

A close-up photograph of a woman with voluminous, curly brown hair. She is smiling broadly, showing her teeth, and holding a dark lipstick tube near her mouth. She is wearing a white collared shirt and a ring with a blue stone on her finger. The background is plain white.

HEMA

**sustainability  
we can all be  
a part of**

sustainability report 2022



# contents



## about this report

HEMA publishes a report on corporate social responsibility (CSR) annually. The report addresses the following aspects and reflects our vision of sustainability: Environment, Social and Governance (ESG). Read more on [p. 5](#). Starting this year, the reporting period will coincide with our financial year, which means this time the report covers a period of 13 months: 1 January 2022 - 31 January 2023.



# be more sustainable with us

The launch of the new 'truly HEMA again' strategy has also seen the introduction of the 'designed to last' concept. Sustainable quality is part of what HEMA is about. We believe that, alongside our own efforts, we can also inspire our customers to be more sustainable in how they use their products. That's why we're encouraging all our customers to be more sustainable with us!

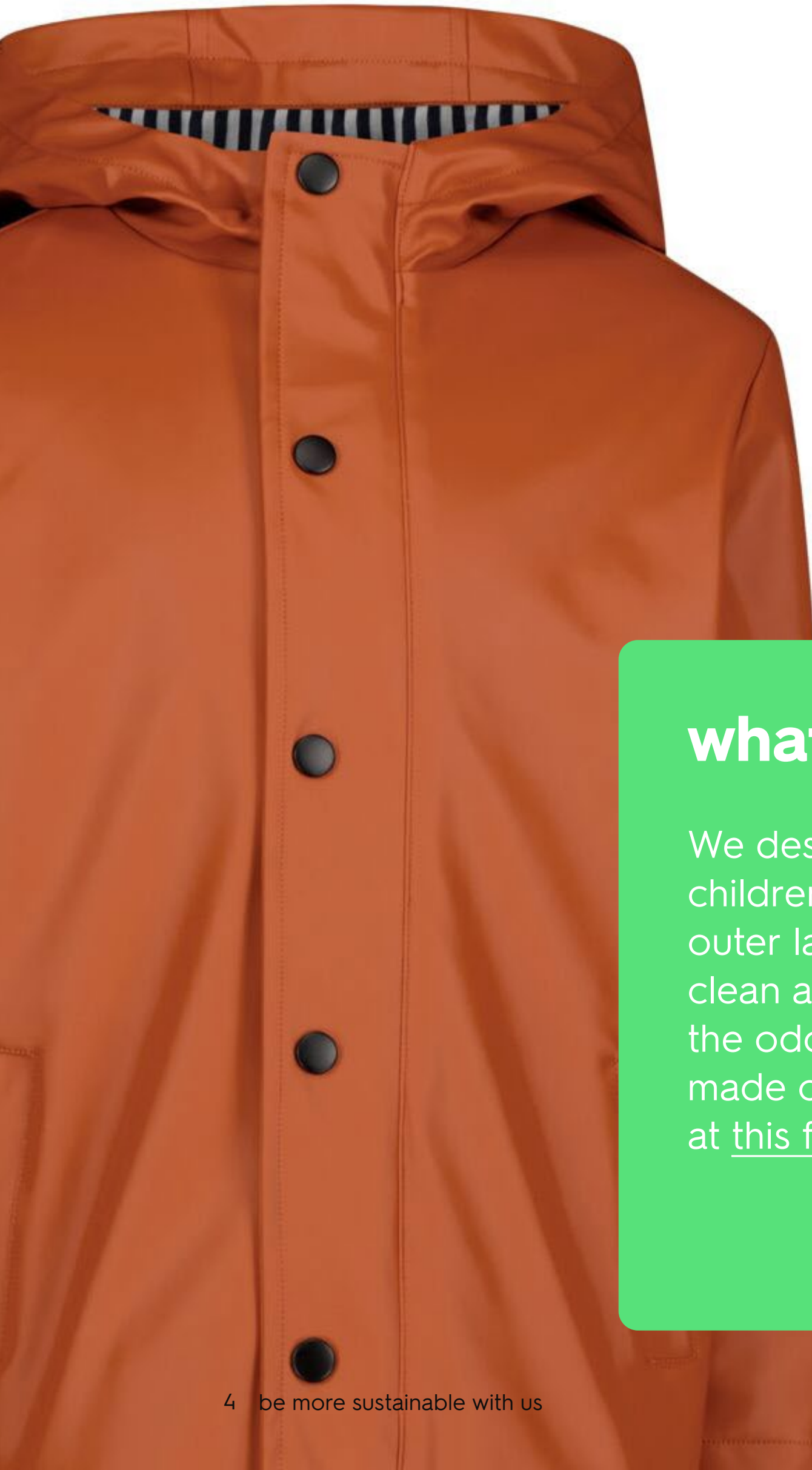
Our responsibility and impact goes beyond that which we can directly influence. Even after they have left the store with their purchase, customers can expect tips from us on how to make their product last longer. That way, we can all play our part in being more sustainable.

Through our 'designed to last' campaign, we are inspiring customers to extend the life of their products. The campaign launched with the humble sock taking centre stage: very comfortable, no sagging and made of high quality materials that are designed to last.



**Video:** The ultimate sock





### what we've done

We design our products with people, animals and the environment in mind. We look at how to ensure our products are long-lasting from the start during the design process, when we also pay attention to where and how to use sustainable materials. We have a clear focus on sustainable quality and are committed to ensuring that our products provide solutions for our customers.

### what you can do

We support customers by enabling them to use products for as long as possible, for example by giving tips on how to properly maintain them.

### how to pass it on

We want products to have as long a life as possible. That's why we share suggestions on what customers can do with products once they no longer need them. That way, we can give products and materials a new lease of life after use.



## what we've done

We designed this warm, lined children's coat with a rubber outer layer making it very easy to clean and well able to withstand the odd rain shower. The filling is made of recycled plastic produced at [this factory](#) in China.

## what you can do

It is best to clean the rain coat using washing-up liquid. Washing the coat by hand rather than in the washing machine will keep it clean and ensure it retains its water resistance.

## how to pass it on

On the inside it has a hand-me-down label where you can write up to three names. Once your child has grown out of this pink coat, you can pass it on to someone else and they can add their name as the next proud owner.





# sustainability we can all be part of

HEMA launched a new strategy in 2021 with sustainability as one of its spearheads. How did the strategy move from theory to practice in 2022?

**Interview with Saskia Egas Reparaz (CEO)  
and Jurriaan Pouw (CFO).**



## How has HEMA pursued the sustainability goals set out in the new strategy in 2022?

**Saskia:** HEMA stands for a better everyday life in a more beautiful world. A key part of this is developing products that are more attractive, practical, better and that last longer. Implementing a new strategy is for the long term. It's a matter of staying the course, because there will be always unexpected bumps in the road. You need to have the flexibility to respond to these as and when they arise. The war in Ukraine had a huge social impact last year with major consequences for people and the environment. We have not been immune to the effects of these, with the energy crisis, supply problems and high inflation all impacting on us as a business. At the same time, we went through organisational change as part of our plan to make HEMA truly HEMA again. But, we have stayed true to our ambitions and stuck to our guns, and have succeeded in making big strides in terms of sustainability. That's something I am very proud of.

## Can you tell us more about how sustainability is apparent in the process from design to availability in-store?

**Saskia:** We develop most of our products ourselves, so there is a period of more than a year between the initial idea for a product and the moment it hits the stores. We look at three phases when designing a product: before, during and after use. Because, as we all know, sustainability doesn't stop once the product is sold. The 'before' phase

is about everything we do before the product ends up on shelf and in the customer's shopping basket. During this phase, we are looking to avoid disposables, for example, so we develop alternatives that will last longer. Like our designs for a rechargeable bicycle light, a menstrual cup and re-wrappable paper. The choice of raw materials is also a key aspect in the before phase, and we will look at how we can make products more compact in order to lower the environmental costs of transporting them.

We also believe we should be offering our customers products that are more sustainable when in use, because they last longer. Because we develop almost all our products ourselves, we can do this by opting for durable materials and by incorporating useful features in the design, such as the double row of press studs on the grow-along romper suit and extra-long cuffs on the growth spurt suit. This built-in sustainability can also be seen in the dishwashing brush where you just need to replace the head and can reuse the handle again and again. We also give customers advice on how best to maintain or clean products so that they last longer. Similarly, we give them tips on how to extend a product's or material's life after use, for example by recycling them in Wolkat textile collection bins, or encouraging customers to hand down children's clothes with the name labels. Our products are attractively priced and also help you save money since they last longer. This is sustainability we can all be part of.



“Implementing a new strategy is for the long term; it's a matter of staying the course, because there will be always unexpected bumps in the road.”

**Saskia Egas Reparaz - CEO**





“HEMA aims to be a pioneer in the area of sustainability, and this driving force is felt in all corners of our organisation.”

**Jurriaan Pouw - CFO**

## **How do these developments contribute to HEMA's bottom line?**

**Jurriaan:** Sustainability is an essential part of our approach and is critical to future-proofing ourselves as a business. We can see that our strategy of making HEMA truly HEMA again is gaining awareness among our customers and is appreciated by them. This is reflected in surveys as well as our sales growth and positive financial results. The new approach is gaining ground and the inclusion of sustainability in the approach is undoubtedly contributing to this success. We help our customers make conscious choices, and this is drawing them in. Customers are returning to HEMA in greater numbers and together we are working for a more beautiful world: the very objective we set out with the first place.

## **Hoe kijk je vooruit, welke uitdagingen zie je in de toekomst?**

**Jurriaan:** We made some really wonderful strides in 2022, but we also realise that there is much more to do, so we need to keep our eyes firmly on the future. For instance, we have already started preparing for future developments with respect to sustainability reporting as set out in European legislation with the Corporate Sustainability Reporting Directive (CSRD). HEMA aims to be a pioneer in the area of sustainability, and this driving force is felt in all corners of our organisation.



# truly HEMA design

We design most of our products ourselves. That makes HEMA unique, and gives us full control over our product range.

## **more attractive, more practical, better**

HEMA products look good, are practical and simply better. A product that surprises the customer, solves a problem and is convenient to use. And, more than anything, is of good quality, made with sustainable materials and has a lower environmental impact.

## **sustainable quality**

How long a product lasts is largely determined by the quality. That's why we initiated a major quality assurance drive for our products in 2022. When designing a product, our designers make conscious choices in terms of materials that must comply with our HEMA-specific design requirements. Not only that, we test everything ourselves. When we designed the perfect reinforced sock, we researched what makes the perfect sock. We had a large group of HEMA

colleagues test it and we conducted technical quality tests. Read more about our quality assurance procedures on [p. 55](#).

## **HEMA design at its best: rechargeable bicycle lights**

Our rechargeable bicycle lights are a nice example of sustainable HEMA design at its best. These bicycle lights look good, are practical and simply better. They feature an unusual and attractive design, and are easy to remove thanks to the magnetic attachment. That means they can be used for a range of activities, such as on your jacket if you're out running. They are also rechargeable, which means they last longer and have a lower environmental impact than non-rechargeable bicycle lights.



“We pay attention to all the stages in the lifecycle of the product right from the start as early as the design phase, always working from the assumption that the product should last longer.”

**Sytze van der Zee - Designer**





# designed to last phases

We identify three phases during the design phase: before, during, after. Our designers use these three phases as a guide when designing a truly HEMA product.



**before** smarter production

**during** extend life

**after** give product a new life after use





# value chain

HEMA, the Hollandse Eenheidsprijzen Maatschappij Amsterdam, has existed since 1926 and is now a familiar presence on Dutch high streets. HEMA designs, sells and distributes products through its own stores, franchises and online shops, as well as through its partners.

With over 730 stores in eight countries and online shops, we serve 136 million customers a year. Every day some 17,000 employees in our stores (including franchises), distribution centres and offices work together for a better everyday life, in a more beautiful world. HEMA offers a wide range of products - for everyone and for every moment in the day. We focus on offering products that are practical, attractive and simply better, products that last longer. Everyone has a part to play in making that happen.

**733**  
stores

**8**  
countries

**136**  
million  
customers

**17**  
thousand  
employees



# value chain

## truly HEMA design

We make everyday life better in a more beautiful world with products that last longer; products that are practical, attractive and simply better. We design new products or we redesign a more sustainable version. This is how products begin their life in the design studio at our head office.

## responsible sourcing

We work with certifications, international standards and additionally our own human rights, environmental and animal welfare criteria when sourcing our materials and products.

## transparency in the supply chain

HEMA has systems in place for the regular monitoring of all its factories (tier 1 production sites), details of which are published on our website. By 2025, we want to extend this to our factory suppliers (tier 2) and further down in the chain (tier 3 and beyond) where there is an increased risk to people, the environment or animal welfare.

## good working conditions

We work with our suppliers and in the factories to ensure good working conditions. This means monitoring working conditions and setting up projects locally. We follow OECD due diligence guidelines to eliminate, address and avoid risks in the chain.





# value chain

## packaging

We package our products if necessary. We limit the use of packaging materials and choose more environmentally friendly materials. We replace plastic packaging with eco-friendly cardboard.

## transport

We seek to use environmentally friendly transport options: this means transport by land and sea where possible and reducing emissions. For example, HEMA stuffed toys are vacuum-packed so they take up less space during transport.

## in HEMA stores

We offer our products in our stores and in our online shops. We provide information about the product and offer alternatives to disposable products, such as our washable make-up wipes.

## HEMA for everyone

We are here for everyone. This is reflected in our wide product range, which we make accessible for everyone. As an employer, we provide an environment where everyone feels comfortable.



# value chain

## sustainable quality

The HEMA design principles result in products of sustainable quality that last longer. From beauty items to tableware, from party decorations to stationery and bedding to clothing.

## a longer life

We inspire customers to take care of their products, find different uses for them and ultimately to pass them on.





# our value creation model

Our value creation model illustrates where and how we add value in our chains. We use the model to show what forms of capital (financial, production, natural, social, human) we employ, how we add value and its effects in the short term (results) and long term (impact).





## our strategy

- strengthen HEMA in a simple and cost-effective way
- make HEMA part of our customers' everyday life by offering products of sustainable quality that last longer
- strengthen our omnichannel approach in our own stores and on our own digital channels
- a strong network of welcoming, customer-oriented stores
- make sure everyone loves HEMA by moving with the seasons and offering the best loyalty programme

## input

### financial

- equity capital
- investments
- collaboration with Jumbo

### production

- 733 stores in Europe: in the Netherlands, Belgium, Luxembourg, France, Germany and Austria. Outside Europe through partnerships in the United Arab Emirates and Mexico.
- 2 distribution centres
- 3 purchasing offices
- office in Amsterdam
- HEMA design at its best

## results

### financial

- €1,966 million in consumer sales
- HEMA shelves in 707 Jumbo stores dual materiality analysis in accordance with CSRD in 2023

### production

- 30,000 products
- 36% textiles, 43% household products and personal care, 19% food and catering, 2% services and other (percentages based on turnover share)

## impact

### financial

We believe in balancing healthy and robust financial results with working towards sustainable and future-proof supply chains and products.

