

Social Responsibility Report 2021

**A challenging year
to remain *zuinig*.**

Unofficial translation of the CSR report.

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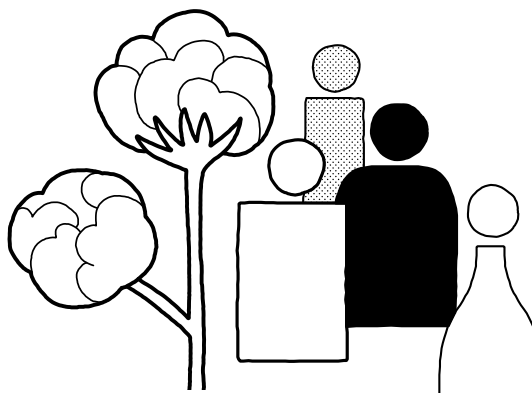
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Foreword.

Again in 2021, the COVID-19 pandemic revealed how dependent we are on each other within the global supply chain. The chain is fragile. Yet, we managed to stay true to our principles and conducted business in a responsible manner. By staying *zuinig*.

2021 was another year full of challenges. Store closures in Europe had a direct impact on our business operations and on our partners. The flow of goods became disrupted, partly due to a shortage of containers. Also, the supply of raw materials became scarce due to high demand. Despite the coronavirus pandemic, we have maintained dialogues with our stakeholders and suppliers in a transparent manner. We keep an eye out for each other. And thanks to our sound financial foundation, we have achieved another good result in 2021. In addition, we have continued to invest in the quality of our stores and opened the first ones of our new format.

Our new collaboration with second-hand store Het Goed is one of the most important steps we took in 2021. We buy **second-hand clothes** from Het Goed and sell them in six Zeeman stores. And by the end of 2021, it was possible to turn in used clothes in about 50 Zeeman stores. We now collect used clothes in every Zeeman store in the Netherlands. Another milestone is that the first Fair Wear Brand Performance Check was carried out in 2021. **Our score came out as 'good'**. We're satisfied with that — for now. It's a nice starting point. We gain good insights into factory conditions through the Fair Wear complaint mechanism and factory training and audits. In cooperation with the Fair Wear team in the Netherlands and in the Far East, we are increasingly shaping our policy on these points. In September, Zeeman signed on to continue the **Bangladesh Accord for another 2 years**. This demonstrates our ongoing commitment to a safe working environment at our suppliers in Bangladesh. We are proud to have won the **'Sustainable Retailer of the Year'** award! This token of appreciation from the professional jury

and industry peers tells us that we are on the right track. In addition, we managed to make **39% of our clothing and textile collection from sustainable materials** in 2021. The most common material in our collections is cotton. For 59% of all the cotton in our collection, we chose a more sustainable option.

How will we continue to be *zuinig* in the years ahead? In particular, by working together even more. Because staying *zuinig* of everything and everyone in our supply chain is not something we do alone. We get help from all our highly engaged colleagues, partners, NGOs, critics, and customers. We recently organized another stakeholder dialogue. We presented the themes and dilemmas that concern us to a variety of stakeholders. The outcome showed that we would indeed do well to continue to focus on three major themes in the coming period: living wages, environmental impact of production, and circular economy...

The COP26 climate conference further underscored the need to move full steam ahead on the topic of a circular economy. In 2022, we will also start selling second-hand clothing in Belgium. We hope to continue rolling out the pilot program with Het Goed. We believe that moving toward **circular business operations** is vital to the future — for all of us. The first steps have been taken, but our company is large, so there are still quite a few challenges. We continue working to find solutions with great attention and motivation.

We also want a breakthrough in the supply chain for **living wages**. We feel that a structural solution to this problem can only exist if the industry takes a joint approach. We see ourselves as a pioneer in this field and we will continue our efforts. In 2022, we will establish an expert group for this purpose. In the meantime, we have determined what concrete steps — independent from others — we can already take ourselves. This will be step one: in 2022, we will enable living wages for our share of production at one supplier per manufacturing country.

Finally, in the past few months, partly due to the recent situation in Ukraine, we have seen inflation increase. Prices rose in all sectors. Customers soon noticed this in their wallets. We see it as our responsibility to continue to offer good and responsibly-produced clothes and textiles at the lowest possible prices. We still want to be there for our customers in the years to come.

We thank everyone who helps us stay *zuinig* of everything and everyone in the chain.

I hope you'll enjoy reading this report!

Best wishes,

Erik-Jan Mares
CEO



2021 in focus.

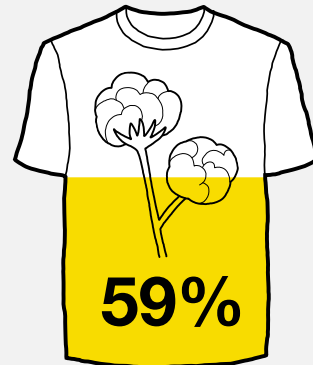
Piloted second-hand clothing

We launched a Resale pilot, with both the selling and collecting of used clothes, in collaboration with second-hand store Het Goed.



Received many marketing awards.

Such as the Golden Effie, for the Air campaign, and two awards for our long-running campaign: the prestigious Consistent Accent award from Stichting Adverteerdersjury Nederland, and the rarely awarded Grand Esprit.



59% sustainable cotton.

In 2021, 59% of the cotton we used was sustainable. This is up from 42% in 2020.

And 39% of our entire collection consisted of sustainable materials, such as recycled polyester and sustainable viscose. In 2020: 29%.

Piloted new store format.

Four stores were opened in a new format that better reflects what our brand stands for. This should make Zeeman more attractive to a wider group of customers.



+10.2%
Revenue €816 million.

Fashion Transparency Index.

For the sixth time in a row, Fashion Revolution released the Fashion Transparency Index. This study evaluates 250 international retailers and brands in the fashion industry for their transparency. The assessment covers a broad range of issues. For example, it looks at approaches to social issues and the environment. But also at topics like sustainable materials and living wages. The starting point is the information that is available to everyone online. Zeeman achieved a score of 38% this year, putting us in the top 10 of the biggest risers.

38%

Increasingly transparent.

In the 2021 biennial Transparency Benchmark, Zeeman achieved a score of 69%. This moved us up in the full rankings from 92nd place in 2019 to 40th in 2021. Together with A.S. Watson, we are now among the most transparent companies in the retail sector. Electronics firm Philips scored highest at 89.5% and won the corresponding crystal award.

Sustainable Retailer of the Year 2021-2022.

In the Dutch 'Retailer of the Year' consumer elections, we were voted Sustainable Retailer of the Year for 2021-2022. The other two finalists were Tony's Chocolonely and Auping.



Brand Performance Check:

Score: good.

Impact of COVID-19.

Turnover.

2021 was another turbulent year with COVID. The second lockdown in the Netherlands continued well into 2021 and a third lockdown began in mid-December. Stores in Germany were also closed for months.

More online.

Partly due to the pandemic, more and more customers now know how to find Zeeman online. They bought products in our online shops in the Netherlands, Belgium and, since mid-2021, also in France.

Internal communications via app.

Since the outbreak of the coronavirus crisis, we have been using a staff app. This makes it easier to stay in touch with each other. We regularly share videos, positive messages, and small wins. But also things we struggle with.

Guiding principles.

In these difficult times, we as a company need to show — with even more persistence — what we are worth. Therefore, ever since the beginning of the coronavirus crisis, we have followed, and will continue for as long as it takes, the following three guiding principles:

- We ensure the health and safety of all Zeeman employees. To do so, we follow and communicate local government guidelines.
- We safeguard the continuity of Zeeman as a company both in the short term and in the long term.
- We use our own approach for communicating and implementing measures. Which is to say: being *zuinig* — of people, the environment, and society. In concrete terms, this means:
We maintain a human touch with our stakeholders, both inside and outside the company. We engage in dialogue, do so in a courteous manner, and do not announce unilateral decisions. We are transparent and clear, to everyone and in all regards. We demonstrate our commitment and family spirit both inside and outside our company.

Supplier management.

We also apply these principles in our dealings with our agents and suppliers in the Far East. How much we all depend on each other came to the fore during this crisis.

With our suppliers and the partners with whom in many cases we've been doing business for decades, we have opted for an individual approach. With the goal of continuity for our partners and for Zeeman. In early 2021, we paid workers at our suppliers in India and Bangladesh compensation for the wages they lost during the April 2020 lockdown. Wages had been cut by 35% in Bangladesh and 50% in India. This compensation was provided for our share of at least 5% of the total production at the supplier.

As a Fair Wear member, we were able to support Fair Wear's position. They give brands a big role in influencing wages for garment workers.



About Zeeman.

Zeeman is a chain of textile stores with over 1,300 stores in seven European countries and online. Zeeman stands for quality basics and textiles.

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

A single central service office and distribution center.

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

	2017	2018	2019	2020	2021
Net revenue in millions of €	585.1	609.0	639.1	616.6	678.5
Consumer sales in millions of €	703.3	732.3	768.6	740.6	816.2
Number of products sold in millions	283.0	284.4	284.0	261.9	278.4
Average number of employees in FTE	5,868	6,019	6,067	6,246	6,479

Profile

+1,303 Textile stores

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

3 **Online shops**
For the Netherlands, Belgium, and France.

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

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

since 1967 **Family business**
100% of the stock is held by the Zeeman family.

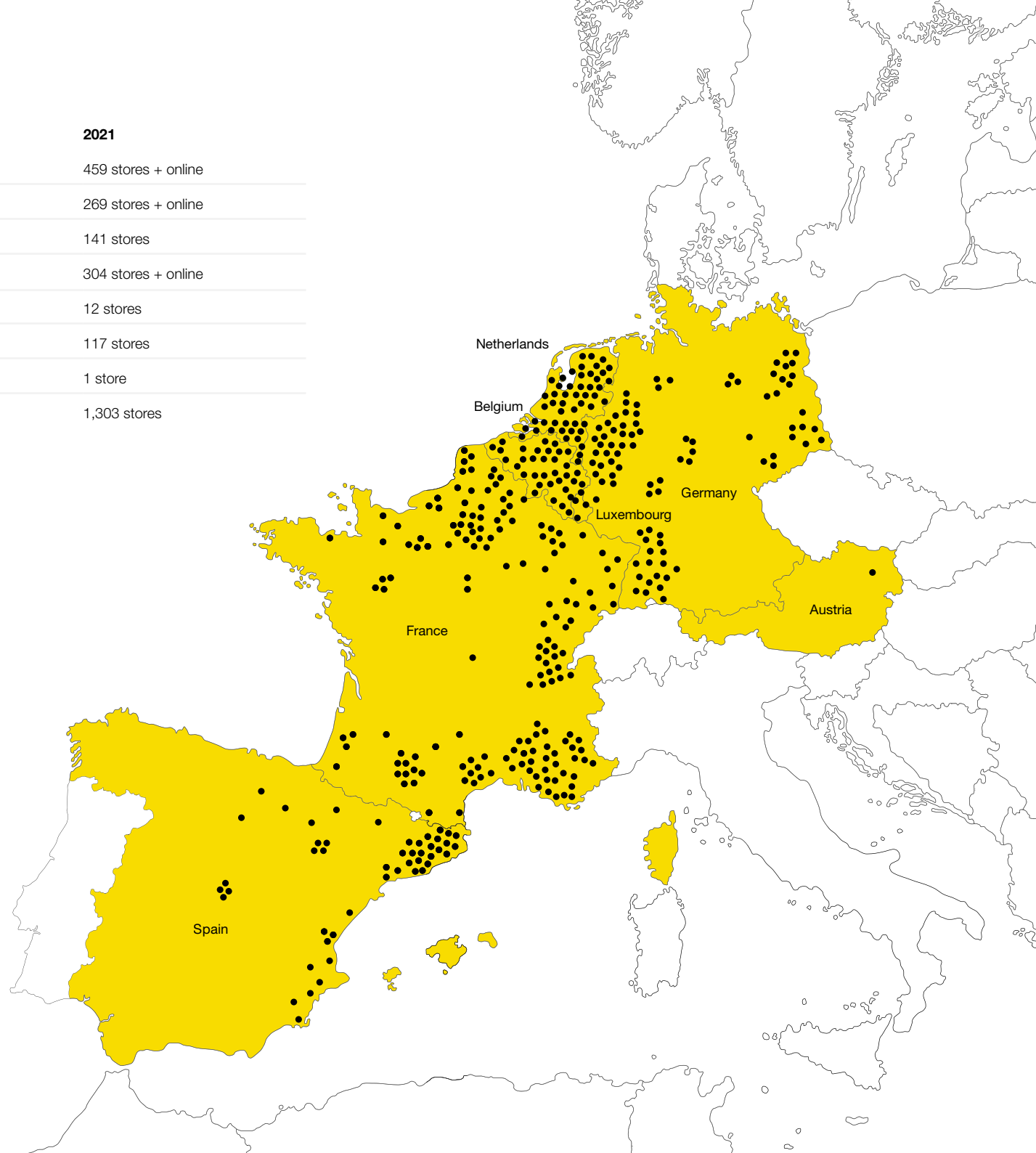
	2019	2020	2021
Netherlands	490 stores + online	468 stores + online	459 stores + online
Belgium	270 stores + online	268 stores + online	269 stores + online
Germany	155 stores	149 stores	141 stores
France	293 stores	298 stores	304 stores + online
Luxembourg	12 stores	12 stores	12 stores
Spain	56 stores	83 stores	117 stores
Austria	2 stores	1 store	1 store
Total	1,278 stores	1,279 stores	1,303 stores

Investing in the quality of our store portfolio.

In 2021, we primarily invested in improving and expanding our store portfolio. The quality of our store portfolio was improved through renovations and the closure of underperforming stores. At the end of 2021, there were a total of 1,303 Zeeman stores.

Investments scaled up.

In 2021, we invested 71% more than in 2020. This was partly done to grow in Spain and France in particular. In addition, Zeeman started modernizing its distribution center in 2021. This is necessary to support our growth strategy in the long term.



Remarkably simple.

Value-driven strategy.

Continuity.
Long-term partnerships.

A healthy financial foundation.

Defend our competitive position.

Strive for market leadership in core groups.

Zuinig of people, the environment, and society as a whole.

Focused on the long term.

Zeeman is a family business wholly owned by the Zeeman family. We maintain a solid financial footing, and we remain independent. That's something we cherish: It allows Zeeman to choose continuity and long-term partnerships over short-term profit maximization.

Our mission.

At Zeeman, we see a lot of complexity in the world. And that often surprises us. Because we believe that things are better when you make them simple. And we're happy to do just that, for as many people as possible.

At Zeeman, we take a sober look around us. At products, processes, trends, fashion, and habits. Why not make it all simpler? Thinking for ourselves: that's the way we work.

Zuinig is part of our strategy.

Collaboration with supply-chain partners, transparency about how we work, and internal engagement are important starting points for giving shape to our strategy.

- We opt for growth based on a healthy financial foundation.
- We defend our competitive position: offering quality at a low price compared to our competitors.
- We strive for market leadership in our four core groups, in every country where we operate.
- We are *zuinig* when it comes to people, the environment, and society.

Our CSR goals.



People.



Environment.



Society.

Being *zuinig* of our employees, *zuinig* of the environment, and *zuinig* of society — these are the objectives of Zeeman's CSR policy.

Read more on page 14

Anchored in sustainability.

Interview with Bert Roetert, Chairman of the Supervisory Board.



“The important thing is that Zeeman takes responsibility for CSR throughout the supply chain.”

As chairman of the SB, how are you involved in Zeeman?

“As Supervisory Board chairman, I am very involved in the ups and downs of Zeeman and therefore also in its CSR policy.”

From your perspective as a supervisor, what is your view on Zeeman’s CSR policy?

“Zeeman’s CSR policy was an important part of my reason for saying yes when I was asked to become chairman of Zeeman’s SB in 2018. Being responsible for supervising this policy, after four years, I can only say that it continues to develop. As it should, because a good CSR policy is proactively oriented and certainly should not be used reactively after-the-fact.”

How do you ensure that CSR is sufficiently embedded within Zeeman and that objectives are achieved?

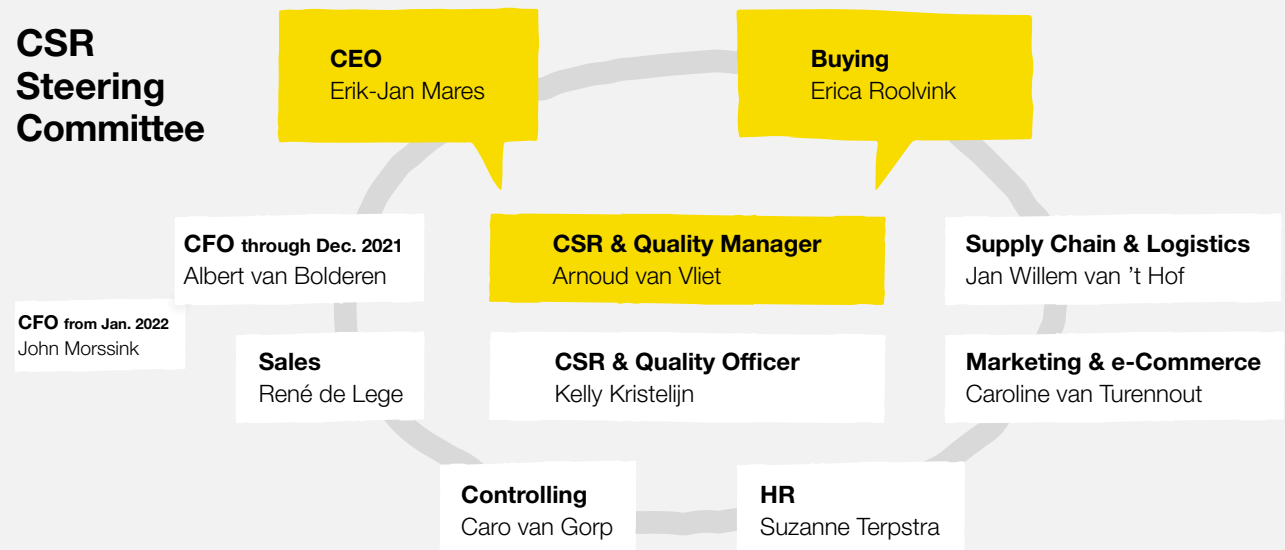
“The point is that Zeeman takes responsibility for corporate social responsibility throughout the entire supply chain. As much as possible, for all links from the cotton picker to the consumer, including everything in between. This is quite difficult because not all circumstances can be influenced. But where we ourselves are at the wheel, we must take this responsibility. This also means the management is judged on the implementation of the CSR policy’s objectives. In 2021, it’s not just about numbers, but also about the continuity of the company on a social level. Only those companies that give factors such as sustainability and general wellbeing an important place in their policies will ultimately survive, simply because the goodwill factor will play an increasingly important role in the market.”

What do you personally think is the most relevant CSR theme, and why?

“I think, in the framework of the above, it’s not a good idea to focus on any single CSR theme. We need to meet the goals we set each year and proactively let new goals reflect the trends and developments we see in society. As far as I’m concerned, doing business in a social and empathetic way is the credo. This is not a new holistic vision, but a necessary foundation for a sound business strategy that is focused on the future.”

