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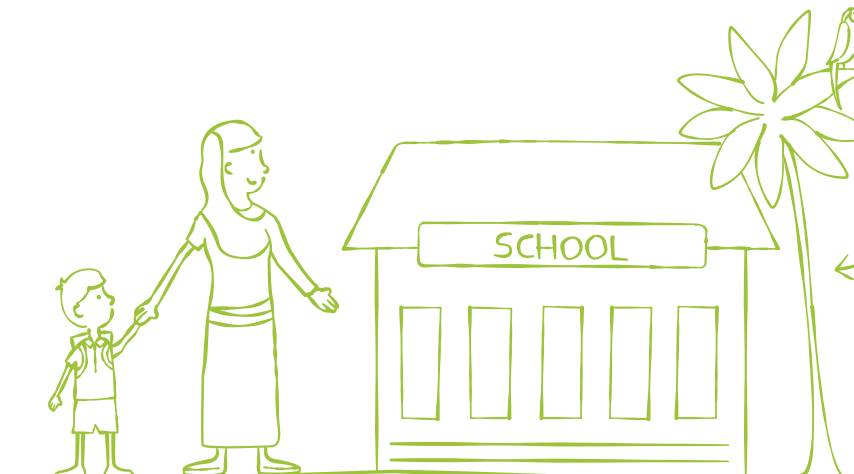
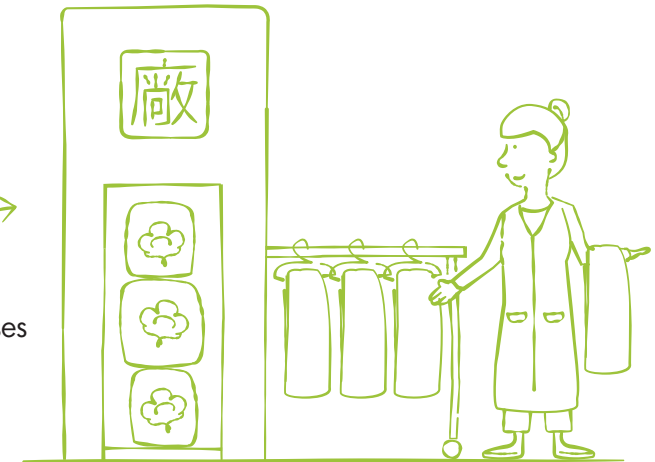


what our products are made from

- Raw materials
- Packaging

how our products are made

- social responsibility
- working conditions on producers' premises
- sustainable design
- environment
- food waste



our role in society

- customer satisfaction
- good employment practices
- the HEMA Foundation

for everyone

This year, once again, I want to thank all HEMA employees and partners for their collaboration, sustainability efforts and also for their flexibility, because the world around us is changing very rapidly. Today, more than ever before. From changing customer wishes to the rapid emergence of online retail and new legislation. This requires HEMA, traditionally a retailer, to adopt a very different way of working.

In 2019, we started the transition from a retailer to a global brand. We want to make the daily lives of as many people as possible better, easier and more fun. Through new forms of collaboration, we make sure that HEMA is available to customers everywhere. We've noticed that sustainability is important to an ever-increasing group of customers in the Netherlands. Also, international collaboration partners choose us because of our sustainability profile. They've indicated that sustainability, at HEMA's affordable pricing level for everyone, is a distinguishing factor, and it is new for their market and their customers. An excellent example of how everyone wins with sustainability. HEMA started a partnership with Wehkamp, and our products are now on sale at Franprix in France. After thorough preparations in 2019, we will also start selling the first HEMA products in Mexico later in 2020.

Despite all these updates and changes, our essence is still the same. The way our founders wanted it: affordable products for everyone, so that everyone can live better. Better products for our customer, better for the people who make our products, and better for the world in which we live. This is how we interpret and continue to interpret sustainability.

We achieved several milestones over the past year. We sourced all the cotton needed for our products sustainably, we developed and communicated an ambitious plastic policy and in terms of transparency, we published a list of all our production sites around the world. Great strides which we are proud of. We have set ourselves more ambitious goals in the short term. However, I realise that we are advancing within a linear model. A model which is finite. A great deal must still happen for us to become a circular business. This is our long term ambition and we are taking the first steps, with products made from recycled materials.

In relation to sustainability, our biggest challenge is to ensure that our products are always produced under proper working conditions, in all the countries where they are made. We have an incredibly wide range, consisting of more than 32,000 products. These products are produced in factories in many different countries. We often visit these factories and interact with them closely, but our presence is not permanent. Working conditions ought to be good even when we are not around. Our biggest challenge is to make sure that this is guaranteed. That's why it is important to build lasting relationships with suppliers.

Collaboration is always our objective. Therefore, we also value your feedback, as the readers of this sustainability report. We invite you to send your questions, comments or suggestions to sustainability@hema.nl.

Thank you, and I hope you enjoy reading this report!



Tjeerd Jegen, CEO HEMA B.V.
July 2020, Amsterdam



'In the end, what inspires me most as the leader of this company, is being able to make a positive difference in society: to give the people who work for us the opportunity develop, to make sustainability accessible and affordable for customers, and to give back to society, for instance, by way of the HEMA Foundation. Therefore, sustainability is anchored in our strategy, and we communicate this in a very transparent way. My sustainability highlight of the year was the publication of our production site list.'

Tjeerd Jegen, CEO HEMA B.V.

COVID-19 statement

This sustainability report covers the year 2019. It is unusual for an annual report to include statements about the following year (about now). However, the current – unusual – circumstances warrant this. We are publishing this sustainability report in the midst of a global pandemic. Everyone is experiencing the consequences. The same applies for HEMA. Therefore, we believe it is appropriate to reflect on it in this report when we provide a glimpse of our future plans.

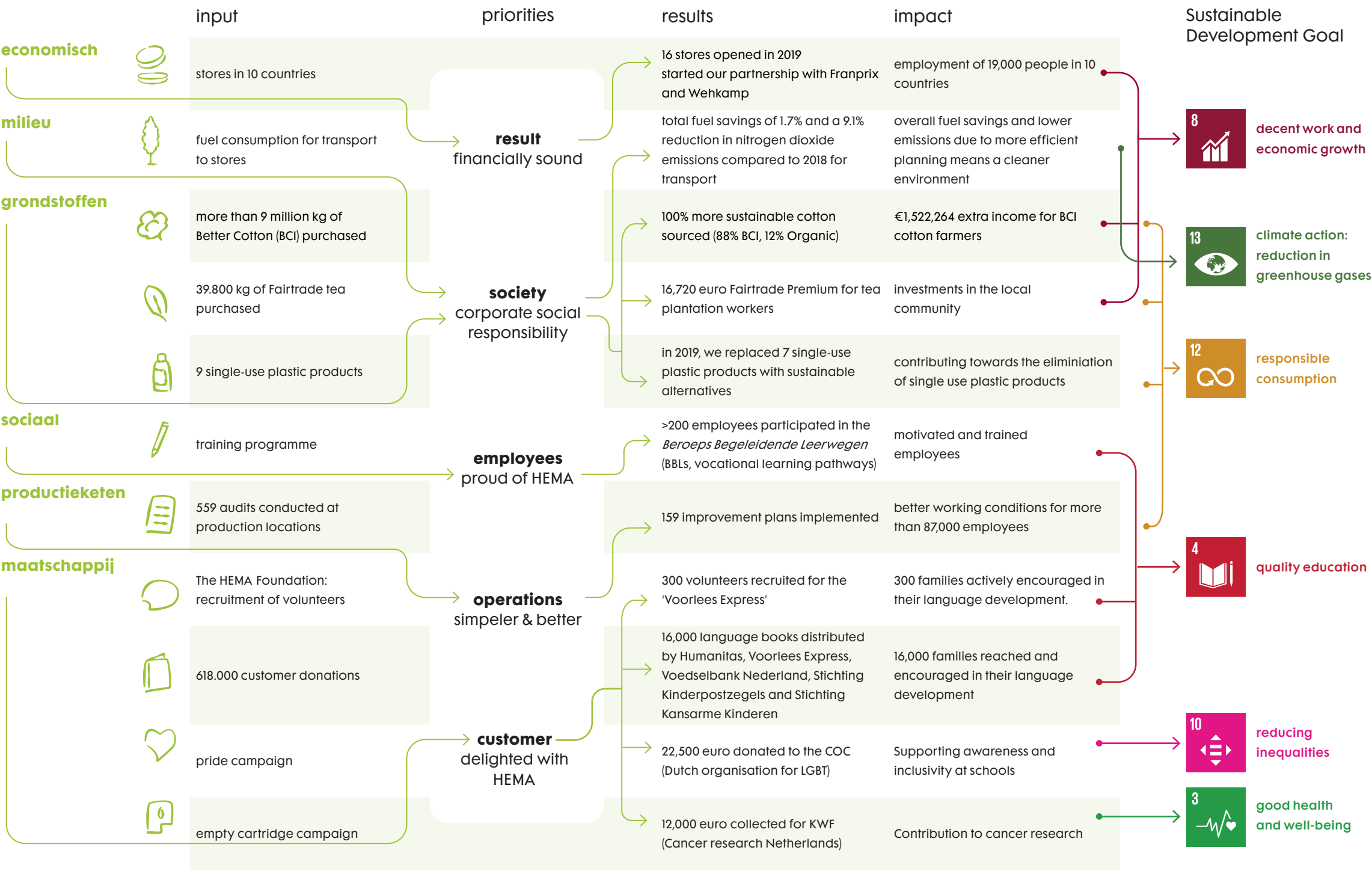
At the beginning of the corona crisis, all our stores abroad closed for nearly two months. All our restaurant establishments in the Netherlands are closed. Right now, we here at HEMA are working to ensure that we can safeguard the health and safety of our customers and employees, as best possible.