 SDGs: 8 & 12

### production

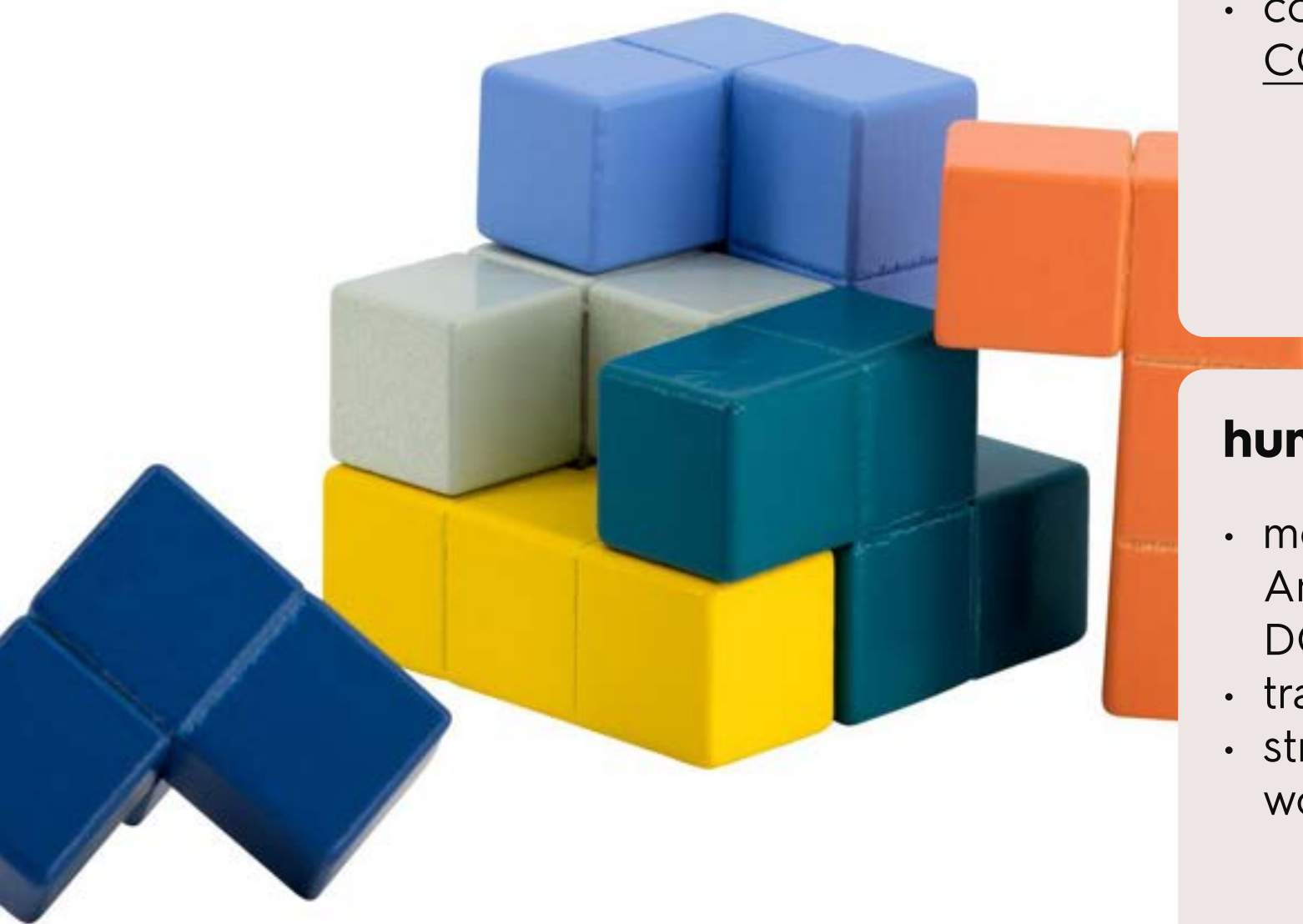
We make products of sustainable quality that last longer. As early as the design stage, we think about all life phases of the product and focus on quality and our customers' requirements.

 SDGs: 8, 12 & 17



## our focus on sustainability

- our product range: attractive, practical and simply better
- sustainable quality products made from responsibly sourced materials
- sustainability we can all be part of



### input

#### natural

- raw materials and products
- sustainable quality
- sustainable packaging
- commitment to environmentally friendly transport means

#### social

- 136 million HEMA customers a year in store and online
- meetings with stakeholders
- collaboration with Pink Ribbon, COC Netherlands and Too Good to Go

#### human

- more than 17,000 employees at our Amsterdam office, purchasing offices, DCs and (franchise) stores
- training and development
- strengthen the position of workers in the supply chain

### results

#### natural

- cocoa, tea, coffee, down and palm oil (in food) certified 100% sustainable
- assessed the environmental standards of 100% of our textile suppliers in high-risk countries
- 235 audits/random quality samples
- 23% less plastic packaging material per item compared to 2019

#### social

- inclusive range
- 4.5 million customer loyalty card holders in the Netherlands and Belgium
- stakeholder meeting to launch new HEMA strategy
- HEMA Netherlands and Belgium jointly donated €15,000 to Pink Ribbon
- HEMA Belgium and Germany have also been working with Too Good To Go since 2022


#### human

- 80% of employees at HEMA are women and 20% are men
- representation of specific groups within HEMA, e.g. through YoungHEMA and HeyPride
- 8 employee satisfaction score
- 612 audits on criteria relating to human rights and the environment

### impact

#### natural

Ensuring our products are made of sustainable materials is a priority for us. We aim to minimise environmental impact and impose criteria on the materials we use.

 SDGs: 8, 12, 13 & 17

#### social

We believe everyone should feel welcome at HEMA. We are welcoming to our customers and stakeholders, and collaborate with others. At HEMA, you can be who you are. We offer a diverse and inclusive range to be truly you!

 SDGs: 5, 10 & 17

#### human

we offer HEMA employees an inclusive, safe and pleasant workplace. We are strengthening the position of workers in the supply chain.

 SDGs: 3, 5, 8 & 10





# our highlights of 2022

In 2022, we showed that HEMA is doing its bit to make our world a better and more beautiful place, through our products and various social and community initiatives. We have put together a few highlights below.



# spring

## Too Good To Go HEMA Germany and Belgium

Following a successful pilot, Too Good To Go boxes containing HEMA products are now also available for collection from stores in Germany. Belgium followed later in the year, at our 98 HEMA stores in the country.

## kids edition redesign competition

HEMA organised a kids' edition of the redesign competition in collaboration with Designathon Works.

**Video:** Nail polish with long brush:  
Evie and Juune win redesign competition

## refillable eye shadow palette

Customers can choose their own colours to fill this eye shadow palette and the individual colours can be replaced separately. An example of where the design paid attention to how the product could be made to last longer.





# summer

## summer parade

The first ever inspirational HEMA summer parade: an internal two-day event all about HEMA strategy, diversity & inclusion and personal development for HEMA staff.



## working conditions survey

To help us ensure our employees are happy with their working conditions, we carried out an internal survey to find out what they want. That way, we can make good choices for the future.

## growth spurt trousers

HEMA highlights growth spurt trousers. Trousers for children that can be worn for longer because they are made with growth in mind with turn-ups on the bottoms of the legs.

**Video:** made with love - the growth spurt trousers

## food bank donation

In August, customers donated points they had collected on their HEMA customer loyalty card. This enabled HEMA to donate €10,000 to Voedselbanken, the food bank charity in the Netherlands.





# autumn

## Pink Ribbon collaboration

HEMA and Pink Ribbon are working together to raise awareness of the importance of breast screening. Customers donated points, which enabled HEMA Netherlands and Belgium to donate €15,000 to Pink Ribbon.

## launch of the post-surgery bra

HEMA has a comfortable bra for everyone, no matter what your shape or size. We have also been selling a post-mastectomy bra since 2022. The bra was developed in collaboration with people who wear a breast prosthesis to ensure that, going forward, HEMA can offer a bra with the right support for them.

## HEMA x LINDA

HEMA joined forces with LINDA to publish GOED. magazine, with the key message that HEMA basics are well-designed and well made. For everyone, from inspiration for wearable fashion through to die-hard fashionistas.





# winter

## stakeholder meeting

In January 2023, we explained HEMA's new strategy and the role of sustainability to external partners and stakeholders at a stakeholder meeting.



## collecting more used textiles

HEMA is expanding the number of stores with a textile collection point from 24 to 116 branches.





# aspects of sustainability

In 2021, we introduced our new strategy and conducted a materiality analysis. This is helping guide our policy on sustainability. We sent out surveys to our stakeholders and carried out in-depth interviews. We asked which aspects of sustainability they thought were most important for HEMA. These aspects are central to HEMA and each aspect is addressed individually in this report.

In preparation for the introduction of the new Corporate Sustainability Reporting Directive (CSRD), we conducted a dual materiality analysis with internal and external stakeholders in late 2022 and early 2023. This will act as a key baseline for future reporting.

## internal prioritisation

Sustainability goes to the heart of our business. We are working hard on this together with our employees, suppliers and other partners. Our CEO Saskia Egas Reparaz, CFO Jurriaan Pouw, CPO Wilma Veldman and the sustainability team are taking the lead in this. They are working in close cooperation to ensure that sustainability remains high on the agenda in all parts of HEMA. Read more on [p. 50](#).

1  
good working  
conditions at  
suppliers

2  
responsible  
sourcing and  
use of raw  
materials

3  
sustainable  
design

4  
good  
employment  
practices

5  
transparent  
supply chain

6  
strengthening  
the position of  
workers in the  
supply chain

7  
reducing CO<sub>2</sub>  
emissions

8  
transparency  
about impact



# targets and results

We have set targets for each of the aspects so that we have something specific to aim for as we work on our environmental, social and governance impact. The status of our sustainability targets is shown in a schematic overview.





# environment

## reducing CO<sub>2</sub> emissions

### aspect

We want to reduce our carbon footprint in order to lessen our impact on the environment. We are looking at ways to do this within our product range, supply chain and operations.

### target

In 2023, we set CO<sub>2</sub> reduction targets in line with the SBTi. We are also developing CO<sub>2</sub> reduction strategies by impact area to start reducing our CO<sub>2</sub> emissions as early as 2023.

### status

On track

## sustainable design

### aspect

How long a product lasts is largely determined by its quality. When designing a product, our designers make conscious choices in terms of materials that must comply with our HEMA-specific design requirements.

### target

We innovate and design our products based on HEMA values. One such value is that a product should last longer. We also pay attention to end-of-life for products. We also ensure that our products meet our customers' needs. We talk to our customers about more sustainable usage and sustainable (product) solutions.

### status

On track

## responsible sourcing and use of raw materials

### aspect

We aim to produce all the products we design using responsibly sourced raw materials. We also take animal welfare very seriously.

### target

Our target is to sell certified 100% sustainable cotton, down, wood and paper, palm oil in cosmetics and food, cocoa, tea, coffee, meat, dairy and fish by 2025.

### status

On track



# people

## good working conditions at suppliers

### aspect

Everyone in the supply chain is entitled to good working conditions. To this end, we impose procurement criteria and pursue a policy focused on human rights in the supply chain. We do checks on factories for aspects such as forced labour, the prevention of child labour, health and safety, and reasonable working hours.

### target

100% of our new and existing suppliers in high-risk countries undergo checks during our own MRQ social compliance audits, and are inspected and monitored through BSCI (or equivalent) after one year.

### status

Achieved

## strengthening the position of workers in the supply chain

### aspect

Some of the products we produce and raw materials we use come from high-risk countries. We focus on empowering workers in our supply chain by working with NGOs on specific projects.

### target

By 2025, all employees at production facilities in our top five high-risk countries will have access to a grievance mechanism (internal or external).

### status

On track

## transparent supply chain

### aspect

We take responsibility for our part in the supply chain and are transparent about where our products come from. This provides insight into our supply chains and risks for people, animals and the environment, so that we can have a positive impact together with our suppliers and other stakeholders.

### target

Details of all HEMA factories are published online via the Open Supply Hub. In 2022, we carried out an analysis of all sub-suppliers (tier 2) to the textile mills. In 2023, we will carry out an analysis of sub-suppliers (tier 2) for the hardware and beauty product groups.

### status

On track



# organisation

## transparency about impact

### aspect

We make our impact in the supply chain more transparent to our stakeholders and communicate on this.

### target

We report on environment, social and governance (ESG) in this report in accordance with the GRI guidelines.

We invite our stakeholders to an annual stakeholder meeting.

In 2023, we will conduct a human rights and environmental impact risk assessment in accordance with OECD guidelines, and share the conclusions with our stakeholders.

### status

On track

## good employment practices

### aspect

We can only achieve our goals together with our HEMA colleagues. We take the job satisfaction, well-being, development and health & safety of our employees seriously. We also believe in the importance of promoting diversity and inclusion. We aim for a balanced M/F/X balance and are seeking to continue attracting people from different cultural backgrounds to join the company, with the aim of creating a more inclusive work culture.

### target

We measure employee satisfaction several times a year in areas such as being myself, working with colleagues and energy. We will review this target in 2023 in line with our strategy.

### status

On track



# environment

## in this section

Around 33% of the annual average carbon footprint of a Dutch household comes from buying food, drinks, clothes and goods ([Milieu Centraal, 2022](#)), that is products we produce and eventually sell. Together with our customers, we are able to make a significant contribution to reducing the carbon footprint of our everyday lives.




# environmental strategy

At HEMA we understand that climate change is a global challenge in which we have our own role and responsibility. That is why we took major steps towards developing an environmental strategy in 2022. The first step in this process was to gather data so that we have a baseline measurement and better insight into HEMA's environmental impact.

## **CO<sub>2</sub> baseline measurement**

The past year therefore revolved around performing the very first CO<sub>2</sub> baseline measurement for HEMA, a huge undertaking. We collected data on our own operations as well as our value and production chains. We used all this data to calculate our carbon footprint in 2019. We used the Greenhouse Gas Protocol as a framework and for the methodology when doing the baseline measurement, and identified all scope 1, 2 and 3 emissions. We used 2019 as the reference year since it is the most representative year in recent times. Because of the COVID-19 pandemic and its consequences - such as lockdowns and reduced (economic) activity. Taking 2020 and 2021 would result in distorted figures that are too positive. We will publish the results of the CO<sub>2</sub> baseline measurement in the course of 2023.



The Science Based Targets initiative (SBTi) ensures that companies' targets worldwide are in line with the 2015 Paris Accord targets. This agreement is a legally binding international treaty between 196 countries with the aim of keeping the rise in the global average temperature to well below 2°C above pre-industrial levels and continuing efforts to limit the temperature rise to 1.5°C above pre-industrial levels.



### CO<sub>2</sub> reduction targets

In the coming years, we will significantly reduce our CO<sub>2</sub> emissions. To this end, we will apply the globally recognised CO<sub>2</sub> reduction targets produced by the Science Based Targets initiative. To contribute to CO<sub>2</sub> reduction, HEMA aims to reduce CO<sub>2</sub> emissions from its own operations (scope 1 and 2) by 75% by 2030 compared to 2019 and halve emissions from other activities in the supply chain (scope 3)\*\*. In addition, HEMA is committed to the long-term goal of being climate neutral by 2050. We will report annually on our progress with respect to targets and developments in our carbon footprint.

### water use and biodiversity

We are also aware that the production processes used to manufacture our product range have other environmental impacts. Examples are the production of textiles, which uses large amounts of water, or the use of land for our food products. We are therefore launching a number of pilot projects in 2023 to assess the environmental impact of our production chains, including projects to analyse water use and land use.

“The CO<sub>2</sub> baseline measurement gives us a sound foundation from which to start, so that we can target our efforts to reduce our carbon footprint. The significance of HEMA’s statement of commitment to the SBTi targets cannot be underestimated. I am hugely proud of this major step we have taken, and the valuable insights we have generated from the baseline measurement.”

**Xander Kotvis - Sustainability Specialist  
Environmental Impact**

**75%**  
**reduction by 2030**  
scope 1 and 2

**46,2%**  
**reduction by 2030**  
scope 3

**climate neutral  
by 2050**



# our materials

Producing our range is a big part of our business. Because we design most of our own products, we have full control over the design and can make conscious choices about the materials we use.

## **choice of materials**

Raw and other materials have an impact on people, animals and the environment. That's why we are aiming for certified 100% sustainable materials with appropriate certification. We have already achieved good results in this area over recent years.

## **certifications**

HEMA has a strong emphasis on the use by suppliers of certified materials in their production processes. That way we know that our products were produced under conditions that comply with our guidelines and fulfil the certification requirements. In 2022 HEMA was accredited by Control Union

(CU) to assess and award GOTS and Textile Exchange certifications. These labels and other accepted certifications and standards are listed in the table below. We also reviewed our internal assurance process for certifications. A number of raw materials are fully certified. At the same time, we are also coming up against challenges when it comes to achieving the targets.



“Certifications help the customer and ourselves to independently assess the claims we make. We further expanded the certifications for our products in 2022 and will be going further still in 2023.”

