Our Approach

Accountability drives performance

We use our size, scale, and global reach to expand our positive impact, with an overarching governance structure that drives performance, leadership, and transparency. Direction comes from our most senior management, supported by a centralised decision-making body, and regional committees led by retail market management teams. This global governance structure enables us to make better decisions quicker and with lasting results.

Towards a new normal

We are striving to normalise sustainable fashion. We believe everyone should be able to look good, feel good, and do good every day, while supporting the lives of those who make their clothes, and the planet we source from.

As of 2018, 46% of the people in our supply chain work in top-performing, A- or B-rated production units. And our commitment to sourcing 100% more sustainable cotton by 2020 has already resulted in significant carbon and water reductions. Of course, there is still more to do to realise our vision of making sustainable fashion the new normal. As we continue striving towards circular fashion, we will foster convergence across the apparel industry. Partnering with the right organisations and initiatives is key for all of us to take the bold steps necessary for real and lasting change.

Words from our leaders

Dear C&A stakeholders,

Making sustainable fashion the new normal is difficult but rewarding work. In 2018, we have experienced significant shifts in the fashion industry, where normalising sustainable and circular fashion will be essential to brand longevity and customer engagement.
At the same time, we are well aware that global fashion faces a changing – and challenging – economic environment marked by shifting consumer trends, a deficit in trust, and other external forces. The continued meteoric growth of e-commerce, recent uncertainties in global trade, and growing consumer interest in circular business models, are just a few of the trends promising even greater changes ahead that will challenge the fashion industry.

We believe that C&A’s enduring focus on sustainability in our operations, in our value chain, and in our stores has been fostered by the vision and values we have possessed for over 178 years of heritage. Sustainability is a long-term goal for us, measured in generations. And just as the business challenges facing our industry require that we be creative and nimble in our strategies, so does our vision to make sustainable fashion the new normal. This vision motivates and inspires us. It gives us a framework for decisionmaking. And it drives us, year after year, toward greater innovation in the ways we source, make, and sell our products. We’re proud of the progress we’ve made so far and how the UN Sustainable Development Goals (SDGs) have led us:

Moving circular fashion forward and driving innovation, supporting SDG 12 and SDG 17 – We have now brought to market almost 4 million pieces of our revolutionary Cradle to Cradle Certified™ apparel – including the world’s first gold Cradle to Cradle Certified™ jeans, offered in 2018. We are also sharing our learnings with the industry through open-source roadmaps prepared with Fashion for Good so others have resources to embrace the circular approach. We have actively sought out and tested circular fibres, business models, and innovations with the Fashion for Good start-ups, and are pleased with the promise of pre-competitive collaboration on sustainability challenges with other
Doing our part to minimise climate change, supporting SDG 13 – Climate change continues to be one of the major challenges of our time and we have been working hard on our Science-Based Targets in line with the Paris Agreement. This year alone, by supporting organic and sustainable agriculture, we have been able to avoid 116,000 tons of CO₂ emissions (mtCO₂e), equivalent to the yearly CO₂ emissions of over 70,000 passenger cars. In 2019, we will finalise our targets and communicate them publicly.

Providing even more transparency supporting SDG 8 and SDG 12 – We continue pushing ourselves and our supply chain towards radical transparency. This includes disclosing our entire greenhouse gas inventory and water footprint—as one of the few fashion brands to do so. In 2018, we also launched an innovative tool to trace the chemicals used in our supply chain and advance safer chemistry, and we began exploring blockchain technology for traceability of organic cotton. We also continue to publish our full, updated list of suppliers, and of course share our journey with you through this report.

Leading in organic cotton, supporting SDG 6, SDG 12, and SDG 13 – Cotton makes up 57% of the raw materials we buy, and in 2018 for the sixth time we were the world’s largest buyer of organic cotton, with 38% of our cotton sourced as certified organic. We know this isn’t the whole story. We also have to design and purchase more sustainable viscose, polyester, and other fibres, including recycled options. In 2018, C&A Europe sold more than 300,000 items containing recycled polyester and 95,000 pieces containing recycled cotton, and we aim to increase this trend. In addition, we brought to market over 1.3 million products containing down, 100% of them certified to the Responsible Down Standard. Finally, the use of mohair from the angora goat has been banned, and beginning with the Spring/Summer season 2019, no product with mohair will be sold.

Enabling our customers to act more sustainably, supporting SDG 12 – The most important focus of our business is the 3.5 million visitors we serve every day in our stores around the world, who play an important role in making sustainable fashion mainstream. Along with our far-reaching #WearTheChange campaign, now in all C&A retail markets, we have expanded our in-store take-back programme to new geographies. Customers in eight countries can now take their unwanted clothes to C&A stores, and customers in a ninth country can participate in our online take-back programme.

Engaging our employees in transforming the industry we all share, supporting SDG 5, SDG 8, and SDG 17 – 2018 saw the launch of our Inspiring World campaign, in which nearly 33,000 employees shared their vision of a better world. With C&A Foundation, the programme provided over €1 million to charities chosen by employees and benefitting more than 250,000 people.
Collaborating at scale, supporting SDG 8 and SDG 17 – Industry-wide collaborations are key to our sustainability progress and to bringing about the wide-scale change needed to revolutionise the industry. Among many other important alliances, in 2018, we continued our close involvement with ACT (Action, Collaboration, Transformation), a groundbreaking agreement among global brands, retailers, and trade unions to transform the garment, textile, and footwear industry. With other ACT brands, we are striving to ensure living wages for garment workers in key sourcing countries by establishing industry-wide, national collective bargaining agreements as well as responsible purchasing evaluation tools and practices for the industry. Lastly, we will continue to support and provide our technical expertise to the Ellen MacArthur Foundation to develop circular approaches for the apparel industry. And of course, we partner with C&A Foundation to support systemic change in social and environmental practices across the industry.

Over the coming months, we will continue to examine the progress we have made toward our 2020 goals since we established them almost 5 years ago. We’ll take a close look at the lessons we’ve learned along the way as we define our ambitions and our role in the future of sustainable fashion. Later in 2020, we expect to announce our new global sustainability strategy.

We have come a long way since 2015, when we developed our first global sustainability strategy. We are encouraged by our progress, yet acknowledge that we have much more to do. We will continue to embed sustainability deeper within the business, build capacity for sustainable practices in our supply chain, and increase our sustainability leadership in our retail markets. Ultimately, we are confident that sustainable fashion will become mainstream, and in this report, we transparently share our progress toward that aim – both the successes and the challenges. We are encouraged in how we have progressed and recognise that we must maintain our leadership and influence to maintain momentum and ambition. Collaboratively, and with a learning mind-set, we believe that we can make fashion the new normal.

Edward K. Brenninkmeijer, CEO C&A AG, Chairman Global Sustainability Committee, Chairman C&A Foundation Board
Jeffrey Hogue, Chief Sustainability Officer, C&A Global

Our 2018 performance
Strong performance towards our 2020 aspirational goals

We made strong progress towards our 2020 sustainability goals in 2018. A total of 71% of the cotton we source is now either organic cotton or sourced as Better Cotton. This
represents an increase over the previous year.

In early 2018, we also launched our first global, multi-channel sustainability communications platform, #WearTheChange, which allows customers to recognise our more sustainable products via the #WearTheChange label in stores and online, and provides an umbrella communications platform for sustainability initiatives such as unwanted clothing take-back, in-store waste programmes, and other initiatives that engage our employees and our customers.

Building on the success of our Cradle to Cradle Certified™ T-shirts, in 2018 we launched a collection of gold level Cradle to Cradle Certified™ jeans. In so doing, C&A became the world’s first retailer to offer an entire pair of men’s and women’s jeans made completely from sustainable materials - from fibre to buttons to hem - which can be recycled at end of use. To date, we have received almost 4 million pieces of Cradle to Cradle Certified™ items, which underscores the importance of sustainable fashion to our customers.

We continue to focus on strengthening our programmes across the rest of our supply chain to meet our 2020 goals for top-rated suppliers, particularly in relation to safe and fair labour practices and zero discharge of hazardous chemicals. Across all our sustainability focus areas, we remain committed to our goals and to strengthening our efforts in leading industry-wide change.

**Our performance overview**

**Sustainable Products**

- 71% of the cotton we source is certified organic cotton or sourced as Better Cotton, up from 67% in 2017, 53% in 2016, and 40% in 2015. We remain the world’s leading buyer of certified organic cotton. [Read more]
- Over one-quarter of the cotton we buy is sourced as Better Cotton, making us one of the world’s largest contributors to the Better Cotton Initiative. [Read more]
- 49% of the raw materials we use in our collections – such as cotton, viscose, and polyester - are now sourced more sustainably. [Read more]
- In Europe and China, we have taken the bold step of committing to source 100% of our
man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain.

