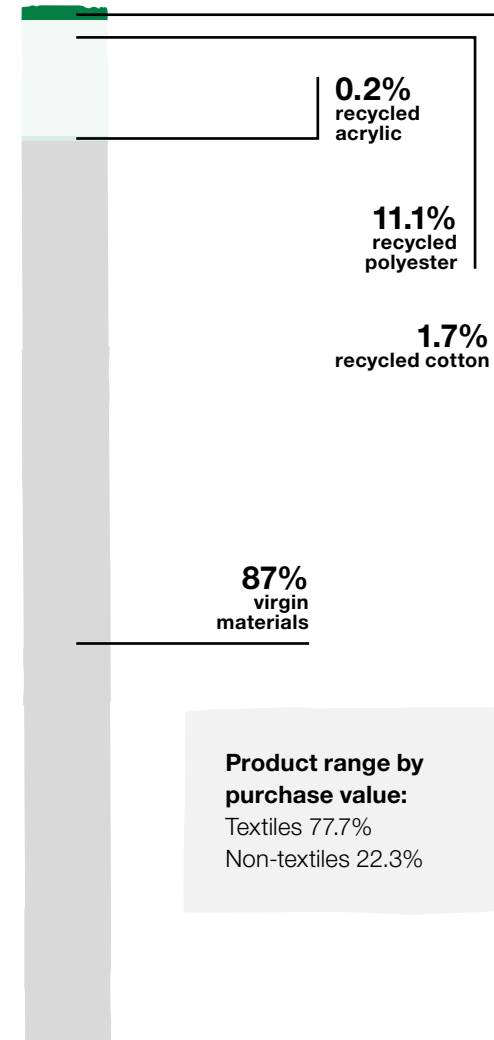
## Breakdown of material use in 2023 for clothing and textiles.\*



## Share of more sustainable materials.



## Overall share of recycled materials.

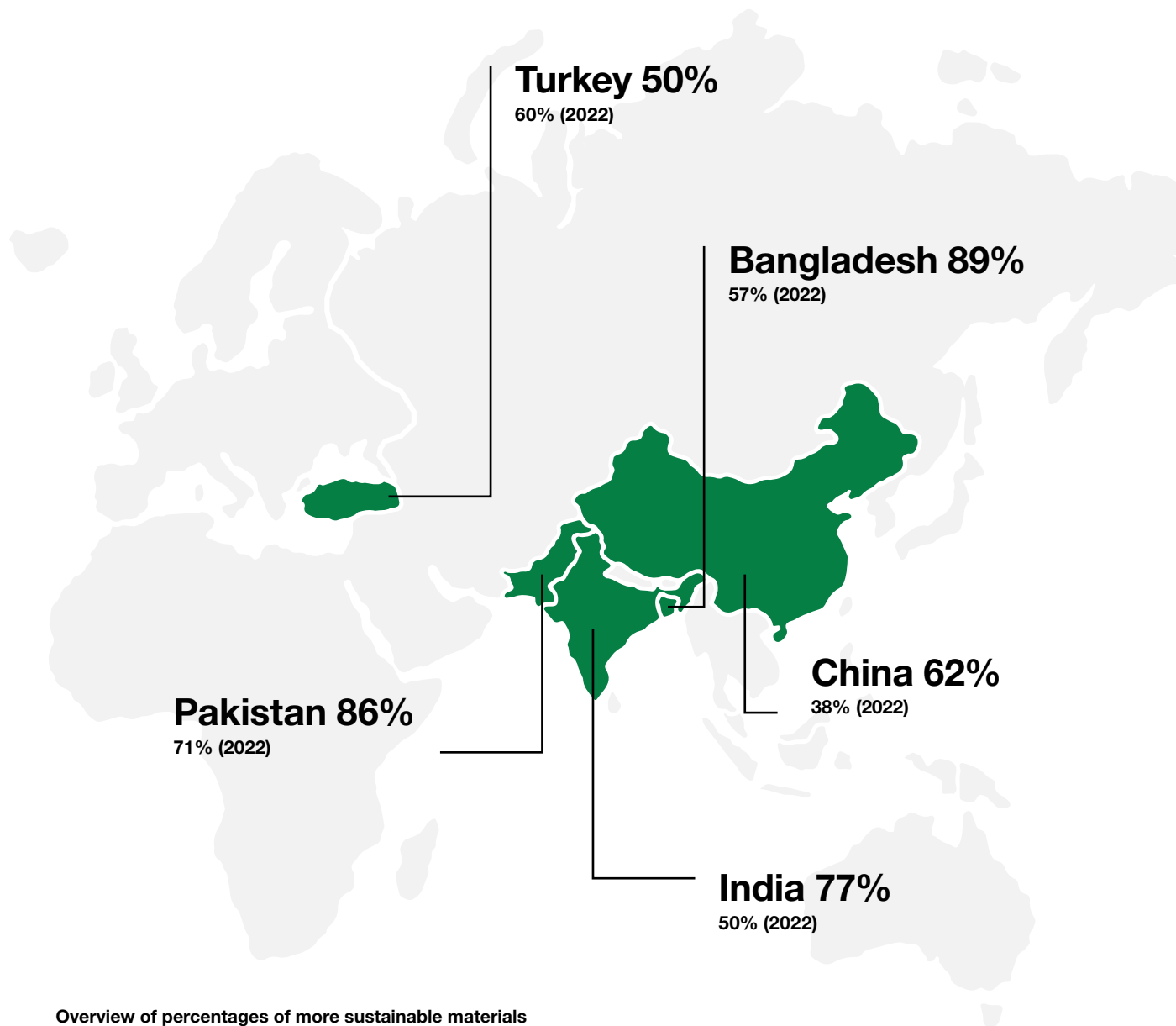


**Product range by purchase value:**  
 Textiles 77.7%  
 Non-textiles 22.3%

\* For data quality limitations, please see page 100.

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

[Read more about Better Cotton and how the Mass Balance system works here.](#)



Overview of percentages of more sustainable materials sourced for clothing and textiles, by country.

## More sustainable materials in clothing and textiles 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. There is still much to be gained by sourcing more recycled materials. A higher percentage of recycled materials in a product sometimes comes at the expense of quality. Following on from Turkey in 2022, in 2023 we also managed to source more sustainable options (Better Cotton, organic cotton or recycled cotton) for 100% of cotton use in India and Pakistan.

	Share of more sustainable cotton relative to total cotton consumption	Share of recycled materials relative to total textile consumption
<b>Turkey</b>	100%	21%
<b>Bangladesh</b>	97%	2.99%
<b>China</b>	98%	19.1%
<b>Pakistan</b>	100%	9.5%
<b>India</b>	100%	6.2%

\* For data quality limitations, please see page 100.



## Certification.

At Zeeman, we like simplicity. No less so when it comes to underpinning our CSR policy. We therefore prefer to work to internationally recognised standards. So that it is clear to everyone which standards our products meet. In 2023, Zeeman became a certified supplier for GOTS, OCS, GRS and RCS. In 2024, the logos of these labels will increasingly be found on our products.



### The Global Organic Textile Standard

**(GOTS)** is an international label for organic cotton that sets requirements for the entire supply chain, from the cultivation of (natural) fibres to processing (dyeing and spinning)

and sewing workshops. Each step requires new certification, so the whole chain is closed. That makes this label extra valuable and reliable. It includes consideration of social and working conditions. The GOTS label “made with organic” applies to textiles with more than 70% organic fibres, and “organic” with more than 95% organic fibres.

### The Global Recycled Standard

**(GRS)** is an international label for recycled materials, including clothing but also non-textile products. The label indicates what percentage of the fabric consists of recycled material. Materials are tracked from source to finished product. The label is internationally recognised, so the guideline is the same for countries around the world. The GRS logo may be displayed on products made from 50% or more recycled materials.

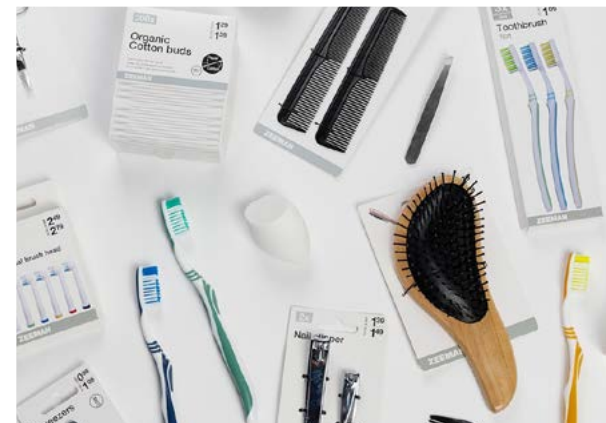


## More sustainable materials by product group.

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

## Recycled deposit shopping bags.

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



## Making non-tex items more sustainable.

Besides textiles, Zeeman also has a range of products such as personal care and cleaning products. Within these groups, we are also pushing for increasingly sustainable options.

### Maria Eijgenraam – Non-Tex Buyer:

“We are working hard to make our packaging for our personal care products more sustainable. Over the past year, we have eliminated the plastic in packaging for more and more products. Because plastic is not always necessary to nicely present our products. For example, cotton swabs are often in a plastic box, but we now pack them in a cardboard box. And toothbrushes whose packaging is normally made of plastic and cardboard now also come in a cardboard box. We will be taking more and more such steps in the coming year, consciously considering the design of our products and packaging. So we can be more *zuinig* with this.”

# Buying practices.



“As a buyer at Zeeman, I get enormous satisfaction from the long working relationships with the manufacturers. We’ve been working with some of our manufacturing partners for more than 30 years. So it’s a true partnership.”

**Eric-Paul van Egmond, Senior Buyer for Legwear and Men’s Fashion at Zeeman, Alphen aan den Rijn.**

Making buying practices more sustainable is at the heart of our business. This means that the collection and purchase price, but also the selling price, quality, stock levels and margins fall under the responsibility of the Buying department.

## Taking into account impacts on people and the environment.

In order to become more sustainable, we must consider impacts on people and the environment in every facet of the buying process. To increase integration between buyers and corporate social responsibility, there are regular consultations between the CSR & Quality and Buying teams. We have also established various agreements and guidelines with our buyers. These documents guide them in implementing our CSR policy.

## Buying procedures.

### Two-Way Code of Conduct.

The Two-Way Code of Conduct is a code of conduct that applies to suppliers with respect to buyers, and vice versa. It is based on the OECD guidelines. We have established buying guidelines that are reflected in the Two-Way Code of Conduct. 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 workers. To reduce the risk of overtime, we want to place our orders in a timely fashion. This enables suppliers to schedule production appropriately. In practice, however, it is still common for people to work a lot of overtime, for example because more orders are accepted than capacity allows for.

Another spearhead is that we are looking at how big our share of total production capacity is. We want to represent no more than 50% of a supplier's output. This way we ensure that suppliers are not too dependent on Zeeman, and vice versa. At the same time, it is important that we have enough leverage to launch programmes like living wage.

### Supplier onboarding procedure.

We want to focus on a smaller supplier base. To keep our supplier base healthy, we add suppliers only when it is in line with our sourcing and supplier policies. The supplier onboarding process helps us make conscious choices before engaging a new supplier. When a buyer wants to begin working 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 certificates related to social and environmental themes. In addition, we ask the new supplier to communicate Fair Wear's complaints procedure in the factory. Buyers have an important role in the onboarding process. We also place strong emphasis on the supplier's motivation during the selection process.

### Agreements on a responsible exit strategy.

As of the end of 2023, we had 3% fewer direct suppliers than in 2022. We don't take starting a new collaboration lightly. We strive for long-term partnerships. At the same time, new suppliers are also joining us as part of the Circular roadmap. Still, ending a partnership with a supplier is sometimes unavoidable. This may be due to, for example, persistent quality or supply problems, supplier unwillingness to cooperate in improving working conditions, or other commercial, strategic or geopolitical reasons. That is why we drew up an exit strategy. An important principle here is that we end a partnership responsibly, in stages, and in mutual consultation. In doing so, we take into account the impact of the decision on the supplier. Violation of labour rights is not a reason to leave a factory immediately. We prefer to use our influence to improve the situation. In those cases, we first engage in dialogue with the supplier. Only when it appears that a supplier is not willing to cooperate to reach a solution do we end the partnership.

## Sustainability dilemmas.

Suppliers regularly take on more orders than their capacity can handle. They do this to avoid any gaps in their production schedule and to generate as much revenue as possible. However, this increases the risk of employees working overtime. Currently, we lack adequate visibility into production timetables to properly consider this factor.

We want to work on the basis of equality, but realise that we do not always have an understanding of the impact of commercial and other considerations made by our buyers.

## Developments & results.

A questionnaire on buying practices was circulated among textile suppliers in 2023, with 220 respondents participating. This yielded important insights for improving our buying practices.

## Buying department actively involved.

### Learning and Implementation Community.

As part of our Fair Wear membership, we participate in a [Learning and Implementation Community](#) on responsible sourcing practices. Alongside a – very diverse – group of other companies, we have been working since 2022 on a two-year endeavour to improve our buying practices. Our Buying department is closely involved. The CSR team and one of the buyers attend the meetings together. By engaging in an open dialogue with these companies, we can learn from each other's insights and share best practices. Every two months, there is a different theme; in 2023, there was attention for properly planning contact with suppliers, for example. By briefly discussing any quality risks with the CSR team prior to each buying trip, the buyer is better prepared for the trip.

### Survey of buying practices.

In 2023, we launched another survey of our buying practices. Through a questionnaire, our suppliers gave us feedback on how we operate. Our agents also completed a similar questionnaire. Agents are responsible for a number of suppliers, where they monitor the entire process and are the point of contact between suppliers and Zeeman. So it is relevant to receive feedback on our practices from them too. The survey showed that what is stated in the Two-Way Code of Conduct can at times be at odds with what happens in practice. Nevertheless, about three quarters of respondents said they had noticed some changes since the transition from the Code of Conduct to the Two-Way Code of Conduct in 2022. Of these, more than half indicated that this was particularly apparent in the equality of the partnership.

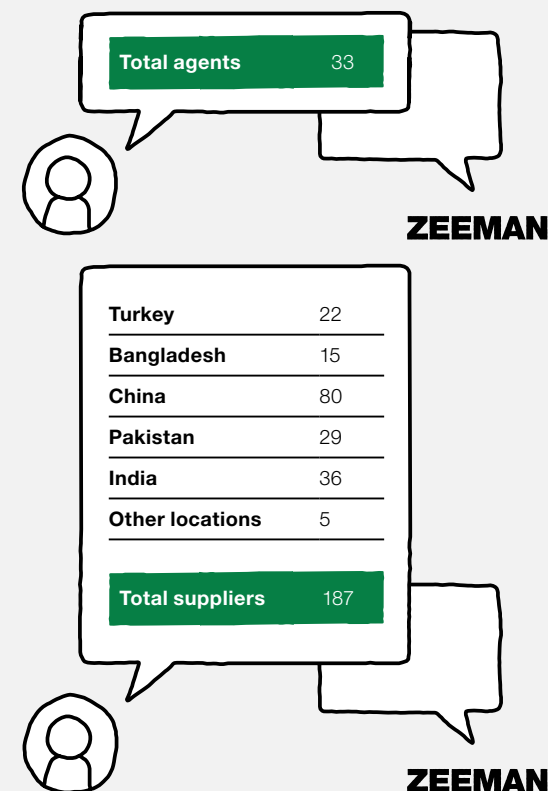
The survey shows that many suppliers feel they have a positive relationship with Zeeman. They appreciate our positive attitude, honesty and loyalty. More specifically, suppliers find that orders and scheduling are clear and payment is on time.

It is positive to read that suppliers indicate that when making products more sustainable, buyers often opt for more sustainable materials. Suppliers also note that buyers wanting a lower price would rather reduce the number of products than make concessions on the sustainability of materials.

In addition, suppliers also keep a critical eye on our buying practices. At Zeeman, a large proportion of our product range consists of Never Out Of Stock (NOOS) goods. A revamped approach meant that NOOS orders and numbers shifted more than in previous years. For suppliers, this affects planning, costs and the ability to meet deadlines. Unfortunately, the findings compared unfavourably with those of the survey held in 2020. To solve this, we set to work on describing the right approach, both internally and for our suppliers. With transparent communication, we expect that suppliers will be better able to respond to this. We hope to roll out the approach further in 2024.

In the survey, several suppliers indicated they sometimes accept orders below their cost price. They do this mainly in order to gain more orders in the future. Many suppliers strive for continuity in the flow of orders, which is why they sometimes accept orders below cost. Here too, we see no improvement relative to 2020. This will be a major focus in 2024. We want more insight into the cost price of our items, such as how it is structured.

### Respondents of buying-practices survey.





To further operationalise the Two-Way Code of Conduct, a workshop was organised for buyers in 2023 with the help of Jolanda Kooi. All buyers, the CSR team and Director of CSR & Buying Erica Roolvink participated.

“A better industry begins with better buying practices. So it is very special to see how Zeeman has introduced the Two-Way Code of Conduct. During the workshop on buying practices, they talked openly and frankly about how they put these agreements into practice: it is certainly not easy to take into account the interests of a supply-chain partner too during, for example, price negotiations. By continuously focusing on putting the Two-Way Code of Conduct into practice, it becomes embedded throughout the entire buying process.”

We've been working with Fair Wear's *Fair Price* app for a while now. Exactly what price is possible is determined by several factors. We want to use these insights to avoid a situation where we negotiate a purchase price that is below the cost of production and at which the factory cannot make a profit. Because that can have a negative impact on the working conditions of the factory workers. In the coming year, we intend to make more extensive use of the Fair Price app, train buyers and suppliers, and learn from the expertise of Fair Wear or other experts. These insights are crucial as they allow us to do what we stand for – selling products at the lowest possible price. This is something we've been doing for 55 years. And at the same time, to make products in a fair and sustainable way.



Buying, Quality and Finance departments discussing our 'responsible buying commitments'.

## Supplier Scorecard.

In 2023, a supplier scorecard was developed. The card brings together the most important up-to-date information about a supplier, providing buyers with an 'at a glance' overview of matters such as quality, as well as environmental and working conditions. The card was developed for 50 key suppliers, and we will expand it to include more suppliers and further topics in 2024. The scorecard serves as a tool for buyers to weigh up a variety of factors as part of the brand strategy: “To sustainably offer the best value for the lowest possible price.”



## CSR team training.

At Zeeman, we also find capacity-building important, for example when it comes to fair and safe working conditions, human rights and environmental impact. The CSR team has attended various training sessions in areas such as children's rights, responsible buying practices, and new legislation in areas like Human Rights Due Diligence, digital passports and mandatory sustainability reporting.

# Circular economy & packaging and waste.



“Working at Zeeman is never boring; no two days are the same. We were one of the first stores with Resale and we are proud of that. It is a good and sustainable initiative that really adds something to our store.”

**Dani Krijgsman, Sales Assistant at Zeeman,  
De Baronie, Alphen aan den Rijn, the Netherlands.**

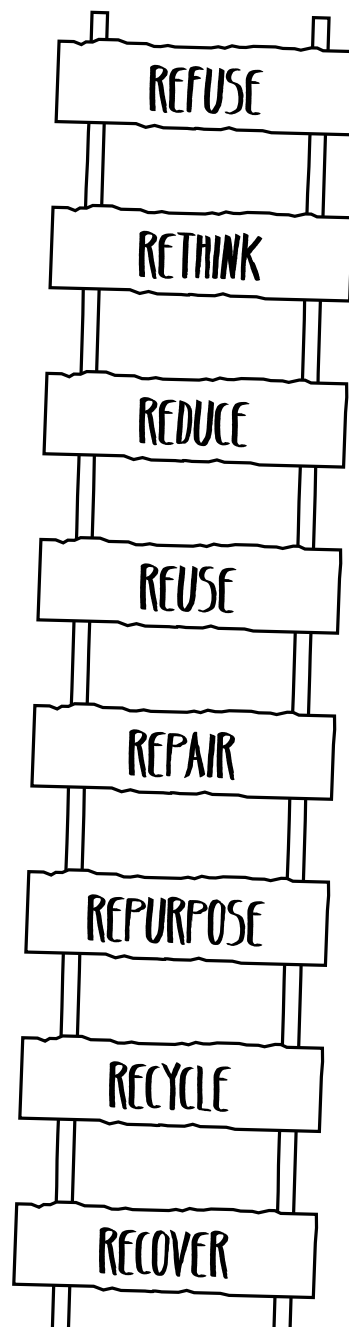
Circularity is one of the pillars of Zeeman's new brand strategy. The challenge is to move step by step from a linear to a circular business model.

## Our strategy.

In the transition to a circular business model, we use the R-ladder. This is a widely used model that helps us to give concrete shape to our strategy towards a circular business model. The idea behind the model is that you can work on circularity at different levels. The higher the level, the greater the effect on circularity:

### The R-ladder at Zeeman.

- **Refuse:** it all starts with sourcing the products; what do we really need? To avoid overproduction, we only buy what we think we can sell.
- **Rethink:** we consciously make sustainable choices when designing our products; to this end, we have established design practices together with our stylists and buyers (see page 33).
- **Reduce:** we are increasingly opting for more sustainable materials (such as organic cotton) and recycled materials (see page 37).
- **Reuse:** we collect used clothes and offer second-hand clothes in our stores with our Resale programme.
- **Repair:** we will post instructions online with tips to repair damaged clothes starting in spring 2024.
- **Repurpose:** we make something new out of returned deposit shopping bags and used company uniforms.
- **Recycle:** we have developed a circular collection made from textiles that have been turned back into fibre.
- **Recover:** what is really no longer usable, we burn while recovering the energy.