See page 55 for Supervisory Board

CSR Steering Committee

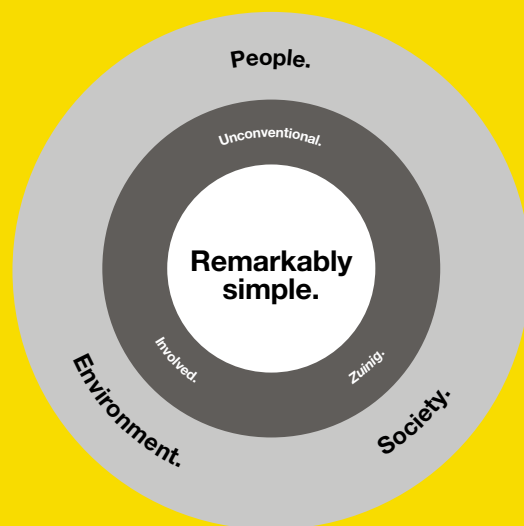


CSR is embedded in our culture.

Good, responsibly-produced clothes and textiles at the lowest possible prices. At Zeeman it's possible, because we keep everything simple.

What drives us.

Keeping everything simple is what drives us. Because we believe that things are better when you make them simple. That also applies to the words we use. Today, everyone is talking about corporate social responsibility and sustainability. We simply call it being *zuinig*. As a family business, we have always been *zuinig*. *Zuinig* of the resources that we depend on. And *zuinig* of the people who work for us, the environment, and our society. Because if you are *zuinig* of everything, good and affordable go hand-in-hand.



How we do it.

Our unique culture is described by our three values: involved, *zuinig*, and unconventional. We tackle things from our own, down-to-earth perspective. That way we stay oriented and form *one* Zeeman. Regardless of the physical distances between our stores and service office.

Involved.

At Zeeman, we work as a single team. Whether you wear a tailored suit, a dress shirt, or a T-shirt, they all have sleeves you can stick your hands through. We believe in long-term collaboration with our suppliers, and we think it is important to do business honestly and fairly.

Zuinig.

This typical Dutch word has two meanings: caring and cost-conscious. We are cost-conscious, but we also find it important to treat people, resources, the environment, and society with care. We always look for the right balance and do so in a very transparent way. Everyone who works at Zeeman thinks thrice before spending money on something. Because if you're *zuinig* of something, you treat it with care.

Unconventional.

We are independent, and we set our own course. We are not beholden to external shareholders. We listen carefully to all our stakeholders. Think for yourself and come up with creative solutions: this mindset can be found throughout our organization. If we believe in something, we prefer to try it out for ourselves. We only outsource when we really have no other choice. That has to do with costs, but even more with what seems logical to us.

What the world will notice.

People.

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

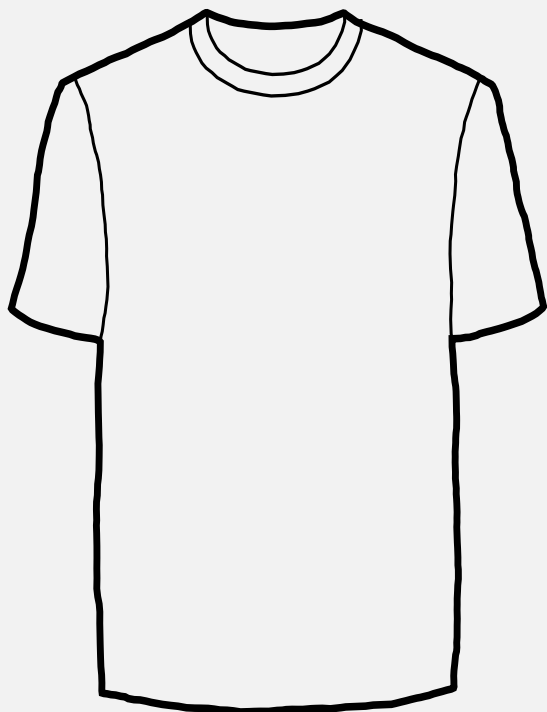
Environment.

By being *zuinig* of materials, we at Zeeman save on costs and at the same time ensure a reduced impact on the environment. That way, at Zeeman, good and affordable go hand-in-hand.

Society.

By doing business *zuinigly*, Zeeman has for many years been a stable employer for more than 8,400 people, a reliable customer for a large number of manufacturing and service companies, and a producer of responsibly-made products that are accessible to everyone.

The way others do it.



Brand shirt
24⁹⁵

The way we do it.

Our clever business operations result in our low prices.

Our designs are simple.

We produce large quantities in limited variants.

We buy directly from the factory without intermediaries.

We don't use any lavish packaging.

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

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

Manufacturers do not receive penalties for late delivery.

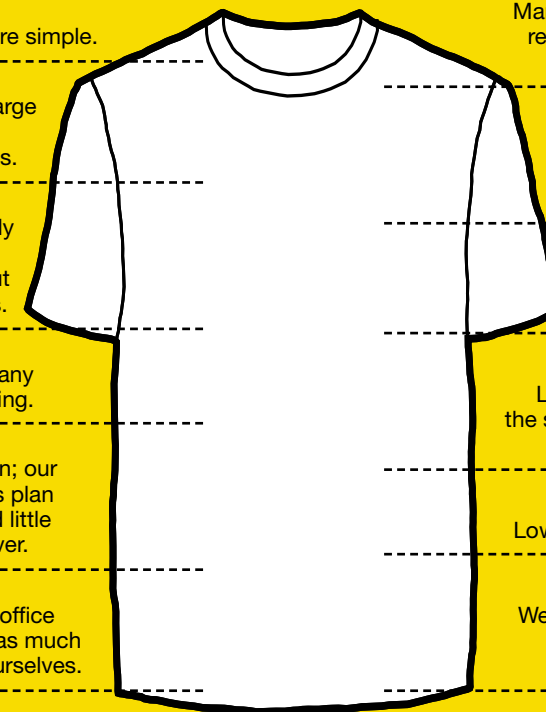
Simple stores without fitting rooms.

Sensibly transported over water.

Low profit margins; the savings are for our customers.

Low marketing costs.

We pay our suppliers immediately after shipment.



Zeeman shirt
2⁴⁹

Our goal. Our impact.

And the commitment expected of Zeeman to achieve its goals.

% major points for improvement from Zeeman's social audit corrected.

100%

Achieved in 2021

Far East and Turkish factories where the difference between minimum, actual and living wage has been assessed.

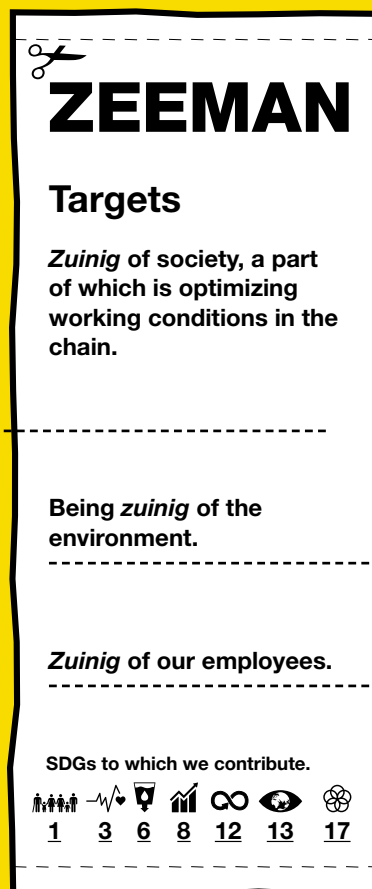
33%

Achieved in 2021

% of spot checks passed in the reporting period.

98%

Achieved in 2021



% sustainable cotton relative to total cotton consumption.

59%

Achieved in 2021

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

39%

Achieved in 2021

Sickness absence.

6.7%

Achieved in 2021

See page 15 for detailed information.

Sustainable Development Goals.

The 17 Sustainable Development Goals (SDGs) were developed by the United Nations and are part of the Sustainable Development Agenda. Combating hunger and poverty are two important goals. But health and wellbeing, clean energy, attention to the climate, and economic goals also feature. All of the goals should be realized by 2030. Through our activities, we contribute to the realization of the SDGs listed below.



The first goal is about ending poverty. No one should live in extreme poverty in 2030. We believe that everyone whose work goes into Zeeman products should earn a living wage. Read more on page 34.



Goal three is about health and wellbeing for everyone, young and old. At Zeeman, we steer towards sustainable employability and reducing absenteeism. In addition, we offer training to promote the health of our employees. Read more on page 50.



Since 2018, we have been actively working to reduce potential negative environmental impacts of production at our suppliers. An important point is that a water treatment system must be used in factories that produce for us, in order to prevent water pollution. Read more on page 37.



For many years now, we have been committed to improving working conditions in our supply chain. By working together with our stakeholders, through a social dialogue and long-term partnerships with our suppliers, we have been able to achieve structural improvements to working conditions. We continue to seek out cooperation and we want to keep doing better, one step at a time. Read more from page 24 onward.



We think it is important to be *zuinig* with our planet. That is why we are increasingly using sustainable materials, such as organic cotton. In doing so, we are also *zuinig* with water and do not use chemicals that are harmful to the environment. In addition, we plan to increasingly integrate circularity into our policies in the coming years. Read more from page 40 onward.



To do our part against climate change, we are also looking closer to home at how we can become more sustainable and reduce our footprint. For example, we transport goods by water as much as possible and aim to reduce our CO₂ emissions per roll container. Read more from page 47 onward.



To tackle major social issues, collaboration is essential. We do this within the International Accord for Health and Safety in the Garment and Textile Industry, Fair Wear, the Textile Agreement, and with industry associations and NGOs. Together, we work on, among other things, safe and fair working conditions and reduction of impact on the environment. Read more on page 27.

Value creation in the supply chain.

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

The value-creation model shows where and how we add value. At the base are the materiality matrix, our strategy, sustainability themes, and Sustainable Development Goals. Investments make it possible to do our work. Think of stores, products, transport, employees, and sufficient finances. By doing business *zuinigly*, Zeeman has been a stable employer for more than 8,400 employees for many years. Needless to say, the continuity of the organization is also an important starting point.



*This is less than in 2020 because the distribution center's roof was renovated. Also, the number of sunshine hours in 2021 was significantly lower (2020 was exceptionally sunny).

Connectivity matrix.

The matrix below shows how our objectives, material themes, and KPIs are linked. The matrix can be used to navigate to the corresponding information. We realize that the impact of our work on stakeholders goes beyond the numbers. We will explain this in more detail for each

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

Transparency and traceability in the supply chain.	Safe and healthy working conditions.	Child and forced labor.	Sustainable buying practices.	Living wage.																																						
KPI % of Far East and Turkish suppliers where independent supplier audits have been carried out.	KPI % major points for improvement from Zeeman's social audit corrected. Occupational accident rate.	KPI % cotton out of our total cotton consumption where suppliers are known (so that the origin can be traced).	KPI % of purchase value from the 50 largest Far East and Turkish suppliers. % of the 50 largest Far East and Turkish suppliers with whom we have been working for 5 years or more.	KPI % of Far East and Turkish factories where the difference between minimum, actual, and living wage has been assessed.																																						
<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>100%</td><td>98%</td><td>100%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	100%	98%	100%	<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>100%</td><td>100%</td><td>100%</td></tr></table> <table><tr><td>Achieved 2020</td><td>Achieved 2021</td></tr><tr><td>2.26</td><td>2.55%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	100%	100%	100%	Achieved 2020	Achieved 2021	2.26	2.55%	<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>70%</td><td>70%</td><td>85%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	70%	70%	85%	<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>75%</td><td>72%</td><td>75%</td></tr></table> <table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>95%</td><td>84%</td><td>92%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	75%	72%	75%	Target 2021	Achieved 2021	Target 2022	95%	84%	92%	<table><tr><td>Target 2021</td><td>Achieved 2021</td></tr><tr><td>60%</td><td>33%</td></tr></table> <p>Target for 2022: We want to enable living wages for our share of production with at least one supplier in each production country.</p>	Target 2021	Achieved 2021	60%	33%
Target 2021	Achieved 2021	Target 2022																																								
100%	98%	100%																																								
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Environmental pollution by factories.	Sustainable raw materials and resources.	Circular economy & packaging and waste.																																
KPI % suppliers in the Far East and Turkey using at least one wet processing unit with a water treatment system (ETP, effluent treatment plant).	KPI % sustainable cotton relative to total cotton consumption. % total sustainable materials in clothing and textiles relative to total consumption. % recycled materials relative to total consumption.	KPI % recycled waste. Industrial waste (kg).																																
<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>95%</td><td>95%</td><td>100%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	95%	95%	100%	<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>50%</td><td>59%</td><td>70%</td></tr></table> <table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>35%</td><td>39%</td><td>50%</td></tr></table> <table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>Unknown</td><td>3.5%</td><td>10%</td></tr></table>	Target 2021	Achieved 2021	Target 2022	50%	59%	70%	Target 2021	Achieved 2021	Target 2022	35%	39%	50%	Target 2021	Achieved 2021	Target 2022	Unknown	3.5%	10%	<table><tr><td>Target 2021</td><td>Achieved 2021</td><td>Target 2022</td></tr><tr><td>91%</td><td>89%</td><td>91%</td></tr></table> <table><tr><td>Achieved 2021</td></tr><tr><td>628,422 kg</td></tr></table>	Target 2021	Achieved 2021	Target 2022	91%	89%	91%	Achieved 2021	628,422 kg
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Our playing field.

Moving toward a circular economy.

Are customers still looking for sustainable?

“Yes, in 2021 we see that 47% of consumers believe a sustainable world begins with them. But at the same time, customers remain price-conscious. This is an interesting development. People want to know things are alright. The market is also increasingly responding to this desire.

In the clothing sector, the Netherlands’ Consumer and Market Authority (ACM) in 2021 asked over 70 companies to critically review their sustainability claims. Then the ACM itself checked the sustainability claims of ten major clothing companies for accuracy, clarity, and verifiability of the information. In doing so, the ACM came across misleading claims. A clothing company claimed to offer a sustainable collection, but it was not clear exactly what was sustainable about it.

The ACM conducts this research because consumers who want to buy sustainable products are entitled to accurate, clear, and verifiable information. In addition, companies that do well in this area are protected from competitors who mislead customers. Zeeman has not been contacted by the ACM, nor has it received any comments on its sustainability claims.”

Is Zeeman circular?

“Circularity is gaining prominence within our strategy. We see that raw materials are becoming scarce (and therefore expensive), and we know the environmental risks related to producing our finished products from raw materials. Clearly, the urgency is growing.”

How are you working toward a circular product range?

“At Zeeman, we focus on good-quality basic clothing and textiles, so no fast fashion. We think it’s important that our clothes last our customers a long time. Another advantage is that our product range is not trend-sensitive. So we don’t have to present an all-new store image every 8 weeks.”

Does Zeeman have circular ambitions?

“We want to make a strong commitment to circularity in the coming years, starting as early as the design stage. In addition, from the beginning of 2022, it will be possible for customers to hand in used clothes at all Zeeman stores in the Netherlands. We’re making this happen because research shows that still to this day, 55% of used clothing ends up in general waste. In 2022, we will be closely monitoring our pilot program of selling second-hand clothes. Based on the results, we’ll see if and how we can proceed with this on a larger scale in the future.”

Do you also share your knowledge with young people?

“We feel it is important to share our sustainable approach with the next generation. Sustainability is rightly receiving increasing attention in education. We regularly give guest lectures at Wageningen University, the Amsterdam Fashion Institute, and TMO Fashion Business School. In this way, we inspire pupils and students and teach them to make sustainable choices themselves.”



“Circularity
begins at the
design stage.”

Arnoud van Vliet, CSR & Quality Manager.

How customers value sustainability.

The Brand & Society Monitor (continuation of *Dossier Duurzaam*) is a collaboration of B-open and MarketResponse. They conduct annual market research among consumers on the importance of sustainability. In 2021, 58% of consumers paid attention to societal impact when buying clothing. In 2017, this figure stood at 45%. Government and businesses carry the most responsibility for a better world, consumers feel in 2021. Consumers pay attention to various themes, such as the environment, local production, and animal welfare. 36% of consumers said the coronavirus crisis had made them more conscious and sustainable consumers, up from 30% in 2020. The focus on circularity has also continued to increase this year. Over a third (35%) of consumers do not feel the need to own products, as long as they can use them. Last year this was 30%, and in 2017 just 24%. Some 56% of consumers gain more confidence in a brand if it makes a positive contribution to society.

Customer satisfaction.

In order to measure customer satisfaction in 2021, just like in previous years, customers were given cards with a web address for a survey at the checkouts. This enabled customers to report their experience at our store immediately following their visit. By 31 December 2021, our average score in the Netherlands had risen slightly compared to 2020, from 8.46 to 8.57 (measured from 1 Jan 2020). The NPS score rose in 2021 from 53.3 to 59.0 and the NLS score from 64.7 to 68.6.

Test panel.

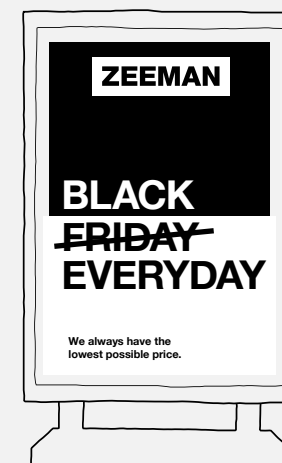
This past year, we invited customers to participate in a quality survey of our 'hero' products. These are basic items that can always be found in stock at Zeeman. The customers who participated in this panel received one such garment at home. Using a monthly questionnaire, we received a lot of information about the progression of the product's quality. Then our buyers got to work using the findings. Where necessary, products have been improved.

No Black Friday.

At Zeeman we have the lowest possible prices every day. As such, in 2021 too, we did not go along with the familiar discount promotions on major shopping days like Black Friday. We actually made use of that opportunity to make our position on this clear, using the store poster pictured to the right.

Always the lowest price.

Even more than before, in 2021 we adhered to the EDLP proposition: every day low prices, i.e. few markdowns. At Zeeman, a clearance sale is not a ploy to bring in customers. It is a genuine necessity to deal with remainders. We made this clear to our customers through special communication.



Our stakeholders.

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

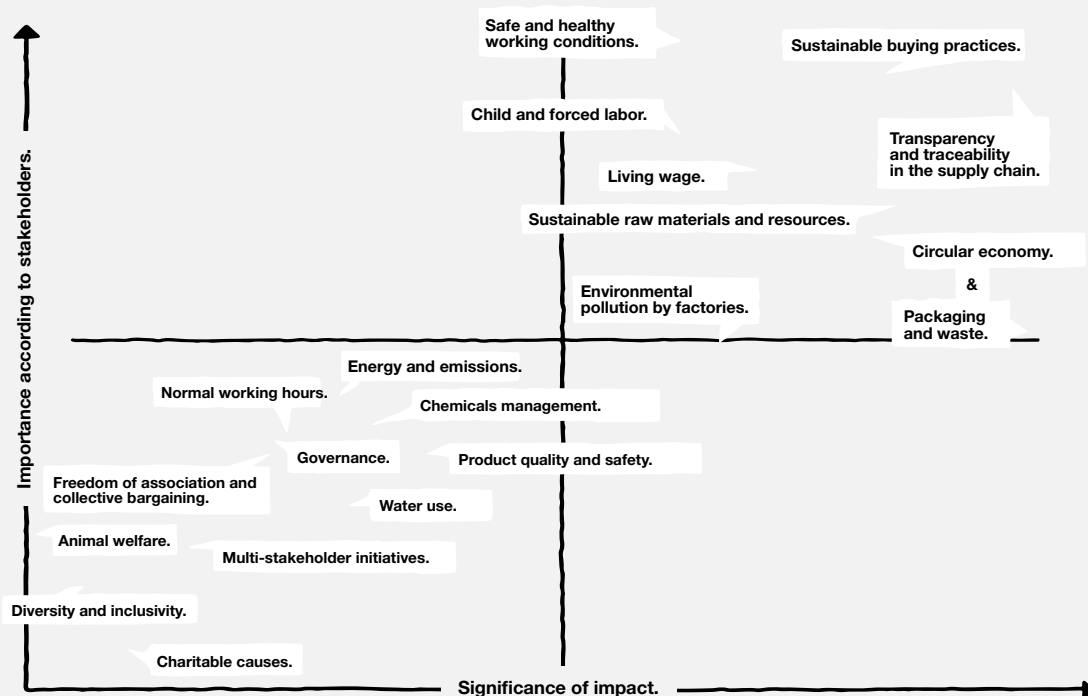
Material themes.

