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# Foreword.

The publication of this report comes in the midst of the coronavirus pandemic. It is said that in a crisis, the true character of a company, a brand, becomes plain to see. I am proud to see that even in these times, Zeeman is *zuinig* with people, the environment and society, and remains closely involved with its partners.

We're maintaining good contact with everyone in the value chain and continue to hold a transparent dialogue. Together, we're managing to adapt. We, our customers, agents, suppliers, landlords, partners and other stakeholders. Everything is done in good consultation, with respect for each other and with an eye for the human dimension... because it continues to matter to us. Now more than ever before. Of course, this crisis will have an impact on our results in 2020, but we've noticed that Zeeman remains relevant to a broad customer base during this time of crisis. We are fully confident that we'll pull through this. As a family business, we're sticking to our long-term strategy by being and remaining *zuinig* with everything around us.

We have shown in recent years that this goes hand in hand with our low prices. And in 2019 we have again taken new steps: our products are always produced in a responsible manner. We had set a target that by 2019, 20% of our clothing and textile collection would be made from sustainable cotton. In this report we can announce that we have not only achieved but exceeded this target: 23.7% of our cotton consumption is now sourced from sustainable cotton.

Two other important milestones in 2019 were the publication of our production sites and our FairWear membership.

Chain transparency remains essential within our CSR policy. Since May 2019, we've published the production sites of our products, and the country of production is now mentioned on the washing labels of our clothing and textiles. Here we make reference to the country page on our website, where consumers can find information about the production location and country.

In October 2019, we took the next important step with our membership of FairWear. This NGO is committed to good working conditions in the clothing industry, including in the countries where our clothing is produced. With the help of FairWear's experts, we are able to supervise the production sites more intensively and further improve working conditions at the factories. Our FairWear membership allows us to train our suppliers and give them access to the right people and resources to make improvements. We have also set up an accessible complaints mechanism with FairWear's help.

We have taken important new steps on our roadmap to a living wage by including the living wage calculation in our audit methodology. For the first time, we have determined the difference between the statutory minimum wage, the actual wage and the living wage at 20% of our suppliers. By 2020,

we want to have this mapped out at 40% of our suppliers.

This twelfth edition of our annual CSR report no longer appears on paper as a matter of course. This first digital edition is specially designed to be read on a screen. Which is nice and *zuinig*. And it's just as easy to read on a smartphone, tablet or laptop.

We hope you'll enjoy it.

Best wishes,

Erik-Jan Mares  
CEO



# 2019 in focus.

Gain insight into environmental pollution by factories.

Industry-wide cooperation on living wage.

Employee engagement survey.

Commitment to transparency pledge & publication of production sites.

Save the Children Bangladesh.

FairWear membership.

Arnoud van Vliet, CSR Manager of the Year.

Clothing exchange event for Service Office staff.

4.9% revenue growth.

23.7% Better Cotton in our collection..



Jan

Feb

Mar

Apr

May

June

July

Aug

Sep

Oct

Nov

Dec



# About Zeeman.

Zeeman is a chain of textile stores across seven European countries. Our stores can be found in Belgium, Germany, France, Luxembourg, the Netherlands, Austria and Spain. In these stores we sell directly to consumers, offering 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 and cleaning products. Zeeman is a family business: 100% of the stock is held by the Zeeman family. Our company is led from our service office in Alphen aan den Rijn, the Netherlands.

## 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 stores are stocked from the central distribution center in Alphen aan den Rijn.

Since 2019, Zeeman has been managed by the Management Team, comprising eight people: Erik-Jan Mares (CEO), Albert van Bolderen (CFO), Wim Muermans (Sales), Erica Roolvink (Buying), Suzanne Terpstra (HR), Caroline van Turennot

(Marketing & Communication), Schelte Halma (Supply Chain & Logistics), and André Unkel (ICT). As of the end of 2019, the Supervisory Board consists of Mr. B. Roetert, Mr. T.A. Rövekamp, Mr. P. Saman, and Mrs. T.A.J. Burmanje. Two committees exist within the supervisory board: the audit committee and the remuneration committee. With this group of people, Zeeman meets the statutory target of 30% women in seats on the Board of Directors. At 25%, this is not yet the case on the Supervisory Board.

## Investing in the quality of our store portfolio.

In 2019, Zeeman primarily invested in improving and expanding its store portfolio. In the Netherlands, the quality of the store portfolio was improved through renovations and the closure of underperforming stores. Zeeman generated more revenue in the Netherlands in 2019 with fewer stores. At the end of 2019, there were 1278 Zeeman stores spread across the Netherlands (490 + online store), Belgium (270 + online store), Germany (155), France (293), Luxembourg (12), Spain (56), and Austria (2). The number of stores has grown, especially in France and Spain. We will continue to open new stores in 2020, particularly in France and Spain.

## Economic aspects.

Zeeman Groep B.V. and its subsidiaries operate based on a financial year that is equal to the calendar year. Zeeman Groep B.V.'s consolidated annual accounts have been filed with the Chamber of Commerce through the financial year 2019.

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%) Romanee Ltd, Hong Kong (100%)

## Zuinig is part of our strategy.

Zeeman focuses on continuity and long-term partnerships over short-term profit maximization. Growth safeguards the continuity of our company. We target the following key points:

- We opt for growth based on a healthy financial foundation.
- We defend our competitive position: offering quality at low prices 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, materials, the environment, and society.

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

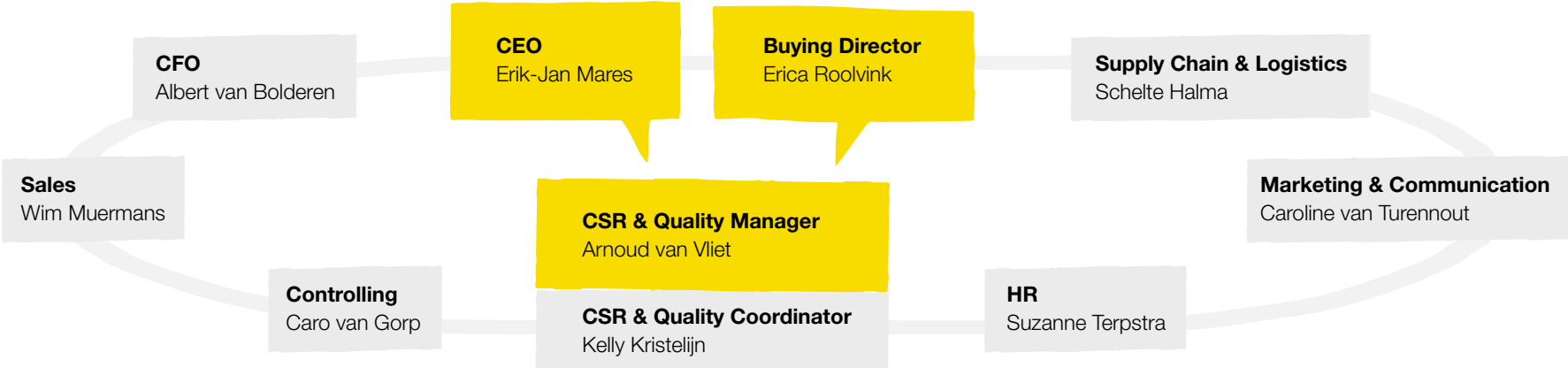


# Organizational chart.

## Supervisory Board

	<b>Mr. Bert Roetert</b> (age 63) Chairman	<b>Mr. Pieter Saman</b> (age 42) Supervisory Director	<b>Mrs. Dorine Burmanje</b> (age 66) Supervisory Director	<b>Mr. Tom Rövekamp</b> (age 70) Supervisory Director
Current positions	Member of the audit committee, member of the Zeeman Group's strategic executive board committee.	CEO of Bever, AS Adventure Group board member.	Chair of the Board of Directors of the Netherlands Land Registry (Kadaster).	Business consultant.
1st appointment – end of term	31 May 2018 – 21 May 2022	1 Sep 2019 – 31 Aug 2023	27 May 2014 – 31 May 2021	1 Jan 2012 – 31 Dec 2020
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, chairman of the supervisory board of ANWB, member of the supervisory board of BDO, member of the supervisory board of ARN BV.	Advisory Board member, Supervisory Board member.
Relevant work experience	Chairman of the Board of Friesland Foods Western Europe, CEO of Schuitema NV/C1000, and various supervisory directorships at FMCG.	Strategic consultant, co-founder of 3 start-ups, Marketing & Ecommerce director at Bever.	Chairman of Share for Care Foundation, chairman of the program council of the Netherlands Space Office.	Chairman of partnership of chartered accountants.

## CSR Steering Committee



# Our Zeeman culture.

In 2019, we put a lot of energy into embedding our values throughout the organization. Not only in the Netherlands, where our culture has been firmly anchored since the very beginning, but in all the countries where we have stores. From Drachten to Valencia. From Berlin to Amiens.

## **One Zeeman in 7 countries.**

With almost 1,300 stores in seven countries and plans to expand significantly, the physical distance between the service office in Alphen aan den Rijn and the stores is growing. That's why it is important that we are on the same wavelength and form **one** Zeeman. Only in this way can we work efficiently and communicate effectively. Moreover, this way we strengthen the family spirit, together. Strong values are essential to this. Our unique culture is described by our three values: unconventional, involved, and *zuinig*.

### **Unconventional.**

As a family business, we are not beholden to external shareholders. We are independent, and we set our own course. We don't simply follow what other companies do, but we do listen carefully to our stakeholders. Keep thinking for yourself and come up with creative solutions: this mentality can be found throughout the Zeeman organization. We have a remarkable number of unconventional people walking around. In our store teams as well, who are in daily contact with our customers. They know our customers best and ensure, each in their own way, that the customer really feels at home at Zeeman. Another aspect of our individuality is that we prefer to do as much as possible ourselves: we only outsource things (and tasks) when there is no other option. When we believe in something, we'd rather try it out ourselves right away than perform extensive research first. That has to do with costs, but even more with what seems logical to us. Using common sense, thinking critically, buying intelligently; when we think something's a logical idea, our customers often agree.

### **Involved.**

At Zeeman, we work as a single team. We are a family business, where the human dimension counts. 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. In this way, we achieve our goals together. We also invest in partnerships: we believe in long-term collaboration with our suppliers, and we think it is important to do business honestly and fairly.

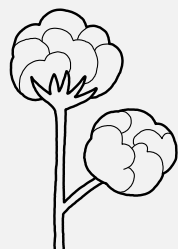
### **Zuinig.**

Corporate social responsibility is part of the way we work. At Zeeman, we call it: *zuinig*. This typical Dutch word has two meanings: caring and cost-conscious. On the one hand, we are cost-conscious, but we also see it as our responsibility 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. Cost-consciousness is in our genes. Everyone who works at Zeeman thinks thrice before spending money on something. Because if you're *zuinig* of something, you treat it with respect. For us, that's self-evident. The way we work means we waste as little as possible. We believe in the benefits of long-term partnerships and strive to ensure good working conditions at our manufacturers. We give the people who work for us the space to develop.



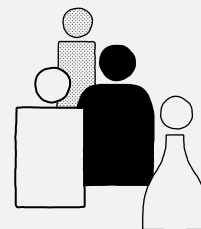
## People.

We are *zuinig* of each other and monitor the good working conditions of the people who make our products. We also believe in long-term partnerships with suppliers and agents. And in personal development. We are convinced that our company and everyone who works for us always has more to learn, ways to grow and improve. And we facilitate this with our own Zeeman School, among other things. No matter who you are or what you do, everyone has a fair chance of getting a job with us.



## Environment.

Being *zuinig* of the environment begins with the way we manufacture our products. This means that we don't want to use any substances or production methods that could be harmful to workers or end users. We are also *zuinig* of the resources on which we depend. That's why we transport goods by water as much as possible. And when we have no choice but to go by road, we do so as *zuinig* and efficiently as possible. This reduces the amount of exhaust fumes entering the air. We generate the energy for our distribution center and service office with our own solar panels. And you won't find any unnecessary packaging at our stores.



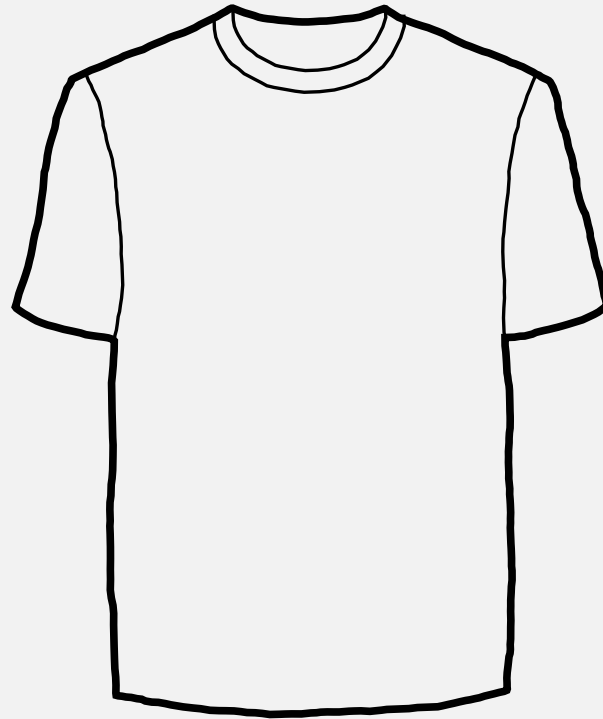
## Society.

We offer good, responsibly produced clothing and textiles at the lowest possible prices for people on any budget. This means we have a social role in the countries in which we operate. But we also want to mean something in the countries where we make our products. That's why we support the Save Our Sisters project in India and Bangladesh. With this project, we help young, underprivileged women build a better future. We also support other local projects such as the shelter home in Dhaka and the repatriation project in India which provides assistance to girls who want to return to their homeland.





**The way others do it.**



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

# The way we do it.

Our smart business operations result in our low prices.

Our designs are simple.

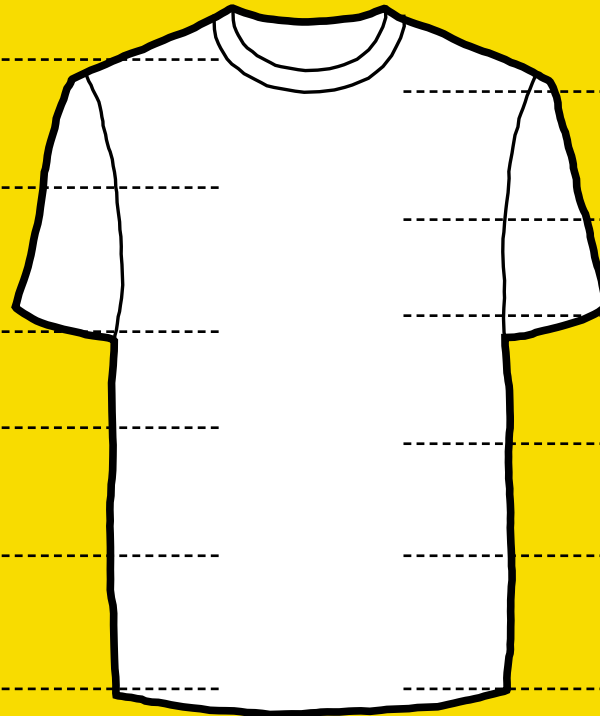
We produce large quantities in few variants.

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.

Smartly 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 playing field.

## Importance of sustainability according to consumers.

Three quarters of consumers believe that companies should make a positive contribution to society, the environment and people's well-being. But only 29% of consumers think that companies actually do this. For the third year running, consumer willingness to pay extra for sustainable products has increased: 38% of Dutch consumers are willing to do so, compared to 29% in 2016. At the same time, skepticism is on the rise: 43% mistrust claims about sustainability or corporate social responsibility. This is evident from Dossier Duurzaam 2019, the annual market survey performed by b-open and GfK. More than half of the Dutch population (53%) indicate that they consider sustainable or socially responsible aspects important when purchasing products and services. In 2018, this figure was 46%.

