Making Sustainable Fashion the New Normal
Global Sustainability Report 2019

At C&A, we believe everyone should be able to look and feel good every day, while supporting a good quality of life for those who make our clothes and a healthy planet. We want our customers to trust us to do the right thing, so they can buy our products without having to choose between what’s sustainable and what’s not.

Inspiring World

63% of C&A employees worldwide participated in our Inspiring World campaign #BeTheChange, demonstrating their pride in our company, values, and efforts to make the world a better place.

Transparency in focus

We have publicly disclosed our tier-1, tier-2, and many of our tier-3 suppliers’ factories worldwide.

Ambitious science-based targets

C&A has developed ambitious science-based targets to help address climate change. We will reduce our footprint by 30% across our value chain by 2030 and work towards 100% carbon-neutral stores.

Driving more sustainable cotton

94% of the cotton we source is certified organic, organic cotton in transition, Better Cotton, or recycled.

Crafting a new strategy

We are reaching the conclusion of our 2020 sustainability strategy. C&A will launch a new sustainability strategy in 2021.

Towards a new normal

We are working towards a vision of the new normal - where sustainability is no longer the exception, but the norm. Focusing on our customers, we created Wear The Change to enable them to make more sustainable choices to reduce impacts on people and the environment and to support thriving communities.
Applying our influence for positive change

C&A is one of the most enduring and pioneering retailers in global apparel. We provide quality and affordable clothing to millions of visitors every day, both in our retail locations and through our online channels. With approximately 51,000 employees worldwide and more than 1 million apparel workers in our supply chain, we recognise our influence and our responsibility to use it for positive change throughout the industry.

Read more about C&A

About C&A

Caring for generations

C&A is one of the most enduring and pioneering retailers in global apparel – a leading retail fashion business, providing quality, affordable clothing to millions of customers each year. With about 51,000 employees worldwide, the C&A brand is present in 18 countries in Europe, as well as Brazil, Mexico, and China.

Since our 1841 founding by Clemens and August Brenninkmeijer in Sneek, Holland, C&A has been defining the way people choose and buy their clothes. C&A is part of the COFRA
Group. C&A AG has its global headquarters in Zug, Switzerland. Still family-owned after six generations, our values are deeply rooted. We want our customers to feel good about shopping at C&A, and our employees to feel proud of our contributions to society.

From the beginning, we have focused on making ready-to-wear, quality clothing available to everyone. Now, we’re building on this vision to offer beautiful, sustainable clothing, at a price point that works for everyone.

Making sustainable fashion the new normal

We are calling on other fashion brands to join our journey towards a future where circular fashion becomes the standard. As an industry, we have an opportunity to move away from the current ‘take, make, waste’ model to a circular approach where nothing is wasted in the creation or disposal of clothing. C&A’s goal is to foster the adoption of these innovations across our supply chain and to provide our cradle-to-cradle innovations to the wider industry for far-reaching positive change.

To achieve this change, however, we must go beyond the fashion industry alone. In 2020, C&A Foundation became part of the newly launched Laudes Foundation. An independent foundation and a part of the Brenninkmeijer family enterprise, Laudes Foundation aims to address the dual crises of climate breakdown and inequality by accelerating the transition to an inclusive and regenerative economy. Laudes Foundation continues and advances C&A Foundation’s pioneering programmatic work in fashion, also building on the experiences of its flagship initiative Fashion for Good, but has extended this work to include the built environment and the financial sectors.

C&A At a Glance
Europe

C&A has a strong presence in Europe, with more than 1,400 stores across 18 countries. As the hub of our sustainability leadership, C&A Europe’s work in our products and supply chains is often adapted for other regions. As part of its sustainability work, our European region leads initiatives on driving supply chain responsibility and transparency, eliminating harmful chemicals, and developing more sustainable products.
**Sustainable Products**

- In August 2018, C&A Europe became the first retailer to introduce Gold level Cradle to Cradle Certified™ jeans in Europe. Since 2018, C&A Europe has continually developed new Cradle to Cradle innovations, including the first Platinum level Cradle to Cradle Certified™ denim fabric, developed in partnership with Rajby Textiles Ltd. and the Circular Economy advisor Eco Intelligent Growth (EIG).
  
  Read more

- C&A Europe has 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, and in 2019, 100% of cellulosic fibre suppliers to Europe were verified as low risk of controversial fibre.
  
  Read more

- In 2019, C&A Europe sold 556,000 items containing recycled polyester and 102,000 pieces containing recycled cotton.
  
  Read more

- C&A Europe always offers 100% Responsible Down Standard-certified items.
  
  Read more

- C&A Europe expanded the in-store take-back programme to additional countries in Europe, and online in France.
  
  Read more

- All our European products remain free from perfluorinated compounds, and we have eliminated chromium from our leather tanning process.
- We eliminated plastic shopping bags from our stores.

**Sustainable Supply**

- Because most of C&A Europe’s suppliers are based in Asia, the region drives our work to source responsibly. C&A Europe works with various partners to strengthen environmental practices in our supply chain.
  
  Read more

- Several years into the strengthening of human rights due diligence in our supply chain — using the UN Guiding Principles for Business and Human Rights to verify our Sustainable Supply Chain programme is fit for purpose against the C&A Supplier Code of Conduct — the third-party assessment has indicated C&A Europe’s programme is working effectively.
  
  Read more

- C&A Europe continues actively working with Ethical Trading Initiative, Fair Labour Association, and other brands to support the Syrian refugee workforce in Turkey’s garment industry, taking part in initiatives to help recruitment, raise awareness, and support social integration.
  
  Read more

**Sustainable Lives**

- C&A was recognised as the most sustainable retail fashion brand in Germany in our fourth annual survey of more than 6,000 customers. The use of organic cotton and other natural and organic materials remains one of the key reasons C&A is recognised as a sustainability leader in Europe.
  
  Read more

- #WearTheChange has continued as our consumer sustainability call to action in-store and
online. Since its launch, C&A Europe has nearly doubled the overall reaction rate compared to our average, demonstrating good engagement with consumers. Read more

- C&A Europe continues to communicate the specific sustainability benefits of our products through #WearTheChange, including Gold level Cradle to Cradle Certified™ items, certified organic cotton, recycled polyester, and chrome-free leather. Read more
- C&A Europe collected 1,397 metric tons of unwanted garments as part of the ‘we take it back’ programme.
- In several European countries, 100% of C&A employees participated in our new Inspiring World campaign. Read more
- In 2019, the partnership among C&A, C&A Foundation[2], and Save the Children reached nearly 2 million people, of whom more than 1.1 million are children. Read more


[1] Cradle to Cradle Certified is a certification mark licensed exclusively by the Cradle to Cradle Products Innovation Institute.

**Brazil**

Since 1976, C&A Brazil has played a leading role in the Brazilian retail market, including on sustainability issues. In October 2019, the company held its initial public offering. It remains a licensee of the C&A brand and will continue to follow the C&A global sustainability strategy. C&A Modas S.A. is listed on the Brazilian Stock Exchange (B3) under the ticker CEAB3.

C&A Brazil operates 288 stores in more than 120 cities across the country, along with 3 distribution centres and a head office. The company has reported on sustainability since 2010 and was the first fashion retailer in the country to do so in accordance with the Global Reporting Initiative (GRI) guidelines. In 2019, C&A Brazil earned the #1 spot in the Fashion Revolution Transparency Index Brazil.

C&A was also the first company in Brazil to have an eco-store with LEED certification for sustainable buildings, and the first to disclose its supplier list. C&A Brazil has been monitoring our supply chain since 2006 and contributed to the creation of the ABVTEX (Brazilian Association of Textile Retailers) Qualification Programme for Retail Suppliers, which aims to ensure suitable labour conditions for workers employed by suppliers and their subcontractors.
Sustainable Products

- C&A Brazil was the first brand to offer Gold level Cradle to Cradle Certified™ garments. [Read more]
- Although a high quantity of Better Cotton is grown in Brazil, few Brazilian retailers buy and use it in their clothes, so most of it is currently exported. C&A Brazil was the first Better Cotton Initiative (BCI) retail member in Brazil. It started by working with the biggest spinners, accelerating the uptake significantly, then increasing the number of BCI members in the Brazilian supply chain. In 2019, more than 80% of C&A Brazil's volume was Better Cotton, compared to none in 2015. [Read more]
- The C&A Brazil in-store take-back programme is now in 157 stores. In 2019, C&A stores in Brazil collected more than 16.5 metric tons of garments, the majority of which were donated to a local organisation for reuse. [Read more]
- C&A Brazil was recognised for the fourth year in a row by AMCHAM Brasil Prêmio Eco for its supplier ownership programme. [Read more]

Sustainable Supply

- C&A Brazil continues to ensure our suppliers and authorised subcontractors comply with the social and environmental standards in our global Supplier Code of Conduct, which are sometimes higher than the local legal requirements. [Read more]
- The C&A Brazil Sustainable Supply Chain programme has improved substantially since 2016, when C&A Brazil implemented the Development Officers team to support suppliers. Since then, C&A Brazil is showing a strong governance model containing several elements that set a benchmark in the country. As in 2018, C&A Brazil trained suppliers on requirements in health and safety, fire safety, compensation, governance, and other topics during 2019. [Read more]
- C&A Brazil was the first Brazilian retailer to engage suppliers in chemical safety issues and have rolled out our Sustainable Chemicals Management approach in the region, working with suppliers to support their understanding and compliance. [Read more]
- C&A Brazil was rated number 1 for both 2018 and 2019 in the Fashion Revolution Transparency Index Brazil, which evaluates 30 of the largest Brazilian fashion brands and retailers. [Read more]
Sustainable Lives

- C&A was again recognised as the most sustainable retail fashion brand in Brazil in our annual survey of more than 6,000 customers. Read more
- C&A Brazil continued customer and employee engagement in its sustainability journey with #WearTheChange (or #VistaAMudança, in Portuguese), the global, multi-channel sustainability communications platform. Read more
- C&A Brazil continued to raise awareness for equality and diversity through Diversity Week; a Pride Collection; and Black Awareness Day; as well as recruiting fairs for minorities, transgender people, and immigrants. Read more

China

C&A began operating in China in 2007. At the end of 2019, it had 66 stores across 23 cities. Internet shopping is growing fast in China. C&A China\(^1\) launched its online platform in March 2014 with good results. Sales revenue increased fourfold after only three years. E-commerce represented 19.2% of C&A’s retail business in China during 2019, achieving record numbers of visitors to the online channel every day.

\(^1\) C&A China was a subsidiary of C&A AG in 2019-20 and became a licensee during the C&A business year 2020-21.

Sustainable Products

- Only a small proportion of the cotton produced in China is organic. Working with Laudes Foundation\(^1\) and CottonConnect, C&A China has been piloting a project in Shandong Province to support farmers in their transition from conventional to organic cotton. We have expanded the project with additional farmers, and purchased 80 metric tons of in-transition cotton during 2019 to produce T-shirts and jeans. Read more
- In China, C&A has taken the bold step of committing to source 100% of man-made
cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain. Read more

- 100% of the down offered by C&A in China is certified to the Responsible Down Standard. Read more

[1] In January 2020, C&A Foundation became part of Laudes Foundation. This work started in 2017 under C&A Foundation and continues under Laudes Foundation.

Sustainable Supply

- C&A China continues to consolidate the supplier base and encourage businesses to achieve A/B ratings. In 2019, 82% of products were sourced from A/B-rated suppliers, an increase of 13% over 2018. Read More
- In 2019, C&A was recognised by China’s most influential environmental NGO, the Institute of Public and Environmental Affairs (IPE), where C&A ranked #3 out of 80 apparel and textile brands and #4 out of 438 companies operating across all industries in China in its annual Corporate Information Transparency Index (CITI).

Sustainable Lives

- C&A China continues to engage customers with #WearTheChange using localised approaches that connect with the Chinese consumer. Read more
- In 2019, C&A China participated in an interview with a reputable media outlet and received organic reposts by 13 other media organisations, helping to spread C&A’s messages about #WearTheChange. Read more
- During 2019, C&A China recorded numerous views of WeChat articles featuring #WearTheChange, more than the average for C&A articles, including views by key opinion leaders. Read more
- In C&A China’s annual employee engagement survey, 88% of employees in China strongly agreed that they feel proud of C&A’s contribution on the community, society, and environment. Read more

Mexico

In 2019, C&A Mexico celebrated its 20-year anniversary in the country. C&A Mexico operates 79 stores in 41 cities. C&A Mexico is working to expand the sourcing of more sustainable cotton, improve supplier performance, reduce environmental impacts, and engage and inspire employees and customers on sustainability issues.
Sustainable Products

- C&A Mexico began offering Cradle to Cradle Certified™ jeans and T-shirts in early 2019, becoming the first brand in Mexico to offer Gold level Cradle to Cradle Certified™ jeans. Read more
- C&A Mexico accelerated its sourcing of cotton as Better Cotton by providing training to suppliers and internal teams and encouraged fabric spinners in Mexico to become members of BCI. In addition, the 2019 share of cotton sourced as Better Cotton was 46% — nearly half of all cotton sourced by C&A in Mexico. Read more
- C&A Mexico sold 14,638 pieces containing recycled cotton for Men's, Ladies’ and Youth T-shirts. Read more
- A water-saving programme known as Biowash is ongoing for Men's, Ladies’, and Kids’ denim products and allows a key C&A Mexico supplier to use 60% less water in the final wash of denim production. Read more
- ReutiliC&A, the C&A in-store clothing take-back programme, was expanded to 34 stores across Mexico. Approximately 8.5 metric tons of unwanted garments have been collected. Read more

Sustainable Supply

- Around 50% of C&A Mexico’s suppliers are based in Mexico, and we share the others with C&A Europe. We continue to work with domestic production units to advance the global Sustainable Supply Chain programme guidelines and audit process, in line with C&A’s global Supplier Code of Conduct. Read more
- C&A Mexico is one of the few international brands implementing a Sustainable Chemicals Management approach in Mexico and has rolled out a global programme in the region, working with suppliers and key stakeholders to support understanding and compliance beyond local regulations. Read more

Sustainable Lives

- #WearTheChange was launched in 2019 and continues to engage C&A’s customers in Mexico. Read more
- Ten charities received donations in kind during the year, benefiting families in the
communities where C&A operates.

- C&A Mexico raised approximately €20,000 (around 500,000 Mexican pesos) for Save the Children towards efforts to eradicate child labour.

Our Values

Committed to integrity and transparency

With 179 years of history, our values are an important foundation for how we do business every day with our colleagues, customers, and suppliers.

Our values are embodied in the following five principles:

- Passion for our customer – We are committed to helping them look and feel good.
- Responsibility with trust – We respect the trust our customers place in us to do the right thing.
- Delivering together – We collaborate across our global business and with stakeholders throughout the apparel industry.
- Integrity – We operate with the highest levels of ethics and integrity.
- Continuous commitment – We never stop seeking ways to improve.

Supplier Code of Conduct

How we manage performance and leadership in our supply chain

Sustainability is something we do together, every day. It’s important that our employees, partners, and suppliers share our values. In 2015, we updated our global Supplier Code of Conduct and have implemented it throughout our supply chain.

Read about how we rate our suppliers

The code provides a uniform set of expectations for suppliers on legal compliance, labour practices, and environmental performance, supported by a comprehensive set of
guidelines. The code itself focuses on compliance, but our approach goes further: building capacity amongst our key suppliers so they can proactively take ownership of key issues. Our Supplier Ownership Programme includes a strong focus on capacity building and management systems to drive our approach beyond auditing. This is supported by capacity building programmes amongst employees: giving them the support they need to report and act on key issues that affect them.

We have also revised our audit programme and our compliance team is able to audit 100% of our suppliers’ production units at least once a year, conducting approximately 3,000 audits annually. They also work closely with suppliers to improve their performance and leadership over time.

**Employee Code of Ethics**

**Holding ourselves to high standards**

Our Employee Code of Ethics creates a single set of requirements for how employees should behave. Our leaders are responsible for creating a working environment that encourages appropriate conduct and must lead by example in ethical behaviour. Employees are encouraged to report behaviours not aligned with our values at our Fairness Channels online and with WeChat in China – the portals for both employees and suppliers to raise awareness of violations to C&A management.

Read more about engaging employees

Read more about equality and diversity

**Other important considerations**

**Responsible marketing**

We want to create products everyone can enjoy, regardless of age or size, and recognise the need to reflect this in our advertising campaigns. When we develop new advertising campaigns, we will continue to avoid content that could be seen as discriminatory, defamatory, or hurtful.

**Respecting human rights**

C&A respects the human rights of everyone we work with. Our Supplier Code of Conduct and Employee Code of Ethics are guided by best practice on human rights, including the UN Guiding Principles for Business and Human Rights and the International Labour Organization (ILO). For instance, our approach to underage workers sets a standard that is higher than national legislation and many leading brands. We have conducted a human rights gap assessment and a thorough due diligence of our sourcing and buying practices to see how this could affect those in our supply chain.

**Promoting fairness and transparency**

We work in a fair and transparent manner and expect the same of our supply chain. For 11
years, our compliance hotlines, which we call Fairness Channels, have enabled us to deal with any issues that arise about situations in our offices, stores, or supply chain. Our Fairness Channels align with our Supplier Code of Conduct and Employee Code of Ethics.

To ensure that the workers in our suppliers’ factories understand our requirements, we require our suppliers to train all workers and to prominently post our Code of Conduct and the contact information for our Fairness Channels in the local languages.

Our stores clearly display the names of C&A contacts, who can be contacted regarding concerns or questions. We deal with any issues rapidly, seeking the best solutions for all parties.

**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 in C&A AG, 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 depend on. We have developed a holistic strategy to deliver our vision. We will have ups and downs along the way, but we are committed to creating change with our company and in our industry to enable our customers to #WearTheChange.
Leadership message

Dear C&A stakeholders,

2020 is a year none of us will soon forget. The COVID-19 pandemic has disrupted our lives and our entire industry significantly. The resulting challenges to our business and our value chain are unprecedented in our lifetimes.

Throughout the year, different trade-offs had to be made, but we have remained dedicated to supporting our global employees, partners, and suppliers; we know that we are stronger together. It is clear that our lives and our business will not return to ‘normal’ soon. We will be confronted with the lasting impacts of COVID-19 on our business and private lives for a significant time to come.

But we see reason for hope. We recognise opportunities to create positive change and contribute to more resilient economic systems, as we commit to building back better — in our company, the communities we serve, and across the fashion industry as a whole.

Delivering on our 2020 sustainability goals

Adaptation is critical. Our path — and our commitment to it — remains clear. To that end, we are well on track to successfully achieve our 5-year sustainability strategy and goals set for 2020. As we share in this report, 94% of our cotton was more sustainable in 2019, up from 71% in 2018. This brings us very close to our 2020 goal of 100%, which we believe we can achieve in the coming year or two, depending on the continued effects of the pandemic on our supply chain.

An important component of this goal — and one we are especially proud to have achieved — is that we reached 60% Better Cotton in 2019 as a share of our total cotton products, up 27 points over 2018. Better Cotton supports improved social and environmental conditions on the ground and contributes to transforming the fashion industry.

Working closely with our suppliers, we also made progress in sustainable chemical management. By the end of 2019, 97% of the facilities in our supply chain were meeting our requirements for safer chemistry, up from 29% in 2017, which was the first year of our Sustainable Chemical Management Performance Standard. This is a significant accomplishment and we are very pleased that our suppliers have embraced environmental and chemical improvements in every key sourcing country throughout our supply chain.

During 2019, we also received approval from the Science Based Targets initiative (SBTi) for absolute reduction of Greenhouse Gas (GHG) emissions by 30% across all scopes, joining a small but growing group of organisations working to hold global warming below 2°C. Already, in just one year, we have reduced Scope 1 and 2 emissions by 9.5% compared to our 2018 baseline and supply chain emissions have been reduced 4.3%. Both reflect good progress towards our science-based targets.

Continuing our sustainability leadership

As we continue addressing the unprecedented challenges posed by the pandemic, we are convinced that sustainability leadership is more critical than ever. And now that the timeline of our 2020 sustainability strategy is coming to a close, we are establishing even more ambitious goals for the future.
Going forward, we have set ourselves the goal to reduce our absolute greenhouse gas emissions by 30% by 2030. This ambitious goal will require us to plan and implement innovative solutions to reduce energy use in our operations and our supply chain. In addition, we will work towards an even greater percentage of more sustainable core materials and more products aligned with principles of circularity, among other ambitions. As we advance our sustainability journey, we will continue to support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

**Contributing to the global reset**

Our company has overcome many challenges in the last 179 years, and we are convinced that by working together with all our stakeholders, we will get through this challenge together. All of us on the C&A Europe leadership team have been impressed to see the level of support, sacrifice, positive attitude, adaptability, and care demonstrated for one another during these trying times. In particular, our store staff on the front line deserve our collective thanks for making the customer experience a positive one.