We work closely with Fashion for Good, where we are collaborating to drive circular economy approaches into our supply chain with other leading brands by implementing new technologies from innovative start-ups.

We are sharing our learnings from the development of our Cradle to Cradle Certified™ products with the industry through Fashion for Good’s Good Fashion Guide and other resources, which are open-source roadmaps.

We developed and offered the world’s first gold Cradle to Cradle Certified™ Jeans in several Mens’ and Ladies’ styles.

We have now brought almost 4 million pieces of our revolutionary Cradle to Cradle Certified™ apparel to market in Europe, Brazil, and Mexico.

We were recognized by Ethical Corporation with the Sustainable Innovation of the Year award for our Cradle to Cradle Certified™ gold level T-shirts, as well as by AMCHAM Brasil Prêmio Eco.

C&A Europe introduced our first recycled nylon products in early 2018: around 80,000 pieces of lingerie certified to the Global Recycled Standard (GRS).

100% of our down and feathers meet the Responsible Down Standard, and we are working to strengthen the standard.

We are working with the Organic Cotton Accelerator, CottonConnect, and C&A Foundation to improve the business case for organic cotton for 300 farmers in India.

We expanded our in-store take-back programme to new geographies globally, reaching nine countries as of 2019, including a new pilot take-back initiative at 10 stores in Mexico and an online take-back programme in Germany that also supports Save the Children.

Sustainable Supply

We disclose 100% of our tier-1 and tier-2 suppliers across all four regions. The names and addresses of the factories of our 722 suppliers are plotted on a supplier map.

We continued to work with suppliers through our Supplier Ownership Programme, covering more than 67,500 workers.

We continued to deliver a strong and constantly evolving audit process on safe and fair labour. In 2018, 46% of the workers in our supply chain work in top-performing, A- and B-rated factories that adhere to our high standards on minimum wages, discrimination, violence or abuse, protection of vulnerable groups, freedom of association, undisclosed production, health & safety, and environmental compliance.
We are among the leading brands for remediation in line with the Bangladesh Accord. C&A was one of the first signatories of the Accord, and six years on, 96% of the issues identified across C&A’s supplier operations have been corrected. Corrective Action Plans (CAPs) are in place for the remaining operations.

We are one of the only fashion brands to disclose our entire greenhouse gas (GHG) inventory and cradle-to-grave water footprint.

We completed our fourth hybrid life cycle assessment to measure our carbon and water footprints from cradle to grave. Compared to our estimate for 2016, we have reduced our carbon footprint by 12% in 2018.

In 2017, we committed to new global 2025 goals to reduce water in the production of our raw materials by 30%, and to further reduce the water we use in stores, distribution centres, and offices by 10% compared to 2015.

We continued to implement the Sustainable Chemicals Management (SCM) Programme at all key tier-1, tier-2, and tier-3 suppliers, creating tangible progress towards our Zero Discharge of Hazardous Chemicals commitment.

We worked closely with suppliers to build knowledge, strengthen skills, and drive remediation in the supply chain so our suppliers can meet our SCM requirements. During the year, 85% achieved compliance.

We led industry-wide convergence on a standardised environmental assessment tool called the Higg 3.0 Facility Environment Module (FEM) as part of our collaboration with other brands in the Sustainable Apparel Coalition, and in 2018, we adopted the Higg 3.0 module for use in our own supply chain.

We implemented tools to increase the transparency of the chemicals used in our supply chain, including CleanChain, which provides information that will drive the adoption of safer chemistry.

Sustainable Lives

C&A was recognised as the most sustainable retail fashion brand in Brazil, the Netherlands, and Germany in our fourth annual survey of more than 6,000 customers, conducted in partnership with GlobeScan.

We continued customer engagement in our sustainability journey with #WearTheChange, our global, multi-channel sustainability communications platform, in Europe, Brazil, China, and Mexico. #WearTheChange was localised in Brazil and China and translated for use in multi-faceted outreach campaigns and internal communications.

93% of employees in China, 92% in Brazil, and 90% in Mexico, told us they feel proud of C&A’s contribution on the community, society, and environment.
During its first year, the Inspiring World campaign involved 65% of C&A global employees representing 21 countries, and provided a collective €1 million in donations through C&A Foundation to 45 charities, benefitting more than 250,000 people.

Read more

Between March and December 2018, the C&A Together programme funded 142 initiatives in 18 European countries, donating €2.9 million.

Read more

C&A and C&A Foundation won the 2018 Employee Engagement Awards in the category Social Responsibility for our Inspiring World campaign, launched that same year.

Read more

Progress towards our 2020 goals
Goal: 100% of our cotton is more sustainable [1]

KPI - % share of total cotton products
- Total global share

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>53%</td>
<td>67%</td>
<td>71%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Markets/Metric</th>
<th>Status</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>61%</td>
<td>74%</td>
<td>74%</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>26%</td>
<td>42%</td>
<td>61%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>65%</td>
<td>95%</td>
<td>96%</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>2%</td>
<td>36%</td>
<td>48%</td>
</tr>
<tr>
<td>Units of more sustainable cotton - total pieces</td>
<td>-</td>
<td>222,195,516</td>
<td>294,072,750</td>
<td>318,456,614</td>
</tr>
<tr>
<td>Units of BCI and REEL Cotton [3] - total pieces</td>
<td>-</td>
<td>83,473,191</td>
<td>120,848,354</td>
<td>142,959,942</td>
</tr>
</tbody>
</table>

Footnotes

[1] More Sustainable Cotton - The sum of cotton that has been either certified to the Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), sourced under the Better Cotton Initiative (BCI), or is certified as recycled.


Goal: 67% of our raw materials are more sustainable [1]

KPI - % share of total products

Total global share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>●</td>
<td>39%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Brazil</td>
<td>●</td>
<td>16%</td>
<td>25%</td>
<td>40%</td>
</tr>
<tr>
<td>China</td>
<td>●</td>
<td>45%</td>
<td>58%</td>
<td>65%</td>
</tr>
<tr>
<td>Mexico</td>
<td>●</td>
<td>1%</td>
<td>21%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Footnotes

[1] More sustainable raw materials - this is the proportion of raw materials sourced under a third-party certification scheme. This includes, but is not limited to, certified organic cotton (OCS or GOTS), cotton sourced under BCI, viscose sourced under the Canopy Style Initiative, certified recycled polyester (GRS, RDS, or equivalent); down sourced under the Responsible Down Standard (RDS), etc. Note that until 2017 only cotton was declared as sustainable raw material; beginning in 2018, recycled polyester and more sustainable viscose have been included.

[2] The majority of this figure is more sustainable cotton. Other raw materials account for less than 1% of the total.
# Sustainable Supply

[Exceeding] [Meeting] [Not Progressing]

<table>
<thead>
<tr>
<th>Goal: Zero discharge of hazardous chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 KPI – Number of mills audited</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>111</td>
</tr>
<tr>
<td>2018 KPI – % coverage of supplier expenditure</td>
</tr>
<tr>
<td>n/a</td>
</tr>
</tbody>
</table>

---

**Footnotes**

In 2016, we adjusted this KPI to represent % coverage of supplier expenditure, which is a better representation of progress toward safer chemicals in our supply chain.

Total supply chain expenditure and the amount of expenditure from suppliers with wet processing units covered, audited, and tested. Important note: Suppliers without wet process units will be counted as audited and tested.
Goal: 20% reduction of carbon footprint in C&A stores, distribution centres, and offices [1]

- Global change from baseline

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute carbon footprint</td>
<td>230,845</td>
<td>215,448</td>
<td>225,990</td>
</tr>
<tr>
<td></td>
<td>KPI – total metric tons (mt) CO₂</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute energy footprint</td>
<td>885,625</td>
<td>815,314</td>
<td>816,374</td>
</tr>
<tr>
<td></td>
<td>KPI – total megawatt hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>-14%</td>
<td>-19%</td>
<td>-20%</td>
</tr>
<tr>
<td></td>
<td>KPI – % variance in kWh/m² Gross Leasable Area (GLA) [2]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse Gas Emissions Inventory according to the Greenhouse Gas (GHG) Protocol</td>
<td>6,451,528</td>
<td>5,352,366</td>
<td>5,678,204</td>
</tr>
<tr>
<td>Scope 1 GHG Emissions</td>
<td>22,117</td>
<td>19,759</td>
<td>19,800</td>
</tr>
<tr>
<td></td>
<td>KPI – metric tons (mt) CO₂e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 2 GHG Emissions</td>
<td>208,728</td>
<td>195,389</td>
<td>206,190</td>
</tr>
<tr>
<td></td>
<td>KPI – metric tons (mt) CO₂e</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KPI – metric tons (mt) CO₂e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Footnotes

[1] This metric changed from T.U.S.A to GLA in 2017. Previous years re-calculated using GLA methodology by partner Aligned Incentives. As of June 2019, our Brazil, Mexico, and China regions are included in the calculation. 2018 data for Europe is estimated. We expect to include actual 2018 data for Europe in August 2019.