And, every day, we face new challenges. For example, the mask that we are now introducing to the market. Our customers have expressed an enormous demand for this product. The short-term decision was to provide a product that's only suitable for single use. This is inconsistent with our disposable products policy. Therefore, we will offer a reusable fabric mask, as soon as possible, that can be washed and will last much longer. For 2020, we anticipate more challenges of this unforeseen nature. Even so, our commitment to sustainability remains unchanged. We will work hard to share with you the positive developments that you have grown accustomed to with HEMA, in our next sustainability report for 2020.



2019 results

We always try to find a healthy balance between sustainable business practices and sound financial results. We do this by setting targets concerning various subject areas that we consider to be important, linked to the Sustainable Development Goals. Within these subject areas, we work on continuous improvement.



brand essence

**optimistic
unique
clear
trustworthy
open
typical Dutch**

stores int 10 countries

The Netherlands - 535

Belgium - 99

France - 74

Germany - 21

United Kingdom - 10

Spain - 9

United Arab Emirates - 6

Austria - 5

Luxembourg - 4

Qatar - 3

HEMA in a nutshell

The Hollandsche Eenheidsprijzen Maatschappij Amsterdam (Hollandic Standard Prices Company Amsterdam), or HEMA for short, opened its doors in Amsterdam in 1926. The high-quality products, designed in-house, were sold at standard prices. A unique concept. In 1928, there were already ten HEMA stores in the Netherlands, and in the 1950s, HEMA was the first franchising organisation in the Netherlands. In 1984, HEMA opened its first store abroad, in Belgium.

In 2019, HEMA had 766 stores in ten countries, with 19,000 employees serving over six million customers per week. HEMA also has online stores in the Netherlands, Belgium, Germany, France and the United Kingdom. Our range is the same everywhere, with a single exception. We only sell fresh food in the Netherlands and Belgium, we don't sell any pork products or alcohol in Islamic countries, and we tailor our electrical range to the outlets in the relevant countries.

In 2019, HEMA started partnerships with Wehkamp and the French supermarket chain Franprix, which means our products are more widely available. In 2020, we will collaborate with the supermarket chain Jumbo and with Walmart in Canada and the United States. All our products are developed in-house, and our range is becoming increasingly more sustainable and consists of approximately 32,000 products and services.



Tjeerd Jegen



Ivo Vliegen



Trevor Perren



Richard Flint

HEMA has been part of Ramphastos Investments since 2018. In 2019, the Board of Commissioners consisted of Wilco Jiskoot (70 years old) as Chairman, Marcel Boekhoorn (60 years old), Ronald van der Vis (52 years old), Jan Zijderveld (56 years old) and Dorine Wekking (57 years old). HEMA's Board of Directors consisted of Tjeerd Jegen and Ivo Vliegen. Tjeerd Jegen (49 years old) has been the CEO since 2015, and his portfolio includes sustainability. Ivo Vliegen (56 years old) has been the CFO since November 2015.

value chain

stores in 10 countries

The Netherlands
Germany
Belgium
France

Spain
United Kingdom
Luxembourg
Austria

United Arab Emirates
Qatar

HEMA

product design in
Amsterdam

central distribution from Utrecht for
all our (online) stores

bakery in Almere

3 purchasing offices in
Dhaka, Hong Kong and
Shanghai

long-term partner in
Turkey and Pakistan

shipping by boat

sustainability at HEMA

In 2019, we conducted yet another materiality analysis. With this, we identified, along with our stakeholders, which sustainability topics are most important for HEMA. The resulting material subjects form the guideline for this report, and we've grouped them under 3 chapters: what our products are made from, how our products are made, and, our role in society.

anchored in the strategy

Our sustainability strategy is linked to the Sustainable Development Goals and forms an important part of HEMA's corporate strategy. We have noticed that sustainability is becoming increasingly important to our stakeholders. That's why at HEMA, sustainability is reported directly to the Chief Brand and Strategy Officer. This way, sustainability is included in all our strategy-related developments.

The sustainability team draws up the policy for the organisation with the associated targets and ambitions. The team then works on an action plan together with the various HEMA departments. The relevant department implements the plan, and the sustainability team monitors progress. This required solid and continuous collaboration. Our approach focuses on all the links in our supply chain: from the support office to the distribution centre, the bakeries to the stores, and the purchasing offices to the commercial agents. Sustainability is not only for everyone, but it also belongs to everyone.

Respect for the world around us

We keep a close eye on external developments and trends. We realise that various raw materials are limited and see the signs of climate change. This requires us to look at our range differently and demands more sustainable consumption.

Our customers are also increasingly asking for more sustainable products. For example, we see a growing demand for plant-based products. Our range reflects this demand in our food and beauty products. And, of course, there has been considerable attention for plastic in 2019. We're not against plastic, but we acknowledge there is a plastic challenge that we need to solve. That's why we introduced our plastic policy and signed the Plastic Pact. It's a challenging topic because good alternatives to plastic are not always available. Therefore, the innovation of materials is crucial, and we are in continuous dialogue with stakeholders and partners to develop new possibilities.



"For me, the development of our plastic policy was the sustainable highlight of 2020. A lovely example of collaboration, in which the Institute for Sustainable Packaging supported us. Besides, it's also ambitious. We are ahead of the legislation, even though we know that a sustainable solution is not always on hand. This shows that we truly believe that it is important, although we don't always have the answers, yet!"

Eva Ronhaar,
Director of Innovation & Sustainability
and HEMA Foundation Director

highlights of the year 2019

January

- The HEMA Foundation distributes 6,000 'Ootje en zijn lettervriendjes' children's books by way of 'More HEMA' points donated by customers.

March

- HEMA launches its vegan apple crumble pie.

April

- Kick-off of the HEMA Foundation's first social design accelerator.

February

- introduction of our plastic policy and signing of the Plastic Pact.
- HEMA introduces a new vegan beauty label, B.A.E.: Before Anything Else.
- HEMA is partner and host of 'Beyond Next', the circularity festival.

May

- HEMA introduces bio-plastic toys made from sugar cane.
- From now on, HEMA only sells flight tickets with standard CO2 compensation.
- The HEMA Foundation opens the first children's Zwerfboekenkasten (free library book exchanges) in HEMA stores.

July

- Limited-edition Pride T-shirts designed by Viktor & Rolf, of which all proceeds go to the COC.
- New sustainable body care range: 100% vegan, produced with ethically responsible ingredients and with packaging made from recycled materials.

September

- From now on, all cotton is sustainably sourced

November

- HEMA publishes the production site list and signs the Transparency Pledge.
- Start of the Hema Foundation's VerderVertellen awareness campaign.
- Children's book 'Look and read with Miffy' available at hema.nl. The proceeds will go towards distributing the book amongst children who aren't used to growing up with books.
- Finals of the HEMA Foundation's first social design accelerator.

December

- 100 HEMA stores in the Netherlands registered with anti-waste app Too Good To Go.
- B.A.E. crowned best vegan newcomer 2020 by the Dutch Society for Veganism. December: HEMA removes plastic firework balls from all its stores.

August

- HEMA introduces vegan veggie hot dog.

June

- HEMA introduces its first collection of sustainable swimwear made from recycled materials.
- The HEMA Foundation celebrates its 1st anniversary.