We would also like to extend our heartfelt thanks to all the colleagues behind the scenes who have made our continued operations possible, with an unwavering focus on our sustainability commitment. Your adaptability, creativity and hard work continue to inspire. In 2019, we launched the next phase of our programme to engage and inspire employees in sustainability. #BeTheChange now serves not only as a reminder to embed sustainable practices into our daily lives, but serves as a call to join forces as we rebuild communities and economies impacted by the pandemic.

To be sure, the coming months and years will not be easy. But the foundation is there and we stand firm in our commitment to the planet and our societies. We will participate in a global reset that promotes environmental regeneration and improves lives, leveraging our new sustainability commitments to lead our contributions. And we will take bold action to build back better, not only for our business but for our employees, customers, and the communities we touch around the world. We have emerged from the first wave of COVID-19 stronger, and will continue to confidently engage with the future, as we continue to bring our sustainability commitments to life.

**Edward K. Brenninkmeijer**

CEO C&A Europe and CEO C&A AG  
Chairman, Global Sustainability Committee, C&A AG
Our 2019 performance

Strong performance towards our 2020 aspirational goals

We made strong progress towards our 2020 sustainability goals in 2019. A total of 94% of the cotton we source is now either organic cotton or sourced as Better Cotton. This compares to 71% in 2018.

Building on the success of our Cradle to Cradle Certified™ T-shirts and Gold level Cradle to Cradle Certified™ jeans, in 2019 we offered even more Cradle to Cradle Certified™ clothing. We also developed the world’s first Platinum level Cradle to Cradle Certified™ denim fabric during 2019. To date, we have received more than 4 million pieces of Cradle to Cradle
Certified™ items, which underscores the importance of sustainable fashion to our customers.

During the year, we also continued to communicate our sustainability efforts through Wear The Change, which allows customers to identify our more sustainable products via the #WearTheChange label in stores and online. Wear The Change also provides an easily recognised communications message for sustainability initiatives such as unwanted clothing take-back, in-store waste programmes, and other initiatives that engage our employees and our customers.

We also continue 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 enhancing our efforts in leading industry-wide change.

**Our performance overview**

**Sustainable Products**

- 94% of the cotton we source is certified organic cotton or sourced as Better Cotton, up from 71% in 2018, 67% in 2017, 53% in 2016, and 40% in 2015.
- Almost two-thirds (60%) of the cotton we buy is sourced as Better Cotton, making us one of the world’s largest contributors to the Better Cotton Initiative.
- 64% of the raw materials we use in our collections, such as cotton, viscose, and polyester, are now sourced more sustainably. This compares with 49% in 2018, and brings us closer to our 2020 goal of 67%.
- In Europe and China, we have committed 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, and together with other leading brands collaborate to drive sustainable fashion innovations towards a more sustainable and circular fashion system; implementing new technologies from innovative start-ups into our supply chain, and working together to scale these innovative technologies for the benefit of the industry.
- We are sharing our learnings from the development of our Cradle to Cradle Certified™ products with the industry through a collaborative report created together with Fashion for Good and shared through their *Good Fashion Guide*, alongside their other resources, comprising toolkits, reports, and whitepapers, which are all open source.
- We continued offering the world’s first Gold Cradle to Cradle Certified™ jeans in several Men’s and Ladies’ styles, and developed the world’s first Platinum level Cradle to Cradle Certified™ denim fabric.
- We have brought more than 4 million pieces of our revolutionary Cradle to Cradle Certified™ apparel to market in Europe, Brazil, and Mexico.
- 100% of our down and feathers meet the Responsible Down Standard, and we are working to strengthen the standard.
- We worked with the Organic Cotton Accelerator, CottonConnect, and C&A Foundation to improve the business case for organic cotton for 300 farmers in India.
- We were recognised in the 2019 *Textile Exchange Material Change Index* as a 'Leading'
brand, with 16 other brands.

- We expanded our in-store take-back programme to new geographies globally, reaching nine countries as of 2019, including an online take-back programme in Germany as well as a new online take-back programme in France.

**Sustainable Supply**

- We disclose 100% of our tier-1 and tier-2 suppliers across all four regions. The names and addresses of the factories, among other information, for our 635 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 2019, 52% 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, anti-discrimination, abolishing violence or abuse, protection of vulnerable groups, freedom of association, combating undisclosed production, safeguarding 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 seven years on, the vast majority of the issues identified across C&A’s supplier operations have been corrected. Corrective Action Plans 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 fifth hybrid life cycle assessment to measure our carbon and water footprints from cradle to grave and established science-based targets to reduce emissions. Already, in just one year since setting the new targets, we have reduced Scope 1 and 2 emissions by 9.5% compared to the new 2018 baseline.
- Sourcing organic and Better Cotton, as well as sustainable cellulosic fibres, significantly reduced our water footprint. The use of blue water was reduced by 54%, green water by 35%, and grey water by 43% compared to conventional fibres.
- We continued to implement the Sustainable Chemicals Management (SCM) Programme at all key tier-1, tier-2, and tier-3 suppliers, with 350 production units covered globally under the SCM Programme, creating tangible progress towards our Zero Discharge of Hazardous Chemicals commitment. In 2019, we achieved 93% SCM Programme coverage of our supplier expenditure.
- 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. Our 2019 analyses for nearly 55,000 chemical analytes in the wastewater of our supply chain demonstrated a pass rate of 99.6%, with the majority of analytes not detected.
- In 2019, we replaced our internal SCM Audit with the Sustainable Apparel Coalition’s Higg Index Facility Environmental Module. This allowed us to align with the primary tool in the industry to assess environmental and chemical performance, which helps suppliers to focus and avoid duplication of efforts.

**Sustainable Lives**

- C&A was recognised as the most sustainable retail fashion brand for the fourth year in a row in Brazil and once again in Germany in our fifth annual survey of more than 6,000
customers, conducted in partnership with GlobeScan. Trust in C&A remained strong, with C&A rated top among apparel retailers trusted to act in a socially and environmentally responsible way. 

Read more

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

- We phased out the sale of single-use plastic bags in stores across Europe, introducing the durable 'bag-for-life', made of 80% recycled PET, which can hold up on many shopping trips. Read more

- The Inspiring World campaign, which completed its second year in 2019, involved 63% of C&A global employees representing 20 countries, and provided nearly €1 million in donations through C&A Foundation[1] to local charities.

- In 2019, the C&A Together programme, funded by C&A Foundation[2], donated €2.7 million to 122 initiatives. Funds were distributed to benefit children and young people in 18 European countries.

- In Brazil, Instituto C&A supported 127 charities and 2,452 employee volunteers also participated in 444 events, 23% more events than in 2018.

- Between March 2018 and February 2020, C&A Europe and C&A Mexico raised a total of €1.1 million for Save the Children through cause-related marketing and emergency appeals. Read more

[1] In January 2020, C&A Foundation became part of Laudes Foundation.


**Progress towards our 2020 goals**
**Sustainable Products**

**Goal: 100% of our cotton is more sustainable [1]**

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

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</tr>
<tr>
<td>China</td>
<td>95%</td>
<td>96%</td>
<td>97%</td>
</tr>
<tr>
<td>Mexico</td>
<td>35%</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Markets/Metric</th>
<th>Status</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of more sustainable cotton - total pieces</td>
<td>-</td>
<td>294,072,750</td>
<td>318,436,614</td>
<td>428,314,836</td>
</tr>
<tr>
<td>Units of organic cotton [2] - total pieces</td>
<td>-</td>
<td>173,224,396</td>
<td>170,496,672</td>
<td>156,979,971</td>
</tr>
<tr>
<td>Units of BCI and REEL Cotton [3] - total pieces</td>
<td>-</td>
<td>120,848,354</td>
<td>147,959,942</td>
<td>271,334,885</td>
</tr>
</tbody>
</table>

**Footnotes**

[1] More Sustainable Cotton - The sum of cotton that has been either certified to the Organic Cotton Standard (OCS), Global Organic Textile Standard (GOTS), placed as orders sourced under the Better Cotton Initiative (BCI), or is verified as recycled. In 2019, the BCI methodology changed, as described in footnote 3 below.


[3] Pieces of Better Cotton - An estimate of pieces placed as orders sourced under BCI. Current reconciliation constraints do not allow for 100% Better Cotton Claim Unit (BCCU) crediting. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%. In 2019, this methodology changed.
Goal: 67% of our raw materials are more sustainable [1]

KPI - % share of total products

Total global share

<table>
<thead>
<tr>
<th>Retail Markets</th>
<th>Status</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>49%</td>
<td>51%</td>
<td>67%</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>25%</td>
<td>40%</td>
<td>56%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>58%</td>
<td>65%</td>
<td>61%</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>21%</td>
<td>31%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Footnotes

[1] More sustainable raw materials - The proportion of raw materials sourced under a third-party certification. This includes, but is not limited to, certified organic cotton (OCS or GOTS), cotton placed as orders sourced under BCI, viscose sourced under the Canopy Style Initiative, certified recycled polyester (GRS, RCS, or equivalent), down sourced under the Responsible Down Standard (RDS), etc.

Current reconciliation constraints do not allow for 100% BCCU crediting. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%. In 2019, this methodology changed.

Note that until 2017 only cotton was declared as sustainable raw material; beginning in 2018, recycled polyester and more sustainable viscose have been included.
# Sustainable Supply

<table>
<thead>
<tr>
<th>Goal: Zero discharge of hazardous chemicals</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 KPI – Number of mills audited</td>
<td>251</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2018 and 2019 KPI – % coverage of supplier expenditure(^1)</td>
<td>n/a</td>
<td>92%</td>
<td>93%</td>
</tr>
</tbody>
</table>

---

### Footnotes

\(^1\) In 2018, 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]

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute carbon footprint KPI – total metric tons (t) CO₂</td>
<td>167,261</td>
<td>139,676</td>
<td>118,331</td>
</tr>
<tr>
<td>Absolute energy footprint KPI – total megawatt hours</td>
<td>815,314</td>
<td>810,674</td>
<td>783,015</td>
</tr>
<tr>
<td>Energy efficiency KPI – % variance in kWh/m² Gross Leasable Area (GLA)</td>
<td>-19%</td>
<td>-20%</td>
<td>-23%</td>
</tr>
<tr>
<td>Greenhouse Gas Emissions Inventory according to the GHG Protocol</td>
<td>5,436,246</td>
<td>5,485,876</td>
<td>5,166,998</td>
</tr>
<tr>
<td>Scope 1 GHG Emissions KPI – metric tons (t) CO₂e</td>
<td>19,759</td>
<td>19,75</td>
<td>19,567</td>
</tr>
<tr>
<td>Scope 2 GHG Emissions KPI – metric tons (t) CO₂e</td>
<td>147,502</td>
<td>120,501</td>
<td>98,764</td>
</tr>
<tr>
<td>Scope 3 GHG Emissions KPI – metric tons (t) CO₂e</td>
<td>5,268,985</td>
<td>5,346,200</td>
<td>5,028,667</td>
</tr>
</tbody>
</table>

Footnotes

[1] This metric changed from TUSA to GLA in 2017. Previous years re-calculated using GLA methodology by our partner Aligned Incentives.

[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 (from 2016 baseline, by 2025)**

KPI - % change compared to 2016 baseline

- Global change from baseline

<table>
<thead>
<tr>
<th>Year</th>
<th>% change compared to baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-22%</td>
</tr>
<tr>
<td>2018</td>
<td>-8%</td>
</tr>
<tr>
<td>2019</td>
<td>-13.3%</td>
</tr>
</tbody>
</table>

**Goal: 10% reduction of water use in C&A stores, distribution centres, and offices (from 2012 baseline, by 2025)**

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

- Global average

<table>
<thead>
<tr>
<th>Year</th>
<th>% change compared to baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-13%</td>
</tr>
<tr>
<td>2018</td>
<td>-13%</td>
</tr>
<tr>
<td>2019</td>
<td>-33%</td>
</tr>
</tbody>
</table>

**Footnotes**

C&A China is not included as this water use is not material.
## Goal: Zero waste to landfill [1]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,601</td>
<td>9,505</td>
<td>9,503</td>
</tr>
</tbody>
</table>

### Footnotes


[3] We have updated the 2018 reported number to correct an error in waste reported from the Brazil retail market, where the vast majority of waste to landfill is organic.
Goal: 100% of our products sourced from A/B-rated suppliers

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

Total global share

<table>
<thead>
<tr>
<th>Retail Markets</th>
<th>Status</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>65%</td>
<td>70%</td>
<td>43%</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>68%</td>
<td>78%</td>
<td>82%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>68%</td>
<td>69%</td>
<td>82%</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>50%</td>
<td>64%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Footnotes

[1] All factories were audited unannounced, which did not allow them any time to prepare. As a result, we found more infringements, both smaller and larger, than in previous years. As part of this, we detected more undisclosed production, which has a negative impact on a supplier’s rating. Additionally, we had significant changes in the overall factory portfolio, as we onboarded an exceptionally high number of new facilities during 2019, and these did not receive A/B ratings in the initial audit, which affects the overall A/B rating results for the year.
<table>
<thead>
<tr>
<th>KPI – Number of key factories included in the Supplier Ownership Programme.¹</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24</td>
<td>25</td>
<td>37</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. Over the last 4 years, 37 production units have participated in the SOP programme and 22 are already certified.
Sustainable Lives

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>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>85%</td>
<td>85%</td>
<td>n/a</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>87%</td>
<td>91%</td>
<td>n/a</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>87%</td>
<td>90%</td>
<td>88%</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>92%</td>
<td>90%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Footnotes

[1] Our Europe and Mexico retail markets and Brazil licensee conducted employee surveys from 2016 to 2018. The China retail market conducted surveys from 2017 to 2019, with the 2019 survey having a limited scope. Given that the scope of the survey has changed over the years in the retail markets and licensees, we are evaluating the applicability of this KPI going forward.

[2] In 2017 and 2018, Europe did not include the sustainability-related question in their survey, so we report the total score for those years.
<table>
<thead>
<tr>
<th>Goal: Establish and achieve key goals in our Women’s Empowerment Principles action plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
</tr>
<tr>
<td>KPI – not yet established</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

[^1]: These include training programmes for managers and supervisors on equality, diversity, unconscious bias, maternity/paternity/adoptive leave, and others; various non-discrimination policies which are part of the forthcoming Code of Ethics; and analysis of employee gender by recruitment, level, function, and promotion.
**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>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>France</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>China</td>
<td>2%</td>
<td>1%</td>
<td>3%</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.
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).

Read about how we use global frameworks
Use our GRI, UNGC, and SDG Index to navigate the report

Disclosure | Location | UN Global Compact Principles | SDG | Comments
--- | --- | --- | --- | ---
**Universal Standards: GRI 102 General Disclosures**
**Organisational Profile**
102-1 Name of the organisation | About C&A |  |  |  
102-2 Activities, brands, products, and services | About C&A, Our retail markets |  |  |  
102-3 Location of headquarters | About C&A |  |  |  
102-4 Location of operations | About C&A |  |  |  
102-5 Ownership and legal form | About C&A |  |  |  
102-6 Markets served | About C&A |  |  |  
102-6 Markets served | About C&A |  |  |  
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
<th>UN Global Compact Principles</th>
<th>SDG</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Universal Standards: GRI 102 General Disclosures</strong></td>
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<tr>
<td><strong>Organisational Profile</strong></td>
<td></td>
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</tr>
<tr>
<td>102-7 Scale of the organisation</td>
<td>About C&amp;A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>About C&amp;A Listening to employees Equality and diversity</td>
<td>Principle 6</td>
<td>SDG 5</td>
<td></td>
</tr>
<tr>
<td>102-9 Supply chain</td>
<td>Sustainable supply Supplier list</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-10 Significant changes to the organisation and its supply chain</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-11 Precautionary Principle or approach</td>
<td>How we report</td>
<td>Principle 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-12 External initiatives</td>
<td>Leaders letter Stakeholder engagement Global frameworks</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>102-13 Membership of associations</td>
<td>Stakeholder engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
<td></td>
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<tr>
<td>102-14 Statement from senior decision-maker</td>
<td>Leaders letter</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>102-15 Key impacts, risks, and opportunities</td>
<td>Leaders letter Our strategy Global frameworks</td>
<td></td>
<td></td>
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<tr>
<td><strong>Ethics and Integrity</strong></td>
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<td>Disclosure</td>
<td>Location</td>
<td>UN Global Compact Principles</td>
<td>SDG</td>
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<td><strong>Universal Standards: GRI 102 General Disclosures</strong></td>
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<tr>
<td><strong>Organisational Profile</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-16 Values, principles, standards, and norms of behaviour</td>
<td>Our values&lt;br&gt;Equality and diversity&lt;br&gt;Sustainable supply&lt;br&gt;Safe and fair labour&lt;br&gt;Sustainable lives</td>
<td>Principle 1&lt;br&gt;Principle 2&lt;br&gt;Principle 3&lt;br&gt;Principle 4&lt;br&gt;Principle 5&lt;br&gt;Principle 6</td>
<td>SDG 5&lt;br&gt;SDG 8&lt;br&gt;SDG 12&lt;br&gt;SDG 13</td>
<td></td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-18 Governance structure</td>
<td>Governing sustainability</td>
<td></td>
<td></td>
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<tr>
<td><strong>Stakeholder engagement</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>102-40 List of stakeholder groups</td>
<td>Stakeholder engagement&lt;br&gt;External review</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>102-41 Collective bargaining agreements</td>
<td>Equality and diversity&lt;br&gt;Safe and fair labour</td>
<td>Principle 3</td>
<td>SDG 8</td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
</tr>
<tr>
<td>102-42 Identifying and selecting stakeholders</td>
<td>Stakeholder engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-43 Approach to stakeholder engagement</td>
<td>Stakeholder engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-44 Key topics and concerns raised</td>
<td>Materiality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reporting practice</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-45 Entities included in the consolidated financial statements</td>
<td>How we report</td>
<td></td>
<td></td>
<td>C&amp;A does not disclose financial statements on a global level. We publish financial statements where national regulations require this.</td>
</tr>
<tr>
<td>Disclosure</td>
<td>Location</td>
<td>UN Global Compact Principles</td>
<td>SDG</td>
<td>Comments</td>
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<tr>
<td>---------------------------------------------------------------------------</td>
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<tr>
<td><strong>Organisational Profile</strong></td>
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</tr>
<tr>
<td>102-46 Defining report content and topic Boundaries</td>
<td>How we report</td>
<td></td>
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<td>Disclosure</td>
<td>Location</td>
<td>UN Global Compact Principles</td>
<td>SDG</td>
<td>Comments</td>
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<tr>
<td>Universal Standards: GRI 102 General Disclosures</td>
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<tr>
<td>Organisational Profile</td>
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<tr>
<td>102-47</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>List of material topics</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Material topics** drive C&A’s sustainability reputation.
  - **Sourcing materials responsibly** - uses organic, minimal chemicals, minimises pollution, avoids water pollution, minimises climate change, uses renewable energy, minimises climate change, uses recycled materials, no animal skins.
  - **Treating workers fairly** - no child labour, respect diversity, support worker rights, engage employees, support communities.
  - **Openness and honesty** - provide transparency in supply chain, make supplier list publicly available, engage with customers and employees.
  - **Fair trade** - require suppliers to pay workers fair wages, limit work hours, provide health and safety equipment and systems.
  - **Minimising pollution** - work with suppliers to minimise chemicals, set stringent supplier standards for and monitor wastewater discharge, use recycled materials.
  - **Products** - offer affordable, fashionable, comfortable, easy-to-wash, high-quality, durable products.
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
<th>UN Global Compact Principles</th>
<th>SDG</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Universal Standards: GRI 102 General Disclosures</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Organisational Profile</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-48 Restatements of information</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-49 Changes in reporting</td>
<td>How we report</td>
<td></td>
<td></td>
<td>Global data is provided, unless stated otherwise.</td>
</tr>
<tr>
<td>102-50 Reporting period</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-51 Date of most recent report</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-52 Reporting cycle</td>
<td>How we report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-53 Contact point for questions regarding the report</td>
<td>Contact us</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-54 Claims of reporting in accordance with the GRI Standards</td>
<td>How we report</td>
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<td>102-55 GRI content index</td>
<td>This document</td>
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<tr>
<td>102-56 External assurance</td>
<td>How we report External review</td>
<td></td>
<td></td>
<td>This report is not externally assured.</td>
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</tbody>
</table>

| **Universal Standards: Management Approach** | | | | |
| **General requirements for reporting the management approach** | | | | |
| 103-1 Explanation of the material topic and its Boundary | How we report | | | |