## Critical of sustainability claims.

People want to consume without feelings of guilt, but the higher quality of sustainable products also plays a role. Despite the fact that willingness to pay extra for sustainability has increased, mistrust about sustainability claims has (after several years of decline) risen again. Consumers have become more critical and more sensitive to 'green-washing' or empty promises: "It appeals more to consumers that a company firmly anchors sustainability in its core business and products than that it sponsors a social cause or encourages consumers to adopt a more sustainable lifestyle." [Source: Dossier Duurzaam 2019.](#)

## Consumers are willing to pay more.

Consumers find companies more sympathetic (76%) if they truly contribute to a sustainable world. As a result, more than a third indicate that they are more likely to buy one brand over another and to continue doing so. According to Bart Brüggenwirth of b-open, initiator of Dossier Duurzaam, this fits in with the long-term trend that more and more consumers are taking this aspect into account in their purchasing behavior. This percentage rose from 46% in 2018 to 53% in 2019. Nearly 40% of consumers are willing to pay more for this. "This critical eye means that consumers appreciate sustainability and want to see concrete evidence of it," says Brüggenwirth.

## Embedding.

Consumers find the embedding of sustainability into a company's own business processes (55%) or into the supply chain (36%) the most appealing. By comparison, people find it much less important for companies to support social goals, for example.

## Market developments.

Although many consumers have a bit more to spend, the question is whether the extra euros will be spent on clothing. "Consumers are making more conscious choices and spending a lot of money on other things. A lot of money goes to other industries, online channels and providers that are supposedly 'foreign to the industry', but have been playing on our sales board for years", industry specialist Edwin Belt states.

If we look at Zeeman's revenue development, we see that in contrast to the offline market (-1.9) Zeeman is performing well with 4.9% growth. We are satisfied with this sustainable growth.

	2017	2018	2019
Net revenue in millions of €	585.1	609.0	639.1
Consumer sales in millions of €	703.3	732.3	768.6
Number of products sold in millions	283.0	284.4	284.0
Average number of employees in FTE	5,868	6,019	6,067



## Our place on the playing field.

During 2019 we were again able to set ourselves apart from other parties in the market, as the examples below show.

### Retailer of the year.

We look back with satisfaction on the Retailer of the Year awards, which are voted on by consumers. With 3 nominations, in the baby, children's fashion and underwear categories, Zeeman was the winner in the baby and children's fashion categories.

### CSR Manager of the Year award.

Arnoud van Vliet, CSR manager at Zeeman, was chosen as 'CSR manager of the year' 2019. Some 600 CSR managers selected ten CSR managers in a first round of voting. A professional jury then nominated three people. In addition to Arnoud van Vliet, these were Sander Dekker (Sustainability Manager at Van Oord) and Jolanda Soons-Dings (Sustainability Program Leader at Lamb Weston/Meijer). A pitch followed by a final voting round determined the ultimate winner.



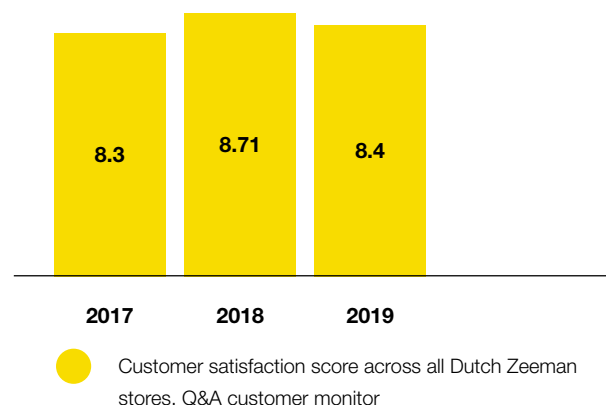
### Renewed transparency benchmark.

The biennial [Transparency Benchmark](#) of the Netherlands' Ministry of Economic Affairs has updated its criteria, paying greater attention to supply-chain transparency and the [Sustainable Development Goals](#). In the retail sector, Zeeman achieved a score of 46 (max. 100). Zeeman achieved 9th place out of a total of 16 retailers. The 3 leaders were Co-op, Plus Holding and Grand Vision.

### Customer satisfaction.

Improvement of customer satisfaction has our continuous attention in our stores. In 2018 and 2019, the focus was on the theme of 'Attention to the Customer' — things like greeting customers when they enter the store. In order to measure customer satisfaction in 2019, customers were given

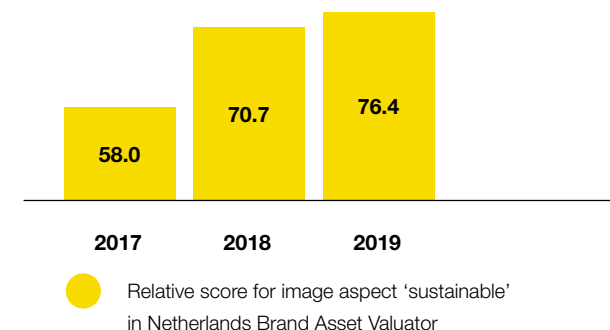
cards with a web address for a survey at the checkouts. This enabled customers to report their experience at our store immediately following their visit. By 31 December 2019, our score in the Netherlands had fallen slightly compared to 2018 from 8.71 to a still-nice 8.4 average (measured from 1 Jan 2019). The NPS score rose in 2019 from 47 to 50.9 and the NLS score from 59 to 61.1.



### Sustainable image.

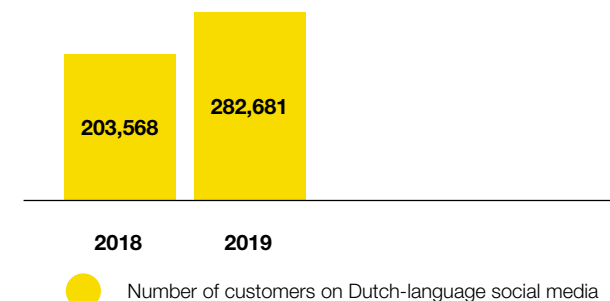
In our communication and campaigns, we are placing more and more emphasis on being *zuinig* and on responsible production. In October, we actively informed our customers about our '*zuinig*' policies, with in-store materials and T-shirts marked '*zuinig*'. Twice we released a collection consisting of solely products made from sustainable materials, with an accompanying campaign. To measure whether this is coming across to people in the Netherlands, we use the [Brand Asset Valuator](#). The BAV has measured how sustainable Dutch consumers think Zeeman is, compared to 1,000 other brands, every year in February/March since 2018. The image aspect 'sustainable' has risen considerably for Zeeman to a score of 76.4 for 2019, which means that of the 1000 brands

measured, 763 are considered less sustainable and 236 considered more sustainable by people in the Netherlands.



### Local involvement.

Since 2018, we have been facilitating our stores in creating local Facebook pages and using this method to stay in contact with customers in their local area. As of 31 December 2019, 282,681 customers followed Zeeman on Dutch-language social media. In 2018, this was only 203,568.



### Test panel.

Zeeman has a test panel consisting of 22,678 customers. We can ask these customers questions and have our products tested.

# Dialogue with our stakeholders.

Involving our stakeholders is part of our way of working. Because we remain in constant dialogue, our stakeholders help us to shape our strategy and stay on course.

In December 2018, we organized a stakeholder meeting at which our customers, employees, suppliers, management, NGOs, peers and other business partners were present. With the help of this meeting, we were able to refine our objectives once again. The result is our materiality matrix, in which the most material themes are visible. The top 8 form an important part of our strategy and also of this report.



# Our stakeholders.

Stakeholder group.	Goal.	Agenda items.	Manner of dialogue.	Frequency.
<b>Consumers.</b>	Our (potential) customers are our most important stakeholders. We want to make well and responsibly produced clothing and textiles accessible to as many people as possible.	Quality and product safety, information on production locations and working conditions in the supply chain, sustainable materials.	Stores, website, newsletters, advertisements and leaflets, social media, annual CSR report, customer service.	Daily.
<b>Suppliers and agents in production countries.</b>	We work together with our suppliers and agents and aim for long-term partnerships. In order to achieve our goals, joint commitment is important.	Working conditions at our manufacturers, raw materials, recycling, environmental impact of our production.	Digital correspondence, visiting offices and factories, supplier meetings, tender procedures, agent newsletter.	Daily.
<b>Employees.</b>	Our own employees are the core of our organization. Only with involved, committed employees can we achieve growth.	Employee satisfaction, diversity, communication about sustainability with employees, employee training courses.	Works council, CSR Steering Committee meetings, management & Supervisory Board consultation, Sales & Service days, store work placement, internal Facebook page, CSR e-learning.	Daily.
<b>Government agencies.</b>	An engaged government can 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.	Working conditions in our supply chain, quality and product safety, environmental impact of our production and operations.	Digital correspondence, meetings, inspection visits.	Monthly.
<b>NGOs and industry associations.</b>	We believe transparency pays off. That is why we enter into open discussions with NGOs and industry associations.	Working conditions in our supply chain, sustainable materials, environmental impact of our production.	Working groups, meetings via multi-stakeholder initiatives.	Weekly.
<b>The Zeeman family.</b>	We have been a family business since our founding in 1967. More than 50 years later, the Zeeman family is still involved in the course we sail together.	Strategic decisions and objectives.	Meetings and consultations.	Quarterly.
<b>Supervisory Board.</b>	The SB is a body consisting of four persons that carries out oversight of the organization. The SB meets at least once every quarter at our service office.	Strategic decisions and objectives.	Meetings and consultations.	5 times in 2019.
<b>Peers.</b>	We seek cooperation with peers and like to learn from best practices. Industry-wide collaboration is an important part of our strategy.	Working conditions, sustainable materials, environmental impact of production.	Via meetings of the Bangladesh Accord, Textile Agreement, FairWear.	Frequent.
<b>Media.</b>	We are eager to explain how low costs and social responsibility go hand in hand at Zeeman. We want to be transparent about what we're getting right and where there is still room for improvement.	Working conditions in our supply chain, sustainable materials, quality complaints and recalls.	Telephone or in-person interviews. Press releases.	Frequent.



# Materiality matrix.

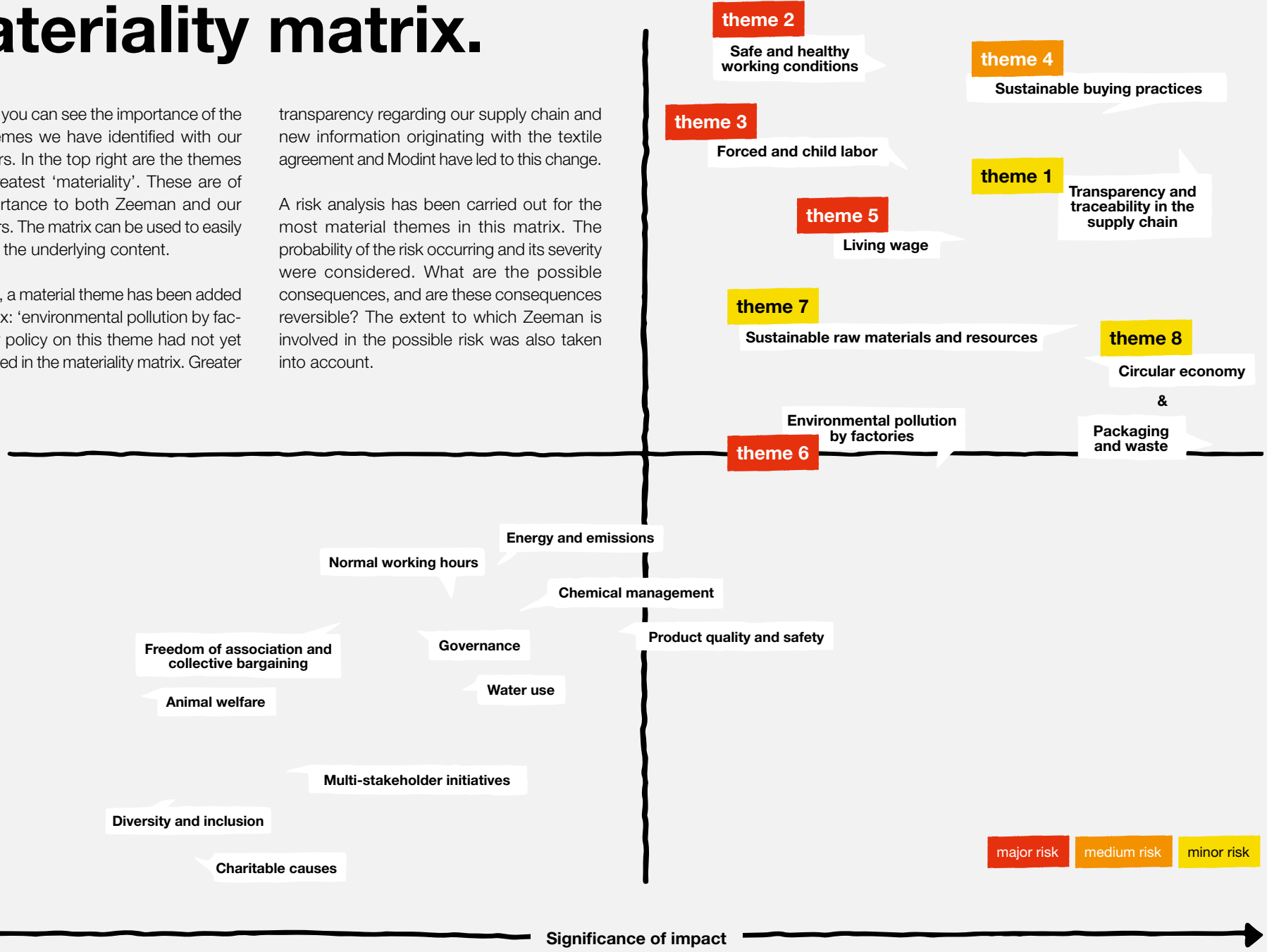
Importance according to stakeholders

At a glance you can see the importance of the various 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.

Since 2018, a material theme has been added to the matrix: 'environmental pollution by factories'. Our policy on this theme had not yet been included in the materiality matrix. Greater

transparency regarding our supply chain and new information originating with the textile agreement and Modint have led to this change.

A risk analysis has been carried out for the most material themes in this matrix. The probability of the risk occurring and its severity were considered. 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.



major risk   medium risk   minor risk

Significance of impact



# 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. Being *zuinig*, which is anchored in our strategy, is reflected in the five current sustainability themes that manufacturers, 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. We offer employment to approximately 8,000 employees. Needless to say, the continuity of the organization is also an important starting point.