## Sustainability dilemmas.

The prices of our circular collection are higher because the items are often made in the Netherlands or elsewhere in Europe, where we face much higher labour costs than in South and East Asia. Making sure the circular collection is still attractive to our regular Zeeman customers is a challenge.

Many stores have collection bins for second-hand clothes. But many people aren't aware that they can hand in their clothes and textiles. To this day, many garments still end up in regular household waste.

## Developments & results.

Launch of the circular collection: the first products are now on our shelves.

We are collecting second-hand clothes at more and more stores. We've started collecting in Belgium and France.

## A different way of thinking and doing.

Working circularly requires a completely different way of thinking and acting. And we are only at the beginning. It doesn't make things easier for Zeeman that there are still only a few suppliers who can take care of this process from start to finish. For each step, we need a different partner. We also have to join all the dots ourselves. This is a lot less efficient than what we are accustomed to. Moreover, circular products are more expensive, as we only work with partners in Europe. Nevertheless, we still think it is important to invest in the circular economy: for us, circularity goes hand in hand with reducing our environmental impact. At each step on the R-ladder, we also look at how we can reduce our carbon emissions and the use of water and chemicals as much as possible.



## Collecting clothing and Resale.

For several years now, we've partnered with Het Goed to sell second-hand clothing under the name Resale. In addition, we offer our customers the opportunity to hand in used clothing to us, giving these clothes a second lease on life. By actively raising awareness of our efforts to collect used clothes, we hope to make customers aware that clothes should be collected separately and not thrown out with general waste, as still happens in 55% of cases. Het Goed has its own sorting centres that specialise in sorting out collected clothes. They also give many people an opportunity to gain daily work experience in an approachable way. So this partnership also has a strong social component. All collected items are donated to Het Goed.

In 2023, collection of used textiles was extended to our stores in Belgium and France. Collection bins in stores allow customers to give clothing they no longer use a second life. In 2024, we aim to expand this to all our stores in all countries. Our Resale collection still faces several major challenges. For instance, the logistics process is still very manual. This process should be further automated. We also need to align our product range with customer demand as closely as possible. To better understand this, we took time in 2023 to explore how to improve the logistics process and what would be the best fit for the Resale collection.

We have therefore chosen not to expand the number of stores where our Resale collection is sold just yet in 2023. However, we did gain a lot of knowledge and experience. In 2023, we sold a total of 34,109 second-hand garments at 6 Dutch stores and 2 Belgian stores. Our partnership with Het Goed continues. In 2024, our target is to offer the Resale collection in 42 stores in five countries (besides the Netherlands, also in Belgium, France, Germany and Spain).



## From Waste to Zeeman Project.

Zeeman is working with various other companies towards becoming fully circular by 2050. We want to contribute to this with the From Waste to Zeeman project. For several years, we have therefore been working with a group of local partners to produce circular items. The idea is to produce new items in the Netherlands with the highest possible percentage of recycled textiles (post-consumer waste), and we have formed a recycling chain to develop these products. We started with three partners: Cirkelwaarde, Frankenhuis and Enschede Textielstad. In 2023, we also teamed up with Spinning Jenny, Oxious (studio) and Nou Jij (sorting) in the Netherlands. We share the knowledge we gain and the challenges we encounter through our [web page](#). As a result of this collaboration, the product will hit stores in the Netherlands as well as the online shop in 2024. This will show that it is possible to produce an item made from recycled cotton entirely in the Netherlands with Dutch partners.



## Our first circular collection.

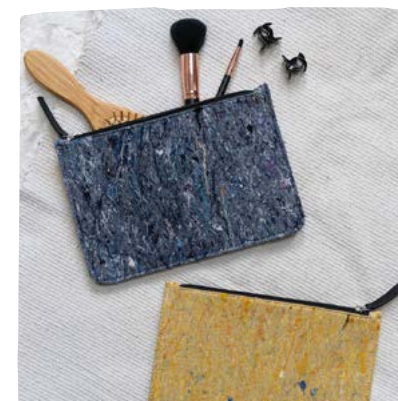
In 2023, we offered our first products made from recycled textiles in our online shop and stores in the Netherlands and Belgium. Wolkat is one of the few companies that collect, sort, reprocess, spin and weave textile waste in-house. The items are then made in a garment workshop. Collecting waste and rough sorting take place in the Netherlands, the rest in Morocco. We commissioned them to make a circular collection for us. Wolkat recycles old deposit shopping bags (which were returned in exchange for refund of the deposit originally paid for them) that can no longer be used and turns them into new products such as felt bags and pouches.

We have also found another solution for reusing old deposit shopping bags. As some of the bags that are returned are actually fit for reuse, we have teamed up with a social enterprise, the fashion workshop Fraenck, to make new variants from the bags.

In 2024, we will further develop our circular collection and roll it out in more stores.



Wolkat



Fraenck

## EPR: Extended Producer Responsibility.

The EPR for Textiles Decree (*Besluit UPV Textiel*) came into force on 1 July 2023. Under this decree, importers and producers of clothing and household textiles are responsible for the collection, processing, recycling and reuse of the products they market in the Netherlands. The EPR obligations are complex and costly to manage by ourselves, so we want to effectively address this challenge by teaming up with the wider industry. This involves individual retailers' obligations being taken over, and EPR-liable companies, including Zeeman, are asked to actively co-develop the system. By joining forces, the EPR for Textiles Foundation (*Stichting UPV Textiel*) organises the collection, reuse and recycling of discarded textiles collectively in an efficient, effective and affordable manner.

In 2023, more than 650 companies, representing over 60% of the market, signed up as participants in this collective approach to make the sector more sustainable, and the number of participants is growing every day.

In February 2024, the EPR for Textiles Foundation will request an AVV (*algemeen verbindend-verklaring*, an order declaring a collective agreement binding on the entire sector) with the Ministry of Infrastructure & Water Management. As soon as this has been approved, there will be a level playing field and all producers who market textiles in the Netherlands will be required to participate and contribute to the producer organisation. We will then be able to jointly pursue the EPR goals set for 2025 and 2030, moving us closer to a circular textile chain.



2025

### 50% reuse and recycling.

Of which at least:



**20%**  
reuse.

**10%**  
reuse in the Netherlands.

**25%**  
of recycling is  
fibre-to-fibre recycling.



2030

### 75% reuse and recycling.

Of which at least:



**25%**  
reuse.

**15%**  
reuse in the Netherlands.

**33%**  
of recycling is  
fibre-to-fibre recycling.

## Separate waste streams.

Just like in 2022, we managed to recycle 90% of all our waste streams in 2023. This includes the sorted plastic and paper returned from our stores, as well as materials from other waste streams for which we determine the most appropriate processing method together with our waste processing partner RCN. Our aim is to use as little packaging material as possible for our products. In addition, we have been reporting the total weight of our waste for many years, and have also reported separately on hazardous waste for the past four years.

Our goal is to map the (residual) waste streams from our service office in 2024. This will help us make informed decisions about potential recycling solutions, enabling us to recycle more materials and significantly reduce our overall waste.

# Circularity roadmap.

## 2023



**Collection initiative launched in Belgium and France.**



**Circular collection:**

In collaboration with Fraenck, turned used deposit shopping bags into new bags and sold them online.



**In collaboration with Wolkat:**

4 styles of recycled used textiles: 2x felt and 2x twill.

**Expand Resale by 20 stores in the Netherlands**

We didn't manage this (we are still at 8) because of our distribution-centre modernisation project, review of our product range and changes at Het Goed.

## 2024

**Reuse:** Collection at all Zeeman stores.

**Resale:** (Reuse) Expansion to 42 stores internationally.

**Repurpose:** Reuse of deposit shopping bags and company uniforms. Mapping our waste streams.

**Recycle:** Collection made with recycled used textiles (produced in Europe): women's and living capsule collection, From Waste to Zeeman: hammam towel, produced with Dutch partners; add two non-tex items.

## 2025

**Reuse:** Expand Reuse store selection.

**Repurpose:** Reuse of waste streams from Zeeman.

**Recycle:** Collection made with recycled used textiles: (produced in Europe) four collections a year (going to all stores); add non-tex items.

## 2026

**Reuse:** Expand Reuse store selection.

**Repurpose:** Reuse of waste streams from Zeeman.

**Recycle:** Collection made with recycled used textiles (produced in Europe): non-tex items made from recycle.

## 2027

**Reuse:** Expand Reuse store selection

**Repurpose:** Reuse of waste streams from Zeeman

**Recycle:** Collection made with recycled used textiles: (produced in Europe), non-tex items made from recycle.

# A good product.

“I have two growing children, so even before I started working at Zeeman as a sales assistant, I loved coming here as a customer. Since I started working here, I have only come to appreciate the products more. They are good quality and sustainable.”

**Lydie Maltese, Sales Assistant at Zeeman,  
Bailleul, France.**

We pay a lot of attention to the quality of our products. We do this through rigorous inspections and random sampling. But also by building sustainable, lasting partnerships with our suppliers.

Operating with sustainability in mind also means that we want to offer products with a long lifespan and without harmful chemicals. That is why we pay attention to the quality of our products and to ‘wet processes’ such as dyeing. For example, our Quality Specialists already look at the quality of items during the buying stage.

This way, we work preventatively and try to avoid problems at a later stage. It is also important that we have sustainable and lasting partnerships with our suppliers. Our suppliers know our standards, so customers should be able to rely on the quality of our products.

### Staying vigilant.

The CSR & Quality department is co-responsible for implementing and enforcing our quality policy. We increasingly approach this from a risk-based perspective. Using a list of high-risk items, we conduct rigorous controls and random sampling. Additionally, we collaborate with our suppliers, agents and a third party such as TÜV Rheinland. With the help of TÜVR’s knowledge and innovation centre, various training sessions have been conducted to share knowledge and experience.

And we remain vigilant: for example, we regularly engage in dialogue with the Dutch regulator, NVWA. We initiate improvement processes to continually enhance our quality assurance.

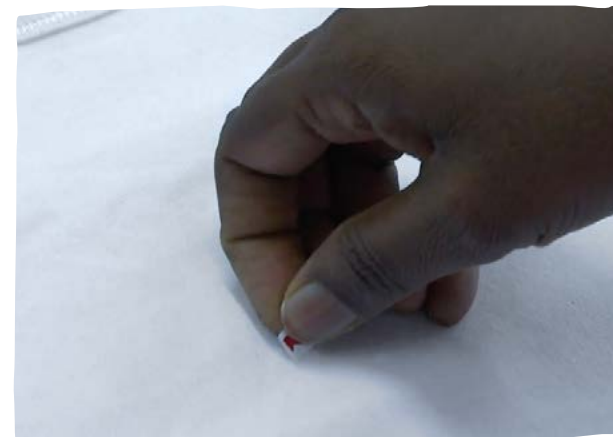
### Product testing.

To ensure that items meet our quality requirements, they are tested by TÜV Rheinland or other laboratories prior to shipment. For the inspection of certain (high-risk) items, we engage another independent party.

#### What we test for:

- Chemicals and other harmful substances listed on the Restricted Substances List (RSL) (see page 30). This ensures that our products do not contain substances harmful to health and the environment (e.g., azo dyes and plasticizers in plastics).
- Fire safety of children's nightwear: We comply fully with the European standard. Additionally, our nightwear complies with the Agreement on the Fire Safety of Nightclothes.
- General product safety: This includes checking for small parts in toys or drawstrings on children's clothing.

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

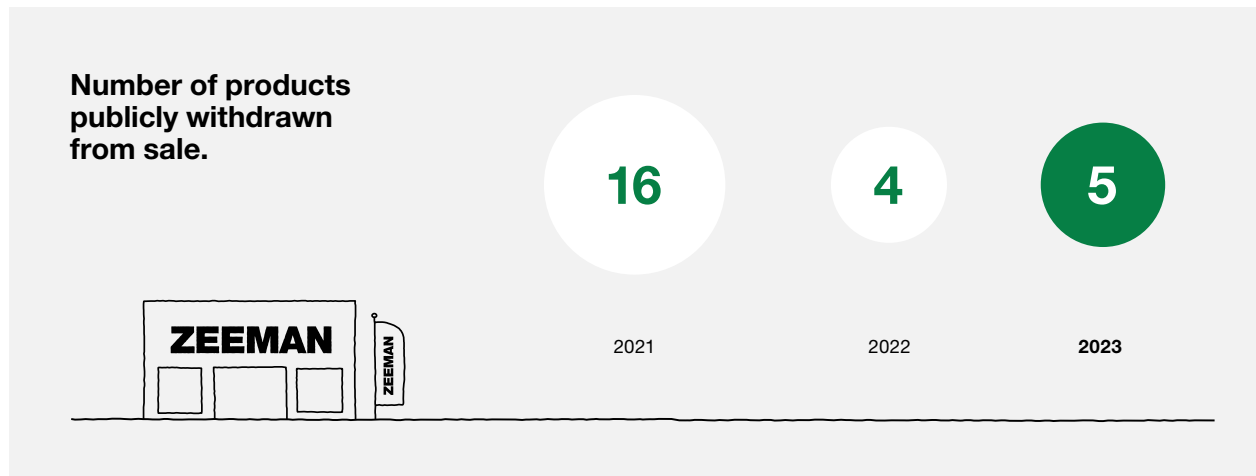


#### In 2023, 504 spot checks took place.

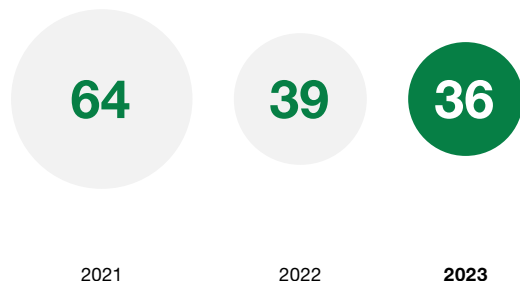
Of these samples, 98.4% (496 items) met Zeeman’s safety standards, as described in our Supplier Manual and Quality Risk Policy. For 8 items, we took corrective action. This may range from replacing certain parts to completely removing the items from sale.

## Spot checks.

At the production site, all of our orders are inspected by agents – often agents Zeeman has been working 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 performed at the service office when orders arrive. The (high-risk) items are checked against strict safety requirements such as cord length in baby and children's clothing, small parts in toys, and seam strength for plush toys.



## Total number of products withdrawn from sale.



## Product recalls.

With more than 5,000 different products in our range and over 280 million items sold per year, things can still go wrong – despite the many checks and controls. If something does end up in stores that does not meet our safety requirements, the product is withdrawn from sale. Unfortunately, it is unavoidable that some customers may have already purchased and used these products, which is why we inform our customers about safety issues through our website and in our stores.

In 2023, 36 products were withdrawn from sale because they did not meet Zeeman's internal quality requirements. Five of these cases led to a product recall for safety reasons, with four of those five involving flip-flops. To avoid this in the next season, a risk policy was agreed upon between the Buying department and the relevant supplier. In a change from previous years, we are reporting on a KPI regarding the number of products publicly withdrawn from sale. This KPI formally reflects the number of safety-related complaints. In previous years, the KPI "withdrawn from sale due to a

potential safety risk" reflected a possible safety risk that could not be adequately substantiated.

Our range consists of 80% clothing and textiles, so it is noteworthy that we have not recalled any clothing this year.

## Increasing documentation and records.

To further improve the quality of our products, we will focus on documenting and recording processes and procedures in 2024. This will give us more control over quality and our standards. So customers always get the quality they expect. We are also making a start on developing a Materials Library, in which we want to record – for each product – data on the raw materials and other inputs used. This has relevance to, for example, the expected lifespan and recycling possibilities. Systematically collecting information on this will give us more insight into the quality of our products, which in turn will inform our buying decisions. Ultimately, our goal is to arrive at a set of 'standard materials' and thus to gain an even tighter grip on quality.

# A *zuinig* operation.

“Since 1996, I have been working in various roles in the Facility Service. I joined Zeeman in 2021 and I feel completely at home here. I have learnt a lot over the years about saving energy, and I try to share that knowledge. In everything I do, I consider: could we make this more sustainable?”

**Pieter Planqué, Facility Manager at Zeeman,  
Alphen aan den Rijn, the Netherlands.**

*Zuinig* at Zeeman also means that we pay attention to our energy consumption, our transport and the distribution of our products. And in the online shop, we are committed to achieving more sustainable delivery and less packaging.

# Supply chain.

## Distribution Centre reorganisation.

In 2021, we started redesigning our distribution centre and building a new mechanised storage and sorting system. The bulk of this project was achieved in 2022. The result: a new distribution-centre layout and a new Warehouse Management System combined with an automated logistics process. The new logistics process went live in 2023, with both software and hardware active since the summer. The new process is characterised by a high degree of mechanisation, minimising physical strain on our employees. The initial response from employees has been positive; the work will be much less physically taxing than under the old system. The workstations were designed in collaboration with staff and a company physiotherapist, making the current foundation a good start for fine-tuning in practice.

At the end of the year, we aim to introduce task rotation, further spreading the physical workload per person over a larger population.

The design of the logistics system is aimed at increasing roll-cage fill rates. The final situation with all the necessary software will be completed in 2024, making the increase visible in practice.

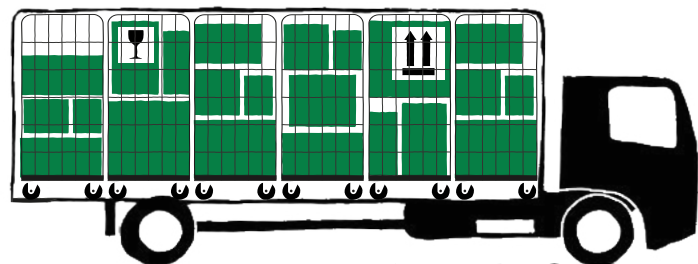
## Launch of “You are the central focus in everything we do” at the distribution centre.

We are *zuinig* with the people who make our products, but also with the people who work at the stores and the service office in Europe. This project is all about paying more attention to employees. Part of this was the construction of a new changing room and setting up new teams for staffing the new logistics system.

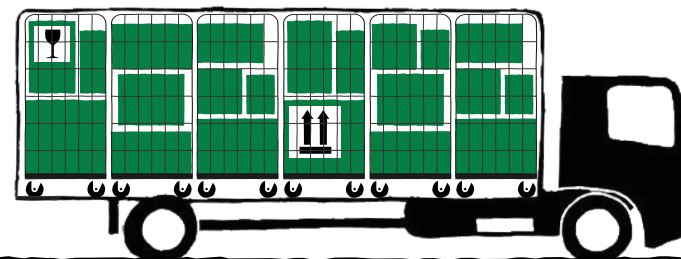
## Emissions per roll cage.

The Shuttle system will bring a range of benefits in the future, such as the fact that it takes into account the maximum weights of the roll cages. As a result, drivers will have to contend with peak loads less often. Smart control systems will also increase the load factor of roll cages. As a result, the same volume of goods will require fewer transport trips, resulting in reduced emissions.

Emissions per roll cage (rc) were slightly lower in 2023, at 12.05 kg CO<sub>2</sub>/rc. This is down from 12.3 kg CO<sub>2</sub>/rc in 2021 and 12.06 kg in 2022.



2022 12.06 kg CO<sub>2</sub>/rc



2023 12.05 kg CO<sub>2</sub>/rc



# Transport.

## Lorries.

In 2023, we again worked to reduce the carbon emissions produced by our lorries. Seven lorries were replaced with new ones featuring the latest diesel engine models, all of which meet the Euro 6 emission standard. Two lorries were bought for long-haul trips and three for shift work. The latter vehicles have a smaller cabin, a lighter, optimised drivetrain and a new engine, all of which contribute to better fuel economy and lower carbon emissions. At the same time, we optimise our routes on an ongoing basis, further reducing consumption and emissions. In order to drive more *zuinig* (that is, efficiently), the cruise control has been limited to a maximum of 85 km per hour in our new lorries.



Several further investments are in the pipeline for 2024 to keep our fleet and large equipment up to date and to add more lorries with the latest technology. We also see opportunities for optimisation by using more double-deckers, as this will enable us to transport more goods in one trip – in other words, travel fewer kilometres for the same number of goods.

Furthermore, we are in contact with SmartwayZ, an initiative aimed at improving the flow of transport using smart traffic lights. Several municipalities in the Netherlands have already joined this initiative. The idea is that lorries will need to stop less frequently if they keep encountering green lights, thus reducing fuel consumption, carbon emissions and, of course, costs. In 2024, we plan to explore what this could mean for Zeeman.

## New partner for transport to Spain.

In 2023, we resumed intermodal transport to Spain (Barcelona) with a new partner. We had to discontinue this temporarily in 2022 as the unreliability of (especially rail) transport in Spain caused many delays. Connections between the Netherlands and Spain have improved significantly in the meantime.

## Passenger cars.

Zeeman has 140 company cars in Europe. In the past year, several cars were replaced with hybrid or electric vehicles. We still have 9 diesel cars on the road, most of which will be replaced by electric ones in 2024. We want to switch the entire fleet to hybrid or electric cars in the future. In 2024, we will invite tenders to find a lease company that matches Zeeman's ambitions. We hope to replace another large batch of our company cars with more *zuinig* (fuel-efficient) vehicles in September.



### Preparing for new rules.

In the coming years, the Dutch transport sector will face new rules and regulations. Zeeman is already making preparations regarding TPMS, smart tachographs and zero-emission zones.

### TPMS.

We expect that by 2025, our entire fleet will have to be equipped with TPMS – a tyre-pressure monitoring system. Tyre pressure significantly impacts fuel consumption. Monitoring is also important to prevent blowouts.