October

- HEMA takes part in the Dutch Sustainable Fashion Week for the first time.
- Start of the Dare2Lead leadership programme.

in dialogue with the world around us

Collaboration is a precondition when one wants to implement sustainable changes. This is why we work with various stakeholders and why we're in dialogue with the world around us. Through joint ventures, one-to-one conversations or customer panels. With customers, the government, social organisations, suppliers, the sector and other stakeholders.

putting our customers first

At HEMA, our customers come first. We have many involved customers, who send us questions, responses and ideas about sustainability via sustainability@hema.nl, HEMA social media or the HEMA helpdesk. The themes differ a great deal, from food ingredients to working conditions on producers' premises. To be able to continue to improve, we survey 200 customers weekly and ask them what they think about our social involvement and if they can easily find our sustainable products. For instance, we received many questions from customers, about vegan alternatives, and in 2019 we introduced several vegan products.

our suppliers

In March 2019, we organised the 'creating the future' supplier conference. Our top 100 suppliers of textiles, hardware and food joined us in the thinking process about sustainable solutions for HEMA, in terms of social conditions and environmental issues. Day two of the conference was all about reducing packaging. After a visit to the distribution centre, we held workshops with the KIDV about how we can jointly reach our packaging targets. In line with our ambitions, the suppliers wanted more specific packaging guidelines from HEMA. We recruited a packaging specialist who is focused on reducing our packaging and making it more sustainable. One of the resulting actions is that we will be reducing secondary packaging immediately.

trade associations and multi-stakeholder initiatives

We continuously explore how we can implement positive changes within the sector. We are affiliated with multi-stakeholder initiatives such as Amfori BSCI (Business Social Compliance Initiative), the IMVO Dutch Agreement on Sustainable Garments and Textile and the Bangladesh Transition Accord. We also signed the Plastic Pact and the Transparency Pledge and we are members of national trade associations such as the VGT (*Vereniging Grootwinkelbedrijven in Textiel*) [English: Association of Textile Retail Stores] and Modint.

social organisations

HEMA has been working with the following social organisations for years.

DCS

We have been working with the Dutch Cancer Society (DCS) since 2006. When a customer returns an old cartridge to us, the customer donates an amount to the DCS. In 2019, we collected and donated over €12,000 to the DCS.

COC

COC Netherlands advocates the rights of lesbians, gay men, bisexuals, transgenders and intersex people (LHBTIs). In recent years, we have conducted a Pride HEMA Campaign and sold matching T-shirts and pompouces. In 2019, fashion designers Viktor&Rolf designed a special T-shirt for the Pride week, with the rainbow letters 'Love is for everyone' on them. The T-shirts were on sale in Amsterdam, Antwerp and Brussels. The full proceeds went to the COC's GSAs: groups of students who strive to make their schools a safe place for everyone, where they can be who they are. In total, we donated €22,500 and 2,000 T-shirts.

Also, HEMA organised a baby shower during the Pride week. Many family compositions that differ from man and woman run into various challenges. Together with the COC and Stichting Meer dan Gewenst, we went in search of three families who recently welcomed a baby by way of surrogate motherhood, donorship or multi-parenthood. During the baby shower, we celebrated the love between each parent and child, together with the three families.

LINDA.foundation

We have been working with the LINDA.foundation for a few years. They act to help 1 in 9 children who grow up in poverty in the Netherlands. In 2019, 4,250 families received a HEMA gift card valued at €100, via the LINDA.foundation, just before the Christmas holidays. We offered these gift vouchers at a substantial discount.

"By working with HEMA during Pride, we reached a large part of the Netherlands and Belgium, with an important message: Love is for everyone!"

Viktor & Rolf





special collaborations

Merijn Tinga, Plastic Soup Surfer

As the Plastic Soup Surfer, Merijn raises awareness of the problems caused by pollution. At the end of 2019, he addressed HEMA about our crackling firework balls: plastic fireworks that can potentially break into hundreds of small bits when used. This product violates HEMA's plastic targets, which is why we removed the crackling firework balls from our stores. A big, high-impact statement and many retailers followed our example soon afterwards.

'FANTASTIC NEWS. HEMA will remove all crackling firework balls from their shelves IMMEDIATELY because of our Operation hashtagHEMAknetterbal! They had just stocked their shelves last week. More than 40,000 packs! With this, we keep a million shells off the streets! What a lovely gesture today, when CEO Tjeerd Jegen called me in connection with an email to him yesterday. Respect for this type of leadership.' - Merijn Tinga, Plastic Soup Surfer

Chantal's pyjama party

In November, Chantal Janzen (Dutch celebrity) threw the biggest pyjama party in the Netherlands in the Ziggo Dome. HEMA developed four sets of pyjamas with Chantal, especially for this party. By purchasing one of these pyjamas, customers supported the Princess Máxima Centre for Child Oncology, with the adoption of a parent & child room in the centre. This way, parents can stay with their child day and night. Customers could also donate their 'More HEMA' points to the centre. The total donation to the Princess Máxima Centre was €40,000.

materiality matrix

In 2019, we conducted our third materiality analysis. The analysis shows which sustainability themes our customers, external stakeholders, employees, and HEMA management and board members consider most important, and where we should make a difference. Additionally, we have a due diligence process in which we identify and address the risks in our supply chain in terms of human rights, the environment and animal welfare. The due diligence process and the material themes form the guidelines for our sustainability strategy.

We also conducted interviews with: World Wildlife Fund (WWF), Supplier Royal Sanders, Trade association VGT, Solidaridad and the Social and Economic Council

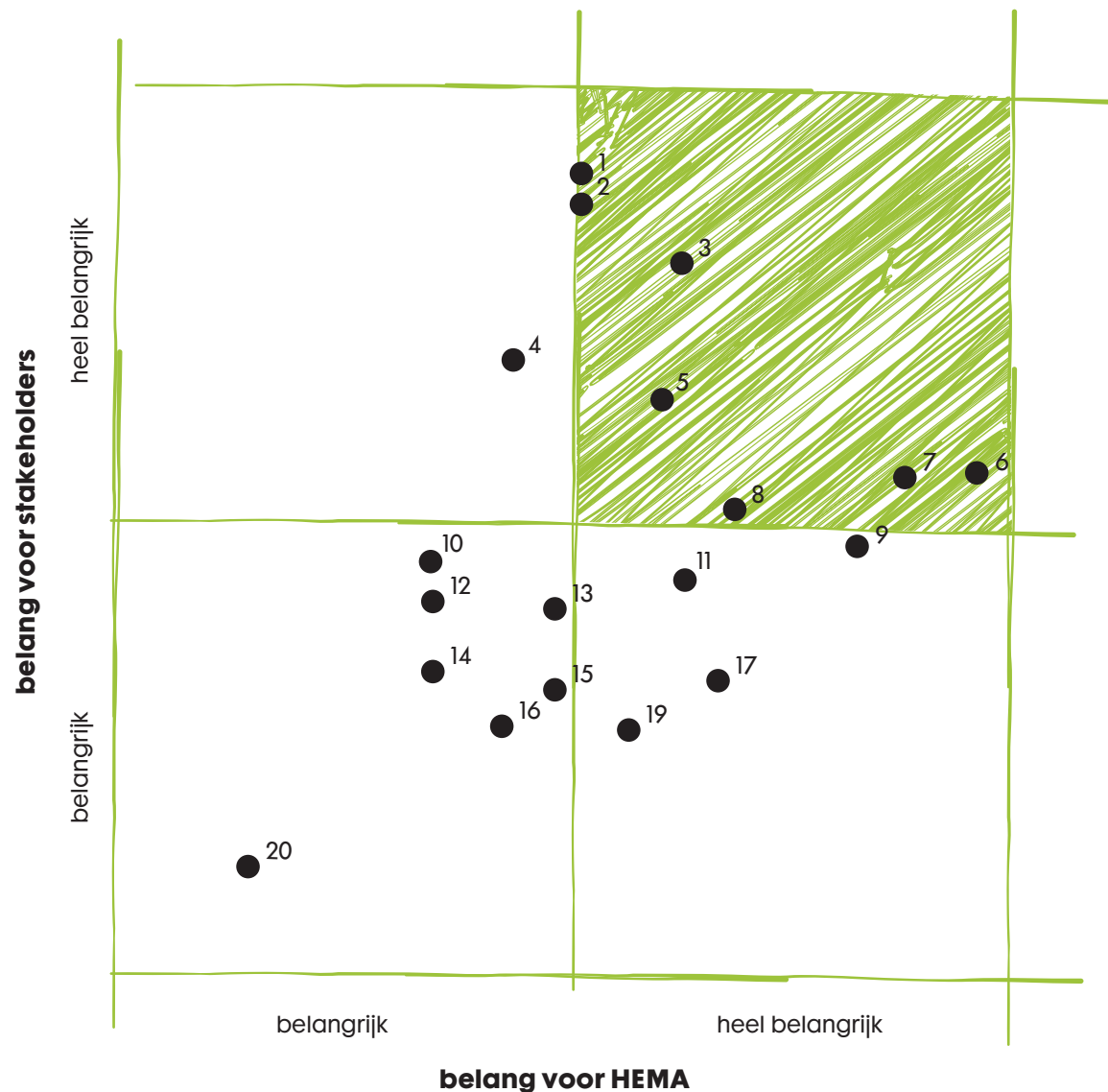
The analysis revealed that they consider the following subjects to be most important: raw materials, sustainable design, packaging, supply chain responsibility, working conditions on producers' premises, customer satisfaction and good employment practices. We added the last four material subjects, compared to the previous materiality analysis. The environment and food waste c are no longer material subjects, but will remain important to us

The analysis has led us to some interesting insights:

- Customers and external stakeholders both pay more attention to a product's sustainability and consider that when making a purchase at HEMA.
- Customers and external stakeholders both feel that HEMA's sustainability vision has become more recognisable. At the same time, customers indicate that there's room for improved communication about our products, in stores and online.
- External stakeholders see an opportunity for HEMA to become a leader in the sector and to set an example for other companies and customers.