	Input.	Link in the chain.	Results.	Impact.	SDG.
<b>Zuinig of people.</b>	34 factory audits performed.	Factory.	11 major areas for improvement which have now been corrected.	Safe working conditions for the factory workers.	8
	Training on local themes in the supply chain.	Zeeman agents & factory workers.	Seminar organized in India, Bangladesh, Turkey and Pakistan for our East Asia suppliers.	Improved working conditions through capacity building.	8
	454 spot checks.	Consumer.	96% of spot checks passed.	High-quality, safe products in our stores.	12
	Employee engagement survey.	Employees.	Score 8.6 (on a scale of 10).	Involved and enthusiastic employees.	8
	Vitality and sustainable-employability policy.	Employees.	Sickness absence 6.8%.	Employee vitality.	8
<b>Zuinig of the environment.</b>	3,820,356 kg better cotton (BCI) sourced.	Cotton farmers.	23.7% of all clothing and textiles made from better cotton (BCI).	Reduction of environmental impact through sustainable cotton cultivation.	12
	8,654 solar panels provide sustainable energy.	Service office.	Yield 2.1 megawatts.	Reduction in CO <sub>2</sub> emissions.	13
<b>Zuinig of society.</b>	€60,000 donated to projects in India and Bangladesh.	Local population in production countries.	Shelter and training for girls after rescue from prostitution.		8
	Investment totaling €23.3 million.	Entire operation.	Revenue €768.6 million.	Employment for 7,968 people in 7 countries.	8





# 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 content. 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.

Objective	Theme	KPI	2019 result	2020 target	SDG
<b>Optimizing working conditions in the supply chain.</b>	<u>Transparency and traceability in the supply chain.</u>	% East Asia and Turkish suppliers where independent supplier audits have been carried out.	100	100%	8
	<u>Safe and healthy working conditions.</u>	% major points for improvement identified during Zeeman's social audit in the previous year that have been corrected.	100	100%	8
	<u>Forced and child labor.</u>	Risk analysis, plan of action, and measures.	unknown	unknown	8
	<u>Sustainable buying practices.</u>	% of purchase value from the 50 largest East Asia and Turkish suppliers.	72%	75%	8
		% of purchase value from 50 largest East Asia and Turkish suppliers with whom we have worked together for 5 years or more.	89.5%	93%	8
	<u>Living wage.</u>	% East Asia and Turkish factories where the difference between minimum, actual and living wage has been assessed.	20%	40%	1
<b>Being <i>zuinig</i> of the environment.</b>	<u>Environmental pollution by factories.</u>	% purchase value produced by wet processing units with an effluent treatment plant (ETP).	unknown	90%	3 6
	<u>Sustainable raw materials and resources.</u>	% Better Cotton bought by Zeeman suppliers relative to total cotton consumption.	23.7%	25%	12
		% total sustainable materials relative to total consumption.	unknown	25%	12
	<u>Circular economy.</u>	% recycled waste.	88.9%	90%	12
	<u>Packaging and Waste.</u>	GRI 306-2: total weight of waste by type and disposal method.	see indicators overview, p. 55	unknown	12
	<u>A <i>zuinig</i> operation   energy &amp; emissions.</u>	CO <sub>2</sub> emissions per roll container, own and external transport.	11.5	10.9	13
<b>Strengthening quality and product safety.</b>	<u>Product quality and safety.</u>	% of spot checks performed in the reporting period that passed.	96%	97%	12
		Number of products removed from sale.	19	15	12
<b><i>Zuinig</i> of our employees.</b>	<u>Sustainable employability and training.</u>	% sickness absence.	6.8%	20% reduction by 2023 (relative to 2019)	3



theme 1

TRANSPARENCY AND TRACEABILITY  
IN THE SUPPLY CHAIN



# Being open about what could be better.



**Sander Jongerius**  
Secretariat of the Agreement on Sustainable Garments and Textiles

“As a secretariat, we continue to encourage companies and parties to communicate openly and transparently with each other, but also with stakeholders. We see many valuable collaborations that bring improvements to the industry. From within the secretariat, we were very enthusiastic that Zeeman and 3 other companies that have signed the agreement were the first to sign the transparency pledge, which also included a commitment to publish their production sites. The secretariat also encourages Zeeman to publish the locations where it buys via agents and the locations deeper into the supply chain. Zeeman has included this as an objective. This is a challenging process.”

We won't partner up with just anyone. We don't have our own factories, but instead work with experienced manufacturers who also produce for other brands and retailers.

There are risks involved in outsourcing production abroad. Because we do not operate any factories ourselves, we have less influence on working conditions than if we did. We won't partner up with just anyone. Before we start working with a manufacturer, we check that the working conditions are good and safe and that they are in accordance with our Code of Conduct.

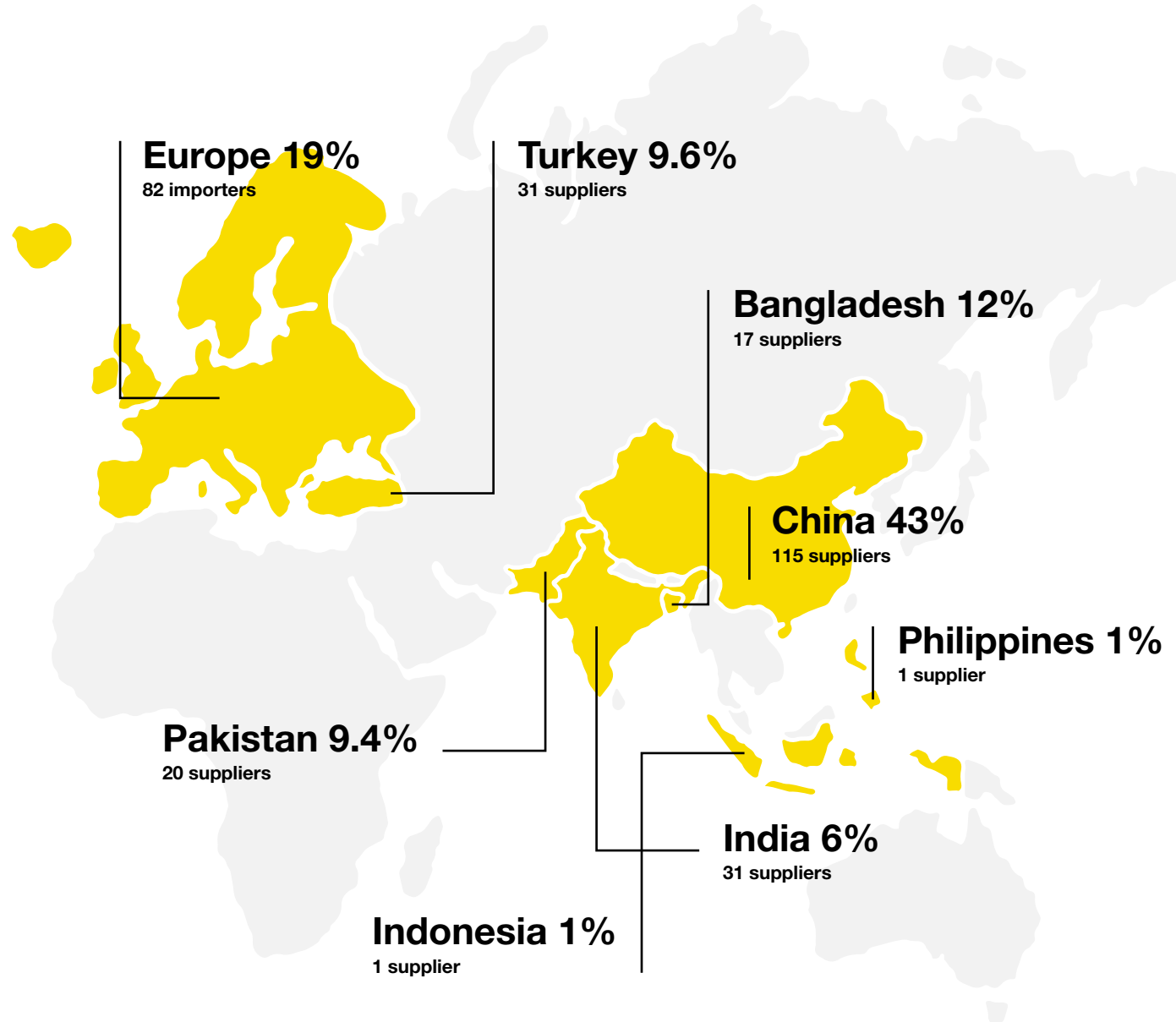
### Local agents.

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.

[Check out our production sites here](#)



On the world map to the right, you can see the percentage of the purchase value per country and the number of suppliers and importers we work with.



A product has come a long way by the time it reaches our stores. Details about our direct suppliers are published on our website. These are the factories where our products are sewn, finished and packed. There are still a number of steps to be taken. First raw material is needed, which is then spun so that cloth can be made from it. Afterwards the cloth is dyed, printed or finished using other techniques. Our supply chain includes more than 20,000 people working for nearly 300 of our suppliers in 17 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 in the global industry is small. This is why transparency and traceability are essential to our strategy.

## Transparency Pledge.

We want to be transparent about where and under what conditions our products are made. That's why in May 2019 we have signed the [Transparency Pledge \(transparencypledge.org\)](https://www.transparencypledge.org) and published the details of our suppliers on our [website](https://www.zeeman.com/website). In addition, our suppliers can also be found on the website [openapparel.org](https://www.openapparel.org), where any overlap with other brands and retailers is also visible. We report annually on the major points for improvement that emerge during factory inspections. By being open, we enable stakeholders to address potential points for improvement. In addition, this openness has given us more insight into the overlap that exists with other retailers in shared factories.

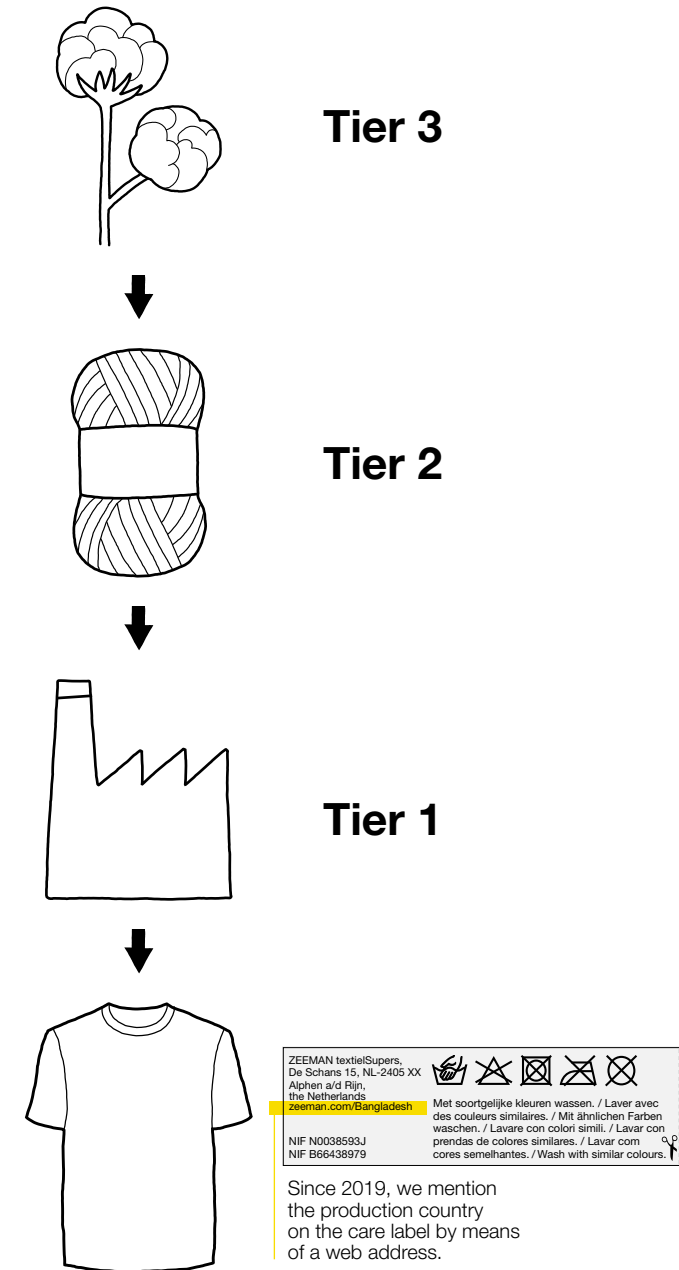
## Cooperation.

By working together, we increase our influence to drive sustainable change in our global supply chains. We have also shared with the secretariat of the textile agreement the data we hold on some of our tier-2 suppliers. The goal is also to address risks deeper in our supply chain and work together on prevention and improvement. We strive to always be a step more transparent. In the coming years, we want to share more and more information on our own website.

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

## Subcontracting.

It is a requirement to share with us the exact production location and any available audit reports before production for us can take place in a factory. The manufacturer must also have taken note of our code of conduct and signed it. This is mentioned in our procedure for outsourcing orders. In the clothing and textile industry, it is very common for manufacturers to have orders outsourced. This is also called subcontracting. Although it is not often discovered, it poses a significant risk because we cannot verify that the subcontracted factory is operating in accordance with our Code of Conduct. In 2019, it occurred that a supplier placed orders with two factories without informing us in advance. This only came up during a visit to the supplier in question. In the meantime, these two factories have been included in our monitoring system and have signed our code of conduct.



theme 2

SAFE AND HEALTHY  
WORKING CONDITIONS



# Clear agreements.



Mr. S.H. Kim local agent, Bangladesh

“We’ve been working with Zeeman since 1980. This client has always been honest with suppliers in Bangladesh and has a strong reputation. We are proud that no supplier has had disagreements or problems with Zeeman. In our opinion, a great achievement. We believe that the way Zeeman does things in Bangladesh is better for the safety and welfare of the makers of their products. That’s why we’re doing our very best to support Zeeman as much as we can.”

We believe everyone in our supply chain should be able to work in good and safe conditions. Our Code of Conduct forms the basis of our collaboration with our suppliers.

### Code of Conduct.

This code of conduct is based on the Ethical Trading Initiative (ETI)'s code. Its main elements are: no forced labor, no discrimination, no child labor, and safe and hygienic working conditions. Before we start working with manufacturers, we ask about their CSR policies and they must sign the code of conduct, thus declaring that they will comply with it.

**“All our suppliers have signed our Code of Conduct.”**

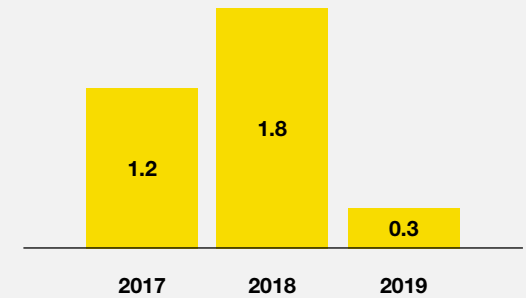
### Independent audits.

We carry out checks to ensure that the agreements made are complied with. All of Zeeman's suppliers have been audited by an independent party. We find it important to have insight into the working conditions in the factories that produce for us. These checks, also known as audits, are carried out for us by TÜV SÜD. During the audits, factories are checked on 252 points. Checks are carried out to ensure that payroll and attendance lists are kept up to date and that they are correct. In addition, building safety in the clothing industry appears to be a major risk. That is why the hygiene and safety

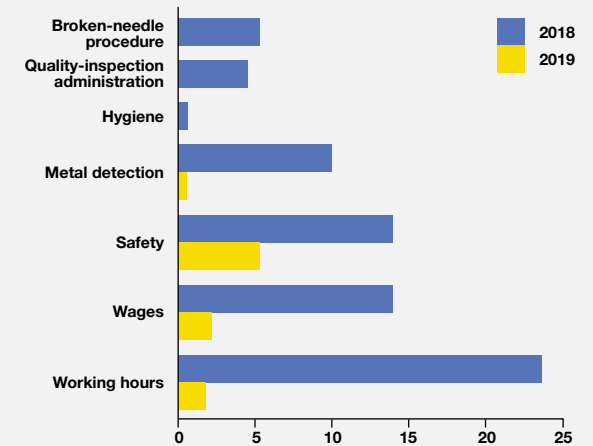
of the factories are also properly monitored. We also look at the processes in the factories which ensure that the quality of production is good and safe. If points for improvement emerge during an audit, we do not end the collaboration, but enter into discussions with the supplier. We reach agreements on what must be improved, and by when. Our local agents ensure timely follow-up.

### Major areas for improvement in factories.

In 2018, 41 TÜV SÜD audits carried out on our manufacturers in East Asia and Turkey identified a total of 72 major points for improvement. In 2019, we had 34 factories audited by TÜV SÜD and 11 major points for improvement were identified. In cooperation with our suppliers, local agents and with TÜV SÜD, we have resolved all major points for improvement from 2018 and 2019. We see that the average number of major points for improvement per factory is declining. We talk about a 'major point for improvement' when it has an urgent character. For example, when an emergency exit is not available or when payroll and attendance lists cannot be verified during an audit. Our approach, combined with the long-term partnerships we have established with our manufacturers, has ensured that working conditions in the factories have structurally improved.



Average number of major points for improvement per audited factory



Distribution of major points for improvement, 2018/2019



## 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 the underlying causes. Audits have helped us in recent years to correct the visible points for improvement. But in order to achieve truly sustainable change, we will focus on capacity-building in the coming years. This means that we will focus more on gaining an understanding of the underlying causes of non-compliance.