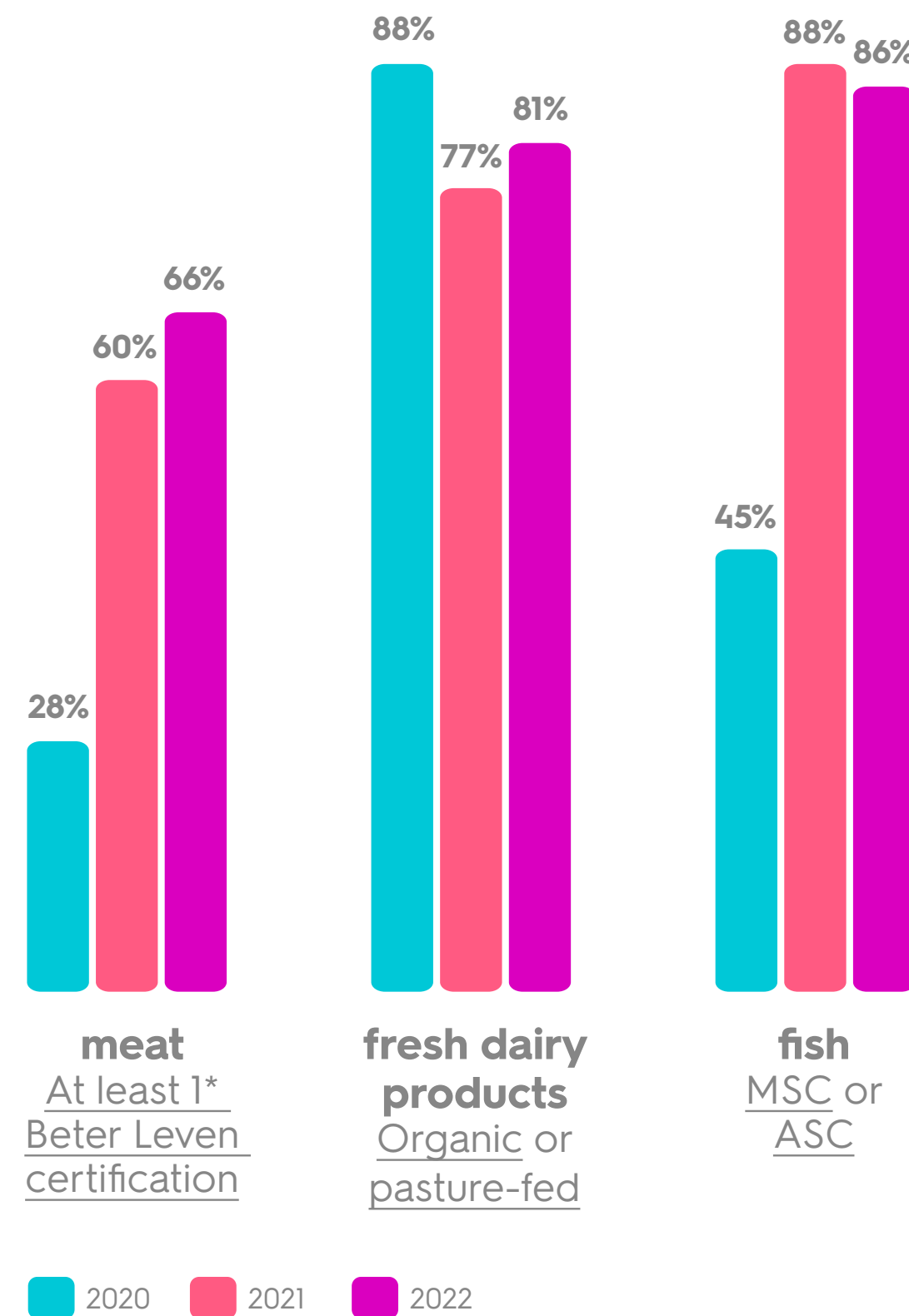
**Brigit van Daelen - Technical Specialist Sustainable Product**



# food

certified products as a percentage of the total number of products in food

<p><b>cocoa</b></p> <hr style="border: 1px solid white;"/> <p><b>100%</b></p> <p>achieved since 2017</p> <hr style="border: 1px solid white;"/> <p><u>Rainforest Alliance</u></p>	<p><b>tea</b></p> <hr style="border: 1px solid white;"/> <p><b>100%</b></p> <p>achieved since 2022</p> <hr style="border: 1px solid white;"/> <p><u>Fairtrade or Rainforest Alliance</u></p>
<p><b>coffee</b></p> <hr style="border: 1px solid white;"/> <p><b>100%</b></p> <p>achieved since 2021</p> <hr style="border: 1px solid white;"/> <p><u>Fairtrade or Rainforest Alliance</u></p>	<p><b>palm oil</b></p> <hr style="border: 1px solid white;"/> <p><b>100%</b></p> <p>achieved since 2018</p> <hr style="border: 1px solid white;"/> <p><u>RSPO</u></p>



## Some examples:

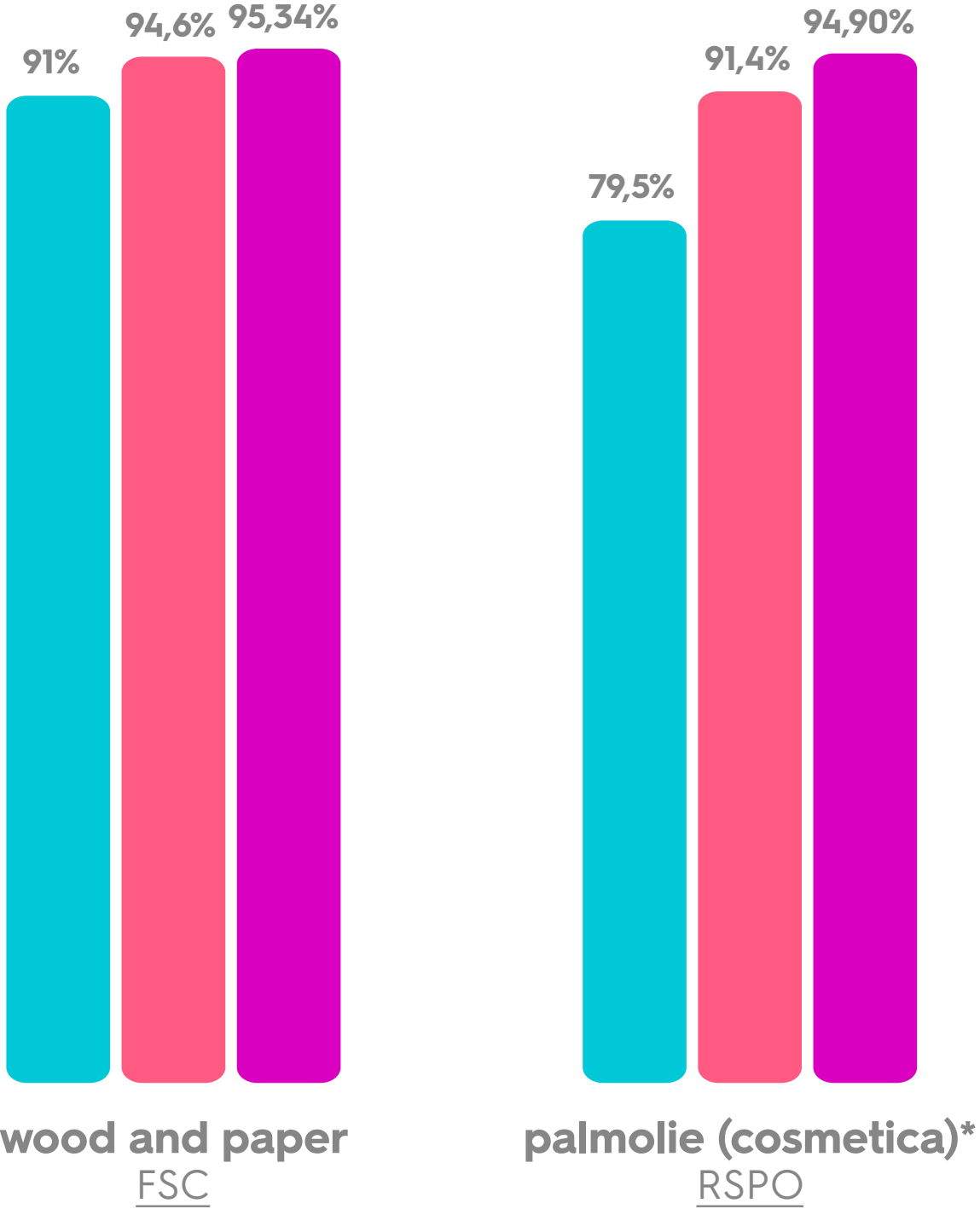
**palm oil:** Our goal is to use only palm oil that is RSPO-certified in cosmetics and food products. Due to a scarcity of RSPO-certified raw materials, some cosmetics products, such as sunscreen, currently contain partly RSPO-certified raw materials and partly non-RSPO-certified raw materials. Once the supply of RSPO-certified raw materials increases again, we will switch to sourcing only RSPO-certified raw materials.

**meat:** We are aiming for all our beef and pork to have Beter Leven (Better Life) certification. Beef products and cured hams come from abroad where the Beter Leven certification does not exist. In order to meet the target, we are continuing to look for alternatives to this certification. A further challenge to meeting this target was moving our smoked sausage to 1\* Beter Leven certification. Due to the scarcity of pork with 1\* Beter Leven certification in the market, we have not yet succeeded in doing so. We need to set up a new supply chain for this, which will delay fulfilment of the target to 2024. This means we have not yet met our target for 2023 of 100% meat sourced through the Beter Leven certification.



# non-food

certified products as a percentage of the total number of products in non-food



\* Palm oil: % conventional sourcing of palm oil in cosmetics - 65.5% of all cosmetic products contain palm oil.

**animal welfare (down):** We are also concerned about animal welfare when sourcing and producing raw/other materials and products. For example, we use certifications for meat and materials derived from animals such as down and wool, our products do not contain fur or angora, and merino wool may only be used providing it is mulesing-free. And, of course, none of our cosmetic products are tested on animals.

**wood and paper:** Nearly all our products made from wood and paper are FSC-certified. We want to achieve the same for our photographic paper. To this end, we entered into discussions with our direct suppliers in 2022 with the aim of producing an action plan together. For example, we are aiming to have 100% of our wood and paper products FSC-certified.

**recycled or renewable materials:** Our target was to make all our plastic or polyester products from recycled or renewable materials by 2025. We analysed this goal in 2022 and incorporated it into our design principles. So, our new goal is to carry out an assessment every time a product is developed or redeveloped to see whether and what options there are to make it last longer.



# packaging

We aim to use as little packaging as possible for our products. Where packaging is needed we work to make the materials used more sustainable. In 2022, we made further major strides towards meeting our 2025 targets.

## **less consumer packaging and less plastic in packaging**

The first thing we look at when developing (new) packaging is using less packaging. In 2022, we used 23% less plastic packaging per item than in 2019. Our Easter eggs are an example of a product with less packaging. They now come in a smaller bag and no longer have a closure clip. The new packaging saves 23% plastic and is also easier to recycle. 2022 was all about moving towards less plastic packaging. In 2023, the focus is on reaching our target of using 25% less packaging by 2025. The reduction figure stands at 0% compared to 2019. This is because we replaced a lot of plastic with cardboard, which in many cases resulted in heavier packaging. We also have more items packaged in glass such as (scented) candles in glass and the bake&mix jars.

## **recycled or bio-based plastic in consumer packaging**

Besides the amount of packaging material, we are also seeking to make conscious choices in terms of raw materials. For paper and cardboard, we prefer to use only recycled or FSC-certified materials, while for plastic our target is to use at least 20% recycled or bio-based plastic in our consumer packaging by 2025. In 2022, we developed more recycled packaging in consumer packaging than in 2021, such as the new packaging for custom-made curtains made of 100% recycled plastic

and the personal care line with 50% to 100% recycled plastic bottles. We are now at 13% recycled or bio-based plastic. Next year we will continue to innovate with new, more sustainable packaging materials to meet our target of at least 20% recycled or bio-based plastic by 2025.

## **recyclable consumer packaging**

We are aiming for all our packaging to be recyclable by 2025. Recyclable packaging should ideally be made of a single material, so it is clear to the customer which bin it should



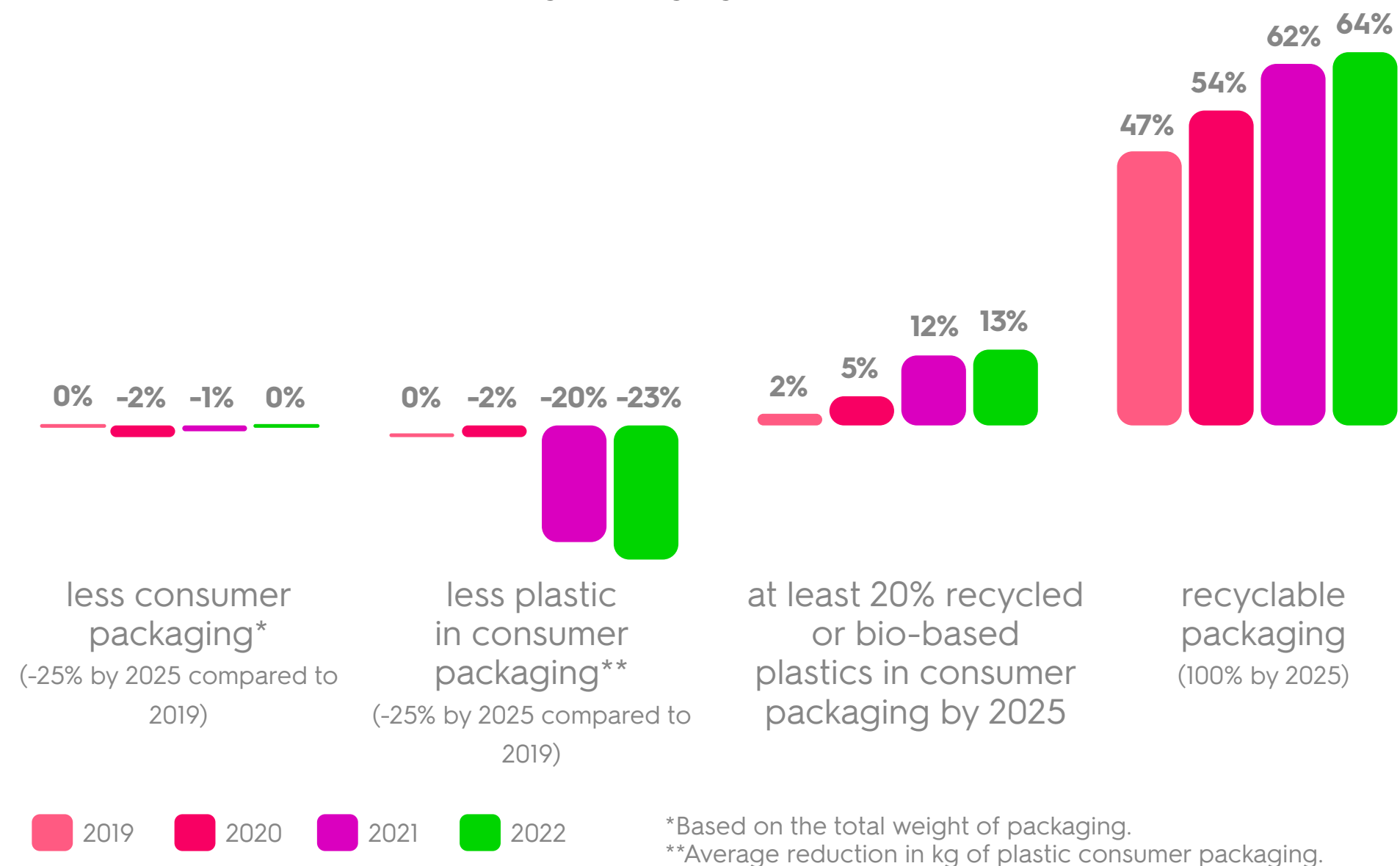


go in. For this reason, we changed some packaging from plastic and cardboard to only cardboard in 2022, such as the packaging for washi tape. We rely on the expertise and tools of the Kennis Instituut Duurzame Verpakkingen [sustainable packaging expertise centre] when introducing such

changes. 64% of all our packaging is now recyclable, putting us on track to reach our 2025 target.

## packaging

All calculations are based on the purchasing figures for all HEMA products in the financial year. This includes our food packaging excluding packaging for beer and wine.