### Smart tachographs.

Every lorry that operates outside the Netherlands needs to be fitted with a new smart tachograph. The option to install these tachographs has been available since 21 August 2023, and they will become mandatory for all lorries as of 19 August 2025. The new rule is laid down in the European Mobility Package. The new tachographs will make it more difficult to manipulate data and will extend on-board records of driving and rest time visible during roadside inspections from the current 28 days to 56 days.

### Zero-emission zones.

In 2023, an announcement was made regarding 29 municipalities in the Netherlands where zero-emission zones will be introduced on 1 January 2025. Polluting vans and lorries will no longer be allowed to drive through these zones. The goal of the regulation is to reduce particulate matter and carbon emissions in cities. More (and larger) municipalities will follow suit in the coming years. Some will make transitional arrangements for Euro 6-category lorries.

To prepare for these regulations, we tested an electric Volvo lorry in 2023. We spent a week examining how we could deploy an electric vehicle as effectively as possible on various routes in the Netherlands. These preparations are a natural continuation of the path we embarked on years ago. We want our lorries to have the lowest possible carbon emissions.

In light of the plans for zero-emission zones, we are monitoring developments in the transport sector concerning hydrogen-powered and electric lorries. As everything points to the current Dutch electricity grid not being ready to supply power for lorries, we are now investigating whether we should shift our focus to hydrogen. We are keeping a close eye on developments in this field.

### Zero-emission zones in the Netherlands.



An important factor in our drive to make transport more sustainable is how much extra time we will need to spend charging lorry batteries, and where we will be able to do so. We have set up a working group of six drivers to look into this. The group – named Yellow To Green – will explore the questions and dilemmas around this issue in the coming years.

We have also partnered with BigMile, a data analysis tool with an interactive online platform that provides accurate information about carbon emissions produced by transport. The platform also shows which regions are highly polluting, for example because of hilly terrain. We consider BigMile to be a useful tool that will help us keep track of – and further reduce – our carbon footprint.



# Transport by water.

## Load factor.

If the load factor of a shipping container is high, we don't need to ship as many containers. This also reduces emissions. We work closely with our agents and suppliers to keep increasing load factors.

In 2023, we prepared for port consolidation in South and East Asia: this involves smart bundling and grouping of cargoes so that more can fit in a container. We started in Bangladesh, from which we learnt a lot. We will start this process at a port in Pakistan in early 2024, after which we plan to move on to further ports.

## Offsetting carbon emissions from container ships.

**For comparison: we offset the carbon emissions from the journeys of all our container ships between Chittagong (Bangladesh) and Rotterdam, and between Karachi (Pakistan) and Rotterdam.**

Port consolidation has started later than expected. As a result, the average load factor of our shipping containers did not increase as fast as we had expected in 2023. The target was 83%, but we ended up at 80%. We do expect to reach 83% in 2024.

Zeeman was also able to ship 81% of the total volume of goods using the largest type of container. Due to the delay in port consolidation, that number did not grow in 2023 either. We expect the use of large containers to increase again in 2024. The target is 85%.

## Inland waterways.

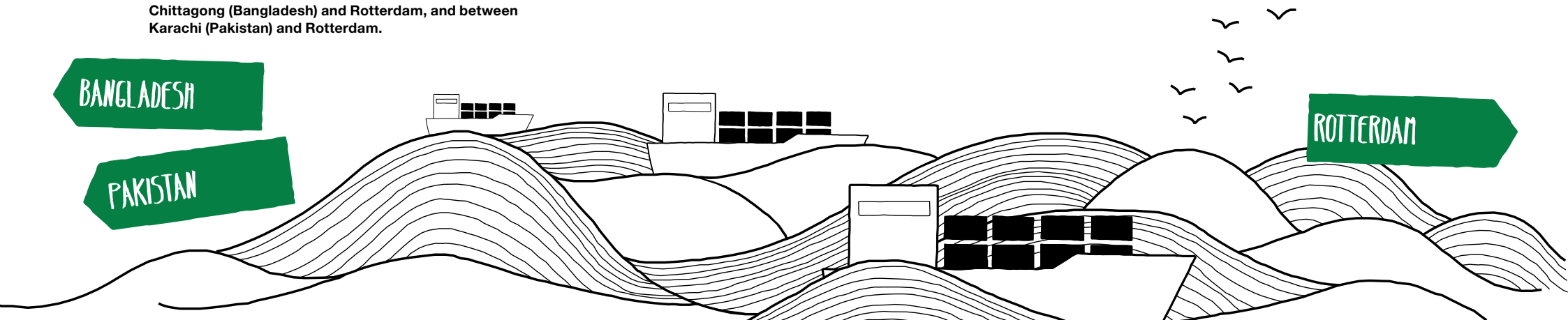
For transport from the port to our distribution centre in Alphen aan den Rijn, we use inland waterways as much as possible. This way, we reduce the number of transport movements on the road, as well as emissions. We use the 'green corridor', in which different companies combine transport flows via inland navigation. 42% of our volume is transported by electrically powered inland vessels. This percentage does not include the CTU terminal.

In 2023, 95% of sea containers were delivered via inland waterways, exceeding our target of 85%. To achieve this, we started working more intensively with a barge operator. Automated information exchange has been improved, making planning more efficient. We also further improved internal adherence to procedures, and conditions at the Rotterdam port have improved as well. In 2024, our target is to maintain this high level of 95%.

## Offsetting carbon emissions.

In 2023, we started a partnership with GoodShipping, an initiative that helps companies around the world make their transport carbon-neutral. Last year, 906 tonnes of CO<sub>2</sub>eq were offset. This equates to 27% of the total emissions from our container ships by sea.

Our target is to increase emission offsetting to 1,875 tonnes of CO<sub>2</sub>eq in 2024. This will make the fleet a little more sustainable every year.



# Service office and stores.

## Green power.

In 2023, Zeeman in the Netherlands switched from 70% green power to 100% green power for its stores as well as the service office and distribution centre. As of 1 January 2024, more than 1,000 stores are powered by green electricity.

## Making retail premises more sustainable.

There are more and more laws and regulations aimed at making buildings and homes more sustainable. Agreements have been reached in the Netherlands and at the European level to combat climate change. To make buildings and homes more sustainable, various laws, regulations and instruments have been created to achieve climate targets. This includes energy labels and energy performance standards. Offices, for example, must have at least a C energy label and – according to the Paris Climate Accord – energy consumption in our premises must not exceed 80 kWh per m<sup>2</sup> annually by 2050. Most of our stores now meet that standard.

Meanwhile, we continue to take steps to make our store premises more sustainable. We do this in consultation with the property owners, and we are finding that more and more landlords are already actively working on sustainability themselves, for example by installing roof and wall insulation. We also exchange experiences with other retail companies. Our goal for 2024 is to have as many store premises as possible transition away from using natural gas for heating. We will also start tracking the energy ratings of our retail premises in 2024.

## Installation of sliding doors.

If a store's doors are open all day, a lot of energy is lost on cold days. This is a waste of energy and usually easy to avoid. We therefore updated our door policy in 2023. If the property owner and local authorities allow it, we will opt for sliding doors instead of French doors as standard in new stores and renovations going forward. As of late 2023, 319 stores had sliding doors.

## Lighting.

You won't find any unnecessary luxuries at our stores. What you will find is LED lighting. By the end of 2023, 1,061 stores (out of 1,313) were fitted with LEDs. This comes to 81%. LED lighting uses less than a third of the energy required by traditional fluorescent tubes. The 1,061 stores with LED lighting therefore reduce energy bills, which is more sustainable as well as being good for our wallet.

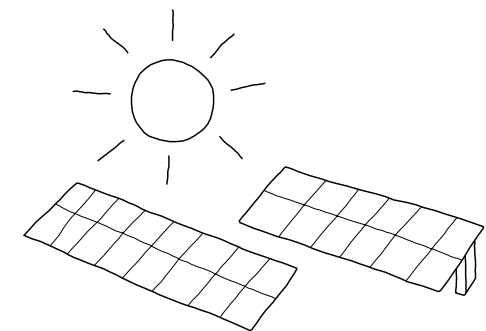


## Sustainable facility management.

In 2023, the Facility department took a host of measures relating to sustainability, recycling and the health of our people.

- We moved away from using cardboard cups and – alongside our existing crockery – introduced washable cups.
- In the canteen, various soft drinks were replaced with sugar-free options.
- Since 1 January 2023, we only use 100% biodegradable cleaning products that do not have a negative impact on nature.
- At our service office, we introduced a Clothes Swap for all office staff: they can hang up their used clothes and exchange them with colleagues. For each item of clothing they give away, they may choose something new.
- During the tender for new company uniforms in 2023, we paid special attention to sustainability and recyclability. That's why we opted for clothing made of 100% cotton. In addition, we are looking into the recyclability and possible reuse of our current company uniforms.
- When buying new desks and chairs, we always consider their sustainability and durability, as well as ergonomic features. We carefully weigh various factors, such as sitting comfort (in both the short and long term), circularity (whether the materials used to make them can be reused), the supplier and manufacturer (preferably local) as well as repairability.

In light of the mechanisation and automation of the distribution centre in 2021 and 2022, we bought a 1.3 MWh battery pack. Installing smart systems in the distribution centre has increased energy consumption. The battery pack has enabled us to store the energy generated by the 8,600 solar panels on the roof. As a result, we don't need to feed back as much energy into the grid and can use the stored energy ourselves at a later time, allowing us to make the best possible use of our solar energy. It also helps compensate for the additional energy needed for our new mechanised storage and sorting system. In 2024, we will explore how we can further optimise this.



# Online shop.

## Introduction of the Digital Product Passport.

Under the European Union's Green Deal, each product within a specific high-risk category that enters the European market will be required to have a Digital Product Passport (DPP) by 2026. This requirement starts with batteries, textiles and electronics. Other product categories will follow from 2027. The Deal's goal is to make products more sustainable, recyclable and reusable. The DPP is an important step towards making the European economy more sustainable. In order to meet the requirements, Zeeman started preparing a platform in 2023 on which we will collect and showcase information about all our products. Thus we will provide customers with transparent information, such as how a product is made. Our Buying department is in the process of collecting and recording all the necessary data.

## Responsible retail in the Netherlands.

In 2023, there was a fierce public debate in the Netherlands about whether it is ethically responsible to give consumers the option to "buy now, pay later", both online and in physical stores. This arrangement can, of course, be helpful to customers on tight budgets – for example, if a child needs a warm coat, it's not really an option for the parents to wait until the end of the month. Delaying payment does, however, carry the risk that people run up debts and fall into financial difficulties. Note that Dutch legislation requires retailers to offer consumers the option to pay 50% of the purchase price later.

That said, at Zeeman we agree with the criticism directed at arrangements of this kind. In 2023, we got in contact with Thuiswinkel.org and other retailers in an effort to find

solutions. Thuiswinkel.org is now engaging with government and politicians about this issue. We believe that we need to show caution – in the interest of the customer – when it comes to offering the possibility of 'buying on credit'. That is why we cut back on delayed payment options in 2023. In the Netherlands we now offer this facility through one provider, rather than two. We have also agreed on stricter credit checks. Moreover, it's been Zeeman's policy for years now not to use the pay-later option to promote a product or purchase. We will await further developments in 2024.

## More sustainable delivery of online orders.

In another development, we are testing how we can deliver online orders more sustainably. One of the things we are trying out is to encourage customers to use collection points, as this will cut back on the number of parcels we need to deliver to people's homes and reduce the number of transport movements. In the Netherlands, 6.27% of parcels were collected at a parcel point in 2022. In 2023, this was 11.77%, up by 88%. Across all countries combined, this figure was 10.61% in 2022 and 14.13% in 2023 – a 33% increase. We hope to at least maintain this level in 2024. We are also looking into other ways of encouraging more sustainable transport. From 2024, for example, we want to offer customers more insight into their parcels' carbon footprint. Thuiswinkel.org is also working on this. We will then be able to show customers the most sustainable delivery method for each online order. So customers can make their own choice.

We are also shipping our orders in recycled polybags where possible to reduce the amount of 'air' we need to transport. And we encourage customers to return the packaging of their online orders to one of our stores for recycling. We draw their attention to this on the packaging. We also actively encourage in-store returns. There is usually a store close by so they don't have far to go. 'Standard returns' can then simply go

on the shelf in this store to be sold again. If customers still prefer to send a purchase back, shipping is at their own expense. This tends to discourage them from doing so. If the return is necessary (for example, because something is wrong with the product), we will cover the return costs. This reimbursement is issued after the return is completed.

## Limiting transport movements.

Our distribution centre for the online shop is located in Antwerp, Belgium. Our long-term goal is to limit transport movements to and from our distribution centre as much as possible. One of the initiatives we are working on is preparing for a click-and-collect service where customers can opt to collect their orders in one of our stores. In that case, the products simply come from store inventory and there is no package to be shipped. We are currently developing a new digital platform that will make this possible, but we can only succeed if we collaborate closely with our delivery services. We have let them know that we will do so on the condition that they observe the same high CSR standards as Zeeman. As an active member of Thuiswinkel.org, we were also closely involved in 2023 in drafting a new certification that focuses specifically on sustainability for online shops. This certification is set to be launched in April 2024.



# Safe and healthy working conditions.



In all the countries where we produce, we work to ensure safe and healthy working conditions. Every year, we identify the biggest risks. Based on this, we implement improvements step by step.

“In part thanks to Zeeman, working conditions in our factory have become better and healthier. Our wages are supplemented. That means we no longer need to work overtime.”

**Hasna Hena, Planning & Merchandising Operator at Fame, Bangladesh.**



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. This document states what we expect from a supplier, as well as what the supplier can expect from Zeeman. Equal cooperation, that's what it's all about.

## Risks in the supply chain.

To keep an eye on working conditions, we visit our suppliers ourselves. We also pay attention to safe and healthy working conditions in the countries where our production takes place through our partnership with Fair Wear and our participation in the International Accord. We determine areas of focus based on the risks we see in our supply chain.

For each production country, a [specific form](#) has been developed defining the three greatest risks. These were identified by looking at negative impacts on people and the environment: how serious and how likely are they? Our stakeholder meeting provided important insights for this, among other things, as did Fair Wear audits of suppliers, inspection reports from NGOs, and what we ourselves see in the supply chain. However, it is complex to address all risks at once. It therefore helps as a first step to make suppliers aware of the risks involved through the form.

Based on risk prioritisation, we can link country risks to factory-level risks. For each prioritised 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. Based on what we learn, we can select projects and/or set targets in 2024. We also plan to further expand risk assessment in 2024 using Fair Wear's Risk Assessment tool. This tool will enable us to address risks at the factory level even better.



## Sustainability dilemmas.

We are increasingly successful in identifying risks in the countries where we produce, but monitoring and addressing each risk is a long and complex process.

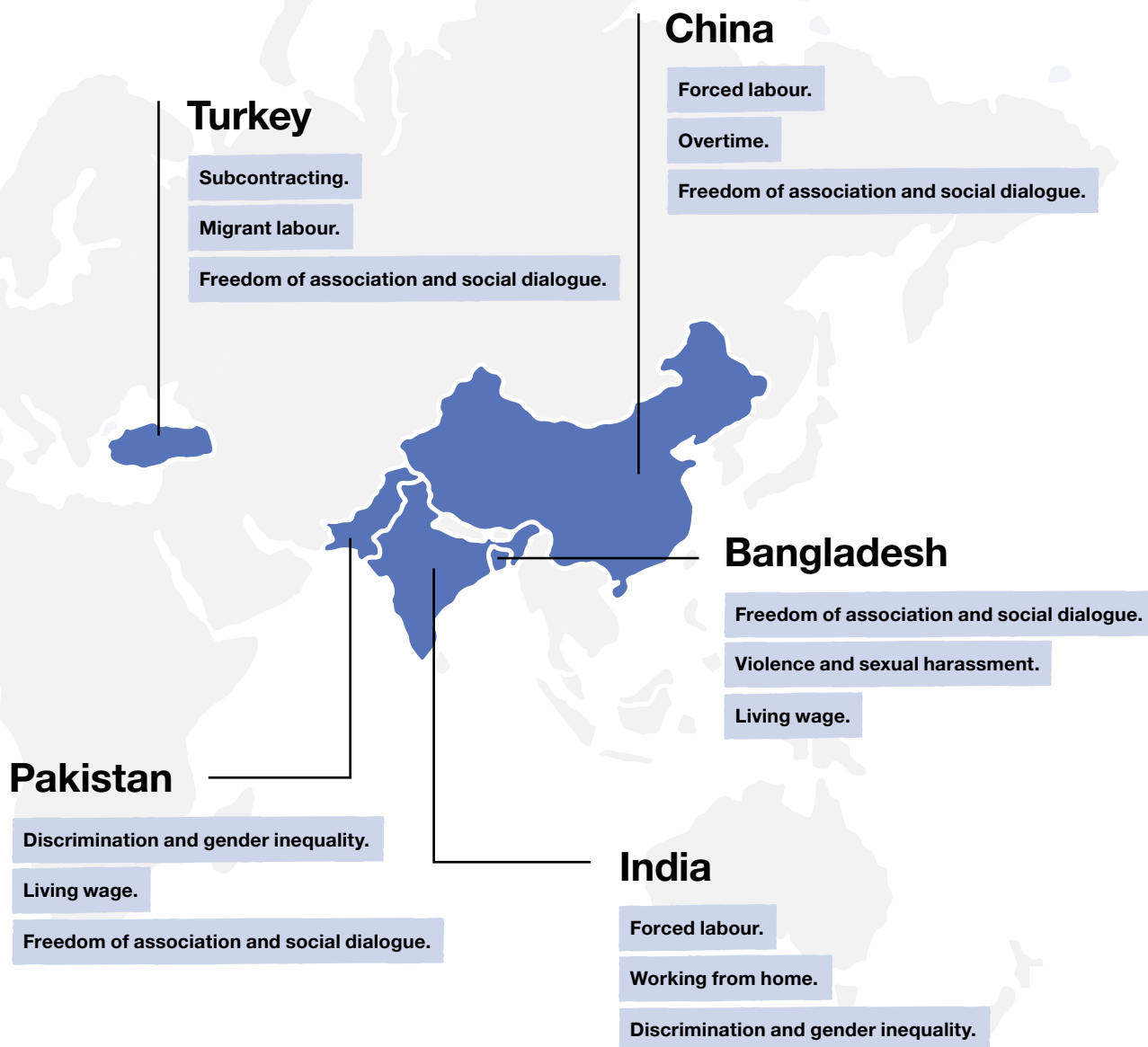
We face cultural differences and different legislation in all countries where production takes place. We are aware that issues such as working overtime, freedom of association and forced labour are difficult to influence there. But we do have agreements in place with suppliers on these topics.

## Developments & results.

Launch of Pakistan Accord.

“Good” score achieved during Fair Wear's annual Brand Performance Check.

## Risks by country.

**Subcontracting in Turkey.**

In Turkey, there is a risk of suppliers outsourcing the work to other suppliers. It is important that this is communicated transparently. Our agents regularly bring this to the attention of existing and new suppliers through our [subcontracting policy](#).

**Discrimination and gender inequality in Pakistan.**

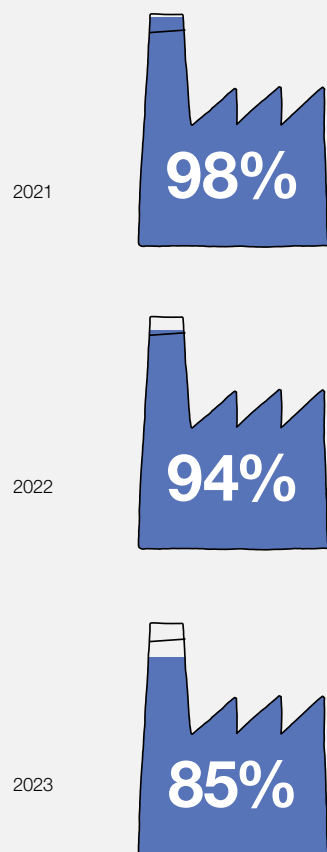
One risk that occurs in the garment and textile industry is discrimination based on gender. This is partly because women are underrepresented in unions. Moreover, the number of women working is very low. In 2023, we started a project focused on Women Empowerment at two of our suppliers in Pakistan (read more on page 90).

**Freedom of association and social dialogue in Bangladesh.**

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, associate freely and engage in discussions with management (social dialogue). Unfortunately, these rights are under pressure in many places. Through the Amplify project – supported by the trade unions Mondiaal FNV and CNV Internationaal – selected suppliers received training and support around this issue last year.

Read about our approach to living wages on page 75 and about forced labour in India on page 74.

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



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

In 2023, 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 and, since last year, in Pakistan as well.

In recent years, we have worked in Bangladesh to improve fire safety, building structures and electrical systems. When we speak of improvement points, we mean the points that emerged from the initial supplier safety inspections under the Accord. The percentage of improvement points implemented was lower than in previous years, at 85%. This is due to a new site being added, as well as an existing site that was inspected at the end of 2023, where we are still waiting for a reinspection to verify follow-up. Both sites still have a lower percentage of initial improvement points implemented, which has led to a lower overall figure for 2023. In the coming year, we will work with suppliers to implement improvements.

After signing the Pakistan Accord in late 2022, we started preparing for inspections in Pakistan in 2023. The first inspection took place in December 2023. In 2024, steps will be taken to make improvements to fire safety, building structures and electrical systems.