## Continuously steering towards improvement.

We want to offer our suppliers the knowledge and tools they need to continuously work with us on improvements. In 2019, we therefore organized various training courses in each production country in collaboration with local partners. These trainings were country-specific, in which we dealt with the potential risks and relevant themes for each country. Audits have shown that many overtime hours are worked in the factories in China and that not all factory employees are insured. During the training in China we gave attention to this. During the training in Turkey, the focus was on trade-union freedom, and in Pakistan on gender diversity and living wages. This was also a key priority in Bangladesh and India. The risks and guidelines for home working were also discussed with suppliers in India, as this is a common practice in that country.

## Sustainable industry-wide cooperation.

In order to achieve constructive improvements, cooperation with other retailers and companies, local NGOs and governments is important. That is why we are working together within a number of multi-stakeholder initiatives to improve working conditions.

## Bangladesh Accord.

The Bangladesh Accord is a unique partnership between various stakeholders. We are committed – and this is binding – to improving working conditions in the textile sector in Bangladesh. 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. At the factories where Zeeman is active, 92% of the original points for improvement had been implemented by the end of 2019. This is also the Accord average for all factories. Together with our manufacturers, we want to see 100% of the points for improvement implemented by 2020.

The Accord was launched in 2013 and was renamed the Transition Accord in 2018, running until 2021. The goal, provided that well-trained inspectors are available, is to eventually have a local inspection body in place to carry out the Bangladesh Accord's tasks.

## Agreement on Sustainable Garments and Textiles.

In 2016, Zeeman signed the [IRBC Agreement on Sustainable Garments and Textiles](#). Within the agreement, we are working together to make the sector more sustainable. The agreement offers tools to prevent and combat negative impacts by participating in joint activities and projects that we, in business, cannot solve on our own. In 2018, 95 companies were party to the agreement. Since the start of the agreement, we have been working on an action plan with which we can identify the impact of our actions and explain how we can limit or prevent risks. Our commitment goes beyond our direct suppliers. We also focus in on the risks deeper in our supply chain. For example, where the cotton for our collection comes from, and where our items are washed and printed. In addition, we are working as much as possible with other signatories to the textile agreement where there is overlap in factories.

## Ethical Trading Initiative.

We have been a member of the Ethical Trading Initiative (ETI) since 2015. In 2019, Zeeman made the step within ETI from Foundation Stage Member to Full ETI Member. This promotion is based on ETI's assessment of our reporting.

### **FairWear.**

In October, we became a member of the Fair Wear Foundation (FWF). This membership helps us take further steps to improve working conditions in our supply chain. This is a logical step within our sustainability policy, as FairWear's local experts are able to supervise our factories more intensively than we can ourselves. In addition, FairWear's complaints mechanism is a valuable addition to our own monitoring system. An information poster with a telephone number will be displayed in a visible place in all our factories. This number is a helpline and enables factory workers to raise the alarm when they feel their rights are being violated. These reports go directly to FairWear, after which Zeeman is contacted. Finally, FWF will perform an annual 'audit' of Zeeman: the brand performance check, in which our efforts and activities will be evaluated and publicly reported.

**“In October, we became a member of the Fair Wear Foundation”**



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

Read more through the links below.

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**Bangladesh Accord**



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**Agreement on Sustainable Garments and Textiles**



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**Ethical Trading Initiative**



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**Fair Wear Foundation**





# Zuinig of human rights.



Grace Johnson Acting Business Advisor, ETI

“India is an important production country for Zeeman. There is a risk of forced and child labor in spinning mills here, particularly in the South of the country. That is why it is important to keep an extra watchful eye. Zeeman participates in a multi-stakeholder initiative in Tamil Nadu that aims to make factory workers in spinning mills, mainly women, aware of their rights and teaches them to stand up for these. As an ETI member, Zeeman is required to report biennially in relation to human rights due diligence on forced and child labor, and on progress towards its elimination from all tiers of their supply chain.”

We are very clear about forced labor and child labor; these must not occur in our production chain. This is described in our Code of Conduct, which is based on the Ethical Trading Initiative (ETI) code. In order to prevent potential violations of the Code of Conduct, we do not put undue pressure on suppliers through our buying practices.

### **Production-site inspections.**

In order to identify risks, we need to know exactly in which factories our products are made. The address is verified before an order is placed, and during production, our local agent makes regular visits to the production sites. If a supplier, for whatever reason, wishes to outsource an order, this is permitted provided that we are aware of this and have received a valid audit report beforehand.

**“We train factory workers to stand up for their rights.”**

### **Decrease on a global level.**

Forced and child labor have been greatly reduced in the last 10 years in the first link of clothing production, where fabrics are cut and stitched together. However, it is likely that the risk is still present deeper in the chain. At spinning mills, weaving mills and on cotton fields. The risk is also greater if (parts of) production are outsourced to locations where there is no monitoring. Despite the reduction in forced and child labor at the global level, Asia remains a high-risk region where this still occurs. We are therefore extra alert for products that require a lot of manual labor, such as embroidery and the application of sequins, for example. Decorative items such as picture frames and tea candle holders are also often worked on by hand.

### **More buying via the Better Cotton Initiative.**

It has been shown that the risk of forced and child labor is higher in cotton production. That's why we're buying more and more cotton through the [Better Cotton Initiative](#) and other certified sustainable cotton such as [GOTS \(Global Organic Textile Standard\)](#). Here, in addition to improving environmental standards, efforts are made to enhance working conditions in cotton production.

### **Increasing household incomes.**

An important reason for child labor is that household incomes are too low. Often the financial situation within a family is the pressing factor for children to contribute to the household. It is therefore important that factory workers receive a living wage that allows them to support their families.

We want to better inform factory workers about their rights.

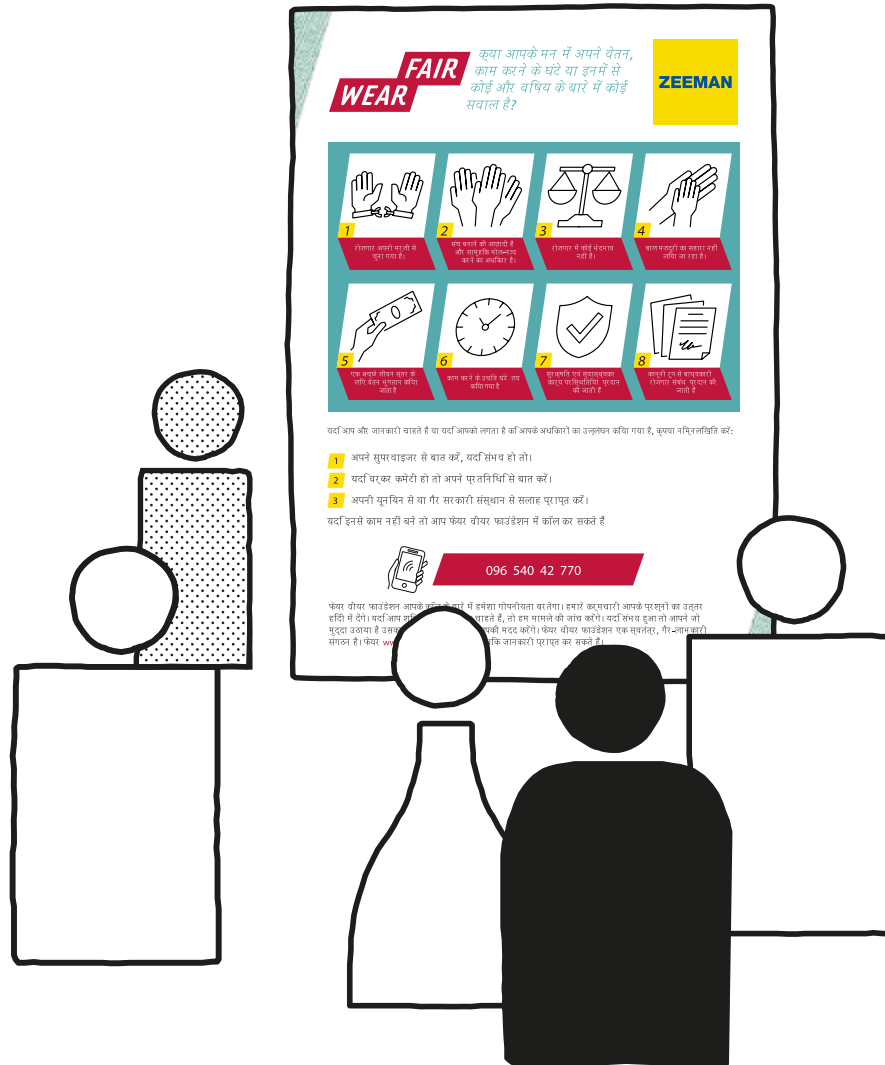
### The FairWear helpline.

To achieve this, the factories where we have our products made will soon have a copy of the FairWear Code of Labour Practices displayed on the wall in the local language. In case of any complaints, factory workers can anonymously call the FairWear helpline.

“The added value of FairWear lies in access to local experts in our manufacturing countries.”

FairWear 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, FairWear has been working for many years to promote good working conditions in the clothing industry, in the countries where production takes place.

[Read more about FairWear](#)



In practice

# ETI's TNMS program in Tamil Nadu, India.

## **ETI training courses for factory workers.**

Spinning mills in South India are also at risk of forced and child labor. That is why we participate in ETI's TNMS program. A total of sixteen spinning mills of our Indian suppliers are affiliated with the program. The aim of the program is to train factory workers, especially women, to stand up for their rights. The program lasts twelve months and is facilitated by ETI's own social workers and includes training in occupational health and safety, self-assessment and communication with management. The program increases self-confidence and improves employees' communication skills.

## **Since 2015 we have been participating in the TNMS program in Tamil Nadu, India.**

There are 48 spinning mills affiliated with this program, a number of which work directly with our suppliers. Spinning mills in South India have been found to be at risk of forced and child labor. At the start of the 12-month program, the need for improvements in the workplace is assessed by conducting interviews and group discussions. This is facilitated

by ETI's own expert social workers. Among the employees, 'Peer Educator Groups' are created which will be trained by ETI experts who will then also become responsible for the groups within the program.

## **Next year the program has a number of focus points.**

An example of this is the 'workplace committees' in spinning mills. In addition, there is more emphasis on involving the ETI secretariat in stakeholder meetings and implementing improved training for supervisors of the spinning mills.



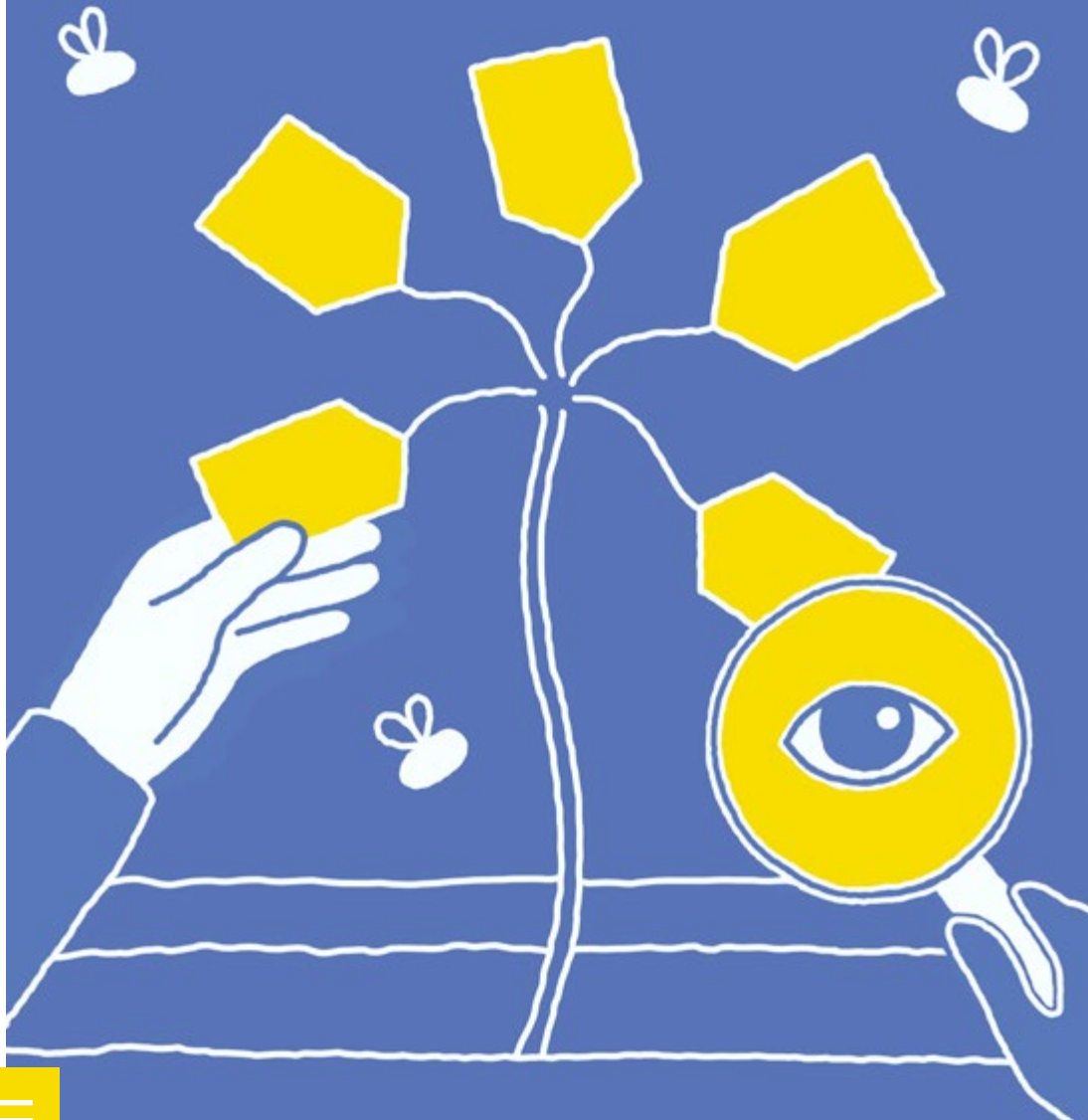
Tamil Nadu, India

## **Knowledge creates more self-esteem.**

This woman works in a spinning mill affiliated with ETI's TNMS program. Here, she tells us that her participation in the program has made her aware of her rights and that she has learned to stand up for them. She has developed a greater sense of self-esteem.

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

# SUSTAINABLE BUYING PRACTICES



# Building healthy partnerships.



**Alexander Kohnstamm** Executive Director, Fair Wear Foundation

“At FairWear, we were delighted to welcome Zeeman as a member in October. As a major European retailer, they can exert a great positive impact on the people in the garment factories. Zeeman has set to work energetically, especially in the area of higher wages, together with the factories and the buyers. Everyone can watch as Zeeman takes further steps towards better working conditions in the coming period. Every year we check this during the [Fair Wear Performance Check](#), which is publicly shared. This way of working fits in well with Zeeman, which values transparency.”

Sustainable buying means that, in addition to quality and price, the effects on people and the environment are also taken into account during all aspects of buying. In order to increase the integration between CSR and buying, regular consultation takes place between the CSR & Quality and Buying departments.

### **Early planning.**

In 2018 we tightened up our buying policy and drew up guidelines together with our buyers. Key priorities are that our buyers are always aware of the exact production location and make sustainable choices when it comes to (raw) materials. We find it important that our selection process doesn't have a negative impact on our suppliers. In order to reduce the risk of overtime, we want to issue our orders on time so that suppliers can plan production properly. In addition, we take into account the share of the total production capacity we use in a factory. We want to build healthy partnerships with our suppliers, without suppliers growing dependent on us.