[2] Scope 3 calculations include the following 7 of the 15 scope categories in the GHG Protocol: purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, use of sold goods, and end-of-life treatment of sold products. Explanation of how our Scope 1, 2, and 3 calculations were conducted is included in the How We Report section of the website.

Goal: 30% reduction of water use in production of our raw materials [1]

KPI - % change compared to 2016 baseline

- Global change from baseline

Footnotes

This is a new goal.

Goal: 10% reduction of water use in C&A stores, distribution centres, and offices [1]

KPI - % change in m³/m² Gross Leasable Area (GLA) compared to 2012 baseline

- Global average

Footnotes

This is a new goal. C&A China is not included as this water use is not material. 2018 data for Europe is estimated. We expect to include actual 2018 data for Europe in August 2019.

## Goal: Zero waste to landfill [1]

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI 1</td>
<td>0 waste to landfill (hazardous(^2) and non-hazardous, measured in metric tons)</td>
<td>Was not tracked</td>
<td>1,501</td>
</tr>
</tbody>
</table>

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### Footnotes

- [2] Includes lamps, electronic waste, light bulbs, and toner cartridges, among other forms of waste.

This is a new goal.
Goal: 100% of our products sourced from A/B-rated suppliers

KPI - % share of volume of products sourced from A/B-rated suppliers

<table>
<thead>
<tr>
<th>Retail Markets</th>
<th>Status</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>⚫️</td>
<td>89%</td>
<td>65%</td>
<td>70%</td>
</tr>
<tr>
<td>Brazil</td>
<td>⚫️</td>
<td>42%</td>
<td>52%</td>
<td>36%</td>
</tr>
<tr>
<td>China</td>
<td>⚫️</td>
<td>52%</td>
<td>68%</td>
<td>69%</td>
</tr>
<tr>
<td>Mexico</td>
<td>⚫️</td>
<td>35%</td>
<td>50%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Footnotes

A and B-rated suppliers are the highest performing suppliers as rated against our Code of Conduct and audit protocols. Each supplier is rated based on performance from audits conducted at the factory level.
**Goal: Build capacity and supplier ownership within our supply chain**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI: Number of key factories included in the Supplier Ownership Programme</td>
<td>24</td>
<td>24</td>
<td>39</td>
</tr>
</tbody>
</table>

---

**Footnotes**

[1] The Supplier Ownership Programme (SOP) is offered to key factories in the C&A supply chain to help build capacity and increase ownership of compliance and sustainability performance. It includes both certified and not-yet-certified suppliers and factories, or production units. During 2018, our SOP included 8 certified suppliers, 17 certified factories, as well as 7 suppliers and 7 factories that participate in the SOP, but are not yet certified. In addition, some suppliers ‘graduate’ from the SOP each year, so the total numbers reported here reflect both additions to and subtractions from the programme.
**Goal: Continuously increase employee sustainability engagement scores** [1]

KPI – % of employees surveyed who responded favourably to this statement: ‘I feel proud of C&A’s contribution on the community, society, and environment.’

<table>
<thead>
<tr>
<th>Retail Markets</th>
<th>Status</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>93%</td>
<td>87%</td>
<td>91%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>n/a</td>
<td>87%</td>
<td>90%</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>88%</td>
<td>92%</td>
<td>90%</td>
</tr>
</tbody>
</table>

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**Footnotes**

[1] Our Brazil, Mexico, and China regions have conducted employee surveys each year. In 2017 and 2018, Europe did not include the engagement question in their survey. In Brazil 5,042 employees participated. In Mexico 1,074 employees participated. In China 838 employees participated.

[2] In 2017 and 2018, we report the total score due to the omission of the sustainability-related question for Europe.
| Goal: Establish and achieve key goals in our Women's Empowerment Principles action plan |
|---------------------------------|----------------|
|                                 | 2016 | 2017 | 2018 |
| KPI – not yet established       | On track | Signed WEP | Region-specific implementation plans on gender parity and women’s empowerment developed for our retail markets |

Footnotes

Now that our regions have developed their roadmaps for achieving the seven principles, they will be able to set measurable goals.
Goal: C&A is recognised as the most sustainable retail fashion brand

KPI – Market ranking based on % of category buyers recognising the brand as a leader

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>9%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>France</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Brazil</td>
<td>17%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>China</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Mexico</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Footnotes

[1] The survey included our main retail markets in terms of stores/revenues. Category buyers refers to consumers of retail fashion who have shopped at C&A or our competitors at least once in the last year. The survey included 6,000 category buyers in the retail markets mentioned in the table. Percentages indicate the percentage of survey respondents from among the approximately 6,000 category buyers surveyed who recognise C&A as a sustainability leader.

[2] The percentage of respondents within each country that gave C&A the given rank each year.
Our Strategy

Mainstreaming sustainability to become the new normal

At C&A, we want to bring sustainability to the mainstream. We want our customers to trust us to do the right thing, so they can buy our products confident that they were made transparently and with respect for people and the environment.

In 2015, we developed our first global sustainability strategy towards 2020, with an aim of embedding sustainability across our business and increasing our sustainability leadership in retail markets. Along with creating this global alignment throughout C&A on our top-level aspirational goals, we also provided flexibility in how the goals are achieved in our retail markets, to meet local needs and to drive innovation.

Measurable, aspirational global goals in three pillars

To achieve our making sustainable fashion the new normal, our sustainability work focuses on the most relevant areas for our business and where we can have the biggest impact – our products, our supply chain, and people’s lives. For a closer look at our strategy for fashion with a positive impact, view this video.

2020 global sustainability framework
## Sustainable Products

We don’t want our customers to have to choose between what’s sustainable and what’s not. To achieve this, we are making sustainability an integral part of how we design and source our clothing. We focus on sustainable materials – especially cotton, one of our largest volume raw materials – and ensure that our clothing has been sourced and made in a way that respects people, the environment, and animals.

We also collaborate across the industry to create a collective movement towards doing more good and creating innovative and open-source circular models for garment production.

Learn more about how we're building sustainable products and working in collaboration
Learn more about our approach to the circular economy

### Sustainable Supply

The apparel supply chain is complex. C&A’s encompasses around 1 million people,
employed through 722 global suppliers, with more than 1,600 production units. That means our supply chain — beginning with agriculture — accounts for a significant proportion of our footprint: for example, 90% of our water footprint. This is why our focus on the supply chain is so important. We focus many of our efforts on sustainable agriculture, drive social and environmental performance in our supply chain, and apply innovation to revolutionise the production system.

Learn more about how we're developing sustainable supply chains
Learn more about our work in sustainable agriculture

**Sustainable Lives**

C&A is a global retail fashion company that touches the lives of about 51,000 employees, 1 million apparel workers, and 100 million customers each year. What we do and the way we do it has a large impact on many different groups of people. That is why we focus on empowering our customers to make more sustainable shopping decisions, support the livelihoods of workers in our supply chain, and engage our employees as sustainability ambassadors.

Learn more about how we're promoting sustainable lives
Learn how we are impacting the lives of the workers in our supply chain

**Developing our strategy**

**Defining our material issues**

We developed our current sustainability strategy in 2015, which involved a detailed materiality assessment summarised below. We evaluate this mapping each year to ensure that new material issues and impacts are identified and included in our strategic review.

Read about our material issues

**Research:** We interviewed 40 key stakeholders, including development experts, researchers, and business leaders. We reviewed our historical sustainability performance, data from our Life Cycle Assessment (LCA), and research generated by customer interviews and focus groups.

**Value chain impacts:** We worked with external experts to develop a hybrid LCA model that helped us more fully understand the water and carbon footprints of our value chain. We also determined our social impacts through our Sustainable Supply Chain programmes and our human rights impact assessment.

**Exploration:** To determine those areas where we could make the biggest impact, we evaluated the success of existing C&A sustainability programmes and forecast industry trends over a 15-year period. Key initiatives like the UN Sustainable Development Goals and the UN Guiding Principles for Business and Human Rights informed this process.

**Strategy:** Using our identified material issues as an input, we developed our integrated sustainability strategy. It has three pillars: Sustainable Products, Sustainable Supply, and
Sustainable Lives. We strive to address and include all material issues within our sustainability framework. Other issues, such as quality, product safety, and responsible marketing remain part of our core business approach.