At a glance you can see the importance of the various CSR themes we have identified with our stakeholders. In the top right are the themes with the greatest 'materiality'. These are of great importance to both Zeeman and our stakeholders. The matrix can be used to easily navigate to the underlying content.

of the material themes in this matrix. Here we considered the likelihood of the risk occurring and the severity of the risk. What are the possible consequences, and are these consequences reversible? The extent to which Zeeman is involved in the possible risk was also taken into account.

A risk analysis has been carried out for most

Materiality matrix.



Transparency and traceability in the supply chain.

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

Safe and healthy working conditions.

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

Child and forced labor.

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

Sustainable buying practices.

Sustainable buying practices pay attention not only to price and quality, but also to their effects on people and the environment.

Living wage.

It is a human right that every person who performs labor is entitled to a wage that ensures a dignified existence for them and their family. This means the wage must be sufficient to meet the primary needs of life.

Environmental pollution by factories.

The impact of production on the climate and local environment. Responsible use of chemicals and sustainable energy and water consumption.

Sustainable raw materials and resources.

Sustainable handling, buying of sustainable raw materials, and opting for sustainable materials with a low environmental impact.

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.

major risk

medium risk

minor risk

theme 1

TRANSPARENCY AND TRACEABILITY IN THE SUPPLY CHAIN.



Sustainability dilemmas.

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

We think transparency is important, but it can also make us vulnerable. Any abuses detected may be interpreted in different ways.

Developments and results.

Supplier data publicly available on our website.

On our website and at openapparel.org we publish the details of our direct suppliers, our indirect suppliers through importers, and the sites where dyeing, washing, and printing take place, also referred to as Tier 2.

Cotton traceability.

We can trace the origin of the cotton for 70% of all our cotton orders. This information has also been published.



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Our supply chain.

Our products are typically produced in the Far East and Turkey. We do not have our own factories there, but work with specialized suppliers with whom we have long-standing partnerships. We've been working with some of our suppliers for some 20 to 30 years now. However, there are risks involved in outsourcing production abroad. Because they're not our own factories, we have less influence on working conditions than we would if they were. That's why we won't partner up with just any supplier. Over the past year, we have developed an onboarding procedure. With this procedure, we want to ensure that the contracting of a new supplier is a carefully-considered matter. For example, a supplier is not allowed to produce for us until the exact production location and available audit reports have been shared with us. This enables us to verify, among other things, that the working conditions are good and safe. The supplier must also have taken note of our Code of Conduct and signed it. This is also mentioned in our procedure for outsourcing orders. In the clothing and textile industry, it sometimes happens that suppliers outsource orders. This is also called subcontracting. This is a risk, because we cannot verify that the factory in question operates in accordance with our Code of Conduct.

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

We also place orders with European importers. They in turn often place our orders with suppliers in the Far East with whom we have no direct relationship. To get a handle on this, we request all available audit reports. And our importers' suppliers are required to distribute the poster with information about Fair Wear's complaint mechanism, and to sign the Code of Conduct. Every quarter, we want a report with information on material use and locations deeper in the chain, such as dyehouses and laundries.

Transparency Pledge.

Our supply chain includes 200 direct suppliers in 9 different countries. With a different culture and different standards in every country. But also different risks and challenges. Although these are large numbers, our share of the global industry is small. Transparency and traceability are essential components of our strategy. We want to be transparent about where and under what conditions our products are made. That's why in May 2019 we signed the [Transparency Pledge \(transparencypledge.org\)](https://transparencypledge.org) and published the details of our suppliers on our [website](https://www.fairwear.com). In addition, our suppliers and subcontractors can also be found on the website openapparel.org. This is also where any overlap with other brands and retailers can be seen. Furthermore, we report annually on the major points for improvement that emerge during factory audits by Fair Wear and TÜV SÜD. By being open, we enable our stakeholders to address potential points for improvement. This openness has given us greater insight into the overlap that exists with other retailers in shared factories. By working together, we increase our leverage to drive sustainable change in our global supply chains.

Deeper in the supply chain.

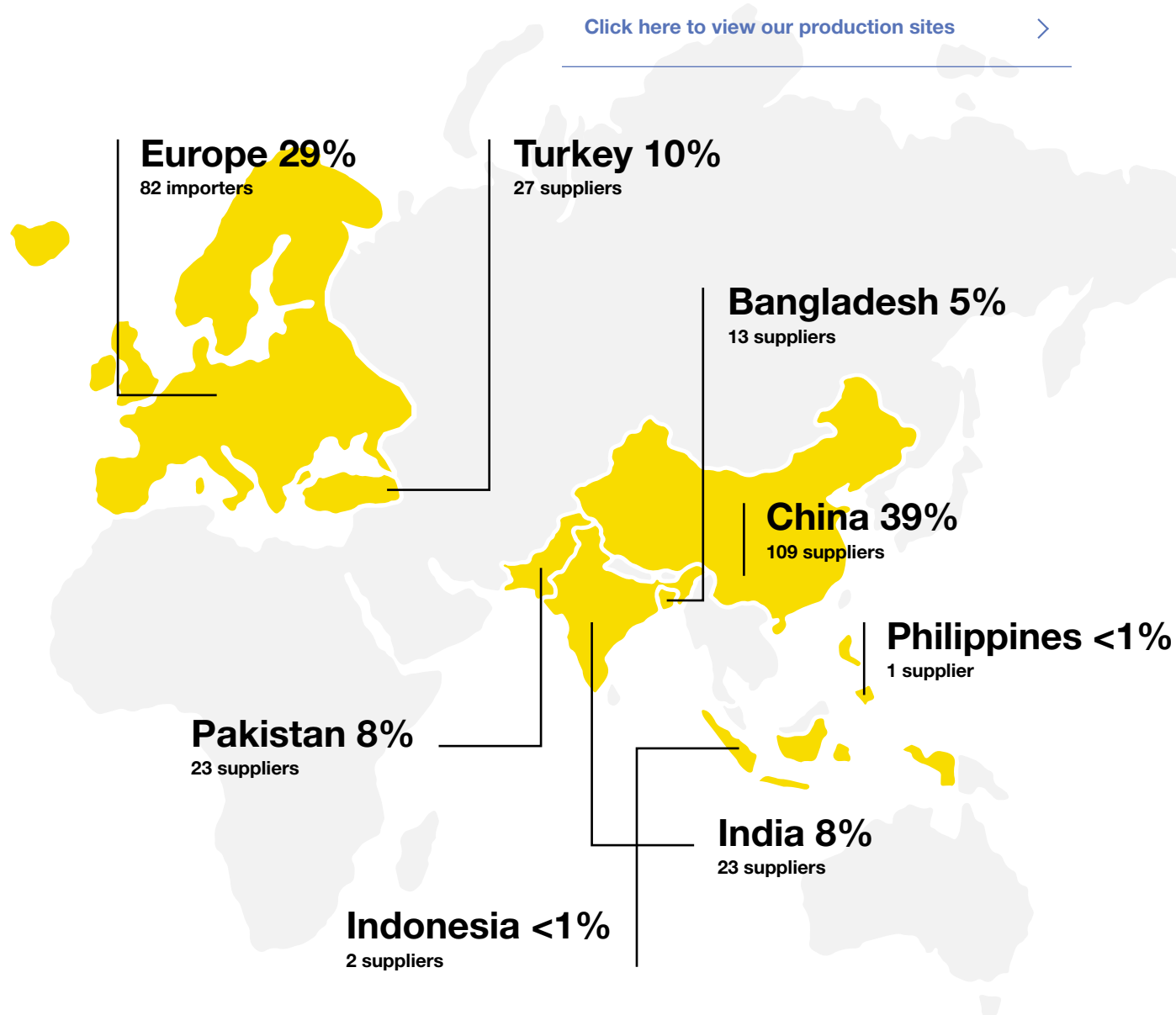
There are many other links beyond these factories. A product has come a long way by the time it reaches our stores. On our website, we disclose the details of our direct suppliers, our indirect suppliers through importers, and sites where dyeing, washing, and printing take place, also known as Tier 2. The factory sometimes carries out these wet processes itself, but more often they are outsourced to other factories. As we have collected more and more data over the past year, we can share this data publicly on our website.

For cotton production, we have also provided insight into the steps that precede it. Because first raw material is needed, which is then spun into thread so that cloth can be woven with it. For 70% of all cotton orders, the locations have been shared with us, allowing us to trace the origin of the cotton. These are also published on openapparel.org.

We have learned that social and environmental risks are particularly prevalent deeper in our supply chain. For example, surrounding social working conditions in Tamil Nadu, South India. We have been able to shine some light on the spinning mills in this region: details are publicly available on both OAR and our own website. We are striving to provide ever-greater insight into these links.

On the world map below, we show the percentage of purchase value by country and the number of suppliers and importers we work with.

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



Communication toward consumers.

Since 2019, we also communicate on our products where they are produced. On the care label we refer to the production country via a link to a web page. On this page we provide background information about the respective production country.

Our supplier base.

At Zeeman, we believe in long-term partnerships. We use our relationships with suppliers to bring about positive changes in factories and improve working conditions. Our goal is to work with an established supplier base. This has a positive impact on the quality, transparency, and value of the product. While simultaneously reducing the risk of labor-rights violations. In 2021, our 50 largest suppliers produced 72% of our purchase value. In 2020, this figure was 70%. And out of these suppliers, 84% have been working with us for five years or more. That way we ensure continuity and create a larger production share, so we can continue to make improvements where necessary.

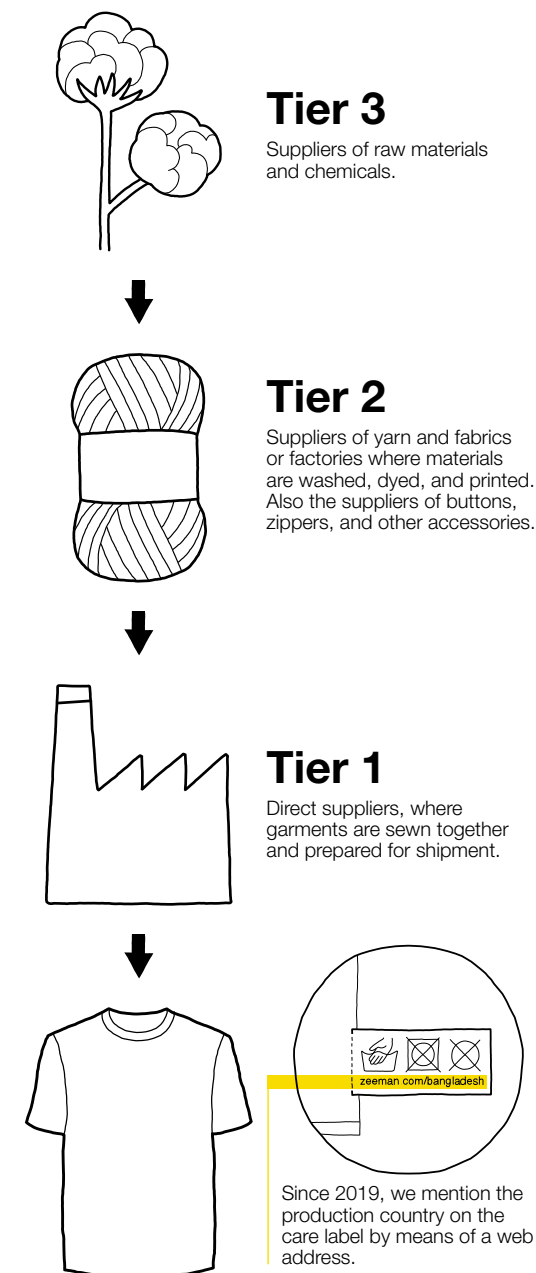
We also looked at the 'tail end' of our supplier base with our buyers and agents. This refers to suppliers representing only a small amount of revenue. These discussions revealed that many of these suppliers produce unique products, meaning we can't do without them. These are mostly 'hardware' items like home accessories.

Responsible exit strategy.

Although we do not start a partnership lightly and strive for lasting relationships, sometimes there's no avoiding the need to end a partnership with a supplier. This may be due to, e.g., persistent quality or supply problems, supplier unwillingness to cooperate in improving working conditions, changing market demand, geopolitical developments, or other commercial and strategic reasons. Therefore, an exit strategy has been established. An important principle here is that we end a relationship responsibly and in consultation. In doing so, we take into account the impact of the decision on the supplier.

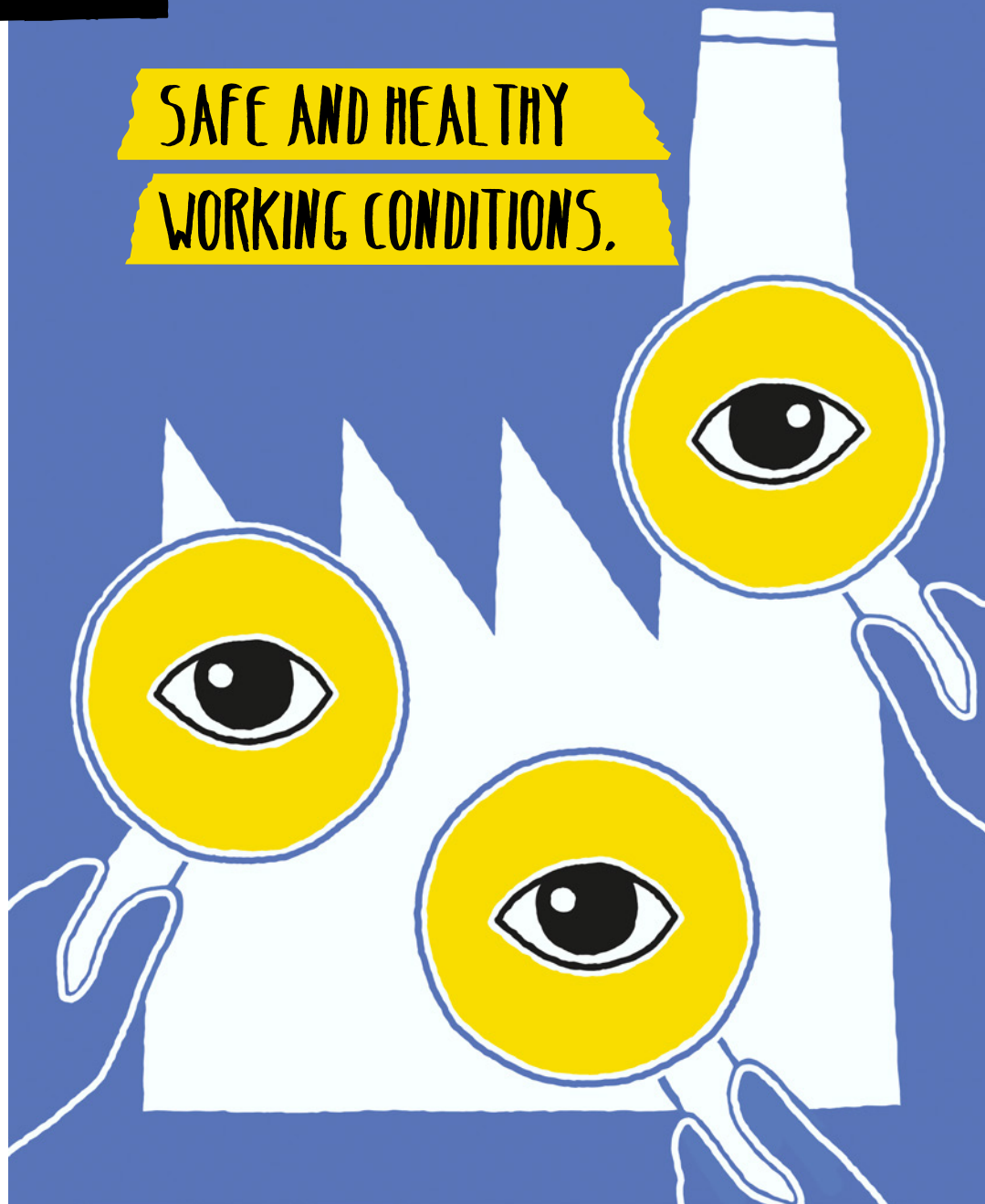
As of the end of 2021, we have 9% fewer direct suppliers than in 2020. This is a direct result of our pursued policy of making more conscious decisions to start working with new suppliers on the one hand and conscious decisions to end cooperation with suppliers with low revenue on the other.

For example, if we have a large stake in a factory we intend to wind down, we will prepare a phase-out plan in consultation with the supplier. This way, the supplier has enough time to take on other orders and the production flow remains constant. Violation of labor 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 the supplier in a dialogue. Only when it appears that a supplier is not willing to cooperate to achieve a solution do we say goodbye.



theme 2

SAFE AND HEALTHY WORKING CONDITIONS.



Sustainability dilemmas.

In some countries, we have to deal with cultural and legislative differences. We are aware that issues such as overwork, freedom of association, and forced labor are difficult to influence there. Despite the fact that they are described in our Code of Conduct.

Developments and results.

Bangladesh Accord.

In August 2021, the new International Accord for Health and Safety in the Textile and Garment Industry was signed. This should not only apply to Bangladesh but also to other countries.

Dutch Agreement on Sustainable Garments and Textiles.

In this final year of the Agreement, we achieved a score of 82%.

Fair Wear Brand Performance Check.

In 2021, we achieved the designation 'Good' during our first Fair Wear Brand Performance Check.



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We believe everyone in our supply chain should be able to work in good and safe conditions. Our principles are described in our Code of Conduct.

Fair Wear.

Fair Wear is a multi-stakeholder initiative with 130 members and a broad support base consisting of parties such as InRetail, Modint, CNV International, Mondiaal FNV, and Clean Clothes Campaign. As an NGO, the Fair Wear Foundation has been working for many years to promote good working conditions in the clothing industry, in the countries where production takes place. The most important points are: no child or forced labor, normal working hours, and a safe and hygienic workplace. To monitor compliance with this, an independent party has been conducting audits for us for many years now. For textile suppliers, that's Fair Wear. Members of Fair Wear undergo what is known as the 'Brand Performance Check' annually. In 2021, there were a total of 36 Fair Wear members with a 'good' score, of which Zeeman was one. We achieved a score of 65% (see Zeeman's [Brand Performance Check](#)).

One of Fair Wear's recommendations was to draw up a supplier assessment which would make it clear to our buyers, for example, how a supplier scores on working conditions, use of sustainable materials, quality, and reliability of supply. The result of the 2021 check will be published on our website in the second quarter of 2022.

Auditing.