“When reducing the amount of packaging material, we also look at whether the packaging could be made to last longer through the use of reusable options that reduce the amount of packaging material required. A good example is our eye shadow palette. Customers can choose the colours themselves so they don’t end up with unused colours. And when a colour runs out, the customer can buy a refill and click it into the palette.”

**Nienke van der Veen - Packaging Specialist**

**23%  
less plastic**  
in consumer packaging  
in 2022 than in 2019

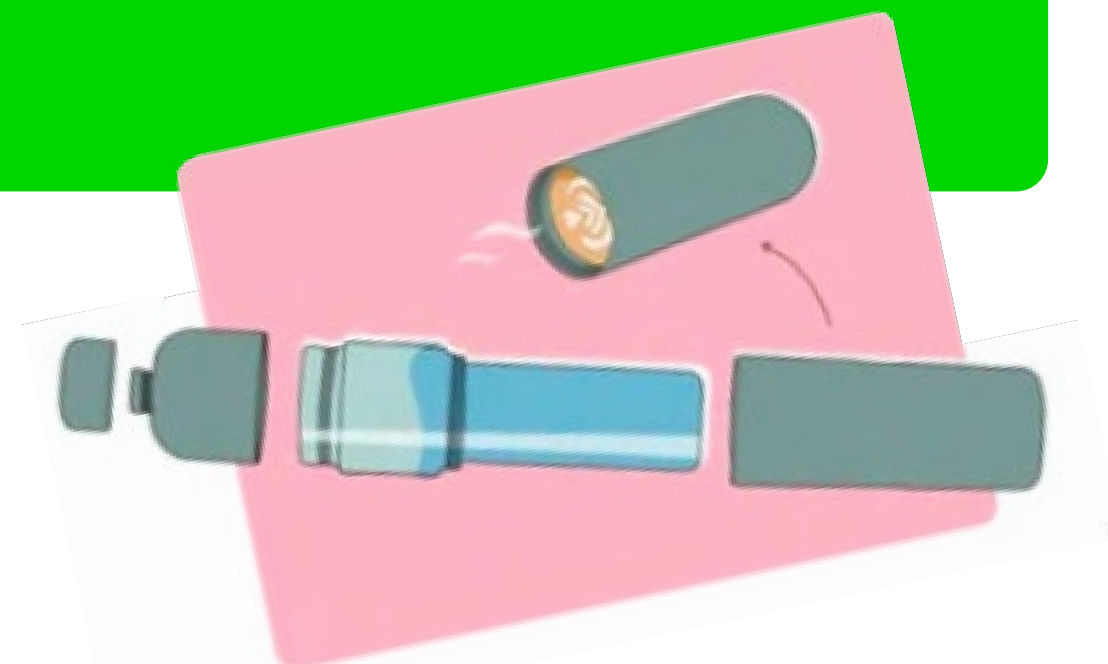
**Video:** HEMA advertisement for refillable make-up palette



# featured

## HEMA's 32nd redesign competition

In 2022, HEMA's 32nd Design Competition was renamed the "HEMA Redesign Competition". The focus is on redesigning a HEMA product. This is in line with HEMA's new strategic direction, which focuses on products that last longer and creating a better everyday life in a more beautiful world. The winning design used the HEMA water bottle. Aldo van Zee turned this into the DUO bottle: a water bottle incorporating a reusable cup you can slide off. This innovative idea offers an alternative that addresses the upcoming legislative changes regarding disposable cups.



## avoiding food waste with Too Good To Go

In 2022, HEMA expanded its partnership with Too Good To Go in the Netherlands to Germany and Belgium. Too Good To Go is an organisation that prevents food waste at the point of sale. HEMA sells leftover food products through the Too Good To Go app. All stores in Germany have been participating since April 2022, and 98 stores in Belgium since December. Our ambition is to add to this number. In all, HEMA prevented 170,838 meals from going to waste. This is equivalent to 407,000 kg CO<sub>2</sub>, equal to the average annual emissions\* of 45 Dutch citizens!



## extending the life of textiles with Wolkat

Following a successful pilot, HEMA, in collaboration with Drop & Loop (part of Wolkat), has expanded the number of stores with a textile collection point from 24 to 116 stores. In doing so, HEMA is moving forward with the concept of reusing textiles: all used textiles, shoes and accessories get a new life in a different form. A total of 3,913 kilos of textiles were collected in 2022.



# our people

**in this section**



HEMA is for everyone. From employees in stores, DCs and at our offices, workers in the production chain, to our customers and our stakeholders. Our guiding principle is that everyone is equal and should be treated with respect. That's something we are working on together, and we invite everyone to participate.



# employees in stores, DCCs and at our offices

HEMA strives to create an inclusive working environment: an environment where you can be whoever you want to be. We are continuing to work on this by talking, learning from one another and adapting. For this reason, we actively invite everyone to join in.

## **satisfied employees**

We want all HEMA employees to feel valued, heard and involved, able to be who they want to be, and proud of working at HEMA. We survey our employees on these aspects several times a year. In the January 2023 quarterly employee satisfaction survey, employees gave us an average score of 8 in the areas of 'Being Yourself' and our focus on diversity and inclusion. We will review our diversity & inclusion targets in 2023, in line with our strategy. In 2022, we also asked employees about our employment conditions by means of both a broad-based survey and roundtable discussions. This gives us valuable insights into which employment conditions



"I believe HEMA can only grow when the employees grow too. Growth is about daring to be vulnerable, daring to look at yourself, make mistakes and learn from them, and to permit others to do the same. That way, we can get the most from ourselves and HEMA together. The Summer Parade and the leadership programme have helped us take bold steps in our growth ambitions. Because we can only make HEMA truly HEMA again if we do it together."

**Filippien Wagenmakers - Chief People Officer**





## being HEMA, being yourself

Being able to be who you want to be: whether you are a customer, a colleague or a business partner. Our guiding principle is that everyone is equal, whatever our differences.

Everyone is part of the conversation! We demonstrate this every day by celebrating our differences and by our concern for one another, ensuring everyone feels welcome. Because we can only create a better everyday life in a more beautiful world when we do it together.

employees regard as the most important and what makes them happy. For example, the need for special parental leave and transition leave had already been identified from earlier surveys. The insights from recent surveys and discussions will be incorporated into the company-specific schemes that HEMA develops in 2023 and will become part of the terms of employment package after switching to the Retail Non Food sector's industry collective labour agreement.

### **training and development**

We believe it is important for HEMA employees to continue to develop personally. We seek to facilitate this through a number

of channels. For instance, we introduced 'my personal conversation' in 2022. This is a conversation between the employee and their manager that takes place several times a year to find out where the employee is in terms of professionalism, conduct and life/work balance and what might help them in their development. These conversations replace formal performance reviews, as we believe in holding an ongoing dialogue about development. With this approach, the employee takes the reins and can indicate how they see themselves developing. We will evaluate this way of working in 2023. We also offer various training courses through the GoodHabitz online platform for employees in our stores, DCs and at our offices. Team leaders are trained in management and leadership. HEMA seeks to be a vital organisation and also places importance on the mental and physical wellbeing of its employees. For example, we offer health checks and share health videos. A number of vitality challenges will be introduced in 2023 to further challenge employees to adopt healthier lifestyles.

### **summer parade**

In the summer of 2022, HEMA organised the first summer parade for all employees at HEMA's offices and in the distribution centre. During this two-day event, which was held



five times, we organised activities and talks on aspects such as the HEMA strategy, personal development, sustainability and diversity and inclusion. The summer parade formed the basis for the new orientation programme for new office workers at HEMA. We are also developing a new orientation programme for store employees in 2023.

### **leadership programme**

Putting HEMA's new strategy into effect means a transformation of the organisation to make the company future-proof. Leadership has a crucial role in this. For this reason, 60 senior managers from all fields of expertise of the organisation



underwent a training programme in 2022. The programme consisted of several multi-day sessions focusing on developing personal leadership and strengthening the various teams. This was guided by HEMA's core values: modern, cheerful, down-to-earth, bold and open.

## 'Being Yourself' part of new business strategy

The introduction of our new business strategy in 2022 gave diversity and inclusion a central place within HEMA. We call this 'Being Yourself'.

### **inclusive work environment**

We have a number of initiatives in place to boost and promote diversity and inclusion. The needs of our employees are at their heart. We regularly seek their opinions and ideas, for example by surveying or holding interactive sessions with employees. This input forms the basis for improvements and new initiatives. Examples include improving the age mix in stores, setting up a permanent point of contact for diversity, inclusive leadership and an inclusive recruitment policy. We also hold workshops on diversity during

the onboarding process for managers, and the new employment market campaigns present a diverse picture of employees in HEMA stores. A permanent group of colleagues from different fields of expertise meets regularly with the aim of boosting and promoting diversity and inclusion.

We also pay attention to the layout of our stores, DCs and offices, such as the look and feel of nursing mothers' rooms, and our clothing policy.

We celebrated Diversity Day on 4 October 2022. This is an initiative of Diversiteit in Bedrijf (DiB, diversity in business) from the SER in which several companies in the Netherlands participated to draw attention to inclusion and diversity. At HEMA, we shone a spotlight on this through our new diversity page 'Being Yourself' on the HeyHEMA intranet.

### **Workplace Pride & HeyPride**

We have had an internal HeyPride working group since 2020 that organises positive and accessible events every year to increase understanding about the LGBTQ+ community. The working group also acts as a sounding board for LGBTQ+ issues. HeyPride believes it is important for you to be able to be yourself in the workplace. The organisation encourages this through small gestures such



as the 'be yourself' stickers in our offices and DCs. But also by raising the rainbow flag to mark key dates in the calendar such as Purple Friday, a special playlist in all stores on Coming Out Day and organising educational events and get-togethers. In 2022, HeyPride focused on building a network both internally and externally, such as through the internal Being Yourself working group and external meetings with other companies with an internal interest group for LGBTQ+ employees and COC Nederland. We can build on this basis and continue to expand our activities to represent the interests of LGBTQ+ people in 2023.

"In our distribution centres, colleagues from many different backgrounds ensure our customers online and in stores find the product they need. It is a source of great pride to us that colleagues from 32 nationalities are represented at HEMA, acting as a unifying force."

**Ruben Zintel - HR business partner**



### update on the Diversity in Business Charter

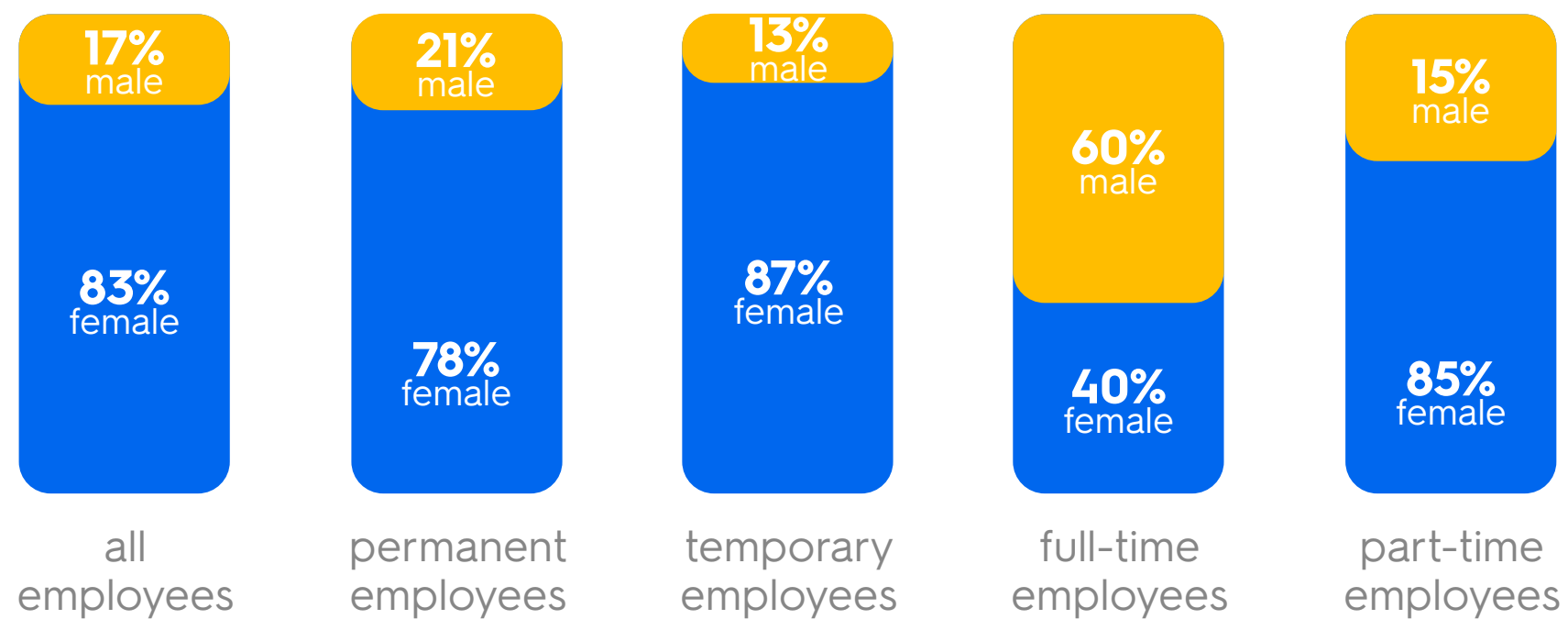
In early 2021, HEMA signed the Diversity in Business (DiB) Charter, which sets out goals in relation to diversity and inclusion at HEMA. In the initial period after signing the Charter, we focused on LGBTQ+ and disability caused by health conditions, then later on ethnic/cultural background and age. We had previously set targets in line with the signed Charter.

We will set updated targets in line with the new HEMA strategy in 2023.

### gender and age distribution

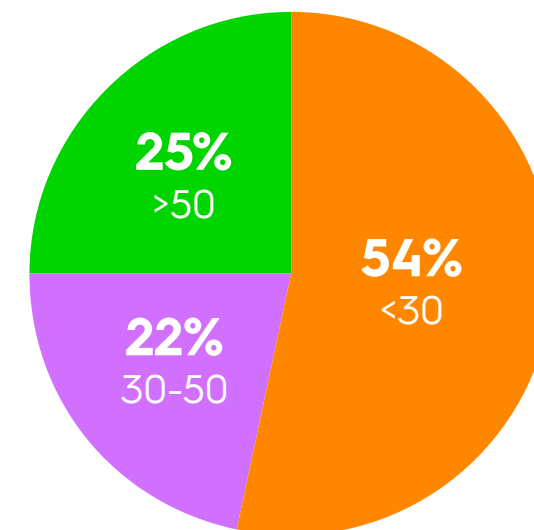
We aim to have a diverse gender and age mix at all levels of the organisation. We are doing this through a number of diversity initiatives as well as Young HEMA. Young HEMA is an internal initiative of colleagues up to the age of 35 who organise networking meetings and discuss developments within HEMA.

### gender distribution



At HEMA, employees are asked to select M/F/X for gender. In 2022, 0 people identified as X.

### age



“This year, we connected with other companies that have internal pride groups in order to support and learn from one another.”