<p>| <strong>Topic-specific Standards: Environmental</strong> | | | | |
| <strong>Material Topic: Anti-Corruption</strong> | | | | |</p>
<table>
<thead>
<tr>
<th>Disclosure</th>
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<td><strong>Organisational Profile</strong></td>
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<tr>
<td>103-2 The management approach and its components</td>
<td>Our values Sustainable supply Equality and diversity</td>
<td>Principle 10</td>
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<td></td>
</tr>
<tr>
<td>205-1 Operations assessed for risks related to corruption</td>
<td>Sustainable Supply</td>
<td></td>
<td></td>
<td>We are working towards a risk management and reporting system that will ensure violations of the Employee Code of Ethics or the Supplier Code of Conduct are reported in the future. Operations have not been formally assessed, but no significant risks related to corruption have been identified.</td>
</tr>
<tr>
<td>205-2 Communication and training about anti-corruption policies and procedures</td>
<td>Sustainable Supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>205-3 Confirmed incidents of corruption and actions taken</td>
<td></td>
<td></td>
<td></td>
<td>There were no incidents of corruption during this reporting period.</td>
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</table>

**Material Topic: Anti-Competitive Behaviour**

<table>
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<td>103-2 The management approach and its components</td>
<td>Our values Sustainable supply Equality and diversity</td>
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</tr>
<tr>
<td>206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</td>
<td>N/a</td>
<td></td>
<td></td>
<td>No legal actions have been taken regarding anti-competitive, anti-trust or monopoly behaviour.</td>
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**Topic-specific Standards: Environmental**

**Material Topic: Materials**
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<td>103-2 The management approach and its components</td>
<td></td>
<td>Principle 8 Principle 9</td>
<td>SDG 6 SDG 12 SDG 13</td>
<td></td>
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<tr>
<td>301-1 Materials used by weight or volume</td>
<td>Sustainable Materials</td>
<td></td>
<td></td>
<td>We do not currently publish data on all materials across our business by weight or volume used, or the proportion of renewable and non-renewable materials. However, significant data on our raw materials is disclosed in the indicated pages. Cotton makes up a majority of the materials we buy and use at C&amp;A, and man-made fibres account for more than 40%. In 2019, we were once again the largest buyer of organic cotton in the world.</td>
</tr>
<tr>
<td>301-2 Recycled input materials used</td>
<td>Product innovation</td>
<td></td>
<td></td>
<td>C&amp;A Europe introduced its first recycled nylon products in early 2018. Since then, C&amp;A has provided lingerie certified to the Global Recycled Standard and denim containing recycled cotton.</td>
</tr>
<tr>
<td>301-3 Reclaimed products and their packaging materials</td>
<td>Product innovation Circular fashion Enabling customers</td>
<td></td>
<td></td>
<td>In addition to use of recycled materials in some products, we are helping our customers recycle used clothing. We expanded our in-store take-back programme to new geographies and stores, reaching nine countries as of 2019.</td>
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<tr>
<td><strong>Material Topic: Energy</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Clean environment Climate change</td>
<td>Principle 7 Principle 8 Principle 9</td>
<td>SDG 6 SDG 12 SDG 13</td>
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<tr>
<td>302-1 Energy consumption within the organisation</td>
<td>Climate change</td>
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<tr>
<td>302-2 Energy consumption outside of the organisation</td>
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<td>302-3 Energy intensity</td>
<td>Climate change</td>
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<tr>
<td>302-4 Reduction of energy consumption</td>
<td>Climate change</td>
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<tr>
<td>302-5 Reduction in energy requirements of products and services</td>
<td>More sustainable cotton Climate change</td>
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<td><strong>Material Topic: Emissions</strong></td>
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<td>Principle 7 Principle 8 Principle 9</td>
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<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>Climate change</td>
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<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
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<td>305-3 Other indirect (Scope 3) GHG emissions</td>
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<td>305-4 GHG emissions intensity</td>
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<td>Reduction of GHG emissions</td>
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<td><strong>Material Topic: Effluents and Waste</strong></td>
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<td>The management approach and its components</td>
<td>Clean environment Chemicals Waste Circular fashion</td>
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<td>Water discharge by quality and destination</td>
<td>Chemicals</td>
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<td>Waste by type and disposal method</td>
<td>Waste</td>
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<td>Significant spills</td>
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<td>307-1</td>
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<td>Non-compliance with environmental laws and regulations</td>
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<td>There were no cases of non-compliance brought in any markets.</td>
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<td>The management approach and its components</td>
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<td>308-1</td>
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<td>New suppliers that were screened using environmental criteria</td>
<td>Sustainable Supply</td>
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<td>308-2</td>
<td>Chemicals</td>
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<td>Negative environmental impacts in the supply chain and actions taken</td>
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<tr>
<td>103-2</td>
<td>Engaging employees</td>
<td>Principal 6</td>
<td>SDG 5</td>
<td>We do not currently report this data at a global level, but we are</td>
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<tr>
<td>The management approach and its components</td>
<td>Listening to employees</td>
<td></td>
<td>SDG 8</td>
<td>working to standardise how we collect this information and hope to</td>
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<td>Equality and diversity</td>
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<td>report it in the future.</td>
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<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
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<td>working to standardise how we collect this information and hope to</td>
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<td>Parental leave</td>
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<td><strong>Material Topic: Labour/Management Relations</strong></td>
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<td>Engaging employees</td>
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<td>SDG 8</td>
<td>We do not currently report this data at a global level, but we are</td>
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<td>report it in the future.</td>
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<td>Minimum notice periods</td>
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<td>regarding operational changes</td>
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<td>Learning and development</td>
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<td>404-2 Programs for upgrading employee skills and transition assistance</td>
<td>Learning and development</td>
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<td><strong>Material Topic: Diversity and Equal Opportunity</strong></td>
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<td>Global frameworks</td>
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<td>405-1 Diversity of governance bodies and employees</td>
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<td>report it in the future.</td>
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<td>405-2 Ratio of basic salary and remuneration of women to men</td>
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<td>report it in the future.</td>
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<td>Equality and diversity</td>
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<td>406-1 Incidents of discrimination and corrective actions taken</td>
<td>Safe and fair labour</td>
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<td></td>
<td>Protecting the most vulnerable</td>
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<td><strong>Material Topic: Freedom of Association and Collective Bargaining</strong></td>
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<td>Principle 3</td>
<td>SDG 8</td>
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<td>407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
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<td><strong>Material Topic: Child Labour</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Sustainable supply  Protecting the most vulnerable</td>
<td>Principle 5</td>
<td>SDG 8</td>
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<tr>
<td>408-1 Operations and suppliers at significant risk for incidents of child labour</td>
<td>Protecting the most vulnerable</td>
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<tr>
<td><strong>Material Topic: Forced or Compulsory Labour</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Sustainable supply  Protecting the most vulnerable</td>
<td>Principle 4</td>
<td>SDG 8</td>
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<td>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour</td>
<td>Protecting the most vulnerable  Supplier and worker engagement</td>
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<td>Sustainable supply</td>
<td>Principle 1</td>
<td>SDG 5, SDG 8</td>
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<tr>
<td>412-1 Operations that have been subject to human rights reviews or impact assessments</td>
<td>Sustainable supply</td>
<td>Principle 1</td>
<td>SDG 8</td>
<td></td>
</tr>
<tr>
<td>412-2 Employee training on human rights policies or procedures</td>
<td>Protecting the most vulnerable employees</td>
<td>Principle 1</td>
<td></td>
<td>We support supplier training on human rights to make sure C&amp;A suppliers understand the requirements for acceptable work ages and hours, overtime, communication with workers, safety, and other workplace concerns. As well, C&amp;A employees receive training on our Code of Ethics. We do not currently report other human rights training data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
</tr>
<tr>
<td>412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>Sustainable supply</td>
<td></td>
<td></td>
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</tbody>
</table>

**Material Topic: Local Communities**

## Universal Standards: GRI 102 General Disclosures

### Organisational Profile

<table>
<thead>
<tr>
<th>Disclosure</th>
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<tbody>
<tr>
<td>103-2</td>
<td>Sustainable lives&lt;br&gt;Strengthening communities&lt;br&gt;Giving back and volunteering&lt;br&gt;Disaster relief</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>413-1</td>
<td>Strengthening communities&lt;br&gt;Giving back and volunteering&lt;br&gt;Disaster relief</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>413-2</td>
<td>More sustainable&lt;br&gt;cotton&lt;br&gt;Polyester&lt;br&gt;Chemicals&lt;br&gt;Climate change&lt;br&gt;Water</td>
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### Material Topic: Supplier Social Assessment

<table>
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<tr>
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<tbody>
<tr>
<td>103-2</td>
<td>Sustainable supply&lt;br&gt;Safe and fair labour&lt;br&gt;Supplier and worker engagement&lt;br&gt;Protecting the most vulnerable</td>
<td>Principle 1&lt;br&gt;Principle 2&lt;br&gt;Principle 3&lt;br&gt;Principle 4&lt;br&gt;Principle 5&lt;br&gt;Principle 6</td>
<td>SDG 5, 8</td>
<td></td>
</tr>
<tr>
<td>414-1</td>
<td>Sustainable supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>414-2</td>
<td>Sustainable supply&lt;br&gt;Safe and fair labour&lt;br&gt;Supplier and worker engagement&lt;br&gt;Protecting the most vulnerable</td>
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### Material Topic: Public Policy
<table>
<thead>
<tr>
<th>Disclosure</th>
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<td>Universal Standards: GRI 102 General Disclosures</td>
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<tr>
<td>Organisational Profile</td>
<td></td>
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</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>Our values Stakeholder engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>415-1</td>
<td>Political contributions</td>
<td>Principle 10</td>
<td></td>
<td>No financial or in-kind political contributions were made directly or indirectly.</td>
</tr>
<tr>
<td>Material Topic: Customer Health &amp; Safety</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>Product quality and safety</td>
<td>SDG 12</td>
<td></td>
</tr>
<tr>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Product quality and safety</td>
<td></td>
<td>Approximately 95% of our products are assessed for health and safety impacts globally (100% in Europe).</td>
</tr>
<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>Product quality and safety</td>
<td></td>
<td>C&amp;A had no product recalls across our retail markets in 2019.</td>
</tr>
<tr>
<td>Material Topic: Marketing and Labelling</td>
<td></td>
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<tr>
<td>Disclosure</td>
<td>Location</td>
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<td><strong>Universal Standards: GRI 102 General Disclosures</strong></td>
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<td><strong>Organisational Profile</strong></td>
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</tr>
<tr>
<td>417-1 Requirements for product and service information and labelling</td>
<td>Product quality and safety Certified organic cotton Responsible down A circular fashion first</td>
<td></td>
<td></td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
</tr>
<tr>
<td>417-2 Incidents of non-compliance concerning product and service information and labelling</td>
<td></td>
<td></td>
<td></td>
<td>There were no incidents of non-compliance during this reporting period.</td>
</tr>
<tr>
<td>417-3 Incidents of non-compliance concerning marketing communications</td>
<td></td>
<td></td>
<td></td>
<td>There were no incidents of non-compliance in the reporting period.</td>
</tr>
<tr>
<td><strong>Material Topic: Customer Privacy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Enabling customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td></td>
<td></td>
<td></td>
<td>No incidents were reported during this reporting period.</td>
</tr>
<tr>
<td><strong>Material Topic: Socioeconomic Compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Sustainable supply Clean environment Safe and fair labour Product quality and safety</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Disclosure | Location | UN Global Compact Principles | SDG | Comments
---|---|---|---|---
Universal Standards: GRI 102 General Disclosures
Organisational Profile

419-1
Non-compliance with laws and regulations in the social and economic area | | | | There were no incidents of non-compliance during this reporting period.

About our report

Unless otherwise stated, all data relates to our global performance for the business year 2019 (March 2019 - February 2020). Our data is based on science – and where that is unavailable, we take a precautionary approach. Except where otherwise noted, 2015 is our baseline year for measuring progress against our 2020 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.

We also report for the C&A brand in its entirety, including wholly owned subsidiaries and licensees. In 2019, C&A Brazil completed their Initial Public Offering on the Brazilian Stock Exchange (B3) and are listed under CEAB3. Consolidated figures in this report include C&A Brazil.

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 or 2019.

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. We are in compliance with the GDPR.

- **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. 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 and licensees 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:** We continue to use Sustainable Apparel Coalition’s Higg 3.0 module for our assessment approach.
- **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. 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 (also known as production units and referred to interchangeably in this report). 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 or under the C&A AG legal entity. Unless specified, it refers to all retail and sourcing markets for C&A. It also refers to both wholly-owned subsidiaries and licensees. It does not refer to our holding entity, COFRA Holding AG, or any of their non-C&A-related subsidiaries.
- **C&A Foundation (now part of Laudes Foundation):** From 2014 to 2020, the corporate foundation affiliated with C&A was dedicated to making fashion a force for good. In January 2020, C&A Foundation was incorporated into the newly launched Laudes Foundation, which is part of the Brenninkmeijer enterprise. Laudes Foundation has continued the industry-changing work of C&A Foundation in fashion, but it has a broader focus to accelerate the transition to an inclusive and regenerative economy where all industry can harness its power for good.
- **Suppliers:** This refers to independent third parties with which we have a contractual relationship. Our suppliers operate their own businesses and manage their own 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 Global Head of Sustainability 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.
- **Fashion for Good:** Launched in 2017, Fashion for Good is the global initiative here to make all fashion good. It’s a global platform for innovation, made possible through collaboration and community. With an open invitation to the entire apparel industry, Fashion for Good convenes brands, producers, retailers, suppliers, non-profit organisations, innovators, and funders united in their shared ambition.

**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 #1 out of 85 textile and apparel brands assessed in the most recent annual Corporate Information Transparency Index (CITI).

C&A also placed in the number 2 spot among the most transparent brands in the 2020 Fashion Revolution Transparency Index, an annual 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 2019 in that country’s Fashion Revolution Transparency Index, which analysed 30 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.

\[1\] Laudes Foundation is a core funder of Fashion Revolution and the index.

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. From 2017 to the present, we have continued 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 contributions we can make. We have worked both within our value chain as well as with other industry actors to bring about systemic change in the apparel sector. Together, we have been generating long-term solutions 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 SDGs.

**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. 52% 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, anti-discrimination, abolishing violence or other abuse, and combatting undisclosed production. [Read more](#)
- We’re collaborating with other organisations, such as the Ethical Trading Initiative, GoodWeave, and Laudes 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, and begun implementing those plans in our operations. [Read more](#)
- We contribute to strengthening communities with a focus on mothers and children, through our partnership with Save the Children. C&A Foundation[^1] provided partnership funding of over €16 million to Save the Children over five years, and in 2019 the partnership reached nearly 2 million people, of whom more than 1.1 million are children. [Read more](#)

[^1]: In January 2020, C&A Foundation became part of Laudes Foundation.
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.
- In 2019, 94% of the cotton we sourced was more sustainable, which means it was certified organic, organic cotton in transition, Better Cotton, or recycled.
- 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 2019, we conducted 579 wastewater tests to identify hazardous chemicals in our supply chain and 296 corrective action plan visits to evaluate efforts towards meeting our SCM programme requirements. Read more
- We also conducted 10 two-day seminars on chemical and wastewater management, training 249 factory staff. Read more
97% of facilities were meeting our SCM Minimum Performance Standard requirements by the end of the year.

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\(^2\) won an Employee Engagement Award in the category Social Responsibility for our Inspiring World campaign.

\(^2\) In January 2020, C&A Foundation became part of Laudes Foundation.

**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 2025)
- 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 Men’s and Ladies’ clothing lines. Since then, C&A has launched additional Cradle to Cradle Certified™ products, including jeans, in both Men’s and Ladies’ clothing lines. Our Cradle to Cradle
Certified™ products are now available in Europe, Brazil, and Mexico. Read more

- In 2019, we also developed groundbreaking Platinum level Cradle to Cradle Certified™ denim fabric, further advancing the possibilities of Cradle to Cradle Certified™ clothing options. Read more
- In 2018, we participated in the innovative Organic Cotton Traceability Pilot initiated by Fashion for Good, together with C&A Foundation[1], the Organic Cotton Accelerator (OCA), and Bext360. This initiative, which continued in 2019, 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
- C&A Europe and China 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. In 2019, we expanded our successful ‘we take it back’ clothing collection programme, not only making it easier for more customers to responsibly dispose of unwanted clothes, but helping 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 2019, 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. Read more
- Also during the year, our SCM Minimum Performance Standard underwent an overhaul as we transitioned from our internal chemical audit to the industry-accepted Higg Index Facility Environmental Module. Read more
- During 2019, C&A globally implemented a Chemical Inventory Management System across 350 production units to better understand what chemicals our suppliers purchase and where they come from, and their conformance to the standard. Read more

[1] In January 2020, C&A Foundation became part of Laudes Foundation.
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 2019, we completed our annual 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 the majority of the materials we use, so it's where we can have the biggest impact. We're very close to meeting our goal: 94% of the cotton we source is more sustainable, and with that come many benefits, both social and environmental. Read more
- In 2019, greenhouse gas emissions were 20% lower than in 2016. This was positively 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 2019 contributed 11% less CO$_2$ than the same amount of conventional cotton, avoiding roughly 58,772 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](#).

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**Awards & rankings**

**Recognising our achievements**

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 with sustainability to win awards, but we’re always delighted when our efforts are recognised externally.

In 2019:

- The Corporate Information Transparency Index (CITI) ranked C&A first out of 85 apparel and textile brands, and second overall among about 500 companies across all industries.
- We were ranked #2 among the most transparent brands in the global 2020 Fashion Revolution Transparency Index, which rates 200 companies according to disclosures about their social and environmental policies, practices, and impact. We are up from #4 the previous year. In addition, C&A Brazil earned the #1 spot in the Fashion Revolution Transparency Index Brazil.
- We were recognised in the 2019 Textile Exchange Material Change Index as a 'Leading'
brand, with 16 other brands.

- We were ranked #4 in the Sustainable Cotton Ranking organised by WWF, PAN, and Solidaridad.
- We were rated ‘Good’ and an example of responsible fast fashion in the Good on You Fashion Platform, where C&A has the highest rating among our competitors.
- We earned the 2019 PR News CSR Award in Product Design/Redesign for our Cradle to Cradle Certified™ T-shirts and jeans.
- We were listed in the #3 spot as a 'Frontrunner' in the Changing Markets Dirty Fashion Report, one of only 10 brands to earn the Frontrunner designation.
- We were ranked #7 in sourcing volume for the Better Cotton Initiative's Leaderboard 2018.
- C&A Brazil was recognised by Prêmio Eco for the Supplier Ownership Programme for the fourth year in a row.

[1] Fashion Revolution is funded by Laudes Foundation.

Our Strategy

Mainstreaming sustainability through #WearTheChange

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. Ultimately, we want our customers to join our call to action through #WearTheChange.

We are coming to the end of our first 5-year sustainability strategy, which will close the end of February 2021. This initial strategy was developed 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. Over 2019 and 2020, we have been working on our next sustainability strategy, which will focus even more on connecting with our customers and engaging our employees.
Global goals create alignment

To make sustainable fashion the new normal, we focus on the most relevant areas for our business as well as those where we can have the largest positive impact. We then align our approaches across our four retail markets. For a closer look at our strategy, view this video.

2020 global sustainability framework

### Sustainable Products

**Sustainable Materials**
Use more sustainable raw materials.

2020 goals
- 67% of our raw materials are more sustainable.
- 100% of our cotton is more sustainable.

**Circular Economy**
Design and produce products for their next lives.

2020 goals
- Continually increase Cradle to Cradle Certified™ products in our retail markets.
- Support circular innovations in our value chain through our partnership with Fashion for Good.

### Sustainable Supply

**Clean Environment**
Reduce our environmental impact.

2020 goals
- Zero discharge of hazardous chemicals.
- 20% reduction of carbon footprint in C&A stores, distribution centres, and offices.
- 30% reduction of water in raw materials stage.*
- 10% reduction of water in stores, distribution centres and offices.*
- Zero waste to landfill.*

### Sustainable Lives

**Engaging Employees**
Create a culture of sustainability amongst our employees.

2020 goals
- Continuously increase employee sustainability engagement scores.
- Establish and achieve key goals in our Women’s Empowerment Principles action plan.

**Enabling Customers**
Help customers to act more sustainably.

2020 goals
- C&A is recognised as the most sustainable retail fashion brand.

*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 635 global suppliers, with more than 1,700 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 emphasis 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 millions of 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**

Each year we evaluate the material sustainability issues and impacts of our business to ensure we remain focused on the most important issues and impacts of our company, value chain, and industry. This process involves a detailed assessment and prioritisation, summarised below. This year, through our evaluation, three issues increased in both importance and impact — circular fashion, labour practices, and waste management and recycling. Notably, in 2020, working closely with our suppliers to address both the initial and ongoing effects of the pandemic throughout the supply chain has become an important issue and one we continue to focus on.