**“We don't want our buying practices to adversely affect our suppliers.”**

### **Supplier evaluation.**

We evaluate the performance of the suppliers. This is done prior to the buying trips and afterwards. In addition to the price and quality of the deliveries, we also look at whether any points for improvement that emerged during the audits have been actively worked on. And whether sustainable materials are used.

### **Price negotiations.**

Our raison d'être is to go for the lowest possible price. We've been doing it for 53 years. But what is possible is also determined by our suppliers. That is why we are increasingly asking how their cost price is structured. We do not want to negotiate a purchase price below the cost of production. This would have a negative impact on the working conditions and wages of factory workers. Our aim is to build long-term partnerships with our manufacturers and to work together to make the Zeeman collections more sustainable while creating good and safe working conditions in the supply chain. We've been working with some of our suppliers for more than 30 years.

### **More insight into the cost price.**

In order to be able to exclude the possibility that the price we pay has a negative impact on people or the environment, it is important to have insight into the structure of the cost price. In 2019 our Bengali suppliers participated in an open-costing training from FairWear. They were trained to calculate the

cost price of an item and to calculate the number of minutes needed to produce an item. Our buyers will also follow a training course on this theme in 2020. Our aim is to promote transparent negotiations between our buyers and suppliers.

### **Review of our buying practices.**

Although we have been *zuinig* with our relations since the founding of our family business, we have defined the theme of 'procurement practices' since 2018 and embedded it in our strategy. Just like the theme of 'good and safe working conditions', this is a process that is never finished. We strive to keep doing better, little by little. In 2020 we want our manufacturers to evaluate our buying practices by means of an anonymous questionnaire.

### **Supplier management.**

Long-term partnerships ensure continuity. We see that 72% of our purchase value is produced by only 50 suppliers. And of these 50 suppliers, 90% have been working with us for five years or more! In this way we ensure continuity and in our experience create the leverage to initiate improvement processes.



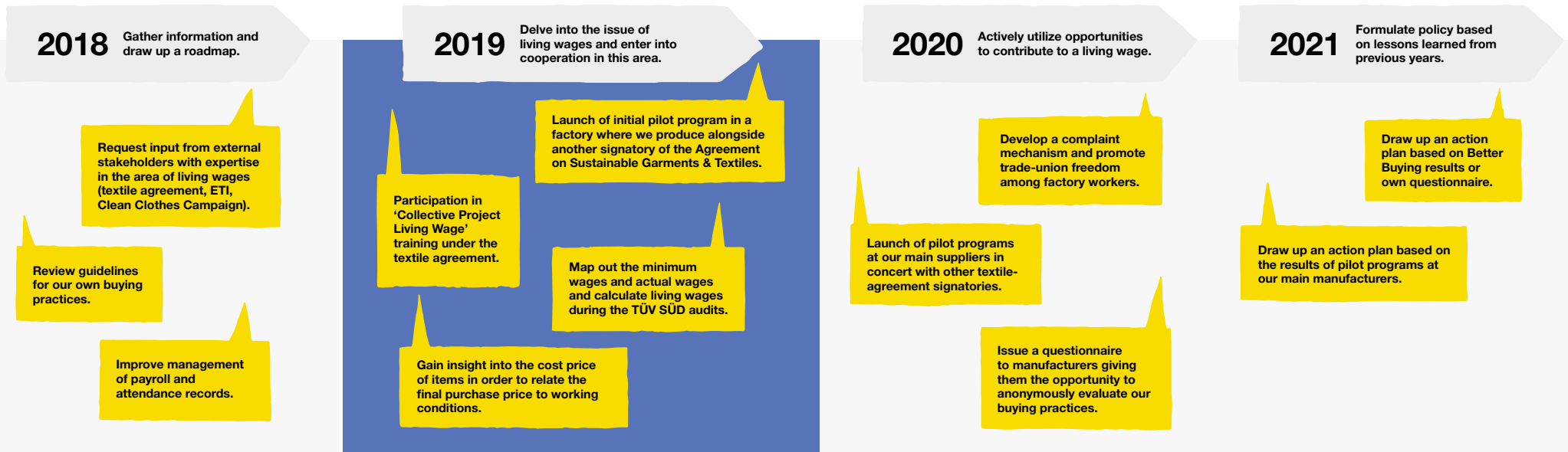
# Zuinig of people.



**Jaap Rijnsdorp** CEO, Schijvens Workwear

“After we took the first steps towards a living wage in Turkey in 2017, it was time for the next step in 2019. The choice of our production partner in Pakistan was obvious. Not only because it is an important supplier to us, but also because the owner is open to change and transparency. And would like to set an example himself. During this process, Zeeman contacted us because, just like us, they were working with this factory and wanted to start paying living wages. It soon became clear that Zeeman and Schijvens shared the same values and a collaboration was logical and valuable. Not only because leverage in the factory would increase, but also as evidence that it is possible for companies with a low price point to work towards a living wage. We are very proud that we could and can make this possible together with Zeeman.”

We want the employees of Zeeman's manufacturers to earn a living wage. Our suppliers sign for 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 all basic needs, such as housing, transport, food and healthcare.

### Living wage as a catalyst.

Despite the complexity of this theme, we think it is important to keep taking small steps and gaining more insight into the issue, so that we can ultimately determine whether the employees in the factory actually receive a living wage. That is

why we developed a roadmap in 2018 to give concrete form to this important theme in the coming years. 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.

But there are more issues that are touched upon when it comes to living wages. Workers in the factory must also be aware of their rights. And by conducting transparent negotiations with our suppliers, we want to gain more insight into the price structure of products. This way we can ensure that we pay a fair price and make it possible for our suppliers to

pay their employees a living wage. During our social audits in 2018-2019, we assessed the difference between the statutory minimum wage, the actual wage and the living wage. We collected this data for 44 of our suppliers in East Asia and Turkey, which constitutes about 20% of the total number of suppliers. In 2020 we will zoom in on this and we want this information to be available from 40% of our East Asia and Turkish suppliers. By means of transparent cost-price calculations, we will investigate the impact of the level of the purchase price / margin on wages.



In practice

# Living wage project – MYM Knitwear, Karachi, Pakistan.

## Industry-wide cooperation is essential.

When it comes to living wages, industry-wide cooperation is essential. We are eager to learn best practices from our peers in the sector. In 2019 we therefore 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 FairWear member. This commonality, along with the experience that Schijvens already has in calculating living wages, makes this cooperation a logical step. Moreover, together with Schijvens, we use 75% of the total capacity of the factory.

## Calculation tool.

With the help of industry partners, Schijvens has developed a calculation tool for determining what constitutes a living wage. This tool compares the local cost-of-living data with the costs and revenue of the factory. By means of an extensive questionnaire, the employees classified their monthly spend on groceries, transportation, rental costs, etc. The calculation was then performed based on the outcome of this. The calculation showed that the living wage in the region of this factory was 29% higher than the statutory minimum wage set by the government.

## Higher buying prices.

In order to enable the factory owner to pay a living wage to his employees, we have increased our purchase prices with effect from October 2019. An important element was the communication to the factory employees who were used to being paid per item produced. They now understand that they have more security with a fixed salary that is not dependent on how many items are produced.

## Audit of the accounts.

We have had to carefully explain that salaried employees are better off because they also get paid in case of sickness or if there are temporarily fewer orders. A bank account has been opened for each employee in which they receive their salary. Because we have a large share in this factory's capacity along with Schijvens, we can see if the wages are actually implemented by checking the pay slips in the accounts. For the factory owner, this is a big step, because he has to be open and rely on the long-term commitment of all parties involved.



Karachi, Pakistan

## Happy employees.

In the photos above you can see some factory employees. They have just been informed that their salary will be increased by 29%.

ENVIRONMENTAL POLLUTION  
BY FACTORIES



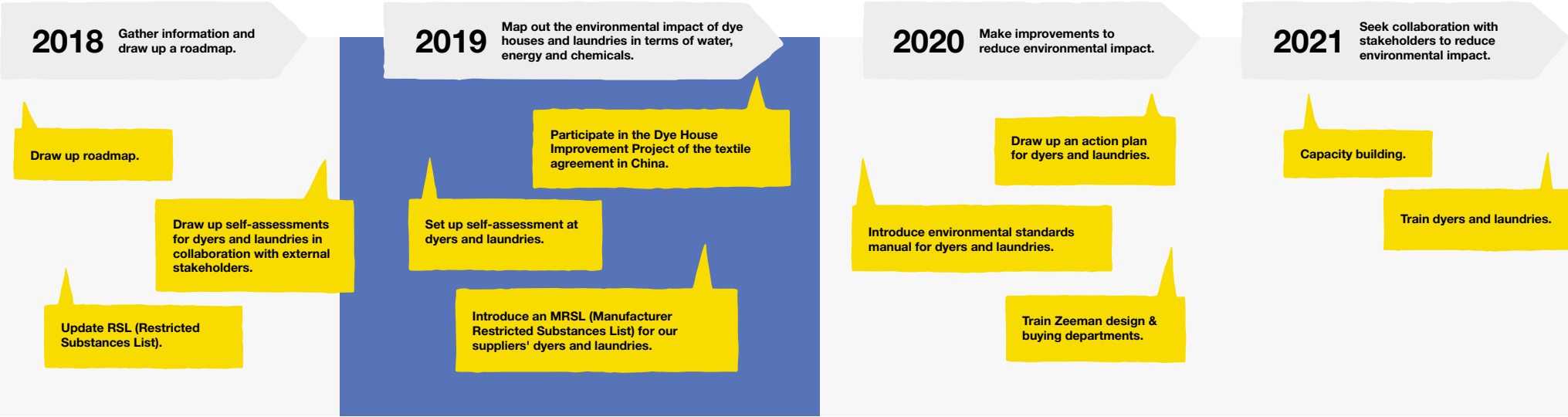
# Increasing knowledge of environmental impact.



Serge Léon chemical expert, Modint

“A large part of the negative impact of the production of clothing is caused by the wet processes (dyeing/washing/printing). Together with its suppliers, Zeeman wants to contribute to a structural solution for reducing this negative impact on the environment. In the kick-off phase of the project, a baseline study was carried out at the suppliers in which important information was gathered for the strategic implementation of future changes. On the basis of this information, a plan will be developed that will help Zeeman to achieve the environmental objectives that have been set. I am happy that I can contribute to this initiative from within Modint, and I have enormous respect for the fact that Zeeman takes this problem so seriously and has started this process.”

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.



**Insight into processes.**

In order to tackle this problem, we drew up a roadmap in 2018 from which various actions emerge. In 2019, we issued a self-assessment questionnaire to our suppliers to let us understand which processes are taking place directly at the factories we work with and which processes are being outsourced. Often the wet processes are outsourced to factories with which we don't have a direct partnership, which makes it more difficult to exert influence.

**Self-assessment.**

We have asked all dyers and laundries to complete the self-assessment questionnaire. This questionnaire consisted of general questions about the facility, such as address details and the name of the person responsible for environmental and chemical management. But also substantive questions that help us to assess the environmental impact. For example, we mapped out whether the facilities measure their water consumption and whether they use a water purification system to clean the water. In addition, we asked whether the facilities have environmental audit reports or other environmental certificates. In 2020, we will verify the data we've received and draw up action plans for each facility to reduce the negative impact on the environment where necessary.



In practice

# Dye House Improvement Project, China.

In 2019 we participated in the textile agreement's Dye House Improvement project. A dyeing factory that one of our Chinese suppliers works with has gone through a process to reduce its environmental impact. The external party Arcadis was involved in this. Although we do not directly do business with this factory, the management was willing to participate in the project after we underlined the mutual interests involved.

In 2019, many dyers were closed in China as a government measure, on the grounds that they did not comply with legislation on environmental standards. This project enabled our supplier to improve its operations in accordance with both local and European legislation. The areas of focus of the project included: energy, water, chemical management, building safety, waste management and safety at work.

## Joint action plan.

The project started with a visit of local experts to the factory. During the visit the management was interviewed, documents were checked and the factory was inspected. The findings and recommendations have been shared with us and with our local agent. A joint action plan has been drawn up to implement improvements, and progress is discussed on a monthly basis.

## Chemical management.

The manufacture of our products depends on certain types of chemicals. They are used to grow raw materials, such as cotton, but also 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. In 2019, we further expanded this list to include chemicals that may no longer be used in the production process because they are unsafe for the people who work with them or may cause damage to the environment. Our new Manufacturing Restricted Substances List (MRSL) can be found on our website. In 2020, we want to focus on building capacity and training our suppliers on the responsible use of chemicals. From buying and sourcing to better and safer alternatives for chemicals, to the wearing of protective clothing during use and preventing the release of chemicals into the environment.

## Certification: the Oeko-Tex® standard.

More and more suppliers have an Oeko-Tex® certificate. This is an additional guarantee that no banned chemicals are used in our products. 75% of our clothing and textile collections is produced according to this standard.

# SUSTAINABLE RAW MATERIALS AND RESOURCES



## More sustainable buying.



Herma Martina, buyer, Zeeman

“Over the past three years, the position of buyer has taken on a new dimension. Namely, the theme of corporate social responsibility. Today, every buying conversation with a supplier begins with CSR. Together with the supplier, we go through the audit report and look at what major points for improvement there are and how and when the supplier, possibly with our help, will resolve them. We then discuss the possibilities and requirements when it comes to sustainable materials. Several suppliers have now reached the point where they use GOTS-certified cotton. So we really see that by paying attention to this issue, we can ensure our suppliers think along with us and take steps in this area.”



The (raw) materials we use for our products form an important part of our sustainability policy. The bulk of our range consists of textiles. Every year we map out our ‘material consumption’.

Cotton is our main raw material. We turn it into underwear, socks and bodysuits. But also dish towels and bath towels. Cotton production is environmentally damaging 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.

**“By 2020, we want 25% of our total collection to be made from sustainable materials.”**

**Better Cotton Initiative (BCI).**

Since 2015, we have been working with the Better Cotton Initiative (BCI) to improve sustainability throughout our collection and to reduce the environmental impact of cotton production worldwide. The Better Cotton Initiative is an organization working to improve conditions in the cotton industry 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. In 2019, almost a quarter of our total cotton consumption consisted of cotton sourced through the BCI.

**Other materials.**

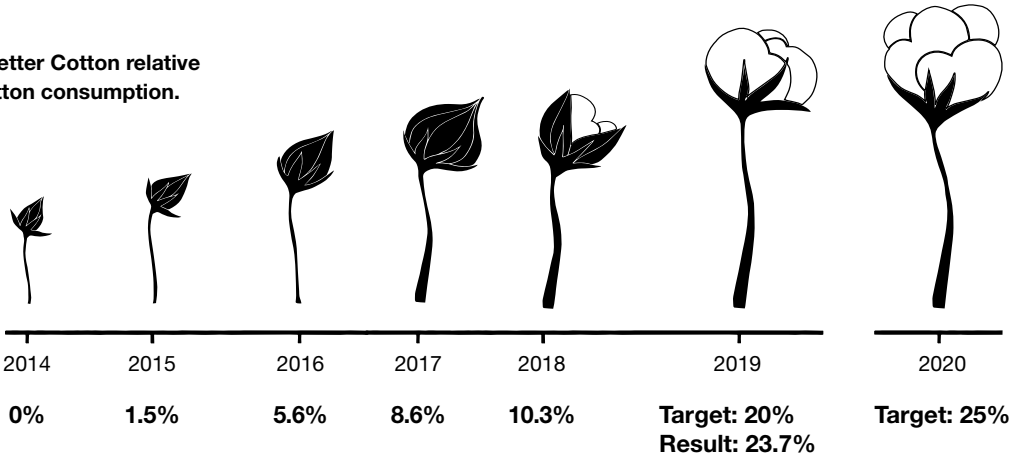
Besides cotton, materials such as viscose, elastane, polyester and polyamide are also used for our textile collection. Together with our suppliers, we look for more sustainable alternatives for raw materials. By 2020, we want 25% of our entire textile collection to be made from sustainable materials.