## Fair Wear keeps us on our toes.

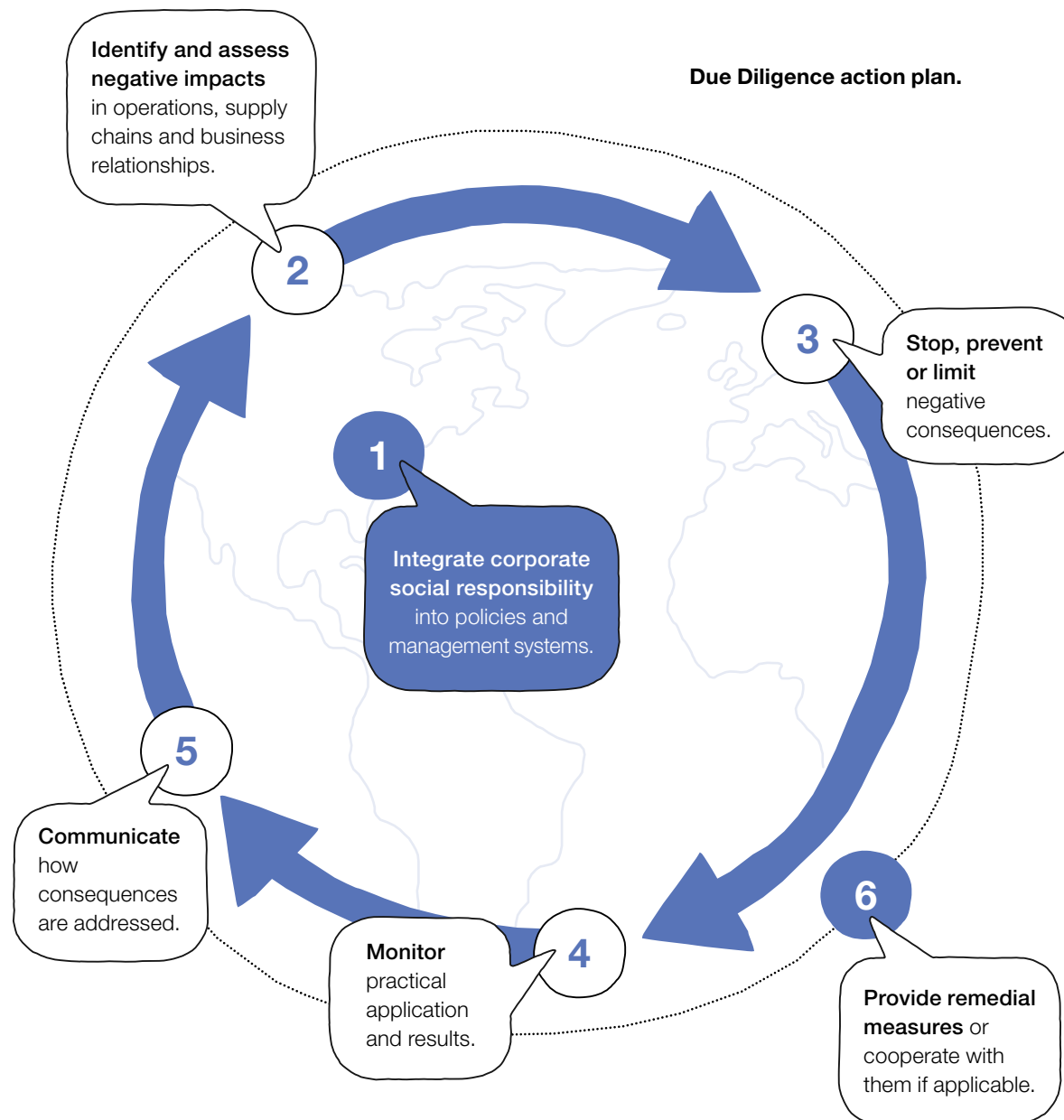
Fair Wear is a multi-stakeholder initiative with over 130 members and a broad support base which includes parties such as INretail, Modint, trade unions CNV Internationaal and Mondiaal FNV, and Clean Clothes Campaign. As an NGO, Fair Wear has been working for many years to promote good working conditions in the clothing industry, in the countries where production takes place. The most important points are: no child or forced labour, normal working hours, and a safe and hygienic workplace.



## Fair Wear Brand Performance Check.

Members of Fair Wear undergo what is known as the 'Brand Performance Check' annually. This past year in August, Zeeman earned a "good" score of 59%. This score is slightly lower than in 2022 because Fair Wear changed its methodology in 2023 in line with OECD guidelines. The indicators that are assessed utilise the due-diligence action plan, thereby delving deeper into our risk-based approach. This raises the bar for all members.

In 2023, one of Fair Wear's recommendations for Zeeman was to improve follow-up on findings related to statutory minimum wages. Many audits in 2023 revealed that our suppliers are struggling to meet legal minimum-wage obligations. This involved issues like statutory holidays or paying double wages for overtime. Based on the advice, we have already sent an information letter to all our suppliers at the end of 2023, describing suppliers' expectations and highlighting our own. A specific approach applies to China. Because workers in China are paid based on the number of pieces produced, there is a risk that they do not receive a fixed monthly salary, but rather one that depends on the number of items they make. For example, they will miss out on earnings if they do not complete their working hours. That is why we are also working with them on a "wage comparison system". This system identifies whether a worker receives the minimum wage for a normal working week (40 hours). We are also actively committed to launching new living-wage programmes every year. In this way, we aim to reduce risks around wages. Read more about this from page 75 onwards.



## Structural improvement in partnership with Fair Wear.

We know that our own buying practices impact factory conditions. That’s why we make conscious choices during the [buying process](#). In addition, we monitor the factories’ compliance with the Code of Conduct. Conducting an audit is a good tool for this, but simultaneously, we realise that this is a snapshot in time. That is why we ask Fair Wear to provide training for our suppliers, and why we consider it very important to have an effective complaints procedure in place.

In 2023, 14 factories were audited by Fair Wear. Factories are checked against various aspects during an audit. These can be found in the Fair Wear Code of Labour Practices. Themes covered include child labour, living wages and discrimination. Through Fair Wear’s audit methodology, we have found more pressing improvement points than in the years before our partnership with Fair Wear. Improvement points emerged from each audit conducted.

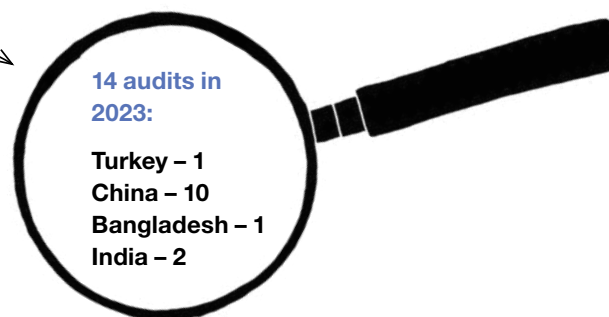
Fair Wear’s audit methodology is very comprehensive when it comes to working conditions. The topic of human rights – including, for example, wages and working hours – is covered in great detail, such as through interviews with factory employees. The interviews take place outside the walls of the factory, providing a safe environment to answer questions. In addition, Fair Wear’s audit methodology goes

a layer deeper in examining root causes of non-compliance. For instance, they also investigate whether our buying practices may have a negative impact on working conditions in the factory.

Moreover, Fair Wear has local offices in production countries. This means they can guide our suppliers in implementing improvements. Audits have helped us in recent years to achieve noticeable improvements. To achieve genuine change, a Workplace Education Programme (WEP) follows every audit conducted by Fair Wear. This WEP training is designed for both factory management and employees. They are given the tools necessary to improve 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 how to use the complaints procedure. In 2023, eight suppliers were trained by Fair Wear and several more are planned. However, Fair Wear only focuses on textile suppliers and therefore not all our suppliers are covered by their methods.

By FWF	2021	2022	2023
<b>Number of audits.</b>	29	19*	14
<b>Number of training courses.</b>	22	22	8
<b>Number of complaints.</b>	4	7	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.



**Ruben Korevaar,**  
Policy Advisor, Mondiaal FNV.

“Zeeman approached Mondiaal FNV in 2023 asking how they could do more as a company to better ensure Freedom of Association – one of the fundamental labour rights – among suppliers. In collaboration with five other Dutch companies, we have implemented this in a hands-on manner with a number of suppliers in Bangladesh. Through the AMPLIFY project, we conducted worker elections in line with local labour laws. Then, together with management, the elected workers were trained and guided to organise systematic work meetings to discuss and improve working conditions. We also discussed with Zeeman’s buying team how they can raise Freedom of Association and other social standards in their negotiations with suppliers from within their own role. The ambition is to further scale Amplify to other manufacturing countries in 2024.”

## Complaints procedure.

In case of complaints, we hope that as much as possible can be resolved through proper dialogue. If the problem cannot be resolved between the employees and management themselves, factory workers have the option of anonymously calling the Fair Wear helpline. When a complaint is reported, Fair Wear first investigates whether it is valid. It is then shared with the CSR team. We engage in a dialogue with the supplier to reach an appropriate solution. We see it as a positive signal that the procedure is being used, because we think it is important that factory workers know their rights and have their voices heard. Needless to say, employees do need to know about the procedure. That's why 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 addition, the information was put on a card and distributed to all workers at the factories. We are encouraging factories to hand this card out to new employees as well.

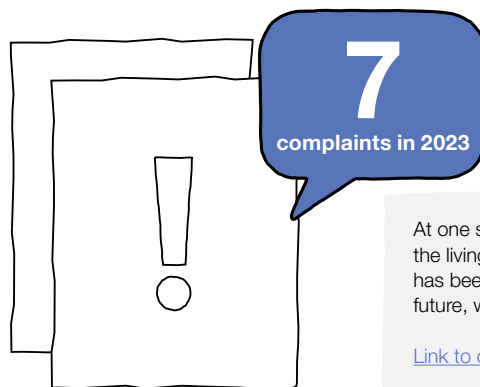
### Two complaints from 2022 remained unresolved. These complaints were reported in late 2022.

One complaint came from an employee from Turkey who was fired without a given reason. Fair Wear and Zeeman were called in to arbitrate. Unfortunately, due to miscommunication during the Fair Wear audit at this factory, this was unsuccessful. Another complaint later followed. In early 2024, we will engage with the supplier together with a mediator to find a suitable solution.

Another complaint came from Pakistan. With no Fair Wear team operating here, it has still not been possible to fully resolve this complaint. We will sit down with this supplier in 2024 to see if we can resolve this complaint ourselves.

### Seven new complaints were reported through Fair Wear's complaints procedure in 2023.

Six of the seven complaints came from Bangladesh. We see this as a result of the unrest in Bangladesh in the run-up to the revised minimum wage and 2024 parliamentary elections. Once every five years, the minimum wage in Bangladesh is reviewed. Textile workers took to the streets en masse to demand a higher minimum wage. Tensions ran high when the employers' wage demand was a lot lower than demanded by the workers and their representatives. In the end, the newly set minimum wage is still far below a living wage. We also posted a statement in support of a higher minimum wage that amounts to a real living wage.



Another supplier revealed dissatisfaction with the payment of the living wage. Only the workers on the production floor were included, even though a wage gap also existed among office staff. After consultation with the agent and Fair Wear, it was decided to pay everyone on the production floor as well as workers related to the production floor a living wage. Office staff earned on average well above the living wage and therefore did not fit our approach to the programmes.

[Link to complaint.](#)

We also received complaints from four dismissed workers still waiting for back wages. The supplier had already tried to reach the workers, but without success. After mediation, proper notices were sent to the employees and they were given the opportunity to collect the money. In the meantime, three of the four employees have done so.

[Link to complaint.](#)

At one supplier, due to a mistake on our end, the living-wage supplement was paid out late. This has been rectified. Should this happen again in the future, we will communicate it in a timelier fashion.

[Link to complaint.](#)

Two other complaints both concerned dismissal without proper financial compensation or transparent communication. In one case, the employee was verbally fired and wanted her job back. In the meantime, the employee went to work somewhere else; she has since received compensation. In the other case, an entire group of workers was fired. They also demanded their jobs back or financial compensation. Workers have since been paid their due, but the factory has been temporarily closed.

[Link to complaint.](#)

In Turkey, another complaint was filed for the same supplier that was also the subject of a complaint in 2022. In this case, workers reported that they had to work a lot of overtime, meals were inadequate and doors were closed during work. The complaint was taken up immediately and we are in talks with the factory. In 2024, interviews will be conducted with employees to learn more, and appropriate training will be developed for both management and employees.

[Link to complaint.](#)

### Three of the seven complaints from 2023 have since been resolved.

Many complaints cannot be resolved quickly. They are often complex, and sometimes we rely on external parties to handle them. Also, in some cases, we are still waiting for Fair Wear's verification with the worker who complained. Of course, the quicker the resolution, the better. In 2024, we aim to fully resolve all outstanding complaints.

### But we can see that the complaints procedure is working.

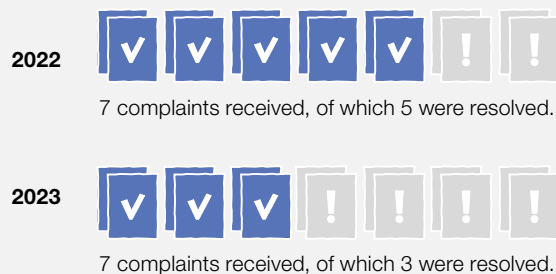
In the event of a complaint, we work together with the local Fair Wear team, other Fair Wear members, local NGOs, our agent and the supplier concerned. We consider it a positive sign that another seven complaints have been reported through the procedure. This shows that the procedure has come to the attention of the workers. And they feel confident enough to make a report. In the coming year, we aim to raise further awareness of the complaints procedure. Especially with suppliers where we have not yet carried out training, this requires additional action.



## Accident in the supply chain at Kentucky Textiles.

Unfortunately, we also suffered an accident in our supply chain last year. We were made aware of this by Clean Clothes Campaign as the locations of our production, as well as further steps in the chain, are visible through [Open Supply Hub](#). At a dyehouse/laundry, and sister company, of a major Bangladeshi supplier, an employee was killed by electrocution. Two other workers were injured. The accident happened while processing waste on the roof of the factory. An electricity wire was hit during this operation. We immediately sat down with our agent, the supplier and Fair Wear. In consultation, a comprehensive inspection of the site was performed by Fair Wear, who looked at safety. Based on this, improvements have been carried out which ensure a safer site. Legally, the deceased's wife was entitled only to a lump-sum insurance payment. As we felt this was not sufficient, Zeeman is paying the deceased's widow a living wage for 12 months. We also joined the Employment Injury Scheme (EIS) pilot after this event. This programme provides compensation to workers and/or families in case of possible accidents and deaths. Kentucky Textiles was already a member of the EIS pilot programme, so the woman in question is also receiving compensation from this programme. Fair Wear has not yet closed the complaint. We will keep it open until we are certain that the full amount has been paid out to the widow in 2024. [Link to complaint.](#)

### Complaints.



# Child and forced labour.



“Our motivation to work here is high. And that has everything to do with the clear rules and trust we are given. I’m really glad we work for Zeeman.”

**Seyithan Baran, Ironing and Packaging Department,  
Şimşek, Turkey.**

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



## High-risk areas in countries where production takes place.

To further reduce the risks of child and forced labour, we focus on the following high-risk areas:

**In the Xinjiang region in China**, ethnic minorities such as the Uyghurs are forced to work in appalling conditions. They are routinely discriminated against and oppressed. Ethnic minorities from the Xinjiang region are also being put to work in other parts of China. Particularly in cotton production. Therefore, we are committed to understanding more about the supply chain and, in particular, deeper into the chain for our cotton consumption. If we know the origin of cotton, we can rule out cotton coming from this region. However, there is still a risk of ethnic minorities being dispersed across China.

Research has shown that the risk of forced labour is high in spinning mills in **Tamil Nadu, South India**. Abuses are particularly prevalent deeper down the supply chain, for example at companies where unions are not welcome. Nor do we know at Zeeman exactly which spinning mills in our supply chain are involved in production and to which standards they work. We have long wanted to develop an approach that ensures greater transparency in the chain. We therefore held talks with an NGO and companies in 2023 to identify how others deal with risks of poor working conditions at spinning mills. Based on these discussions, we started a study of spinning mills in India in partnership with Paradigm Shift. Paradigm Shift is an Indian organisation that also works with Fair Wear, local NGOs and other textile companies. The organisation focuses on human-rights projects in the industry and knows the textile market inside and out. Read more on the next page.

## Understanding the supply chain.

As the risk of violations is higher deeper in the chain, it is important to keep growing our awareness of the links in our supply chain: from raw material to finished product. That's a challenge. The industry is complex and it takes many steps to arrive at a final product.

At Zeeman, we want to gain more and more insight into the origin of our cotton (see page 80). This includes information on the location of 'spinning' and 'ginning'. We publish these locations on Open Supply Hub and our own website. This allows NGOs and trade unions to alert us to possible abuses at suppliers in our supply chain. This way, we want to rule out cotton coming from areas where there are higher risks of abuse. In 2023, this was achieved for 96% of our cotton use. This means we have reached our target of 90%. Our target for 2024 is 95%.

## Sustainability dilemmas.

We want to make sure that no child and forced labour takes place in our supply chain, but the risks are especially apparent further down the chain, at our suppliers' sub-suppliers. It would be good to check suppliers at this level as well. However, this is complex due to the indirect relationship we have with these parties, meaning our ability to exert influence is very limited.

## Developments & results.

Gained more insight into cotton chain for a total of 96%.



## Monitoring risks of child and forced labour.

Our buying practices – see also the relevant section from page 42 onwards – are set out in the Two-Way Code of Conduct. We also strive for good, achievable schedules. This reduces the likelihood of orders being outsourced. We think this is important, because the risk of child and forced labour mainly occurs deeper down the supply chain, among our suppliers' sub-suppliers.

In addition, Fair Wear conducts audits of our textile suppliers as an independent party. This is how we verify compliance with the comprehensive Fair Wear age verification procedure and the absence of forced labour. Fair Wear's complaints procedure also helps factory workers report abuses like child or forced labour anonymously. At present, we have not come across any instances of child or forced labour. Nonetheless, we continue to monitor for this closely.

We also believe that factory visits have an important part to play here. This is done by our buyers, CSR team and agents. But our agents' quality inspectors are there on a weekly basis. This also means they can get a decent impression of the atmosphere among the workers.

## Approach to spinning mills.

In the past, we used to ask our suppliers to provide us with the addresses of the spinning mills they worked with. In 2023, we started asking a lot more questions about the spinning mills through our Indian agent: how many people work there, when did you first partner with this spinning mill, what are the buying figures, are there certifications and audits on environmental or social conditions? Based on the responses, we categorised them: some spinners gave little information (putting them in the higher-risk group). We then visited a number of spinning mills and started discussions

with our direct suppliers. We ask our direct suppliers not to change spinning mills going forward, and to work with a limited number of mills. After gathering as much information as possible, we asked Paradigm Shift to review our data: which spinning mills do you already know and how do you rate them?

Paradigm Shift came back with a proposal to perform a 'participatory audit': a unique way of working which really appealed to us. The idea is for Paradigm Shift to visit a selection of higher-risk spinners. This is not to "tell people how to do their job", but to have a participatory conversation and dialogue. This will allow us to look for improvement points for each spinning mill or – based on the information gathered – to indicate that it might be better to discontinue the partnership. This two-year programme will start in March 2024.

## Children's Rights in Turkey Project.

Guided by UNICEF, in 2022 we worked on a project aimed at improving children's rights in and around textile factories in Turkey. A local party also joined in for the implementation work: Fair Labour Association (FLA). In consultation with UNICEF and FLA, we mapped out the entire supply chain of the two suppliers directly affiliated with this project. A plan of action was also prepared. The plan was to commence implementation in 2023, but now that the project has entered the implementation phase, another form of funding is needed. The project was unfortunately halted because the grant for phase B, implementation, could not be obtained. In the coming year, we will be looking for an appropriate follow-up with the insights gained from phase A, mapping out sub-suppliers and potential risks.



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

"We made valuable connections between factories and potential partners, as well as between companies in the Netherlands, with the aim of strengthening cooperation. As such, we do not see this as the end of our partnership, but look forward to building on the cooperation between Zeeman and UNICEF Netherlands, both on a project and on an individual basis."

# Living wage.



“My job is to strengthen the bond between the factory owners and employees. It has helped immensely that Zeeman provides a fixed supplement to the salary. People now enjoy working here even more. And we also see that reflected in the quality of the work!”

**Suma Baroi, Welfare Officer at Fame, Bangladesh.**

A comprehensive review found that a living wage has a big impact. Both workers and factory managers are positive about our approach. Hence we are further expanding our living-wage programmes.

Just like in the Netherlands, the statutory minimum wage in our manufacturing countries is set by government. But in countries like India, Pakistan and Bangladesh, this minimum wage is not enough to meet all the necessities of life. We think all of our suppliers' employees deserve a living wage. Therefore, we help suppliers make a living wage financially possible for our share of production.

## Living-wage programmes: methods.

By a living wage, we mean a wage sufficient to cover the costs of housing, transport, food and care. Our suppliers meet their legal minimum wage, but it is often difficult for them to meet a living wage. To help them do this, we worked with NGOs such as Fair Wear, WageIndicator and IDH Trade to determine what the living wage is for each country or region. We then calculated the difference between the lowest paid wage and the living wage. Based on the number of employees and our production share, we drew up an action plan for each selected supplier. The goal: we want workers to actually receive a living wage.

We selected suppliers based on our turnover with them, our share of their production, their location and our relationship (which should be intended as long-term). We also paid particular attention to higher-risk areas. If workers cannot make ends meet on the lowest paid wages, they are more likely to drop out and fall into poverty. Based on the selected suppliers, we went over the calculation and approach with the respective suppliers and made adjustments if necessary. For our share of production, we close the gap between the minimum wage and a living wage using a supplement. We do this for all employees in the factory, so we do not distinguish between employees working for Zeeman and those working for other retailers. The calculation method is the same for every programme. But we do take a slightly different approach for each country.