- **Research**: When we started, 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. In our subsequent updates, we review our experience and consider external developments (e.g., regulatory changes, stakeholder
feedback, industry trends, consumer insights, etc.) from the previous year and recalculate our rankings in the matrix.

- **Value chain environmental 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.

- **Future trends:** To determine those areas where we could make the largest positive impact, we worked with Forum for the Future to evaluate future apparel industry trends over a 15-year period.

- **Global frameworks:** Key initiatives like the UN Sustainable Development Goals and the UN Guiding Principles for Business and Human Rights inform our strategic and continual improvement process.

### 2019 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 2019, 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.

Over the reporting period, several developments influenced our evaluation of the impact on our business and the level of concern to stakeholders. These include:

- **Rohingya crisis in Myanmar and Bangladesh:** We continue to express concern for the refugees of the northern Rakhine State of Myanmar who are located in Cox’s Bazar, Bangladesh. A delegation from C&A and C&A Foundation \(^1\) visited the refugee camps to further strengthen our collaboration with Save the Children on projects that support the refugees and host communities. We also engaged UNHCR, Tent Foundation, and the Center for Global Development to further define ways for collaborating amongst brands to support the refugees and host communities. In addition, after carrying out an in-depth due diligence process to assess all potential risks and their consequences, we have decided to continue to source from Myanmar for the time being. This decision could be revised in the future depending on how the situation in that country evolves and on our ability, as a
responsible company, to continue carrying out due diligence and identify evolving risks. We will continue to closely monitor the developments in Myanmar and reserve the right to reassess our approach.

Read more about how we protect vulnerable workers

**Increased focus on the circular economy:** In 2019, the European Union developed the European Green Deal, where circular economy in the apparel and textile industry will be defined as a Directive. In addition, the European Green Deal recognises the central role of consumers. C&A has become involved in the EU policy arena and is focused on sharing our learnings from our current circular economy approach, including our ongoing efforts to engage customers through Wear The Change.

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 has created science-based climate targets for our value chain, including our Scope 3 emissions. These targets were approved in 2019 and we are working towards achieving them by 2030. Our progress to date has been positive.

Read more about how we combat climate change

**Eliminating plastics:** Regulation and consumer interest in single-use plastic use has created more focus on the elimination of unnecessary plastics in our value chain. C&A Europe has banned single-use plastics for shopping bags and has started a pilot with other brands, led by Fashion for Good, to eliminate the use of single-use plastics or find alternatives in the distribution networks.

**Forced labour allegations in Xinjiang, China:** In 2019, C&A has started to work with other brands to conduct due diligence in the region. In the interim, we have banned production in the region and have asked our fabric suppliers to suspend sourcing of cotton and other fibres in Xinjiang.

Read more about how we protect the most vulnerable

[1] In January 2020, C&A Foundation became part of Laudes Foundation.

**Material issues mapping**

Click or tap a plot point to see the associated goals.
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
Global Sustainability Committee

Sound governance helps us operate transparently and with accountability. Throughout 2019, the Global Sustainability Committee (GSC), led by the chair of the C&A AG board, served as the policy- and strategy-setting body for sustainability across C&A. The GSC included retail market and licensee CEOs and representatives of other global functions with global decision-making responsibilities. The Committee set policy and strategy while monitoring and managing accountability of our performance towards the 2020 sustainability goals. Concurrent with the release of our new sustainability strategy in the future, we anticipate refining our approach to this committee.

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

Linking executive compensation to sustainability performance

Globally, all C&A leadership personnel are evaluated quarterly against their defined business goals, of which sustainability performance is a part. Among our executive leadership, our Global Head of Sustainability has the most significant responsibility for
implementing our sustainability strategy and meeting our key performance indicators for human rights impacts, environmental management, and other aspects of our sustainability strategy, with bonus compensation directly tied to successful achievement of these goals.

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

Stakeholder engagement
Connecting with our stakeholders 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 focus areas that 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>
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<tbody>
<tr>
<td>Business &amp; Human Rights Center</td>
<td>Human rights due diligence</td>
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<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>
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<td>Ethical Trading Initiative (ETI)</td>
<td>Workers’ rights and living wages</td>
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<td>Freedom Fund</td>
<td>Workers’ rights and bonded labour</td>
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<td>Workers Rights Consortium</td>
<td>Workers' rights</td>
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<tr>
<td>Four Paws</td>
<td>Animal welfare</td>
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<td>Greenpeace</td>
<td>Sustainable Chemicals Management</td>
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<tr>
<td>Human Rights Watch</td>
<td>Workers’ rights and freedom of association</td>
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<tr>
<td>Arisa (formerly Indian Committee of the Netherlands)</td>
<td>Workers’ rights and migrant labour</td>
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<td>IndustriALL</td>
<td>Workers’ rights and living wage</td>
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<td>InPacto - National Pact to Eradicate Slave Labour Institute</td>
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<td>Responsible Sourcing Network</td>
<td>Cotton sourcing</td>
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<td>Solidaridad</td>
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<td>Organisation</td>
<td>Topic</td>
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<td>Textile Exchange</td>
<td>Animal welfare and raw materials</td>
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<td>Changing Markets Foundation</td>
<td>Viscose production</td>
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<td>European Commission</td>
<td>Regulator</td>
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<tr>
<td>German Textilbündnis and Dutch Covenant</td>
<td>Governmental organisations</td>
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</tbody>
</table>

**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 (now Laudes Foundation)**

Our most significant partner has been C&A Foundation, which in 2020 became part of the newly launched Laudes Foundation. Together, we continue to 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 drives the transformation of the fashion industry towards a circular fashion system with the support and collaboration of its leading brand partners. In 2019, we continued our support of Fashion for Good in their mission to transform the apparel sector by supporting the Fashion for Good Accelerator Programme for start-ups and the Scaling Programme to encourage adoption of innovations, as well as contributing to the creation of guides and toolkits, for use in developing Cradle to Cradle Certified™ apparel and in the Fashion for Good Experience — an interactive museum for sustainable fashion innovation.

Read more about Laudes Foundation and the 2019 C&A Foundation Annual Report

**The Sustainable Apparel Coalition (SAC)**

The vision of the Sustainable Apparel Coalition 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 by 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 is 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.

In January 2020, the Accord Steering Committee signed an agreement with the Bangladesh Garment Employers’ Association (BGMEA) on the transition to an RMG Sustainability Council (RSC). The Transition Agreement outlines the principles and steps in the transition from the Accord to the RSC, which aims to bring together industry, brands, and trade unions to carry forward the significant workplace safety accomplishments made in Bangladesh.

Read more about the Bangladesh Accord

**Dutch Textile Covenant**

In 2016, we joined the Dutch Agreement on Sustainable Garments and Textile (also known as the Dutch Textile Covenant or the AGT), 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. The AGT 1.0 is scheduled to conclude at the end of 2021.

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 coordinates national efforts and creates convergence in actions and resource allocation for greater impact. Read more about Textilbündnis.

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

In our effort to support common industry standards to address current challenges, C&A is part of the Social and Labour Convergence Project (SLCP). 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. We are coordinating efforts with other 15 brands to scale SLCP for greater positive impacts.

During the year, the SLCP expanded from its Light Operations programme to full operations at approximately 1,200 facilities. C&A's participation expanded in 2019 to 25 facilities, nearly double the previous year. We expect to include 150 facilities in the SLCP programme during 2020.

**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>
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<tr>
<td>Better Work</td>
<td>2019</td>
<td>Member</td>
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<tr>
<td>Make Fashion Circular</td>
<td>2018</td>
<td>Participant</td>
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<tr>
<td>United Nations Women's Empowerment Principles (WEP)</td>
<td>2018</td>
<td>Signatory</td>
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<tr>
<td>Cradle to Cradle Products Innovation Institute</td>
<td>2017</td>
<td>Certification Standards Board Member &amp; Board member</td>
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<tr>
<td>Fashion for Good</td>
<td>2017</td>
<td>First corporate partner and Innovation committee member</td>
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<td>Prince of Wales Cotton Communiqué</td>
<td>2017</td>
<td>Signatory</td>
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<td>Science Based Targets initiative (SBTi)</td>
<td>2017</td>
<td>Signatory</td>
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<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>
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<tr>
<td>Dutch Covenant for Sustainable Apparel and Textile</td>
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<td>Action, Collaboration, Transformation (ACT)</td>
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<td>Amsterdam Coalition</td>
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<td>Better Cotton Initiative (BCI)</td>
<td>2015</td>
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<td>CanopyStyle Initiative</td>
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<td>Save the Children</td>
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<td>The German Partnership for Sustainable Textiles</td>
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<td>UN Global Compact</td>
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<td>Signatory</td>
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<td>Organic Cotton Accelerator (OCA)</td>
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<td>Bangladesh Accord for Fire and Building Safety</td>
<td>2013-2018</td>
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<td>Better Mill Initiative</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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<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>
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<tr>
<td>Textile Exchange</td>
<td>2004</td>
<td>Board member</td>
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**Sustainable Products**

**Helping our customers make sustainable choices**

We want to bring sustainable fashion to the mainstream. That’s why we strive to make our clothes responsibly and sustainably, and to make sustainability highly visible in our collections. This means we’re always looking to make the best choices we can for our customers, so they don’t have to choose between what’s sustainable and what’s not. We focus on a variety of sustainable and recycled fibre sources, pioneer new circular fashion products, and ensure that the workers in our supply chain are treated with dignity and respect. In 2019, 64% of the clothing offered in our stores was more sustainable and certified or verified to credible third-party standards.\(^1\)

\(^1\)We define more sustainable raw materials as the proportion of raw materials sourced under a third-party certification. This includes, but is not limited to, certified organic cotton.
(OCS or GOTS), cotton placed as orders sourced under BCI, viscose sourced under the Canopy Style Initiative, certified recycled polyester (GRS, RCS, or equivalent), down sourced under the Responsible Down Standard (RDS), etc.

In 2019 we made a slight shift in our reconciliation methodology to better reflect our intentions and our efforts to source more Better Cotton. In previous years, we reported the volume of Better Cotton according to the Better Cotton Claim Units (BCCUs) received, not the volume of products we ordered. As a result, our tracking of Better Cotton did not represent our attempts to source more Better Cotton each year. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. This is part of our overall 64% more sustainable materials.

This year, we made good progress towards our 2020 goals by sourcing 94% of our cotton more sustainably, with significant movement in our uptake of Better Cotton. We have also expanded our Cradle to Cradle Certified™ collection and collaborated with our supply chain to produce the world's first Platinum level Cradle to Cradle Certified™ denim fabric.

[1] Note that in 2019 we made a slight shift in our reconciliation methodology to better reflect our intentions and our efforts to source more Better Cotton. In previous years, we reported the volume of Better Cotton according to the Better Cotton Claim Units (BCCUs) received, not the volume of products we ordered. As a result, our tracking of Better Cotton did not represent our attempts to source more Better Cotton each year. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%.

Our ambition

**Offering the most sustainable choices**

C&A demonstrates our commitment to sustainable and circular products by providing our customers with a wide variety of choices. Our 2020 goals put us on the right track to achieving this ambition. We strive to:

- Offer the most sustainable products we can, made with respect for those in our supply
Always use credible, peer-reviewed third-party standards to manage the integrity of our claims.
Conduct due diligence on the ground.
Continue to drive supply and demand for certified organic cotton and Better Cotton.
Source sustainable raw materials and use fewer less sustainable raw materials where possible.
Always respect animal welfare.
Pioneer circular fashion solutions and continue to incorporate circular design principles into our design and production.
Collaborate with other leading brands, initiatives, and innovators to drive sustainable and scalable change.

Our 2020 goals for sustainable products

100%
of our cotton will be more sustainable by 2020.

67%
of all our raw materials, such as cotton, viscose and polyester, will be from more sustainable sources by 2020.
Continually increase Cradle to Cradle Certified™ products in our retail stores.
Partner with Fashion for Good to support circular innovations in our supply chain.

Our 2019 performance

Towards 100% more sustainable cotton
Cotton is the raw material we use the most worldwide, making up 57% of the materials we use. In 2019, we significantly increased our share of more sustainable cotton by accelerating our uptake and reconciliation of Better Cotton Claim Units (BCCUs). In 2019, the Better Cotton share per placed orders sourced under BCI was 60%. Our certified organic cotton share in 2019 was 34%, due to our continued focus on traceability, connections at the farm level, and placement of organic cotton in our collections. We intend to increase our share of certified organic cotton in the coming years as we
strengthen our programme and approach. Note that in 2019 we made a slight shift in our reconciliation methodology to better reflect our intentions and our efforts to source more Better Cotton. In previous years, we reported the volume of Better Cotton according to the Better Cotton Claim Units (BCCUs) received, not the volume of products we ordered. As a result, our tracking of Better Cotton did not represent our attempts to source more Better Cotton each year. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%.

Towards more traceable cotton

Another important step forward is the groundbreaking Fashion for Good-initiated Organic Cotton Traceability Pilot in which we participated with C&A Foundation, the Organic Cotton Accelerator (OCA), Bext360, Zalando, PVH Corp., and Kering. This collaborative, pioneering initiative uses new technology to trace organic cotton in textiles through the value chain, which is valuable to ensuring the integrity, quality, and purity of organic cotton — and can be used to make sure it is not blended with conventionally grown cotton at any stage, if so desired.

Because the apparel supply chain is fragmented and complex, it is challenging to trace garments to their origins. The pilot is evaluating blockchain technology to enable traceability. The approach allows for efficient integration of data from multiple sources in the supply chain and the use of machine vision, artificial intelligence, micro-biome sequencing, and on-product unique markers to guarantee integrity and quality.

At the farm, the solution’s digital trail creates transparency by verifying the material and ensuring the fair price brands are paying reach the farmers. The digital trail also simplifies transactions for farmers and enables banks to provide loans. At the consumer level, the technology sheds a light on the suppliers and manufacturers behind a final product, increasing transparency. So far, the pilot has focused on the cotton spinning process. The next step will trace through to dyeing and finishing, and finally to the consumer.

Read more about our work on certified organic cotton
Read more about our work on Better Cotton

100% responsibly sourced down

All of our down continues to be certified against the Responsible Down Standard (RDS).

Read more about our work on responsible down and feathers

Protecting natural resources

Viscose is our third largest fibre by volume and makes up 8% of the raw materials we use. This year we continued to source 100% of our viscose from suppliers that are considered low risk for sourcing from ancient and endangered forests identified in the 2019 CanopyStyle Initiative Hot Button Report.

On a global level, we have taken our commitment to responsible man-made cellulosics even further by committing to the Changing Markets Foundation Roadmap, released in 2018. The roadmap marks an important milestone towards responsible viscose and modal fibre manufacturing and outlines the steps needed to address these challenges.

Read more about our work on man-made cellulosics
Sustainable materials
Increasing our offerings

We are proud of what we’ve achieved in 2019: making significant progress towards our target of sourcing 100% more sustainable cotton by 2020 and increasing the sustainability of our raw materials to 67% by 2020.

This year, 94% of the cotton we sourced and 64% of the raw materials we used were more sustainable, partly due to significant increases in the Better Cotton share per placed orders sourced, which grew to 60% in 2019.

Why sustainable materials are so important

Our clothing is made from a wide variety of raw materials, including cotton, polyester, viscose, wool, linen, and leather. In particular, C&A strives to drive change in how cotton, polyester, viscose, and cashmere are grown and manufactured. To ensure the materials we use to make our clothes are more sustainable, we strive to source them from farms and work with manufacturers that use fewer natural resources, respect nature and people, and protect the welfare of animals. From sourcing fibres and dyeing fabrics to cutting and sewing clothing, we're working hard to reduce the impacts of our materials and design more innovative products.

The range of impacts for different materials
Who we’re working with


How we’re working to make sustainable materials the norm

Using the most sustainable materials possible in our products is one way we ensure our customers feel good and do good. We believe in making our clothing responsibly: creating products that are the best they can be, while supporting the welfare of those in our supply chain. To do this, we:

- Set targets across the business, so everyone has a stake in ensuring our materials meet the highest standards.
- Create strong policies on key impact areas like water use, biodiversity and climate change.
- Conduct due diligence that goes beyond simply relying on third-party standards.
- Work with stakeholders and industry leaders who champion best practice to make our products the best they can be. And we don’t stop there – we encourage others in the industry to join us in extending positive outcomes far beyond our businesses.
- Use industry and multi-stakeholder-developed standards and initiatives rather than develop our own standards and initiatives. We believe common frameworks at a global level are the only way of shifting the whole industry towards best practice.
• Work to reduce the water and chemical use, carbon, and waste impacts of the apparel industry, while ensuring people’s rights in our supply chain are protected.

Read more about cultivating supply and demand for organic cotton in China

More sustainable cotton
Overcoming challenges toward our goal

Our 2020 goal is to ensure that all of our cotton is more sustainable — either sourced as certified organic cotton (Organic Cotton Standard, OCS, or Global Organic Textile Standard, GOTS), Better Cotton, recycled cotton, or transitional cotton (transitional cotton is produced by farmers during the time of conversion to organic certification, usually 3 years). As we near our goal, we realise that achieving the last several percent to 100% more sustainable cotton may be challenging.

Over the last year as we reached 94% more sustainable cotton, we have encountered challenges that could affect our ability to reach our final goal of 100% more sustainable cotton. The challenges we are working to overcome in 2020 include:

1. Reconciliation of Better Cotton Claim Units (BCCUs): There are technical constraints associated with the reconciliation of BCCUs. In addition, it is also difficult to reconcile BCCUs of small orders.
2. Changes in fibre mix due to changes in fashion trends: New trends could cause a shift in our supply chain, requiring additional on-boarding of suppliers.
3. The organic cotton supply is limited: Less than 1% of cotton is grown as organic and our share increase could be limited by supply.
4. Identifying a safe source of recycled cotton: Recycled cotton could contain chemicals that do not comply with our standards.
5. Creating a stronger connection with transitional farmers: We currently have a limited engagement with farmers who are converting to certified organic.
Why focus on cotton?

Strong policies support a more sustainable world.

Cotton is used by nearly everyone, every day, and supports 250 million people’s livelihoods [SOURCE: BCI]. Cotton also makes up 57% of the materials we use in our clothing, so it’s where we can have the biggest impact with the right interventions.

Conventional cotton farming and production processes have a much bigger impact than more sustainable cotton. This is why we follow strict policies to ensure the integrity of our more sustainable cotton fibre from farm to store, and commit to sourcing only more sustainable cotton by 2020:

- **Water use and policy**: A regular cotton T-shirt takes 2,700 litres of water [SOURCE: WWF] to make, most of which is needed to grow the cotton. Cotton grown organically needs 91% less freshwater than when grown conventionally, because most of it is rain-fed [SOURCE: Textile Exchange]. Our policy for organic and BCI cotton is to enforce the Better Cotton Principles and Criteria on water stewardship. Adherence to these principles is managed through the Better Cotton Assurance Programme. For organic cotton, our policy is for farmers to follow water stewardship requirements as defined in the USDA National Organic Programme §205.200 and the European Commission Council Regulation 834/2007, Title II, Article 3. These production standards are certified under the Textile Exchange Organic Content Standard (OCS) or the Global Organic Textile Standard (GOTS), by third party certification bodies.

- **Pesticide use and policy**: Conventional cotton uses around 5% of all the herbicides and 16% of all insecticides applied globally in agriculture [SOURCE: International Cotton Advisory Committee]. This poses risks to the environment and to farmers’ health. Organic cotton eliminates the application of synthetic pesticides and fertilisers. To ensure pesticides are not used in organic cotton farming, we follow a zero synthetic pesticides policy for certified organic cotton as defined in the USDA National Organic Programme §205.105, the Indian National Programme for Organic Production (NPOP) section 3, and where applicable, the EU Regulation for Organic Production and Labelling 834/2007. These practices are certified against the OCS or GOTS standard by third party certification bodies. For Better Cotton, we adhere to the Better Cotton Initiative (BCI) guiding principle of minimising the harmful impacts of crop protection practices in the Production Principles and Criteria, including the BCI Pesticides List Classification.

- **Greenhouse gas emissions**: Organic cotton produces 46% fewer GHG emissions than conventional cotton [SOURCE: Textile Exchange]. Our policy for GHGs is to follow the Science Based Target Initiative and our goals, approved in 2019, for absolute GHG reductions to avoid a global temperature rise of more than 1.5 degrees Celsius.