**Eco label.**

In order to make our efforts for a more sustainable collection visible to our customers, we have developed an ‘Eco’ label. Products that consist of at least 50% sustainable materials carry this label. These may be organic cotton but also include recycled polyester or sustainable viscose. We explain what is sustainable about the product on the labels and on our website. This way we make it easier for consumers to make a responsible choice and we hope to increase demand for sustainable products.

**Share of Better Cotton relative to total cotton consumption.**



# CIRCULAR ECONOMY & PACKAGING AND WASTE

## *Zuinig* of the future.



**Nienke Steen**, senior CSR consultant, Modint

“There are many opportunities to make use of in the reuse of materials, but also, for example, of chemicals and water in the production processes. It all starts with a smart design which takes into account the reuse of the product or parts of the product and the possibility to extend its lifespan. Think of design in a material, or with removable odds and ends, the use of recycled materials, biodegradable materials, but also loan models, (re)make models and good maintenance advice to consumers.”

The current business model in retail is mainly linear. First raw materials are used to produce products; these are sold, and after use by the consumer they often get thrown away as trash. Circularity is about using raw materials efficiently and preserving them as much as possible.

### **Deposit shopping bag made of recycled polyester.**

In a circular economy, the focus is on the continuous re-use of valuable materials and limiting waste as much as possible. A first step was taken two years before the disappearance of free plastic carrier bags in the Netherlands. In 2014, we introduced a deposit shopping bag made entirely of recycled polyester. When customers need a bag to transport their purchases, they have the option to buy a deposit bag. If they return this bag later, they always get their €1 deposit back. Returned deposit bags are sent to our distribution center where they are recycled again.

### **Circularity working group.**

We believe that circularity is the future and that we can make a positive impact with our volumes by doing better and better. In 2019 we therefore set up a working group in which the buying, CSR and design departments are represented. During the work sessions we brainstorm together about the interpretation of this theme at Zeeman. We also organized a workshop for our design department in 2019. In order to make a step towards a circular business model, we already have to think about the next use when designing our products.

**“We believe that circularity is the way forward and that we can make a positive impact with our volumes.”**

### **Plastic waste as raw material.**

We're using more and more recycled material for our socks and dishtowels. That's not all; we're also using recycled plastic and glass in our household products. In 2019, we presented clothing made from recycled plastic waste. PET bottles were collected, washed and melted to make yarn. This saves valuable natural materials and cuts down the mountain of plastic waste.

In 2019, we were able to recycle 89% of the waste streams within our operations (2018: 88%). This includes the plastic and paper that comes back from our stores separated, but also materials from other waste streams for which we deter-

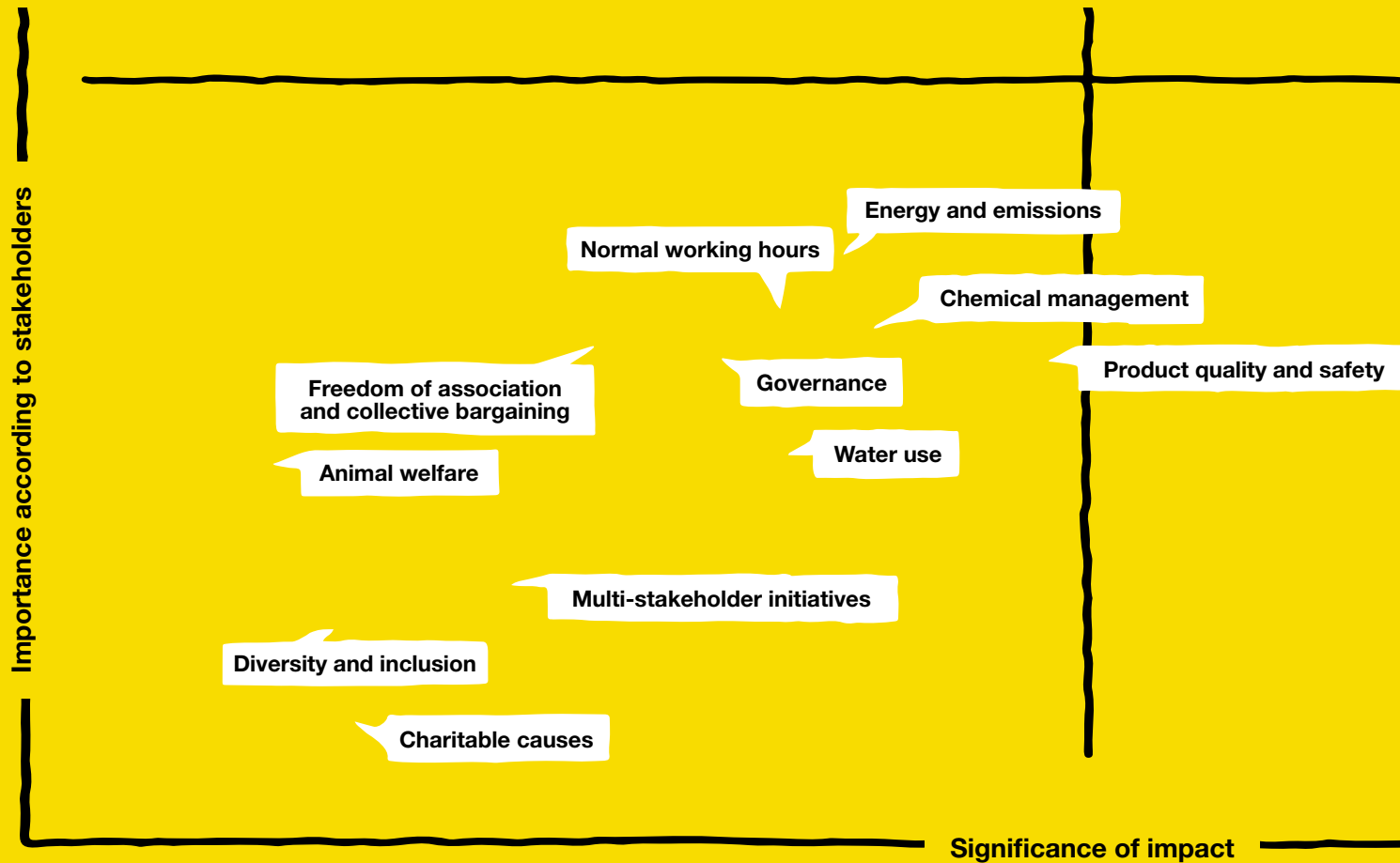


mine the correct waste processing method together with our waste processing partner RCN. In addition, we have been reporting on the total weight of our waste for years, and for the past two years we have also been reporting separately on hazardous substances. Our goal is to reduce waste streams every passing year. One of the ways we do this is by using as little packaging material for our products as possible.



# Our policy on other material themes.

The top 8 themes are an important part of our strategy and also of this report. The following themes represent a lower risk based on seriousness, commitment and probability, but are at least as material and do form an important part of our CSR agenda.



# Energy & Emissions. *A zuinig* operation.

At Zeeman, we're *zuinig*. Working efficiently plays an important part in this. In many different areas. Such as transport, cooperation, but also investment in resources that are *zuiniger*.

In the allocation of volumes to be shipped to shipping companies in 2019, two factors influencing the total emissions per sea container were strongly taken into account.

## The Green Corridor

The first is to what extent shipping companies are able to deliver containers via the Green Corridor. This is a project in which various parties are working together to make the Rotterdam — Alphen aan den Rijn — Zoeterwoude route more sustainable. The goal: to create a climate-neutral logistics corridor. Companies, governments and research institutes are working together to reduce emissions through more efficient collaboration and local energy generation. For transport from the seaports to our distribution center (DC) in Alphen aan den Rijn we want to use this as much as possible.

## Closed loop.

The second factor is to what extent shipping companies are able to transport loaded sea containers back to Asia. In that case, a closed loop is created and the emissions per

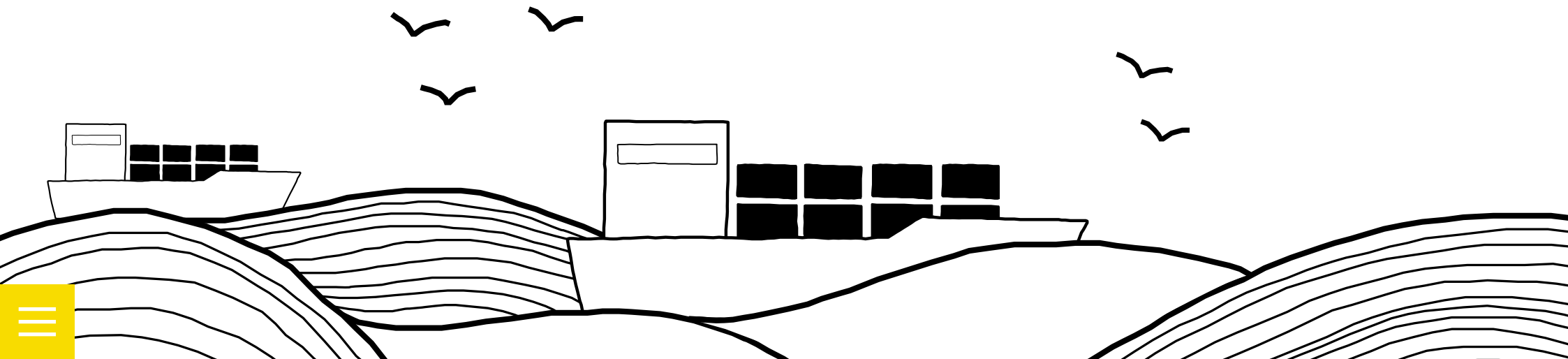
transported sea container are minimized. This second factor is difficult to quantify but is an important topic of discussion with shipping companies during negotiations on the allocation of shipping volumes. And there are considerable differences between shipping companies in terms of effort put into this.

## Closure of Boskoop lift bridge.

Between 10 October and 21 November it was not possible to sail to Alphen aan den Rijn over the Gouwe due to the closure of the lift bridge in Boskoop by the Province of South Holland. In this period it has therefore hardly been possible to make use of the Green Corridor. We moved to the container terminal in Utrecht and to road transport from the seaports.

## Implementation of planning software.

In 2019, the Supply Chain Portal was fully implemented, giving Zeeman an even better and faster insight into the inbound flow. This has led to higher scheduling reliability, making the units and volumes to be processed more predictable. This led to further optimization for DC



and Transport. The most visible result of this is more stable transport planning and, linked to this, a higher load factor of the trucks. Furthermore, more intensive use is being made of planning software for outgoing transport, so that the impact on emissions per roll container can be assessed when determining routes.

## **New trucks and trailers.**

In 2019, three new trucks were purchased with the cleanest possible diesel engines. The new trucks are also extra quiet, which minimizes nuisance during deliveries. Of the 13 newly purchased trailers, four are of the 'double deck' type. They can carry 190% load volume compared to city trailers and are mainly used for shuttle traffic.

## **Optimization of transport strategy.**

The transport strategy in which Zeeman optimizes the balance between carrying out trips directly and outsourcing deliveries in a network has been continued. By working together with fruit transporters for the journeys between the Netherlands and Spain, we will realize further reductions in empty trailers on this route compared to 2018. In addition, a test of multi-modal transport to Spain was carried out in the fall of 2019. This means that a portion of the shuttle journeys to Spain can be replaced by transport by train. This test was successful, and this approach will be applied structurally in 2020.

## **Purchase of trucks running on LNG in 2020.**

In the fall of 2019, a test was also carried out with the use of trucks running on LNG (liquefied natural gas). This test proved successful. It was therefore decided to order a number of

trucks running on LNG instead of diesel in 2020. This meant a reduction in emissions of CO<sub>2</sub> and nitrogen.

## **More hybrid and electric cars.**

Already in 2018, it was decided not to use diesel engines for new passenger cars, so as to contribute to the reduction of particulate matter. 17 of the 21 newly acquired passenger cars in 2019 are equipped with hybrid propulsion. This results in an additional reduction in emissions compared to conventional gasoline-powered cars, as Zeeman's passenger cars are often used in urban areas. Furthermore, the fleet has been expanded with 4 electric cars as a replacement for diesel and gasoline cars.

## **Improving DC safety.**

The results of an examination of safety and working conditions in the Distribution Center carried out in 2018 were developed into a plan of action in 2019. The most important points have now been implemented, such as the provision of safety shoes and a traffic plan. This has further increased safety. Within the DC, a team has been put together that makes continuous further improvements and involves personnel in these.

## **Optimization of future processes.**

In 2019, a blueprint was made for future processes in our DC in order to further optimize stock availability in the stores and to support omni-channel operations. Further improvement of working conditions plays an important role in these processes. Furthermore, the new processes should make it possible to respond more quickly to transport planning wishes for deliveries to the stores. In this way, the efficiency of outgoing journeys can be increased even further and the load factor of the roll containers can also be further increased.

## **You won't find any needless luxuries at our stores. What you will find is LED lighting.**

At the end of 2019, 67% of our stores had LED lighting. With this, our target of 65% has been achieved. By the end of 2020, this should rise to 75%. LED lighting uses less than a third of the energy required by traditional fluorescent tubes. The 860 stores with LED lighting thus result in a lower energy bill, while being good for the environment and our budget.

The advantages:

- About 45% less kWh used at 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.



# 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 management, 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 manufacturing partners 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.

**“Our products are only shipped once they've been properly tested.”**

## 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 2019, there were 454 spot checks. 96% of products met Zeeman's strict standards. In 2018, this was also 96%.

## **Risk assessments.**

In 2019, there were nineteen cases in which a product did not meet our quality standards after all. We took these out of the sale. In 2018, this concerned 17 products. It can happen that a product poses a safety risk to the consumer as a result of failure to meet our quality standards. The CSR & Quality department assesses the risk and implements improvement processes. In 2019 it turned out that the zipper of one of our baby sleeping bags could come loose under certain circumstances. We decided to remove the product from sale. To prevent a repeat of this problem, we will use a higher-quality zipper for our sleeping bags in the future.

## **Preventing recurrence.**

There were six public product recalls in 2019 (compared to four in 2018) — three involved textiles, one involved toys, and two involved plastic tableware. We are in discussion with our suppliers to find the cause and thus prevent a recurrence.

## **Labelling of high-risk products.**

A good product also includes a clear label with product information, so that consumers know the right way to use our products. For this reason, the labels of our high-risk products are checked by the consultancy firm Kroonenburg.

# **Growing together.**

Growth is essential for our continuity. In 2019 we launched a new vision of HR, focusing on Zeeman as an attractive employer at which we grow together. Ways in which we plan to achieve growth include expansion and enlargement of our online channel. But in order to remain a truly healthy company, we also need to continue achieving organic (like-for-like) growth. So without expansion, but 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 can continue to attract sufficient high-quality personnel in the future. In order to achieve this, we want to make a number of major shifts, including putting the customer first and encouraging customer-oriented entrepreneurship.

## **A new generation.**

New generations, now entering the labor market, have different expectations of their employer, such as 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, we intend to recruit around 5,000 employees per year in Europe in the coming years in order to enable growth. The shifts Zeeman wants to make also mean that our employees have to keep developing in order to grow with us: to grow together.



**“We want to be an attractive employer and create energetic, engaged and proud employees.”**

Our employees are our ambassadors, and if our people enjoy working for us, they will also radiate this toward the customers. That's why we put our employees at the heart of their journey at Zeeman. In 2019, for the first time, we organized a gathering for store managers in all countries with the main aim of informing and enthusing each other. This WeAreZeeman meeting gave everyone a lot of energy. In addition, we want to make more use of feedback gathered from our employees. This will enable us to ensure that our employees feel energetic, engaged and proud.



## Employees front and center.

In order to create energetic, proud and involved employees, we put employees at the heart of their journey at Zeeman. In 2019 we again improved the employee journey in a number of areas.

## Onboarding.

To this end, in the fall of 2018 we began development of a new and contemporary onboarding program. In November 2019, this onboarding program went live throughout Europe. We now offer every new retail employee 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).