Thanks to our approach, we see a structural improvement when it comes to safe buildings and working conditions. In recent years, we have already seen a drop in the number of major points for improvement. In 2021, 32 factories were audited by Fair Wear. Despite the COVID-19 pandemic, we were able to conduct the scheduled audits. Due to Fair

Wear's new audit methodology, we found more major points for improvement than in 2019 and 2020. We talk about a 'major point for improvement' when it has an urgent character. For example, when an emergency exit is blocked or when payroll and attendance lists cannot be verified during an audit.

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

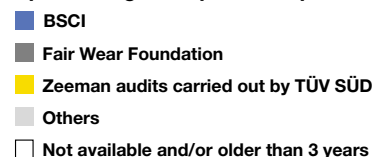
Factories are checked on various aspects during such an audit. These can be found in the Fair Wear Code of Labour Practices. Themes covered include child labor, living wages, and discrimination. Based on the 2020 audits, 11 major points for improvement were identified. We corrected these in 2021. In several cases, payroll and working hours could not be verified due to the inability to reconcile records. There were also instances of wages being paid late. The audits were followed up with Fair Wear training for management and a group of employees.

In 2022, we plan to have 20 audits conducted by Fair Wear. An important selection criterion is our revenue share with the supplier. By the end of 2022, we expect the 50 largest textile suppliers to have been audited and trained by Fair Wear.

For factories that have not been audited by Fair Wear, we request third-party audit reports such as BSCI, Sedex, and SA8000. We also ask suppliers about progress on the points for improvement.

In 2021, we received 65 new audit reports. A total of 98% of our suppliers have recently been audited by parties such as Fair Wear and BSCI. This means that an audit was conducted within the last 3 years. For a number of suppliers, an audit report was available but older than 3 years, meaning it doesn't give a current snapshot of the situation in the factory.

Split among audit parties in percent.



Complaint mechanism.

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



In 2021, we also distributed the information contained on the poster in the factory directly to all the factory's workers. We had cards printed in a convenient size and on sturdy paper, in the local language. So the workers can review the information outside the factory and — if necessary — reach out through the phone number.



In 2021, four complaints were reported through Fair Wear's complaint mechanism. Three from Bangladesh and one from Turkey. 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.

Two complaints in Bangladesh were about the same factory. One complaint came from an employee who said she was not paid a fair wage during a period when family problems prevented her from working. When she reported this to the management team, she was forcibly removed from the room. The other employee mentioned being evicted due to a single mistake in production. Her signature was misused in the process. After talking to the parties involved, workers were compensated in both cases. They received the full amount to which they were entitled. However, the working relationship had been disrupted to such an extent that they both stopped working at this factory. In consultation with the above parties and our buyers, who already wanted to phase out for commercial reasons, Zeeman decided to part ways with the supplier.

The third report was about verbal abuse by the management team against the employees. Female employees in particular felt intimidated. Resistance from the workers led to a large protest in which production was halted. The workers were forced back to work. If they refused to return to work, they would no longer receive a salary. There has been intensive engagement with stakeholders, including a local organization. This ensured that all workers received their fair wages. In addition, anti-harassment training was conducted and the factory is still working on further improvements.

In Turkey, it was reported that there were not enough seats on the bus in which the workers were taken to the factory in question. We addressed this immediately and, based on the minutes of the employee meetings at the factory, we found that it had been resolved.

All complaints reported through Fair Wear's helpline are [published online](#).

Beyond auditing.

Although an audit can provide a good picture of the conditions in a factory, it remains a snapshot. In addition, audits are aimed at assessing conformity, and there is less focus on investigating underlying causes. Audits have helped us in recent years to correct visible points for improvement. But in order to achieve truly sustainable change, we will focus on capacity-building. This means we've begun to focus more and more on the causes of non-compliance with points for improvement. Each audit conducted by Fair Wear was followed by a Workplace Education Program (WEP) being carried out. This WEP training is designed for both factory management and employees. They are given the tools necessary to improve working conditions in the workplace through open dialogue. In addition, an important goal of the training is to make factory employees more aware of their rights and educate them on how to use the complaint mechanism.

One risk that occurs in the garment and textile industry is discrimination based on gender. This is partly because women are underrepresented in unions. That's why we organized training on the topic of gender equality for our Pakistani suppliers, in partnership with an NGO, IDH Trade. In 2021, we gave our Pakistani suppliers three targets to work on. Below is the current status; in 2022 we will improve this further.

- 1) At least 50% of representatives on worker committees are women. As of the end of 2021, this is the case for 3 out of 19 active suppliers;
- 2) At least 10% of management positions to be held by a woman in 2021. As of the end of 2021, this has been achieved by 8 out of 19 active suppliers;
- 3) Organize training to promote social dialogue in the workplace. 12 out of 19 active suppliers have internally organized gender-equality training.

Freedom of association.

Through the Amplify project, trade unions Mondiaal FNV and CNV International provide support to Dutch clothing companies. They do this to ensure greater freedom of association and more social dialogue between suppliers and workers at production sites. This is important because social dialogue between management and employees is often still lacking. In addition, there is little to no protection against violations from local governments, and women are underrepresented in trade unions. The plan was to concretely implement this project in 2021, but the start of the project has been delayed. In cooperation with other local experts and Fair Wear, suppliers receive support in organizing and further rolling out fair elections. The program is also used to coach workers in their roles within the union. The goal is to give workers in those suppliers' factories the opportunity to unionize. This project supports the initiation of collective bargaining.

Sustainable industry-wide cooperation.

In order to achieve constructive improvements, cooperation with other retailers and companies, local NGOs, and governments is important. In addition to Fair Wear, we work together within the following multi-stakeholder initiatives to improve working conditions.

International Accord.

The [Bangladesh Accord](#), launched in 2013. This is a unique partnership between various stakeholders. In August 2021, Zeeman signed the new International Accord for Health and Safety in the Textile and Garment Industry for a period of 26 months. The new agreement is meant to apply not only to Bangladesh but also to other countries. Here we are thinking of Pakistan, among others.

We continue to do our best to improve working conditions in the Bangladesh textile industry. The factories have done a lot to improve the points raised by the Bangladesh Accord safety inspections. Three kinds of inspection have taken place under the Accord at every manufacturer in the country: fire safety, building structure, and electricity. In addition, factory employees have been trained to report unsafe situations to supervisors. There is also a complaint mechanism, enabling factory workers to report safety-related complaints. At the factories where Zeeman is active, 97% of the original points for improvement had been implemented as of the end of 2021 (2020: 95%). The Accord average across all factories at the end of 2021 was 92%. Together with our suppliers, we want to see 100% of the points for improvement implemented by 2022.

Dutch Agreement on Sustainable Garments and Textiles.

Over the past 5 years, companies supporting the Agreement received advice, tools, and training to help them create and implement their policies. The aim is to identify the risks within the supply chain to people, animals, and the environment, and to tackle abuses.

In this final year of the Agreement, Zeeman held a score of 82%. This met the minimum of 80%. This was the last year of the Agreement; it expired on 31 December 2021. At this time, substantive work is underway on a possible continuation of the Agreement into the Next Generation Agreement (NGA). When the new Agreement will take effect is not known at this time.

Would you like to learn more about these forms of sustainable industry cooperation?

Read more through the links below.

[RMG Sustainability Council / Bangladesh Accord](#) >

[Agreement on Sustainable Garments and Textiles](#) >

[Fair Wear](#) >

theme 3

CHILD AND FORCED LABOR.



Sustainability dilemmas.

We know that the risk of child and forced labor occurs particularly deeper in the supply chain, but because these are not direct relationships and because of the significant complexity of the chain, we have less influence on this.

Developments and results.

GoodWeave.

In the Panipat region of North India, we are participating in the 'GoodWeave' project with 4 of our direct suppliers to get a full picture of the supply chain.



Child labor and forced labor are unacceptable and must not occur in our production chain. Our suppliers commit to this when they sign our Code of Conduct. To check compliance, the factories that produce for us are audited by Fair Wear and others.

The audits verify compliance with the comprehensive Fair Wear age-verification procedure and the absence of forced labor. In addition, Fair Wear's complaint mechanism helps factory workers report abuses like child or forced labor anonymously. In 2022, we plan to create a Child Labor Policy based on input from UNICEF and Fair Wear. This should serve as a guide for Zeeman and our suppliers, thus allowing us to better recognize the risks and create policies to prevent abuses.

In recent years, child labor has decreased on a global level, but it turns out that the risk of child and forced labor is rising again as a result of the coronavirus crisis. Poverty has worsened and the demand for cheap labor is high. In addition, there is evidence that the risk is still occurring deeper in production chains.

Last year, the following risks were already in play:

- Cotton from the Xinjiang region of China where an ethnic minority is forced to work in wretched conditions on cotton fields and in spinning mills;
- Spinning mills in Tamil Nadu, South India, where forced labor has been found to occur.

In 2021, research identified the following risk:

- Forced labor by minorities from the Xinjiang region in other parts of China;

Research by Arisa & SOMO.

In 2021, we faced the investigation "Spinning around workers' rights" by NGOs Arisa and SOMO in Tamil Nadu, South India. Based on over 725 interviews conducted among the employees of 29 spinning mills, working conditions were examined. Specific consideration was given to whether forced labor was involved. An Indian Zeeman supplier was found to have purchased cotton from 1 of 29 spinning mills through an intermediary in the past. We then immediately tried to engage with the spinning mill, the Zeeman supplier, Fair Wear, and other NGOs. But without success. The spinning mill was not willing to provide transparency into its operations. Based on this, the decision was made to discontinue the cooperation.

Then, through the textile agreement, we were made aware of a SAVE factory support program in this region. This aims to improve the knowledge of both management and workers about labor laws and labor rights. It is a collective project that sets up training programs in factories and spinning mills. Subsequently, workers' committees are formed. This project has already started, and as soon as capacity allows, we will join, expected in early 2022.

Origin of cotton.

Because the likelihood of risks is greater deeper in the supply chain, it is important to understand the links involved: from raw material all the way to finished product. That's a challenge. The industry is complex and it takes many links to arrive at a final product. We set out to understand more about the origin of cotton. This includes information on the location of

'spinning' and 'ginning'. This way, we want to be able to rule out that cotton comes from high-risk areas. In 2021, this was achieved for 70% of our cotton use. With that, we have met our target, which we want to increase to 85% in 2022. We were also able to continue the growth in certified cotton. In 2021, 59% of our cotton consumption consisted of sustainable cotton from Better Cotton or sustainable certifications such as GOTS (Global Organic Textile Standard). Here, cotton production not only adheres to environmental standards, but also to better working conditions.

Investigations deeper in the chain.

An anonymous survey found links at eight Chinese suppliers to possible active government poverty alleviation programs involving minorities in China. In consultation with Fair Wear, we looked into the possibility of improving working conditions in the factories involved. Since this was not possible, we decided that, in line with Fair Wear's exit strategy, there was nothing left to do but to end the cooperation with these suppliers.

Children's Rights in Turkey project.

Together with other signatories of the textile agreement and UNICEF, we are working on a project aimed at improving children's rights in and around textile factories in Turkey. This has already proven to be a success in Bangladesh. In 2021, a local party was also connected for the implementation work: Fair Labor Association (FLA). In joint meetings with UNICEF and FLA, the entire chain was mapped from the two suppliers directly affiliated with this project. In addition, both UNICEF and FLA visited our two suppliers. The visits to the first subcontractors were conducted in the first quarter of 2022. In 2022 the project will be further rolled out, with further analysis of the situation around children's rights. A plan of action will then be developed.

Nelleke Jacobs - UNICEF.

Children's Rights in Turkey project.

A significant proportion of Turkish children and Syrian refugees living in Turkey live in poverty. These communities often resort to survival mechanisms. Schooling and training have been replaced by labor, often in poor conditions. Vulnerable Turkish children and refugee children are also at risk of having their rights violated in the Turkish clothing and textile supply chain. UNICEF, as an active stakeholder in the Turkish National Program for the Elimination of Child Labor, has a program aimed at combating child labor. As part of this program, we launched a project in 2021 with Zeeman and two other Dutch clothing brands to improve child rights in Turkish supply chains. The project begins by mapping the supply chains. Based on this, we will map the risks of children's-rights violations in the various links in the supply chain. We will also determine what the most pressing risks are. This will form the basis for improvement plans in the coming year.

More information at [unicef.nl](https://www.unicef.nl).

GoodWeave.

In the Panipat region of northern India, we are participating in a program to get a full picture of the supply chain. Four of our direct suppliers are affiliated with this program. Suppliers are also made more transparent and assessed with GoodWeave's help. The goal is to ensure transparency. It can then be stated with more certainty that child and forced labor do not occur. Where this does occur, the program provides schooling within the community where the child resides.

Silvia Mara.

Project GoodWeave India.

Zeeman works with the non-profit organization GoodWeave International which focuses on eliminating child labor in the textile supply chain. Among other things, they are mapping out a number of supply chains in India for carpets, apparel, and home textiles. They also conduct analyses. The goal is to identify, remedy, and prevent child and forced labor.

GoodWeave is currently working with four Zeeman exporters in the Panipat and Jaipur regions on a project supported by Fonds Bestrijding Kinderarbeid (FBK, Fund for Combating Child Labor). In 2021, GoodWeave mapped the subcontractors linked to these exporters and conducted audits and inspections there, both remotely and in person (fully in line with COVID-19 safety procedures). This was done to assess compliance with the GoodWeave standard, which is based on the fundamental principles of the International Labor Organization (ILO) standard.

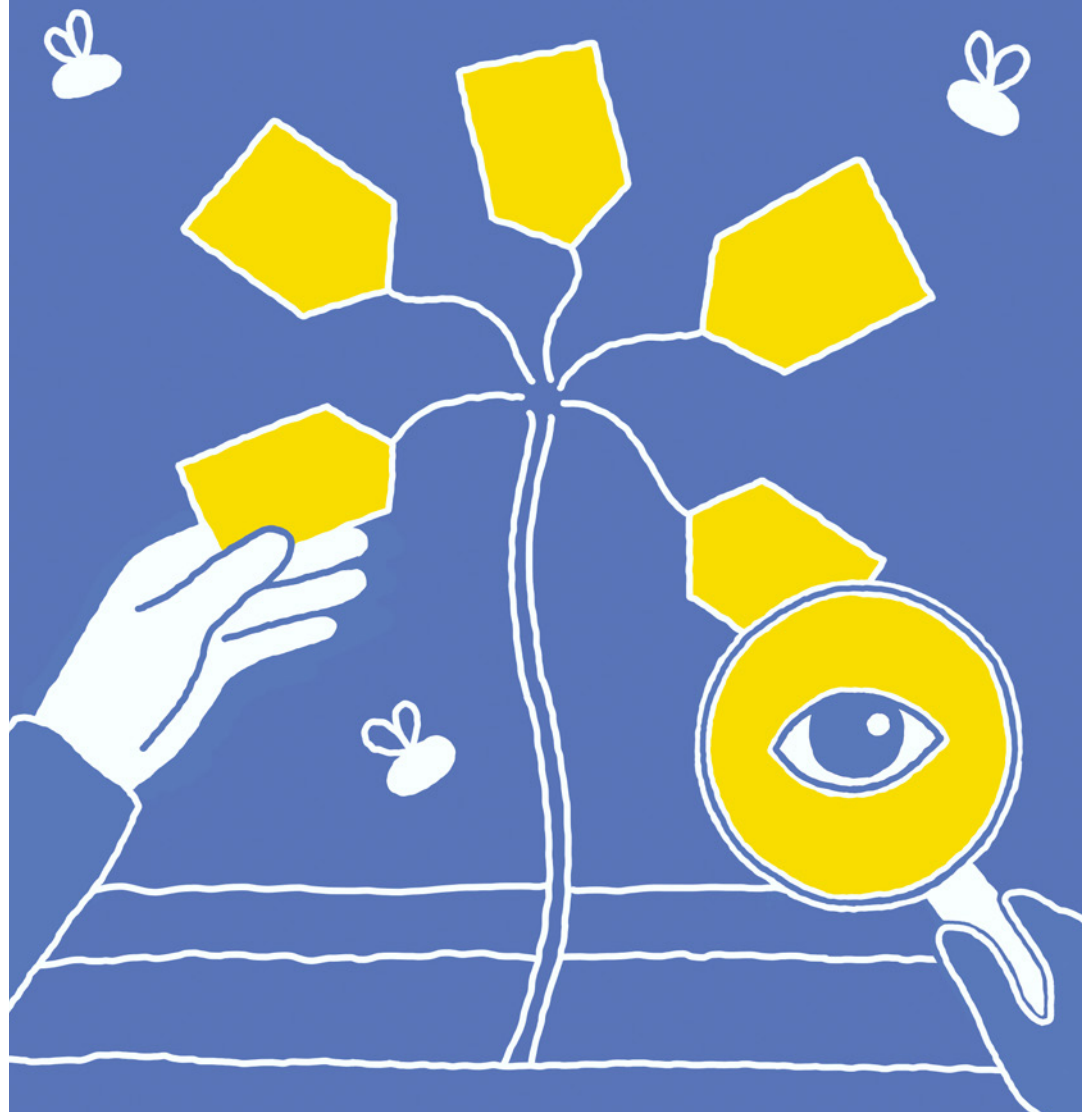
GoodWeave also established educational programs in a working-class community in Panipat that supported children with e-learning when schools were closed. And with enrollments when schools reopened.

In addition, GoodWeave offered COVID-19-related assistance, raising awareness about safety and vaccination and handing out face masks in the community.

Zeeman will continue to do this kind of important work in partnership with GoodWeave in 2022. We remain committed to the rights of workers and their children and to transparency in the supply chain.

theme 4

SUSTAINABLE BUYING PRACTICES.



Sustainability dilemmas.

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

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

Developments and results.

2-way Code of Conduct.

Based on the results of the survey of our buying practices, we have defined the most important points in the 2-way Code of Conduct.



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

In growing more sustainable, we achieve the best result by considering the effects on people and the environment across every facet of the buying process. It is no coincidence that in this report all sustainable themes directly touch on our buying practices. In order to increase the integration between CSR and buying, regular consultation takes place between CSR & Quality and Buying within the buying department. Our buying practices are set out in a written document. This document guided us through all the challenges we faced in our supply chains in 2021.

Reaching agreements.

Together with our buyers, we have established guidelines. Key priorities are that our buyers are always aware of the exact production location and that they make sustainable choices as much as possible when it comes to material usage. Also, the price of an item must be such that a supplier can meet its obligations. To reduce the risk of overtime, we want to place our orders in a timely fashion. Suppliers can then schedule production appropriately. In practice, however, it is still common for people to work a lot of overtime because more orders are accepted than there is capacity for. We also look at our share of total production capacity. This way we ensure that suppliers are not too dependent on Zeeman and vice versa.

This is all in line with the supplier onboarding procedure we refined in 2021. With this procedure, we want to ensure we make an informed choice before starting to work with a new supplier. We want to further concentrate our supplier base and increase our share with existing suppliers, provided that the mutual dependence does not become too great. A deliberate

decision also includes a detailed look at documentation, such as an audit report and other certifications. In addition, we ask the new supplier to communicate Fair Wear's complaint mechanism in the factory. Buyers have an important role in the onboarding process. Right from the beginning, we clearly communicate the agreements and expectations of the buyers, but also of the supplier.

Zeeman under the microscope.