- **Labour issues and our policy**: Forced and bonded labour is a key challenge in the cotton industry. The Better Cotton Initiative (BCI) has a strong focus on ensuring decent work, covering freedom of association, non-discrimination, abolishing child labour and forced labour, and safeguarding health and safety. BCI has also set up an expert Task Force on Forced Labour and Decent Work to review selected elements of the Better Cotton Standard System. Based on this review, the Task Force will produce recommendations to improve the effectiveness of the system in identifying, preventing, mitigating, and remediating forced labour risks [SOURCE: BCI]. Our policy for safe and fair labour is our
Supplier Code of Conduct, which covers safe and dignified work from farm to store.

- **Biodiversity policy**: Biodiversity is an outcome of more sustainable cotton production and the application of the BCI and national production standards at the farm level. To facilitate biodiversity at the farm level, our policy is to require that both BCI and national production standards for organic cotton be followed and certified at the farm level. For Better Cotton, our policy requires that all farmers abide by Principle 4 of the BCI Principles and Criteria, which are audited by BCI on a periodic basis. For certified organic cotton, we require farmers to comply with the National production standards' (NPOP, NOP, and EU) principles of effective management of soil fertility, facilitating wildlife habitats, and maintaining agro-diverse crops at the farm level, which is in the heart of organic cotton cultivation. Our position on biodiversity in organic cotton production is supported by national production standards and certified against the OCS and GOTS standards.

- **Supply issues**: Cotton farmers are moving away from cultivating cotton in favour of more profitable crops such as tobacco, soybeans, or pulses, partly due to plunging cotton prices and difficulties accessing quality seeds [SOURCE: OCA]. Growing more sustainable cotton provides them better access to markets as well as training and learning opportunities to adopt more environmentally, socially, and economically sustainable production practices.

Read more about certified organic cotton
Read more about Better Cotton

**Where our cotton is grown**

Cotton is a shrub that is native to tropical and subtropical regions all over the world, including the Americas, Africa, Egypt, and India. Currently, 90% of the certified organic cotton used in our garments comes from India, where small holder farmers grow cotton and other staple crops using organic farming practices. In recent years, we have worked with non-governmental organisations (NGOs) in China to cultivate new sources of transitional cotton in the Binzhou region in Northern Shandong Province.

Read more about certified organic cotton
Read more about Better Cotton

**Our 2019 actions**
Continue working towards our 2020 goal for 100% of our cotton to be more sustainable.

Increase Better Cotton uptake in all our retail markets.

**Our 2019 performance**

**Progress towards our 2020 goal**

This year we reached 94% more sustainable cotton, of which 34% was certified organic cotton and 60% was Better Cotton. Our one-year increase from 71% in 2018 is due to the following actions:

- Better reconciliation processes for Better Cotton:
  - We have improved how we reconcile orders with Better Cotton Claim Units (BCCUs) claimed.
  - This includes a slight shift in our methodology to better reflect our intentions and our efforts to source more Better Cotton. In previous years, we reported the volume of Better Cotton according to the BCCUs received, not the volume of products we ordered. As a result, our tracking of Better Cotton did not represent our attempts to source more Better Cotton each year.

- We have improved our suppliers’ understanding of BCI and the Better Cotton Traceability System.

- Better connection with organic farm groups in Pakistan: We have developed relationships with farmers and farm groups to secure organic cotton.

- Exploration of new organic sources: We have identified additional countries where organic cotton production is increasing

**More sustainable cotton as a % of total cotton sourced**
From 2012 to 2016, this included REEL cotton

Leading in more sustainable cotton

C&A was listed in the Textile Exchange Leaders Circle for more sustainable cotton and ranked #4 in the WWF/PAN Sustainable Cotton Ranking [SOURCES: Textile Exchange; WWF, PAN, and Solidaridad]

Signing the Prince of Wales Cotton Communiqué

In 2017, we joined the Prince of Wales Cotton Communiqué, the first cross-standard initiative for more sustainable cotton. The communiqué, set up by the Prince of Wales International Sustainability Unit in partnership with Marks & Spencer and the Soil Association, asks brands and retailers to procure more sustainable cotton and to pledge to source 100% sustainable cotton by 2025.

Our own goal is to be sourcing 100% more sustainable cotton by 2020 and, as the world’s top buyer of certified organic cotton and third top buyer of more sustainable cotton, we have the opportunity to share our learnings with our industry and to encourage collaboration between sustainable cotton standards. To this end, we have contributed to the CottonUp guide — supported by Laudes Foundation — by publishing a case study on our journey towards more sustainable cotton. The interactive CottonUp guide addresses three major topics related to sustainable cotton: why it’s important, what you need to know and do, and how to get started.

Tackling climate change

Organic cotton reduces the global warming potential of cotton production by 46% [SOURCE: Textile Exchange] and is therefore a key component of our climate change strategy and the development of our science-based targets.
Read more about our action on carbon and climate change

**Supporting cotton workers in our supply chain**

Buying organic cotton has a direct positive impact on the health and safety of people in farming communities who are no longer exposed to hazardous chemicals. We also have a history of taking concrete steps to support cotton workers when required. More than 10 years ago in 2007, we signed the Cotton Pledge against forced labour, committing to end the practice of forced labour in the cotton sector in Uzbekistan.

Likewise, C&A does not buy any apparel from manufacturers based in China's Xinjiang province and we have not contracted any fabric or yarn mill located in this region either. We are working together with a number of major brands to better understand the current situation in the Xinjiang Region and to define the actions that need to be taken to ensure an effective due-diligence process in particular with regards to Chinese cotton production.

We do not tolerate any kind of forced, bonded or prison labour, or any kind of unauthorised subcontracting in our supply chain. This is clearly laid out and communicated through our Supplier Code of Conduct and checked using regular audits by our Sustainable Supply Chain team. All of our suppliers are required to sign and comply with our Code of Conduct as part of our contractual relationship and purchasing agreements.

Read more about how we support cotton workers in our supply chain

**Making more sustainable cotton the norm**

Since our journey to more sustainable cotton started more than 10 years ago, it has been a cross-functional effort, embedded in our day-to-day activities. Driven by targets, owned by the business, and reported on at the highest level, more sustainable cotton is a central commitment for C&A. Our efforts reach beyond our operations: we seek to improve cotton agriculture, the lives of farmers, and the environment. We are doing this by increasing global demand for organic cotton and Better Cotton, as well as building capacity from the ground up – from the grower to the garment maker – across our supplier network.

We believe in creating more sustainable cotton products for our customers without passing on any additional cost or making the choice difficult for them.

**Our more sustainable cotton timeline**
Certified organic cotton
Maintaining our leadership

Organic cotton has been at the heart of our sustainable materials strategy for more than 10 years. It is significantly better for the environment and the people who work with it. We are committed to buying and selling organic cotton and taking a stronger role in supporting the organic cotton sector, and have developed a leadership position in scaling our procurement of certified organic cotton. Since 2005, we have increased the number of certified organic cotton garments from 1 million to almost 157 million pieces through 2019.

Organic cotton also protects soil quality, biodiversity, and water supply, while preventing water pollution. And it’s safer for farmers and their communities’ health. From the grower to the garment maker, our organic cotton supply chain is certified to the Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS) and never blended with conventional cotton. This means that any C&A product in the store labelled with our BIO
COTTON seal is guaranteed and certified by OCS and GOTS that the supply chain of the cotton has been thoroughly monitored from source to the final product.

Read more about communicating with customers

**Our 2019 performance**

**Our evolution in certified organic cotton**

For 2019, our certified organic cotton share was 34%, a slight decrease from 2018. In lieu of increasing the share of organic cotton, we have focused primarily on traceability and our internal buying processes to ensure the high integrity of our organic cotton claims. Actions taken in 2019 include:

- Improving internal systems to track Transaction Certificates and improve ease of reporting
- Directly connecting with farm groups and farmers in Pakistan to secure fibre prior to production, which incentivises farmers to remain with organic cotton throughout the transition process
- Piloting the Organic Cotton Accelerator's Farmer Engagement and Development programme (FED) to ensure payment of premiums to farmers
- Investigating transitional cotton to define potential future sources
- Participating in the world's first Organic Cotton Traceability Pilot (OCTP) with Fashion for Good, connecting blockchain technology with physical tracers

For the ways in which our use for organic cotton helps to reduce our carbon and water footprints, view the Climate and Water chapters of this report.

![Organic cotton as a % of total cotton sourced](image-url)
How we maintain integrity

Ensuring the certified organic cotton we buy is really organic

We do our utmost to secure the integrity of our organic cotton – going beyond certification and what’s required legally, with due diligence and third-party assessment. These additional checks include organic seed screening, seed linkage with organic farmers, training of farmers and ginners, supply chain mapping, and yarn spinner nomination. Going forward, we will be continuing our testing of organic cotton for genetically modified organism (GMO) contamination at the farm level (with the help of CottonConnect) through due diligence and third-party assessment.

Case Study

Supporting the extension of organic cotton farming in China

We continue our work with CottonConnect at Binzhou farm in China’s Shandong Province to create scale for organic cotton in one of the only organic cotton projects currently underway in China.
It takes three years to transition cotton crops to fully organic. As part of this project, C&A China committed to buy cotton during these transition years, which are challenging and risky years for farmers as they move from conventional to organic crops. This commitment was made before the sowing season, providing farmers with market access, additional incentives, and financial security. In addition, C&A China offered to pay the farmers a premium to secure their income and compensate for any loss of yield during the transition process.

In 2017, C&A China bought the entire crop produced by all 105 farmers involved in the project: around 80 metric tons. The cotton was used to make 147,000 T-shirts and 60,000 pairs of jeans, the first of which reached stores in April 2018 around Earth Day. In-store communications helped customers identify the new products made with this transition cotton. During 2018, C&A China expanded the project to a total of 300 farmers, purchasing 90 metric tons of in-transition cotton to produce 144,000 T-shirts and 80,400 pairs of jeans. We also worked with farmers to improve their harvesting technology and prevent the accidental introduction of foreign fibres, which can affect quality and lead to wastage during spinning and cutting.

In 2019, Binzhou farmers produced 80 metric tons of cotton to make 100,000 pieces of clothing for sale by C&A China in 2020.

**Collaborating to address market challenges**

Less than 1% of cotton produced globally is organic, and the sector faces challenges such as a lack of availability and access to quality non-GMO seeds, few incentives for farmers to transition, limited access to the market, and lack of supply chain traceability and transparency. Despite a growing demand for organic cotton, farmers are moving out of production, and the whole sector is at risk if the industry is unable to address these issues effectively. So, we are continuing our work to strengthen the organic cotton sector, working with trusted partners to create a common vision for the sector.

Since 2014, we have supported the Organic Cotton Accelerator (OCA), which aims to create an organic cotton market that benefits everyone, from the farmer to the customer. C&A is a founding partner (and serves on the Board of Trustees) and Laudes Foundation is providing core financial support. With our fellow OCA affiliates – brands, retailers, non-profit organisations, and social enterprises – we’re working to find the best ways to strengthen the organic cotton sector and support healthy supply and demand. Plans include:

- Making better seeds available.
- Improving the business case for growing organic cotton.
- Promoting best practices throughout the organic cotton supply chain.
- Improving integrity and market transparency.

**Successfully tracing organic cotton with**
innovative technologies

The pioneering Organic Cotton Traceability Pilot successfully combines on-product markers and blockchain technology to track organic cotton from farm to consumer – a first in the apparel industry. The multi-stakeholder projects was initiated by Fashion for Good in collaboration with C&A Foundation[1], and the Organic Cotton Accelerator, with support from C&A, Kering, PVH Corp., and Zalando, with Fashion for Good innovator Bext360 as the leading technical partner.

A collaborative effort from farm to consumer

Emerging technologies are beginning to offer brands the tools they need to efficiently and reliably verify materials, but until now these have not been successfully applied in the garment industry. The Organic Cotton Traceability Pilot was initiated in 2018 by Fashion for Good and the partner organisations to test and validate on-product markers in combination with blockchain technology as a traceability solution in real-world practice. Details of the pilot were announced earlier last year prior to in-field testing, which concluded this past summer.

The unique collaborative nature of the pilot project was key to its successful outcome. The partner organisations provided expertise to direct the pilot as well as financial support to fund project activities. C&A was instrumental to the project, leveraging our supply chain – Pratibha Syntex Limited, a vertically integrated manufacturing facility from farm to fashion in India supporting in-field trials, as well as our retail expertise – to fully explore production from fibre to garment available in stores across Europe.[2]

Exploring new practises with cutting-edge technology

The lead technical partner, Bext360 blockchain integrated the technologies of supporting technical partners Haelixa, Tailorlux, IN-Code Technologies, and Corebiome, whose DNA, invisible fluorescent, and microbiome[3] technologies, respectively, were applied in
tracking the organic cotton. After enduring the harsh manufacturing processes of spinning, chemical treatments, high temperatures, and dyeing, the DNA and invisible fluorescent tracers emerged intact to positively identify the cotton in consumer-ready garments in retail outlets. E-Code NFC tags[4] provided by IN-Code Technologies enabled additional verification by way of unique digital data points collected through production. Deploying machine vision and artificial intelligence to automatically catalogue and grade the quality of the cotton, the Bext360 blockchain platform can then track each transaction through the entire value chain.

“The success of the Organic Cotton Traceability Pilot provides a positive impulse towards traceability and transparency in the value chain. We’ve gathered sufficient insights and evidence to support the case, in terms of technical as well as operational viability, for the wider implementation of the process in the organic cotton industry. In addition, the process shows enormous potential for further expansion to include other fibres in the fashion supply chain.” Katrin Ley, Managing Director of Fashion for Good.

Current traceability systems, though reliable, rely largely on paper-based trails of certification as well as various, separate systems to manage the chain of custody. The new process explored in the Organic Cotton Traceability Pilot creates a digital and physical trail that increases reliability of traceability by combining the immutability of blockchain with on-product markers that verify the identity of the fibre. This method comes closest to full traceability of the origin, purity, and distribution of the cotton within the current landscape. At the consumer level, the solution can be used to communicate which suppliers and manufacturers have worked together to create the final product.

Transparency in the value chain

In recent years, there has been increasing pressure for transparency along the fashion value chain from both consumers and governments. Simultaneously, greater awareness of the social and environmental impact of the fashion industry has catalysed intense interest and positive action towards more sustainable practices. Organic cotton promotes healthy soils, healthy ecosystems, healthy people, and thriving farming communities and is consequently a key fibre in the sustainability strategies of fashion brands worldwide. It offers a lower ecological impact – reducing exposure to insecticides, pesticides, and other chemicals, than conventional cotton production, which involves some of the highest use of pesticides and incurs a heavy water footprint. By having fully traceable organic cotton, the hope is to grow its use in the industry while increasing awareness of sustainable products.

Future potential and awareness

Since July 2020, the Fashion for Good Experience in Amsterdam – a consumer-facing museum focused on sustainable fashion and innovation – features an organic cotton T-shirt from the very supply chain in this pilot project. By scanning a QR Code, visitors can discover the journey of the cotton in the T-shirt. Besides the exhibition in the museum, the Experience will host events around transparency and traceability to educate consumers about their importance. Insights from the pilot will be shared to raise awareness of the significance of organic cotton as well as the benefits of a transparent supply chain.

[1] In January 2020, C&A Foundation became part of Laudes Foundation.
In C&A stores in Austria, Belgium, France, Germany, the Netherlands, and Spain.

The extraction process using microbiome tracing was inconclusive in this pilot, having no current precedent for extracting biome material from seed or lint cotton. Test data from soil samples taken from participating farms provided promising insights into the future potential for this technology.

Near Field Communication tags are tiny electronic chips which can store and transmit information using radio frequencies that can be read over short distances by a device or smartphone.

**Supporting organic cotton farmers**

In 2019 to 2020, C&A Foundation supported almost 50,000 farmers adopt organic cotton cultivation practices with support from partners such as Cotton Connect, Rare, and Action for Social Advancement (ASA), among others. In 2019 alone, the foundation provided over €7 million for social and environmental programmes in India, China, Pakistan, Tanzania, and Brazil.

In 2017, C&A Foundation launched its first organic cotton initiative in Tanzania and in the harvesting year of 2018-2019, it supported 6,957 farmers adopt organic cotton practices.

Today, as Laudes, the foundation it continues to support various multi-stakeholder initiatives such as the Organic Cotton Accelerator, Cotton 2040, and Organic and Fairtrade Cotton Secretariat, to create an enabling environment for sustainable cotton in addition to improving farmers’ incomes and livelihoods. Higher farmer incomes not only benefit farming communities, but also pave the way for greater scalability in organic cotton.

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[1] In January 2020, C&A Foundation became part of Laudes Foundation.


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**Where next?**

**Bolstering the organic cotton industry**
Industry initiatives must align on global standards to provide the vision and drive needed for the organic cotton industry to thrive. It is only through collective action that we will be able to capitalise on the growing enthusiasm for organic cotton – and ensure that together we can take the sector to a position of greater strength.

**Advancing transitional cotton**

In 2020, we will continue to evaluate new transitional organic cotton projects to develop stronger relationships at the farm, farm group, and ginning level. Direct engagement will allow us to increase our commitments and ensure that farmer premiums are paid.

**Further evaluating traceability approaches**

Building upon our work with Fashion for Good to conduct the world's first Organic Cotton Traceability Pilot, we plan to take the learnings from the study to understand how to scale blockchain and physical tracers in our supply chain.

**Connecting with customers**

Since early 2018 when we launched our first global customer-facing sustainability communications platform, #WearTheChange, we have communicated with customers in stores, online, and through special events about our more sustainable products and their environmental benefits. We plan to continue communicating our more sustainable cotton products to customers throughout 2020 under the #WearTheChange umbrella platform.

[Read more about communicating with customers](#)

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**The Better Cotton Initiative**

**Better for farmers and the environment**

C&A joined the Better Cotton Initiative (BCI) in 2015. While maintaining our leadership and share of organic cotton, we also accelerated our share of Better Cotton in 2019.

Better Cotton is produced in 23 countries and reaches 1.6 million farmers, with a goal to include 5 million farmers and represent 30% of global cotton production in 2020. The
initiative trains farmers to produce cotton in ways that respect the environment, boost their incomes, and strengthen the industry. To earn a Better Cotton licence, farmers must demonstrate that they adhere to six principles:

- Minimising their use of harmful pesticides
- Using water efficiently
- Caring for the health of the soil
- Conserving natural habitats and biodiversity
- Preserving and caring for the health of the fibre
- Promoting decent work

These principles help to significantly reduce the impact of growing cotton. The standard can be applied to farms of all sizes and complements other standards for sustainable cotton. While it does not replace our commitment to organic cotton, sourcing Better Cotton is not only vital to our cornerstone commitment of sourcing 100% more sustainable cotton by 2020, but is also a prudent approach to mitigate impacts where organic cotton is not feasible or available. It can be produced in greater quantities than organic cotton because the process advocates a more ‘inclusive’ approach alongside other farming methods. It works via a mass balance system, meaning that each unit of Better Cotton we buy supports the production of a unit of Better Cotton somewhere in the world. It also means that the costly segregation process is not necessary, making Better Cotton easier to adopt in the chain, and as a result, is more scalable.

In 2019, 60% of the cotton we bought was sourced as Better Cotton, supporting better social and environmental conditions on the ground and contributing more rapidly and extensively to transforming the industry for the better.

**What is mass balance and why does it make sense?**

BCI works using a mass balance system, which encourages suppliers to buy and use more Better Cotton in a cost-efficient manner because it does not require complexities that result in costly physical segregation along the supply chain. Mass balance means what comes out must balance with what went in. For example, if a retailer places an order for finished garments like T-shirts and requests one metric ton of Better Cotton be associated with this order, a cotton farmer somewhere must produce one metric ton of cotton to the Better Cotton Standard. This is then registered on BCI’s supply chain system and credits for the order are passed through the supply chain for that same weight in cotton, from one factory to the next. The result is the equivalent amount of cotton that the farmer produced as Better Cotton, but it has been mixed in with conventional cotton in its journey from field to product.

**Membership in the Better Cotton Growth and Innovation Fund**

As well as driving demand for Better Cotton through procurement, we also want to be a part of its future. We are part of the Better Cotton Growth and Innovation Fund, which exists to propel BCI towards its 2020 target to train over five million farmers by 2020. This will support increasing supply and speed up implementation.

**Read more about Better Cotton**
Our 2019 performance

Better Cotton as a % of total cotton sourced

[Bar chart showing percentage of Better Cotton sourced over 2017-2019]

Creating a market in Brazil

Although Better Cotton is grown in Brazil, few Brazilian suppliers and retailers buy it so most of it is exported. By working with our biggest spinners and engaging our supply chain, we accelerated uptake significantly in just over three years, allowing Better Cotton grown on our doorstep to be used locally. We were the first brand in Brazil to engage our supply chain on the use of Better Cotton and over the last 2 years, we have increased the number of BCI members and Better Cotton Platform users to over 60 companies.

