

#### Short description of the company.

Zeeman is a chain of textile stores with over 1300 stores in seven European countries and online. Zeeman stands for quality basics and textiles, at a low price, sustainably made. We want to make fair textile basics accessible to everybody, while reducing our footprint.

We keep our designs simple, manufacture them as low costs and in large quantities. And through clever organization, we ensure the lowest possible price. We are committed to responsible purchasing practices such as fair payment term and increasing the share of more sustainable materials. In our stores, we offer a wide range of products categorized into four core groups: baby & children's clothes, legwear, home-textiles and underwear & nightwear. We also have women's and men's fashion, as well as non-textiles such as food, home accessories and cleaning products. Zeeman is a family business: 100% of the stock is held by the Zeeman family. The consumer sales in the year 2021 was € 816,2 million.

As a textile discounter with more than 1,300 stores in 7 countries, we are aware of our responsibility and duty of care for the social and environmental impact of our actions throughout the supply chain. For years we have been speaking out in favor of IRBC (Responsible Business Conduct) legislation at the European rather than the national level. This law (the CSDDD) creates a level playing field and should be completely based on the UNGP's and OECD guidelines, which impose a duty of care on companies to understand and address risks in their supply chain.

We believe in partnerships, in working together. That is the only way we can truly make this industry more sustainable, and provide a decent living for everyone. This can be seen in our long-term partnerships with leading sector initiatives such as the Dutch Agreement for Sustainable Garments and Textile, Fair Wear Foundation, NGO Solidaridad, Dutch recycling company Het Goed, and others. We also work with other Dutch business Schijvens and Prenatal to provide a living wage for our share of production at shared suppliers.

Transparency is a guiding principle for us, whether it's publicly sharing production locations up to tier 3 in the supply chain or sharing dilemmas or complaints received from the makers of our garments through Fair Wear's complaint mechanism.

#### The success factors that made the company a green front runner

#### Circular ambitions

We started the shift from linear to circular several years ago, and this is increasingly taking shape. A circular economy helps reduce our environmental impact and is therefore future-proof. Also, given the scarcity and thus rising cost of energy and raw materials, the need for this transition is greater than ever before. To accelerate this transition, we recently appointed a circular buyer who is working full-time to make our product range more local and circular.

#### Design practices

If we already make the right considerations in the development of our collections, this has a positive impact throughout an item's lifecycle. This led us to formalizing our design practices manual together with our design team. These practices helps us

# ZEEMAN

make more sustainable choices during the design phase. Two important principles are: extending the life of our products and taking into account the recyclability of the item after the user phase.

# Selling second-hand clothing

We are proud of our partnership with Het Goed, in which we are jointly exploring how we can make room within our current business model to sell used clothing. In 2022, nearly 34,000 used clothing items were sold in 8 pilot stores, and our ambition is to further scale up used-clothes sales. In all Dutch and Belgian stores, it is already possible for customers to hand in used clothing, which we then donate to Het Goed, where they are sorted in its sorting centers — mostly by staff who are disadvantaged in the job market. Items that are suitable for re-use are returned to our stores to be sold.

# Recycled materials

Our clothing and textiles currently consist of 4.5% recycled polyester and cotton from pre-consumer waste. It is a major challenge for us to work toward a 25% share by 2025, especially if it is to be made up of post-consumer waste and produced locally.

# CO<sub>2</sub> reduction

We are currently in the phase of mapping our footprint in collaboration with industry association Modint, bAwear and the Impact Institute. In 2023, we want to conduct a baseline measurement and tie a reduction target to that for 2027. We know that an very important part of our  $CO_2$  impact is linked to our products and production. Simultaneously, using available data at the product level, we will explore ways to reduce our environmental impact. In this process, we want to act jointly with other retailers.

### From Waste to Zeeman

"From Waste to Zeeman" is an initiative we started with our partners Cirkelwaarde, Frankenhuis, Enschede Textielstad, Saxion, and Het Goed. The idea is to produce a new product in the Netherlands from the highest possible percentage of recycled textile from post-consumer waste. This is an entirely new process, so it will be some time before we have a 100% post-consumer recycled product in our stores. But we are already eager to share the knowledge we gain and the challenges we encounter through our website.

### EPR: Extended Producer Responsibility

Zeeman has joined the EPR Textile foundation (Stichting UPV Textiel) and is involved in a working group that is considering the further development of EPR. One of Zeeman's board members will also be joining EPR's management. It is important that levies/contributions and reporting are clarified soon.

### What is your vision for the company in five to ten years

Keeping everything simple is what drives us. Because we believe that things are better when you make them simple. That also applies to the words we use. Today, everyone is talking about corporate social responsibility and sustainability. We simply call it being *zuinig*.



This typical Dutch word has two meanings: caring and cost-conscious. We are *zuinig* of the resources that we depend on. And *zuinig* of the people who work for us, the environment and our society. We believe that if you are zuinig of everything, good and affordable go hand in hand. We always look for the right balance and do so in a transparent way. Because if you're *zuinig* of something, you treat it with care.

Our strategy and sustainability themes together determine where we add value to our stakeholders. From various angles, we are working on making our product range and business operation more sustainable. The concept *zuinig* which is anchored in our strategy, is reflected in the eight priority topics valued by a large group stakeholders such as suppliers, customers, employees, NGOs, Unions and others.

# The main bottlenecks to reach your vision as well as transform the sector in sustainable way.

In order to reach our vision on sustainability it is of great importance that we cooperate with more players in the textile-sector. On the one hand with retailers and fashion-brands, and just as much within the chain. Where the IRBC legislation will create a level playing.

We have to turn around our business model toward a new circular business-model. How can we make this scalable for a retailer of our size?

If we succeed in making new yarns locally from post-consumer waste, we would also like to use them locally. While our production facilities are located in Asia.

### What is your assessment of the current climate- and environmental objectives and political instruments as a driving force of your business case?

We would be helped by an incentive from the government through a reduced VAT rate for locally produced items from post-consumer waste and for second-hand clothing, as well as grants that are accessible and enable acceleration in these endeavors.

As Zeeman we do not receive any instruments or incentives from the government to become more sustainable. Like a low VAT rate or a shift from tax on labor towards tax on emission.

For more detailed information on our CSR strategy we would like to refer to our <u>Social & Environmental Responsibility Report 2021</u>.