The following external parties took part in our analysis:

- Trade associations
- Retailers
- Journalists
- Knowledge institutions
- Covenants
- Suppliers
- NGOs
- Government
- Collaboration partners



1. raw materials

We want to lower the negative impact of our products by using alternative and more sustainable raw materials. We're making great strides in the linear model, and we have ambition to become increasingly circular.

2. supply chain responsibility

We're taking our supply chain responsibility. We're continuously working on acquiring a better understanding of our supply chains and identifying potential risks for humans, animals and the environment.

3. working conditions on producers' premises

We are committed to making sure that our products are produced sustainably. We always conduct audits before working with new factories. Also, in 2019 we started new activities to implement improvements even more effectively.

4. sustainable design

Sustainability, customer solutions and quality play a central role in our product development. We strive for better products in three areas: better for the environment, better for people and better for consumers.

5. packaging

We use different kinds of packaging to protect and transport our products. Our ambition is to use less, more sustainable and more recyclable packaging materials.

6. customer satisfaction

We don't just want to make daily life more fun and easier for our customers, we also want to make it better. By making more sustainable choices possible, more often. In all the countries where we have a presence, in the store and on our online store.

7. good employment practices

We believe in the power of well-trained, healthy and involved employees. Also, we want our workforce to be an accurate reflection of our society.

8. sustainable business

9. financial performance

10. employee engagement

11. employee development

12. diversity

13. less food waste

14. social awareness

15. animal wellbeing

16. energy consumption

17. healthy food assortment

18. waste collection and recycling

19. transport and logistics

20. local purchasing



what our products are made from

15



non-food

HEMA has a wide range of products made from varied raw materials. We're taking our responsibility to make these raw materials more sustainable. For this, we focus on raw materials with the greatest impact and those with a significant presence in our range, like plastic, cotton, wood and paper, dairy, meat, fish, coffee, tea, cocoa and palm oil.

plastic

Plastic is made from crude oil, a non-renewable raw material that's not naturally biodegradable. To lower the negative impact of plastic we have developed a plastic policy with targets on three levels:

- 1. single-use plastic products
- 2. durable plastic products
- 3. plastic packaging

We want to replace materials that pose potential harm to the environment with more sustainable alternatives. That's also why we signed the Plastic Pact in 2019. An initiative of the Ministry of Infrastructure and Water Management, to bring more recyclable and recycled plastic products and packaging onto the market by 2025. The baseline measurement was in 2019, which means we can start measuring our progress as of 2020.

HEMA immediately introduced more sustainable alternatives for single-use plastic products. In 2020, HEMA will or will already have replaced all plastic straws, stirrers, cotton buds, confetti and sandwich bags with more sustainable alternatives. We also participate in projects with other companies, to reach shared targets. For example, we started a working group with other companies and the KIDV, to recycle more disposable cups in the Netherlands. We were also the first retail chain that removed the crackling firework balls from our stores. Our ambition is to sell plastic free fireworks from 2020.

HEMA's ambition is to replace durable plastics with renewable or recycled materials by 2025. HEMA took the first steps in 2019, with the introduction of folding crates, duvets, swimwear and winter accessories made from recycled PET fibres. We also sold toy blocks made from bio-plastic (sugar cane).

In 2019, we did our first assessment of our inventory of durable plastic products. Although we've already replaced nearly 100 products with recycled or renewable plastic, it's still just the beginning. We are aware of the immense challenges and will take steps with our partners to make huge leaps in the coming years, to reach our target.



target 2020-2025

resultaat 2019

In 2020, a more sustainable alternative for single-use plastic products

Sustainable alternatives purchased for 7 of the 9 product groups

In 2025, 100% recycled or renewable material for plastic or polyester products

88 products converted to recycled or renewable materials

In 2025, a 25% reduction in plastic consumer packaging

1,751,322 kg plastic for consumer packaging*

*These numbers were calculated in a revised baseline measurement, based on the total sales in all countries where HEMA was active in 2019.

cotton

In 2019, we purchased all our cotton more sustainably, according to one of the three sustainability standards that contribute to an improvement in environmental and social conditions: Better Cotton Initiative (BCI), Organic Content Standard (OCS) and the Global Organic Textile Standard (GOTS). We reached this milestone one year ahead of target. Cotton farmers registered with e BCI benefit from an estimated €1,522,264 in additional income, thanks to our collaboration. Also, it's estimated that 5 million litres of water were saved and 3,300 kg of pesticides avoided.

cotton purchasing	2017	2018	2019
Better Cotton Initiative	70%	85%	88%
GOTS and OCS (organic cotton)	10%	12%	12%
total	80%	97%	100%

* Calculated based on the share of certified product compared to the total for the range.

HEMA contribution	2019
number of cotton farmers reached	>5500
extra income for cotton farmers	1.522.264 euro

* Calculated based on the BCI method

wood and paper

We want to purchase all wood and paper products with FSC® certification in 2020. FSC® certified wood comes from responsibly managed forests, where the habitats of the animals are kept and the local inhabitants and forestry workers are respected. In 2019, the share of FSC® certified wood and paper increased from 55% to 84%. In 2020, we'll take further steps towards achieving our target for 2022.

HEMA-bijdrage	2017	2018	2019	target 2022
Share of FSC® certified wood and paper	30%	55%	84%	100%

* berekend op basis van aandeel gecertificeerd product ten opzichte van totaal assortiment.

palm oil

It is our ambition to buy sustainable palm oil for all our cosmetics in 2022. For this, we use the standard of the Roundtable for Sustainable Palm Oil (RSPO), which prohibits deforestation. In 2019, the measuring method for palm oil in cosmetics changed from the number of kilogrammes to the number of products. The RSPO share did not change, and the drop from 80% to 62% is a result of the change to the measuring method.

As of 2019, RSPO certification is a requirement for all HEMA's new cosmetics products that contain palm oil. The remaining non-certified share covers the existing products that will be updated and certified in the coming years.

down

All the down used in our products has been purchased sustainably since 2018. We use the Responsible Down Standard (RDS), an independent global standard. The standard bans cruel practices, like live-plucking and force-feeding, and contributes to animal welfare.

vegan cosmetics

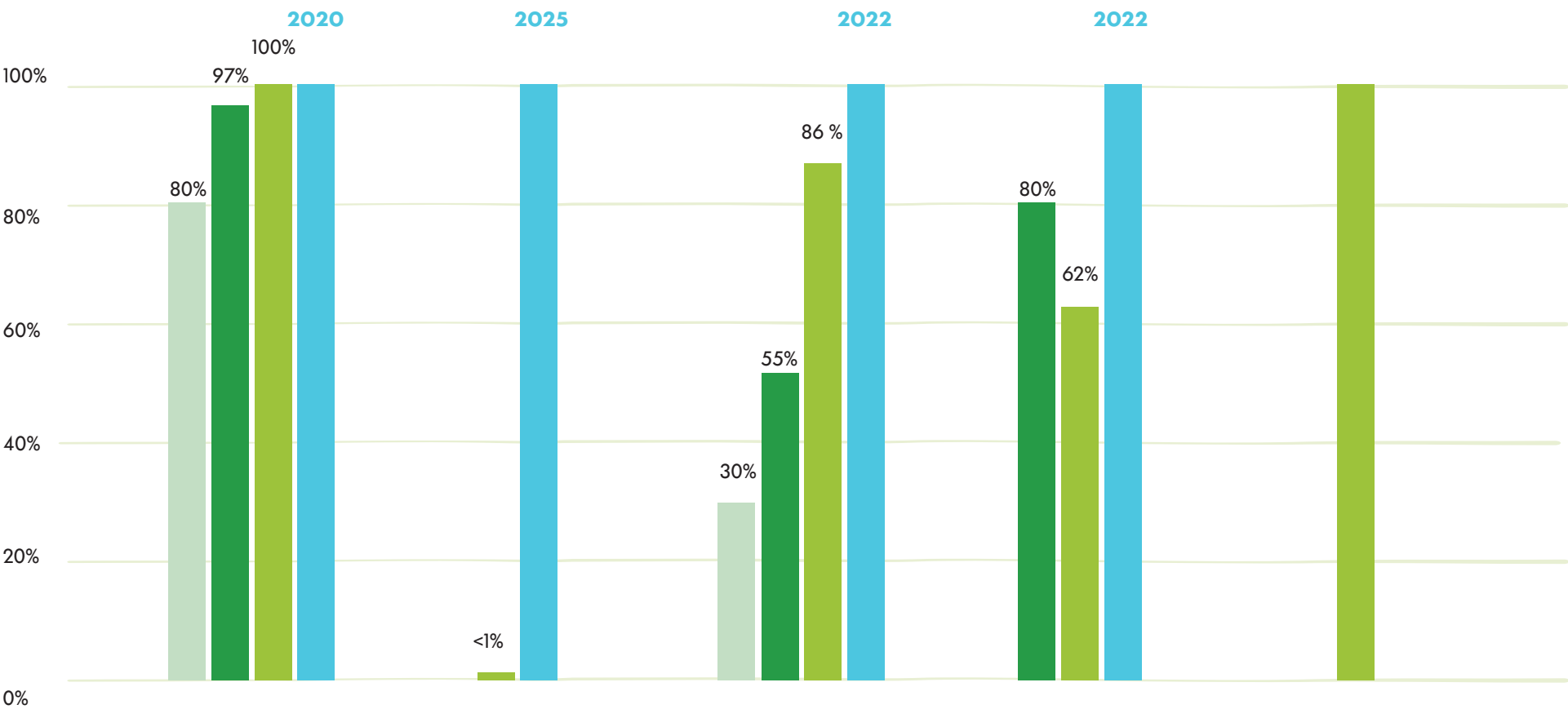
In 2019, the number of vegan products at HEMA increased. We introduced a vegan body care line and added the B.A.E. vegan beauty line to our range.