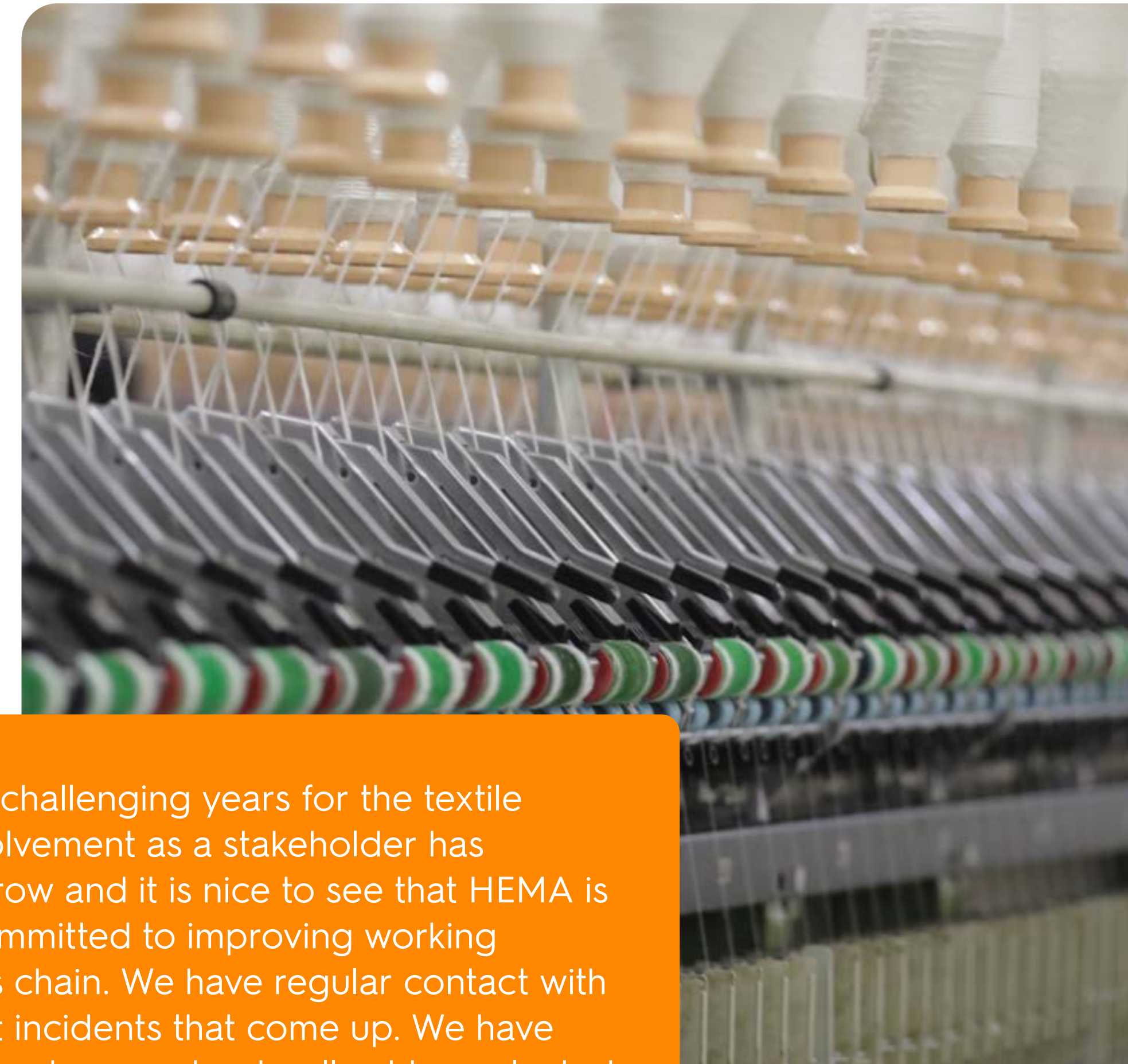
**Thomas Bults - new chairman of the HeyPride working group**





# workers in the production chain

HEMA products come from all over the world. We are transparent about our production sites and work towards continuous improvement in the supply chain, for both the environment and workers in the chain. We follow OECD guidelines to eliminate, address or avoid risks in the supply chain. We consider cooperation in the chain to be essential, which is why we are in constant dialogue with our suppliers and other partners and affiliated with internationally recognised sustainability initiatives.



“Despite some challenging years for the textile sector, our involvement as a stakeholder has continued to grow and it is nice to see that HEMA is increasingly committed to improving working conditions in its chain. We have regular contact with suppliers about incidents that come up. We have also started to look more structurally at how elected employee participation and freedom of association can be better embedded in HEMA’s supply chain.”

**Ruben Koorevaar - policy advisor Mondiaal FNV**



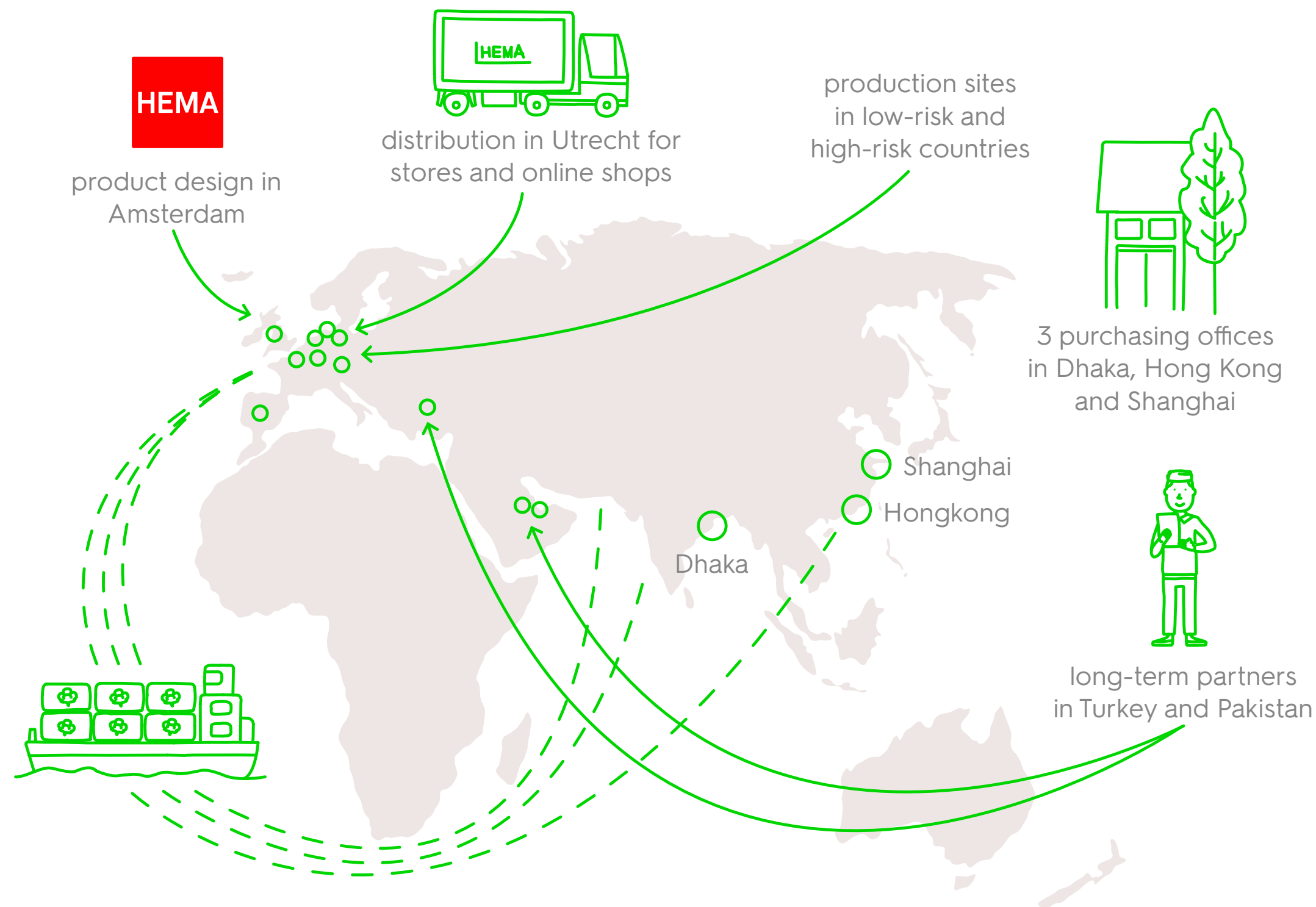
### commitment to long-term cooperation with suppliers

HEMA takes its responsibility in the supply chain seriously and, together with its suppliers and partners, builds future-proof supply chains. For example, we have been working with 75% of our suppliers for more than 5 years and with 20% for more than 15 years. We purchase from suppliers directly or through purchasing offices in Dhaka, Hong Kong and Shanghai. We also work with importers and two agents.

We are in constant dialogue with our suppliers and partners. In 2020 and 2021, we asked our buyers and suppliers what is going well, and what we could do better. This is also referred to as a Purchasing Practices Self-Assessment and Purchasing Practices Assessment. The evaluations were positive, for example in relation to placing orders. The need for training and better communication about sustainability targets also emerged. We will take the results into account as we improve our policies and make them greener.

### a responsible sourcing strategy

With the aim of improving our purchasing practices, HEMA has been part of the Learning and Implementation Community for Responsible Purchasing Practices (hereafter: LIC) since 2022. This multi-stakeholder initiative of the Working Group on Responsible Purchasing Practices supports companies in improving their purchasing practices. The working group consists of around 35 textile firms and organisations such as Solidaridad, ETI and the Fair Wear Foundation.



“Because we have our own purchasing offices in the region, we are in closer contact with the suppliers who produce our products. We visit production sites regularly, so we have a good understanding of the situation on the ground and, if necessary, we can look for practical solutions together.”

**Mike van Hoof - Procurement & Sourcing director Asia at HEMA**



“We prefer long-term relationships: we have been working with 75% of our suppliers for more than 5 years and have built strong partnerships.”

**Wilma Veldman -  
Chief Product Officer**

For the past two years we have been jointly working on the five principles of the Common Framework on Responsible Purchasing Practices.

- integration and reporting;
- equal partnership;
- joint production planning;
- fair payment terms;
- sustainable cost accounting.

Based on the insights gained, we will evaluate our own procurement policy and put improvements in place.

### **challenges in the supply chain**

Our materials and products come from different countries around the world. In recent years, the supply chain has come under pressure a number of times. China faced ongoing partial lockdowns due to COVID. We also saw floods in Pakistan and the earthquake in Turkey in early 2023. When such events occur, we seek contact with our suppliers to discuss the potential impact on workers in the factories. In China, some audits were postponed, which have since been completed. We also did inspections online where possible.

### **transparency in the supply chain**

To improve working conditions in the supply chain, we need to know where our products are made and where materials come from. This is why we place such a big emphasis on transparency in our supply chains. We have been a member of the Open Supply Hub since 2022, and of the Open Apparel Registry going back to 2019. Here we publish details of all HEMA's factories with information on location and number of employees. The list is updated twice a year.

Since 2022, we have also collated information on all sub-suppliers (tier 2 sites) who supply our textile suppliers. In 2023, we will do the same for all sub-suppliers in other product groups. This will give us a better understanding of the supply chain and enable us to work to improve human rights and the environmental impact. We are aiming to add food production facilities in 2023 as well.





## due diligence

HEMA takes its responsibility in the supply chain seriously. We include ILO conventions and OECD guidelines, the Universal Declaration of Human Rights, the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women in our strategy and policies, and we are affiliated with internationally recognised sustainability initiatives.

We apply the OECD guidelines for Human rights and Environmental due diligence. We base policies and protocols on these guidelines and continuously and carefully identify risks in order to adopt an appropriate approach when it comes to people and the environment. We carried out our own risk assessment in 2021, and Enact, an external consultant, carried out a new risk assessment in January 2023. The next step is to draw up and communicate our action plan on prioritised risks. The priorities will be set based on what we can influence and the urgency of the risks.

In doing so, we will look at the following areas:

- Our own policy to prevent risks in the chain, such as participating in the LIC responsible sourcing strategy and expanding and bolstering the complaints mechanism.
- Working with our suppliers and directly with factories to strengthen the position of workers, such as projects focused on trade union freedoms.
- Risks further down in the supply chain, such as child labour. For example, multi-stakeholder initiatives and collaboration with other firms.

We will further fine-tune our approach within.

### MRQ-sc criteria supplier for 0-1 years

- Disclosure of all production sites that supply HEMA
- Prevention of child labour
- No forced or bonded labour
- No severe health and safety hazards
- Real and accurate wage and working hour records
- Accident insurance for workers
- No severe environmental pollution

### HEMA supports IMVO legislation

### BSCI criteria supplier for >1 year

- Social management system and cascade effect
- Worker involvement and protection
- Freedom of association and the right to collective bargaining
- No discrimination
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- Special protection for young workers
- No precarious working conditions
- No forced labour
- Protection of the environment
- Ethical behaviour

### SA8000 criteria best practice

- No child labour
- No forced or compulsory labour
- Health and safety
- Freedom of association and the right to collective bargaining
- No discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management system



We will further fine-tune our approach within HEMA and with stakeholders in 2023. We will continue to communicate on progress and seek input from stakeholders. Our CEO and CPO are closely involved in this process.

**our development approach to working conditions**

The position of workers in the supply chain is a priority for HEMA. A key requirement is that employees at production sites have good working conditions and enjoy a safe workplace. All production facilities in high-risk countries must comply with our development approach that has continuous improvement as a guiding principle. The first step is to meet HEMA's minimum requirements (basic criteria) on human rights and the environment (we call this MRQ-sc and it is based on our corporate code). We commission an MRQ-sc audit for this purpose. We then work with suppliers to see how we can further improve working conditions until they fully meet our criteria, by achieving an A score in a BSCI audit or by obtaining SA8000 certification.

If a production site in a high-risk country already has valid SA8000 certification at the start of the partnership, we recognise the production site's efforts and it is exempted from our initial MRQ-sc audit for human rights and environmental impact.

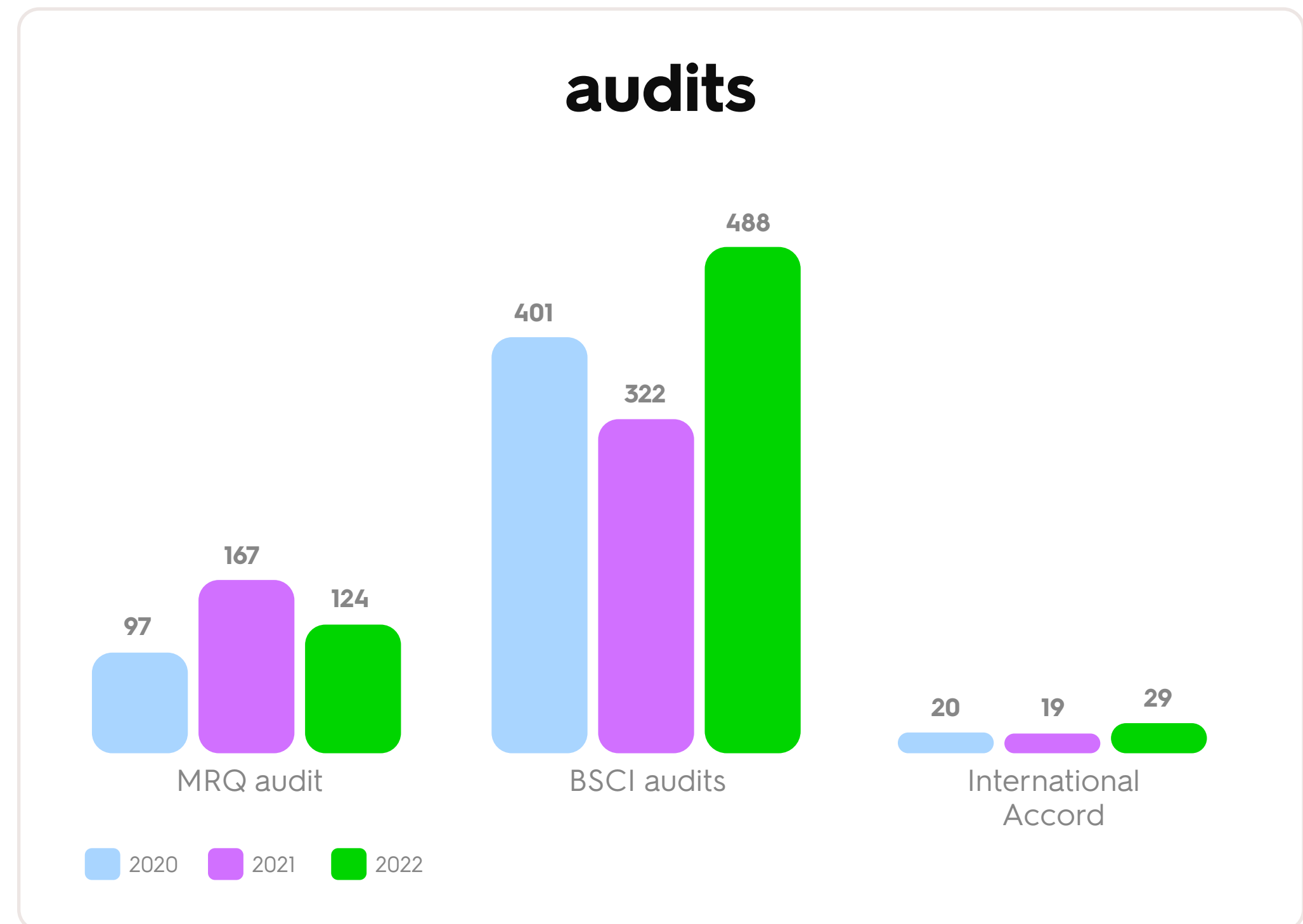
**HEMA minimum requirements for human rights and the environment (MRQ-sc)**

Prior to the first shipment from a production facility in a high-risk country, an independent third party (TÜV Rheinland) carries out an audit for compliance with the HEMA minimum requirements (MRQ-sc). These are shown in the preceding chart. If sites do not (yet) meet our criteria, we put together an improvement plan with deadlines. In 2022, 74 new production sites were added. A total of 124 sites underwent MRQ-sc audits, consisting of initial MRQ-sc audits and surveillance audits. 20% of these complied immediately and 74% were found to not yet meet our criteria and have since made improvements. All improvements are being made in order to be able to continue supplying to HEMA. The improvements mostly concerned section 4: worker safety.