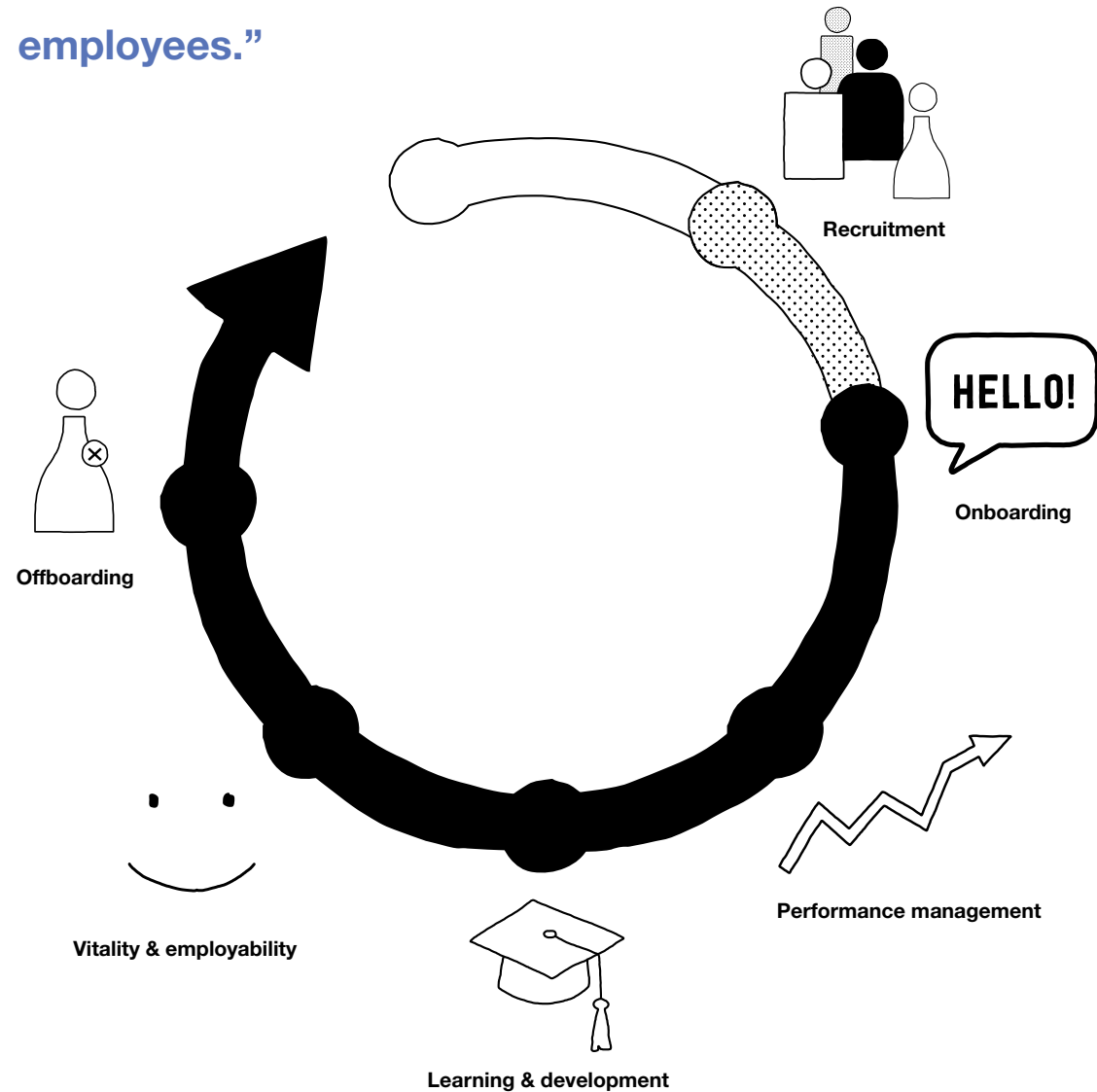
## Voluntary online training.

In addition to an onboarding program, Learn@Zeeman also offers a large number of online training courses, because we find it important that our employees can develop personally in order to grow with us collectively. We offer these online training courses entirely without obligation. However, in 2020, we will inspire the regional managers to use these courses to further develop their teams.

## Learning & development.

At Zeeman, we are *zuinig* of talent. That is why we offer our employees education and create opportunities for growth 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. In order to put the customer first, we encourage customer-oriented entrepreneurship. We see the store manager's position as a key role within sales. In 2020, we will be launching a fixed learning path for Store Managers and Trainee Store Managers.

“We’re making more use of feedback from our employees.”



## Employee engagement survey.

In order to be able to form a picture of involvement and employability within our organization, we asked our employees for input via an online survey in the first quarter of 2019. This survey was carried out by Noloost Capital. The results of the survey show that we have very enthusiastic and involved employees: we scored 8.6 (on a scale of 10). But there are also some points for attention, such as a high workload and the role of the manager.

**“The survey shows how involved our employees are: we scored 8.6 out of 10.”**

## The importance of involvement.

As part of this survey, a data analysis was also carried out which clearly demonstrated a link between lower sickness absence and higher involvement. The most enthusiastic employees have 41% fewer absent days due to illness. It has also been shown that managers with a people-focused approach score higher on involvement and therefore experience lower sickness absence in their teams. Partly as a result of these findings, we will be developing leadership training in 2020 in order to further increase involvement and reduce absenteeism.

## Differences per department or region.

In addition to general points for attention, there are also points for attention that differ per department or region. We have shared the outcomes at departmental or regional level with the relevant managers so that they could discuss the outcomes with their teams and get to work with them.

## Vitality and sustainable employability.

In the interest of a vital and sustainably employable workforce which is less likely to fall ill, we drew up a vitality policy in 2019. This policy has 3 pillars:

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

In September 2019 we started a kick-off for the employees of our service office and offered our employees a (concise) health check. In the course of 2020, we will also be launching a vitality portal for all our employees, to encourage healthy eating, exercise and a responsible lifestyle. In addition, through Learn@Zeeman we encourage our employees to continue their personal development.

## Diversity.

Zeeman values diversity. 90.1% of our employees are women, and among our managers, that figure is as high as 95.2%. 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: 70% of our staff works part-time. In addition, we believe that everyone deserves a fair chance of finding a job. No matter if you have a disability, wear a headscarf, are LGBTQ+ or are over 50. We consciously recruit employees with a disadvantage in the labor market and have created

workplaces for employees with disabilities. In order to ensure that managers offer the right support to employees with disabilities, managers working with them receive a special training course.

## Slow-fashion challenge.

To increase involvement among our employees, we organized a 'slow-fashion challenge' in 2019. For three months, we challenged all colleagues at our service office to be more conscious of their wardrobe. By buying new clothes less often, but also by buying second-hand clothes more often, having worn-out garments repaired or by opting for timeless pieces made from durable materials.

At the end of the challenge, we organized a clothing exchange event. All employees at our service office could bring in their (old) clothes in exchange for vouchers. At the event they could exchange the vouchers for clothing items brought in by other colleagues. The event was kicked off by a discussion panel with various experts from the industry. The goal was to create awareness about the clothing industry's impact and current developments in a fun and interactive way and to provide practical tips on how to make more sustainable choices.





# Support in our production countries.

Since 2005, we've had our own project in the area surrounding our production sites in Mumbai: Save the Children and Save Our Sisters in India, with a school for deaf and hearing-impaired children and a shelter for girls rescued from prostitution. In 2019 we founded a similar kind of shelter in Bangladesh, a project we call Save Our Sisters Bangladesh.

## Save the Children India.

Since 2005, Zeeman has been sponsoring a school in Mumbai set up by Save The Children India. This school is situated just outside the Dharavi district, the largest slum area in Central Asia. Every day, 250 disabled children from the district are collected. The children receive an education, from primary-school level to vocational training. So they can become electricians, carpenters or hairdressers. Children who at first seemed hopeless become eligible for a job and learn to provide for themselves.

**“Once their education is complete, girls often want to return to the area where they grew up.”**

## Save Our Sisters India and Bangladesh.

Another project of Save the Children India in which Zeeman has been involved since 2009 is: Save Our Sisters India, which is dedicated to combating the trafficking of girls and supporting its victims. Zeeman's support from 2017 to 2019 was used for a project in which the most vulnerable girls from the districts of Mumbai where prostitution is widespread are taught to be resilient and receive an education so that they do not involuntarily end up in prostitution. Thanks in part to Zeeman's support, the Save Our Sisters India project is progressing successfully.

## The repatriation project.

The year 2020 will see the launch of a new operation sponsored by Zeeman: the repatriation project. Girls who involuntarily ended up in prostitution and were subsequently freed receive an education through the Save Our Sisters project. When it is completed, they often wish to return to their native region. That's often another country, like Bangladesh. Their departure often runs into various difficulties (legal, transport, borders) which sometimes means it's a very long time before

the girls are back in the area they came from. A new infrastructure is now being worked on that will make it easier for the girls to get home, so that they can pick up their normal lives more quickly.

## Save Our Sisters Bangladesh.

In August 2019, Zeeman also launched the Save Our Sisters Bangladesh project. Just outside the capital city, Dhaka, Zeeman is supporting a shelter for girls who have been trafficked and ended up in prostitution. These girls, too, receive an education so that they have a chance to pick up their lives again.

# Appendices.

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**About this report.** >

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**PWC assurance report.** >

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**GRI Core Table 2019.** >

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**Overview of indicators.** >

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**Footnotes.** >

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**Glossary.** >

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**Colophon.** >

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# About this report.

## **Information gathering.**

The information in the 2019 CSR report was gathered by a team of people within Zeeman. The report has been composed in this way since 2008.

## **Transparency.**

Zeeman's management wants to be transparent about its CSR policy. We think it's important that shareholders, consumers, politicians and employees have a clear understanding of our policies. That openness provides the opportunity for stakeholders to track our performance, and to make an informed judgment of how we are doing as an organization.

## **Scope.**

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 relates to the period of 1 January 2019 through 31 December 2019. The previous CSR report was published in May 2019. The scope of the report is Zeeman Groep B.V., established in Alphen aan den Rijn.

# PWC assurance report.

## Our conclusion

On the basis of our activities, we have no reason to conclude that, in all materially relevant aspects, Zeeman Groep B.V.'s 2019 social-responsibility report does not offer a reliable and adequate view of:

- Policies and operations as they relate to corporate social responsibility; and
- The events and performance in this area for the year ending 31 December 2019, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internal reporting criteria as clarified in the section 'Reporting criteria' below.

## What we have reviewed

We have reviewed the social-responsibility report of Zeeman Groep B.V. for the year ending on 31 December 2019. The aim of this review is to obtain limited assurance.

The social-responsibility report contains a description of the policies and operations of Zeeman Groep B.V., Alphen aan den Rijn (hereafter referred to as: "Zeeman") related to corporate social responsibility and of the events and performance in this field during 2019.

## The basis of our conclusion

We have carried out our review in accordance with Dutch law, which includes Dutch Standard 3810N, 'Assurance-opdrachten inzake maatschappelijke verslagen' (*Assurance assignments relating to social-responsibility reports*). Our responsibilities in respect of the above are described in the section 'Our responsibilities in reviewing the social-responsibility report'. It is our opinion that the assurance information we have obtained provides a sufficient and appropriate basis for our conclusion.

## Independence and quality control

As required by the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)' (*Regulation regarding the independence of accountants performing assurance assignments*) and other independence rules relevant to the assignment that are in force in the Netherlands, we are independent from Zeeman. In addition, we have complied with the 'Verordening gedrags- en beroepsregels accountants (VGBA)' (*Regulation on professional rules of conduct for accountants*).

We apply the 'Nadere voorschriften kwaliteitssystemen (NVKS)' (*Further requirements for quality systems*). Following from the aforementioned, we possess a cohesive framework for quality control including defined guidelines and procedures to ensure compliance with ethical requirements, professional standards, and other relevant legislation and regulations.

## Reporting criteria

The social-responsibility report should be read and understood in the context of the reporting criteria. Zeeman's management is responsible for selecting and applying these reporting criteria, taking into account applicable legislation and regulations with regard to reporting.

The reporting criteria used for the preparation of the social-responsibility report are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The absence of established practices for review and measurement of non-financial information means there is a range of different, acceptable measurement techniques that may be applied. This may impact comparability between different entities and over time.

## Limitations in the scope of our review

The social-responsibility report contains forward-looking information, such as expectations regarding ambitions, strategies, plans, estimates and risk assessments. A factor inherent to forward-looking information is that the actual future outcomes are likely to deviate from these expectations. The resulting deviations may be of material importance. We provide no assurance regarding the presuppositions and the feasibility of future aims in the social-responsibility report. References to external sources or websites in the social-responsibility report do not form part of the social-responsibility report which we have reviewed. We therefore provide no assurance regarding such information not contained in the document itself.

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

### The management's responsibilities

Zeeman's management is responsible for the preparation of reliable and adequate sustainability information as included in the social-responsibility report in accordance with the reporting criteria as explained in the section 'Reporting criteria', including the identification of intended users and the identification of material issues. The decisions made by the management with respect to the scope of the social-responsibility report and the reporting policy are set out in the section 'Dialogue with our stakeholders' of the social-responsibility report. The management is also responsible for ensuring that the internal control processes are in place that it deems necessary to enable composition of the social-responsibility report without any deviations of material relevance resulting from fraud or errors.

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

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

The activities that are performed in obtaining limited assurance are aimed at establishing the plausibility of information, and vary in nature and timing from and are less comprehensive than those involved in an audit assignment aimed at obtaining reasonable assurance. The level of assurance obtained as a result of a review assignment is therefore considerably lower than the level of assurance obtained as a result of an audit assignment.

### Activities performed

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

### Our activities included the following:

- Performing an external environment analysis and gathering insight into the relevant social themes and issues as well as the characteristics of the entity;
- Evaluating the suitability of the reporting criteria used, their consistent application and the explanations given for these in the social-responsibility report. This includes evaluating the results of the stakeholder dialogue and evaluating the reasonableness of management estimates;
- Gaining insight into the reporting processes underlying the social-responsibility report, including an outline of internal control, to the extent relevant to our review;
- Identifying areas in the social-responsibility report with a higher risk of misleading or unbalanced information or material misstatements as a result of fraud or errors. On the basis of this risk assessment, determining and carrying out activities aimed at determining the plausibility of the social-responsibility report; These activities included the following:
  - Conducting interviews with management (and/or relevant employees) at the group level responsible for the (sustainability) strategy and policy and performance;
  - Conducting interviews with relevant employees responsible for supplying information for, performing internal checks on, and consolidation of data in the social-responsibility report;
  - Determining the nature and scope of the review activities to be carried out for the group entities and locations. The nature, size and/or risk profile of the group entities, locations or activities are decisive in this respect;
  - Obtaining assurance information showing that the social-responsibility report is consistent with the underlying accounting records of the entity;
  - Reviewing relevant internal and external documentation on the basis of limited observations;
  - Analytical evaluation of data and trends provided for consolidation at the group level;
- Evaluating the presentation, structure and content of the social-responsibility report;
- Considering whether the social-responsibility report as a whole reflects the purpose of the reporting criteria used.

Rotterdam, 26 May 2020

PricewaterhouseCoopers Accountants N.V.

Original signed by J.G. Bod, registered accountant

# GRI Core Table 2019.

In 2019, the material themes determined during the stakeholder dialogue at the end of 2018 were followed up.

For the eight most material themes, further policy has been outlined and a number of relevant KPIs have been determined on which we are reporting.