Promoting uptake in Mexico

We have been working with supply chain partners in various regions to help develop our supply chains as they move towards procuring more sustainable cotton. For instance, C&A Mexico accelerated its sourcing of cotton as Better Cotton by providing training to suppliers and internal teams during 2018 and 2019. C&A also encouraged spinners in Mexico to become members of BCI. We now work with eight spinners in Mexico that have an active BCI membership, including four that either acquired or renewed their membership as a result of efforts by C&A Mexico. Over the last 2 years, these efforts have been fundamental to maintaining the share of cotton sourced as Better Cotton at 46% — nearly half of all cotton sourced by C&A in Mexico.

Helping drive industry-wide change

By joining the Better Cotton Initiative – along with many mainstream industry partners – we are increasing demand for cotton made in better ways. At the end of 2019, retailer and brand member sourcing of Better Cotton accounted for 6% of global cotton consumption. In 2019, BCI experienced a historic level of uptake as 150 retailers, including C&A, and brand members sourced more than 1.5 million metric tons of Better Cotton, and Better Cotton production grew 40% over the previous year.

Read BCI's 2019 annual report
Where next?

In 2020, we are working hard to account for the total volume of Better Cotton procured. As stated previously, a number of challenges could present difficulties in achieving the last few percentage points toward our goal. We will therefore focus on the following actions:

1. **Further improve reconciliation**: We made good progress in 2019, and will continue to focus on reconciliation of small orders and fractions of BCCUs.
2. **Keep up with fashion trends**: When fashion trends change, it is possible that we may change suppliers. All new suppliers will need to be on-boarded into the BCI system.
3. **Overcome lack of BCI members in Mexico**: C&A continues to be one of the only brands in Mexico sourcing Better Cotton. Because of the lack of demand in Mexico, suppliers often charge prohibitive premiums that are not in line with the Better Cotton principles and are duplicative of our Volume Based Fee.

Going forward, we anticipate working with BCI and our suppliers to ensure reconciliation of BCCUs to most accurately reflect our efforts to source more Better Cotton and track our progress at sourcing more Better Cotton as accurately as possible within the well-known technical constraints.

Other sustainably sourced materials

**Sourced with respect for people, nature, and animals**

Our clothing is made from a wide variety of raw materials, including natural fibres such as cotton, down, linen, and wool, as well as synthetic fibres such as polyester, and man-made cellulosics like viscose. Ensuring they’re more sustainable means the materials are grown and manufactured in ways that use fewer natural resources, respect nature and people, and ensure the welfare of animals throughout the supply chain.
We want our customers to feel good about the clothes they buy at C&A. We started our journey with more sustainable cotton – our most-used material – and are using what we've learned to develop and implement best practices for other sustainably sourced materials. Our 2020 goal is for 67% of our raw materials to be more sustainable.

In 2019, we made good progress against that goal, achieving a total of 64%. The vast majority of this progress has been driven by our work in more sustainable cotton. While we are confident that we will achieve our 2020 goal, over the past several years we have identified the following challenges to eventually increase the share to 100%:

1. Cost-effective source of recycled polyester: The price of recycled polyester is 10 to 20% higher than virgin polyester, depending on the volume purchased. We continue looking for cost-effective ways to incorporate more recycled polyester into our clothing. This includes working with Fashion for Good and the chemical recycling start-ups from their programmes to help scale technologies to bring costs down, while increasing the availability of chemically recycled polyester.

2. Scalable recycling technologies for mixed fibre fabrics. For instance, with cotton and polyester blends, no scalable or cost-effective chemical recycling technologies are available. We work closely with Fashion for Good, which identifies promising start-ups whose technologies (in this space) can be scaled.

**Why we focus on man-made fibres**

- 14.2kg of CO₂ is generated to make one kilogram of polyester fibre [SOURCE: WWF] and demand has been growing rapidly since the 1990s at 7% every year [SOURCE: Water Footprint Network].
- 120 million trees are felled each year to make cellulosic fabric in the clothing we all wear [SOURCE: Canopy].

**Why we focus on animal welfare**

Animal welfare is a key issue for our customers and C&A as a business. The mistreatment of animals is still prevalent across the world and materials can be hard to trace back to the farm where the animals were born and raised. Animal-based materials appear in a number
of our products, from the down in our jackets to the wool in our sweaters, and we work hard to ensure that these materials do not come from mistreated animals. We also offer our customers the choice to select a synthetic substitute and always have an alternative in-store.

Our 2019 actions

Continue progress towards our 2020 goal for 67% of our raw materials to be more sustainable.

Continue sourcing 100% RDS-certified down

Continue increasing the uptake of recycled fibres in Europe and China.

Participate in the Sustainable Fibre Alliance (SFA), an international organisation working towards a sustainable cashmere supply chain.

Our 2019 performance

100% Responsible Down Standard-certified down

We have been sourcing 100% RDS-certified down since 2016. In 2019, we brought 479,000 products containing down to market, all certified to RDS.

Read more about down and feathers
Read more about man-made cellulosics
Read more about polyester

Who we’re working with

Textile Exchange, Canopy, Changing Markets Foundation, ZDHC
Collaborating to make sustainable raw materials the norm

To meet our 2020 targets for raw materials, we have formed or joined partnerships with leading industry stakeholders seeking to implement change faster and more effectively. We use tried and tested, independently audited initiatives to improve our performance. Once we have achieved those best practice standards, we seek to collaborate further, taking the industry with us along the way.

Reducing the use of virgin plastics

C&A has joined the Circular Polybag Pilot launched by Fashion for Good, a platform for sustainable innovation we have partnered with since 2017. This is the first pilot of its kind in the fashion industry that focuses on scalable solutions to address the issue of plastics. The solution being evaluated in the pilot involves manufacturing a clear recycled polybag using a high percentage of polybag waste, including ink and adhesive contaminants. The pilot aims to validate and further implement this new supply of waste for recycled content polybag production, returning the recycled bags back into circulation within the supply chain.

Although polybags are of course not used in our clothing, they are common in the fashion industry, where they are used to store, transport, and protect garments, footwear, and accessories. Our engagement on this project is one of several routes C&A is exploring to reduce the use of virgin plastics industry wide, including in our supply chain and our stores.

Read more about this innovative Fashion for Good project

Animal-based fibres

Protecting animal welfare and the environment

C&A is committed to protecting animal welfare and the environment where animals are raised. To this end, we uphold the Five Freedoms for animal welfare and environmental standards when there is potential for significant impact.
How we approach animal welfare

Our policy on animal welfare states that we will:

- Expect our suppliers to abide by the internationally-accepted Five Freedoms for animal welfare.
- Never use products for which animals have been slaughtered or harmed in any way for their skin, fur, or feathers.
- Strive to increase traceability from the farm to the final product.
- Only use raw materials that come from animals used for meat production.
- Never accept materials from exotic, threatened, or endangered species, as defined by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the International Union for Conservation of Nature (IUCN) red list of threatened species.

Our approach is collaborative, working hand in hand with others who are tackling similar issues. We set, define, and implement industry level solutions with animal welfare organisations, fellow brands, retailers, our suppliers, and independent auditors.

We also actively listen, welcoming challenges and criticism that can help us improve. Ensuring high standards of animal welfare means that the apparel industry must be accountable for the promises we make.

Read more about how we engage with our stakeholders

For the last 10 years, we have worked hard to eradicate animal welfare issues from our supply chain. We started banning fur in the 1990s and have been a Fur Free Retailer since 2013. To date, we have banned the following materials and practices:

- Live-plucking and force-feeding geese and ducks for down and feather production
- The use of angora, real fur, and mohair
- The practice of mulesing merino sheep
- Bovine-based leather from India, or leather with hair attached from China or India

Read our animal welfare policy here

How we approach environmental protection in animal agriculture

We recognise that animal welfare is not the only impact of animal-based fibre production. For several animal-based fibres, including wool and cashmere, we apply industry standards such as the Textile Exchange's Responsible Wool Standard (RWS). This standard focuses on improving environmental resilience and increasing regenerative agriculture through rangeland stewardship and best practices in land management at the herder level.

Our 2019 performance

Maintaining our Responsible Down Standard-certified supply chain

C&A continues to source 100% RDS-certified down for all of our collections that contain down or feathers.
During the year, we continued applying our findings from 2017, when we conducted additional due diligence visits to RDS-certified supply chains to determine where further improvements could be made. Our visit showed that, in the future, we should rely less on local legislation to define our minimum requirements, instead supporting RDS to make sure it sets minimum standards that can be applied in markets where legislation is not stringent. We should also strengthen the standard requirements over time to ensure continuous improvement in animal welfare practices and include training modules to drive awareness among suppliers. This work continued in 2019.

Read more about responsibly sourced down

**Safeguarding animal welfare in cashmere production**

For the last few years we have focused on cashmere with the [Sustainable Fibre Alliance (SFA)](https://www.sustainablefibrealliance.org), a non-profit international organisation working with the extended cashmere supply chain, from herders to retailers.

Currently, more than 25 international brands and retailers have joined SFA, united in a goal to implement the Sustainable Cashmere Standard to preserve and restore grasslands, ensure animal welfare, and secure livelihoods. The SFA provides an excellent forum to jointly identify actions that address three main objectives:

- Environmental resilience in cashmere-producing regions
- Improved long-term prospects for herding communities that rely on cashmere markets
- Assurance of animal welfare within cashmere production

**Ceasing the use of high-risk fibres**

We believe animals can be treated with dignity and respect. In several cases, we have detected higher risk in some animal-based fibre categories, leading to our decision to cease their inclusion in our products. Currently, we have identified fur from the Angora rabbit and mohair from the Angora goat as fibres no longer used in C&A collections.

**Where next?**

We will continue our work with SFA to extend sustainable and humane practices throughout the entire cashmere supply chain.

**Responsibly sourced down**

**Safeguarding the welfare of geese and ducks**

Down and feathers make up a small percentage of the fibre used in C&A collections. However, feather and down harvesting can result in unnecessary harm if not done with care and respect for geese and ducks. All of C&A’s down and feathers are certified to the Responsible Down Standard (RDS) to ensure the humane treatment of geese and ducks.
What is the RDS?

The Responsible Down Standard (RDS) is an independent voluntary global standard owned by Textile Exchange and certified by Control Union. It is designed to be a global benchmark for best practice, preventing practices such as force-feeding and live-plucking and creating strict requirements on issues like food and water quality, outdoor access, animal health, and hygiene. It also allows us to trace fibre from farm to end product. The standard currently covers more than 500 million birds and is supported by more than 60 brands.

In 2019, the new version of the RDS was launched, with enhancements to the standard and certification process. Key changes include:

- Euthanasia of sick or injured birds to prevent suffering is now mandatory on the farm.
- Stunning before slaughter is now mandatory at the slaughter site.
- Stronger criteria related to handling, record keeping, and training of workers are required.
- Observation of parent farms in industrial goose supply chains, where the highest risk of live-plucking occurs, are now required.
- All minor requirements are now mandatory (previously only 50% were required).
- The document was restructured to provide clearer guidance for farms, suppliers, brands, and certification bodies.

How does it maintain traceability?

Every time RDS-certified down changes ownership, a transaction certificate is issued, identifying the material from the source to the final product. The process is audited at every stage of the supply chain. We undertake this process so our customers can feel confident that the material in their clothing was made to meet the standard’s requirements.

Our multi-dimensional auditing of welfare practices

No standard is a guarantee, so we ensure that feather and down harvesting is audited and certified by an independent third party at least annually. We also conduct our own visits to these farms to observe practices and conditions on a periodic basis.
Recently, we conducted visits to RDS-certified supply chains in order to better understand how the standard was implemented and where improvements could be made. We were pleased to confirm that RDS is effective in preventing many harmful practices, including force feeding and live plucking - practices we have banned for a number of years. However, we also found that the standard could be improved to ensure requirements are detailed enough in countries where animal welfare legislation is less strong.

We have shared the findings of our investigation with Textile Exchange, and have been working with them over the past two years to drive improvements to the standard. We are also consolidating our down supply chain to work with fewer suppliers. C&A remains committed to the RDS as the best way to source our down responsibly.

**Where next?**

After the release of RDS 3.0, we intend to continue sourcing all of our down and feathers in alignment with the new standard.

**Recycled polyester and other fibres**

**Overcoming challenges**

Polyester is made from petroleum derived from crude oil, a finite non-renewable resource, and accounts for 19% of the material we use. Since the 1990s, demand for polyester has grown at a steady rate. Because polyester is an important material in our collections and we are committed to reducing our impact from fossil fuel extractions, we will increase our use of certified recycled sources over time.

**Our 2019 performance**

**Increasing products containing recycled fibres**
Over the past several years, we have steadily tested small collections that contain recycled polyester certified to either the Recycled Claim Standard (RCS) or the Global Recycled Standard (GRS). In 2019, C&A Europe sold 556,000 pieces with recycled polyester, 85% more than the number sourced in 2018. While the number of pieces is small in relation to the total number we sell, we are committed to further increasing our share of recycled polyester products by overcoming the following challenges:

- **Managing recycled polyester costs**: Recycled polyester currently carries a 10 to 20% higher price than virgin polyester, depending on the volume purchased. We are working with Fashion for Good and the chemical recycling start-ups from their programmes to help scale technologies to bring costs down while increasing the availability of chemically recycled polyester.

- **Addressing contamination**: Polyester source material can become contaminated with unknown substances. We continue looking for sources and solutions to help ensure recycled polyester is free of unwanted contaminants.

**Continuing our journey with recycled fibres**

We are working continually to increase use of recycled fibres in our products. This not only includes recycled polyester, but also nylon, cotton, and others. In 2019, for instance, C&A Europe sold 102,000 pieces containing recycled cotton, a 7% increase over 2018. In Mexico, C&A sold more than 14,600 pieces containing recycled cotton in Men’s, Ladies’, and Youth T-shirts.

One way we are continuing to move forward is by participating in Fashion for Good’s chemical recycling working group which is identifying innovators for chemical recycling of post-consumer waste. In addition to preventing this waste from reaching landfill, incorporating post-consumer waste also increases the quality of the recycled materials.

Read more about circular fashion

**Where next?**

**Increasing uptake of recycled polyester**

We are working to increase the volume of recycled polyester in our clothing. This includes collaborating with Fashion for Good to identify innovators and technologies for recycling polyester using chemical recycling methodologies. We have also been exploring the use of recycled cashmere, and anticipate launching recycled cashmere products later in 2020.

**Preferred man-made cellulosics**

**Focusing on conservation and environmental protection**

Viscose (also known as rayon), modal, and lyocell are derived from cellulose made from the dissolved wood pulp of trees. They account for 7% of the materials used at C&A during
CanopyStyle research has found that, increasingly, forests are being used in the manufacture of dissolving pulp to produce fabrics such as rayon/viscose, modal, and lyocell. In fact:

- More than 150 million trees are logged every year and turned into cellulosic fabric – if placed end to end, those trees would circle the earth seven times.
- Between 2013 and 2020, it is expected that the number of trees being logged every year and turned into fabric such as viscose will have doubled.
- Dissolving-pulp (the base material for rayon/viscose) wastes approximately 70% of the tree and is a chemically intensive manufacturing process.
- Less than 20 percent of the world’s ancient forests remain in intact tracts large enough to maintain biological diversity.
- Forests in Indonesia, Canada’s Boreal and temperate rainforests, and the Amazon are being logged for next season’s fashion and apparel. [SOURCE: Canopy]

Protecting endangered forests

To support the conservation of Ancient and Endangered Forests in the production of viscose, we are working with the CanopyStyle Initiative. Through this initiative we have committed to assessing the sourcing of cellulose-based fibres and eliminating fabrics made of pulp from Ancient and Endangered Forests, and other controversial sources.

Our actions include:

- Showing a preference for suppliers who are working to preserve endangered forests or use Forest Stewardship Council- (FSC)-certified methods, including those that have been awarded 'green shirts' in the CanopyStyle Hot Button Report.
- Training and engaging suppliers on the CanopyStyle Initiative, encouraging them to conduct verification audits and share their results publicly.

Suppliers are audited by CanopyStyle and their results are published to verify they are not sourcing fabrics made of pulp from Ancient and Endangered Forests, and other controversial sources. To date, CanopyStyle has confirmed through audits that 28% of the global production of man-made cellulosics is at low risk of sourcing from ancient and endangered forests. Canopy also released the ForestMapper tool, which enables us – and
suppliers – to view where Ancient and Endangered Forests are located, and make more informed decisions when purchasing viscose fabrics.

Committed to responsible viscose production

Viscose production may result in environmental degradation if our suppliers' manufacturing processes are not well controlled. In 2018, the Changing Markets Foundation authored a roadmap towards responsible viscose and modal fibre manufacturing, outlining the steps needed to address these challenges. C&A committed to improve chemical and environmental practices in cellulosic fibre production using the best practices identified in the roadmap, and to helping suppliers remediate current challenges. This includes working with Zero Discharge of Hazardous Chemicals (ZDHC) on their development of standards and protocols for the viscose industry, collaborating with like-minded brands, and working directly with suppliers on continuous improvement plans. The areas of focus as outlined in the roadmap include regulatory compliance, human rights, raw materials from responsibly managed resources under our Canopy commitment, biodiversity, waste minimisation, greenhouse gas emissions reductions, water impacts minimisation, prevention of water pollution, and other considerations.

Our 2019 performance

Sourcing from suppliers that value conservation of forests

CanopyStyle's Hot Button Ranking and Report serves as the primary fibre sourcing analysis tool for the fashion industry. It includes more than 200 brands, retailers, and designers committed to eliminating the use of Ancient and Endangered Forests in viscose and other cellulosic fabrics. It also gives preference to textiles made from innovative fibres by the end of 2020. The Hot Button Ranking rates the largest global producers of viscose and cellulosic fabrics according to their raw material sourcing practices, and highlights product development with lower impact, as well as producers showing leadership in supporting global forest conservation solutions.

A 'green shirt' designation, the highest rating, as well as a 'yellow/green shirt', signal that these producers have met or are on the path to meeting the requirement to eliminate sourcing from Ancient and Endangered Forests by the end of 2020. The viscose used in C&A collections is sourced from only three suppliers: Birla and Lenzing for staple fibre and Enka for filament — all of which earned 'green shirts' in the Hot Button report.

Currently we source from these factories (2020 update):

**Birla**

- Grasim Industries Limited (SFD) , Nagda Birlagram - 456331, Nagda, Madhyapradesh, INDIA
- Grasim Industries Limited (Grasiline Division) , District - Haveri - 581123, Karnataka, INDIA
- Birla Cellulosic (A Division of Grasim Industries Limited), Birladham, Village: Kharach, Gujarat, INDIA
- Grasim Cellulosic Division (A Unit of Grasim Industries Limited), Plot No. 1, GIDC Vilayat Industrial State, PO - Vilayat, District - Bharuch - 392012, INDIA
Birla Jingwei Fibres Co. Limited, Chenjiahu Taiping Town, Fancheng District, Xiangyang City, Hubei Province, CHINA
Thai Rayon Public Company Limited, 36 Moo 2, Ayuthaya - Anthong Highway, T. Posa, A. Muang Anthung - 14000, THAILAND
PT Indo Bharat Rayon, Desa Cilangkap, PO Box No. 9, 41101 Purwakarta, INDONESIA

Lenzing
- Lenzing Fibers, Werkstrasse 2, 4860 Lenzing, AUSTRIA
- Lenzing Fibers, Industriegelande 1, 7561 Heiligenkreuz, AUSTRIA
- Lenzing Nanjing fibers co., Ltd. Hongshanfine chemical industry park, Nanjing 211511, Jiangsu, CHINA
- Lenzing Fibers Inc. 12950 Highway 43 N Axis, AL 36505, USA
- Lenzing Fibers Grimsby Ltd. Energy Park way Grmsby DN31 @TT, UK
- Lenzing Fibers, P.T South Pasific Viscose Desa Cicadas, Purwakarta 41101, west Java, INDONESIA
- Lenzing Biocel Paskov a.s, Místecká 762, 73921, CZECH REP.

Enka
- ENKA GmbH & Co. KG, Industrie Center Obernburg, 63784 Obernburg, GERMANY

Additionally, C&A Brazil has been working since 2018 to raise awareness amongst the supply chain about the importance of choosing viscose fibre which does not come from endangered forests, and of the need to select the best origin of this raw material. In 2019, approximately 65% of the volume of viscose used for C&A Brazil products came from suppliers who, through a commitment letter, were made aware of and engaged with this important cause.

**Sourcing from suppliers committed to responsible viscose production**

In 2019, Changing Markets categorised brands in their Dirty Fashion Report to determine which are leading the transition to working with suppliers that minimise environmental impacts. In the categorisation, C&A was listed at the #3 position in the ‘frontrunner’ group with nine other brands.