**BSCI audit**

HEMA has been a member of Amfori since 2003. This organisation manages the social compliance (human rights criteria) standard BSCI, which is audited by independent third parties at production sites. Production sites that supply HEMA for more than a year are asked to schedule a BSCI audit. Production sites can score an A to E, with A and B being the best scores. The scores and insights are published on the BSCI sustainability platform and we can monitor them there.

**100%**  
of improvement plans following the first MRQ-sc audit are implemented within the agreed time in order to continue supplying to HEMA.





Production sites with an A or B score will be re-audited after two years. Production sites with a C, D or E score are visited annually by independent auditors. We arranged for 488 BSCI audits to be conducted last year. In the case of a D score, the supplier is contacted immediately in order to implement improvements as a matter of urgency. So far, there have been no E scores. The scores are shared internally every quarter and discussed with buyers twice a year.

Besides BSCI, we also accept equivalent standards whose content and authenticity we can verify, such as Sedex/SMETA. A number of production sites in high-risk countries are not affiliated to BSCI or any other standard we accept. This can have various reasons, for example, if HEMA purchases small volumes from them or the production facility is small. We are in contact with these sites to jointly find a suitable solution. In the short term, we may schedule a surveillance audit (a further MRQ-sc audit). This will form part of our considerations if we decide to enter into a long-term partnership.

**Amfori BEPI platform**

In 2021 and 2022, we asked our textile suppliers which environmental compliance standard they use. Based on this inventory, we chose to ask for BEPI, Business Environmental Performance Initiative, as a standard criterion.

The main reasons are that this standard applies to all product groups and, as part of Amfori, is a recognisable way of working for our suppliers. We informed all suppliers in 2022 and asked them to complete BEPI's self-assessment in 2023. We will monitor progress and results in 2023. We are also drawing up an action plan to roll this out further. If suppliers apply different environmental standards, we ask the supplier to inform us so we can check whether they are sufficiently aligned with our requirements.

**workers' voice**

Grievance mechanisms are essential to be able to assess and address risks in the supply chain. A factory should have a grievance mechanism in place, for example through regular consultation between management and workers. If an employee does not feel free to make a complaint or report an abuse at the production site, there are external grievance mechanisms they can use. This means we can also hear about abuses through this international network. Examples include the International Accord, Amfori BSCI and our own contacts in the region or in the Netherlands (trade unions and NGOs). Employee representatives are involved in putting together the various internal and external grievance mechanisms. Our goal is to provide access to a grievance mechanism

(internal and external) to all employees at production sites in our top five high-risk countries by 2025. We have also made this subject the focus of a number of projects in recent years.

<b>2022 scores</b>	
BSCI A-score	21
BSCI B-score	36
BSCI C-score	411
BSCI D-score	11
Suppliers with other accepted standards, such as SEDEX	30
Suppliers with SA8000 certificate	11
No audit yet, or expired audit	10%



### **International Accord**

The International Accord communicates abuses reported to them to the companies that buy from the factories concerned. There were 19 reports at our factories in 2022.

These were reports of unpaid wages, unfair treatment or harassment at or related to the factory. HEMA follows the Accord protocols for all reports. We contact the factory directly, participate in discussions together with other buyers when necessary and monitor improvements in cooperation with our own colleagues in Bangladesh.

In one case, we received a complaint directly through our colleagues. In addition to following the Accord protocols, we responded to the individual concerned and sent a letter to the factory management. Prior to this, we coordinated with stakeholders in our network on what steps to take. We are continuing to monitor the follow-up to the complaint and the outcome of the Accord's investigation.

### **roll-out of the Amfori grievance mechanism**

In 2022, Amfori launched a 'Speak 4 Change' pilot for internal and external grievance mechanisms. This programme is designed for workers at production facilities. Internal grievance mechanisms in the factory are improved and monitored during BSCI

audits. An external grievance mechanism has also been set up whereby employees can file a complaint by phone, e-mail or using a local means of communication. If a complaint is made, all companies buying from the production site are notified through a platform. In 2023, Amfori will further roll out the grievance mechanism to other countries. Our suppliers are aware of this and we will include them in the ongoing roll-out.

### **project with Arisa and SAVE**

We have been involved in a number of initiatives over recent years. One involved strengthening workers' committees and the operation of an internal grievance mechanism in India, together with Arisa and SAVE. HEMA planned to train two suppliers. One supplier underwent the training, but then the project was halted due to circumstances at the local partner in Tamil Nadu. We have since decided not to continue with this project because we are moving over to Amfori's grievance mechanism. This project will therefore come to an end in the summer of 2023. HEMA will continue to be involved up to that point.

### **project with the Fair Wear Foundation**

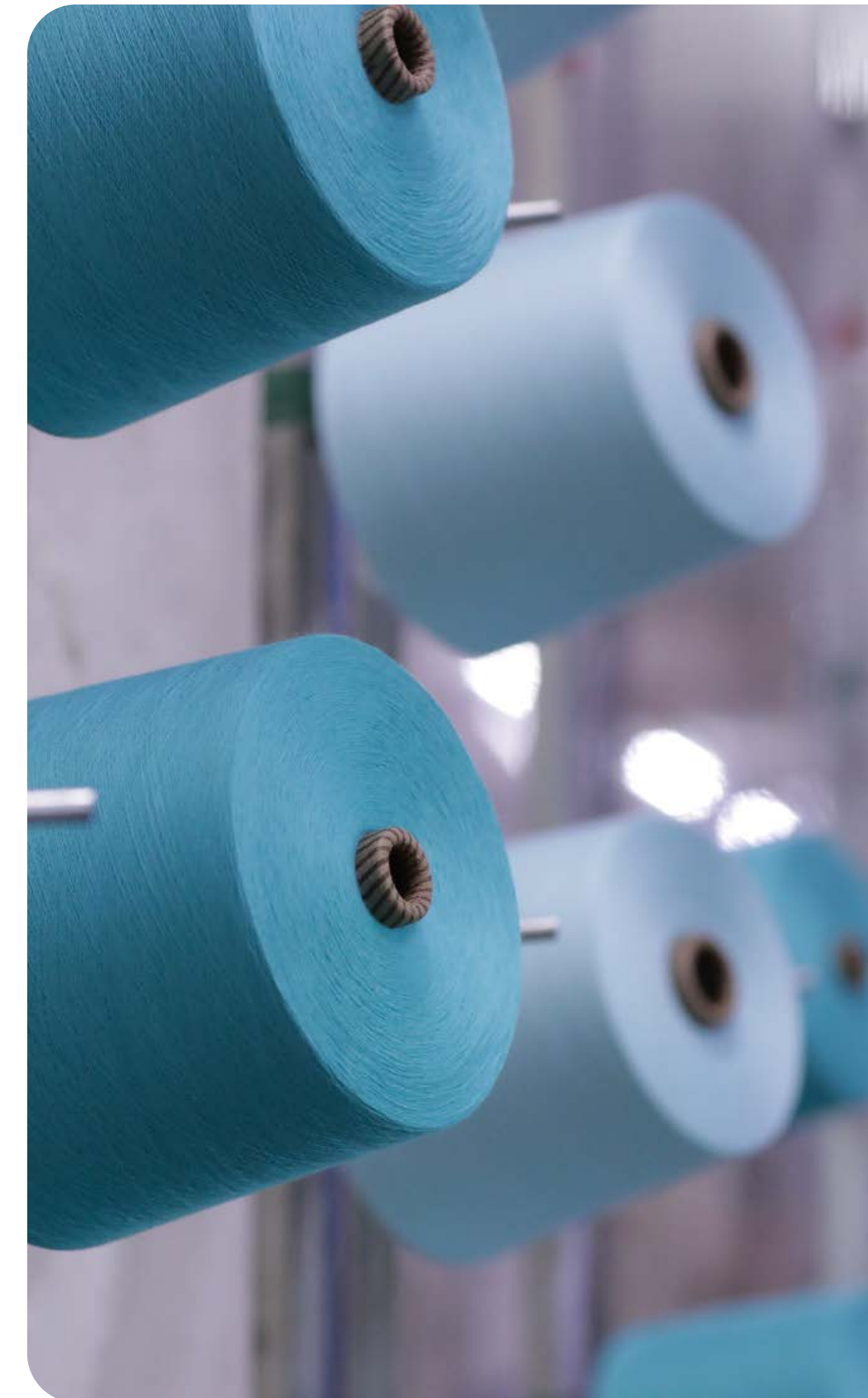
We also worked with the Fair Wear Foundation to implement an external grievance mechanism in India. This allows workers to file a complaint externally through

the Fair Wear Foundation. This project came to an end in 2022. As we are moving over to Amfori's grievance mechanism, we have decided not to continue with this project either.

### **Amplify project**

We've been involved with the Amplify project since 2022, along with FNV (Dutch Federation of Trade Unions) and other businesses in Bangladesh. The project focuses on trade union freedoms at production facilities. This means that employees have the right to voluntarily join a group, such as a workers' committee, that promotes, pursues or defends common interests.

We officially launched in January 2023, with support from RVO (Netherlands Enterprise Institute). Together with our project partners, we are looking at the impact of the workers' committees at two of our suppliers. In early 2023, a training course for trainers took place attended by our social compliance officer in Dhaka. This was followed by training for the respective factory managers to explain the purpose of the project. The factories will be visited in 2023 and given guidance for improving workers' committees in the factory. We will also assess our own purchasing policy to identify ways to promote trade union freedoms in factories from which we source as much as possible.





# putting the customer first

Throughout nearly 100 years of the company, we have believed that our products should be accessible to everyone. For us, this means that everyone feels welcome and you can be who you want to be.

## **satisfied customers**

Our HEMA staff members are committed to creating a better everyday life in a more beautiful world for our customers. We opened 5 new stores and closed 13 in 2022. In addition, the HEMA customer loyalty card celebrated its fifth anniversary, and now has 4 million members in the Netherlands. Customers already knew what to expect in terms of benefits, such as extra discounts and free products, with the highlight being a free cream slice pastry on their birthday. After five years, in addition to our new visual style, we also provided more ways to use HEMA points. Our customer loyalty card was introduced in Belgium in 2022, and now has nearly half a million members.

## **all our customers see themselves in our stores**

When it comes to HEMA's advertising, we use models that everyone can identify with. We want all customers to feel welcome in our stores. We do this through projects for a balanced age mix, improved diversity and inclusion and inclusive leadership. We also extend this to our products: for example, we have added to the festivals and celebrations in our calendar to include Purple Friday and Diwali, among others. This is now standard for every HEMA calendar in 2023.

## **we continue to work on our accessibility**

We regularly make changes to make HEMA more accessible: in our stores, on our website and in our online shop. In some stores



**4,5 million  
HEMA customers  
have a loyalty card**

we have checkouts counters where children can also put items through the checkout. Online, we are working on adapting colours (for colour-blindness) and font sizes.

## **we are committed to important issues and show it**

We are not afraid to show what we stand for to ensure all our customers feel they can be themselves. The two big areas we worked on last year, and will continue to work on in the coming years, are positive body image and everyone's celebrations. In 2022, for example, we sold plates and napkins with 'Eid Mubarak': 'Blessed feast', a wish for the end of Ramadan.



# organisation

**in this section**

We have put policies and associated protocols in place to ensure we stick to our ambitions on how we treat one another and are able to express ourselves. These set out what we can expect from one another. This applies to employees, suppliers and our partners with whom we consult on a regular basis.



# our organisation

Together with all employees, we work to create a better everyday life in a more beautiful world. This is the guiding principle of our organisation. We believe this also means creating an inclusive corporate culture. We do this based on our values: modern, cheerful, down-to-earth, bold and open.

## **projecting our values**

We build our HEMA brand together every day. This is reflected in our products and in the way we work and act towards one another. We believe it is important for our employees to project our values, which is why we put this at the heart of orientation programmes, policy documents and protocols. This is also described in [our corporate code of conduct](#).

## **our organisation**

The Dutch investment firms Mississippi Ventures and Parcom have jointly owned HEMA since February 2021. Our head office is located in Amsterdam. The management chart shows how the organisation is managed.

## **assuring sustainability**

At HEMA, working towards greater sustainability is something everyone is part of. Together, we track developments in society and seek out new opportunities.

## **responsibility**

The Executive Board is made up of Saskia Egas Reparaz (CEO) and Jurriaan Pouw (CFO) and is responsible for HEMA's strategy. Sustainability has a central place in this. The CEO holds (ultimate) responsibility for the sustainability policy and its implementation. The Executive Board works closely with the Management Team, and also forms part of the Management Team. Being a leader in sustainability is also one of the Management Team's seven KPIs.





## management team

**Saskia Egas Reparaz**  
CEO (Executive Board)

**Jurriaan Pouw**  
CFO (Executive Board)

**Wilma Veldman**  
CPO

**Bas Verheijen**  
CCO

**Machiel Lagerweij**  
COO

**Pieter Heij**  
CTO

**Filippien Wagenmakers**  
CPeO

## sustainability team

**Eva Ronhaar**  
director of sustainability

**Xander Kotvis**  
environmental impact

**Marieke Doolaard**  
due diligence, production chain

**Nahal Akbarian**  
sustainability specialist,  
circularity collaborations

**Saskia Schrijnen**  
diversity and inclusion,  
stakeholder management

## departments involved

Other departments involved, such as legal, purchasing and quality, have a designated sustainability specialist.

### assuring sustainability throughout the organisation

Management has given the sustainability department the role of minimising HEMA's impact on people and the environment. This department is responsible for turning strategy into policy and develops targets jointly with different departments, such as legal, purchasing and quality. By these means we can ensure, together with all HEMA employees, that the sustainability policy is implemented and monitored. To monitor progress on sustainability, the sustainability department, with support from other departments, provides a quarterly report to the Management Team, managers from various departments and relevant employees.

### preparations for the CSRD

HEMA is preparing for new European sustainability reporting legislation, the Corporate Sustainability Reporting Directive (CSRD). This fits with HEMA's focus on greater transparency that has been in place for some years now. To this end, the sustainability department works closely with the finance team including the CFO, who will be responsible for the report. A dual materiality analysis was launched in 2022 for this purpose and will reach its conclusion in 2023.