For more about our material issues, see Materiality

We are continuously reviewing and developing our material issues and our strategies for addressing them. This ongoing review is based on progress towards our goals, and the changing conditions of the world around us. In 2018, several important developments influenced our ongoing strategy:

- Rohingya crisis in Myanmar and Bangladesh: As the refugees of the northern Rakhine State of Myanmar fled from their homes, C&A evaluated its sourcing strategy in Myanmar. We engaged other brands and the Government of Myanmar on the issue. We continue to source from Myanmar, but are carefully monitoring the situation to determine whether changes in our strategy should be made. At the same time, C&A Foundation is increasing its support to the growing refugee population in Bangladesh.
  Read more about how we protect vulnerable workers

- Increased focus on the circular economy: As the topic of the circular economy becomes more important in the fashion industry, we are creating additional commitments to develop Cradle to Cradle Certified™ products and to deeply engage the innovators of Fashion for Good to accelerate and scale circular technologies in our supply chain.
  Read more about our approach to the circular economy

- Science-based climate targets: To contribute to the commitments of the Paris Agreement on climate change, C&A will create science-based climate targets for our value chain, including our Scope 3 emissions. We have started to model our impacts to begin setting our goals beyond 2020.
  Read more about how we combat climate change

- UN Women’s Empowerment Principles: Because women are so important to our business – and make up the majority of our customers, employees, and supply chain workers – we have created region-specific action plans on gender parity and the empowerment of women for our retail markets.
  Read more about our new commitment

- Approaches to fair wages and eliminating excessive working hours: Apparel workers are often subject to long working hours, due in part to the way that clothing is purchased by brands, and in some cases because workers seek additional hours to supplement meagre wages. When workers earn fair wages, their incentive to seek more working hours is generally reduced. In this way, the issues of fair wages and working hours are interconnected in the apparel industry. In 2016, we developed a stringent policy on the avoidance of excessive working hours. In 2017, we examined the approach and recognised that it was not driving the change that we wanted to see. In 2018, we focused on purchasing practices and supplier ownership to drive additional progress on this important topic.
  Read more about how we are reducing excessive working hours

Read more about stakeholder engagement
Governing sustainability

Accountability drives performance

We use our global reach to drive positive impact for our employees, our supply chains, and our customers. Our governance structure centralises decision-making, while enabling our local markets to customise their programmes to better address local issues and audiences.

Global governance structure

Sustainability teams

Around 135 full-time employees work in sustainability across C&A. Our Global Sustainability Team, led by our Chief Sustainability Officer (CSO) and based in Europe, sets the direction for our global sustainability strategy and reports directly to the Global CEO. A network of regional sustainability leaders and team members work to embed sustainability within each market. Each region is equipped with an SSC team that works operationally for the business and is led strategically by the CSO. The regional SSC teams manage the day-to-day implementation of our Supplier Code of Conduct, Supplier Ownership Programmes, and Sustainable Chemicals Management programmes in each region.

Global Sustainability Committee
Sound governance helps us operate transparently and with accountability. The Global Sustainability Committee (GSC), led by the Global CEO of C&A AG, serves as the policy and strategy-setting body for sustainability across C&A. The GSC includes regional CEOs and other global functions who have responsibilities for making key global decisions. The Committee sets policy and strategy while monitoring and managing accountability of our performance towards the 2020 sustainability goals.

Our company has a well-organised and streamlined business planning and decision-making process, where sustainability is integrated and embedded. Our Global Sustainability team collaborates with each of our regional teams to develop plans with annual milestones and associated KPIs that will help us progress towards our 2020 targets. Each regional business and the GSC sign off on these action plans annually and include sustainability objectives in their annual bonus compensation.

**Materiality**

**What's material matters**

Our global sustainability strategy, launched in 2015, sets 2020 goals for our products, our supply network, and our employees and customers. We developed the strategy with the input of many external and internal stakeholders. Moving beyond materiality matrices, in our global sustainability reports, including this one, we strive to address our most material issues and report with both narratives and KPIs whenever possible.

**Approach to materiality**

In 2013, we began a four-phase project to benchmark our current position, determine material issues, and develop a unified approach internally:

1. **Research** - We interviewed 40 key stakeholders, including development experts, researchers, and business leaders. We assessed sustainability performance, reviewed existing research, and developed an initial mapping of our material issues. We also utilised key data from our LCA process, our historical sustainability performance, customer research and interactions, and stakeholder input over the past three years to validate aspects identified.

2. **Value Chain Impacts** - For the first time we also focused on assessing our environmental impacts further to ensure that we are focusing in the right areas, regardless of our influence. We developed an LCA model to determine our water and carbon footprints from the fields to the end of use of our products. We also assessed our social impacts across our value chain through our SSC programs and in our human rights gap assessment.

3. **Exploration** - We then evaluated the success of existing C&A sustainability programmes, reviewed major industry initiatives, and explored how the industry might look in 15 years, with a goal of determining where and how C&A could make a difference. Key initiatives like the [UN Sustainable Development Goals](#) and the [UN Guiding Principles on Business and Human Rights](#) provided additional context for consolidating and focusing the material issues for greater global impact. From this, we prioritised the aspects where C&A has a key role in creating positive change and also where these issues are priorities for our
stakeholders.

4. **Strategy** - We developed an integrated strategy incorporating our material issues with three pillars for action: **Sustainable Products**, **Sustainable Supply**, and **Sustainable Lives**.

Our material topics have generally remained the same since 2013, and are shown in our **2018 materiality assessment review**.

### 2018 materiality assessment update

Since our initial materiality assessment in 2013, we have continued to review our material issues in the context of stakeholder input and importance to our business. In 2018, we again updated our materiality assessment and consulted four important categories of input:

1. Our corporate identity, including C&A values, vision, and mission
2. Consumer insights, including consumer trends and viewpoints (including our annual customer survey in concert with GlobeScan), market intelligence, and future trends
3. Sustainability trends, including industry intelligence, market intelligence, competitor analysis, stakeholder trends, and future trends
4. Our impacts, including key impact areas and future trends

Drawing from this input, we refreshed our materiality assessment to identify the top material issues — those deemed most important by our stakeholders and for our business. The results, as shown in the chart below, reflect this review and the ways in which the most material issues have been incorporated into our 2020 sustainability goals. Other material issues — such as quality, product safety, and responsible marketing — remain part of our ongoing business approach.

### 2018 materiality assessment review

Click or tap a plot point to see the associated goals.
Stakeholder engagement
Maintaining active dialogue to drive change

We engage with stakeholders to understand their perspectives on key issues in the apparel industry. Through this engagement, we can work together to find solutions and to continually improve our strategy.

Our stakeholder engagement process includes six steps:

1. We identify stakeholders to understand their relevance to our objectives and material issues.
2. We prioritise our most important stakeholders.
3. We analyse each stakeholder and take their perspective into account to determine the appropriate level of engagement.
4. We maintain an active dialogue with our most relevant stakeholders to understand their views.
5. We include our stakeholders in the implementation process of new strategies and
programmes.
6. We incorporate their feedback where appropriate to help us continually improve our strategy.

Our key stakeholder groups

We have identified a number of stakeholder groups across our focus areas. These areas include sustainable sourcing, the circular economy, our environmental impact, safe and fair working conditions in our supply chains, inspiring and enabling our customers to act sustainably, and engaging our employees. While this list includes many stakeholder groups we engage on a regular basis, we invite anyone to start a conversation with C&A on any topic. Contact us here.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business &amp; Human Rights Center</td>
<td>Human rights due diligence</td>
</tr>
<tr>
<td>Centre for Research on Multinational Corporations (SOMO)</td>
<td>Workers’ rights</td>
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<tr>
<td>Clean Clothes Campaign</td>
<td>Workers’ rights</td>
</tr>
<tr>
<td>Ethical Trading Initiative (ETI)</td>
<td>Workers’ rights and living wages</td>
</tr>
<tr>
<td>Freedom Fund</td>
<td>Workers’ rights and bonded labour</td>
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<tr>
<td>Four Paws</td>
<td>Animal welfare</td>
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<tr>
<td>Organisation</td>
<td>Topic</td>
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<tr>
<td>Greenpeace</td>
<td>Sustainable Chemicals Management</td>
</tr>
<tr>
<td>Human Rights Watch</td>
<td>Workers’ rights and freedom of association</td>
</tr>
<tr>
<td>Arisa (formerly Indian Committee of the Netherlands)</td>
<td>Workers’ rights and migrant labour</td>
</tr>
<tr>
<td>IndustriALL</td>
<td>Workers’ rights and living wage</td>
</tr>
<tr>
<td>InPacto - National Pact to Eradicate Slave Labour Institute</td>
<td>Workers’ rights and bonded labour</td>
</tr>
<tr>
<td>International Labour Organization (ILO)</td>
<td>Global partnership for workers’ rights</td>
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<tr>
<td>Responsible Sourcing Network</td>
<td>Cotton sourcing</td>
</tr>
<tr>
<td>Solidaridad</td>
<td>Workers’ rights</td>
</tr>
<tr>
<td>Textile Exchange</td>
<td>Animal welfare and raw materials</td>
</tr>
</tbody>
</table>

We involve our key stakeholders in setting the direction of major strategies and programmes, and keep them updated on our progress.