Indicator.		Page	Indicator.		Page
102-1	Name of the organization.	5	102-43	Approach to stakeholder engagement, including frequency of engagement by type and group of stakeholders.	14
102-2	Primary brands, products and services.	5	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.	3, 15, 17
102-3	Location of the head office.	5	102-45	Business units included in the annual accounts or equivalent documents of the organization.	5
102-4	The number of countries in which the organization operates.	5	102-46	Process for determining the content of the report.	51
102-5	Ownership model and legal form.	5	102-47	List of all material topics identified during the definition of the content of the report.	15, 17
102-6	Markets served	5	102-48	The impact of any updates of information provided in previous reports, and the reasons for such updates.	11
102-7	Scale of the reporting organization.	5	102-49	Indicate any specific limitations on the scope or delimitation of the material subjects.	51
102-8	Employee information	11, 55	102-50	Period under review	51
102-9	Supply chain	19, 20, 21, 22	102-51	Date of the most recent previous report.	51
102-10	Significant changes in size, structure, ownership, or the value chain during the reporting period.	11, 51	102-52	Reporting cycle.	51
102-11	Explanation regarding the application of the precautionary principle by the reporting organization.	5, 11	102-53	Contact point for questions regarding the report or its contents.	60
102-12	Externally developed economic, environmental and social charters, principles or other initiatives endorsed or upheld by the organization.	22, 23	102-54	The application level that was chosen.	53
102-13	Membership of associations (such as industry associations) and (inter)national advocacy organizations.	14, 23, 24	102-55	GRI table	53
102-14	Statement from the most senior decision-maker of the organization.	3	102-56	Policy and current practice with regard to seeking external assurance for the report.	51, 52
102-16	Values, principles and standards surrounding behavior, such as a code of conduct.	22			
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).	6			
102-40	List of stakeholder groups engaged by the organization.	14	103-1	Description and delimitation of material subjects.	15, 38, 39
102-41	Percentage of total employees covered by collective labor agreements.	KPI overview	103-2	Management approach.	15, 38, 39
102-42	Basis for inventory and selection of stakeholders to be involved.	13	103-3	Evaluation of the management approach.	15, 38, 39
			Zeeman indicator	% total sustainable materials in relation to total consumption % Better Cotton bought by Zeeman suppliers in relation to total cotton consumption	57

## Sustainable raw materials and resources.

Omission: no data on sustainable materials other than BCI is available for 2019. In 2020, a baseline measurement will be taken for subsequent reporting periods.



**Indicator.** **Page**

### Packaging and waste.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	17, 40
103-3	Evaluation of the management approach.	17, 40
Waste	GRI 306-2: Total weight of waste, by type and removal method.	55

### Environmental pollution by factories.

103-1	Description and delimitation of material subjects.	15, 35, 36, 37
103-2	Management approach.	15, 35, 36, 37
103-3	Evaluation of the management approach.	15, 35, 36, 37
Zeeman indicator	KPI: % purchase value produced by wet processing units with an effluent treatment plant (ETP)	57

*Omission: this KPI was established in 2019; the collected data is considered as a baseline measurement for the subsequent reporting period.*

### Sustainable buying practices.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	17, 30, 31
103-3	Evaluation of the management approach.	17, 30, 31
Zeeman indicator	KPI: % of purchase value at the 50 largest East Asia and Turkish suppliers % of the purchase value at the 50 largest East Asia and Turkish suppliers with whom we have been working for 5 years or more.	57

### Safe and healthy working conditions.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	17
103-3	Evaluation of the management approach.	22, 23

**Indicator.** **Page**

Occupational Health and Safety & Zeeman indicator	GRI 403-9: Work-related injuries KPI: occupational accident rate % major points for improvement from Zeeman's social audit corrected	55, 57
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### Circular economy.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	41
103-3	Evaluation of the management approach.	41
Recycling materials	KPI: % recycled waste	56

### Forced and child labor.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	22, 27, 28, 52
103-3	Evaluation of the management approach.	22, 27, 28, 52
Child labor	KPI: GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	22, 25, 26, 27
Forced or compulsory labor	KPI: GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	22, 25, 26, 27

*Omission: data not yet available. On page 26 we describe how a risk analysis was prepared in 2019, and how child labor is linked to the themes of sustainable materials and living wages.*

### Transparency and traceability in the supply chain.

103-1	Description and delimitation of material subjects.	15
103-2	Management approach.	18, 19, 20, 22
103-3	Evaluation of the management approach.	18, 19, 20, 22
Zeeman indicator	% East Asia and Turkish suppliers where independent supplier audits have been carried out	56

### Living wage.

103-1	Description and delimitation of material subjects.	15, 31-33
103-2	Management approach.	31-33
103-3	Evaluation of the management approach.	31-33
Zeeman indicator	KPI: % East Asia factories where the difference between minimum, actual and living wage has been assessed	57



# Overview of indicators.

In 2019, 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.

	2015	2016	2017	2018	2019		2015	2016	2017	2018	2019
<b>Our employees</b>											
<b>Total number of employees</b>	7,256	7,406	7,593	7,927	7,968	% male employees	8.3	8.8	9.0	9.0	9.9
Netherlands	3,419	3,491	3,425	3,505	3,518	% female employees	91.7	91.2	91.0	91.0	90.1
Belgium	1,521	1,504	1,629	1,615	1,593	% full-time	31.2	31.8	30.7	30.4	30.0
Germany	923	909	865	826	747	% part-time	68.8	68.2	69.3	69.6	70.0
France	1,283	1,344	1,456	1,680	1,636	% fixed-term	39.6	39.5	39.7	39.6	38.9
Luxembourg	73	69	62	64	71	% permanent	60.4	60.5	60.3	60.4	61.1
Spain	25	73	142	217	390	% employees covered by a collective agreement	87.2	87.7	88.5	89.5	90.5
Austria	12	16	14	20	13	% employees with a disadvantage in the labor market	1.5	1.5	3.2	2.7	2.5
<b>Average number of FTEs <sup>4</sup></b>	5,292	5,635	5,868	6,019	6,067	% men in management positions	3.8	4.4	4.1	4.3	4.8
Netherlands	2,113	2,298	2,471	2,430	2,373	% women in management positions	96.2	95.6	95.9	95.7	95.2
Belgium	1,229	1,205	1,216	1,251	1,231	% men in management positions (excl. store managers) <sup>2</sup>	27.4	28.0	24.7	25.9	28.4
Germany	808	796	785	743	690	% women in management positions (excl. store managers) <sup>2</sup>	72.6	72.0	75.3	74.1	71.6
France	1,056	1,211	1,223	1,368	1,435						
Luxembourg	70	67	64	62	66						
Spain	10	43	97	151	260						
Austria	6	15	12	14	12						
<b>Total number of interns</b>	4,514	4,148	4,043	4,010	3,603	<b>Age structure</b>					
Netherlands	1,786	1,625	1,512	1,307	1,149	% 24 years and below	36.2	34.6	34.1	32.9	31.4
Belgium	625	540	630	759	831	% 25-34	34.2	33.1	31.8	31.5	30.2
Germany	1,154	1,166	1,128	1,192	1,052	% 35-44	17.6	19.3	20.1	20.8	22.3
France	898	758	690	674	515	% 45-54	8.2	8.9	9.7	10.1	11.0
Luxembourg	49	40	32	31	14	% 55 years and above	3.8	4.1	4.3	4.7	5.1
Spain	unknown	8	27	20	25	Average number of years of service	6.0	6.3	6.4	6.3	6.4
Austria	2	11	24	27	17	% sickness absence <sup>3</sup>	5.27	5.58	6.04	6.51	6.80
						Occupational accident rate	2.83	2.38	2.47	2.39	2.47
						Number of deadly accidents	0	0	0	0	0
						Training days / FTE <sup>1</sup>	0.66	1.03	1.36	1.04	0.93
						Number of MBO diplomas obtained	148	141	208	142	112



	2015	2016	2017	2018	2019
<b>Transport <sup>7</sup></b>					
<b>Fuel consumption (liters / 100 km)</b>					
Trucks	26.91	26.49	26.37	26.04	25.00
Passenger cars	5.95	5.42	5.82	5.78	5.77
<b>Truck emission standards</b>					
% Euro V	35	0	2	0	0
% Euro VI	30	49	66	81	84
% EEV	35	51	32	19	16
% avg. CO <sub>2</sub> emissions per roll container, own and external transport (outbound) <sup>19</sup>	unknown	unknown	unknown	unknown	11.5
<b>Packaging &amp; Waste <sup>6</sup></b>					
Industrial waste (kg)	726,170	821,569	807,312	712,987	701,256
of which hazardous substances	unknown	unknown	unknown	1.4%	0.2%
Secondary packaging (kg)	4,600,160	4,588,300	4,670,900	4,802,330	4,766,060
Total weight of waste (kg) <sup>8</sup>	5,326,330	5,409,869	5,478,212	5,515,004	5,467,316
% recycled	86	85	87	88	89
% waste incinerated with energy recovery	unknown	unknown	13	12	11
% waste incinerated <sup>5</sup>	unknown	unknown	0	0	0
Primary packaging (kg) <sup>17</sup>	2,227,566	2,186,016	2,304,913	2,251,675	2,407,729
<b>Energy consumption <sup>9</sup></b>					
<b>Gas consumption (m<sup>3</sup>/m<sup>2</sup>)</b>					
The Netherlands <sup>10</sup>	14	15	14	14	12
Belgium	14	15	15	13	11
Germany	20	21	22	21	20
France <sup>11</sup>	16	14	15	25	unknown
Luxembourg	14	15	13	16	19
DC + service office	3	3	2	2	2

	2015	2016	2017	2018	2019
<b>Electricity consumption (kWh/m<sup>2</sup>)</b>					
Netherlands	67	67	66	65	63
Belgium	55	55	53	53	53
Germany	82	79	74	73	69
France	100	88	98	100	72
Luxembourg	34	33	32	40	37
DC + service office	42	40	33	38	37
<b>CO<sub>2</sub> footprint (tons) <sup>9, 12</sup></b>					
<b>Scope 1 / m<sup>2</sup> <sup>13</sup></b>	<b>24</b>	<b>24</b>	<b>22</b>	<b>29</b>	<b>21</b>
Gas – stores in the Netherlands	28	30	26	27	23
Gas – stores in Belgium	28	31	28	25	21
Gas – stores in Germany	39	42	41	39	37
Gas – stores in France <sup>11</sup>	32	27	28	47	unknown
Gas – stores in Luxembourg	27	30	24	30	36
Gas – DC + service office	6	6	5	5	4
Scope 1 / net revenue <sup>7, 13</sup>	9	9	9	8	7
Transport – trucks	8	8	7	7	6
Transport – passenger cars	1	1	1	1	1
<b>Scope 2 / m<sup>2</sup> <sup>14</sup></b>	<b>25</b>	<b>24</b>	<b>22</b>	<b>21</b>	<b>20</b>
Electricity – stores in the Netherlands	27	27	29	28	27
Electricity – stores in Belgium	10	10	15	15	13
Electricity – stores in Germany	39	37	46	46	56
Electricity – stores in France	6	5	6	6	6
Electricity – stores in Luxembourg	13	13	12	16	15
Electricity – DC + service office	17	16	15	9	16
<b>Scope 3 / net revenue <sup>15</sup></b>	<b>45.77</b>	<b>45.32</b>	<b>45.62</b>	<b>32.52</b>	<b>35.34</b>
Sea shipping <sup>18</sup>	25.73	25.40	26.43	11.90	15.52
Third-party road transport <sup>16</sup>	0.18	0.35	0.57	3.40	1.97
Inland waterways	0.66	0.64	0.56	0.45	0.38
Air travel	0.47	0.52	0.63	0.47	1.56
Packaging materials	15.63	14.72	14.33	13.75	13.29
Paper	3.10	3.69	3.10	2.55	2.62





	2015	2016	2017	2018	2019
<b>Buying</b>					
% of suppliers in East Asia and Turkey audited by an independent party <sup>21</sup>	unknown	unknown	84	94	100
% Better Cotton bought by East Asia and Turkish suppliers	2.0	5.6	8.6	10.4	23.7
% major points for improvement from Zeeman's social audit corrected	unknown	unknown	unknown	100	100
% of spot checks passed during the reporting period <sup>20</sup>	88	97	96	96	96
Number of products removed from sale	24	22	15	17	19
% factories in East Asia and Turkey where the difference between minimum, actual and living wage has been assessed by an independent party through 2019	unknown	unknown	unknown	unknown	20
% of purchase value from the 50 largest East Asia and Turkish suppliers	unknown	unknown	unknown	unknown	72
% of purchase value with our 50 largest East Asia and Turkish suppliers with whom we have been working for 5 years or more	unknown	unknown	unknown	unknown	89.5



## Footnotes.

1. The way this KPI is calculated was adjusted in 2016.
2. Comparative figures for years prior to 2016 have not been reviewed.
3. The definition of 'sickness' has been changed as of 2016. Employees carrying out alternative work are no longer considered 100% recovered.
4. Before 2016, a standard percentage was used when calculating the average number of FTEs for employees without fixed schedules. Since 2016, the calculation has been carried out on the basis of the actual number of hours.
5. From 2019 we started reporting this figure in kilograms. In 2018 this was reported in metric tons. The number for 2018 has therefore been adjusted.
6. As of 2016, figures concerning packaging and waste also include data from Austria and Spain.
7. The Zeeman Bus and off-road vehicles are not included in these figures.
8. Since 2016, the weight of removed refrigerators is included in the waste figure. Because this data was not measured in previous years, the figures for 2015 have not been adjusted.
9. As in previous years, Spain and Austria have been excluded from this data.
10. Natural gas from the Dutch province of Groningen.
11. The new supplier of gas in France has not been able to supply the consumption data in time, which means that this data cannot be reported.
12. Note that the figures for years prior to 2016 have not been reviewed.
13. Scope 1: this includes all direct emissions generated by the company's own activities, from sources under the company's control or in its possession, such as transportation to the stores. The CO<sub>2</sub> calculations for 2017 were made using conversion factors provided by suppliers and ones obtained from [www.co2emissiefactoren.nl](http://www.co2emissiefactoren.nl) for transport (2017). The conversion factor applied for gas is the same for all countries.
14. Scope 2: this includes indirect emissions from the use of energy procured to facilitate company activities, e.g. electricity. The CO<sub>2</sub> calculations for 2017 were made using conversion factors provided by suppliers; each country has its own conversion factor.
15. Scope 3: this includes all miscellaneous indirect emissions from third parties, such as: sea shipping, inland navigation, and air travel. The CO<sub>2</sub> calculation was made in accordance with the principles of the Greenhouse Gas Protocol (2016).
16. 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 the journeys between the distribution center and the hubs is an estimate based on data collected regarding the final weeks of 2018. Information on further distribution by third parties, from the hubs to the stores, is not available.
17. Primary packaging is the packaging for which we make legally required annual waste management contributions in the various countries. Packaging of products bought on the European market is not included.
18. Maritime emissions for recent years have been adjusted due to a change in methodology. Based on the availability of more accurate data, an adjustment in the volume-to-mass conversion factor has been applied, resulting in lower recorded maritime emissions. The adjusted comparative figures have not been reviewed.
19. In the calculation of the 'CO<sub>2</sub> emissions per roll container', not all data regarding external exporters is included. In addition, estimates and assumptions have been made regarding the fuel consumption of trucks and CO<sub>2</sub> emissions per liter of diesel (source [TTM.nl](http://TTM.nl)).
20. By 'passed', we mean that no defects were found during the spot check that could lead to a (potential) safety or health risk.
21. As of 2018, we report on suppliers audited by an independent party. As this data has not been measured before 2017, the figures for 2015 and 2016 have not been included in the report.

# 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.

## **Brand Asset Valuator.**

The Brand Asset Valuator is used to measure a company's image among Dutch consumers.

## **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 FairWear and a FairWear 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 Foundation (FWF).**

FairWear 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.

## **FairWear 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 also aim to reduce negative environmental impacts.

## **LED.**

Light-emitting diodes provide energy-efficient lighting.

## **Oeko-Tex® standard.**

A testing and certification system for textiles. The standard focuses on limiting the use of harmful substances in connection with the health of the end user.

## **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 MRS� 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 Benchmark.**

An annual review of the content and quality of social reporting of Dutch companies.

**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.

**May 2020**

**Zeeman textielSupers**

De Schans 15 – 2405 XX

Postbus 301 – 2400 AH

Alphen aan den Rijn

Netherlands

Telephone: +31 172 482 911

Fax: +31 172 482 293

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

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

ZEEMAN