## Living-wage programmes: implementation.

Back in 2019, we started a programme 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 was still ongoing in 2023.

Since 2022, programmes have been in place at a total of five suppliers. One is at an Indian supplier where we work closely with Prénatal: together we account for more than 90% of the factory's orders. There are two in Bangladesh, and one each in India, Pakistan and Turkey.

Originally, our goal was to launch five new programmes every year. But in 2023, we spent a lot of time on dialogue with new suppliers, preparing the additional programmes, calculations and contracts. From 1 January 2024, we are offering living wages at five new suppliers: one in China, two in Pakistan, one in Bangladesh and one in India. In the process, our approach to existing programmes has also been slightly modified. Originally, the amount to be paid out was adjusted for each payment based on the goods recently shipped. But that resulted in some major variations in the monthly supplement. We have now decided to fix the amount to be paid out for the whole year based on the previous year's shipments. This allows us to give suppliers and workers the security of a stable living wage over a longer period of time, even if there are temporarily fewer orders. The programmes starting on 1 January 2024 are therefore based on 2023 data.

We are launching a living-wage programme in China for the first time. In China, the gap between the wage paid and a living wage is relatively small compared to the other countries where programmes are in place. However, it is common for people to work overtime. We hope higher pay will make workers feel less need to work extra hours. This

## Sustainability dilemmas.

Each programme requires a slightly different and therefore specific approach. This makes it more complicated to scale them up.

Living wages are not yet part of the cost price. In Turkey, the calculation of the living wage was adjusted three times in 2023, each time due to the statutory minimum wage being increased due to inflation. Living wages should be a stable component of the price in order to avoid large fluctuations. At the same time, living-wage programmes are in place at just ten out of our many suppliers. This is a small proportion and should not come at the expense of their competitiveness.

## Developments & results.

5 new programmes were developed and launched on 1 January 2024 based on the data obtained in 2023.

We evaluated the ongoing living-wage programmes in 2023. The extra pay has a positive impact on workers.

was why we still chose to launch a programme there. In the coming year, we will carefully evaluate this programme and the others.

## Evaluation and impact.

To monitor the programmes, we work closely with Fair Wear and our agents. With each disbursement, we receive a summary of the payments in the form of photos and pay slips via the agent. The aim in 2024 is to fund a living wage for 25% of the purchase value of clothing and textiles (Fair Wear's scope) in Turkey and South and East Asia with 10 programmes, five of which start in 2024. This should rise to 50% by 2027.

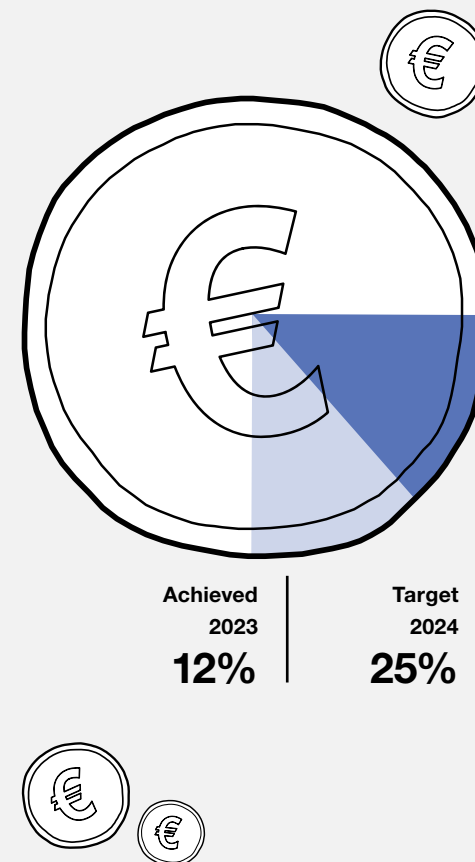
In 2023, we evaluated the programmes in India, Bangladesh, Pakistan and Turkey. For example, we set up online questionnaires, so workers could indicate anonymously what the extra pay means for them. We also asked local NGOs like Fair Wear to interview various workers, managers and the directors at the factory in India. The evaluation showed that the living wage has a positive impact on both the lives and performance of the workers.

Workers say they use the supplement to their income for basic needs such as more and better food, their children's education, medicine or loan repayments. Workers also report feeling more motivated in their work and happier after receiving the extra pay. It is also quite special that a worker mentioned during the interview in India that she was able to buy a piece of jewellery for the first time. The impact of these programmes on employees' lives is evident.

Suppliers also say that workers' commitment to their work for Zeeman is greater because they know that the supplement to their wages comes from Zeeman. It is encouraging to see that a living wage leads to lower absenteeism, higher quality and greater efficiency. We anticipate that the quality of our products will also rise. Employee turnover is also lower: employees are extra motivated to stay with the supplier. The relationship between the employee and the supplier has also improved.

So the survey results are positive, but it remains important to raise awareness of living wages. Zeeman supplements wages for its own share of production. We need to keep motivating suppliers as well as other retailers to engage in initiatives around living wages themselves. The next step is to present our approach to other retailers who use the factories, because the more companies participate, the greater the impact.

### Purchase value of clothing and textiles for which Zeeman enables a living wage for our share of production.





**Anne van Lakerveld,**  
Research & Innovation Coordinator,  
Fair Wear

“In May, I visited the factory where Zeeman has implemented a living-wage programme. During my visit, I conducted interviews with both management and employees. I could tell that employees are positive about Zeeman’s initiative. This is reflected in things like lower absenteeism and greater output in the factory. However, Fair Wear does see it as a risk that this programme is only supported by Zeeman. Despite the clear communication and good relationship between Zeeman and the factory, it is not part of the factory’s own salary procedure. If Zeeman decides to leave, this will directly impact the workers.”

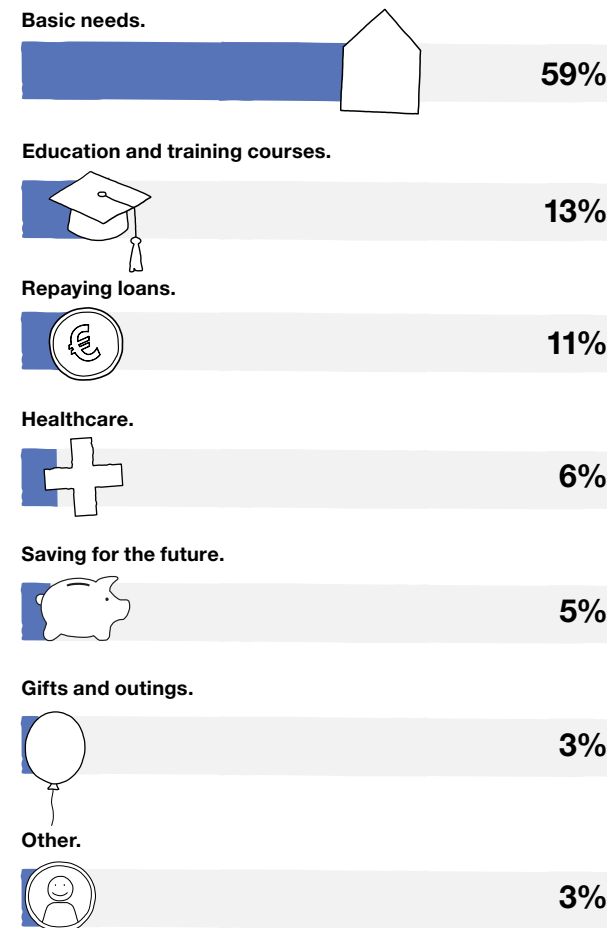
## Collaboration.

Providing a living wage is a long-term endeavour, and one that requires a tailored approach. The approach differs from country to country and we have to continuously respond to changes due to factors such as inflation or political instability. For an individual company, providing a living wage requires a substantial investment of time, energy and money. But on the other hand, the evaluation has shown that the living wage is much more than just a financial incentive. It also delivers substantial social and societal benefits. This is precisely why it is important to continue collaborating with experts and other retailers and benefiting from each other’s experiences and efforts. Last year, we again met with experts from Fair Wear, IDH Trade, Clean Clothes Campaign and Wage-Indicator, among others. Read more about this on page 19. We also shared our approach and evaluation with fellow retailers such as HEMA, Wibra and Prénatal. This is very instructive, and by explaining our approach, we hope to get even more retailers on board.



Buyer Marloes Durieux at the presentation of Zeeman’s living-wage supplement at one of our factories in Bangladesh.

**Workers’ spending supported by living-wage programme at a factory in Pakistan where we started in 2019.**



# Living-wage roadmap.

## 2023



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.

- Local and other employer associations
- Solidaridad
- Clean Clothes Campaign
- Local and other trade unions
- Fair Wear
- Peers
- Suppliers

## 2024

For **25% of the purchase value** of clothing and textiles from South and East Asia and Turkey, we enable living wages for our share of production.

We want to actively evaluate ongoing programmes and improve them where possible, including through questionnaires and interviews.

## 2025

For **34% of the purchase value** of clothing and textiles from South and East Asia and Turkey, we enable living wages for our share of production.

We want to actively evaluate ongoing programmes and improve them where possible, including through questionnaires and interviews.

## 2026

For **42% of the purchase value** of clothing and textiles from South and East Asia and Turkey, we enable living wages for our share of production.

We want to actively evaluate ongoing programmes and improve them where possible, including through questionnaires and interviews.

## 2027

For **50% of the purchase value** of clothing and textiles from South and East Asia and Turkey, we enable living wages for our share of production.

We want to actively evaluate ongoing programmes and improve them where possible, including through questionnaires and interviews.

# Transparency & traceability in the supply chain.



“I am keen to engage with our agents and suppliers, as well as NGOs like Clean Clothes Campaign. It is precisely from critical stakeholders that we can learn a lot and test our policies. We also share knowledge with other companies, and that too is vital. Together, we can change the industry.”

**Erik-Jan Mares, CEO of Zeeman,  
Alphen aan den Rijn, the Netherlands.**

Transparency and traceability are essential components of our strategy. We want to be transparent about where and under what conditions our products are made.



Thanks to our transparent approach, we were rated the most transparent retailer in 2023. Zeeman achieved a score of 85 percent in the two-yearly Transparency Benchmark (up from 69 percent in 2021). This moved us up in the full rankings from 40<sup>th</sup> place in 2021 to 9<sup>th</sup> in 2023.

## Our supply chain.

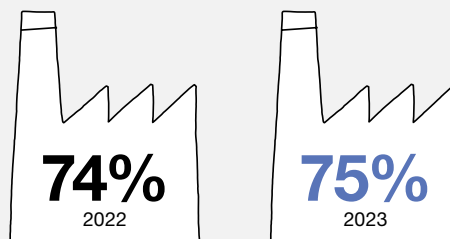
Within our supply chain, we deal with 178 direct suppliers in 7 different countries for all product groups combined. Although these are large numbers, our share of the global industry is small.

Our products are typically manufactured in South and East Asia and Turkey. We do not have our own factories there, but work with specialised suppliers with whom we have long-standing partnerships. We've been working with some of our suppliers for some 20 to 30 years now. There are risks involved in outsourcing production abroad, however. We have less influence over working conditions because the factories are not our own. In the production countries, we work with local agents, who play an important role. They are our eyes and ears on the production floor. They visit suppliers regularly and check the quality of the goods before shipping. In 2023, we terminated our relationship with one local agent due to a breach of trust. In the short term, a cross-departmental team within Zeeman, spanning buying, quality and CSR, has taken over these tasks. We will be working on a permanent replacement in 2024. We also work with European importers. They in turn often place our orders with suppliers in South and East Asia with whom we have no direct relationship. To get a handle on this, we request all available information such as production sites, audit reports, material use and locations deeper in the chain. We also ask our importers' textile suppliers to distribute the poster with information about Fair Wear's complaints procedure.

There are many more links in the chain behind our direct suppliers. Products have come a long way by the time they reach our stores. For example, our suppliers work with

locations where dyeing, washing and printing take place, also known as tier 2. The factories sometimes carry out these finishing processes themselves, but more often they are outsourced to other production sites. In recent years, we have collected more and more data, and we continue to share this information publicly via [Open Supply Hub](#). For cotton production, we have also provided insight into the steps that precede this, because it first requires a raw material to be spun into thread, which is then used to weave fabric. For 96% 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).

### Our 50 largest suppliers from South and East Asia and Turkey produced ...



### ... of our purchase value in the past year.

95% of them have been working with us for five years or more. In 2022, this figure was 90%.

## Sustainability dilemmas.

It is difficult to gain insight into all the links deeper in the chain: they are constantly changing and there is no direct link to the dyehouses, laundries and spinning mills.

There is difficulty implementing technological tools deeper in the chain due to older computers and software.

## Developments & results.

We were rated the most transparent retailer in the 2023 Transparency Benchmark.

We are expanding Open Supply Hub to our own Zeeman website and adding further tiers to increase transparency.

We believe that making our supply chain transparent is very important. This way, for example, an NGO can approach us if they have heard something about one of our factories through the local news. Only then can we ourselves take an active role in improving the situation together with the factory. This is also how we were informed in the case of the accident at Kentucky Textiles (see page 71).

As described in the chapter on [Safe and healthy working conditions.](#), there is a risk in the garment industry of subcontracting. This involves suppliers outsourcing orders to other production sites, another step further down our supply chain. We have made agreements with our suppliers about this and have set them out in a [subcontracting policy](#). We are not opposed to this practice, but it is important that suppliers seek approval from us first so that we know the factory operates in line with our Code of Conduct.

## Moving towards a Digital Product Passport.

In our strategy, we indicate that we want to achieve greater and greater insight into our supply chain: the step to tier 4, the farmer. This involves a lot of data, so we have spent the past year exploring various tools that can help us with this. Among other things, we conducted a second test in collaboration with Tex.Tracer, a platform working on supply-chain transparency powered by blockchain technology. In the first test, we used a QR code to make a supply chain transparent to customers. Because this related to just a single product, it is not easy to draw conclusions from it. During the second test, we added more suppliers and orders to gather further feedback. Suppliers are positive about Tex.Tracer's support and the tool's user-friendliness. However, getting suppliers further down the chain on board to create an account and share their data is seen as a challenge. Our direct suppliers are accustomed to this request by now, but for sub-suppliers, it is still new. We realise that things get

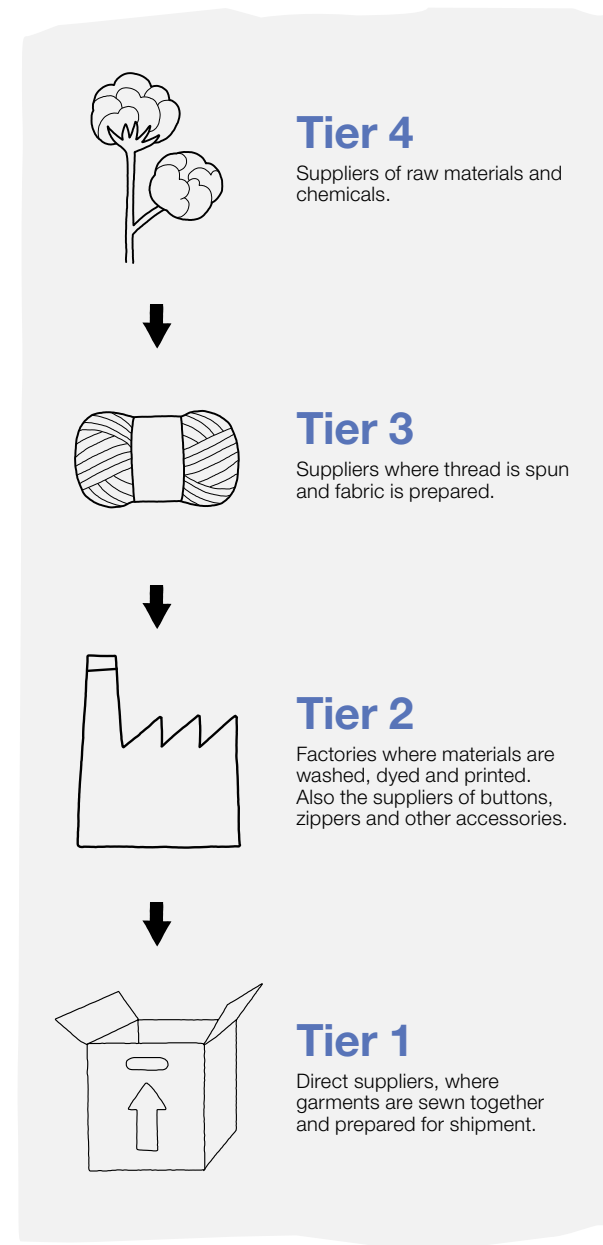
increasingly complex the more indirect the relationship with Zeeman is. This is why we have started asking the initial questions and building confidence.

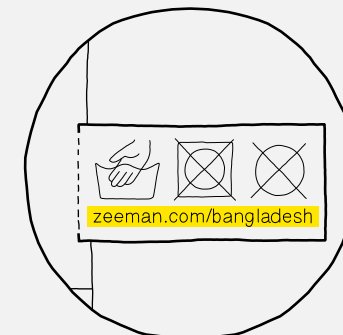
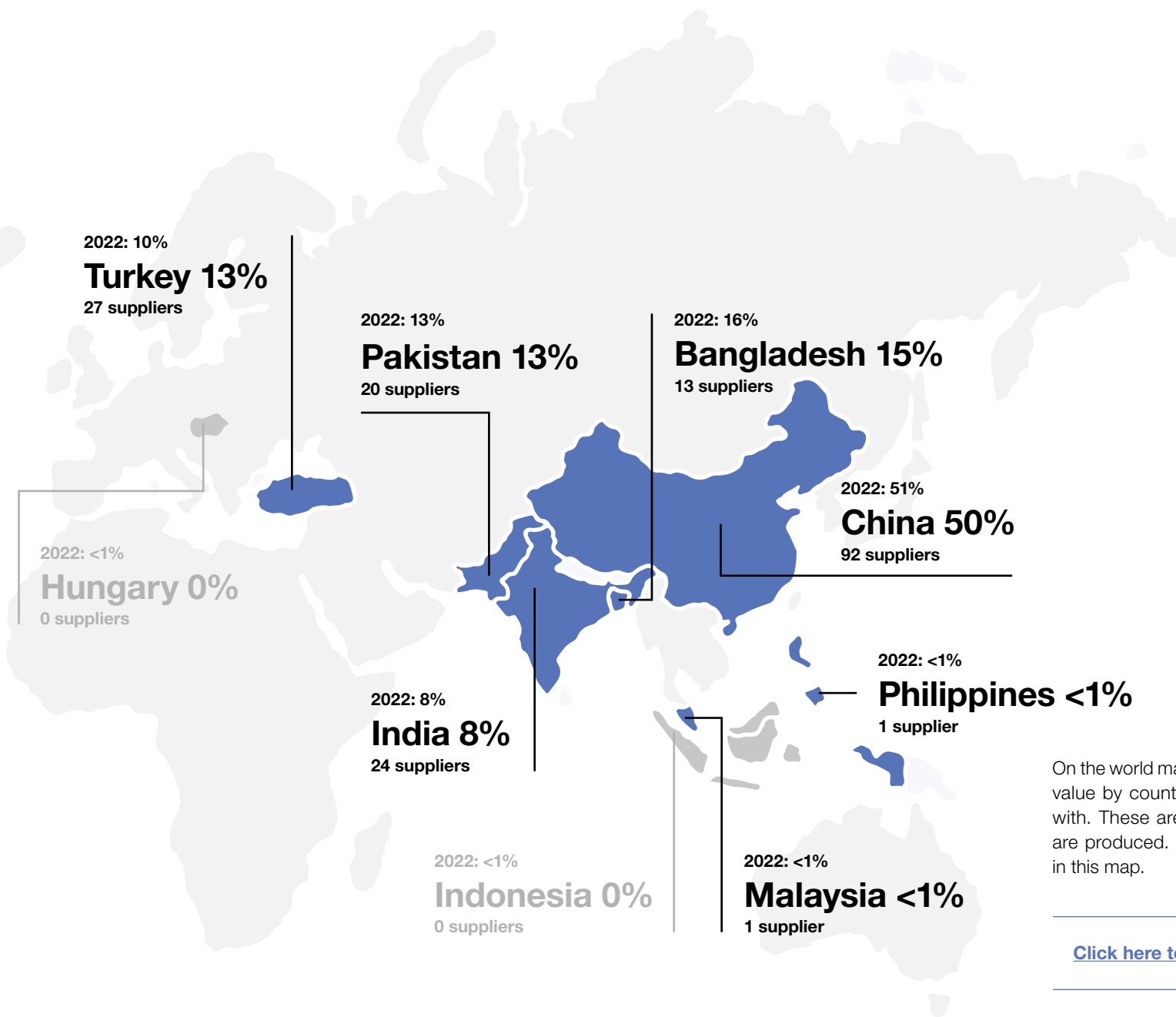
There are also other IT tools besides Tex.Tracer that can help us process all the data. In addition to further mapping out our supply chain, this tool will also help with things like recording all documentation between the supplier and Zeeman, professionalising the Supplier Score Cards (page 45) and recording data points per product. The latter will become an important part of the Digital Product Passport, in addition to production sites. In 2024, we want to choose the right platform and start implementing it.

## 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 [opensupplyhub.org](https://opensupplyhub.org) website. Over the past year, we have published another update and taken further steps towards making our supply chain more transparent. Open Supply Hub's world map is also visible on our own [website](#). This way, consumers too can easily see where we make our products.