In 2018, we expanded our engagement with stakeholders as we updated our SSC strategy. The Ethical Trading Initiative (ETI) reviewed and provided input for the development of the strategy. As they are a tripartite organisation, they also voiced the perspective of workers and civil society.

In the past year, our Sustainable Chemicals Management programme has evolved to become one of the core elements of our SSC strategy. We recognise that it is crucial to involve our key stakeholders, update them on the implementation of the programme, and discuss the lessons learned. Our first stakeholder dialogue meeting on chemicals management took place in May 2018. We gathered feedback on the current strategy and created a platform for collaboration and dialogue between C&A and our key stakeholders.

**Partnering for change**

The United Nations’ 17th Sustainable Development Goal recognises the value of global partnerships in creating sustainable development. Our partners are critical to helping us develop and achieve our sustainability ambitions and goals. We work with them to inform our strategy and to amplify our work, which aims to drive change across the broader apparel industry.

**C&A Foundation**

Our most significant partner is C&A Foundation, who have been on a mission to make fashion a force for good since 2014. They believe that fashion can be fair and sustainable, but that radical change is needed across the industry to reach this goal. Together, we deliver groundbreaking projects that make a real difference. Fashion for Good — the world’s first collaborative innovation platform for sustainable fashion — is one recent example: this industry-wide initiative was launched by C&A Foundation, with C&A as one of its first brand partners. Fashion for Good supports the development of circular fashion,
with other leading brand partners such as Kering, adidas, PVH, Target, Zalando, and Stella McCartney, among others. In 2018, we continued our work with Fashion for Good to help transform the apparel sector by supporting the Fashion for Good-Plug and Play Accelerator Programme for start-ups and the Scaling Programme to encourage adoption of innovations, as well as the Good Fashion Fund to catalyse access to finance, the creation of guides for use in developing Cradle to Cradle Certified™ apparel, and the Fashion for Good Experience—an interactive museum for sustainable fashion innovation.

Read more about C&A Foundation
Read the C&A Foundation 2018 Annual Report

The Sustainable Apparel Coalition (SAC)

The Sustainable Apparel Coalition's vision is of an apparel, footwear, and home textiles industry that produces no unnecessary environmental harm and has a positive impact on the people and communities associated with its activities. It plans to achieve this through promoting supply chain transparency and pioneering assessment tools. Our industry focus as one of the founding members of the SAC has led C&A to become one of the main drivers of an update to the Higg Module - a key sustainability tool - which will benefit the apparel sector as a whole. Industry convergence by way of the widespread adoption of the Higg Module is key to the success of the SAC.

Read more about SAC

Zero Discharge of Hazardous Chemicals (ZDHC)

The ZDHC programme aims to advance towards zero discharge of hazardous chemicals in the textile and footwear value chain to improve the environment and people's wellbeing. The ZDHC programme includes a collaboration of 28 signatory brands, 81 value chain affiliates, and 17 associates. Together, we are working to support implementation of safer chemical management practices. C&A was an early signatory to the programme and a founding member of the ZDHC academy.

Read more about ZDHC

ACT (Action, Collaboration, Transformation)

ACT works to ensure living wages for garment workers in key sourcing countries. Now in its second phase, the multi-stakeholder initiative is establishing programmes and developing responsible purchasing practices for the industry. C&A is a founding member.

Read more about ACT

The Bangladesh Accord for Fire and Building Safety

C&A are a founding member of the Bangladesh Accord. We were one of the first to sign the Accord, along with 220 other brands, international unions and NGOs in response to the Rana Plaza disaster. The Accord is an independent, legally-binding agreement, designed to create a safe and healthy garment industry in Bangladesh. We've played an active role in the steering committee, we are deeply committed to the good work of the Accord, and we believe it is the best way to address the Bangladesh apparel industry’s fire safety
challenges.
Read more about the Bangladesh Accord

**Dutch Textile Covenant**

In 2016, we joined the Dutch Textile Covenant, led by the Government of the Netherlands, industry federations, labour organisations, and civil society. The covenant works to address the most pressing issues in textile-producing countries, such as preventing child labour and improving conditions and wages in Bangladesh, India, Pakistan and Turkey.

Read more about the Dutch Textile Covenant

**German Partnership for Sustainable Textiles (Textilbündnis)**

Since 2015, we have played an active role in sharing best practice and developing the agenda of the German Federal Government’s Partnership for Sustainable Textiles. This multi-stakeholder initiative seeks to improve social, economic and environmental outcomes across garment industry supply chains. In 2018, as part of our commitment to the partnership, we updated our roadmap and progress toward our stated goals.

Going forward, we would like to see such national initiatives coordinated at a higher level and incorporated in one Europe-wide initiative that co-ordinates national efforts and creates convergence in actions and resource allocation for greater impact.

Read more about Textilbündnis

**Social and Labour Convergence Project (SCLP)**

In our effort to support common industry standards to address current challenges, C&A is part of the Social and Labour Convergence Project (SCLP). This is the most thorough effort to create a converged assessment framework that promotes collaboration, reduces the number of audits suppliers receive, and frees up resources that will be redirected to support remediation and prevention throughout the supply chain. More than 200 members, including brands, multi-stakeholder initiatives, audit firms, and NGOs, support SLCP in its journey.

During this year, the SLCP has launched the Light Operations programme, which aimed to test and learn from the joint assessment tool in two selected countries — Sri Lanka and China. As a result, 131 facilities were assessed and verified. C&A participated with 12 factories. Results will be publicly available on the SLCP website. In January of 2019, C&A was elected by the SLCP members to represent the brands in the Steering Committee.

**International partnerships summary**

<table>
<thead>
<tr>
<th>Collaboration or partnership</th>
<th>Since</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Fiber Alliance (SFA)</td>
<td>2019</td>
<td>Member</td>
</tr>
<tr>
<td>Changing Markets</td>
<td>2018</td>
<td>Signatory</td>
</tr>
<tr>
<td>Make Fashion Circular</td>
<td>2018</td>
<td>Participant</td>
</tr>
<tr>
<td>Collaboration or partnership</td>
<td>Since</td>
<td>Role</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
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<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>United Nations Women's Empowerment Principles (WEP)</td>
<td>2018</td>
<td>Signatory</td>
</tr>
<tr>
<td>Cradle to Cradle Products Innovation Institute</td>
<td>2017</td>
<td>Certification Standards Board Member &amp; Board member</td>
</tr>
<tr>
<td>Fashion for Good</td>
<td>2017</td>
<td>First corporate partner and Innovation committee member</td>
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<tr>
<td>Prince of Wales Cotton Communiqué</td>
<td>2017</td>
<td>Signatory</td>
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<tr>
<td>Science Based Targets initiative (SBTi)</td>
<td>2017</td>
<td>Signatory</td>
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<tr>
<td>Ellen MacArthur Foundation Circular Economy 100 (CE100)</td>
<td>2016</td>
<td>Member</td>
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<tr>
<td>Ellen MacArthur Foundation Make Fashion Circular</td>
<td>2018</td>
<td>Participant</td>
</tr>
<tr>
<td>Dutch Covenant for Sustainable Apparel and Textile</td>
<td>2016</td>
<td>Member</td>
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<td>Action, Collaboration, Transformation (ACT)</td>
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<td>Amsterdam Coalition</td>
<td>2015</td>
<td>Founding member</td>
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<td>Better Cotton Initiative (BCI)</td>
<td>2015</td>
<td>Member Buyer and investment committee member</td>
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<td>CanopyStyle Initiative</td>
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<td>Member</td>
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<td>Save the Children</td>
<td>2015</td>
<td>Sponsoring partner</td>
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<td>The German Partnership for Sustainable Textiles</td>
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<td>Member</td>
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<tr>
<td>UN Global Compact</td>
<td>2015</td>
<td>Signatory</td>
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<tr>
<td>Organic Cotton Accelerator (OCA)</td>
<td>2014</td>
<td>Founding member, Board and investment committee member</td>
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<td>Bangladesh Accord for Fire and Building Safety</td>
<td>2013-2018</td>
<td>Member</td>
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<td>Better Mill Initiative</td>
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<td>Ethical Trading Initiative (ETI)</td>
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<td>Forum for the Future</td>
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<td>Zero Discharge of Hazardous Chemicals (ZDHC)</td>
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<td>Brazilian Association of Textile Retailers (ABVTEX)</td>
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<td>Partnership for Cleaner Textiles</td>
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<td>Sustainable Apparel Coalition (SAC)</td>
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<tr>
<td>CottonConnect</td>
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<td>Founding member</td>
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<td>Global Social Compliance Programme</td>
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<td>Board Member</td>
</tr>
<tr>
<td>Textile Exchange</td>
<td>2004</td>
<td>Board member</td>
</tr>
</tbody>
</table>

**How we report**
Leading industry standards and a balanced view

Each year we report our performance against our 2020 Global Sustainability Framework using the Global Reporting Initiative (GRI) Standards, the 10 principles of the UN Global Compact, and the UN Sustainable Development Goals (SDGs). In 2017, we transitioned from GRI G4 Guidelines to GRI Standards and have applied the GRI Standards to our 2018 report as well.