**Cutting carbon through more sustainable viscose**

We estimate that our sourcing of more sustainable cellulose in 2019 avoided 57,157 metric tons of CO₂e (tCO₂e) emissions compared to conventional cellulosic fibres, a 45% lower impact than conventional cellulosic fibres.

Read more about how we reduce our greenhouse gas emissions

**Where next?**

Globally, we will continue working with suppliers to eliminate the sourcing of fabrics made from controversial sources and train suppliers on the Canopy Style Initiative. We will also continue working with them to adopt the practices in the Changing Markets Foundation roadmap for cleaner viscose production and continue working with ZDHC on standards for assessing performance that will help to drive further improvement in fibre production.
Circular fashion
Doing more good

In a circular model, products are designed and developed with their next use in mind. They are produced with pure materials, using safe chemicals. This way, fibres can be reclaimed at the end of the garment’s use to be reused or recycled into new clothing, carpets, or other products – or safely returned to nature through composting. Social justice, including safeguarding health and safety and fair labour, water stewardship, and the use of renewable energy, are also an integral part of the circular model.

Why circular fashion is important

The Ellen MacArthur Foundation detailed the challenges and opportunities of a circular economy in A New Textiles Economy. The report demonstrates the growing momentum in the industry to move towards a circular economy, and gives us all a strong environmental, social, and business case for doing so:

- In 2015, around three-quarters of the plastic used in clothing ended up in landfill or was incinerated.
- Less than 1% of the material used to produce clothing is recycled into new clothing, equivalent to a loss of more than $100 billion of materials a year.
- The textile industry’s share of the global carbon budget will rise from 2% in 2015 to 26% by 2050 if it continues on its current path. Moving away from a linear and wasteful system is crucial to keeping within the 2°C global warming limit set by the Paris Agreement on climate change.
- With current production systems, the weight of plastic microfibres in the oceans could increase to 22 million tons by 2050. That’s equivalent to two-thirds of the fibres currently used to produce garments every year.
- 20% of industrial water pollution globally is attributable to the dyeing and treatment of textiles.

The case for circular fashion
Our vision

We believe in circular fashion. Our vision is one of a restorative circular economy, where nothing is wasted in the creation or disposal of our clothing.

To address the challenges of the linear fashion model, we have developed a strategy with three major elements to address the six enablers of a circular economy in the fashion industry:

1. By creating innovative products that are designed according to circular economy principles, we will be able to phase out substances of concern and only use good materials, make effective use of human and natural resources, and move to renewable and recyclable inputs that can radically improve recycling rates.

2. By further developing our garment collection scheme in the retail markets where we operate, we will be able to make sure that garments can be collected, sorted, and eventually recycled at scale.

3. By supporting partnerships that help accelerate the transition to a circular economy and supporting innovations that will enable circularity, we can help transform the apparel industry.

For a closer look at our circular fashion strategy, view this video.

The six enablers to a circular fashion industry
Our 2019 actions

Continue our partnership with Fashion for Good, focused on incubating and accelerating circular technologies in the apparel industry.

Drive industry alignment through Make Fashion Circular initiative from Ellen MacArthur foundation.
Launch another major innovation and pioneering achievement in our Cradle to Cradle Certified™ Platinum denim.

Expand our take-back programme.

Our 2019 performance

In 2019, we focused on the following areas, where we demonstrated concrete results:

1. Fostering our partnership with Fashion for Good to pilot circular economy technologies in our value chain
2. Creating additional innovations in Cradle to Cradle Certified™ products
3. Expanding our in-store takeback programme, 'we take it back'
4. Executing our commitments under the Ellen MacArthur Foundation Jeans Redesign Project
5. Engaging on policy

Piloting fashion for good innovations

- **Reverse Resources:** This year we partnered with Reverse Resources, which sets up transparent trading and tracing of cutting scraps from textile manufacturers to recycling plants. In the C&A supply chain, they focused on setting up segregation and labelling of waste in supplier facilities and the process of handling the waste by collectors. This maintained the highest market value and best waste quality for recyclers, in turn providing the best price return for the supplier. The project also evaluated the increase in factory earnings as a result of segregating textile leftovers. We will also create a trace report of the waste for the recycler, and analyse the potential for cost savings and means of securing trust in the data accuracy to maintain those cost savings.

- **Circular polybag project:** The Circular Polybag Pilot is exploring a solution to reduce the impact of single-use polybags in the fashion industry. Orchestrated by Fashion for Good in partnership with adidas, C&A, Kering, Otto Group, and PVH Corp., with Cadel Deinking (an innovator from the Fashion for Good Accelerator Programme), the pilot is a first in the apparel industry to trial a truly circular solution for polybags. Using polybag waste, Cadel Deinking’s innovation facilitates the creation of high-quality, recycled-content polybags — a solution that brings us closer to creating a truly closed-loop system.

- **SeaChange:** The SeaChange process is designed to address challenges associated with concentrated industrial waste and to oxidise the chemically resistant, non-biodegradable organic materials and microplastics present in apparel wastewater. The process aims to enable treatment of 100% of wastewater while eliminating sludge production and mitigating GHG emissions. Initiated and coordinated by Fashion for Good, the pilot project included several partners, including C&A, supporting SeaChange to conduct a field evaluation of the SeaChange system at the effluent treatment plant of Arvind, a dyehouse, near Gujarat, India. The pilot demonstrated the technical viability of the SeaChange technology to process sludge.

- **Organic Cotton Traceability Pilot (OCTP):** This groundbreaking pilot was initiated by Fashion for Good to test and validate on-product markers in combination with blockchain technology as a traceability solution in real-world practice. Fashion for Good, C&A Foundation, [1] and the Organic Cotton Accelerator collaborated with partner organisations C&A, Kering, PVH Corp., and Zalando. C&A was instrumental to the project, leveraging our supply chain to fully explore production from fibre to garment. Invisible fluorescent,
(synthetic) DNA tracers and microbiome technologies were applied in tracking the organic cotton through spinning, chemical treatments, high temperatures, and dyeing. The DNA and invisible fluorescent tracers emerged intact, positively identifying the cotton in consumer-ready garments and demonstrating that the blockchain platform can track transactions through the entire value chain. Read more about the OCTP.

**SMARTEX**: This innovative system aims to reduce textile defects to 0%, avoiding textile waste during production. It uses machine vision algorithms and machine learning to improve defect detection rates in knitted fabrics. We are collaborating with SMARTEX to help our suppliers decrease textile defects and further eliminate waste during fabric production.

**PreSize**: PreSize is a three-dimensional body scanning technology that uses any smartphone’s camera input to find the best fit to a user’s individual body. Unlike other smartphone fit solutions, PreSize is completely web-based and uses a video of the consumer to estimate key points of the body, ensuring a higher level of accuracy in measurements. C&A is piloting this technology in our on-line store.

**Increasing innovations in Cradle to Cradle Certified™ products**

This year we launched the world's most sustainable denim fabric, Cradle to Cradle Certified™ at the Platinum level. The first ever Platinum level Cradle to Cradle Certified™ fabric is made with 100% rapidly renewable resources and is fully recyclable. We have also launched more collections that feature Cradle to Cradle Certified™ items. In addition, all Cradle to Cradle Certified™ T-shirts sold by C&A are certified at the Gold level.

**Expanding 'we take it back'**

This year, our 'we take it back' programme grew to additional stores in the retail markets, providing our customers with even more options to recycle unwanted clothing and contribute to the circular economy. In Europe, stores and an online collection option in Germany and France collected 1,397 metric tons of unwanted garments for reuse or recycling as part of the ‘we take it back’ programme. In Mexico, where the number of participating stores grew from 10 in 2018 to 34 in 2019, about 8.5 metric tons of clothing were collected in 2019.

In Brazil, where 157 C&A stores participate, Movimento ReCiclo, as the programme is known, collected more than 16.5 metric tons of items. Of this, 70% of the pieces were deemed to be in good condition and 30% were sent for recycling. The pieces in good condition went to Centro Social Carisma, an organisation that handles distribution for reuse. The pieces that cannot be used anymore were sent to Retalhar, which is responsible for the reverse manufacturing process, including sanitizing the items, removing trims, and defibration. The resulting material is used primarily in the automotive industry.

As an employee engagement strategy, in early 2020, the Movimento ReCiclo programme devised a challenge for employees at the head office. The goal was for employees to bring in clothes they no longer used — to 2,020 pieces in three weeks. Employees exceeded this target, bringing in more than 2,700 pieces for donation or recycling.

**Jeans Redesign project**

This new project applies circular economy principles to provide positive outcomes for
people and the environment. The Jeans Redesign project aims to demonstrate action, focus innovation efforts, and increase transparency, and members of the fashion industry worked together to develop shared guidelines that represent a new level of ambition. C&A is committed to the Jeans Redesign guidelines.

**Engaging on policy**

Both within the European Union and in the member states, C&A has been active in shaping policy around the circular economy. We will continue our efforts as work on the European Green Deal and Product Environmental Footprint progresses, including member state actions.

Read more about our circular fashion products
Read more about our in-store take-back programme
Read more about product innovation

[1] In January 2020, C&A Foundation became part of Laudes Foundation.

**Accelerating change through Fashion for Good**

In March 2017, Fashion for Good – founded by Laudes Foundation[2] – was launched in Amsterdam, with C&A as one of its first brand partners. In 2018 and 2019, we continued our work with Fashion for Good to help transform the apparel sector by supporting:

- The Fashion for Good Accelerator Programme to help start-ups grow
- The Scaling Programme to scale up innovations and encourage their widespread adoption
- The development of the open-source Cradle to Cradle toolkit to help guide companies in developing Cradle to Cradle Certified™ apparel
- The Fashion for Good Experience, the world’s first interactive museum for sustainable fashion innovation, which has already received more than 70,000 visitors

As a multi-stakeholder organisation, Fashion for Good‘s single focus is to transform the apparel sector, making ‘good fashion’ the norm by convening brands, producers, retailers, suppliers, non-profit organisations, innovators, and funders to make this happen. Fashion for Good serves as an innovation platform that provides promising start-up innovators with access to mentoring, funding and a global network of organisations that they need to scale and grow their innovations. It also acts as a convener for change, bringing together a circular apparel community, building a good fashion movement, and creating freely available resources. The initiative has gained tremendous momentum, with over 110 innovators and more than 60 pilots facilitated so far.

Read more about our partnership with Fashion for Good

[2] This work was started by C&A Foundation and continues under Laudes Foundation.

**Who we work with**

Laudes Foundation, Fashion for Good, MBDC, McDonough Innovation, Cradle to Cradle Product Innovation Institute, Circular Economy 100, Ellen MacArthur Foundation, Fashion
Circular fashion products
Continually driving innovation

Building upon our successful and scaled launch of Cradle to Cradle Certified™ products in 2017 and 2018, this year we accelerated our innovations and our reach into the supply chain to deliver the world’s first Platinum level Cradle to Cradle Certified™ denim fabric. We have also expanded production of our Gold and Bronze level products to Bangladesh, Pakistan, and Brazil. In addition, our ‘we take it back’ programme grew, providing our customers with even more opportunities to contribute to a circular economy.

Ingredients for circular fashion

As we have developed our circular fashion strategy, we have identified two important focus areas to create the right ecosystem for innovation. These two areas have guided our approach and allowed us to be more effective in our delivery:

First, we must have the right principles for action. Our key principles for collaboration and innovation are to ensure that the technologies we bring to our supply chain and the production of our clothing:

1. Only use good materials
2. Effectively use human and natural resources
3. Ensure that renewable and recyclable inputs are used

Second, we must foster collaboration to accelerate and scale innovation. The partners we work with share C&A’s values and have been effective catalysts for collaboration in the industry.

1. Circular innovation principles

In the search for an approach to our circular innovation principles, we evaluated the universe of approaches to circular economy in the industry and identified that currently there is only one credible, peer-reviewed standard for circularity — the Cradle to Cradle
Certified™ Product Standard.

The Cradle to Cradle Certified™ Product Standard is the only holistic, third-party standard able to certify circular products. It verifies and certifies all aspects of product manufacturing, from the sourcing of raw materials through the chemicals, water, or energy used in manufacturing and how the product is designed for material reutilisation, to the social conditions in the value chain.

The standard is organised around five criteria, each of which is assessed at a particular level:

1. Material health
2. Material reutilisation
3. Renewable energy
4. Water stewardship
5. Social fairness

At C&A, a Gold level-certified product goes beyond the standard's minimum requirement, as Platinum level is achieved for some criteria. As a result, our Gold level Cradle to Cradle Certified™ products are made with:

- 100% optimised safe materials and chemicals (mostly biological)
- 100% renewable energy
- 100% recycled water (or discharge of drinking water quality)
- 100% social fairness

Read more about the Cradle to Cradle Certified™ Standard

To learn more about our Cradle to Cradle Certified™ clothing, view this video.
2. Fostering collaboration

We also evaluated organisations that foster collaboration in the fashion industry around circularity. We identified four organisations that share C&A's values and understand the application of a circular economy in the apparel industry, while serving as an effective catalyst for collaboration:

- **Ellen MacArthur Foundation**: In 2018, we joined the Ellen MacArthur Foundation’s Make Fashion Circular, which aims to accelerate the transition to circular fashion by driving collaboration between industry leaders and other key stakeholders. We contribute to the Make Fashion Circular initiative through working groups in which we share our knowledge and lessons learned implementing our circularity strategy, and where we also have opportunities to hear from others to inform our own strategy going forward. Additionally, C&A participates in the Ellen MacArthur Foundation CE100, a global platform that brings together companies from multiple sectors, innovators, and regions to advance the transition to a circular economy.

- **McDonough Innovation**: McDonough Innovation supports product concepts and solutions that embed sustainable principles into product development. The organisation cofounded Fashion for Good with Laudes Foundation[1] and has advised C&A during development of our Cradle to Cradle Certified™ products.

- **Fashion for Good**: Fashion for Good is the global initiative that aims to transform the fashion industry from the linear ‘take-make-waste’ model to a circular approach that is restorative and regenerative by design. Fashion for Good convenes apparel retailers such as C&A, as well as producers, suppliers, non-profit organisations, innovators, and funders. The initiative offers practical action in the form of support, funding, and roadmaps, and fosters the necessary sector-wide collaboration and action to make circular fashion a
reality. C&A was one of the first corporate partners of Fashion for Good following the initiative’s launch by Laudes Foundation. Since then, many other brands, including adidas, BESTSELLER, CHANEL, Galeries Lafayette, Kering, Otto Group, PVH Corp., Stella McCartney, Target, Zalando, and others have joined Fashion for Good.

**Eco Intelligent Growth**: This independent organisation is accredited to assess products against the Cradle to Cradle Certified™ standard programme, and has verified alignment of our certified products with requirements of the Cradle to Cradle Certified™ Product Standard.

1. This work was started by C&A Foundation and continues under Laudes Foundation.
2. This work was started by C&A Foundation and continues under Laudes Foundation.

**Our 2019 performance**

**Advancing Cradle to Cradle Certified™**

- **Expanded options**: To date, we have brought more than 4 million pieces of Cradle to Cradle Certified™ apparel to market. This includes T-shirts, jeans, and other items, and underscores the importance of sustainable fashion to our customers. Following our initial launch of certified T-shirts in 2017 and our certified jeans in 2018, we have worked with suppliers to source additional sustainable elements and finishings that allow designers to diversify our styles, colours, and cuts, providing customers with even more choice in certified items. This year we added three new Cradle to Cradle Certified™ products: Gold level jeans with our partner Pacific Jeans in Pakistan, and Platinum level denim fabric with our partner Rajby in Pakistan. We are currently looking to expand to additional suppliers, both for denim and circular knit.

- **World’s most sustainable denim fabric**: In 2019, we developed the first-ever Platinum level Cradle to Cradle Certified™ denim fabric in the apparel industry. Manufactured with 100% rapidly renewable resources and fully recyclable, the fabric is the world’s first textile to meet the highest Cradle to Cradle Certified™ level. To create the world’s most sustainable denim fabric, C&A partnered with long-term supplier Rajby Textiles Ltd. and the circular economy advisor Eco Intelligent Growth (EIG). EIG collaborated with MBDC on the material health assessment component of the multi-faceted certification. The material properties and production process were carefully developed and rigorously tested to meet the highest-level requirements for all five Cradle to Cradle Certified™ categories: material health, material reutilisation, renewable energy, and carbon management, water stewardship, and social fairness. Rajby’s Beluga Denim for C&A is manufactured with 100% rapidly renewable resources and is fully recyclable. The new fabric is optimised for material health, from Global Organic Textile Standard (GOTS)-certified organic cotton fibre to the process chemicals. Additionally, the process water is kept in a closed loop devised specially for this project and the final manufacturing stage is 100% carbon neutral.

1. **Developing additional Cradle to Cradle Certified™ fibres and trims**: We also continue engaging producers and suppliers to grow our toolbox of other certified
materials, which will allow us to further diversity our Cradle to Cradle Certified™ offerings in the future. We have continued working with partners to develop nearly 200 Cradle to Cradle Certified™ or assessed dyes, inks, and process chemicals; fibres such as modal, lyocell, or elastane; and trims and embellishments such as buttons, zippers, and rivets. With these components ready for commercial use, over the past few years we have been able to evolve our Cradle to Cradle Certified™ products from plain T-shirts to include:

- Prints and embellishments that allow designers more liberty in designing fashion our customers want, and
- Men’s and Ladies’ Cradle to Cradle Certified™ jeans in which every component, from the cotton fibres and denim fabric to the buttons and zippers, are verified.

**Sharing our learnings, open source:** In order to scale our Cradle to Cradle Certified™ products, it is imperative that we offer our experiences, open source, so manufacturers and brands can avoid pitfalls and benefit from our learnings. Therefore, we have provided freely available resources for developing Cradle to Cradle Certified™ apparel for clothing manufacturers and fashion brands. They cover all the elements of the Cradle to Cradle Products Programme, from chemicals to social fairness, as well as a roadmap and a complete list of materials. Together, they can enable fashion brands, retailers, and manufacturers to get started on the development of truly circular products. To date we have worked with Fashion for Good to provide these useful resources:

- Cradle to Cradle Certified™ How-To Guide, based on our experience creating certified T-shirts.
- Cradle to Cradle Certified™ Assessed Materials Almanac, which specifies materials and ingredients that have been evaluated for Cradle to Cradle™ certification with regard to material health available for use in the fashion industry.
- Cradle to Cradle Certified™ Denim Guide, which includes lessons learned by C&A and Fashion for Good while developing the first certified Gold jeans.

**Expanding our in-store take-back programme**

This year we expanded our in-store take-back programme to more stores and launched an online programme in France. Read more [here](#).

**Finding innovative ways to save water**

In Europe and Mexico we’ve developed innovative denim collections made with less water. This year we continued our Saving Water Programme, which features waterless finishing for denim production, saving up to 65% of the water used in production.

Read more about our water footprint

**Partnerships to advance circular fashion in 2019 and beyond**

During the year we continued our ongoing collaborations with key organisations committed to circular fashion.

- **Ellen MacArthur Foundation:** During the year we teamed with Ellen MacArthur Foundation and others in the fashion industry on a set of Jeans Redesign guidelines that promote further innovation in circularity and increase transparency, and we began selling
the first products developed under the guidelines in our European stores.

- **McDonough Innovation**: We collaborated to continue updating the *C2C Certified™ Assessed Materials Almanac*, developed in concert with McDonough Innovation, Fashion for Good, and others, to include even more materials, trims, components, and chemicals. Based on the Cradle to Cradle Certified™ Product Standard, the manual provides an overview of materials and processes assessed for Cradle to Cradle™ Material Health.

- **Fashion for Good**: We've made significant progress in piloting Fashion for Good startups. Read more about these innovations in [circular fashion](#).

- **Eco Intelligent Growth**: This organisation assessed our Platinum level Cradle to Cradle Certified™ denim, an industry first. They also supported us in assessing local suppliers in Brazil for alignment with the Cradle to Cradle Certified™ Product Standard, which enables us to launch additional certified products in Brazil.

**Where next?**

**Evolving our Cradle to Cradle Certified™ approach globally**

We have delivered more than 4 million Cradle to Cradle Certified™ pieces to date, alongside campaigns showcasing the products. After the successful launch of our Cradle to Cradle Certified™ items, we are reviewing product positioning to determine where it is most commercially relevant and important to our customers. This includes looking at customer interest and scalability across our regions. In 2019, we continued monitoring our campaign results across markets to understand if and when we need to revisit and refine messaging to sustain enthusiasm and customer awareness.

We will also continue focusing on a number of new innovations in materials, trims, components, and chemicals to expand our portfolio of Cradle to Cradle Certified™ products.