Suppliers are used to being assessed. On the safety of their factories, on their impact on the environment, but also on price, quality, and the timely shipping of our orders. We turned this around in the 360-degree evaluation. In 2020, we asked our factories to rate us on our buying practices using 56 questions. This could be done anonymously, so they had the freedom to give honest answers. 171 suppliers in the Far East and Turkey completed our questionnaire. We analyzed the valuable results of this study in 2021. These were then shared with the buying team. The following are some points to pay extra attention to during the buying process. These points are laid out in the 2-way Code of Conduct. 2-way because both the manufacturer's and the buying party's responsibilities are defined.

- Suppliers sometimes accept orders whose delivery time is too short. This can have a negative impact on, for example, overtime and hiring of staff, and can therefore lead to higher production costs and poorer working conditions.
- Zeeman places orders for basic textiles well in advance, by six months or sometimes as long as a year. Within these contracts, numbers shift regularly, which causes problems for some suppliers.
- A quarter of suppliers reported that they accepted orders whose purchase price was lower than cost. Our guiding principle is that all parties in the supply chain should benefit. But sometimes a supplier accepts lower prices, because otherwise they have too few orders or because they don't want orders to go to their competitors. Also, sometimes a supplier makes an error in the cost estimate, or material prices may have increased between accepting the order and buying the materials needed.

Supplier assessment.

Over the past year, we have developed a supplier assessment to support our buyers. During the buying process, this assessment can aid in making choices when placing an order. The overall score depends on audit results, any quality issues, and whether training is provided, among other things.

Price negotiations.

Our raison d'être is to sell products at the lowest possible price. We've been doing it for 55 years. But what exact price is possible is partly determined by our suppliers. That is why we are increasingly asking how the cost price is structured. Our goal is to have this insight for all basic orders in the coming year. We don't want to negotiate a purchase price that is below the cost of production and that the factory can't earn anything from. Because that can have a negative impact on the working conditions of its workers. Over the past year, Fair Wear developed the Fair Price app, which allows a supplier to easily visualize a product's cost price. This is relevant to the steps we want to take on living wages (see next theme). For two suppliers in China that produce one of our most important basic items, the cost price was elucidated using the app. A Fair Wear worker personally trained the factories on how to use the app. As the cost of raw materials and transportation rise, price negotiations become tighter. This also means that sale prices have been raised where necessary.

theme 5

A LIVING WAGE.

Sustainability dilemmas.

Implementing a living wage at the factory level is difficult to scale up due to the complexity involved.

On the one hand, cooperation with other buyers (retailers) is necessary; on the other hand, this also slows things down.

Developments and results.

New living-wage roadmap 2022-2025.

We have prepared a new roadmap for a phased implementation of living wages over the next few years.



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

Using our roadmap for 2018-2021, we've given concrete form to this theme. We have partly succeeded, for example we gained more insight into what is actually being paid, what the legal minimum wage is, and what a living wage is for the region in question. We collected this data for 33% of our suppliers in the Far East and Turkey.

We believe that earning a living wage acts as a catalyst to avoid other risks in our supply chain, such as excessive overtime and child labor. And in 2019 we started a pilot with workwear manufacturer Schijvens, with whom we share a factory in Pakistan. Just like Zeeman, Schijvens is a family business, a signatory to the textile agreement, and a Fair Wear member. This pilot continued in 2021. Together with Schijvens, we use 75% of the total capacity of this factory. For the period 2022-2025, we have set ourselves new ambitions which can be found in the roadmap on the next page. We want to follow two tracks, on the one hand seeking dialogue with employer associations, governments, trade unions, peers, and NGOs like Solidaridad and Fair Wear to work on a broadly-supported and structural solution for the longer term. On the other hand, we want to work with our suppliers to find methods for phasing in living wages at suppliers.

Cooperation.

To make living wages possible, it is very important that the supplier is open to this and sees that the benefits outweigh any disadvantages. In addition, our partner Fair Wear is important. They guide us in making the calculations in the Fair Price app and with the introduction of living wages. We also learn a lot from members of Fair Wear who are already further along in this. They are an important source for best practices.

Goals.

We place nearly three-quarters of our purchase value with just fifty suppliers. Our share of production with these suppliers is therefore significant. This is an important point if we want to ensure that workers in the factory actually see their incomes increase when we enable living wages for our share of the factory's production. To enhance this effect, we are also exploring whether there are other brands/retailers we can partner with. The intended result: higher wages. In determining the wage gap, we consider the difference between the lowest paid wage and the living wage.

Roadmap 2022-2025

2022

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

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

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

2023

We want to enable living wages for our share of production at a total of two suppliers in each of the following producing countries: Pakistan, China, Bangladesh, India, and Turkey.

2024

We want to enable living wages for our share of production at a total of three suppliers in each of the following producing countries: Pakistan, China, Bangladesh, India, and Turkey.

2025

We want to enable living wages for our share of production at a total of four suppliers in each of the following producing countries: Pakistan, China, Bangladesh, India, and Turkey.

theme 6

ENVIRONMENTAL POLLUTION BY FACTORIES.



Sustainability dilemmas.

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

Developments and results.

Requirements for dyehouses and laundries.

We have prepared a document in which we set various requirements for dyehouses and laundries in order to reduce the environmental impact during production.

Environmental roadmap expanded.

We have expanded our roadmap focused on the environmental impact of manufacturing to include goals through 2026.



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

The biggest environmental impact of our manufacturing lies deeper in our supply chain. Namely, where our products are washed, dyed, and printed. These are also referred to as the 'wet' processes. These processes sometimes take place in the factory where our products are sewn together. But often, these processes are outsourced to factories with which we have no direct relationship. This means our ability to influence conditions is more limited.

Over the past year, we have prepared a document in which we set out various requirements for these dyehouses and laundries. Firstly, they should have a water treatment system. Currently, this is the case for 95% of sites. This means we reached our target of 95% exactly. In 2022, we want to reach our goal of 100%. As such, we have to take the step of phasing out cooperation with suppliers without a water treatment system or concrete plans to introduce one. In addition, we have other requirements such as mandatory training on chemical and safety management, signing the MRSL (Manufacturing Restricted Substances List), supplying various test reports to assess the quality of the treated water, and certificates proving that waste is processed in a responsible manner. The requirements are based on the Wet Processing Guidebook developed by Solidaridad. In this way, we want to map out the level of laundry and dyeing operations. Parties that do not meet the requirements will need to show improvement in the near future. If this is unsuccessful, we will part ways with them.

Working responsibly with chemicals.

The manufacture of our products depends on certain types of chemicals. They are used to grow raw materials, such as cotton, and to clean machines during production processes such as printing and dyeing. We want all 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. We will continue to constantly update this list based on new developments.

Modint has previously trained our suppliers from China in the responsible use of chemicals. In the past year we held such training for suppliers in India, Pakistan, and Bangladesh. It covers topics ranging from buying and sourcing better and safer alternatives, to the wearing of protective clothing during use, and to preventing the release of chemicals into the environment.

Better Mill project.

This past year, a new project was launched in Bangladesh. As part of this, the environmental impact of production will be mapped out at 5 out of 13 suppliers. We will launch this endeavor in early 2022. Other parties participating in the project are Hunkemöller, America Today, Tricorp, and Solidaridad. By means of an assessment, workshops, and on-site technical support, advice is given on how to make production more sustainable. This includes attention to water and energy consumption, chemicals, working conditions, and waste.

Conscious design.

A product's environmental impact depends heavily on the choices made during the first step in the production process: design. For that reason, in 2021 we organized follow-up training for our stylists and buyers, focusing on making conscious choices to promote sustainable production and circularity. In 2022, we want to continue this by establishing design practices to help designers make more sustainable choices.

Roadmap 2022-2026

2022

Assess facilities based on the parameters we set, as described in the Zeeman environmental requirement document.

Selection of a tool that will allow us to map environmental impacts at the product level.

Formulate design practices for sustainable design.

2023

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

Share lessons from the Better Mill program in Bangladesh with all facilities.

2024

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

2025

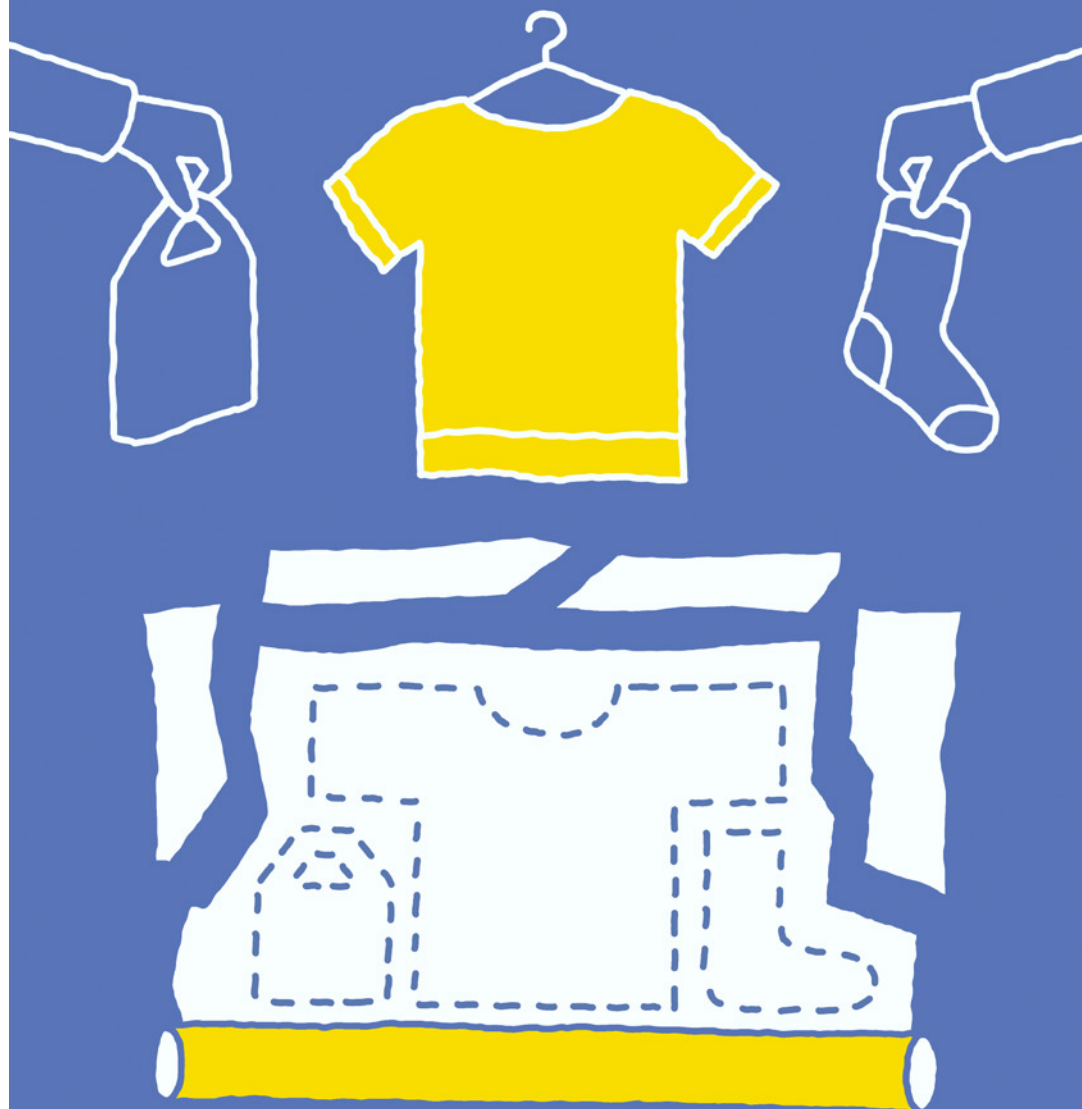
We want to understand and reduce the environmental impact of 60% of our clothing and textiles.

2026

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

theme 7

SUSTAINABLE RAW MATERIALS AND RESOURCES.



Sustainability dilemmas.

We find that raw materials are becoming scarce and costs are rising as a result. In 2021, this included organic cotton.

Developments and results.

Sustainable-materials consumption.

In 2021, 39% of our total textile consumption consisted of sustainable materials. This is a 10% increase over 2020.

Sustainable cotton use.

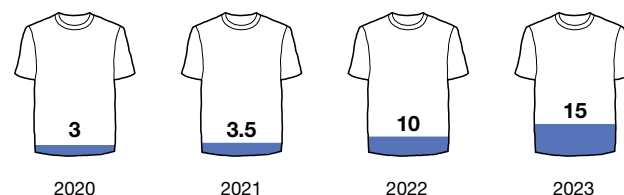
Our 2021 cotton consumption consists of 59% sustainable cotton. This is an increase of 17% compared to 2020.

The choice of a sustainable material has a major impact on the whole supply chain. We have made great strides in communicating more transparently about our materials. We developed a tool that allows us to report monthly on material usage, by country, by supplier, by buyer, and by agent.

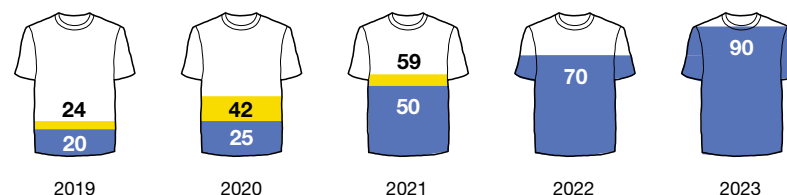
By doing so we can properly monitor progress and make adjustments as needed. In 2020, we set a goal for the total textile collection to consist of 35% sustainable materials by 2021. In 2021 we exceeded this goal: before the end of the year, we reached 39% sustainable materials in the total textile collection. We want to continue this growth and aim for 50% sustainable materials in the total textile collection by 2022. That will be a challenge, though, given the dilemma of rising commodity prices currently facing the textile industry and other industries. There is a lot of focus internally on this topic.

More sustainable cotton.

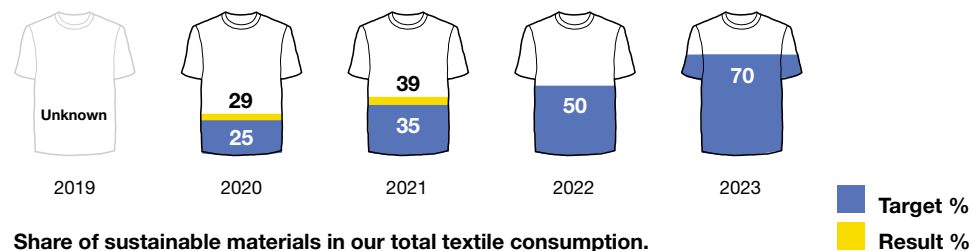
Cotton is our main raw material. Because 59% of our textile range is made of cotton. We use cotton to make underwear, socks, and bodysuits. But also dish towels and bath towels. Cotton production is environmentally harmful because it requires a lot of water and uses pesticides and artificial fertilizer. That is why we are increasingly opting for organic cotton as a raw material. This cotton is produced without the use of harmful chemicals or fertilizers. We also use recycled cotton. Residual materials from previous production runs are reused, thus saving new, costly raw materials. Our cotton consumption now comprises 59% sustainable options. By the year 2022, we aim to have at least 70% of our cotton come from sustainable sources.



Share of recycled materials in our total textile consumption.



Share of sustainable cotton in our total cotton consumption.



Share of sustainable materials in our total textile consumption.

Better Cotton.

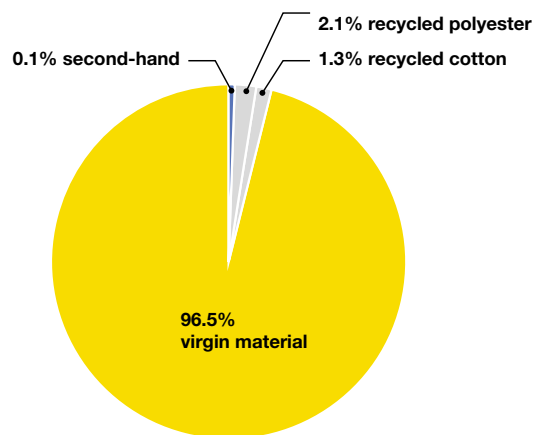
Since 2015, we have been working with Better Cotton to improve sustainability throughout our collection and to reduce the environmental impact of cotton production worldwide. Better Cotton is an organization working to improve conditions in the cotton sector around the world. The focus is on social conditions and environmental impact. In 2021, 53% of our cotton was sourced through Better Cotton. Thanks to our membership, Better Cotton farmers have gained 1.4 million euros in profits and saved 3.2 billion liters of water. This is up from 2.3 billion liters of water in 2020.

Pre-consumer recycled materials.

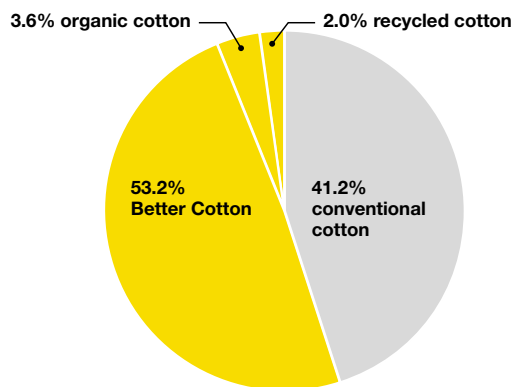
To continue our growth in sustainable materials, we want to focus more on the use of recycled materials. In this case, on recycling pre-consumer waste. This means that waste during the production process is used for new yarn. This can be done with synthetic yarns, polyester, and natural yarns made of cotton and other materials.

After cotton, polyester is the most commonly used material in our collections. Oil is the main raw material used in the production of polyester. To meet our target in 2022, we will need to focus on using recycled polyester. In 2020, 6% of polyester consisted of recycled yarn. In the past year, this has increased to 8%.

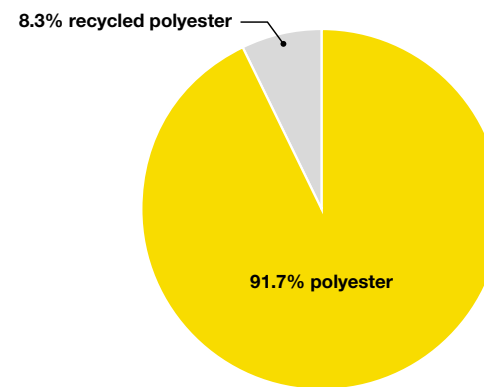
Of the total collection in 2021, 3.5% is made from recycled materials. These include recycled cotton and recycled polyester as well as the second-hand collection, called Resale. The latter is post-consumer recycling: goods that have already been worn and given a second life (see also the next theme on page 44). Our goal is to grow to 10% recycled materials in the total textile collection in 2022.



Recycled material.



Cotton consumption.



Polyester consumption.

Thanks to the data we collect, we now also have a good overview of sustainable materials by country. Across all countries, the share of sustainable materials has increased. Among European suppliers, unfortunately, this has shrunk; this covers our importers who work in Europe. Orders are placed through these intermediaries. The increasing cost of raw materials and scarcity in sustainable materials is evident here. In addition, China is our largest manufacturing country, and we see that sustainable material use there lags behind other countries.