About our report

Unless otherwise stated, all data relates to our global performance for the business year 2018. Our data is based on science – and where that is unavailable, we take a precautionary approach. 2015 is our baseline year for measuring progress against our goals. Where possible, we have compared our performance to that of previous years and reported regional and global figures. We’ve also tried to present a more balanced view; for every major topic we talk about our challenges as well as the progress we’ve made.

Reporting scope and boundaries

As a privately-held company, we do not report on economic performance. We strive to report on all other standard disclosures as specified in the GRI Standards.

Unless otherwise specified, we report on our entire value chain. We work with our tier-1, tier-2, and tier-3 suppliers to disclose information, where available. We are working closely with supply chain partners to create a closer link between farmers and farm groups and our tier-3 and tier-4 supply chain.

Uncertainty

We strive to provide accurate and precise data. However, there are inherent uncertainties
in certain data sets. All our data has been collected and consolidated with Credit360. Internal subject matter experts have validated the data. We have used state-of-the-art Life Cycle Assessment (LCA) methods to calculate greenhouse gas emissions and water use data; however, uncertainties may rise due to the assumptions used in the model.

In 2017, we used data from garment care instructions and a customer survey on garment use. This information helped significantly reduce uncertainty compared to last year. The customer survey collected data on actual (1) washing/drying habits of C&A customers by garment type, (2) washing machine technology used, and (3) the number of wears per wash for high impact garment categories. Assuming a random sample, the margin of error for each of these parameters was quite small (+/-3% or less depending on the market). The survey was not repeated in 2018.

The carbon and water footprints associated with cotton, specifically Better Cotton (sourced via a system of mass balance and self-reported by fabric mills) is derived from a weighted average of BCI’s results indicators. The methodology used and results presented have not been verified by BCI.

**Standards of practice**

When collecting data or calculating impacts, we only use industry-recognised or multi-stakeholder-developed guidelines and standards:

- **Employee data**: Obtained from our transactional Human Resource systems. Practices follow industry standards for identification of gender, management levels, and contract types. The employee engagement survey was rolled out by an independent third party to ensure confidentiality.
- **Cotton and raw material data**: Obtained from our internal systems for order placement and sales.
- **Climate and carbon footprint data**: Obtained from core financial data and modelled using hybrid, input/output LCA methods, combined with C&A business data, by Aligned Incentives. All methods used followed the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In the case of water, we applied both the Aligned Incentives hybrid LCA methodology and the Water Footprint Network methodology for green, blue, and grey water impacts. Location- and market-based emission factors for electric grids were based on data from the International Energy Administration (IEA), country-level reported factors from the Brazilian Government, and residual mix factors from the Association of Issuing Bodies (AIB).
- **Limited assurance of GHG Inventory** – C&A voluntarily engaged PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) as an independent audit firm to conduct a limited assurance engagement on selected non-financial performance indicators disclosed in the Sustainability Report 2017. PwC conducted the limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) to verify that the indicators disclosed comply with the principles stated in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative.

Part of the engagement focused on assessing GHG inventories across scope 1, 2, and 3 in
C&A’s retail markets in Europe, Brazil, Mexico, and China. Through this work, PwC was able to assure GHG inventories for Europe and Brazil, which make up more than 90% of C&A’s scope 1, 2, and 3 GHG inventory. In Mexico and China, C&A has been using the results and recommendations of the assurance engagement to further develop reporting processes, strengthen the internal control system, and formalise data collection.

- **Customer data**: Obtained through a survey of over 6,000 consumers in our major markets. Survey design and analysis was conducted by GlobeScan.
- **Human rights information**: We work to identify human rights issues through our internal SSC processes and by employing third parties like Deloitte to conduct independent reviews. Our human rights due diligence follows the UN Guiding Principles for Business and Human Rights.
- **Chemicals data**: During 2018, we adopted the Sustainable Apparel Coalition’s Higg 3.0 module.
- **Materiality**: Our analysis follows the GRI definition of materiality. We have not used the International Accounting Standards Board (IASB) definition in determining material aspects. We reassess materiality each year. The material aspects of our work did not change in 2018 from 2017, although we have discussed them in more detail in this year’s report.

Read about our material issues

**What we mean when we say...**

C&A is a buying and retailing organisation; we do not own any factories. It is important to understand what we mean when we use the following terms:

- **C&A, the company, us, we, or our**: This refers to our owned legal entities that fall under the C&A brand. Unless specified, it refers to all retail and sourcing markets for C&A. It does not refer to our holding entity, COFRA Holding AG, or any of their non-C&A-related subsidiaries.
- **C&A Foundation**: C&A Foundation is a private corporate foundation associated with the C&A brand. They work to positively transform the entire apparel industry, of which C&A is a part, in order to make fashion a force for good.
- **Suppliers**: This refers to independent third parties that we have a contractual relationship with. Our suppliers operate their own businesses and manage factories.
- **Factories or production units (PUs)**: These are the actual locations where garments are produced under the control of our contracted suppliers.
- **Global Sustainability Team**: This includes our leadership team composed of internal leaders in sustainability and our retail market colleagues. This team owns the global sustainability strategy and the policies that govern risk management, compliance, and sustainability performance and leadership.
- **Sustainable Supply Chain (SSC)**: This refers to our social and environmental auditing function where the policy and strategy is led by our Chief Sustainability Officer and the execution is owned by each regional CEO. SSC is an execution function that is governed by second- and third-party oversight.
- **Sustainable Chemicals Management (SCM)**: This refers to the topic of management related to Zero Discharge of Hazardous Chemicals (ZDHC) within our supply chain.

Transparency
We believe that being transparent helps to drive better practices across the industry. In addition, transparency is important to our stakeholders and is becoming increasingly important to our customers. In this report, we strive to cover not only positive progress and detailed analyses of our supply chain, but also the challenges we have faced along the way.

To this end, we have been ranked second out of 55 brands assessed in the fourth annual Corporate Information Transparency Index (CITI).

C&A also placed in the number 4 spot among the most transparent brands in the 2019 Fashion Revolution Transparency Index, a review of 200 global fashion brands and retailers according to their level of disclosure about social and environmental policies, practices, and impact. We increased our overall score since the previous index and once again received high scores for our commitments, governance, gender equality, sustainable materials, and other disclosures. In addition, C&A Brazil was recognised in the number 1 spot for 2018 in that country’s Fashion Revolution Transparency Index, which analysed 20 fashion brands. C&A ranked #1 for policy, commitment, and governance, and scored high in other categories, such as traceability. [1]

We collaborate and share information with our partners, suppliers, and other brands. Each year, we publish a list of our suppliers’ tier-1 and tier-2 factories and locations.

See the full list of our suppliers’ factories here.

[1] C&A Foundation is a core funder to Fashion Revolution and the index.

External review

This sustainability report comes at a time when the global apparel industry has never been quite so much under the spotlight. As the scale of the industry’s negative environmental and social impacts becomes increasingly understood, the annual barometer of how well the industry is responding to these challenges – the Pulse of the Fashion Industry – shows that while the fashion industry has improved its social and environmental performance in 2018, this is at a slower rate than in previous years. The study concludes that if the industry does not implement changes at a faster rate, it will not achieve the United Nations Sustainable Development Goals. Nor will it meet the Paris Agreement, the significance of which is heightened as the world wakes up to a real and urgent climate emergency.

C&A’s performance, however, is definitely headed in the right direction, with good progress made towards all of its environmental and social performance goals. Highlights include the public disclosure of its tier-1 and tier-2 suppliers’ factories worldwide, 71% of cotton sourced being sustainable certified organic or Better Cotton. and stand-out achievements such as becoming the first retailer to introduce Gold level Cradle to Cradle
Certified™ jeans in Europe, Brazil, and Mexico.

This report also highlights that C&A really understands its huge influence over the 3.5 million people it serves every day around the world. Along with its far-reaching #WearTheChange campaign, now in all C&A retail markets, the business has expanded its in-store take-back programme to new geographies with customers in eight of C&A's geographies now able to take their unwanted clothes to C&A stores, with customers in the ninth country able to participate in an online take-back programme.