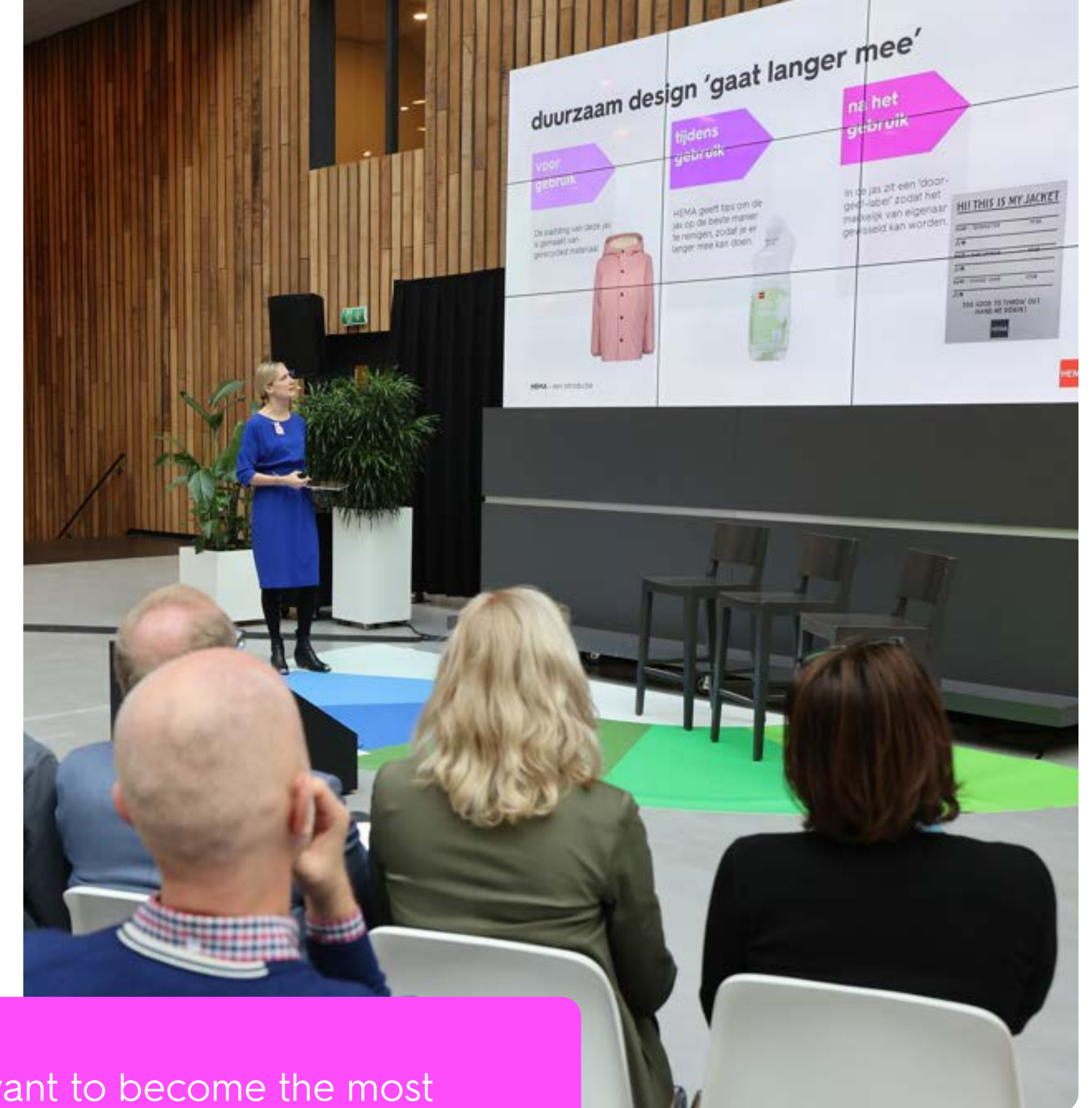


# dialogue with society

HEMA believes it is important not only to engage with employees but also with external stakeholders. We would like to involve stakeholders in developing our strategy, objectives and progress on sustainability. We consulted widely with suppliers, customers and employees in 2022. In 2023, our intention is to turn our sight outward to a greater extent.

## stakeholder meeting

As we approach our 100th anniversary, HEMA is indisputably an established part of society for many people. We want to become a very vital and open-minded centenarian. This is only possible if we actively engage with others involved in our business and in society. We are doing this by organising a series of stakeholder meetings, the first of which took place in January 2023. During this afternoon event, we held discussions on the topics of 'designed to last' and 'Being Yourself'. A key conclusion we drew from this meeting is that the authenticity with which we do things is also seen by our stakeholders. We need to make it even more visible. We also need to do more to share the dilemmas we face. In collaboration with our stakeholders, we would like to start the movement towards a more beautiful world.



"We want to become the most vital and open-minded centenarian out there. This is only possible if we actively engage with others involved in our business and in society."

**Eva Ronhaar - Director of Sustainability**





At our next stakeholder meeting, we will engage with stakeholders about our production chain.

**strategy days**

In November 2022, we organised strategy days at the HEMA offices in Amsterdam to reflect on the past year together and to look ahead to 2023. We invited head office staff, store managers, franchisees and suppliers to attend.

**supporting good causes**

HEMA plays an active role in society and we believe it is important to contribute to local communities. For this reason, when seeking out partnerships and supporting charities, we often focus on initiatives that are (sometimes physically) close to us.

**partnerships**

Through the HEMA loyalty card programme customers can not only exchange their accumulated points for discounts or free products, they can also use their points to donate to the charities we partner with. A number of charities receive financial contributions by this means every year. In 2022, Kinderhulp (Children’s Aid), Ukraine Giro 555 and Pink Ribbon received funds through this channel. HEMA supported War Child once again in 2022 with a

**partnerships**

working groups, projects and initiatives	accords signed up to	international conventions
LIC on responsible purchasing practices	International Accord (formerly Bangladesh Accord)	ILO conventions, OECD guidelines and the UN Guiding Principles on Business and Human Rights
Project Amplify	Pakistan Accord	Universal Declaration of Human Rights
Project Fairwear, AGT and PST on access to remedy (2021-2022)	Transparency pledge	Convention on the Rights of the Child
Project Aisa/SAVE Factory support programme	Diversity in Business (DiB) Charter	Convention on the Elimination of All Forms of Discrimination against Women
Amfori (BSCI standard, BEPI platform, grievance mechanism)	Plastic Pact	

percentage of the sale price of our specially developed War Child pyjamas.

**stakeholder overview**

The Management Team and the Board are involved in various stakeholder consultations. For example, the Management Team attended strategy days with employees and suppliers,

the initial stakeholder meeting, Say HEMA with HEMA customers, and other meetings. Details of these are shown in the table below.



stakeholder group	purpose	form	frequency	subject
employees	discuss HEMA's strategy and progress and receive feedback from employees	in conversation with Saskia Egas Reparaz, updates through HeyHEMA, strategy days	monthly	strategy, vital organisation, sustainability, product range updates
business owners	discuss HEMA's strategy and progress	strategy days, hey HEMA roundtables, consultations	ongoing	strategy and execution
shareholders and investors	inform and set out strategy	consultations with SB, EB, questions on ESG	regular	strategy, financial information
employee organisation (trade unions)	ongoing dialogue	consultations	ongoing	CLA, production chain
suppliers	inform, continuous improvement	ongoing dialogue, strategy days, supplier mailings	ongoing	strategy, sustainability targets
cooperation partners, community organisations and NGOs	inform about strategy and sustainability and receive feedback	direct contact, stakeholder meeting, projects	ongoing	strategy, sustainability
customers	consultation, inform about strategy and product range, test out concepts	Say HEMA, social media, customer service, customer panel	ongoing	concepts and products, strategy, sustainability
government	inform about strategy and sustainability and receive feedback	stakeholder meetings, projects	regular	strategy, sustainability



# transparency

HEMA values transparency: about the chain and about our own operations. For us, transparency means telling others about the things we are proud of and the internal systems we have in place to assure compliance with agreements, legislation and regulations. In this section, we discuss a number of key areas, such as quality and safety, data protection, the implementation of legislation and regulations, our sustainability risks in the supply chain and compliance with the corporate code of conduct.

## **quality and safety**

We design nearly all our own products. Our guiding principle in this is to make quality accessible to all. We make decisions on the use of materials during the design phase. Read more on [p. 8](#). Quality assurance starts at the product design stage and remains central throughout the process right through until the product reaches the consumer. Materials and suppliers must meet our quality requirements (MRQ-QMS), which we monitor through external audits by TÜV Rheinland. Suppliers must have passed the audit before they can be our partners. Currently, safety inspections take place during the production process and before products are shipped. We are also planning to institute inspections at our distribution centres and to carry out spot checks in stores in 2024. We have protocols in place to assure quality and safety. These

protocols are regularly updated. We expect that, by 2024, we will have an internal document for all types of products containing this and other relevant information, including information on product improvements.

Unfortunately, despite all our best efforts, there may be occasions when a product fails to meet our requirements. We have a number of procedures in place for this eventuality,

such as a risk assessment and a process to initiate public alerts or a recall. Several departments would be involved in the latter case in order to put together a crisis team, as well as legal affairs, product quality and safety, and corporate communications. In the case of a recall or a public warning, customers can return the item to a HEMA store and receive a refund.





# laat cyber-criminelen je geen worst voorhouden



Veilig omgaan met gegevens. Ook echt HEMA.

## information security

Cybersecurity is the protection of our digital systems and data about HEMA and our customers. This encompasses all measures put in place to protect programs, computers and networks from digital crime. Society and HEMA are becoming increasingly digitalised. That's why it's important for HEMA to have a clear approach to cybersecurity and to implement it. The HEMA Security Office developed a new vision to assure information security in January 2022. In 2023, we are focusing on monitoring through proactive security testing. This enables us to identify and fix vulnerabilities before cybercriminals can exploit them.

## our own data

In 2022 we focused on three primary actions. We carried out a security baseline assessment, examined our internal systems and evaluated them for vulnerabilities. We also carried out a survey to understand what employees know about information security. The survey showed the importance of setting a good example. To this end, HEMA managers were given personalised training on information security. The HEMA Security Office also rolled out an employee awareness programme with banners, posters and (fake) phishing e-mails. These measures help to keep everyone at HEMA on their toes when it comes to information security and cybercrime.

## personal data and supply chain risk

The HEMA Security Office cooperates with the Privacy team, Legal Affairs and the purchasing team for 'Not For Resale goods' to assure security at our suppliers. Through the vendor security assessment the teams keep oversight of data protection among suppliers. They use it as a tool to ensure the privacy of personal data is respected in accordance with the General Data Protection Regulation (GDPR), and to weigh up contractual risks; they also look at whether vendors are complying with HEMA's security requirements and standards. In this way, we can keep our

customers' data and our supply chain secure.

## implementation of legislation and regulations

We comply with existing legislation and regulations, such as the Single Use Plastic directive concerning the use of disposable plastics. We also actively monitor developments in European product legislation, such as the PFAS ban. We plan ahead for new directives and implement them straightaway. Sometimes we run into dilemmas in the process, such as in scaling up recycled products. There may be safety risks associated with this, such as toys containing recycled plastic. We no longer always use recycled plastic in toys for this reason. We are transparent towards the authorities about these implementation processes. Not just because we have to, but because it also helps make us better and there is more and more knowledge and expertise available.

## our sustainability risks in the supply chain

HEMA has a responsibility to respect the human rights of its employees and the people involved in the production of HEMA items. We do this by using certified materials and imposing human rights and environmental criteria on our suppliers. Read more about this on [p. 44](#). By conducting regular inspections, we ensure that we meet



internationally recognised standards aimed at continuous improvement together with our suppliers. Read more about this on [p. 44](#). To assure this, we have based our social compliance policy on HEMA's corporate code of conduct, the International Labour Organisation's (ILO) Fundamental Principles and Rights at Work, the UN Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.

We continuously analyse our supply chains to identify specific sustainability risks and focus on approaches that are priorities for HEMA, such as reducing CO<sub>2</sub> emissions and strengthening the position and representation of workers in the chain. The sustainability department is responsible for implementing due diligence. The department reports on this to the CEO and CPO. No critical issues were reported to the Board in 2022. The CEO and CPO play a key role in this process. The CPO is responsible for the supply chain and the associated risk strategy. The sustainability department consults with the CPO on progress every month (and more often if necessary). In addition, the CEO and CPO are signatories to agreements such as the International Accord and the Pakistan Accord.

### **compliance with the corporate code of conduct**

We believe it is important for people to treat one another with dignity and respect in the workplace, and for people to be able to work in a safe environment. To this end, HEMA has had its own corporate code of conduct since 2016. The code sets out for employees and suppliers how we seek to work based on the underlying principles of honest and ethical conduct, good faith and integrity. It provides guidelines on how we want to treat people and the environment. In this way, we are working together to improve conditions throughout the supply chain.

### **handling of complaints by HEMA employees**

HEMA attaches great importance to integrity. We require employees to report abuses they encounter in the course of their work. This applies to any breaches of legislation and regulations, the corporate code of conduct and other internal guidelines. Everyone who works at HEMA should feel at home and, above all, safe. Respect and trust underly all that we do at HEMA.

An employee who has experienced undesirable behaviour in the workplace should first speak to HR, the compliance officer and/or one of the

managers. Employees also have the option of approaching a confidential advisor for support, guidance and information. HEMA intentionally opted to appoint an external confidential advisor to guarantee confidentiality, objectivity and impartiality. The external confidential advisor shares an anonymised report with HEMA every year so that trends can be recognised and any possible follow-up actions taken. Finally, we specifically made employees in the Netherlands aware of the 'Huis voor de Klokkeluiders' organisation that gives support to whistleblowers.

HEMA has also set up schemes for our supply chain so that workers in the chain can report any abuses. This is detailed on [p. 46](#).





# sustainable HEMA products

## growth spurt trousers

Our growth spurt trousers are made in a factory in Bangladesh we have been working with since 2014. Their score in BSCI audits is B, with workers' involvement and social management being points for attention. The trousers are made from 70% cotton, 28% polyester and 2% elastane. All our cotton comes from Better Cotton.

Our customers rated the growth spurt trousers as  
**4.8/5.0** ★★★★★



## honeycomb balloon

Our honeycomb balloon is made in China. Areas for improvement emerged from the MRQ-sc audit. These have been implemented and they now meet our criteria. They score a C in the BSCI audit, with working hours and social management being points for attention. We are working with the supplier on a process of continuous improvement. The paper is made from a certified FSC mix. The balloon can be folded up and is reusable, allowing customers to conveniently store it and use it for the next party.

Our customers rated the balloon as  
**4.4/5.0** ★★★★★

## refillable eye shadow palette

Our refillable eye shadow palette is manufactured in Italy. The supplier is committed to the HEMA corporate code and so does not require a social compliance audit, however an MRQ-QMS (quality) audit is required. This supplier has been supplying HEMA for more than 20 years. The eye shadow is vegan and contains no microplastics. Customers can choose their preferred eye shadow colours to put in the palette and replace colours as needed. This ensures the palette is full of colours you actually like and will use!

Our customers rated the palette as  
**4.5/5.0** ★★★★★





# about this report



## content and data collection for the sustainability report

This sustainability report covers the period from 1 January 2022 to 31 January 2023. This is in order to align the reporting period with that for the annual financial report. The report covers HEMA's (inter)national activities within its own organisation.

The content of the report is based on material subjects, the information needs of stakeholders and Global Reporting Initiative (GRI) guidelines. This report is in line with 2021 GRI Standards ('with reference to'). The GRI table and sustainability report can be found at [www.hema.nl/duurzaamheid](http://www.hema.nl/duurzaamheid).

We collated the information in collaboration with various departments. The sustainability team carries out the internal review of the report. HEMA's Management Team (MT) is responsible for overseeing and approving sustainability information. All MT members were involved in the report in 2022 and sign off the report for publication. This report has not been externally verified. The 2022 sustainability report is available at [www.hema.nl/duurzaamheid](http://www.hema.nl/duurzaamheid). The CEO and CFO approve the financial statements and sustainability report. This report was published on 26 May 2023.



## HEMA

Hollandsche Eenheidsprijzen Maatschappij Amsterdam, HEMA, is a private limited company with its registered office (chamber of commerce number 34215639) and head office in Amsterdam, the Netherlands.

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## HEMA sustainability report

Period: January 2022 to January 2023.

Publication date: 26 May 2023

[www.hema.nl/duurzaamheid](http://www.hema.nl/duurzaamheid)

This report was produced in collaboration with [Schuttelaar & Partners](#).

Photography: HEMA

## want to know more about HEMA and sustainability?

Please get in touch if you have any questions or comments about this report by e-mailing us at [sustainability@hema.nl](mailto:sustainability@hema.nl).



# appendix: about HEMA

## HEMA

Hollandsche Eenheidsprijzen Maatschappij Amsterdam, HEMA, is a private limited company with its registered office (chamber of commerce number 34215639) and head office in Amsterdam, the Netherlands.