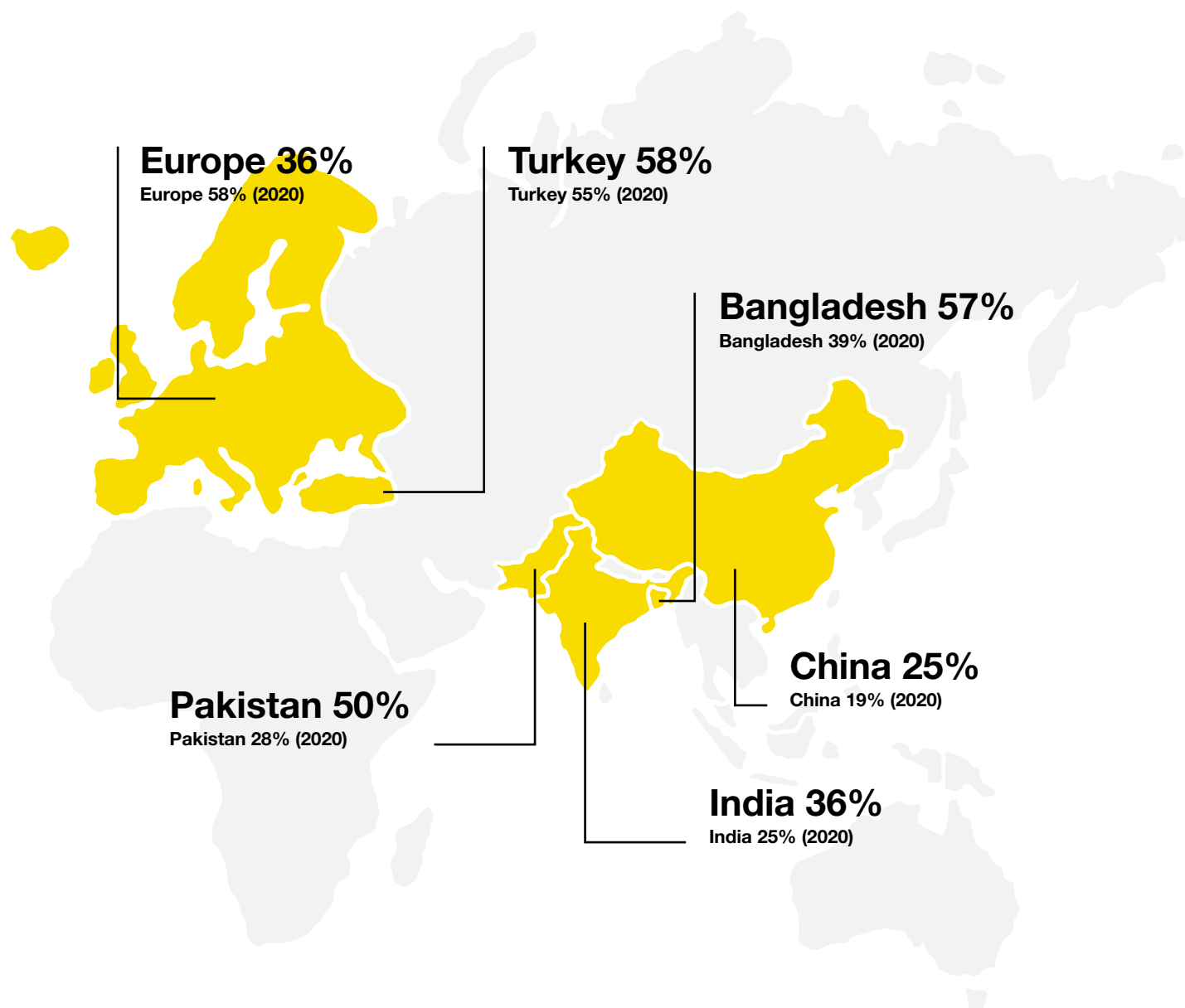
Recycled deposit shopping bag.

Back in 2014, we introduced our deposit shopping bag made entirely of recycled polyester. When customers need a bag to take their purchases home, they have the option to buy a deposit bag. Customers who later return this bag always get their €1 deposit back. We send all returned deposit bags that are no longer usable to our distribution center. We then have them destroyed by an outside party. This way we can be sure that they won't end up lying around in the environment.

Recycling other products.

Besides textiles, Zeeman also has a wide range of products such as toys, home accessories, and electronics. Within these groups, more sustainable options such as recycled glass and plastic are also being targeted.

Percentage sustainable materials bought, by country.



theme 8

CIRCULAR ECONOMY & PACKAGING AND WASTE.



Sustainability dilemmas.

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

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

Developments and results.

Selling second-hand clothing.

In collaboration with Het Goed, we have been selling second-hand clothes in 6 stores since June 2021.

Collection of used textiles.

In collaboration with Het Goed, we're collecting second-hand clothing in almost 50 stores as of the end of 2021.



Linear economy.

The current business model in retail is mainly linear and not as future-proof as it should be. First raw materials are used to manufacture products; these are sold, and after use by the consumer they often get thrown away as trash. Circularity is about using resources efficiently and preserving them as much as possible to avoid depletion.

Circular design.

If sustainable considerations are already made in the development of collections, this has a positive impact throughout an item's lifecycle. During the Responsible Buying & Design workshop, which was followed up in 2021, we discussed this with each other in detail. Through this workshop, our designers received input that supports them in their decision-making process. In 2022, we will produce a design-practice document which incorporates this input: a checklist for our designers.

Local, circular production.

With a coalition of partners, we are working to develop a circular product. The idea is that a new product will be produced in the Netherlands from 100% post-consumer textile waste. This is an innovative process in which the quality of fibers from post-consumer waste has been tested over the past year. The following partners form the recycling chain with whose help we will develop the final product: Cirkelwaarde, Frankenhuis, Wieland Textiles, and Enschede Textielstad. This year, we want to explore the possibilities of bringing a product to market in which the percentage is lower than 100, but with which we can contribute to the reuse of post-consumer waste. Research into a product made from 100% post-consumer textile waste will, however, continue.

Resale.

In collaboration with Het Goed, we have been selling second-hand clothing in 6 stores under the name Resale since June 2021. In addition, we offer our customers the opportunity to turn in used clothing to us. By the end of 2021, we did this in nearly 50 stores. The aim is to be able to do this in all Dutch stores by February 2022. With this innovative concept, we want to give used clothing a second life. By actively promoting collection of used clothes, we hope to make customers aware of the fact that clothing should be collected separately and not disposed of in general waste, as is still the case 55% of the time.

Het Goed has its own sorting centers that specialize in sorting collected clothing. They also give hundreds of people the chance to gain work experience in an accessible way every day. So this collaboration also has a strong social component. Everything we collect we donate to Het Goed. We give good-quality clothing that can still be used a second chance in, among others, Het Goed's thrift stores and in our own Resale range in one of six of our stores. And whatever is no longer good or beautiful enough for direct reuse is recycled as completely as possible. So something new can be made from it.

In 2022, we also want to introduce Resale in a number of Belgian stores. Sales results in the Dutch stores were above expectations in the first few months. Unfortunately, the numbers showed a downward trend during the rest of the year. We are continually investigating how to optimize the Resale offering in stores. Feedback from sales colleagues and customers is helping us make the needed adjustments, e.g. arranging products by color to avoid a cluttered look.



Upcycling.

Circular design.

Circularity is about using raw materials as little as possible and reusing existing materials as much as possible. This means it is very interesting to see what can be made from an existing item. Especially if it can become something even more beautiful. During the Dutch Design Week in Eindhoven, Zeeman collaborated on a project by New Order of Fashion (NOoF). NOoF's design talents got to work with Zeeman items that were no longer suitable for sale. E.g., incomplete samples and written-off items from the Resale collection. From these, high-quality designs were made that we later distributed to consumers in a competition about upcycling.

Separated waste streams.

In 2021, we were able to recycle 89% of the waste streams within our operations. This was virtually unchanged from the 2020 figure of 90%. This includes the plastic and paper that comes back from our stores separated, but also materials from other waste streams for which we determine the correct waste processing method together with our waste processing partner RCN. In addition, we have been reporting on the total weight of our waste for years, and for the past three years we have also been reporting separately on hazardous substances. Our goal is to recycle more materials each year and reduce total waste streams. One of the ways we do this is by using as little packaging material for our products as possible.



A *zuinig* operation.

COVID-19 has had a powerful impact internationally on the various parts of our supply chain. 2021 again saw an imbalance in ocean-freight flows. The biggest bottleneck was the capacity shortage for container shipment from the Far East.

As a result, the scheduling of deliveries became less certain. This is reflected in the average load factor of a sea container as well as the proportion that was transported via inland barge from the port to Zeeman's DC. In container transport, there are two indicators to watch out for:

Load factor.

The average load factor of a shipping container ended up at 79%, exactly matching our 79% target. This is despite the difficult situation in which the shipping industry still finds itself. Zeeman was able to ship 85% of the total volume of goods using the largest type of container. For 2022, the load-factor target is 80%. Thanks to this high load factor, we limit the number of shipping containers. Thus also reducing emissions. We want to achieve this higher load factor by having our logistics planning and the agents and suppliers work together even more closely via the Supply Chain Portal.

Inland navigation.

For transport from the port to our distribution center in Alphen aan den Rijn, we use inland waterways as much as possible. This way we reduce the number of transport movements on the road, as well as emissions. We use the 'green corridor', in which different companies bundle transport flows via inland navigation. The ships we deploy run on LNG. In 2021, 73% of sea containers were delivered via inland waterways; our target was 80%. This was because the planning of shipments was less reliable due to the situation in the market for international ocean freight. For 2022, 80% supply via inland waterways is again our goal. We want to achieve this by further improving our logistics planning and normalizing international container transport.

Distribution Center redesign.

In 2021, we started redesigning our distribution center and building a new mechanized storage and sorting system. By 2022, most of this project will be realized. The result: a new distribution-center layout, a new Warehouse Management System, and a Shuttle system for automated storage and sorting. The project will be completed by early 2023. This major investment doesn't just come from a commercial interest in increasing capacity for the distribution process. We also do this based on two key CSR pillars: improving working conditions in the distribution center and reducing the number of required transport movements to the stores. In the new design, we use the 'goods-to-man' principle, reducing

heavy labor. Less walking and lifting will be needed. Using smart control systems, we will increase the load factor of roll containers, thus requiring fewer transport trips for the same volume of goods. Ultimately resulting in lower emissions.

Trucks.

In 2021, we continued with what we had devoted great attention to in previous years. Our new trucks have the lowest possible CO₂ emissions. We make this happen mainly by making a different choice of engine size. We have chosen a larger-capacity engine. An engine with more horsepower doesn't have to work as hard to produce power. This results in lower particulate and CO₂ emissions. Diesel consumption has improved slightly by making more use of cruise control at a lower set speed. This reduces consumption and therefore emissions. By further optimizing the planning application, we are improving the load factor within the limits set by driving-time legislation and working-time regulations.

In December, our transport department conducted a test of electric transport. Some trips were made with an all-electric truck. This truck provided greater comfort for the driver and the delivery was made with zero tailpipe emissions: a great benefit to the environment. The data will be further analyzed. The department is also at an advanced stage in researching the use of hydrogen-powered trucks. The supplier hopes to make a commitment in 2022 as to whether we can participate in a pilot.

We also continue to use intermodal transport to Spain. And in 2022 we plan to fit a third 45-ft. container into the Spain transport schedule. With this, we will continue going from 'road to rail'. In the current network, we travel by train to Barcelona. We will be investigating an additional intermodal route to Madrid and Valencia.

In the passenger-car fleet, the number of diesel cars continues to be scaled down. These cars have been replaced by an electric model. In Spain, the first colleagues are now also driving electric cars.

Focus on the driver: Human Capital within Transportation.

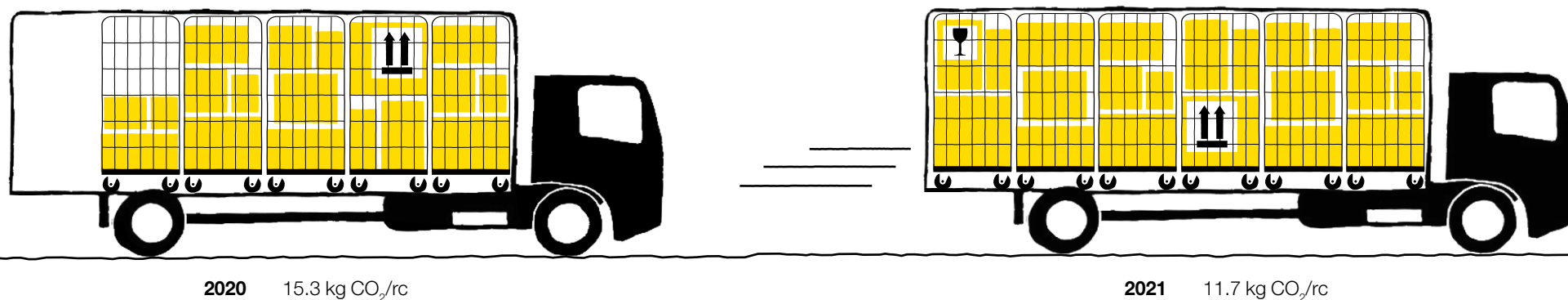
Despite a very tight labor market, we have been able to continue to strengthen our team of drivers. Several things have contributed to this: Good employer practices (like planning within working-time legislation and driving-time regulations). Ensuring a safe working environment. And good equipment. The Transport department started its own training program for entry-level drivers in 2021. One of our drivers is starring in the TV series *Meiden die rijden* (Girls Who Drive). In it, she proudly shows how much she enjoys working at Zeeman. In the mandatory in-service training for drivers, the Code-95, we pay a lot of attention to our drivers' 'ups and downs'. Lifestyle, working safely, dealing with physical stress: these are recurring components of the annual training. The drivers really appreciate this and make full use of the information. Emissions per roll container are significantly lower than last year at 11.7 kg CO₂/rc (2020: 15.3 kg CO₂/rc). Significantly more roll containers were shipped in 2021 than in 2020, meaning the trips were better filled and the emissions per roll container were lower.

You won't find any needless luxuries at our stores. What you will find is LED lighting. By the end of 2021, 910 stores (out of 1303) were fitted with LEDs. This comes to 70% (2020: 66%). LED lighting uses less than a third of the energy required by traditional fluorescent tubes. The 910 stores with LED lighting thus ensure a lower energy bill. This is friendly for the environment as well as our budget.

The advantages:

- About 45% less kWh used in each store compared to fluorescent lighting.
- LED tubes last over four times longer than ordinary fluorescent tubes, among other things because they are made of durable, recyclable synthetic materials.

Emissions per roll container.



A good product.

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

Handbook for suppliers.

Zeeman's quality department is responsible for the implementation and enforcement of our quality policy. All requirements for the product, labeling, logistics, and testing are described in our supplier manual. Because European legislation is subject to change, the manual is updated regularly.

Product council.

In the design phase, the quality specifications are laid down. All designs are submitted to a so-called 'product council', which examines whether there are any quality risks associated with the design. They also ensure that there is no infringement of intellectual property belonging to third parties. The product council consists of representatives from the Board of Directors and the CSR & Quality and Marketing & Communication departments.

Product testing by TÜV Rheinland.

To ensure that products comply with our quality standards, we have commissioned TÜV Rheinland to test products all over the world. This knowledge and innovation center for the textile industry also investigates whether our agreements with our suppliers are truly being kept. Once the test reports have been approved, products are allowed to be shipped to Europe.

What we test for:

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

We set particular requirements for toys and products that come into contact with food.

Customer complaints and comments about our products are carefully handled by our Customer Service department. Safety-related complaints are escalated, after which the quality department performs a risk assessment. In case of other kinds of complaints, we first determine the extent of the problem and then look for an appropriate solution.

Mutlu Oerdek, TÜV Rheinland.

"Zeeman textielSupers and TÜV Rheinland have been working intensively together on an international scale since 2013 to ensure Zeeman's high quality standards are upheld.

TÜV Rheinland keeps Zeeman up to date with the latest testing standards (Restricted Substances List) and supports Zeeman in checking all products for compliance with the RSL and European legal requirements.

Zeeman was one of the first Dutch customers to adopt an annual 'safety testing program'. For this program, TÜV Rheinland selects high-risk products from the stores or distribution center and tests them in the lab in Hong Kong.

In addition, TÜV Rheinland organizes training sessions and webinars for Zeeman employees (Buying and CSR, among others) to increase the team's knowledge."

Additional spot checks.

Zeeman regularly carries out additional spot checks of its own. (High-risk) products are selected from the stores and tested by the independent testing laboratory TÜV Rheinland. In 2021, there were 445 spot checks. 98% of products met Zeeman's strict standards. In 2020, this figure was 97%.

Growing together.

Growth is essential for our continuity. Since 2019, we have been working with a new vision for HR. The guiding principle is that Zeeman be an attractive employer where we all grow together. We are going to achieve this growth through expansion and by increasing our online channel, among other things. But to remain truly healthy, besides working on expansion, we also need to continue to grow in a balanced way with our existing stores.

An attractive employer.

The number of people available in the labor market with the right qualifications has decreased as a result of an aging population and ongoing technological development. We have to ensure that we are attractive as an employer so that we continue to attract sufficient high-quality personnel in the future. To achieve this, in recent years we have put the employee at the center of their journey at Zeeman. In this way, we try to create an environment where our employees feel energized, involved, and proud.

A new generation.

New generations, now entering the labor market, have different expectations of their employer. They pay attention to purpose and transparency. And they want to have access to contemporary tools and resources that enable them to do their job properly. Due to the expected staff turnover and the planned increase in the number of stores, to enable growth in the coming years we intend to recruit around 5,000 employees per year in Europe. The shifts Zeeman wants to make also mean that our employees have to keep developing in order to grow with us.

Employees front and center.

We do everything we can to ensure that our employees are energetic, proud, and involved. As a result, the employee is central to their journey at Zeeman. In recent years, we have made several improvements to the employee journey.

Onboarding.