development 2018-2019

fashion and hardgoods

2017 2018 2019 target



cotton
target: 100% sustainably purchased in 2020
Three standards: BCI, OCS and GOTS. Can be identified by our logos: HEMA's responsible cotton and organic cotton logos

plastic and polyester
target: 100% recycled or renewable in 2025
Assessment of plastic products shows the first steps in 2019

wood and paper
target: 100% sustainable in 2022

palm oil
target: 100% sustainable in 2022
In 2019, the measuring method changed from the number of kilogrammes to the number of products, and RSPO certification became a requirement for new cosmetics products. The RSPO share did not change, and the drop is due to the change to the measuring method.

down
We use the Responsible Down Standard (RDS) for all our down products.



food

animal welfare

HEMA joined the Better Life label foundation to buy all meat and meat products in a more animal-friendly way. In 2018, all our Dutch hams received 1-star Better Life certification, and in 2019 our iconic HEMA hot dog also received 1-star Better Life certification. In 2020, we want all our chicken products to become 1-star Better Life certified, expand our range of meat substitutes and introduce a vegan hot dog kit. We're also working on a more sustainable alternative for our smoked sausage.

Share of Better life products	2017	2018	2019	target 2020
At least 1 star	21%	23%	28%	1-star Better life certified chicken for all spread products

* Calculated based on the share of certified product compared to the total for the range.

It is our ambition to convert all fresh dairy products from the Netherlands to organic or meadow milk by 2020. The share is lower due to the delisting of certified products within the dairy range, amongst other things.

Share of meadow milk or organic	2017	2018	2019	target 2020
	61%	58%	45%	100%

* The percentage is lower in 2018 compared to 2017, due to the delisting of products with a quality label

* Calculated based on the share of certified product compared to the total for the range.

It is our ambition to buy all fish and shellfish with the ASC or MSC label in 2020.

Share of ASC or MSC label for all fish and shellfish	2018	2019	target 2020
	34%	35%	100%

* Calculated based on the share of certified compared to the total for the range.

coffee, tea and cocoa

All our coffee, tea and cocoa products are certified by UTZ, Rainforest Alliance or Fairtrade. We sell our coffee pods, coffee beans and filter coffee in metal-free packaging, and the production process for the coffee pods and coffee capsules is CO2 neutral.

With our Fairtrade tea range, we were able to pay plantation employees a Fairtrade premium of €16,720 in 2019. The local community invests the premium through a premium committee. They invest nearly half of the premium in housing, schooling and health care. A smaller share is paid out to plantation employees or used for financial support such as loans. Furthermore, in 2020 we only want to use unbleached paper for our teabags.

	2017	2018	2019
Fairtrade premium paid	€12.500	€16.600	€ 16.720
Kg of Fairtrade tea	25.000	39.500	39.800

* Calculated based on the quantity (Kg) sold via HEMA channels

palm oil

Since 2018, 100% of the palm oil used in HEMA's food products has been certified according to the standard of the Roundtable on Sustainable Palm Oil (RSPO).

vegan

Our range of vegan products include: vegan apple pie, sweets and wines. In 2019 we have added the vegan hot dog, developed in collaboration with 2-star Michelin chef Moshik Roth from &samhoud food.



development 2018-2019

food

2017 2018 2019 target



packaging

At HEMA, we want to use less, more sustainable packaging materials, like renewable and recyclable materials. We have packaging targets on two levels:

- Consumer and product packaging (primary packaging)
- Transport packaging (secondary and tertiary packaging)

In 2019, we fine-tuned the way we keep track of our progress for our packaging targets. We created a new baseline measurement which differs from the 2018 results on some levels. For instance, we included all consumer packaging for the countries in which we operate. The share for glass is also substantially higher as we included the sales for wine and beer in the measurement.

baseline measurement 2019

10% recycled or bio-based plastic

target

100% recycled or bio-based plastic packaging in 2025 compared to 2019

At Hema, we are committed to using recycled or bio-based plastic that's easy to recycle. We have made our first measurement to find out how much recycled and bio-based plastic we use in our packaging.

where we stand in 2019

1.997.316 kg paper & cardboard
1.767.892 kg plastic
2.107.125 kg glass
135.632 kg aluminium
84.894 kg other materials

target

25% less packaging in 2025 compared to 2019

The measurement is more elaborate than in previous years because we included the packaging for all products that HEMA has sold globally. We can say that roughly one-third consists of paper and cardboard, one-third of plastic and one-third of glass. 72% of this glass comes from wine and beer bottles. Since HEMA isn't the one that develops this packaging, and because we consider glass to be a relatively sustainable material, we will focus most of our efforts on cutting back on the other materials.

baseline measurement 2019

61 % all packaging
47% paper/ cardboard packaging
95% glass packaging
2% plastic packaging

target

100% recyclable packaging in 2025 compared to 2019

When it comes to recyclable packaging, we take a close look at the packaging that consists of different components. For example, our header cards are no longer stapled but slide into plastic bags. This way, the cardboard header card and the plastic bag can easily be separated and make recycling easier.

consumer packaging

In 2019, we conducted a thorough analysis of our packaging. For this, we invited the KIDV to come and share their knowledge with us. The KIDV analysed several of our packaging types. We included the resulting recommendations in our packaging instructions to inform HEMA's employees about sustainable packaging. These instructions include checklists and tools to help us achieve our packaging targets.

We also implemented improvements in 2019. For example, we launched a vegan beauty range, packaged in bottles made from recycled PET. Also, we removed the styrofoam from the packaging for our birthday candles and replaced them with cardboard, and we now package our party hats in a cardboard sleeve instead of a plastic box.



transport packaging

We have taken several initiatives in 2019 to cut down on our transport packaging. We experimented with different ways to package products, to reduce the amount of transport packaging. One example is the vests for women, which we now fold more efficiently, which, in turn, saves 30% plastic packaging.

The cleaner the return flow, the better the recycling. That's why we fine-tuned the work instructions for the delivery and discard phase for transport packaging. All the cardboard and foil are collected in our stores, separated and sent back to the distribution centre for recycling.

looking ahead

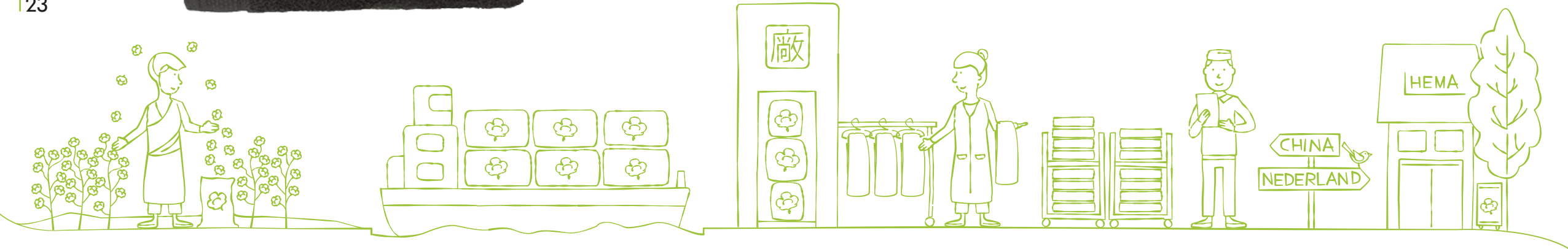
In 2020, the packaging instructions will be rolled out further in the organisation, in combination with employee training modules. Our packaging specialist will train product managers and buyers, and they will examine the entire range to see where and how we can make our packaging more sustainable. We constantly face challenging decisions, by weighing the pros and cons between sustainability, protecting the product, and functionality.

In 2020, the focus lies on cutting back on the volume of plastic, the use of recycled or bio-based plastic, and making our packaging recyclable.

We regularly face challenges in making decisions for a good balance between sustainability, protection of the product and functionality. We help and inform consumers to easily separate our packaging and offer it for recycling.



how our products are made



supply chain responsibility

The risks and impact within the supply chain form an important starting point for our sustainability policy. We're continuously working on expanding our understanding of our supply chains and identifying potential risks for humans, animals and the environment. With this, we set our priorities and weigh interests when deciding where we can have the biggest influence, to improve working conditions and lower our impact on animals and on the environment. Certain materials, production processes, countries, or even regions, have their own risks for which specific monitoring measures are in place. Collaboration is essential in this respect, and we are in continuous dialogue with our suppliers and other parties in the sector.