Sometimes there is overlap with other brands and retailers; that, too, is visible. When things need to be changed, the best thing we can do is to act together. We believe in that. For example, we are working with Prénatal – at a shared supplier in India – to enable a living wage.





#### Our care label.

We indicate the production country via a link to a web page. On the web page, we provide background information about the respective production country.

On the world map, you can see the percentage of purchase value by country and the number of suppliers we work with. These are all the sites where clothing and textiles are produced. Our European importers are not included in this map.

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



# Growing together.

"I have enjoyed working at Zeeman since 2019. First as a part-time employee, now as a full-time assistant store manager. What makes our basic products special is that the idea behind them is so simple. They are made of soft, comfortable materials. The price is low. And they keep their shape. Even after lots of washing."

**Karin Grams, Assistant Store Manager at Zeeman,  
Duisburg Rathausstrasse, Germany.**

People are central to the Zeeman organisation. This is reflected in our leadership, in the Zeeman culture and in our HR policy. There is room for personal growth at Zeeman. We take care of each other by actually doing something. We want to grow together and build strong ties between our people and our company.

## Leadership.

In 2023, we launched our leadership programme “Together to get there”. All executives from the Service Office, Sales Leaders and Regional Managers in all countries where we have stores complete the same programme. It focuses on connection, promoting openness and trust, developing a feedback culture and leading change. The leadership programme lasts about 1.5 years and consists of a number of deep dives based on Lencioni’s pyramid. It starts with the aim of learning to trust and create safety. The focus then moves on to learning how to read people and practising conversation techniques to create a feedback culture. The next deep dive deals with developing coaching skills and creating ownership. The ultimate goal is for managers to know how to initiate a shift and ensure change within their team and environment. Alongside deep dives, there are peer-review groups where managers give each other feedback.

Zeeman’s management team has also started a leadership programme. The aim there is to be able, as a team, to guide the important changes that lie ahead of us in the coming years.

## Zeeman Culture.

### Working together on Zeeman’s culture.

Every new employee starting in one of our stores or at the service office, at the distribution centre or in transport, is offered a contemporary Onboarding programme through Learn@Zeeman, consisting of a mix of different learning activities. This programme gives our new employees a flying start and a soft landing.

### Code of Conduct.

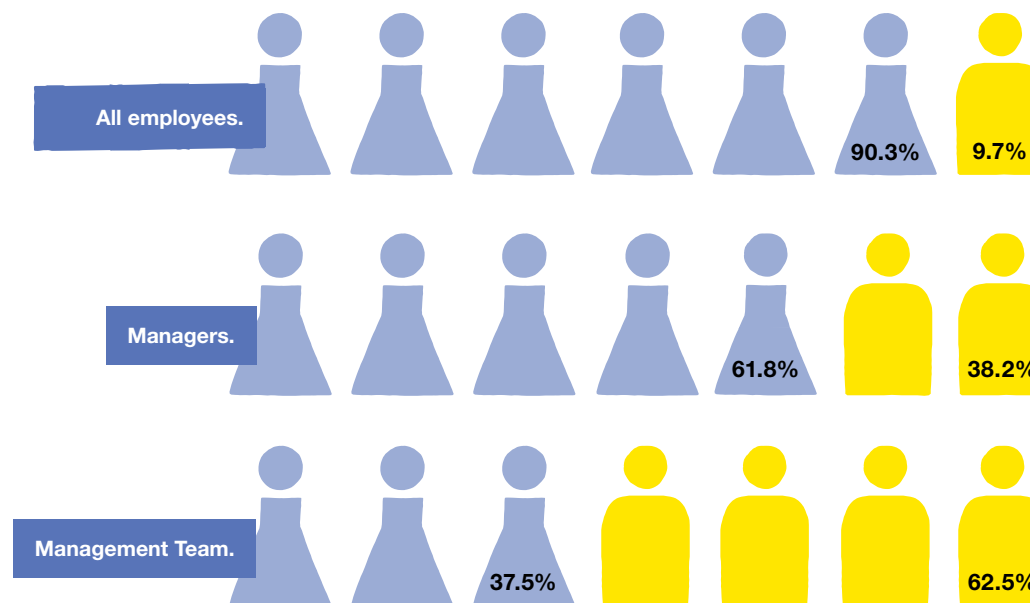
Zeeman has a Code of Conduct that describes how we treat each other, our customers and our partners. All our employees can find the Code of Conduct on the company intranet (WeAreZeeman).

### A diverse & inclusive working environment.

In 2023, we started having information meetings at the service office, where employees get to be CEO-for-an-hour. They get the chance – together with colleagues – to delve deeper into topics they consider important. This year, diversity and inclusion were among the topics we focused on.

An important theme that is about space for openness, trusting each other, as well as being able to be yourself. Zeeman operates in different countries with different cultures. So what do diversity and inclusion mean within the Zeeman organisation? And in all these countries and cultures, how do we enact our core values: *zuinig*, committed and unconventional? It was decided to explore this topic further at Zeeman in 2024.

90.3% of our employees are women, and among our managers, that figure is 61.8%. Three out of the eight members of Zeeman’s Management Team are women. To meet individual needs, we offer many part-time positions. 70% of our employees work part-time.



### Addressing inappropriate conduct.

Every employee at Zeeman must be able to work in a safe and healthy environment. That is why we find it important to create a culture in which talking about inappropriate conduct is encouraged. It is a subject our managers are always alert and attentive to: when onboarding new employees, during performance reviews and during (formal or informal) meetings. We also strive to raise awareness of the risks of inappropriate conduct, how we deal with these matters at Zeeman, and the impact such conduct can have on employees.

### New complaints procedure.

In order to make it easier to submit a complaint about inappropriate conduct and to encourage our people to raise concerns, we revised our policy on inappropriate conduct for the Netherlands in 2023. The complaints procedure explains what employees need to do if they wish to file a complaint. We have also made new arrangements in this regard in the other countries where we operate, in line with local regulations. We have agreed with employee representatives, such as trade unions, where our employees can report inappropriate conduct.

### Confidential advisor.

In 2023, employees wishing to report inappropriate conduct were able to contact our internal confidential advisor. There were eight reports during the year. In most cases, they related to someone's communication style. Employees often feel that they are not heard and that their manager does not listen enough. These reports were resolved by discussing the situation and taking time for mutual understanding. Additionally, some employees reached out to the confidential

advisor simply to share their story. They found this helpful and did not wish to take further action. The confidential advisor does maintain contact with some employees to provide aftercare.

### Transition to an external confidential advisor.

In 2023, Zeeman evaluated the benefits of appointing an external confidential advisor in the Netherlands. After careful consideration, the Management Team decided to fill the role of confidential advisor with an external advisor with effect from 1 January 2024. The Works Council approved this change in 2023, and has since met with the external confidential advisor. The internal confidential advisor stepped down on 1 January 2024. Our employees have been informed about the change, and how the new confidential advisor can be reached, via our intranet (WeAreZeeman).



# HR activities.

## Attractive employer.

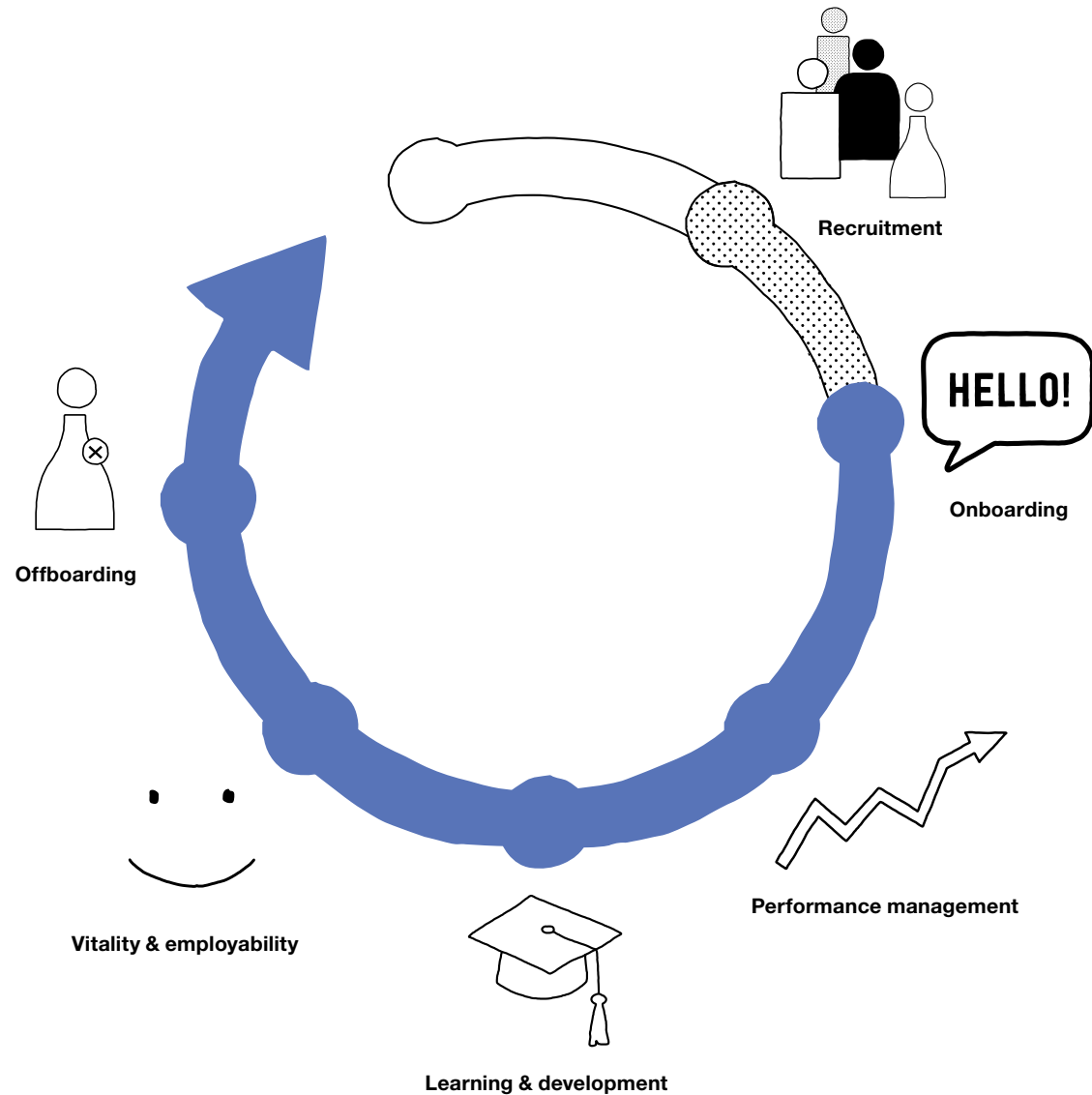
In terms of HR-related risks for our stores in the coming years, we have to consider the tight labour market in the Netherlands, Belgium and Germany. Working in a rapidly changing and permanently evolving environment requires people to be physically and mentally resilient to prevent employees dropping out. It means paying attention not only to technical and systemic change within the company, but certainly also to the human side of change. The leadership programme, in which we also help managers monitor work-life balance for themselves as well as for their people, should certainly help here.

## Development & training.

To give employees the opportunity for growth and development, our educational offering was further expanded in 2023:

- For employees within Sales, new live online training courses have been added.
- Our Learning & Development department has developed several learning methods to properly prepare employees for the transition to the new Distribution Centre.

Zeeman has been an accredited training company in the Netherlands for more than 15 years for educational programmes in the Trade sector, from entry level through to level 4. Vocational training gives our employees the opportunity to learn through practice. In 2022, we signed a collaborative agreement with Samenwerkingsorganisatie Beroepsonderwijs Bedrijfsleven (*Foundation for Cooperation on Vocational Education, Training and the Labour Market, SBB*), which means that all stores in the Netherlands are accredited.



### Improving systems and processes.

Being an attractive employer also involves reliable administration, so we will pay a lot of attention in the coming years to further improving and digitising our processes and systems. We want to offer our employees the best possible service.

SD Worx's European HR system was introduced in Belgium in 2021 and in the Netherlands in 2023. We also adopted a new timekeeping system from Atos in Belgium in 2023. In the coming years, we will roll out these systems further in the other countries where Zeeman operates.

### Flexible workforce.

We use temporary workers, especially at our Distribution Centre, to handle peaks in the flow of goods. It is expected that after mechanisation, the need for this will be reduced. Temporary workers are used for the same work as our employees with permanent contracts. There are no specific temp jobs in addition to the regular work at our Distribution Centre. Under the Allocation of Workers by Intermediaries Act (*Wet allocatie arbeidskrachten door intermediairs, Waadi*), temporary workers are always entitled to the same pay as employees with permanent contracts at the same company. This is also the case at Zeeman.

### Employability.

In 2023, the absenteeism rate fell to 7.25%, down from 7.48% in 2022. The Netherlands, Germany and Luxembourg showed the largest decreases throughout 2023, with reductions of 0.66, 1.53 and 3.19 percentage points, respectively. We observed a significant decrease particularly in January and February 2023 compared to the same months in 2022. In early 2022, society was partially reopening after COVID-19 measures, although the pandemic was not yet over. This trend is also reflected in the frequency of absence: the first quarter of 2023 saw the most substantial decline in absence frequency compared to 2022.



### People disadvantaged in the labour market.

In Germany and in France, it is a statutory requirement for a certain percentage of a company's workforce to consist of people who face challenges in accessing the labour market (for example due to disability). For Germany and France, this is 5% and 6%, respectively. In these countries, Zeeman exclusively has stores controlled from the Netherlands. The stores are small in size, and there are limited numbers of employees per store. Hiring employees who are disadvantaged in the labour market entails a certain responsibility. For example, in terms of mentoring and coaching these employees. Due to limited staffing in the stores, there is not always scope 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 2023, we achieved a level of 3.9% in Germany. As a result, we are required to pay a fine of €14,700.

In France, no declaration has yet been made for 2023 under this legislation, so for the year 2023, we are reporting here the amount we paid in fines in 2023 for the year 2022: Zeeman reached a proportion of 1.01% in 2022, meaning a fine of €178,410 was paid.



# Our social projects in production countries.

For many years, Zeeman has been supporting a number of projects in South Asia to give back to the countries where we produce. The aim of the projects is to prevent the sexual exploitation of girls and to help girls and young women who have become victims of human trafficking. A project in Pakistan also got off the ground in 2023. There, we are focusing on something completely different: women's participation in the workforce.



## 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 fallen into prostitution, but have since been freed from it. The rescued girls are cared for by the local authority. We give them support to build a new life.

In 2023, we were able to help around 600 girls in the various programmes. 217 girls were aided with an education, ranging from primary to higher education. In addition, 93 girls received vocational training, with 18 of these taking entrepreneurship courses. As a result, they are now able to start their own businesses. Those who have already reached this point also receive a small amount of start-up capital. During a visit in April 2023, we went to see a few girls who now have their own businesses. One girl had her own hair salon, another sold vegetables. The girls we help in this programme receive

a further three years of follow-up support. For all the girls, these courses offer a chance to start a new life after a traumatic period.

Our support also enabled a large number of group therapy sessions for girls admitted to the shelters after their rescue. In addition, legal support is provided to girls who are able to initiate criminal proceedings against those responsible for the human trafficking of which they were victims.

Each year, we decide what Zeeman will focus on within this project. In 2024, we will largely continue the 2023 programme.



## Bangladesh.

We have a project in Bangladesh, on the border with India, similar to that in Mumbai. Between 2016 and 2022, we supported other shelters in Bangladesh that housed girls rescued from prostitution, but because the organisations concerned could not meet our standards, we had to look for another organisation. We started working with a new shelter in early 2023. Many young girls working in prostitution in India are from Bangladesh. The project aims to provide shelter and guidance to these girls rescued in India, upon their arrival back at the Bangladeshi border. By the second half of 2023, this shelter was operational, with capacity for 20 girls. In 2024, we hope to be able to help 40 girls here. In this project, we first assess whether the girls can return to their families. Some of them are still very young (16 to 21 years on average, and very occasionally as young as 14). If going back home is not an option, we help them build a new life.



## Pakistan.

An entirely new activity started in Pakistan in 2022. Here – very differently from India and Bangladesh – the focus is on women's participation in the labour market. Women are still often barred from factories in Pakistan. This project will involve giving a number of women the education *and* equipment needed to work independently in factories with which Zeeman has a relationship. These are factories that until now have almost exclusively employed men. We are running this project in partnership with Schijvens Corporate Fashion. In 2023, with support from the Dutch government, research was first carried out into the opportunities and challenges for this project. This has now been completed and, following agreement from all project partners, it will be implemented in 2024. A group of 60 women will be selected for training to work in a sewing workshop. Meanwhile, the factories will be prepared to allow women to work there too. This involves adapting facilities and preparing male employees for the new situation. The project will be evaluated after two years.



# Local support near our stores.

Many of our store colleagues have big social hearts. At Zeeman, we offer store teams the opportunity to support a charity that suits their neighbourhood and to sponsor a local sports team with competition shirts.

## Engaged store teams.

With more than 1,350 stores in Europe, we're never too far away. We don't go for busy shopping locations, but instead aim for the places where you do your daily grocery shopping. Our store teams often have a socially inclined heart, and have a special bond with their neighbourhood. They know what is going on and like to do their bit to make a difference for those around them. Many stores have their own Instagram, Facebook or TikTok profile that is followed by their customer base. By following their local store's social media, customers can stay updated on new products and community activities.

In addition, store teams share their activities using the hashtag #ZeemanLocal to inspire the neighbourhood and each other. A collection of activities posted under this hashtag can also be seen at [zeeman.com/dit-zijn-wij](https://zeeman.com/dit-zijn-wij).



# Contribution to societal image.

As a company, your communications convey an image of how you view society. In Zeeman's campaigns, we show everyday situations in a realistic setting, rather than idealistic 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. This is another way we hope to contribute to inclusivity.



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

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# Being *zuinig* is appreciated.

## Consumers are becoming ever more conscious.

The Brand & Society Monitor (*Monitor Merk & Maatschappij*) is a collaboration between B-open and Market Response. Every year, they conduct consumer market research on the importance of sustainability. In 2023, 52% of consumers said that the social impact of a brand or the sustainable aspects of a product or service would influence their choice when buying it. When choosing energy companies and supermarkets, most people take sustainability into account. More than half of consumers pay attention to sustainable aspects, such as products that are fairly made (57%), contain as little plastic as possible (56%), have minimal environmental impact (54%) and promote the conservation of nature and plant and animal species (53%). Consumers also feel the urgent need for action on climate change. The majority are concerned about the effects of climate change in the Netherlands and think climate change should stop as soon as possible.



Consumers have more trust in brands when they communicate about sustainability. However, the way in which this is done is crucial, because advertising fatigue has increased this year. 41% have had enough of advertising about sustainability, compared to 36% last year. Moreover, 4 in 10 consumers distrust sustainability claims.

## The lowest possible price.

At Zeeman, we have the lowest possible prices every day. This is why in 2023, as in previous years, we did not participate in major discount promotions on large-scale shopping days like *Black Friday*. We continue to focus on the EDLP proposition – Every Day Low Prices – which means minimal markdowns. At Zeeman, a clearance sale is not a ploy to bring in customers; it is a genuine necessity to deal with overstock. We made this clear to our customers through special communications.

## The result in sales.

Zeeman recorded 6% sales growth in 2023 in the Netherlands, slightly outperforming the overall fashion market (+2%, source: INretail's national market monitor; +4.4%, source: Statistics Netherlands). This growth was achieved entirely in stores, while online showed a decline. The year was characterised by wide variations from month to month. Spring saw a slow start, resulting in major growth in June following disappointing results in April and May. Autumn started off very warm in September; it was only from mid-October that sales began to rise again as temperatures fell. Growth was achieved within men's, women's as well as children's fashion. While the number of units sold fell slightly this year, turnover did increase thanks to price increases due to high

inflation continuing from 2022. During the year, maritime shipping costs fell and raw materials stabilised, while labour costs increased. These costs, as in 2022, also led to higher selling prices.

## Sustainable Brand Index.

The Sustainable Brand Index measures consumers' perceptions of brands and retailers in terms of sustainability. The most sustainable brand of 2023 was Tony's Chocolonely. Zeeman rose to 61<sup>st</sup> place in the ranking out of a total of 209 companies. This was up from 107<sup>th</sup> place in 2022. 12,000 consumers participated in the panel. The purpose of the Sustainable Brand Index is to visualise the value of sustainable branding and increase knowledge about sustainability within branding and communications.

## Customer satisfaction.

In order to measure customer satisfaction in 2023, as in previous years, customers were given cards at the checkouts with a web address for a survey. This enabled them to report their experience at our store immediately following their visit. As of 31 December 2023, the average score across the Netherlands was 8.62 (measured from 1 January 2023). This is almost unchanged from the previous year, when the average satisfaction score was 8.61. The NPS (Net Promoter Score) decreased slightly from 61.1 to 60.2 in 2023, and the NLS (Net Loyalty Score) also fell slightly from 70.5 to 69.6.

# Appendices.

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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 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, Luxembourg City, Luxembourg (100%); ZEEMAN textielSupers, SLU, Barcelona, Spain (100%); ZEEMAN textielSupers, UNIPESSOAL 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 the same as the calendar year. This CSR report covers the calendar year 2023. Zeeman Groep B.V.'s consolidated annual accounts have been filed with the Chamber of Commerce through to the financial year 2022. The scope of the CSR report is the same as that of the consolidation in the annual financial statements.