C&A is doing all the right things when it comes to sustainability and the business should be proud of its achievements, which put the business in a strong leadership position.

The challenge, however, is that what equates to doing the right thing is changing all the time, with the sustainability leadership bar in apparel rising the whole time, even if there are still plenty of laggards.

C&A is in an excellent position to rise to this challenge. The plans to publish Science-Based Targets for greenhouse gas emissions can’t come soon enough, and I look forward to seeing these featured front and centre in the new global sustainability strategy, planned for publication in 2020. When it comes to the new sustainability strategy, I would like to see this anchored firmly in the mainstream business strategy. I would also like to see evidence that the Executive Board of the business addresses sustainability with the same degree of focus as the standard metrics of business success.

I offer this challenge as I am convinced the next wave of leadership in the global apparel industry will be the emergence of truly sustainable business models. Business models that deliver value over and above the current linear, and somewhat flawed, binary measures of economic success. Until businesses in the apparel industry deliver tangible value creation from the highest standards of social and environmental performance, the most significant systemic barrier currently standing in the way of sustainable fashion will remain. Current market economics.

With its family-owned structure, its 178-year heritage, its deep values, plus C&A Foundation, which is targeting action on a whole range of systemic challenges in the industry, the C&A business is in an unparallelled position to craft and deliver a circular, sustainable business model. There are also the many industry collaborations within which C&A plays a leadership role. How might the business push these collaborations even harder to create the enabling conditions for business model transformation?

The slow-down in progress towards sustainability highlighted in the Pulse Report could ultimately slow down C&A’s own performance, given the interconnectedness of the issues. No business is an island, and it just isn’t possible to conceive of a sustainable business in an unsustainable system, which is how I would describe the current apparel system.

As C&A looks to its next global strategy then, I invite the business to turbo-charge its ambition and define the next wave of leadership in the industry. In so doing, the business will have done its bit to ensure that the industry pivots successfully from the current trajectory, to one where the SDGs are met, and the global apparel industry is circular, regenerative, and truly sustainable.
Global frameworks

Global frameworks provide a compass on sustainability

We know our challenges aren’t unique: governments, consumers, and businesses increasingly recognise that business must create positive change for society. We’ve aligned our strategy with global frameworks that are relevant to our business and industry and help guide our approach.

C&A has applied the Global Reporting Initiative (GRI) Standards for this report. Our materiality assessment has determined the indicators covered in the most detail.

We’re a signatory to the United Nations Global Compact (UNGC), a set of universal principles addressing human rights, labour, environment, and anti-corruption for business.

We also support the United Nations Sustainable Development Goals (SDGs), which provide a framework for advancing the sustainability agenda. In 2016, we further developed our approach to integrating the SDGs into our operations, innovations, and partnerships, and during 2017 and 2018, we made continued progress toward integrating them into our business planning and operations. As we review and update our global sustainability strategy for 2020 and beyond, the SDGs will play a role in our revised framework.

To navigate our report using these three frameworks, see our GRI, UNGC, and SDG Index.

Six global goals that guide our strategy and reporting framework

The work we do to create fashion with a positive impact contributes to the SDGs in many ways. The following six goals are particularly relevant to our business, our impacts, and the contribution we can make. Our main partner, C&A Foundation, works across the entire apparel value chain to bring about systemic change in the apparel sector. Together, we are generating long-term solutions as we work towards meeting the goals established in our 2020 global sustainability framework as well as the SDGs. Over the coming years, we will continue to develop and enhance our approach to the SDG.
C&A’s contribution to the Sustainable Development Goals

SDG #5 - Gender equality

Achieve gender equality and empower all women and girls

Related C&A 2020 Sustainability Goal

- Establish and achieve goals in our Women’s Empowerment Principles Action Plan

Goal 5 states that gender equality is not only a fundamental human right, but the basis for a peaceful, prosperous, and sustainable world. When women are educated, healthy, and economically empowered, families and communities thrive.

Women are the driving force behind our industry. The majority of our customers and employees are women, as are most of the people who make our clothes. We are working to empower women and achieve gender equality across our supply chain, from the farming of raw materials through to the manufacture and sale of our clothes.

We have incorporated this SDG into our overall strategy in the following ways:

Sustainable products
We want to create products everyone can enjoy, regardless of their gender. We recognise the need to reflect this in the products we design for both men and women, and the way in which we market them. [Read more]

**Sustainable supply**

- We’re increasing transparency across our supply chain, publicly disclosing our tier-1 and tier-2 suppliers’ factories every year. 46% of the workers in our supply chain, who are predominantly women, work in top-performing, A/B-rated factories that adhere to our high standards on working hours, minimum wages, discrimination, violence or other abuse, and undisclosed production. [Read more]
- We’re collaborating with other organisations, such as the Ethical Trading Initiative, GoodWeave, and C&A Foundation, to protect the most vulnerable and abolish Sumangali, a form of bonded labour in India affecting girls and women. [Read more]

**Sustainable lives**

- C&A signed the UN Women’s Empowerment Principles in March 2018, and we have since created locally-relevant road maps and action plans on gender parity and the empowerment of women in our four operating regions. [Read more]
- We contribute to strengthening communities with a focus on mothers and children, through partnership with Save the Children and C&A Foundation. In 2018, we renewed our partnership with Save the Children, committing to providing continued support over the three years (2018-2020) and providing more than 10 million euros. [Read more]

**SDG #6 - Clean water and sanitation**

**Ensure availability and sustainable management of water and sanitation for all**

**Related C&A 2020 Sustainability Goals**

- 100% of our cotton is more sustainable
- 67% of our raw materials are more sustainable
- Zero discharge of hazardous chemicals
- 30% reduction of water use in the production of our raw materials (from 2016 baseline, by 2025)
- 10% reduction of water use in C&A stores, distribution centres, and offices (from 2012 baseline, by 2025)

Water scarcity affects more than 40% of the world’s population and is projected to rise. Goal 6 looks at how we provide access to clean water and basic sanitation to billions of people who currently live without it. 2018 is the fourth year we have undertaken a detailed scientific assessment of our entire life cycle to understand where our impacts lie and
where we can make the greatest contribution.

We have incorporated this SDG into our overall strategy in the following ways:

**Sustainable products**

- Our cornerstone goal to source 100% more sustainable cotton underpins our approach to water, as more sustainable cotton – and organic cotton in particular – uses considerably less water than conventional cotton. Read more.
- We are a member of CottonConnect, the Organic Cotton Accelerator (OCA), and Better Cotton Initiative (BCI). All three are industry-wide initiatives that support cotton farmers in adopting more sustainable agricultural practices, including using less water. Read more

**Sustainable supply**

- As part of our commitment to Zero Discharge of Hazardous Chemicals, we closely monitor the quality of wastewater from our suppliers’ factories and report publicly on the results. In 2018, we conducted 379 chemical management audits, 478 wastewater tests, and 379 corrective action plan visits to evaluate efforts towards meeting our Sustainable Chemical Management programme requirements. Read more
- We also conducted 16 two-day seminars on chemical and wastewater management, training over 400 factory staff. Read more
- In 2018, to increase the emphasis on wastewater discharge quality for conventional parameters in our supply chain, C&A further enhanced the Minimum Performance Standard by adding the requirement to meet the Foundation Level set in the ZDHC Wastewater Guidelines.

**SDG #8 - Decent work and economic growth**

**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

**Related C&A 2020 Sustainability Goals**

- 100% of our products sourced from A/B-rated suppliers
- Build capacity and supplier ownership within our supply chain

Goal 8 calls for more jobs that not only provide decent pay, but also stimulate the economy and provide equal opportunities for men and women, while protecting the environment. The apparel industry has an important role to play in providing quality jobs that stimulate development.

We work with our suppliers’ production units to ensure the quality of jobs in our sector – everywhere we operate and source from – uphold labour rights and the safe and fair working conditions that are central to decent work. We also create jobs in the communities
where we have C&A stores and offices.