## The Netherlands

HEMA Duitsland B.V. (HEMA Germany)\*, Amsterdam  
HEMA Financial Services B.V.\*, Amsterdam  
HEMA Financiering B.V.\* (HEMA Financing), Amsterdam  
HEMA België B.V. (HEMA Belgium), Amsterdam  
MOCEH B.V., Amsterdam  
HEMA Eco C.V., Amsterdam

## Europe

HEMA België B.V. (HEMA Belgium), Uccle, Belgium  
HEMA Deutschland GmbH (HEMA Germany), Essen, Germany  
HEMA GmbH & Co KG\*\*, Essen, Germany (indirect subsidiary)

HEMA France S.A.S., Paris, France  
HEMA Retail Limited, London, United Kingdom\*\*\*  
HEMA Spain S.L., Barcelona, Spain  
HEMA Austria GmbH, Vienna, Austria  
HEMA UK I Limited, Birmingham, United Kingdom  
HEMA UK II Limited, Birmingham, United Kingdom

## Worldwide

HEMA Far East Ltd., Hong Kong  
HEMA (Shanghai) Trading Consultancy Co., Ltd., Shanghai, China

\*) Pursuant to section 403 B2 DCC, HEMA has issued declarations of liability for these subsidiaries.

\*\*) HEMA GmbH & Co. KG, Essen, Germany, makes use of the exemption clause under Section 264b of the German Commercial Code regarding the preparation, auditing and publication of its financial statements.

\*\*\*) The entity opted for statutory audit exemption under s479a of the UK Companies Act 2006.

## HEMA stores

In 2022, HEMA opened five new stores of its own, of which two were in Belgium and three in the Netherlands. HEMA closed 13 stores of which five were in Spain, three in France and five in the Netherlands. In addition, one store was relocated within the Netherlands, which was part of the agreement to transfer the lease to Jumbo Supermarkten B.V. ('Jumbo Supermarkets'). At the end of the year under review, there were a total of four HEMA stores in the Middle East and four in Mexico. Furthermore, at the end of the year under review, HEMA products were being sold in 679 Jumbo Supermarkets in the Netherlands and 28 stores in Belgium. The stores in the UK were closed in 2021, with the bakeries divested in the process. The last store in Spain closed in 2022.



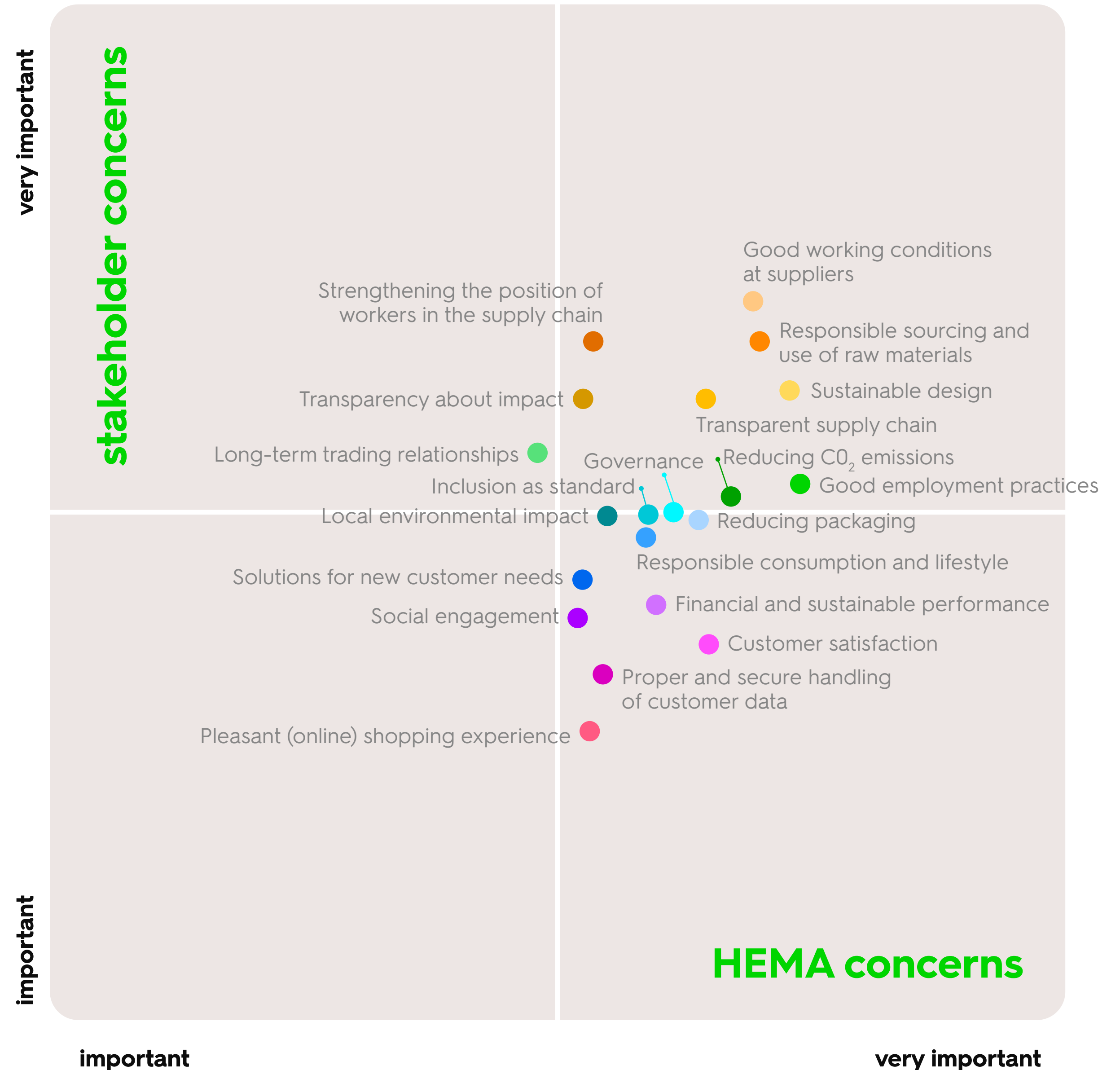
# appendix: materiality analysis

In 2021, we conducted a new materiality analysis and introduced our new sustainability strategy. We update the materiality analysis every two years to inform decision-making about the aspects to prioritise in the years ahead. Through the analysis we identify the aspects of sustainability where HEMA has the most impact and determine how this aligns with our strategy. These aspects come under the headings of environment, people and organisation. We identified the key issues for HEMA through an online stakeholder survey and in-depth interviews.

The following aspects emerged from the 2021 materiality analysis: reducing CO<sub>2</sub> emissions, sustainable design, responsible sourcing and use of raw materials, transparency about impact, good working conditions at suppliers, strengthening the position of workers in the supply chain, transparent supply chain and good employment practices. Stakeholders who helped decide which topics to prioritise in the coming years were external stakeholders, such as customers,

suppliers, government bodies, knowledge institutions, certification bodies, sector initiatives, investors and cooperation partners, and internal stakeholders, such as the Management Team, purchasing, sustainability, e-commerce, logistics, operations, finance and HR.

In 2023, we will complete a dual materiality analysis for HEMA in preparation for the new European legislation on non-financial reporting (CSRD). The CEO and CFO are contributing to the design of the analysis and are involved in the outcomes and objectives.





# appendix: management

The Management Team (MT) and the Supervisory Board form HEMA's Board. The Management Team is responsible for the day-to-day management of HEMA and is made up of seven people: the Chief Executive Officer, the Chief Financial Officer, the Chief Customer Officer, the Chief Product Officer, the Chief Technology Officer, the Chief Operations Officer and the Chief People Officer.

The Executive Board is the statutory management board of HEMA BV and is made up of the Chief Executive Officer and the Chief Financial Officer.

HEMA's Supervisory Board is responsible for overseeing and advising the Executive Board in the performance of its management duties. The Supervisory Board focuses on the interests of the company and is made up of five people. Some members of the Supervisory Board have been appointed to act as the Audit Committee. This committee oversees financial reporting, risk management, internal audits and advises the Supervisory Board on the appointment of

	<b>Saskia Egas Reparaz</b> (Executive Board)	<b>Jurriaan Pouw</b> (Executive Board)	<b>Wilma Veldman</b>	<b>Bas Verheijen</b>	<b>Machiel Lagerweij</b>	<b>Pieter Heij</b>	<b>Filippien Wagenmaker</b>
Title	CEO	CFO	CPO	CCO	COO	CTO	CPeO
Starting date	1-6-2021	1-4-2022	1-6-2021	1-6-2021	1-8-2021	1-6-2021	1-10-2022
Gender	Female	Male	Female	Male	Male	Male	Female

HEMA's independent external auditor. This committee is made up of two people.

## remuneration

Individual fixed remuneration agreements have been reached with the Management Team. For fixed pay, salary scales have been set up within which salaries can increase. Based on the annual performance review, the salary may increase up to the maximum of the

## Management Team (incl. Executive Board), 31 January 2023

relevant scale. Compensation for termination of employment is determined depending on circumstances. If the termination is part of a reorganisation, then these employees are covered by the Social Plan.

Variable remuneration depends on performance in relation to business targets, in the same way as for senior managers and senior staff. In the case of underperformance,

the right to variable remuneration does not apply. All employees are covered by the compulsory Retail Industry Pension Fund, which means the Management Team participates in the same pension scheme as all other employees.

'Leading movement on sustainability' is one of seven indicators (KPIs) for the Board. The Board's performance is not evaluated by an independent party.



## sustainability

HEMA's Board (the Management Team and Executive Board) is responsible for the corporate strategy, within which sustainability is a key focus. Developments and sustainability targets are monitored and discussed during sustainability meetings, where the latest developments and targets for sustainability are discussed. Those attending include the CEO, CPO and representatives of the communications, legal affairs, quality, buying desk, risk&audit and sustainability departments. Here we share insights on specific areas once a month that are discussed in sub-groups. Each sub-group has a specific objective and, once this has been achieved, the group is discontinued. The objectives cover areas such as relevant developments in legislation and regulations, reporting, stakeholder engagement, CO<sub>2</sub> and diversity and inclusion.

HEMA's CEO holds ultimate responsibility for the sustainability policy, managing impact and directing performance. The sustainability team is responsible for implementing due diligence policies and other processes to identify impacts on the economy, the environment and people. The Board has delegated managing impact to the sustainability team. This team is made up of Eva Ronhaar (manager), Xander Kotvis (environmental

impacts), Saskia Schrijnen (diversity and inclusion, stakeholder management), Marieke Doolaard (due diligence, production chain) and Nahal Akbarian (jr. sustainability specialist, circularity collaborations). The sustainability team reports to the CEO on actions and progress on sustainability indicators on a quarterly basis. Both the CEO and the CPO are signatories to relevant agreements, such as the International Accord

# Supervisory Board

31 January 2023

	<b>Pieter Haas</b>	<b>Bas Becks</b>	<b>Wilco Jiskoot</b>	<b>Ton van Veen</b>	<b>Ronald van der Vis</b>
Title	Chairman and appointed in accordance with the rights of recommendation of the HEMA Works Council	Supervisory Director Parcom	independent Supervisory Board Director	Supervisory Director Mississippi Ventures	Independent Supervisory Board Director
Starting date	1 February 2021	1 February 2021	1 February 2021	1 February 2021	1 February 2021
End of term	31 January 2025	31 January 2025	31 January 2025	31 January 2025	31 January 2025
Ultimate	2033	2033	2033	2033	2033
Gender	male	male	male	male	male



and the Pakistan Accord for the textile and garment industry. Managers are informed on a quarterly basis about progress towards targets. Information about this comes from various different departments.

The sustainability team is responsible for sustainability policy and developing strategy. Colleagues from other HEMA departments are responsible for implementing the policy: the legal department, buying desk (packaging expert and product sustainability expert) and quality (MRQ audits).

The team consults with the CPO on a monthly basis (and more often if necessary). The CPO holds responsibility for the supply chain, the associated risks and the approach needed from HEMA. Every quarter, the sustainability team provides an internal quarterly report to the Management Team and managers of the various departments. The report provides progress information about targets for transparency, risks, packaging, environmental impact and certifications.

Critical concerns are reported to the CEO, the CFO and the CPO during consultations or sustainability meetings.

### **sustainability reporting**

Progress on sustainability is shared annually in the publicly available sustainability report. HEMA's Management Team is responsible for overseeing and approving sustainability information. The sustainability team discussed the design and process individually with all MT members. Teams within HEMA provide the relevant information. The Management Team ultimately approves publication of the sustainability report.

In preparation for the new European legislation on non-financial reporting (CSRD), the sustainability team is working closely with the finance team. The CSRD implementation project team was formed at HEMA to this end. The CFO also participates in an external working group to prepare for the CSRD. A dual materiality analysis will be completed in 2023 in preparation for the CSRD.

HEMA's CEO and CFO contributed to the design of the dual materiality analysis and are involved in the outcomes and objectives.

### **stakeholders**

The Board (MT and Executive Board) is involved and present at stakeholder consultations. The MT as a whole attends strategy days (employees, suppliers), the stakeholder meeting (January 2023) (colleagues, NGOs, cooperation partners), Say HEMA (with the customer) and other touchpoints. Feedback from these consultations is taken into account in shaping the sustainability policy as part of an ongoing process.



# appendix: employee figures

## employees

HEMA employed an average of 10,609 people in 2022. Of these, 99.5% of employees were covered by HEMA's collective labour agreement. HEMA introduced an organisational change in 2022. We brought in an external organisation that offered employees assistance in looking for a new job, for example by helping with writing resumés and orientation for finding a new job. Advice on career pathways and interviews were also offered. The latter was also for people taking up a new position within HEMA.

Temporary staff, interim staff, consultants, and interns also work for us. Interim employees mainly fill temporary positions until a permanent employee is hired. Temporary workers provide extra capacity during peak workloads. We engage external consultants when the required expertise is not present in-house or is not available. On 31 January 2023, a total of 313 people were working for HEMA in this way.

## CLA for employees

In late November 2022, HEMA announced that nearly all the 8,000 employees covered by the HEMA collective labour agreement would receive a 10.5% pay raise. This applied to employees in stores,

## number of employees by gender

	total**	female*	male**	X**
number of employees	10.609*	6.820	1.409	0
number of permanent employees	4.028	3.152	876	0
number of temporary employees	4.201	3.668	533	0
number of employees with zero hours contracts	0	0	0	0
number of full-time employees	534	217	317	0
number of part-time employees	7.695	6.603	1.092	0
number of people who are not employees but whose work is controlled by the organisation***	1.347	-	-	0

\*The total is based on the average number of employees in 2022

\*\*The gender is based on the headcount on 31 January 2023

\*\*\*Including trainees

distribution centres and the head office. The nearly 500 employees covered by the HEMA Senior Staff CLA (hereafter: SS CLA) will receive a 2.1% pay raise. This mainly affects employees at the head office.



## number of employees by region

	Germany	Belgium and Luxembourg	Austria	purchasing offices**	France	The Netherlands
number of employees	215	878	81	58	669	10.609*
number of permanent employees	98	682	81	57	553	4.028
number of temporary employees	143	141	0	1	46	4.201
number of employees with zero hours contracts	0	0	0	0	0	0
number of full-time employees	40	251	8	57	481	534
number of part-time employees	201	572	73	1	118	7.695
number of people who are not employees but whose work is controlled by the organisation***	0	0	6	0	0	1.347

Figures are as at 31 January 2023

\*The total is based on the average number of employees in 2022

\*\*Dhaka, Shanghai and Hong Kong

\*\*\*Including trainees

The HEMA collective labour agreement expired at the end of 2022; the HP collective labour agreement also expired in the first quarter of 2023. HEMA then switched to the collective labour agreement for Retail Non-Food (RNF). This is an industry collective labour agreement, with which many retail companies are affiliated. To ensure that the total package of employment conditions is right for HEMA, there will be a supplement that will apply specifically to HEMA's permanent employees. There will also be a transitional arrangement for current employees. Employees without a permanent position have similar employment conditions to permanent employees, in line with the collective labour agreement for Retail Non-Food (RNF), without the specific HEMA supplement.

For the supplement and transitional arrangement, we look closely at the results of an employment survey we conducted among employees as well as roundtable sessions. The proposal for the supplementary company-specific schemes will be drafted by HEMA itself and discussed with the HEMA Works Council (HWC). The HWC represents all in-house employees at the head office, in the stores and distribution centres, and can consult with employees and seek advice from external experts. Further information will be forthcoming in the course of 2023.