## Organisational chart of the Supervisory Board.

	<b>Mr Bert Roetert</b> (1956) Chair	<b>Mr Pieter Saman</b> (1977) Member	<b>Mr Ivo J.S. Vliegen</b> (1963) Member	<b>Ms Corrie Scholman</b> (1968) Member
Current positions	Member of Audit Committee, member of Zeeman Group SBR Committee, Chair of Zeeman SB, director at VoZee, Chair of Centraal Bureau Levensmiddelen ( <i>Central Food Agency</i> ), owner of Advies, Bestuur en Toezicht Bert Roetert ( <i>Advice, Management and Supervision Bert Roetert</i> )	CEO of Etos, Ahold Delhaize (from 1 April 2023).	Group CFO, QSRP.	Director of People, Heineken Group.
1 <sup>st</sup> appointment – expiration date	31 May 2018 – 21 May 2022 2 <sup>nd</sup> appointment: 21 May 2022 – 21 May 2026	1 Sep 2019 – 31 Aug 2023 2 <sup>nd</sup> appointment: 31 Aug 2023 – 31 Aug 2027	27 May 2021 – 26 May 2025	16 Dec 2021 – 16 Dec 2025
Other positions	Afvalfonds ( <i>Waste Fund</i> ) SB member, Royal Smilde SB member, Jan Linders Supermarkets SB Chair.	N/A	N/A	Member of Supervisory Council of Hotel De L'Europe Amsterdam.
Relevant work experience	Various Supervisory Board positions at FMCG, CEO of Schuitema/C1000 and Executive Chair of Friesland Foods Western Europe.	Strategic consultant, Marketing & Omnichannel Director and later CEO at Bever, BoD of AS Adventure Group, CEO of Gall & Gall.	CFO of HEMA BV, CFO of Fast Retailing Europe, CFO of Mexx	HR Director of UMC, chair of HR directors at 8 teaching hospitals, SB of Zozijn, SB of Academic Transfer, SB of Partou.

## Governance in the Netherlands.

Zeeman is managed by the Management Team, consisting of eight 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 & CSR (1968), Suzanne Terpstra – Director of HRM (1972), Caroline van Turennot – Director of Marketing & e-Commerce (1969), Bas Hoekstra – Director of Supply Chain & Logistics (1978), Barry van der Groep – Director of IT (1973). As of the end of 2023, 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 in place, 37.5% of Zeeman's Management Team are women. The legal target is 30% women on board seats. At 25%, the Supervisory Board has not achieved this target. We will give due consideration to the statutory target in a subsequent appointment.

### Transparency.

Zeeman's Management Team wants to be transparent about its CSR policy. We believe it is important that customers, the shareholder, consumers, politicians, employees and other stakeholders have a clear understanding of the CSR policy we pursue. This openness enables stakeholders to track our CSR performance and to make an informed judgment as to how we are doing as an organisation. This is also the reason why our auditors, PwC, perform an assurance engagement with a limited level of assurance, as can be read in the independent auditors' assurance report on page 103.

## Corporate structure.

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

- Appointing members of the Supervisory Board and statutory directors;
- Discharging the Supervisory Board and statutory directors;
- Appointing an auditor;
- Adopting the financial statements;
- Determining the dividend allocation;
- Approving the 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. The SB advises the Management Team (MT).

In 2023, the SB consisted of one woman and three men, namely Bert Roetert (Chair), 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.

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. For this purpose, the SB has established a **Remuneration Committee**. The Remuneration Committee has four members:

- The chair of the Remuneration Committee is Corrie Scholman, SB member;
- Bert Roetert, SB Chair;
- Erik-Jan Mares, CEO and statutory director of the Zeeman Group;
- John Morssink, CFO and statutory director of the Zeeman Group.

Zeeman's directors (both statutory and titular) have an employment package specifically tailored to 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 Remuneration Committee. The salary increase takes effect on 1 January. There are no arrangements with SB members or MT members regarding exit compensation.

### Bonus.

For MT members, at least 25% of the achievable bonus is linked to people & planet business targets. The Remuneration Committee determines the extent to which the targets were ultimately achieved and – based on this – determines the bonus each year.

### Pension.

MT members participate in the pension plans applicable to all employees working at Zeeman in the Netherlands:

- The Retail Industry Pension Fund pension plan (average-salary scheme; *Bedrijfstakpensioenfonds voor de detailhandel, middelloonregeling*) for employees earning no more than the UWV wage;
- The supplementary pension plan for employees who earn more than the maximum UWV wage up to the fiscal maximum wage for pension accrual. This plan is insured with Aegon Cappital (defined-contribution plan).

Additionally, MT 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 supplementary pension plan) above the fiscal 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 and sustainability 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 and economic issues. The Audit Committee is the interlocutor with the auditors on behalf of the SB. The auditors report annually to the SB and AGM on the financial statements and internal controls under the supervision of the Audit Committee. In 2023, the Audit Committee consisted of Bert Roetert and Ivo Vliegen. Audit Committee meetings take place twice a year. These include discussion of the audit report, financial report and risk analysis. The CEO and CFO participate in these meetings on behalf of the MT. 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 2023 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 on 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;
- Good fit for Zeeman's culture.



### Processes for reporting information.

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 vital KPIs. Sustainability is not yet included in this reporting. There is a structure of stakeholder consultations in which performance is discussed using a summary presentation. Revenue is 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 Centre. Group Control and Administration perform internal controls to verify accuracy. The Data Competence Centre 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 1,350 stores in 8 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 leaders and a limited number of support staff.

Overall, Zeeman employed an average of 6,718 FTEs during 2023. This includes both permanent staff and interns. Temporary and assignment workers are not included here.

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

• Sales Assistants	5,909.8
• Service Office	471.2
• Warehouse	203.0
• Shipping	126.1
• Management Team	8.0

Given the international nature and size of the company, it is very important for central management to possess a diverse 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 2023 was 25:1.

## Approach to 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 organisation. Items (1) and (2) are reviewed at five-year intervals; item (3) is reviewed every year. During the process, the SB is involved in progress at appropriate times, and formal approval takes place at the relevant year's AGM. Each year, progress and any adjustments are discussed based on a strategic agenda. This takes place at regular SB meetings and at the AGM.

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

The way responsibility has been delegated to manage the above is as follows: monitoring takes place during the fortnightly MT meetings, during CSR Steering Committee meetings (which take place twice a year) and during the performance reviews (which take place with each discipline at the director level). In addition, the CSR department is engaged in this on a daily basis. There are also regular 1-on-1 meetings with both the Director of Buying & CSR and the CEO (at least monthly).

### **Awareness within our own organisation.**

The Two-Way Code of Conduct applies to Zeeman's suppliers as well as its own staff. An important step for our internal organisation 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 conflicts of interest, for example between suppliers and buyers, at all times. This year we will also see if we can roll out this Code more widely to everyone who does business with Zeeman. Adding a CSR Specialist and Quality Specialist to our CSR team has made it possible to support the awareness-raising process even better. We achieve this by offering advice and encouragement, both when requested and proactively.

### **Encouraging sustainable development.**

There are ongoing developments regarding reporting requirements for the CSR & Quality department. Zeeman is discussing these with the auditing accountant, PwC. Advice is also being sought from other experts to learn what additional steps may need to be taken for the current financial year and as we head towards 2025, when major changes are set to take place. In preparation for these future developments, Group Control employees will receive continuous training to keep abreast of the latest regulations.

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

The HRM, Group Control, Administration and 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 to 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. Administration manages the Bill of Authority, which simply indicates who is authorised to approve what in which contexts. The four-eyes principle 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 in 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. There are no conflicts of interest between shareholders, SB or MT members and suppliers or other business partners.

## 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 organisations, environmental organisations 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.

Fair Wear is a multi-stakeholder initiative with about 130 members and a broad support base consisting of parties such as INretail, Modint, trade unions CNV Internationaal and Mondiaal FNV, and Clean Clothes Campaign. As an NGO, Fair Wear 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. Albert van Bolderen (former Zeeman CFO) currently occupies the position of Board 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 worldwide trade unions with the mission of ensuring safer workplaces in the textile and garment industry. Zeeman has signed this agreement.

### Modint.

Modint is the Netherlands clothing and textile sector trade association 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 as the Next Generation Agreement (NGA) or under another name.

### 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 by the Clean Clothes Campaign and workers' and human-rights organisations, among others. 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 2023 CSR report covers the calendar year 2023, running from 1 January 2023 to 1 January 2024. This is equivalent to the financial year. The previous CSR report was published in May 2023. This 2023 CSR report was published in May 2024. In the event 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 2023 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 collaboration with Controlling, gathers the information. Estimates are made where necessary. Information supplied by third parties is also used. Where relevant to the reader, we have explained this in the report.

### Data quality and limitations related to KPIs and information on "Raw materials and other inputs".

We use information from external agents and/or suppliers to obtain data for the KPIs related to the material theme "Raw materials and other inputs". Our data collection process involves manually requesting a large amount of data from our agents, which makes the process error-prone and lowers the reliability of the data. We have identified inaccuracies in the data and aim to improve the process in the coming year to ensure data quality, including implementing more internal controls. The data encompasses quantities, weights and the percentage of more sustainable cotton and recycled materials used. Although we partially check the data, these may still contain inaccuracies despite our efforts to ensure

reliability. We have in fact observed these limitations in practice. Even though we conduct our own reviews, data quality assessments and plausibility checks, our processes cannot completely eliminate the risk of inaccurate and/or incorrect data being used.

### Scope.

The CSR report covers the period from 1 January 2023 through 31 December 2023. This also applies to the KPIs and data points, unless otherwise indicated. The scope of the report is Zeeman Groep B.V., with its registered office in Alphen aan den Rijn. As we apply the principle of financial control here, all Zeeman stores in Europe and our office and distribution centre 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, so they are not included in 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 supply chain.

### Definitions of KPIs.

We have identified the most relevant targets and themes to report on based on our materiality analysis. In accordance with the GRI Standards, we have linked one or more key performance indicators (KPIs) to each material theme. We have summarised the definitions of the KPIs below. Some further data points can be found in the Indicator Overview appendix. Where relevant and/or material, changes in definitions are listed in footnotes on page 113 and in the multi-

year overview on page 109. 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 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. For this purpose, Zeeman accepts the following auditors, among others: BSCI, Sedex, SA8000, Fair Wear, Innovatus and TÜV SÜD. In some cases we also accept audits from other organisations; here it is important that the content is in line with the audit reports of the parties listed above. The audit must have been completed no later than 31 December of the relevant year or in the two years prior to the relevant year. 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 visits Zeeman every year to conduct 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 freedom of association. The BPC considers the previous year's activities and assigns a score to various elements of performance. The range of the benchmark score is 0-100%.

**% of complaints resolved, reported through the Fair Wear complaints procedure in South and East Asia and Turkey**

% is based on complaints received and resolved in the same year through Fair Wear's complaints procedure. In every factory that manufactures textile products for Zeeman, there is a poster displaying Fair Wear's complaints procedure. Additionally, all employees have received the poster in a smaller format that they can 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 employee and any local stakeholders. A complaint is resolved when the employee indicates that they are satisfied and the status of the complaint is set to "resolved" in Fair Wear's online platform. This KPI covers only textile suppliers in South and East Asia and Turkey and does not apply to European importers.

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

% of cotton in kg (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 all importers from whom cotton is sourced.

**% 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 in the current top 50 largest suppliers – based on purchase value – where orders have been placed for 5 years or more. The purchase value is measured when the order is placed. Working with a supplier means: receiving products in a calendar year that is 5 or more than 5 years ago *and* in each consecutive calendar year thereafter. 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.**

% of 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. Funding a living wage means that we close the gap between the minimum wage and living wage (or take a step in this direction) for our share of production. A living wage enables basic needs such as food and transport to be met. We use various sources to determine the living wage in a specific region, including through Fair Wear. The KPI focuses only on textile suppliers in South and East Asia and Turkey and does not apply to European importers.

**% of the wet processing facilities used by our suppliers in South and East Asia and Turkey with a water treatment system (ETP, effluent treatment plant).**

% of all Zeeman wet processing facilities at textile suppliers in South and East Asia and Turkey that have the wet processes such as dyeing, washing and printing for Zeeman products performed by a sub-supplier with a water treatment system. The quality of the water treatment system must meet the requirements set by Zeeman. This KPI does not apply to European importers.

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

% of Zeeman consumption of more sustainable cotton in kg relative to Zeeman's total cotton consumption in South and East Asia and Turkey and at European importers. More sustainable cotton refers to cotton recycled from production scraps (pre-consumer waste), cotton sourced through Better Cotton and GOTS-certified cotton. A certificate or proof of transaction is required for the above material flows. This KPI applies to all suppliers (including European importers).

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

% of more sustainable materials used by Zeeman 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 shipped by Zeeman during the year in question. More sustainable materials comprise: recycled natural and synthetic materials, cotton sourced through Better Cotton or GOTS-certified, more sustainable viscose, second-hand clothing sourced by Zeeman at Het Goed, and other more sustainable materials. A certificate or proof of transaction is required for the above material flows. This KPI applies to all suppliers (including European importers).

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

% of recycled materials in kg used for Zeeman clothing and textile products produced by South and East Asian, Turkish and European suppliers. Recycled materials are: recycled natural and synthetic materials such as recycled cotton and recycled polyester, and clothing reused by Zeeman (second-hand clothing bought by Zeeman from Het Goed). A certificate or proof of transaction is required for the above material flows. This KPI applies to all suppliers (including European importers).

**% of waste recycled.**

% of 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 organisation and can be reused.

**Waste to be processed (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 percentage of occupational accidents is calculated by comparing the number of occupational accidents recorded to 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 of the independent auditor.

Please note: this review report is an unofficial translation of the official review report in English, signed by M.G. Bergers RA on 16 May 2024

To: The Board of Directors and the supervisory board of Zeeman Groep B.V.

## Assurance report with limited assurance on the social responsibility report 2023

### Our qualified conclusion

Based on our procedures performed and the assurance information obtained, nothing has come to our attention, other than the consequences of the matter described in the section ‘The basis for our qualified conclusion’, that causes us to believe that the social responsibility report 2023 included in the social responsibility report 2023 of Zeeman Groep B.V. does not present fairly, in all material respects:

- the policy with regard to the social responsibility report 2023; and
- the business operations, events and achievements in that area for the year ended 31 December 2023;

in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the additionally applied reporting criteria as explained in the ‘Reporting criteria’ section.

### What we have reviewed

We have reviewed the social responsibility report 2023 (hereafter: the social responsibility report).

This review is aimed at obtaining a limited level of assurance.

### The basis for our qualified conclusion

#### Findings that led to our qualified conclusion

The material theme ‘(Raw) materials’ is disclosed with the following KPI’s:

- % sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption;
- % total sustainable materials in clothing and textiles relative to total consumption;
- % recycled materials relative to total consumption.

We refer to the paragraph ‘Data quality and limitations with regard to KPI’s and information ‘(Raw) materials’ of the appendix ‘About this report’ to the social responsibility report, which explains that there are limitations in the reliability of the data underlying these KPI’s. As a result of these limitations, we have not been able to obtain sufficient and appropriate assurance information regarding the reliability of this data.

As a result, we provide a qualified conclusion to the 2023 social responsibility report. This restriction applies to the KPI’s as mentioned above, the disclosures in the chapter ‘(Raw) materials and the following indicators in the appendix ‘Indicator overview.’ over 2023:

- Materials used for clothing and textiles by weight;
- % of materials used with renewable origin.

#### The basis for our review

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N ‘Assuranceopdrachten inzake duurzaamheidsverslaggeving’ (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 ‘Assurance engagements other than audits or reviews of historical financial information’. Our responsibilities under this standard are further described in the section ‘Our responsibilities for the review of the social responsibility report’ of our report.

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

#### Independence and quality control

We are independent of Zeeman Groep B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO - Code of ethics for professional accountants, a regulation with respect to independence). Furthermore, we have

complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA - Dutch Code of ethics for professional accountants, a regulation with respect to rules of professional conduct).

PwC applies the ‘Nadere voorschriften kwaliteitssystemen’ (NVKS – Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

#### Reporting criteria

The reporting criteria applied for the preparation of the social responsibility report are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria, as disclosed in ‘About this report’ of the social responsibility report.

The absence of an established practice on which to draw, to evaluate and measure the social responsibility report allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Consequently, the social responsibility report needs to be read and understood together with the reporting criteria applied.

#### Limitations to the scope of our review

The social responsibility report includes prospective information such as expectations on ambitions, strategy, plans, expectations, and estimates and risk assessments. Inherent to this prospective information, the actual future results are uncertain, and are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and achievability of prospective information.

In the social responsibility report references are made to external sources or websites. The information on these external sources or websites is not part of the social responsibility report reviewed by us. We therefore do not provide assurance on this information.

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

### Responsibilities of the Board of Directors and the supervisory board for the social responsibility report

The Board of Directors of Zeeman Groep B.V. are responsible for the preparation and fair presentation of the social responsibility report in accordance with the reporting criteria as included in section 'Reporting criteria', including applying the reporting criteria, the identification of stakeholders and the definition of material matters. The Board of Directors are also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of the intended stakeholders, considering applicable law and regulations related to reporting. The choices made by the Board of Directors regarding the scope of the social responsibility report and the reporting policies are summarised in chapter 'About this report' of the social responsibility report.

Furthermore, the Board of Directors are responsible for such internal control as the Board of Directors determine is necessary to enable the preparation of the social responsibility report that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's reporting process on the social responsibility report.

### Our responsibilities for the review of the social responsibility report

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the social responsibility report is free from material misstatements and to issue a limited assurance conclusion in our report. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a review (limited assurance) is therefore substantially less than the assurance obtained in an audit (reasonable assurance) in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

### Procedures performed

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst other things of the following:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues and the characteristics of the company.
- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the social responsibility report. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the Board of Directors.

Please note: this review report is an unofficial translation of the official review report in English, signed by M.G. Bergers RA on 16 May 2024

- Through inquiries, obtaining a general understanding of the control environment, the reporting processes, and the information systems and the entity's risk assessment process relevant to the preparation of the social responsibility report, without obtaining assurance evidence about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the social responsibility report where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the social responsibility report responsive to this risk analysis. These procedures consisted among others of:
  - Inquiring of management (and/or relevant staff) at corporate level responsible for the social responsibility strategy, policy and results.
  - Inquiring of relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the social responsibility report.
  - Obtaining assurance evidence that the social responsibility report reconciles to underlying records of the company.
  - Reviewing, on a sample basis, relevant internal and external documentation.
  - Taking into account the data and trends on corporate level.
- Considering the overall presentation, structure and balanced content of the social responsibility report.
- Considering whether the social responsibility report as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with the applicable reporting criteria.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Rotterdam, 16 May 2024  
PricewaterhouseCoopers Accountants N.V.



# 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 2023 – 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	Not currently available

Disclosure	Page in CSR Report 2023	Notes and Omissions
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organisational details	9-10
2-2	Entities included in the organisation's sustainability reporting	95
2-3	Reporting period, frequency and contact point	100
2-4	Restatements of information	113
2-5	External assurance	103
2-6	Activities, value chain and other business relationships	9-10
2-7	Employees	9, 109-111, 113, 115
2-8	Workers who are not employees	Omission: not available. In 2023, we have not yet managed to establish a system for non-employee workers. We plan to have a system ready at the end of 2024, to be able to report from 1 January 2025.
2-9	Governance structure and composition	96-97
2-10	Nomination and selection of the highest governance body	96-97
2-11	Chair of the highest governance body	96-97
2-12	Role of the highest governance body in overseeing the management of impacts	98
2-13	Delegation of responsibility for managing impacts	98
2-14	Role of the highest governance body in sustainability reporting	98
2-15	Conflicts of interest	98
2-16	Communication of critical concerns	86
2-17	Collective knowledge of the highest governance body	98
2-18	Evaluation of the performance of the highest governance body	98
2-19	Remuneration policies	96-97
2-20	Process to determine remuneration	96-97

Disclosure		Page in CSR Report 2023	Notes and Omissions
2-21	Annual total compensation ratio	97	2-21b: Given the eight countries where Zeeman is active, with different salary levels and collective labour agreements, resulting in high staff turnover, it is currently not possible to calculate an average salary increase. We used a simplified method as an approximation. A comparison has been made between the salary costs per FTE in December 2022 and December 2023. The increase is compared with the salary increase of the CEO. The result is as follows: Average salary increase is 14.4% and the CEO salary increase is 10.0%.
2-22	Statement on sustainable development strategy	3, 5, 14, 15	
2-23	Policy commitments	13	
2-24	Embedding policy commitments	13, 42-45, 62, 80-83, 98	
2-25	Processes to remediate negative impacts	42-45, 67, 70	
2-26	Mechanisms for seeking advice and raising concerns	67, 70, 86	
2-27	Compliance with laws and regulations	24, 88	
2-28	Membership of associations	99	
2-29	Approach to stakeholder engagement	17-18, 19, 64-71, 77-78	
2-30	Collective bargaining agreements	17, 110	

### GRI 3: Material Topics 2021

3-1	Process to determine material topics	17-20	
3-2	List of material topics	20	

### Topic standards

#### GRI 3: Materials 2016

3-3	Management of material topics	36	
301-1	Materials used by weight or volume	111, 112	Volume for garments and textiles. Non-textile products are not included. We have collected non-textile data in 2023 and will continue with this in 2024. Volume for primary and secondary packaging is reported separately.
301-2	Recycled input materials used	39, 112	
301-3	Reclaimed products and their packaging materials	37, 39, 111, 112	These numbers do not include packaging materials. See reason for omission at 301-1.
Zeeman Indicator		37	% total sustainable materials relative to total consumption.
		39, 112	% sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption.
		39, 112	% recycled materials relative to total consumption.