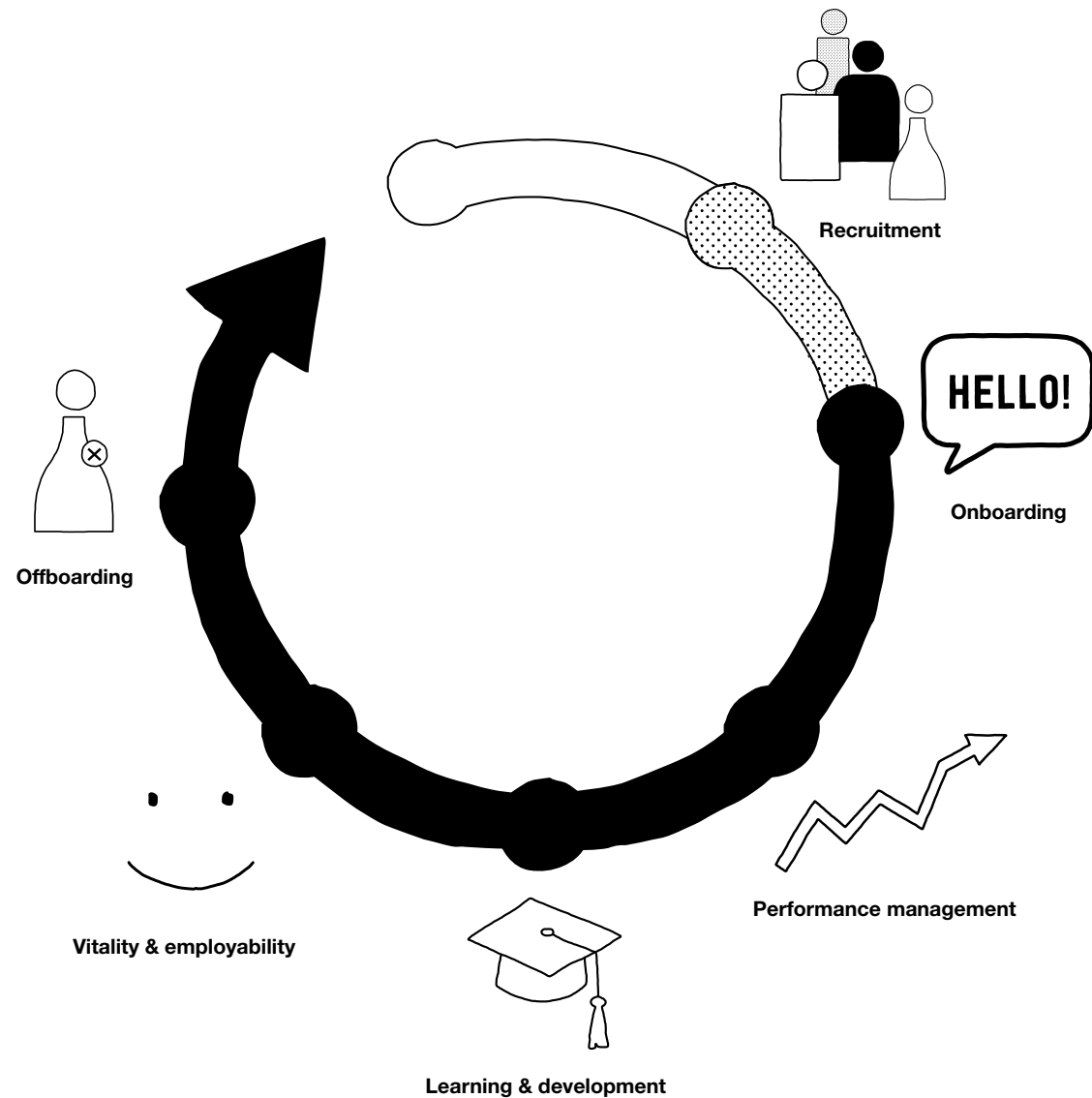
We offer every new sales representative who starts working in one of our stores a contemporary onboarding process via the Learn@Zeeman app (a mix of e-learning, short videos, and practical assignments). In May 2021, an onboarding program became available through Learn@Zeeman for new colleagues in the Service Office, the Distribution Center, and Transport.



Learning & development.

At Zeeman, we are *zuinig* of talent. That is why we offer our employees education and create opportunities for growing together. For years now, the Zeeman School has given our store personnel the opportunity to obtain a vocational education or participate in an internal workshop. We encourage customer-focused entrepreneurship, putting the customer first.

In 2021, classroom training was still not possible due to COVID-19. Fortunately, we were able to continue some of our training activities online, such as Dutch BBL (apprenticeship) courses and BHV (emergency response) training. In addition, in February we officially launched the virtual learning program Store Management 1 for assistant store managers. We continued to develop this program in 2021. The virtual learning program Store Management 2 for our store managers started in September.



Online training courses.

In addition to an onboarding program, Learn@Zeeman offers a wide range of online training. We believe it is important for our employees to develop personally and to grow with us. Our online learning environment Learn@Zeeman, which can be accessed via an app as well as the web, is still evolving and expanding. 'Our offering' — where all microlearnings, workshops, and GoodHabitZ training can be found — is regularly expanded with new learnings, training courses, and information relevant for working at Zeeman. This gives our colleagues the opportunity to grow along with the developments within Zeeman. For example, during the year 2021, we developed new learnings for using Power BI, the Store Performance Dashboard, and Getting Started with Social Media.

Employee engagement survey.

In 2019, we asked employees for input online to measure their engagement (enthusiasm). We are proud that Zeeman as an employer scored 8.6 (on a scale of 1 to 10). But the study also revealed an important area of concern, namely the role of the supervisor. A people-centered approach creates greater engagement. In 2022, we will again solicit input from our employees and measure employee engagement.

The importance of engagement.

The 2019 survey also included data analysis. A clear link was shown between higher engagement and lower absenteeism. The 25% most enthusiastic employees have 41% fewer absent days than the 25% least enthusiastic employees. It has also been shown that managers with a people-focused approach score higher on engagement and therefore experience lower sickness absence in their teams. We wrote down our vision of leadership and expressed it with a video. In it, we explain that we expect 'connective leadership'.

Being result-oriented is in our genes. Combining this with a people-centered approach creates connective leadership.

In 2021, the absence rate decreased to 6.72% from 6.97% in 2020. This makes the absence rate approximately the same as in 2019 (6.8%). We especially see a decrease in the percentage in the months of March and April 2021 compared to 2020, the months in which the coronavirus pandemic had a major impact on absenteeism in 2020. In the Netherlands and Germany, the decline was greatest in the early months of 2021. In November and December of 2021, the absence rate actually increased compared to the same months in 2020. This is presumably related to store closures due to lockdowns in a number of countries in 2020.

Diversity.

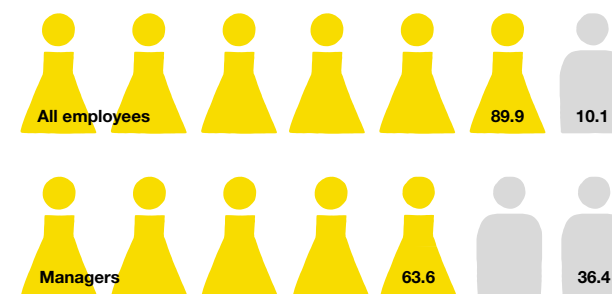
Zeeman values diversity. 89.9% of our employees are women, and among our managers, that figure is as high as 63.6%. Two out of the five members of Zeeman's Board of Directors are also women. To enable our employees to maintain a good balance between work and family life, we offer many part-time positions: 69.3% of our staff work part-time. In addition, we believe that everyone deserves a fair chance of finding a job. 2.7% of our employees are disadvantaged in the job market (e.g. due to disability). In 2020, this figure was 2.4%.

Vitality and sustainable employability.

In 2019, we issued a vitality policy to help our employees stay fit and sustainably employable and be less likely to fall ill. This policy has three pillars:

- nutrition, exercise, and lifestyle
- work-life balance
- personal development

In 2021 we had a number of vitality campaigns around themes such as Dry January (no alcohol for a month), a fruit and vegetable challenge, work-stress week, vitality weeks, Stoptober (quitting smoking), and an exercise challenge.



Percentage of women and men at Zeeman.

Save our Sisters project.

Zeeman has sponsored a number of projects in India and Bangladesh since 2005. Back then, in Mumbai, India, we began sponsoring a school for disabled children from the largest slum in Central Asia: Dharavi. This was later joined by projects to help girls and young women who have ended up in prostitution against their will. Zeeman is also supporting a similar project in Bangladesh for education and shelter.

India.

The COVID-19 pandemic has wreaked havoc in India. Across India, it is estimated that about half a million people have died from the virus. More than 100,000 of those people lived in the province where Mumbai is located. We have specifically earmarked our contribution in 2021 for girls and women who have previously been helped in our Save our Sisters program but are now in great difficulty again due to the pandemic. Many stores had to remain closed for a long time. As a result, there was no money to earn. There were also women who now have a family but whose husband died due to the pandemic and therefore no longer had an income. In addition, in the urban neighborhoods where the Save our Sisters program is active, much has been done to prevent girls from returning to prostitution or entering it in the first place. This is done through education and awareness but also often by addressing the greatest financial need. In total, in 2021, nearly 2,000 women, girls, and their families have been helped by this program.

Bangladesh.

In Bangladesh, our support has been used particularly to give girls and young women a place to stay in our Faridpur shelter. Girls who have been liberated are taken care of here, receiving counseling as well as education. Then they get help to find a place in society again. In 2021, 28 girls were accommodated and guided here. In eight cases, girls were also successfully returned to their families. Of course, this is only done if it is safe enough for the girls.

In 2021, some meetings were also organized together with the government in schools and in neighborhoods in the capital of Dhaka, where there is a lot of prostitution. The goal is to prevent sexual exploitation of underage girls in particular.



Koen Vliegenthart, Zeeman CFO 1999-2006.

“Since 2005, I have been allowed to represent Zeeman in the projects in Mumbai and now Bangladesh. I have seen with my own eyes how much exploitation there is of girls and young women in India and Bangladesh. With Zeeman’s support, many girls have already been rescued and helped to build a new life. Perhaps even more important are prevention programs to educate girls and families and find other options for their financial need. It is very nice to see the stores and the Zeeman staff involved in the projects through the annual campaigns. Most Zeeman employees are in the same age range as these victims of human trafficking...but what a difference!”

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Economic aspects.

Zeeman Groep B.V. and its subsidiaries operate based on a financial year that is the same as the calendar year. Zeeman Groep B.V.'s consolidated annual accounts have been filed with the Chamber of Commerce through the financial year 2020.

Zeeman comprises the following subsidiary companies:

ZEEMAN textielSupers B.V., Alphen aan den Rijn, The Netherlands (100%)

ZEEMAN textielSupers N.V., Merksem, Belgium (100%)

ZEEMAN textielSupers GmbH, Kleve, Germany (100%)

G+W Wahler der Modemarkt GmbH, Kleve, Germany (100%)

ZEEMAN textielSupers SARL, Paris, France (100%)

ZEEMAN textielSupers SARL, Esch-sur-Alzette, Luxembourg (100%)

ZEEMAN textielSupers, SLU, Barcelona, Spain (100%)

ZEEMAN textielSupers GmbH, Vienna, Austria (100%)

Profitex Import Export Company Ltd, Hong Kong (100%)

Romane Ltd, Hong Kong (100%)

Governance.

Zeeman is managed by the Management Team, comprising eight people: Erik-Jan Mares (CEO), Albert van Bolderen (CFO), René de Lege (Director of Sales, Construction & Real Estate), Erica Roolvink (Buying Director), Suzanne Terpstra (HRM Director), Caroline van Turenout (Director of Marketing & e-Commerce), Jan Willem van 't Hof (Supply Chain & Logistics) and André Unkel (ICT).

As of the end of 2021, the Supervisory Board consists of Mr. B. Roetert, Mr. P. Saman, Ms. D. Burmanje, Mr. I.J.S. Vliegen, and Ms. C. Scholman.

Two committees exist within the supervisory board: the audit committee and the remuneration committee.

With this group of people, Zeeman's board of directors consists of 50% women. The legal target is 30% women on board seats. At 40%, we also met this target on the Supervisory Board.

Organizational chart of the Supervisory Board.

	Mr. Bert Roetert (age 65) Chairman	Mr. Pieter Saman (age 44) Supervisory Director	Ms. Dorine Burmanje (age 69) Supervisory Director	Mr. Ivo J.S. Vliegen (age 58) Supervisory Director	Ms. Corrie Scholman (age 53) Supervisory Director
Current positions	Member of the audit committee, member of the Zeeman Group's strategic executive board committee.	CEO of Gall & Gall, Ahold Delhaize.	Acting Mayor of Ermelo, the Netherlands.	Group CFO of QSRP.	Director of People at Heineken Group.
1st appointment – end of term	31 May 2018 – 21 May 2022	1 Sep 2019 – 31 Aug 2023	27 May 2014 – 31 Dec 2021	27 May 2021 – 26 May 2025	16 Dec 2021 – 16 Dec 2025
Additional positions	Chairman of Centraal Bureau Levensmiddelen (Central Food Bureau), Chairman of Afvalfonds (Waste Fund), Alliander supervisory board, Royal Smilde supervisory board, Jan Linders Supermarkten supervisory board.	N/A	Co-Chair of UN-GGIM, President of Supervisory Board of ANWB, Member of Supervisory Board of ARN BV, Member of Supervisory Board of de Keukenhof.	N/A	Member of Supervisory Council of Hotel De L'Europe Amsterdam.
Relevant work experience	Chairman of the Board of Friesland Foods Western Europe, CEO of Schuitema NV/1000, and various supervisory directorships at FMCG.	Strategic consultant, co-founder of 3 startups, Marketing & Omnichannel director and later CEO at Bever, director at AS Adventure Group.	President of Share for Care Foundation, President of Netherlands Bach Association.	CFO of HEMA BV, CFO of Fast Retailing Europe, CFO of Mexx	HR Director of UMC; chair of HR directors at 8 teaching hospitals, Supervisory Board of Zozijn, Supervisory Board of academic transfer, Supervisory Board of Partou.

About this report.

About this report.

This CSR report is an annual publication that describes the activities of Zeeman Groep B.V. in the field of corporate social responsibility. The report was prepared in accordance with the Global Reporting Initiative's Global Sustainability Reporting Standards (GRI Standards), the core option. The previous CSR report was published in May 2021.

Information gathering.

The information in the 2021 CSR report was gathered by a team of people within Zeeman. Depending on the type of information, employees from Buying, Sales, Supply Chain & Logistics, HR, and Marketing & e-Commerce are involved in the data collection. Data collection is mostly manual, based on existing operational and financial systems. The CSR Steering Committee, in particular the CSR & Quality Manager in cooperation with Controlling, gathers the information. Estimates are made where necessary. Third-party information is also used. Where relevant to the reader, we have clarified this in the report.

Transparency.

Zeeman's management wants to be transparent about its CSR policy. We believe it is important that customers, shareholders, consumers, politicians, employees, and other stakeholders have a clear understanding of the CSR policy we pursue. That openness provides the opportunity for stakeholders to track our CSR performance, and to make an informed judgment of how we are doing as an organization. This is also the reason why our accountants, PwC, perform an assurance assignment with a limited level of assurance, as can be read in the assurance report of the independent auditor on page 58.

Scope.

The CSR report covers the period from 1 January 2021 to 31 December 2021; this also applies to the KPIs and data

points, unless otherwise indicated. The scope of the report is Zeeman Groep B.V., established in Alphen aan den Rijn. We apply the principle of financial/operational control here, so all Zeeman stores across Europe and our office and distribution center are within scope unless otherwise stated in this report. For indicators and data points, a distinction is sometimes made when it comes to the Far East 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 the Far East and Turkey, this is mentioned in our reporting. European suppliers, in turn, often place our orders with suppliers in the Far East with whom we have no direct relationship. As such, these are not covered by most indicators. However, we are getting a better handle on this by asking for information regarding audit reports from manufacturers and sites deeper in the chain.

Definitions of KPIs.

Based on our materiality analysis, we have determined the most relevant targets and themes to report on. In accordance with the GRI Standards, we have linked one or more key performance indicators (KPIs) to each material theme. We have summarized the definitions of the KPIs below. In addition, we provide further data points in the appendix "Indicator overview". Changes in definitions are reflected in footnotes where relevant.

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

The number of suppliers in the Far East and Turkey (from which Zeeman has purchased products in the relevant financial year), where an independent supplier audit has been carried out in the past 3 years.

An independent supplier audit refers to an audit conducted

by a body independent from both the supplier and Zeeman. Zeeman accepts the following auditors for this purpose: BSCI, Sedex, SA8000, Fair Wear, and TÜV SÜD. The audit must have been conducted by 31 December of the relevant financial year or the two preceding years.

% major points for improvement from Zeeman's social audit corrected.

The number of major points for improvement identified during a Zeeman social audit in the previous calendar year, and corrected in the succeeding calendar year, expressed as a percentage of identified points for improvement. A major point for improvement is an action point in the urgent or very urgent (Fair Wear audit) or critical (TÜV SÜD audit) category. Correction of a major point for improvement is determined by providing Zeeman with substantiation (e.g. photos) or a new audit report by 31 December of the relevant financial year.

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

% of kg of cotton (sustainable and conventional) where 100% of the cotton is traceable. The origin is traceable when the cotton ginner, cotton spinner, and cotton planter are all known. The origin is established through a BCI certification, GOTS certification, or other certifications. The measurement date is 31 December of the relevant financial year. Cotton orders are included when they were delivered in the relevant financial year.

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

% of Zeeman's purchase value in euros from the 50 largest Far East and Turkish suppliers set against Zeeman's total purchase value in the relevant calendar year. Purchase value is measured when the goods are delivered.

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

% of the number of 50 largest suppliers in the Far East and Turkey with whom cooperation has been ongoing for 5 years or more. Suppliers' size is measured in the purchase value in euros. We define collaboration as receiving products in a calendar year that is 5 or more than 5 years ago and occurs each consecutive calendar year.

% of the Far East and Turkish factories where the difference between minimum, actual, and living wage has been assessed.

% of the number of suppliers in the Far East and Turkey with which Zeeman has worked in the calendar year, where, through independent audits by TÜV SÜD and Fair Wear, the legally applicable minimum wage has been identified, as well as the actual wages paid and the applicable living wage for that region. Wages are considered identified when stated in the audit report. A living wage is a wage from which an average family can meet its living expenses. To determine this, Zeeman follows the recommendations of Fair Wear. For the TÜV SÜD audits, the Anchor method is used. The legal minimum wage is determined at the country level. The actual wage paid is determined at the supplier level. Measured on 31 December of the relevant financial year.

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

% of Zeeman's purchase value in euros from suppliers in the Far East and Turkey who have the wet processes for Zeeman products carried out by at least one dyehouse, laundry, or printer that has a water treatment system. The quality of the water treatment system must meet the requirements set by Zeeman. Measured on 31 December of the relevant financial year.

% sustainable cotton relative to total cotton consumption.

% Zeeman sustainable cotton consumption in kg out of Zeeman's total cotton consumption at Far East, Turkish, and European suppliers. Sustainable cotton is defined as certified recycled cotton from leftover production (pre-consumer waste) and BCI and GOTS certified cotton. The measurement date is 31 December of the relevant financial year.

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

% Zeeman sustainable materials in kg out of total materials used for clothing and textiles for Zeeman products by Far East, Turkish, and European suppliers where Zeeman placed clothing and textile orders in the relevant financial year. Sustainable certified materials include: recycled cotton from leftover production (pre-consumer waste), BCI and GOTS certified cotton, recycled polyester, ecovero viscose, Liva Eco viscose, Lenzing viscose, jute, and second-hand clothing purchased by Zeeman from Het Goed. The measurement date is 31 December of the relevant financial year.

% recycled materials relative to total consumption.

% recycled materials in kg used for Zeeman clothing and textile products produced by Far East, Turkish, and European suppliers. Recycled materials are defined as: certified recycled cotton from leftover production (pre-consumer waste), recycled polyester which is demonstrably certified, and clothing reused by Zeeman (second-hand clothing purchased by Zeeman from Het Goed). The measurement date is 31 December of the relevant financial year.

% recycled waste.

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

Waste for disposal (kg).

This is the total weight of waste excluding primary and secondary packaging offered to waste processors and recyclers during the reporting period. This is the sum of residual waste, metal, chemical waste, archives, electrical appliances, and textiles. The measurement date is 31 December of the relevant financial year.

% occupational accident rate.

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

Assurance report of the independent auditor.

To: the Board of Directors of Zeeman Groep B.V.

Assurance report on the Social Responsibility Report 2021.

Our conclusion

Based on our review nothing has come to our attention that causes us to believe that the Social Responsibility Report 2021 of Zeeman B.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year ended 31 December, 2021,

in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as included in the section 'reporting criteria'.

What we have reviewed

We have reviewed the Social Responsibility Report 2021 (hereafter: "Social Responsibility Report") for the year ended 31 December 2021. This review is aimed at obtaining a limited level of assurance.

The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N 'Assuranceopdrachten inzake maatschappelijke verslagen' ('Assurance engagements on corporate social responsibility reports'). Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the Social Responsibility Report'.

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

Independence and quality control

We are independent of Zeeman 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) and other for the engagement relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Dutch Code of Ethics).