Transparency and traceability are preconditions for us to be able to take our supply chain responsibility. Therefore, openness about where, how and under which circumstances our products are made is a condition of the relationship we enter into with our suppliers around the world. Collecting this information is an ongoing process, and we try to anchor it within our policy and monitoring systems, to the greatest extent possible. Our risk analysis has shown that those production processes located deeper down the supply chain have the most potential to be harmful to the environment, which demands us to take a closer look at our transparency policy.

For some time, we've had a transparent view of the factories that produce for HEMA (tier 1). Also, we have taken steps in 2019 to gain a transparent view of the suppliers who provide materials and accessories to these factories (tier 2). We did this for our suppliers in Bangladesh, Turkey and a large part of China. With this, we mostly achieved our target to create a transparent view of the clothing and textiles chain, up to tier 2. Our new target for supply chain responsibility is to make tier 2 fully transparent for all clothing and textile supply chains by 2022. We are also going to take the first steps towards gaining transparency in our raw material supplier base (tier 3). Transparency deeper down the supply chain remains a challenge, because, with more than 32,000 products, we have many different production chains. The complexity of our supply chains also differs per product. A HEMA towel is a less complex and therefore more transparent supply chain for than our toasters, which consists of many different components and has many more suppliers.



We believe it is important to be transparent towards our external stakeholders. However, we do not see transparency as a goal in itself but as a method for collectively tackling misunderstandings in the supply chain. We believe that we must tackle these issues across the industry, and that begins with being open. That's why we signed the Transparency Pledge in 2019 and published our production site list (tier 1) online. This allows us to better inform our customers and stakeholders about the origin of our products. In 2020, we want to expand the production site list even further. Here you can view our production site list: <https://duurzaamheid.hema.nl/productielocatie/>

monitoring

HEMA has a code of conduct for all suppliers and partners, in which it sets out and guarantees the social conditions, environmental and animal welfare aspects. Our social guidelines were drawn up based on the ILO conventions and OECD, the Universal Declaration of Human Rights, the Convention of Children's Rights, and the Convention on the Elimination of all Types of Discrimination against Women.

HEMA monitors these guidelines by way of audits and expands them frequently with other activities. For example, in 2019 we started working on improving the internal complaints systems for factories. You can read more about this on page 27.

During an audit, we evaluate the production site and assess the working conditions and sustainable material certifications. This is how we guarantee good working conditions, respect for the environment and animal welfare. We also check whether the factory can perform all the production processes in-house that are required to make the HEMA product, or whether other production sites need to be engaged. This gives us a better understanding of our supply chain and whether our supplier is working with so-called subcontractors. Our suppliers may can only work with subcontractor if this has been agreed with HEMA. If subcontractors are involved in our supply chain, they have to adhere to our code of conduct. This way, we work with our suppliers to ensure better environmental and working conditions on our subcontractors' premises.



working conditions on producers' premises

HEMA's own social compliance auditors conduct minimum requirement audits (MRQ). These audits focus on monitoring the working conditions based on these 7 criteria:

- 1. Supply chain transparency
- 2. Preventing child labour
- 3. No forced labour
- 4. Healthy, safe working environment
- 5. Fair wage and working time registration
- 6. Insurance for workers
- 7. Preventing environmental pollution

HEMA joined the Bangladesh Transition Accord, to improve working conditions in Bangladesh. In 2019, 114 inspections were conducted according to the guidelines of the Accord. The inspections focus, amongst other things, on monitoring the progress of implementation of the Accord's guidelines on fire safety, construction and electricity. In 2019, our factories had implemented 97% of these points for improvement. This means we are ahead of the average progress (which is 90%) at Accord-covered factories.

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We conduct MRQ audits before we proceed to place our first order. If the audit reveals areas for improvement, we draw up a specific improvement plan with deadlines in collaboration with the factory. In 2019, a total of 252 MRQ audits were conducted at production sites for textiles and hardware. For 80%, this resulted in an improvement plan, all of which were implemented successfully. HEMA is not allowed to place orders or start collaborations in the event of findings that are so serious that they are highly contradictory to our code of conduct and standards. This was the case for 13% of our audits.

The Business Social Compliance Initiative (BSCI) carries out an audit at the factory within one year of our audit. The BSCI is an initiative of companies, designed to improve working conditions and environmental standards on a global level by conducting independent audits at production sites. The BSCI audit considers extra aspects, such as discrimination, freedom of association and collective bargaining. These aspects are also included in our code of conduct. In 2019, 191 BSCI audits were conducted at HEMA's production sites. For these BSCI audits, we also draw up an improvement plan with the factory, if necessary. When multiple BSCI members produce at the relevant production site, one company will take the lead for the audit and for drawing up the improvement plan, if necessary. This way, we work together to improve the supply chain.

total number of audits conducted	557
MRQ-audits	252
Number of improvements implemented	159
BSCI-audits	191
Bangladesh Transition Accord inspections	114

beyond audits

Audits are an effective tool to gain an understanding of working conditions, but they only provide a snapshot and don't provide the same amount of transparency for all subjects. That's why we also use other ways to monitor and improve our supply chains.

In 2019, for instance, HEMA participated in local projects to implement improvements in the supply chain. In India, various NGOs ascertained an increased risk of discrimination in the clothing and textile industry. HEMA believes that it's important for employees to be heard and to be given the opportunities to talk to employers about better work and labour conditions. That's why HEMA is working with the local NGO called SAVE (Social Awareness and Voluntary Education), to strengthen internal employee committees in factories. SAVE is a societal reconstruction organisation in the area of human rights and promotes social dialogue. In collaboration with SAVE, we trained and coached 425 employees in 2019, so they can effectively implement a works council. This helps factories to solve issues internally and independently.

In China, we started a project with (local) partners, to improve the use of chemicals in paint factories and to prevent water pollution. This is important in order to lower the social and environmental risks associated with the production of our textiles. In 2019, our factory in Ningbo took part in a programme of one of our partners, ARCADIS. They are a Dutch consultancy and engineering firm with local offices in China, and they try to improve the quality of the life in a sustainable way. The factory received training in how to use chemicals responsibly and underwent an assessment that revealed areas for improvement. These improvement areas are being followed up, and the factory will take further steps in 2020. This is also being used as an example for other factories in our textile chains.

In 2019, we also paid attention to the monitoring and improvement of internal complaints mechanisms. A complaints mechanism enables employees to express their needs and discomforts to the factory's management. Our local office in Bangladesh assessed and jointly improved the effectiveness of these mechanisms at local production sites. We are aware of the fact that an audit only provides a snapshot and that the implementation of a complaints system is a gradual process. Besides our own complaint mechanism, complaints can also reach us via the IMVO Dutch Agreement on Sustainable Garments and Textile, the Bangladesh Accord and BSCI. When HEMA receives a complaint, we always launch an objective investigation and draw up an improvement plan with the factory.



purchasing practices

We take a good look at our own purchasing practices so that we can guarantee that we are not putting our suppliers, and, in turn, the factory employees, under unnecessary pressure. In 2019, we investigated our various purchasing offices. This revealed that not everyone was aware of their (in)direct effects on the working conditions in the chain. Therefore, we are going to give our buyers specific training in 2020. In 2020, we will also ask our suppliers to evaluate us in terms of collaboration and performance. An equal relationship with our partners is important to us, and we take their feedback seriously.

IMVO Dutch Agreement on Sustainable Garments and Textile

Through the IMVO Dutch Agreement on Sustainable Garments and Textile, where we sit on the steering committee, we work together with other companies, the government, trade unions, NGOs and trade associations to promote a sustainable clothing and textiles industry. A living wage and hazardous working conditions are important themes within the IMVO. We share knowledge and tackle common challenges together. And so, we contribute to the improvement and sustainability of the entire clothing and textiles industry, which goes beyond just our own production chain. In 2019, HEMA attended 14 gatherings and training events. In addition, each year, we submit an action plan to the IMVO, for improvements in working conditions at our production sites and the prevention of environmental pollution. The action plan is assessed and discussed with HEMA's management and sustainability team. In addition, each year we provide a list of the amounts and types of textiles that we use, in order to assess our environmental impact.

Bangladesh Transition Accord

To improve working conditions in Bangladesh, HEMA joined the Bangladesh Accord in 2013, also known as the Bangladesh Accord on Fire and Building Safety. In addition, we signed the 2018 Bangladesh Transition Accord on Fire and Building Safety, also known as the Bangladesh Transition Accord. A multi-stakeholder initiative aimed at structural improvement in the field of fire and construction safety in Bangladesh. In 2019, 24 complaints came in via the Bangladesh Transition Accord. Of these complaints, 48% involved fire and building safety, and the Accord team handled them. Fourteen of these complaints fell outside the Accord's scope, and HEMA proceeded to handle them.