Disclosure		Page in CSR Report 2023	Notes and Omissions
<i>GRI 303: Water and Effluents 2018</i>			
3-3	Management of material topics	25-35, 38	Partial omission for this GRI topic standard. Data unavailable for disclosure 303-1, 303-3, 303-4 and 303-5.
303-2	Management of water discharge-related impacts	25-35, 38	Omission: not available. We will report in greater detail on water pollution and water scarcity in our report on the year 2024. We currently report on the use of an ETP by our textile suppliers. Five suppliers are supported in implementing improvements related to water and other topics through the Better Mill Programme. We plan to develop a water policy in 2025.
<i>GRI 305: Emissions 2016</i>			
3-3	Management of material topics	25-28	Partial omission for this GRI topic standard. Data unavailable for disclosure 305-1, 305-2, 305-3, 305-5, 305-6, 305-7.
305-4	GHG emissions intensity	111, 112	We will report in more detail on our emissions in our 2024 CSR report. For example, absolute numbers and a more extensive scope 3 (including our range).
<i>GRI 306: Waste 2020</i>			
3-3	Management of material topics	50	Partial omission for this GRI topic standard. Data unavailable for disclosure 306-4 and 306-5.
306-1	Waste generation and significant waste-related impacts	30, 38, 41, 46-50	
306-2	Management of significant waste-related impacts	30, 38, 41, 46-50	
306-3	Waste generated	50, 111	
<i>GRI 308: Supplier Environmental Assessment 2016</i>			
3-3	Management of material topics	29-35	Partial omission for this GRI topic standard. Data unavailable for disclosure 308-2.
308-1	New suppliers that were screened using environmental criteria	29-35, 43, 112	
Zeeman Indicator		112	% of purchase value from the 50 largest South and East Asian and Turkish suppliers.
		112	% of the 50 largest South and East Asian and Turkish suppliers with whom we have been working for 5 years or more.
<i>GRI 403: Occupational Health and Safety 2018</i>			
3-3	Management of material topics	64-71	Partial omission for this GRI topic standard. Data unavailable for disclosure 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64-71	
Zeeman Indicator		68, 112	Score in Fair Wear Foundation Brand Performance Check.
		69-70	% of complaints reported through the Fair Wear complaints procedure that were resolved.
		77, 112	% of total purchase value at textile suppliers in South and East Asia and Turkey where we fund living wages for our share of production.
<i>GRI 408: Child Labour 2016</i>			
3-3	Management of material topics	72	
408-1	Operations and suppliers at significant risk for incidents of child labour	72	
Zeeman Indicator		112	% of cotton out of our total cotton consumption where sub-suppliers are known (so that the origin can be traced).

Disclosure		Page in CSR Report 2023	Notes and Omissions
<i>GRI 409: Forced or Compulsory Labour 2016</i>			
3-3	Management of material topics	72	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	72	
<i>GRI 414: Supplier Social Assessment 2016</i>			
3-3	Management of material topics	65	
414-1	New suppliers that were screened using social criteria	112	
414-2	Negative social impacts in the supply chain and actions taken	66, 67-71, 112	414-2d. Areas for improvement are found in every audit, training and received complaint (100%). We value the honesty of suppliers and workers and their willingness to work together on improvements. 414-2e. Not applicable: no partnerships were terminated as a result of the assessment.
<i>GRI 416: Customer Health and Safety 2016</i>			
3-3	Management of material topics	52-54	
416-1	Assessment of the health and safety impacts of product and service categories	52-54	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	52-54	
Zeeman Indicator		52-54, 112	% samples taken in the reporting period with good results.
		52-54, 112	Number of products recalled from our stores.

## Overview of indicators.

In 2023, 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.

	2019	2020	2021	2022	2023		2019	2020	2021	2022	2023
<b>Our employees</b>											
<b>Total number of employees <sup>1</sup></b>	7,968	8,317	8,473	8,679	9,035	<b>Total number of interns</b>	3,603	2,468	2,312	2,575	2,271
Netherlands female	3,072	3,340	3,026	3,051	3,167	Netherlands	1,149	850	765	813	635
Netherlands male	446	292	473	473	458	Belgium	831	668	853	800	778
Belgium female	1,523	1,270	1,638	1,706	1,756	Germany	1,052	724	509	600	422
Belgium male	70	412	73	81	74	France	515	162	84	302	313
Germany female	721	694	669	599	552	Luxembourg	14	8	5	8	4
Germany male	26	14	17	20	18	Spain	25	46	86	48	117
France female	1,454	1,582	1,552	1,540	1,585	Austria	17	10	10	4	2
France male	182	89	164	163	178	Portugal					-
Luxembourg female	68	61	73	65	70						
Luxembourg male	3	6	2	3	-	<b>What is the total number of employees working full-time at the end of the reporting period?</b>					
Spain female	325	520	650	830	990	<b>Total number of employees</b>	2,394	2,552	2,601	2,690	2,708
Spain male	65	30	130	142	146	Netherlands female	377	387	397	410	419
Austria female	13	5	6	6	18	Netherlands male	307	348	338	337	332
Austria male	0	2	0	0	2	Belgium female	184	228	168	227	233
Portugal female					18	Belgium male	12	12	14	13	12
Portugal male					3	Germany female	374	351	335	295	243
						Germany male	17	17	13	15	9
<b>Average number of FTEs</b>	6,067	6,247	6,479	6,575	6,718	France female	821	850	907	883	906
Netherlands	2,373	2,453	2,434	2,376	2,330	France male	120	117	114	113	121
Belgium	1,231	1,234	1,270	1,308	1,350	Luxembourg female	51	48	50	51	45
Germany	690	617	592	546	503	Luxembourg male	1	-	-	3	-
France	1,435	1,459	1,531	1,545	1,573	Spain female	104	161	228	296	333
Luxembourg	66	64	65	63	64	Spain male	20	28	35	46	45
Spain	260	412	582	731	878	Austria female	6	5	2	1	4
Austria	12	8	6	5	7	Austria male	-	-	-	-	1
Portugal					13	Portugal female					4
						Portugal male					1

	2019	2020	2021	2022	2023
<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>	5,574	5,765	5,872	5,989	6,327
Netherlands female	2,695	2,767	2,629	2,641	2,748
Netherlands male	139	130	135	136	126
Belgium female	1,339	1,380	1,470	1,479	1,523
Belgium male	58	62	59	68	62
Germany female	347	336	334	304	309
Germany male	9	4	4	5	9
France female	633	642	645	657	679
France male	62	62	50	50	57
Luxembourg female	17	19	23	14	25
Luxembourg male	2	-	2	-	-
Spain female	221	285	422	534	657
Spain male	45	76	95	96	101
Austria female	7	2	4	5	14
Austria male	-	-	-	-	1
Portugal female					14
Portugal male					2

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

<b>Total number of employees</b>	3,101	3,200	3,171	3,208	3,383
Netherlands female	1,606	1,653	1,557	1,657	1,787
Netherlands male	188	209	194	206	179
Belgium female	563	624	649	711	750
Belgium male	53	56	53	59	55
Germany female	208	188	169	165	178
Germany male	16	10	5	10	8
France female	298	310	319	304	278
France male	53	53	50	39	45
Luxembourg female	28	26	30	19	21
Luxembourg male	3	-	2	3	-
Spain female	71	53	115	29	50
Spain male	12	18	28	6	11
Austria female	2	-	-	-	-
Austria male	-	-	-	-	-
Portugal female					18
Portugal male					3

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

	2019	2020	2021	2022	2023
<b>Total number of employees</b>	4,867	5,117	5,302	5,471	5,652
Netherlands female	1,466	1,501	1,469	1,394	1,380
Netherlands male	258	269	279	267	279
Belgium female	960	984	989	995	1,006
Belgium male	17	18	20	22	19
Germany female	513	499	500	434	374
Germany male	10	11	12	10	10
France female	1,156	1,182	1,233	1,236	1,307
France male	129	126	114	124	133
Luxembourg female	40	41	43	46	49
Luxembourg male	-	-	-	-	-
Spain female	254	393	535	801	940
Spain male	53	86	102	136	135
Austria female	11	7	6	6	18
Austria male	-	-	-	-	2
Portugal female					-
Portugal male					-

% employees covered by a collective agreement	90.5	91.4	91.8	92.8	93.6
% employees with a disadvantage in the labour market <sup>2</sup>	2.5	2.4	2.7	2.8	1.0
% men in management positions (excl. Store Managers) <sup>3</sup>	28.4	32.7	36.4	33.9	38.2
% women in management positions (excl. Store Managers) <sup>3</sup>	71.6	67.3	63.6	66.1	61.8

**Age structure**

% 24 years and younger	31.4	31.4	30.0	28.9	26.9
% 25-34	30.2	29.0	27.8	26.9	26.6
% 35-44	22.3	22.8	24.3	24.6	25.5
% 45-54	11.0	11.6	12.2	13.6	14.3
% 55 years and older	5.1	5.3	5.7	6.1	6.8

	2019	2020	2021	2022	2023
<b>% sickness absence</b>	6.8	7.0	6.7	7.5	7.3
Netherlands	6.2	7.3	5.7	6.6	5.9
Belgium	6.1	6.0	7.0	7.3	8.1
Germany	8.6	7.4	7.2	9.4	7.9
France	8.2	7.5	8.0	8.6	8.6
Luxembourg	5.9	7.5	7.6	9.1	5.9
Spain	4.3	5.2	7.6	7.8	8.0
Austria	9.1	1.7	2.7	3.5	4.3
Portugal					3.5
Occupational accident rate	2.5	2.3	2.5	2.6	3.0
Number of fatal accidents	0	0	0	0	0
Training days / FTE	0.93	0.66	0.60	1.10	1.49
<b>Transport <sup>4</sup></b>					
<b>Fuel consumption (litres / 100 km)</b>					
Lorries	25.00	21.90	22.64	22.85	25.42
Passenger cars	5.77	5.56	5.64	4.73	4.56
Load factor, shipping containers (m <sup>3</sup> )	62	75	79	81	80
avg. CO <sub>2</sub> emissions per roll cage, own and external transport (outbound) <sup>9</sup>	11.16	12.43	12.29	12.06	12.05
<b>Packaging &amp; waste</b>					
Industrial waste (kg)	701,256	592,532	628,422	749,306	565,835
% of which hazardous substances	0.2	0.2	0.5	2.3	0.11
Secondary packaging (kg)	4,766,060	4,364,320	4,614,900	4,599,860	4,525,155
Total weight of waste (kg)	5,467,316	4,956,852	5,243,322	5,349,166	5,090,990
% recycled	89	90	89	90	91
% waste incinerated with energy recovery	11	10	10	10	9.03
% waste incinerated	0	0	-	-	-
Primary packaging (kg)	2,407,729	2,086,606	2,105,352	2,484,150	2,330,311

	2019	2020	2021	2022	2023
<b>Energy consumption <sup>5</sup></b>					
<b>Gas consumption (m<sup>3</sup>/m<sup>2</sup>)</b>					
Netherlands	12	11	11	10	10
Belgium	11	10	13	10	8
Germany	20	17	17	15	19
France <sup>7</sup>	Unknown	Unknown	9	11	13
Luxembourg	19	12	10	11	8
Spain	Unknown	Unknown	Unknown	0	0
DC + service office	2	3	2	2	2
<b>Electricity consumption (kWh/m<sup>2</sup>) <sup>5</sup></b>					
Netherlands	63	59	55	58	57
Belgium	53	45	54	54	53
Germany	69	62	54	59	55
France	72	68	73	77	81
Luxembourg	37	34	47	40	39
Spain	Unknown	Unknown	Unknown	80	79
DC + service office	37	36	39	50	52
<b>CO<sub>2</sub> footprint (tonnes) <sup>5</sup></b>					
<b>Scope 1 (per m<sup>2</sup>)</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>18</b>	<b>17</b>
Gas – stores in the Netherlands	23	21	20	18	17
Gas – stores in Belgium	21	19	23	17	15
Gas – stores in Germany	37	32	31	27	33
Gas – stores in France <sup>7</sup>	Unknown	Unknown	17	20	23
Gas – stores in Luxembourg	36	23	17	19	14
Gas – DC + service office	4	5	4	3	3
<b>Scope 1 / net revenue <sup>4</sup></b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>
Transport – lorries	6	5	5	6	6
Transport – passenger cars	1	1	0	-	-

	2019	2020	2021	2022	2023		2019	2020	2021	2022	2023
<b>Scope 2 (per m<sup>2</sup>)</b>	<b>20</b>	<b>15</b>	<b>16</b>	<b>18</b>	<b>17</b>	% of materials used of renewable origin.	Unknown	Unknown	Unknown	68	65
Electricity – stores in the Netherlands	27	33	25	26	17	% cotton out of our total cotton consumption where sub-suppliers are known (so that the origin can be traced). <sup>12, 13</sup>	Unknown	42	70	85	96
Electricity – stores in Belgium	13	9	11	11	6	% purchase value produced at wet-processing units using water treatment systems (ETP) in South and East Asia and Turkey. <sup>15, 16, 17</sup>	Unknown	80	95	97 <sup>15</sup>	94
Electricity – stores in Germany	56	38	32	35	21	% of purchase value from the 50 largest South and East Asian and Turkish suppliers.	72	70	72	74	75
Electricity – stores in France	6	3	4	5	4	% of purchase value from our 50 largest South and East Asian and Turkish suppliers with whom we have been working for 5 years or more.	86	86	84	88	92
Electricity – stores in Luxembourg	15	15	21	18	3	% of spot checks passed in the reporting period.	96	97	98	98	98
Electricity – stores in Spain	Unknown	Unknown	Unknown	23	23	Number of products publicly withdrawn from sale.	Unknown	Unknown	16	4	5
Electricity – DC + service office	16	20	18	23	15						
<b>Scope 3 / net revenue</b>	<b>35.69</b>	<b>23.72</b>	<b>15.40</b>	<b>18.09</b>	<b>18.23</b>						
Maritime shipping <sup>8</sup>	15.52	8.53	4.01	3.96	4.14						
Airfreight	0.35	0.93	0.61	0.13	-						
Third-party road transport	1.97	0.38	0.27	0.10	0.61						
Inland waterways	0.38	0.46	0.43	0.05	0.19						
Air travel	1.56	0.11	0.02	0.25	0.57						
Packaging materials	13.29	11.83	9.64	12.81	12.41						
Paper	2.62	1.48	0.42	0.27	0.32						
<b>Buying</b>											
% suppliers in South and East Asia audited by an independent party.	100	100	98	99	95						
% of new suppliers in the chain that have been assessed against human-rights and community criteria, based on purchase value.	Unknown	Unknown	Unknown	100	100						
Score in Fair Wear Foundation Brand Performance Check.	Unknown	Unknown	65	72	59						
% of complaints reported through the Fair Wear complaints procedure that were resolved.	Unknown	Unknown	Unknown	71.4 (5 out of 7)	42.9 (3 out 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	12	12						
% of more sustainable cotton relative to total cotton consumption. <sup>6, 11, 14</sup>	24	42	59	75	93						
% of total more sustainable materials in clothing and textiles relative to total consumption. <sup>6, 14</sup>	Unknown	29	39	53	71						
% recycled materials relative to total consumption. <sup>10</sup>	Unknown	Unknown	3.5	4.6	13.0						
Materials used by weight.	Unknown	Unknown	Unknown	21,294,550	20,780,626						



## Footnotes.

1. The total number of employees has increased by 4.1%. This increase is mainly due to the opening of new stores, primarily concentrated in Spain.
2. As a result of changes in the administrative organisation, we have had to conclude that we cannot publish a reliable figure at this time. This does not imply that people disadvantaged in the labour market have not been employed by Zeeman in the Netherlands.
3. 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.
4. Off-road vehicles are not included in these figures.
5. As in previous years, Austria has been excluded due to insufficient consumption data. There is no word at this time as to when this will be available.
6. We have had a methodology for calculating materials consumption in order to provide insight into the use of more sustainable materials since 2020.
7. The new supplier of gas in France was unable to provide the consumption data for 2019 and 2020 in time, meaning that this information could not be reported.
8. Since 2020, an updated emission factor for maritime shipping has been used, resulting in a significant reduction. Previous years' figures have not been revised.
9. In the calculation of the 'CO<sub>2</sub> emissions per roll cage' for 2019, not all data regarding external exporters were included.
10. Since 2021, we have been reporting this new KPI, which provides a consolidated figure for the total amount of recycled cotton, polyester, and reused textiles in our products.
11. Since 2020, this calculation includes organic and recycled cotton in addition to the Better Cotton share.
12. The result of this KPI was corrected for 2020 by applying the correct calculation.
13. 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 the previous year is explained by this.
14. The 2021 CSR report still referred to 'sustainable materials' and 'sustainable cotton'. As of 2022, we have adopted the terms "more sustainable materials" and "more sustainable cotton", for our KPIs and elsewhere, as this is more accurate.
15. The result for 2022 has been revised downwards from 99 to 97 due to a change in the KPI criteria. Before, the KPI considered whether each supplier with at least one wet processing unit worked with an ETP. The updated KPI reflects the total number of wet processing units with an ETP.
16. These results were calculated using the previous method, i.e. % purchase value produced at at least one wet processing unit using an ETP in South and East Asia and Turkey. The methodology has since been updated, and the outcomes from 2022 onwards are based on the new method.
17. Since 2022, the environmental impact roadmap has been revised twice. In 2022, we only managed to monitor our dyehouses and laundries. This was set to be reviewed in 2023. Obtaining the correct documentation proved to be more difficult than expected in practice, because the wet processes, such as dyeing the fabric, frequently take place at factories with which we have no direct relationship. As a result, we have not yet been able to target reductions in environmental impact deeper down the supply chain as much as we had hoped. In addition, we have gained new insights from measuring environmental impacts, which may shift the topics that receive emphasis.

# Glossary.

## **Number of products sold.**

This is the number of consumer units sold.

## **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 in the areas of 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 collaboration between Fair Wear and a Fair Wear member. The core of this code comprises eight labour standards based on internationally recognised norms.

## **Consumer sales**

Consumer sales is turnover (revenue) including VAT. So this is what we receive directly from the customer when they check out. The VAT has to be remitted to the tax authorities and therefore does not represent income for Zeeman. Hence, net sales are gross sales minus VAT remitted.

## **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.

## **Average number of employees in FTEs.**

Sum of hours according to contract / hours according to collective agreement or law by country (for all employees added together). This is added up per month, divided by the number of months. Each month, an FTE statement is printed on the reference date at the end of the calendar month, adding up the contract hours per country.

## **Good results.**

By 'passed', we mean that no defects were found during the spot check that could lead to a (potential) safety and/or health risk.

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

GOTS is a standard for organic textiles that is applied industry-wide in the processing of organic fibres.

## **Importers.**

Companies based in Europe that source and/or develop products for Zeeman with manufacturers. For example, licensed or branded items. These are intermediaries who do not manufacture products themselves.

## **International Accord.**

See Overview of memberships.

## **Investments.**

Investments are expenditures that are utilised for more than a year in business processes. These include store renovations, store and office interiors, software, hardware including cash registers, means of transport (lorries and passenger cars), and mechanisation of the central warehouse.

## **LED.**

Light-emitting diodes provide energy-efficient lighting.

## **Quality samples from our range.**

Random spot checks of high-risk products from our range performed after delivery.

## **Open Supply Hub.**

An online platform where retailers can upload details of 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 on the terms of employment and remuneration of the directors and (senior) management, among other topics.

## **Primary packaging.**

Primary packaging is the packaging of the products themselves. This is the packaging for which we make legally required annual waste management contributions in the various countries. Packaging of products sourced on the European market is not included.

### **(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.

#### **Scope 1.**

This includes all direct emissions generated by the company's own transport activities, from sources under the company's control or in its possession, such as transport 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> floorspace; this applies to the stores, Distribution Centre and Service Office. Estimates and assumptions have been made regarding the fuel consumption of lorries and CO<sub>2</sub> emissions per litre of diesel (source: [T.M.nl](http://T.M.nl)).

#### **Scope 2.**

This includes indirect emissions from the use of energy procured to facilitate business activities, e.g. electricity. The CO<sub>2</sub> calculations were performed using conversion factors provided by suppliers; each country has its own conversion factor. We do not yet meet all disclosure requirements, such as market- vs location-based.

#### **Scope 3.**

These are all other indirect emissions that occur outside of the company's own business processes throughout the entire supply chain. This applies to the production of used or sold products, as well as their consumption and processing. The Scope 3 figures in the Indicators overview include the following components: maritime shipping, air freight, road transport, inland shipping, paper consumption, packaging materials, and air and train travel. Emission streams that are not included in this calculation are: business & commuting travel, materials/textiles, capital goods, waste during operations, and leased assets. The CO<sub>2</sub> calculation was performed in accordance with the principles of the Greenhouse Gas Protocol (2016).

#### **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 known as 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.

#### **Total number of employees.**

The total number of employees with employment agreements at the end of the reporting period, divided by country.

#### **Transparency Pledge.**

See Overview of memberships.

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

A clear definition of our ethical values and standards for the behaviour 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.

#### **Sickness absence.**

For all countries except Belgium: the number of sick days divided by the total number of workable days (in calendar days). For Belgium: the number of sick hours divided by the scheduled working hours.

**May 2024**

**Zeeman textielSupers**

De Schans 15 – 2405 XX

Postbus 301 – 2400 AH

Alphen aan den Rijn

Netherlands

Telephone: +31 172 482 911

Fax: +31 172 482 293

Email: [csr@zeeman.com](mailto:csr@zeeman.com)

If you have any questions about this report, please contact Arnoud van Vliet, CSR & Quality Manager.

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