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS – Regulations for quality systems) and accordingly maintain 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 Social Responsibility Report needs to be read and understood together with the reporting criteria. The reporting criteria used for the preparation of the Social Responsibility Report are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria, as disclosed in section 'About this report' of the Social Responsibility Report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Limitations to the scope of our review

The Social Responsibility Report includes prospective information such as expectations on ambitions, strategy, plans and estimates and risk assessments. Inherent to 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 are not part of the Social Responsibility Report reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

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 B.V. is responsible for the preparation of reliable and adequate CSR information in accordance with the reporting criteria as included in section 'reporting criteria', including selecting the reporting criteria, the identification of stakeholders, determining the material matters and determining that the applicable reporting criteria are acceptable in the circumstances taking into account 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 policy are summarized in section 'About this report' of the Social Responsibility Report.

Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines 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 a 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 to determine the plausibility of the Social Responsibility 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 is

therefore substantially less than the assurance obtained in an audit 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 scepticism 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 social themes and issues and the characteristics of the company.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Social Responsibility Report. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Board of Directors.
- Obtaining an understanding of the reporting processes underlying the Social Responsibility Report, including obtaining a general understanding of internal control relevant to our review.
- Identifying areas of the Social Responsibility Report with a higher risk of misleading or unbalanced information or material misstatement, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the Social Responsibility Report responsive to this risk analysis. These further procedures consisted amongst others of:
 - Interviewing management (and/or relevant staff) at corporate level responsible for the CSR strategy, policy and results;
 - Interviewing 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 with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level;
- Evaluating the presentation, structure and content of the Social Responsibility Report;
- Considering whether the Social Responsibility Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

Rotterdam, 3 June 2022

PricewaterhouseCoopers Accountants N.V.

Please note: this assurance report is an unofficial translation of the official assurance report in Dutch, signed by mr. drs. J. Schrama RA on 3 June 2022

GRI Core Table 2021.

In 2021, the material themes identified during the stakeholder dialogue were followed up. For the nine most material themes, policy has been outlined and a number of relevant KPIs have been determined on which we are reporting.

General standard disclosures.

Indicator.		Page.	Indicator.		Page.
102-1	Name of the organization.	6	102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to these key topics and concerns, including through its reporting.	4, 15, 18-19
102-2	Primary brands, products, and services.	6			
102-3	Location of the head office.	6			
102-4	The number of countries in which the organization operates.	7	102-45	Business units included in the annual accounts or equivalent documents of the organization.	6, 55
102-5	Ownership model and legal form.	6	102-46	Process for determining the content of the report.	56
102-6	Markets served.	7	102-47	List of all material topics identified during the definition of the content of the report.	19
102-7	Scale of the reporting organization.	6			
102-8	Employee information.	14, 50-52	102-48	The impact of any updates of information provided in previous reports, and the reasons for such updates.	16
102-9	Supply chain.	21-26	102-49	Indicate any specific limitations on the scope or delimitation of the material subjects.	56
102-10	Significant changes in size, structure, ownership, or the value chain during the reporting period.	4, 16, 56	102-50	Period under review.	56
102-11	Explanation regarding the application of the precautionary principle by the reporting organization.	6, 16	102-51	Date of the most recent previous report.	56
102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives endorsed or upheld by the organization.	27, 30, 38, 41	102-52	Reporting cycle.	56
102-13	Membership of associations (such as industry associations) and (inter)national advocacy organizations.	18, 27	102-53	Contact point for questions regarding the report or its contents.	67
102-14	Statement from the most senior decision-maker of the organization.	3	102-54	The application level that was chosen.	59
102-16	Values, principles, and standards surrounding behavior, such as a Code of Conduct.	10, 25	102-55	GRI table.	59
102-18	The governance structure of the organization, including committees under the highest governance body (a). And the committee responsible for decision-making on economic, environmental, and social issues (b).	9	102-56	Policy and current practice with regard to seeking external assurance for the report.	56, 58
			Specific standard disclosures.		
			Sustainable raw materials and resources.		
102-40	List of stakeholder groups engaged by the organization.	18	103-1	Description and delimitation of material subjects.	19
102-41	Percentage of total employees covered by collective labor agreements.	61	103-2	Management approach.	15, 40-43
102-42	Basis for inventory and selection of stakeholders to be involved.	18	103-3	Evaluation of the management approach.	19, 40-43
102-43	Approach to stakeholder engagement, including frequency of engagement by type and group of stakeholders.	18	Zeeman indicator	% total sustainable materials in relation to total consumption % sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption.	63

Specific standard disclosures.

Sustainable raw materials and resources.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 40-43
103-3	Evaluation of the management approach.	19, 40-43
Zeeman indicator	% total sustainable materials in relation to total consumption % sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption.	63
301-2	% recycled materials relative to total consumption.	15

Indicator.		Page.
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Packaging and waste.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	19, 46
103-3	Evaluation of the management approach.	19, 46
306-5	Waste for disposal	62

Environmental pollution by factories.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 37-38
103-3	Evaluation of the management approach.	19, 37-38
Zeeman indicator	KPI: Number of manufacturers in the Far East and Turkey using at least one wet processing unit with a water treatment system (ETP, effluent treatment plant).	60

Sustainable buying practices.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 32
103-3	Evaluation of the management approach.	32
Zeeman indicator	KPI: % of purchase value from the 50 largest Far East and Turkish suppliers. % of the 50 largest Far East and Turkish suppliers with whom we have been working for 5 years or more.	63

Safe and healthy working conditions.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15
103-3	Evaluation of the management approach.	25-25
Healthy and safe working & Zeeman indicator	GRI 403-9: Work-related-accidents KPI: occupational accident ratio. % major points for improvement from Zeeman's social audit corrected.	61
Social evaluation of suppliers	GRI 414-1 % of new suppliers tested against social criteria	34

Omission in Social Responsibility Report 2021: the occupational accident ratio is expressed per number of FTE of Zeeman employees. No distinction is made between 'high-consequence work-related injuries' and 'recordable work-related injuries', because there is no policy in place that meets the GRI guideline.

Omission in Social Responsibility Report 2021: by the end of 2021, an onboarding procedure was introduced by which we test new suppliers. We will report on this in 2022.

Indicator.		Page.
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Circular economy.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	45
103-3	Evaluation of the management approach.	45
Zeeman indicator	KPI: % recycled waste.	62

Child and forced labor.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 29, 30
103-3	Evaluation of the management approach.	29, 30
Child labor	GRI 408-1 Activities and suppliers characterized by significant risk for instances of illegal child labor	29, 30
Forced labor	GRI 409-1 Activities and suppliers characterized by significant risk for instances of forced or involuntary labor	29, 30
Zeeman indicator	KPI: % cotton out of our total cotton consumption where suppliers are known (so that the origin can be traced).	15, 63

Transparency and traceability in the supply chain.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 21-23
103-3	Evaluation of the management approach.	21-23
Zeeman indicator	% of Far East and Turkish suppliers where independent supplier audits have been carried out.	63

Living wage.

103-1	Description and delimitation of material subjects.	19
103-2	Management approach.	15, 40, 43
103-3	Evaluation of the management approach.	40, 43
Zeeman indicator	KPI: % of Far East and Turkish suppliers where the difference between minimum, actual, and living wage has been assessed.	60

Indicator overview.

In 2021, the material themes identified during the stakeholder dialogue at the end of 2018 were followed up. Relevant KPIs have been determined for the eight most material themes on which we report.

	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
Our employees											
Total number of employees	7,593	7,927	7,968	8,317	8,473	% full-time	30.7	30.4	30.0	30.7	30.7
Netherlands	3,425	3,505	3,518	3,632	3,499	% part-time	69.3	69.6	70.0	69.3	69.3
Belgium	1,629	1,615	1,593	1,682	1,711	% fixed-term	39.7	39.6	38.9	38.5	37.4
Germany	865	826	747	708	686	% permanent	60.3	60.4	61.1	61.5	62.6
France	1,456	1,680	1,636	1,671	1,716	% employees covered by a collective agreement	88.5	89.5	90.5	91.4	91.8
Luxembourg	62	64	71	67	75	% employees with a disadvantage in the labor market	3.2	2.7	2.5	2.4	2.7
Spain	142	217	390	550	780	% men in management positions (excl. store managers) ¹	24.7	25.9	28.4	32.7	36.4
Austria	14	20	13	7	6	% women in management positions (excl. store managers) ¹	75.3	74.1	71.6	67.3	63.6
Average number of FTEs	5,868	6,019	6,067	6,247	6,479	Age structure					
Netherlands	2,471	2,430	2,373	2,453	2,434	% 24 years and below	34.1	32.9	31.4	31.4	30.0
Belgium	1,216	1,251	1,231	1,234	1,270	% 25-34	31.8	31.5	30.2	29.0	27.8
Germany	785	743	690	617	592	% 35-44	20.1	20.8	22.3	22.8	24.3
France	1,223	1,368	1,435	1,459	1,531	% 45-54	9.7	10.1	11.0	11.6	12.2
Luxembourg	64	62	66	64	65	% 55 years and above	4.3	4.7	5.1	5.3	5.7
Spain	97	151	260	412	582	% sickness absence					
Austria	12	14	12	8	6	Netherlands	6.0	6.5	6.8	7.0	6.7
Total number of interns	4,043	4,010	3,603	2,468	2,312	Belgium	5.0	5.7	6.2	7.3	5.7
Netherlands	1,512	1,307	1,149	850	765	Germany	6.0	5.9	6.1	6.0	7.0
Belgium	630	759	831	668	853	France	7.6	7.2	8.6	7.3	7.2
Germany	1,128	1,192	1,052	724	509	Luxembourg	7.7	8.1	8.2	7.5	8.0
France	690	674	515	162	84	Spain	6.3	5.8	5.9	7.5	7.6
Luxembourg	32	31	14	8	5	Austria	4.5	5.9	4.3	5.2	7.6
Spain	27	20	25	46	86	Occupational accident rate	5.0	9.6	9.1	1.7	2.7
Austria	24	27	17	10	10	Number of deadly accidents	2.5	2.4	2.5	2.3	2.5
						Training days / FTE	0	0	0	0	0
							1.36	1.04	0.93	0.66	0.60

	2017	2018	2019	2020	2021
Transport ³					
Fuel consumption (liters / 100 km)					
Trucks	26.37	26.04	25.00	21.90	22.64
Passenger cars	5.82	5.78	5.77	5.56	5.64
Sea-container load factor (m ³)	64	62	62	75	79
% avg. CO ₂ emissions per roll container, own and external transport (outbound) ¹⁴	Unknown	Unknown	11.5	15.3	11.7
Packaging & waste					
Industrial waste (kg)	807,312	712,987	701,256	592,532	628,422
of which hazardous substances	Unknown	1.4%	0.2%	0.2%	0.5%
Secondary packaging (kg)	4,670,900	4,802,330	4,766,060	4,364,320	4,614,900
Total weight of waste (kg)	5,478,212	5,515,004	5,467,316	4,956,852	5,243,322
% recycled	87	88	89	90	89
% waste incinerated with energy recovery	13	12	11	10	10
% waste incinerated	0	0	0	0	0
Primary packaging (kg) ¹²	2,304,913	2,251,675	2,407,729	2,086,606	2,105,352
Energy consumption ⁴					
Gas consumption (m³/m²)					
Netherlands	14	14	12	11	11
Belgium	15	13	11	10	13
Germany	22	21	20	17	17
France ⁶	15	25	Unknown	Unknown	9
Luxembourg	13	16	19	12	10
DC + service office	2	2	2	3	2
Electricity consumption (kWh/m²)					
Netherlands	66	65	63	59	55
Belgium	53	53	53	45	54
Germany	74	73	69	62	54

	2017	2018	2019	2020	2021
France	98	100	72	68	73
Luxembourg	32	40	37	34	47
DC + service office	33	38	37	36	39
CO₂ footprint (tons) ⁴					
Scope 1 / m² ⁷	22	29	21	20	21
Gas – stores in the Netherlands	26	27	23	21	20
Gas – stores in Belgium	28	25	21	19	23
Gas – stores in Germany	41	39	37	32	31
Gas – stores in France ⁶	28	47	Unknown	Unknown	17
Gas – stores in Luxembourg	24	30	36	23	17
Gas – DC + service office	5	5	4	5	4
Scope 1 / net revenue ^{3, 7}	9	8	7	6	5
Transport – trucks	7	7	6	5	5
Transport – passenger cars	1	1	1	1	0
Scope 2 / m² ⁸	22	21	20	15	16
Electricity – stores in the Netherlands	29	28	27	33	25
Electricity – stores in Belgium	15	15	13	9	11
Electricity – stores in Germany	46	46	56	38	32
Electricity – stores in France	6	6	6	3	4
Electricity – stores in Luxembourg	12	16	15	15	21
Electricity – DC + service office	15	9	16	20	18
Scope 3 / net revenue ⁹	45.62	33.31	35.69	23.72	15.4
Sea shipping ¹³	26.43	11.90	15.52	8.53	4.01
Airfreight ¹⁰	Unknown	0.79	0.35	0.93	0.61
Third-party road transport ¹¹	0.57	3.40	1.97	0.38	0.27
Inland waterways	0.56	0.45	0.38	0.46	0.43
Air travel	0.63	0.47	1.56	0.11	0.02
Packaging materials	14.33	13.75	13.29	11.83	9.64
Paper	3.10	2.55	2.62	1.48	0.42

	2017	2018	2019	2020	2021
Buying					
% of suppliers in the Far East and Turkey audited by an independent party.	84	94	100	100	98
% sustainable cotton sourced by Zeeman suppliers in relation to total cotton consumption. ^{17, 5}	9	10	24	42	59
% total sustainable materials in clothing and textiles relative to total consumption. ⁵	Unknown	Unknown	Unknown	29	39
% recycled materials relative to total consumption. ¹⁶	Unknown	Unknown	Unknown	Unknown	3.5
% cotton out of our total cotton consumption where suppliers are known (so that the origin can be traced). ^{18, 19}	Unknown	Unknown	Unknown	42	70
% suppliers in the Far East and Turkey using at least one wet processing unit with a water treatment system (ETP, effluent treatment plant).	Unknown	Unknown	Unknown	80	95
% major points for improvement from Zeeman's social audit corrected.	Unknown	100	100	100	100
% factories in the Far East and Turkey where the difference between minimum, actual, and living wage has been assessed by an independent party.	Unknown	Unknown	20	33	33
% of purchase value from the 50 largest Far East and Turkish suppliers.	Unknown	Unknown	72	70	72
% of the 50 largest Far East and Turkish suppliers with whom we have been working for 5 years or more. ²	Unknown	Unknown	86	86	84
% of spot checks passed in the reporting period. ¹⁵	96	96	96	97	98
Number of products removed from sale.	15	17	19	3	22

Footnotes.

1. New method for determining what constitutes a management position compared to previous years. As of 2020, someone who leads one or more people is considered a manager.
2. The value for 2020 has been rectified by applying the correct calculation.
3. Off-road vehicles are not included in these figures.
4. As in previous years, Spain and Austria have been excluded from this data as available consumption data is insufficient. There is no word at this time as to when this will be available.
5. Since 2020, we have had a methodology for calculating materials consumption in order to provide insight into the use of sustainable materials. No figures are available for previous years.
6. The new supplier of gas in France has not been able to supply the consumption data for 2019 and 2020 in time, which means that this data cannot be reported. Figures for 2021 are available, however.
7. 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 transportation to the stores. Since 2017, the CO₂ calculation involves requesting the conversion factors from the supplier and from www.co2emissiefactoren.nl for transport (2017). The conversion factor applied for gas is the same for all countries.
8. Scope 2: this includes indirect emissions from the use of energy procured to facilitate company activities, e.g. electricity. The CO₂ calculations from 2017 until the present were made using conversion factors provided by suppliers; each country has its own conversion factor.
9. Scope 3: this includes miscellaneous indirect emissions from third parties, such as: sea shipping, airfreight, road transport, inland navigation, paper consumption, packaging materials, and air travel. The CO₂ calculation was made in accordance with the principles of the Greenhouse Gas Protocol (2016).
10. Airfreight emissions have also been taken into account in the calculation for 2018, 2019, 2020, and 2021. No figures are available for 2017.
11. Scope 3, third-party road transport: Since 2018, this figure includes not only road transport from the port of Rotterdam to Alphen aan den Rijn, but also trips by third parties between the distribution center and the hubs in France, Spain, Belgium, and Austria. The impact of trips between the distribution center and the hubs was calculated based on data from an online route planner. Information on further distribution by third parties, from the hubs to the stores, is based on actual kilometers driven by the carriers.
12. Primary packaging is the packaging for which we make legally required annual waste management contributions in the various countries. Packaging of products purchased on the European market is not included.
13. Since 2020, a modified emission factor for sea shipping has been used, resulting in a significant reduction. Previous years' figures have not been revised.
14. Estimates and assumptions have been made regarding the fuel consumption of trucks and CO₂ emissions per liter of diesel (source TTM.nl). In the calculation of the 'CO₂ emissions per roll container' for 2019, not all data regarding external exporters was included.
15. By 'passed', we mean that no defects were found during the spot check that could lead to a (potential) safety or health risk.
16. Since 2021, we have been reporting this new KPI through which we provide separate insight into the total of recycled cotton, polyester, and reused textiles.
17. Since 2020, this calculation includes organic and recycled cotton in addition to the Better Cotton share.
18. The result of this KPI was corrected for 2020 by applying the correct calculation.
19. Since 2021, the methodology has changed so that the ginner, spinner, and raw-material supplier are also made transparent for a portion of the conventional cotton. Part of the increase in the KPI compared to last year is explained by this.

Glossary.

Audit committee.

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

Bangladesh Accord.

The Bangladesh Accord is a unique partnership between various stakeholders. The Accord exists to improve working conditions in the textile industry in Bangladesh. Factories of associated companies are independently inspected and improved with regard to fire safety, building structure, and electricity.

Better Cotton Initiative (BCI).

The Better Cotton Initiative is an organization working to improve conditions in the cotton sector around the world. The BCI helps farmers to grow their cotton in better ways. This should lead to greater cotton yield, and thus more revenue for the farmers. It should also lead to more efficient working methods, with less use of chemicals. That means: less energy, less water, and less harm to the environment.

Code of Conduct.

A clear definition of our ethical values and standards for our partners in the supply chain.

Code of Labour Practices.

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

Ethical Trading Initiative (ETI).

ETI is an organization that aims to improve working conditions in certain industries, including the clothing and food sectors. They have developed a Base Code (Code of Conduct) based on international standards.

Fair Wear (FW).

The Fair Wear Foundation is a multi-stakeholder initiative with 130 members and a broad support base consisting of parties such as InRetail, Modint, CNV International, Mondiaal FNV, and Clean Clothes Campaign. 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.

Fair Wear Performance Check.

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

GOTS (Global Organic Textile Standard).

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

IRBC textile agreement.

Zeeman is a signatory to the IRBC agreement for international corporate social responsibility in the clothing and textile industry. Companies and organizations that sign the agreement agree to work together to combat discrimination, child labor, and forced labor. They also promote the right to free collective bargaining by independent trade unions, a living wage, and safe and healthy working conditions for employees. They further aim to reduce negative environmental impacts.

LED.

Light-emitting diodes provide energy-efficient lighting.

Remuneration committee.

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

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

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

Social audits.

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

Sustainable Development Goals, SDGs.

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

Transparency Pledge.

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

TÜV SÜD Global Inspection Limited.

An internationally accredited institute that carries out factory audits for Zeeman around the globe.

June 2022

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ZEEMAN