We have incorporated this SDG into our overall strategy in the following ways:

**Sustainable supply**

- We believe safe and fair working conditions should be the norm for all garment workers. We have identified the top four labour issues facing our suppliers and have created long-term strategies for each challenge: working hours and compensation, building and fire safety, freedom of association, and undisclosed production. Read more
- We are actively involved in ACT, a global initiative on Action, Collaboration, Transformation, to unite stakeholders in improving wages through collective bargaining in key production countries, world-class manufacturing standards and responsible purchasing practices to lift the wage floor. Read more
- Working with our suppliers, we want to help build capacity and ownership of the issues they face. Our bespoke Supplier Ownership Programme covers key C&A suppliers with responsibility for over 67,500 workers. Read more
- In many places, workers may not be used to being able to influence decision-making. The right to freedom of association or the acknowledgement of workers’ rights can be unknown. We are changing that by supporting fair contracts and social dialogue. Read more

**Sustainable lives**

- We listen to our employees to understand and act on the issues that matter to them. In our global engagement survey, we ask employees to give us their thoughts on C&A's values, strategy, our approach to sustainability, and how we’re doing as an employer. Read more
- C&A and C&A Foundation won the 2018 Employee Engagement Awards in the category Social Responsibility for our Inspiring World campaign, launched that same year. Read more

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**SDG #12 - Responsible consumption and production**

**Ensure sustainable consumption and production patterns**

**Related C&A 2020 Sustainability Goals**

- Zero waste to landfill in our retail operations chain (by 2025)
- 100% of our cotton is more sustainable
- 67% of our raw materials are more sustainable
- Continually increase Cradle to Cradle Certified™ products in our retail markets
- Zero discharge of hazardous chemicals
- 30% reduction of water use in the production of our raw materials (from 2016 baseline, by
• 10% reduction of water use in C&A stores, distribution centres, and offices (from 2012 baseline, by 2025)

Goal 12 asks us to think twice about the things we use, the waste we create, and how that impacts our planet – it’s about doing more (and better) with less.

This principle is at the heart of our global sustainability strategy, from the work we do on clean environment in our supply chain to our commitment to a new normal where we sell circular fashion products, designed with their next use in mind. Our vision is one of a restorative circular economy, where nothing is wasted in the creation or disposal of our clothing.

We have incorporated this SDG into our overall strategy in the following ways:

**Sustainable products**

• In 2017, C&A launched the first gold level Cradle to Cradle Certified™ T-shirt – a recyclable garment made of 100% organic cotton, with safe materials and chemicals, and produced in a socially and environmentally responsible way. Since then, C&A has launched additional Cradle to Cradle Certified™ products, including jeans, in both Mens’ and Ladies’ clothing lines. Read more

• In 2018, we took another important step forward towards 100% more sustainable cotton by launching a groundbreaking Organic Cotton Traceability Pilot with Fashion for Good, C&A Foundation, the Organic Cotton Accelerator (OCA), and Bext360. This initiative uses innovative technology to trace organic cotton in textiles through the value chain, which is valuable to ensuring the integrity, quality, and purity of organic cotton.

• For the sixth year, we have been named the world’s largest buyer of organic cotton, and our commitment to 100% more sustainable cotton – including organic and Better Cotton – will help to ensure we use significantly fewer natural resources, while emitting less CO₂, when compared with conventional cotton. Read more

• In Europe and China, we have taken the bold step of committing to source 100% of our man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain. Read more

• We continue to develop other innovative clothing collections including sustainable denim made with organic cotton and recycled PET made from plastic bottles. Read more

• We’re helping customers give their clothes a second life through our clothing take-back programmes. Since our successful launch in the Netherlands, we have rolled out in-store take-back in Belgium, Brazil, Luxembourg, the Netherlands, Portugal, Spain, and Switzerland. We also launched a convenient online take-back programme for customers in Germany, and in 2019 we are piloting take-back at 10 stores in Mexico. These initiatives not only make it easier for more customers to responsibly dispose of unwanted clothes, but help to shift our industry to a circular approach. Read more

**Sustainable supply**

Our Sustainable Chemicals Management (SCM) strategy is guiding our work to eliminate hazardous chemicals from our supply chain by 2020.

• In 2018, we continued to implement our SCM Programme at all key tier-1, tier-2, and tier-3 suppliers, creating tangible progress towards our zero discharge of hazardous chemicals
commitment.

- Also during the year, we rolled out tools to increase the transparency of the chemicals used in our supply chain to better drive the adoption of safer chemistry.
- We also increased the emphasis and priority of wastewater discharge quality by further enhancing the Minimum Performance Standard for supplier wastewater, and we continue updating the Standard annually as we work towards zero discharge of hazardous chemicals. Read more

SDG#13 - Climate action

Take urgent action to combat climate change and its impacts

Related C&A 2020 Sustainability Goals

- 100% of our cotton is more sustainable
- 67% of our raw materials are more sustainable
- 20% reduction of carbon footprint in C&A stores, distribution centres, and offices

Goal 13 is about finding solutions to climate change. It will take actions from all of us to create a significant positive impact. We’re working to reduce our carbon emissions across our value chain.

In 2018, we completed our fourth detailed, hybrid Life Cycle Assessment (LCA), to better understand where our impacts lie and where we can make the greatest contribution. Thanks to improvements in modelling, we have been able to set a new and more accurate baseline to measure our reductions going forward. We are also using our LCA and other data to define our science-based climate targets, helping to ensure we are reducing emissions in line with the Paris Agreement on climate change. This process includes developing and evaluating various target scenarios, a detailed exercise that will continue through 2019 in alignment with our new 2020 sustainability strategy.

We have incorporated this SDG into our overall strategy in the following ways:

**Sustainable products**

- We actively source organic and Better Cotton to meet our goal of 100% more sustainable cotton by 2020. Cotton makes up 57% of the materials we use, so it’s where we can have the biggest impact. We’re over two-thirds of the way to meeting our goal: 71% of the cotton we source is more sustainable, and with that come many benefits, both social and environmental. Read more
- In 2018, greenhouse gas emissions were 12% lower than our baseline year of 2016. This was influenced by the sourcing of more sustainable materials. Read more
- Our membership in the Organic Cotton Accelerator and Better Cotton Initiative allows us to support cotton farmers in adopting more sustainable agricultural practices that use fewer
pesticides, look after the health of the soil, and conserve natural habitats and biodiversity. Read more

**Sustainable supply**

- Our cornerstone commitment to source 100% more sustainable cotton underpins our approach to combating climate change. We estimate that our sustainable cotton mix in 2018 contributes 10% less CO$_2$ than the equivalent amount of conventional cotton, avoiding roughly 54,600 metric tons of GHG emissions. Read more
- The use and disposal of clothing by our customers makes up 10% of our total carbon footprint. We explored our customers’ habits to dig deeper into this number, and found that a high proportion (60-85%) of our customers line-dry their clothes, and a majority wear articles such as trousers, shirts, and blouses multiple times before washes. Read more

**SDG #17 - Partnership for the goals**

**Strengthening the means of implementation and revitalise partnerships for sustainable development**

**Related C&A 2020 Sustainability Goal**

- Support circular innovations in our value chain through our partnership with Fashion for Good

This goal recognises that a successful sustainable development agenda requires partnerships among government, the private sector, and civil society.

At C&A, collaboration and partnerships are central to our approach. We strongly believe we need convergence around common standards, and between initiatives and organisations, to drive coherence throughout the value chain and work towards achieving the global goals. Fashion for Good, named in one of our 2020 goals, is an important partner, but we participate in many multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology, and financial resources in support of the SDGs.

See a full list of our partnerships here
Awards

Recognising our commitments

We want to do the right thing for our business and inspire and challenge others in our industry to embrace a sustainable vision. We don’t work on sustainability to win awards, but we’re always delighted when our efforts are recognised externally.

In 2018:

- We were recognised as the world’s largest purchaser of organic cotton for the sixth year, and the number one buyer of preferred (ecologically and/or socially progressive) man-made cellulosic fibres by Textile Exchange.

- We were selected as a Finalist for The Circulars 2018 in The Accenture Strategy Award in the Circular Economy Multinational category.

- We were ranked number 4 among the most transparent brands in the global 2019 Fashion Revolution Transparency Index, which rates 200 companies according to disclosures about their social and environmental policies, practices, and impact. We are up from number 5 the previous year. In addition, C&A Brazil earned the number 1 spot in the 2018 Fashion Revolution Transparency Index Brazil.

- We were placed in the ‘Leaders Circle’ of the multi-sector apparel industry by Textile Exchange for our overall leadership in preferred fibres and materials strategy, textile supply chain management, material consumption, and consumer engagement.

- We were rated ‘Good’ and an example of responsible fast fashion in the Good on You Fashion Platform 2018 rating, compared to many companies who were rated ‘It’s A Start’.

- Along with C&A Foundation, we won the 2018 Employee Engagement Awards in the Social Responsibility category for our Inspiring World campaign.

- We earned the 2019 PR News CSR Award in Product Design/Redesign for our Cradle to Cradle Certified T-shirts and jeans.

- Our Cradle to Cradle Certified™ jeans were selected by the German Federal Government’s Partnership for Sustainable Textiles, the Textilbündnis, as one of the most innovative initiatives of 2018.

- C&A Brazil was also recognised by Prêmio Eco for ‘Cradle to Cradle Certified™ Products ‘and ‘In-store take-back + Electronic waste program’

- C&A Brazil was a winner of the Ecoera Award, designed by sustainability specialist Chiara Gadaleta to evaluate the fashion, beauty, and design markets on social and environmental indicators.