By the end of 2019, our production sites had implemented 97% of the first improvement plans that had emerged from the inspections conducted under both agreements. Independent inspectors verified this. A training programme that focuses on the health and safety of workers who manufacture clothing forms part of the Bangladesh Transition Accord. This enables employees themselves to identify risks and file complaints. Local trade unions were used to conduct the training courses. Up to the end of 2019, 40,781 clothing workers from 25 factories attended 68 training programmes. In 2020, the Accord will be under the full responsibility of the government of Bangladesh. HEMA supports this development and believes in the benefits of integrating the processes with the country's political system. HEMA is open to the discussion to also roll out the initiative in other countries.



sustainable design

At HEMA, we want to make the daily lives of our customers better, more fun and easier. From a design perspective, the word 'better' can be split into three components:

- **Better for the environment:** reducing the negative impact on the environment as much as possible.
- **Better for people:** increasing the social impact of our product development.
- **Better for consumers:** smart design is easy to use, made from sustainable raw materials, and designed to last

When developing new products or services, we always look at ways to make the design more sustainable. For example, in 2019 we developed a sustainable party collection with reusable garlands made from sustainable materials like wood and cotton, reusable balloons, treat bags and decorations made from sustainable paper, reusable straws and bio-plastic cutlery.

Circularity plays an ever-increasing role in HEMA designs. In 2019, part of the collection of swimwear and winter accessories was made of recycled PET fibres. Our home collection also uses recycled raw materials to an increasing extent, as can be seen in our folding crates and duvets made from recycled PET fibres.

In addition, we are pioneering to make circular projects possible. For example, we had our old plastic store displays collected, shredded and 3D-printed into new waste bins for our head office. We did this with the start-up company Van Plastik. By doing so, we created a circular chain, and we're one step closer to becoming a zero-waste office.

We also use product design as an educational tool for children. In 2019, we included educational games in our range of toys. We're also taking initiatives to introduce children to sustainability. One example of this is our 'Save my Ocean' collection: a series of sweaters for children, with prints about plastic pollution in the oceans. Playfully, we convey the message that we must take care of our oceans and the animals living in them. Another example is social media instructional videos about extending the life span of inflatable toys and doing crafts with residual materials.

HEMA design contest

In 2020, we are launching a platform for HEMA design. . A place where design, innovation and sustainability come together. The HEMA design competition, in which we call on young design talents to work on a relevant case, will be part of this. The 30th edition of this competition will take place in 2020. The designers have the chance to win a jury or audience prize and the opportunity to see their sustainable concept enter production and become a HEMA product.



the environment - transport

Our products require fuel to transport them, and in the process, we emit greenhouse gases. We want to continue to reduce emissions from transport.

our trucks

We organise freight transport from our distribution centre to our stores as efficiently as possible, to reduce our emissions as much as possible. Therefore, in 2019, we investigated if we could drive fewer kilometres thanks to more efficient logistics planning, despite using extra trucks. Besides the cost reduction, this also results in fuel savings of 1.7%. We measure four types of emissions from our transport. One of the most harmful emissions is nitrogen dioxide, and in 2019, we lowered our nitrogen dioxide emissions by nearly 10%.

Improvement compared to 2018

fuel savings	1,7%
reduction in emissions compared to 2018	
nitrogen dioxide (NOx)	9,21%
particulate matter (PM)	4,2%
carbon dioxide (CO2)	0,42%
hydrocarbon (HC)	3,98%

our flights

We realise that our flights have an enormous environmental impact. An increasing number of customers also feel that offering cheap flights doesn't really suit HEMA. In May 2019 we decided to minimise our impact, by only selling tickets which include standard CO2 compensation. In 2020, we will stop offering flights for our customers altogether. Instead of air travel, we are researching more sustainable travel alternatives.

HEMA works with Climate Neutral Group to compensate all consumer flights and all HEMA business flights. Through this collaboration, we are investing in cookstoves in Africa and reforestation in Brazil. Climate Neutral Group is a social venture that supports organisations with climate-neutral business practices. The organisation upholds strict quality criteria, and all projects contribute to the Sustainable Development Goals of the United Nations.

leasing

Customer leasing

HEMA has been offering Private Lease again since October. In partnership with LeasePlan Nederland, we are offering customers and employees a choice of four energy-efficient vehicles that can be leased from €179 per month: the compact Toyota AYGO and three hybrid models from Toyota (Toyota Yaris Hybrid, Toyota C-HR Hybrid and the Toyota Corolla Hybrid). This offer of competitively priced eco-friendly driving makes HEMA Private Lease unique in the Netherlands.

Leasing for employees

In 2019, we developed a new lease scheme for HEMA's employees. Effective 1 February 2020, employees will only be able to order electric lease cars. What's more, it will become possible to exchange part of your mobility budget for a bike lease.

food waste

At HEMA, we have a wide range of fresh food in our restaurants and take-aways. Our ambition is to reduce food waste by 15% in 2022 compared to 2017 (reduction in sales value). That's why we try to coordinate supply and demand as best as we can. In 2018, we started sharing better insights into food waste with our stores. In 2019, this created space for a regional selection that's better tailored to our customers' needs. Also, we prepared a store analysis of sales and food waste. The resulting recommendations support us to make better choices for our range in 2020; choices that are better tailored to the local needs and further reduce food waste.

We also work with partners to help reduce food waste even further. In 2017, together with Food Bank Amsterdam we conducted a successful test with ten stores. We expanded this collaboration in 2019, to include 33 stores in the Netherlands. In 2018, we started testing the Too Good To Go app. Via the app, we sell so-called 'magic boxes', filled with fresh products that would otherwise surpass their sell by date. The contents differ every time and we offer the boxes for a third of the price. In 2019, 113 of our stores joined the app, and we sold a total of 20,752 magic boxes with an average customer rating of 4.1 out of 5.

preventing
food waste

number of
participating stores

results

Too Good To Go

113

20.752 boxes sold





our role in society

32



customer satisfaction

At HEMA, our customers come first. For example, we call our head office in Amsterdam the 'support office'. After all, the work that we do there is all about supporting the stores so they can serve our customers as best as possible. Everyone who works at HEMA wears a button with the words 'I'm here to help' and the colleague's name. This applies to our stores in all the countries, but also the support office, bakeries and distribution centres. This reminds us that our number one priority is to keep the customer happy.

Apart from our contact with the customers in the store, we also have a dialogue with them in other ways, so we can continue to improve as HEMA. We have a sustainability mailbox, sustainability@hema.nl, where we receive questions and comments from customers and stakeholders on a daily basis. Of course, we also keep an eye out for our customers' reviews in the store and on the website. Also, we survey 100 customers per week, to measure customer satisfaction and how likely they are to recommend HEMA. This way, we can quickly respond to relevant customer trends. Our ambition for 2020 is to measure customer satisfaction even more extensively, for instance, amongst people who place an order online, so we can make the customer journey at HEMA even better.

We monitor (the number of) product complaints, and follow up on them. As a company, we want to offer our customers safe, healthy products. Despite our daily efforts in this respect, sometimes, a product is found to be unsafe or does not meet our standards. In that case, we act immediately, and in the most extreme situations, we issue a recall or a stop-sale order.

"Put in the same effort to keep the customer as to acquire the customer"

Arthur Isaac and Leo Meyer
Amsterdam 1926

- founders HEMA -



good employment practices

Our employees are the beating heart of our organisation. Their daily involvement and effort are essential, and we consider their insights when it comes to HEMA's strategic decision-making.

employee survey

In 2019, we conducted four employee surveys (61% response). HEMA employees are very passionate about the brand, the atmosphere and their colleagues. We also notice that the rapidly changing world around us requires us to give our employees fitting support. HEMA didn't delay in taking this responsibility, by way of GoodHabitZ and Dare2lead.

coaching and training

In 2018, HEMA used the TipTrack system for personal development and coaching. In 2019, we replaced this with a new online learning platform, GoodHabitZ. This gives all HEMA employees around the world access to online training modules, such as personal effectiveness, communication, business skills and language development. In 2020, we will stimulate this platform further and offer targeted training. We also launched the Dare2lead leadership programme and presented it to the Executive and Operational Board and the managers of the stores, distribution centres and Support Office (55 employees in total). In 2020, we will offer Dare2lead to more managers.

Around 250 employees at the Support Office have also received coaching in the areas of process improvements, collaboration and personal leadership, and 179 new employees at the support office attended an introduction day. An onboarding passport was developed for HEMA stores in all countries to ensure an easy and sustainable intake and development of colleagues in the store. In 2020, we're going to optimise and expand this passport for managers.

talent development

Our employees in the stores and the distribution centre who have an MBO or HBO level of education have better opportunities on the labour market. In 2019, HEMA offered *Beroeps Begeleidende Leerwegen* (BBLs, vocational learning pathways) to more than 200 employees. For 2020, we want at least 250 of these BBL employees to follow an MBO (secondary vocational education) programme. Furthermore, in 2019 we also offered an HBO Associate degree to 34 store managers.

employee representation

At HEMA, we have four works councils, each representing a different business unit: bakeries, distribution centres, stores and the support office. In addition, we have the EWC for the other European countries and a Central Works Council that represents all these business units. The CEO is the Central Works Council's discussion partner.

low literacy employee campaign

Approximately 1 in 9 Dutch people have low literacy levels, often, without colleagues and managers even knowing. That's why we launched an awareness campaign in collaboration with Stichting Lezen en Schrijven. For one month, we focused attention on low literacy, via videos, posters, flyers and intranet messages at the distribution centres, stores, bakeries and the Support Office. Managers were given tools to help them identify low literacy in employees and tips on how to broach the subject and offer help.

Young HEMA

349 colleagues up to the age of 35 are members of Young HEMA, where they share knowledge and stimulate personal development. In 2019, they held a female leadership event, a retail trip to Berlin, and had talks with CEO Tjeerd Jegen and our investor Marcel Boekhoorn. Young HEMA also arranged card-writing assistance for the elderly in nursing homes. What's more, Young HEMA was asked to join our Board in the thinking process for commercial and strategic decisions, such as the new operating model.

diversity

Diversity is an important topic for HEMA. Within the higher management levels, we have seen a slight relapse in the male-female ratio. The target for 2019 was 60% male, 40% female. At the end of 2019, this was 69% male and 31% female. Therefore, this deserves further attention in 2020.

HEMA in employment contract*

• The Netherlands

296 branches
3,711 permanent contracts
(89% women/11% men)
4,371 temporary contracts
(85% women/15% men)
100% CLA

• Germany

22 branches
60 permanent contracts
(85% women/15% men)
216 temporary contracts
(83% women/17% men)
No CLAs

• Belgium

99 branches
793 permanent contracts
(91% women/9% men)
80 temporary contracts
(85% women/15% men)
100% CLA

• France

75 branches
595 permanent contracts
(63% women/37% men)
88 temporary contracts
(64% women/36% men)
100% CLA

• Spain

9 branches
66 permanent contracts
(60% women/38% men, 2% undetermined)
61 temporary contracts
(69% women/31% men)
100% CLA

• United Kingdom

10 branches
79 permanent contracts
(62% women/38% men)
2 temporary contracts
(100% women)
100% CLA

• Luxembourg

4 branches
31 permanent contracts
(94% women/6% men)
1 temporary contract
(100% women)
100% CLA

• Austria

5 branches
58 permanent contracts
(90% women/10% men)
100% CLA

• support office Amsterdam

468 permanent contracts
(65% women/35% men)
201 temporary contracts
(70% women/30% men)
94% CLA

• distribution centre

522 permanent contracts
(75% women/25% men)
31 temporary contracts
(35% women/65% men)
99% CLA

• bakeries

188 permanent contracts
(21% women/79% men)
59 temporary contracts
(47% women/53% men)
99% CLA

purchasing offices

• Dhaka

5 permanent contracts
(15% women/85% men)
5 temporary contracts
(40% women/60% men)

• Hong Kong

9 permanent contracts
(67% women/33% men)

• Shanghai

4 permanent contracts
(50% women/50% men)
29 temporary contracts
(79% women/21% men)
No CLAs

the HEMA foundation

The HEMA Foundation works to promote an inclusive society through two pillars. We raise awareness for an alternating theme that stimulates inclusivity. Until 2021, the foundation is committed to the language skills theme. We also stimulate the use of social design in the tackling of social issues. In 2019, the HEMA Foundation's board members were Tjeerd Jegen (chairman and CEO of HEMA), Laurentien van Oranje (independent board member), Adriana Hoppenbrouwer (board member, Startup Bootcamp mentor and The Fabrikant partner) and Marcel van Laten (secretary/treasurer and Franchise Manager at HEMA).

language skills

Nearly 25% of Dutch children develop a language gap. This can hold major consequences for daily and social life, work and health. The HEMA Foundation wants to combat this, and, with partners, establishes language promoting activities and supports high-impact initiatives.

VerderVertellen awareness campaign

The national VerderVertellen awareness campaign has helped make (future) parents aware of the importance of talking to your child often. All HEMA BV channels were used, and interviews were given in the media with Professor Dr Margriet Sitskoorn (Tilburg University). Eleven organisations helped spread the campaign message, including Picnic, Noppies, Groeigids and Stichting Lezen. Furthermore, eight influencers applied themselves selflessly, like Daphne Dekkers, Bas Smit and Victoria Koblenko. Together, we reached millions of educators.

VoorleesExpress partnership

VoorleesExpress is a volunteer project for children with a language gap. Volunteers read to children at home, for six months, and together with the parents, they look for ways to stimulate children, even more, to develop language skills at home. In 2019, the HEMA Foundation recruited 250 HEMA customers and 30 employees to read aloud for De VoorleesExpress.

zwerfboekenkasten (free library book exchange)

In 55 HEMA stores, we opened a *Zwerfboekenkast* (free library book exchange) in collaboration with the *Kinderzwerfboek* organisation. Here, children can hand in the books they've already read and choose a book to read at home. With this, we introduce children to reading (aloud) in a relatively approachable manner.



Number Five Foundation

We started a partnership with Number Five Foundation, where Laurentien van Oranje is co-founder and director. Language development from pregnancy until the age of four is one of their core missions. This partnership helped enable a few of Number Five Foundation's activities, such as ongoing fact-finding for language development in children up to the age of 4 and meetings with formal and informal players. HEMA also supported the collaboration between Number Five Foundation and Tilburg University (Professor Dr Margriet Sitskoorn). Together, they developed TaalSchatten, with the mission to ensure that all 170,000 children born in the Netherlands yearly can start primary school with proper language development.

16,000 children's books

In January and December 2019, the 4.5 million MoreHema cardholders could donate points to the HEMA Foundation. In total, 618,000 donations were made, and these points were converted to 16,000 books: 6,000 '*Ootje en zijn lettervriendjes*' books and 10,000 '*Kijk en lees mee met Nijntje*' (Look and read with Miffy) books (developed with Mercis). The books were distributed amongst children who aren't used to growing up with books via *De VoorleesExpress*, *Voedselbanken Nederland*, *Stichting Kinderpostzegels*, *Vereniging Humanitas* and *Stichting Kansarme Kinderen*.

In 2020, the *VerderVertellen* campaign will continue and we will organise information mornings for language development with *Stichting Lezen* and '*Buskruit met Muisjes*'; in HEMA stores and at the Nine Months Fair. We will also open new *Zwerfboekenkasten* (free library book exchanges) in 15 stores.

social design

The HEMA Foundation believes that design has an enormous potential to contribute to social issues. That's why we stimulate social design: looking at social issues through a designer's eyes and coming up with new solutions. We do this by connecting designers, academies, social organisations, governments and companies. We also train up-and-coming design talent to become social designers and coach them in developing meaningful concepts.

Twenty designers were trained to become social designers, and in a team, they developed concepts to stimulate language development in children up to the age of 4. The participants also learnt entrepreneurial skills to help turn their concepts into reality. At the end of November, all the teams pitched their concept to potential partners, like foundations, language organisations, universities and (social) enterprises. All teams concluded a (possible) partnership for further development of their concept. What's more, the top three concepts were awarded €5,000 in start-up capital. More than 50 experts and organisations are involved with the accelerator, to share their knowledge, make their network available and provide feedback to the teams. The second social design accelerator will start in 2020.

For more information and the annual report, please visit:
www.hema-foundation.org

Social Design Accelerator

In April 2019, we started the First Social Design Accelerator. A 9-month training programme for up-and-coming designers who want to make a positive impact on the world. The HEMA Foundation works with Reframing Studio, Aimforthemoon, BNO, (design) academies and social organisations for the execution.



about this report

HEMA wants to make sustainability accessible and understandable to a wide audience. We hope that this report will contribute to that. If you have a question or comment, please contact us via sustainability@hema.nl.

Read more about our sustainability efforts on our website: sustainability.hema.com

This report relates to the period from 1 January 2019 to 31 December 2019. In this period, HEMA BV falls under Ramphastos Investments. Unless otherwise stated, the results relate to the international and other activities of HEMA within its own organisation. The scope and division of the content are based on the material subjects and on the information needs of stakeholders. This report was drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI) and complies with the core level GRI Standards. You'll find the GRI table and this report on sustainability.hema.com. This report has not been externally verified. We are currently focused on implementing policy and achieving results. External verification will be part of a subsequent step. Relevant departments are approached for data collection, with the sustainability department guaranteeing quality. The results for 2018 are available in the Sustainability Report 2018 (sustainability.hema.com). No calculations or dates included in that report have been changed.

The HEMA Foundation has been included in HEMA BV's consolidated financial statements. You can find them here: www.hema.net/investors/financial-reports. On www.hema-foundation.org you can find the HEMA Foundation's 2019 annual report and financial statements.

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The HEMA logo consists of the word "HEMA" in white, uppercase, sans-serif font, centered within a solid red square.