**Further innovation to create ‘good fashion’**

We will continue our close involvement with Fashion for Good and other partners, participating in various pilots to develop proof of concept, including:

- Participating in the Transparency Working Group to build upon the learnings of the Organic Cotton Traceability Pilot and expand into other fibre sources.
- Supporting the Fashion for Good Accelerator Programme to help start-ups grow, with a number of new pilots in chemical recycling, rental, leasing, and repair. Developing a portfolio of suppliers seeking financial support to implement circular technologies through the Good Fashion Fund in India and Bangladesh.
- Developing a portfolio of suppliers seeking financial support to implement circular technologies through the [Good Fashion Fund](#) in India and Bangladesh.
- Collaborating in Fashion for Good’s Circular Polybag Pilot with other brands and innovators.

**Delivering impact through our partnerships**

Through our partnership with Ellen MacArthur Foundation, we plan to launch our Jeans
Redesign Project collection in 2020 and continue to engage in the Make Fashion Circular action platform. In addition, we always seek inspiration from circular economy experts like Bill McDonough through our work with McDonough Innovation and their network of partners, such as Eco Intelligent Growth, MBDC, and EPEA.

Product quality and safety
Delivering high standards

Our customers’ health, safety, and enjoyment of our products is fundamental. We work hard to ensure product quality and safety, aiming to meet or exceed industry standards, legal requirements, and our customers’ expectations. We also collaborate with others in our industry to raise standards across the apparel sector.

Our approach

Our Quality, Assurance and Development teams in head offices, sourcing hubs, and at suppliers oversee every aspect of product safety and quality. They examine our goods to determine their physical, chemical, and mechanical properties as well as measurements and workmanship. For babies’ and children’s clothing, safety criteria receive specific attention. Product testing is carried out by C&A and in cooperation with external laboratories like SGS, Intertek, and Bureau Veritas, to ensure our collections meet the latest legal, chemical, and safety standards. The team also helps our suppliers, factories, and colleagues understand safety risks and coordinates with legal bodies and industry associations.

Quality down to the last detail
These inspections take place during and after production so we can determine whether the product matches our requirements. Workmanship, measurements, and safety checks must be passed before items are allowed into C&A stores.
Auditing of our production units
These quality audits ensure that only appropriate production units that meet all our requirements are allowed to produce garments for C&A according to all our quality standards.

Product sample inspection
Whether a certain product can be sold at C&A is determined after a sample of the item has been examined according to stringent criteria, such as workmanship and physical properties (resistance to tearing, shrinkage, colour fastness), chemicals, and various legal safety requirements (for example, small parts or restrictions on the use of cords that could pose a danger to babies or children). Once these and other criteria have been met, an item may be manufactured for C&A.

Quality and conformity inspection
These inspections take place during and after production so we can determine whether the product matches our requirements. Workmanship, measurements, and safety checks must be passed before items are allowed into C&A stores.

Structured quality and due diligence checks
To provide the greatest possible safety for our customers, C&A also performs random due diligence checks on products to ensure they meet our expectations.

Activating our restricted substance list
To support the development of safe clothing with no hazardous chemicals present, we have implemented a restricted substances policy. We are also active members of voluntary industry groups such as the Apparel & Footwear International RSL Management (AFIRM) Group and Cooperation Against Dangerous Substances in Shoes (CADS).

In addition, approximately 25% of our collections in Europe achieved the OEKO-TEX® Standard 100 rating, an independent testing and certification system for textile raw materials, components, and end products. This confirms that our fabrics, yarns, components, and trims have undergone a rigorous test for harmful chemicals.

Garment manufacturers apply poly-fluorinated compounds (PFCs) to garments to repel liquids and stains. However, research by organisations like the U.S. Environmental Protection Agency has indicated a link between PFCs and damage to human health and wildlife. Globally, we eliminated PFCs from all products as of 2015.

Towards zero discharge of hazardous chemicals
The C&A Chemical Policy also contains the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL), which focuses on the elimination of hazardous chemicals in the supply chain. To help ensure the chemicals used in making C&A products are safe for people and the planet, we are also implementing the ZDHC Roadmap to Zero framework. This includes applying the ‘clean factory’ approach, encouraging the elimination of hazardous chemicals across production for all brands, not just C&A’s production. C&A is a founding member of ZDHC, a coalition of 122 contributors with a shared commitment to zero discharge of hazardous chemicals in their supply chains.

Read our public commitment to ZDHC
Moving towards chrome-free leather
We don’t use a lot of leather in our products. But when we do, we want to make sure it is produced responsibly. One way we do this is by striving to buy leather for our clothing that is chrome-free tanned.

Ban of Polyvinylchloride (PVC)
PVC is a plastic which may be used in, for example, prints or as synthetic leather. Due to its negative environmental profile, C&A has forbidden the use of PVC for all products.

Recalling potentially unsafe products
We had no product recalls across our retail markets or licensees in 2019.

Sustainable Supply
Raising standards and building capacity

Our supply chain encompasses more than 1 million people, employed through 635 global suppliers, who run more than 1,760 production units, across four entirely different sourcing regions and many different cultures. Even though these numbers appear very large, our part of the supply chain represents only a very small part of the entire apparel and textile industry. On the one hand, this represents a real opportunity to help normalise sustainable behaviour amongst diverse populations. On the other, it requires vigilance and dedication to better practices. We must identify issues and build capacity for change, working in close partnership with our suppliers and stakeholders.

C&A’s priority is to invest in long-term relationships with strategic suppliers who live our values, which is why we develop long-term relationships with our supply chain. In this light, we have maintained our relationships with many of our suppliers for more than 5 years. Working with those suppliers who understand our social and environmental requirements, and who are committed to meeting them, strengthens our supply chain and helps us meet our sustainability goals. Optimising our number of factories and suppliers also supports our commitments towards safe and fair labour practices and a clean environment throughout our supply chain.
We have taken concrete measures to support our suppliers, in which we place great importance. We have established a close and strong relationship with them over many years. Our objective was to not abandon any of our suppliers during this global crisis.

During the spring of 2020, while its 1,400 stores in Europe were closed at the height of the health crisis, C&A had suspended its orders as a precautionary measure. Few months later, we gladly were able to ensure all the payment for all pre-Covid orders which were being shipped, already produced, or in the process of production, at their original price and according to the agreed payment terms. Additionally, suppliers which had not yet started production of products, were compensated either financially or by, “placing new orders using the raw materials already purchased. It important to underline as well that a number of C&A’s manufacturers have also been able to benefit from C&A’s financing scheme run in partnership with our banks.

We start with our supplier relationships because we understand that we can, collectively, create positive impact. We always look for ways to collaborate and improve standards further, driving sector-wide change on important issues, together with like-minded industry partners. We focus on two main areas: ensuring that the people who make our clothes are safe and treated fairly, and that we foster and support a clean environment for the benefit of healthy communities in our sourcing countries and for the planet more broadly.

The majority of our production is concentrated in ten sourcing countries.

**Garment sourcing countries by % share of volume of product**

![Garment sourcing countries chart]

**Our ambition**

**A sustainable supply chain from farmer to customer**
For us, sustainability means moving towards a circular model where clothing is designed with its next use in mind – clothing that is also made with fewer, safer chemicals, renewable energy, and clean water, and in safe and dignified working conditions. To normalise sustainable behaviour among suppliers, we believe in building capacity across our supply chain, from the farmer’s field to the factory floor. We see compliance as the starting point, but not the ultimate goal: we must collaborate with our suppliers and their factories to create change.

We’re also making steps towards our goal of circular fashion and focusing on how to incorporate sustainability considerations from the start. This means revolutionising how we design products with their next use in mind. It means carefully selecting materials and chemicals that are safer from the beginning and working with our suppliers’ factories to ensure that working conditions are safe and fair. And it means expanding the ‘end of use’ solutions we offer our customers.

Our 2020 goals for sustainable supply

Safe and fair labour
100% of our products will be from top-performing, A-and B-rated suppliers.
We will build capacity and supplier ownership within our supply chain.

Clean
environment

Zero Discharge of Hazardous Chemicals.

20% reduction of carbon footprint in C&A stores, distribution centres, and head offices (from 2012 baseline).

30% reduction of water in raw materials stage (from 2016 baseline).*

10% reduction of water in C&A stores, distribution centres, and head offices (from 2012 baseline).*

Zero waste to landfill.*

*2025 goal

Auditing and transparency

Making transparency the norm

The apparel industry supply chain is notoriously complex. This creates challenges, but also a huge scope for impact and creating change. By re-evaluating our own standards and influencing the development of shared ones, we’re taking the industry with us, embedding good practice as we go.

Being transparent is one part of the solution. We need to create traceability and accountability across the apparel industry’s supply chains. That way, we can collaborate with stakeholders including other brands, to understand shared challenges, offer the right kind of support, reward good behaviour, and drive the change we want to see in the industry. We continually increase the scope of our supply chain transparency and publish a list of our tier-1 and tier-2 supplier factories at least once a year.

Our overall approach

An important first step to achieving greater transparency in our supply chains is to make sure we are gathering accurate data about our suppliers’ performance – for everything from chemical, energy, and water use, to issues in relation to wages or safety in the workplace – and assessing their ongoing actions and results. The more comprehensive and accurate the information is, the more targeted and effective support we can offer.

Different monitoring and assessment tools are currently being used by different businesses and organisations in the apparel industry. However, we believe – as do many of our stakeholders – that we must create convergence and use standardised tools to increase the quality of our data, the efficiency of our actions and therefore, the rate of change.

The Sustainable Apparel Coalition (SAC) Higg Index provides that centralised standard of assessment. Already used by many major brands, including C&A, the index is growing in its scale and effectiveness. In 2018, C&A piloted the Higg 3.0 Facility Environment Module (FEM), which serves as a full environmental assessment tool for the entire apparel supply chain. We have adopted it for use in our supply chain as of 2019. We are also part of the
social and labour convergence project (SLCP) that aims to develop an assessment tool for human and labour rights. In fact, C&A has been elected by SLCP members to represent the brands in their Steering Committee.

In the meantime, we are using a combination of our own auditing and assessment tools, existing Higg modules, and the Zero Discharge of Hazardous Chemicals (ZDHC) audit protocol. We will continue to use and/or supplement these tools as long as necessary, and to avoid any gaps in coverage, we will drive towards one solution endorsed by all brands in a multi-stakeholder consultation process.

Transparency Pledge

In 2016, the NGO Human Rights Watch approached 72 global apparel brands, including C&A, to commit to the newly created Transparency Pledge. The pledge is part of an initiative to encourage brands to adopt a consistent approach towards transparency in their supply chains. The pledge helps the apparel industry reach a common minimum standard for supply chain disclosures, requiring them to publish standardised information on all factories in the manufacturing phase of their supply chains. We committed to the Pledge in February 2017, and have since aligned with the requirements and provided this information in a consistent manner.

Read more about the Transparency Pledge

Our Supplier Code of Conduct

What we expect of suppliers is clearly laid out and communicated through our Supplier Code of Conduct and checked using regular audits by our Sustainable Supply Chain (SSC) team, which comprises nearly 100 people worldwide. We update the standards expected within the Supplier Code of Conduct as appropriate, such as we did in 2017, when we made our standards on fire safety, environment, and working hours more stringent.

Since 2019, we decided that we are only going to carry out unannounced social and environmental audits throughout our supply chain. In the past some of our audits where still semi-announced but last year we changed the protocol to ensure that all of our audits are performed unannounced.
The scope of our social and environmental audits does not stop at the first tier. Since 2015 we have progressively incorporated in our audit portfolio all laundries, dying houses, and a very significant number of textile mills that support our first tier suppliers to produce our garments.

As part of our social and environmental methodology back in 2015 we incorporated the possibility to carry out offsite interviews during our audits. In some occasions, offsite interviews are a very useful tool to better understand the dynamics that might occur within a factory. Our upmost interest is to preserve worker information anonymous and in some cases we prefer to meet them in public spaces outside of the factory premises.

When there are breaches of our Supplier Code of Conduct, we invite suppliers, C&A employees, and workers in our supplier’s factories to let us know through our Fairness Channels, where breaches can be escalated to management anonymously. All our suppliers are required to sign our Code of Conduct as part of our contractual relationship and purchasing agreements.

**How we rate suppliers**

When it comes to rating our suppliers on sustainability, our first guiding principle is transparency, supported by our commitment to capacity building. This is reflected in our ratings. Sustainability criteria make up 20% of our overall supplier ‘scorecard’ rating and have the same weight as price, quality, delivery, and product execution. Each production unit is rated from A to E, with A being the highest rating, based on a set of assessment criteria for the elements of our Supplier Code of Conduct.

Production units rated A and B are those that have no serious violations as evaluated against weightings that correspond to each element of our Supplier Code of Conduct. As an example, the discovery of a serious issue like insufficient firefighting equipment or repeatedly missing fire drills will result in a D rating, while the discovery of any zero-tolerance issue will result in an E rating.

A supplier’s overall rating is calculated as the average of the total number of production units used for C&A production. However, if a supplier has one E-rated production unit, the overall supplier rating will become E. It is our policy not to place production orders with E-rated suppliers – although we work closely with them to address these issues and improve their rating over time, so they are able receive new orders in the future. New suppliers and production units must be able to demonstrate that they meet our sustainability criteria, and if needed, make improvements before they can start working with us.

**Relationship termination**

In cases where suppliers and the factories are non-compliant with our Code of Conduct, we seek to work with the supplier, factory management, and our internal teams to improve. Unless the non-compliances are serious and of a zero-tolerance nature, we maintain our business relationship to avoid unintended consequences to workers.

If a supplier maintains a non-compliant factory (E-rated) for longer than 6 months, the relationship with the supplier and associated factories is suspended. Because every situation is unique, potential exit strategies must be tailored to each situation. In all cases, we ensure that the workers are not adversely affected by a potential termination of our business relationship – at a minimum, by following the local laws.
Our zero-tolerance criteria

To continually improve our auditing process and drive the right behaviour, we update our audit protocols every year to raise the bar on our standards over time. For example, C&A’s code for underage workers is set at the International Labour Organization (ILO) standard (16 years of age) that can be above national regulations (14 years of age). In 2018, we worked with a new set of zero-tolerance issues to keep improving working conditions in our supply chain.

<table>
<thead>
<tr>
<th>Zero-tolerance issues and their rationale</th>
<th>Description of issue</th>
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</thead>
<tbody>
<tr>
<td><strong>General Zero-Tolerance Violations</strong></td>
<td></td>
</tr>
<tr>
<td>Forced, bonded, indentured or prison labour</td>
<td>Forced work – by actual or perceived threat</td>
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<tr>
<td>Serious forms of child labour</td>
<td>A worker under 16 years old who is subject to slavery, forced or compulsory labour, prostitution, pornography, drug trafficking, or other work likely to harm the worker’s health, safety, or morals</td>
</tr>
<tr>
<td>Child labour/underage workers</td>
<td>Workers who are below 16 years old</td>
</tr>
<tr>
<td>Abuse</td>
<td>Any evidence of physical, sexual, verbal or mental abuse</td>
</tr>
<tr>
<td>Failure to pay minimum wages</td>
<td>If more than 50% of sampled workers do not receive the legal minimum wage</td>
</tr>
<tr>
<td>Failure to pay probationary wages</td>
<td>If more than 50% of sampled workers do not receive the legal probationary wage</td>
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<tr>
<td>Foreign or migrant workers without legal work permits</td>
<td>Workers do not have the right to work or have a valid work permit</td>
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<tr>
<td>Unauthorised working at home</td>
<td>Production placed in an unauthorised home production unit</td>
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<tr>
<td>Denied audit</td>
<td>Not granting unrestricted access to workers, records, all areas of the production unit and dormitories, without unreasonable delay for a second time</td>
</tr>
<tr>
<td>Bribery and corruption</td>
<td>Any case of giving or receiving an unearned reward to influence behaviours in C&amp;A’s value chain, including kickbacks and facilitation payments. Any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means.</td>
</tr>
<tr>
<td><strong>Working Hours</strong></td>
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<tr>
<td>Paid overtime</td>
<td>Any case where more than 50% of sampled workers are not paid for their overtime hours and the gap between the amount they get and legally required is more than 50%</td>
</tr>
<tr>
<td><strong>Workplace Health &amp; Safety</strong></td>
<td></td>
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<tr>
<td>Sandblasting</td>
<td>The use of manufacturing practices that propel very fine bits of material at high velocity to clean or etch a surface. This process often uses sand with crystalline silica that could lead to silicosis</td>
</tr>
<tr>
<td><strong>Building Safety</strong></td>
<td></td>
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</table>
## Zero-tolerance issues and their rationale

<table>
<thead>
<tr>
<th>Issue category</th>
<th>Description of issue</th>
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| Production unit located in a multi-tenant building where four minimum criteria are not met | Minimum criteria:  
1. The entire building has a valid fire licence.  
2. The entire building has a valid building certificate.  
3. A common fire drill has been conducted for the entire building.  
4. A centralised fire alarm system is installed and operational for the entire building. |
| No legal building certificate or permit | A building certificate/permit or application for the permit allowing legal use and occupancy is not available, is not valid, or does not cover the entire building, and/or the building does not have approval for industrial use |
| Structure and use of the building are not aligned with the legally approved building plan leading to a high risk for workers, and the application for building inspection is not available | For example, items such as incorrect or addition of floors, incorrect number of buildings included in the legal approval, and the roof of the building not constructed or used in accordance with the legally approved building plan |
| Business licence not valid | The production unit address does not match the address on the business licence |

### Fire safety

<table>
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<tr>
<th>Issue category</th>
<th>Description of issue</th>
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<tbody>
<tr>
<td>No fire licence</td>
<td>Fire licence is not available, is not legally valid, or does not cover the whole building, and/or the company is not able to provide an official application of the fire licence</td>
</tr>
<tr>
<td>Separate living area for workers</td>
<td>Dormitory or living area is not clearly separated from the production area and/or warehouse</td>
</tr>
<tr>
<td>Separation of generators and/or boilers</td>
<td>Industrial generators and/or boilers are not isolated from the production area</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th>Issue category</th>
<th>Description of issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Treatment Plant</td>
<td>Offsite or onsite wastewater treatment is legally required, but is not present</td>
</tr>
<tr>
<td>Wastewater discharge</td>
<td>Wastewater discharge does not meet legal requirements</td>
</tr>
</tbody>
</table>

Our Supplier Code of Conduct describes in more detail what C&A expects from our suppliers regarding legal compliance, labour practices, environmental performance, and anti-corruption. The provisions in the Code constitute the minimum, never the maximum standards. These are different to the zero-tolerance issues outlined above. For instance, the Supplier Code of Conduct outlines our expectations for working hours, which means our suppliers must meet the following minimum standards:

- Suppliers must define standard working hours by contract, at a number that is in line with national law or collective agreements, with a maximum of 48 hours per week, plus 12 hours maximum of overtime.
- Suppliers must make use of overtime work responsibly, not request overtime work on a regular basis, and accept that overtime is voluntary, and therefore not coerce workers to work overtime.
- Working hours must not exceed 60 hours in any seven-day period, except in truly
exceptional, unforeseeable circumstances, and only if all the following conditions are met: 1) allowed by national law, 2) allowed by collective agreement, and 3) safeguards are taken to protect workers’ health and safety.

- Suppliers must allow workers to take breaks, to have a least one day off in every seven-day period, and to take statutory holidays.

Read more about our Supplier Code of Conduct

Read more about the guidelines for implementation of our Supplier Code of Conduct

**Our 2019 performance**

**Taking a new approach**

Over the past 5 years we have rated our suppliers against our Code of Conduct, while driving towards our aspirational goal of sourcing 100% of our product volume from A/B-rated suppliers. Throughout this journey, our programme has matured and we have continually modified our approach to drive the best outcomes. As we have examined our aspirational goal, we have realised that the most important outcome of our work is in supporting our suppliers to shift towards new mindsets. In this light, we have accepted that our 100% goal will not drive this outcome and changed our approach in the following areas:

1. Re-evaluating our ratings: In several cases, we have re-evaluated and changed our ratings, leading to a generally lower score, but one that represents our performance accurately and drives the right behaviours, both internally and externally.

2. Optimising our auditing approach: We have reaffirmed our commitment to the Social and Labour Convergence Project (SLCP) and have committed to one audit across the industry. We aim to follow this approach to eliminate audit fatigue, increase the opportunity for greater comparability of social and labour data, and deploy resources for capacity building together with our suppliers.

3. Improving purchasing practices: In 2019, we evaluated our purchasing practices and found ways to optimise them to avoid unintended consequences. In 2020, we will build capacity among our own staff and deploy new ways of working with our suppliers.

In 2019, 52% of our products were sourced from A/B-rated suppliers. We are developing new goals for Safe and Fair Labour throughout 2020 and in 2021, will launch a new set of KPIs that reflect desired outcomes.

We acknowledge and accept that we will not achieve our aspirational goal of 100% volume sourced from A/B-rated suppliers, and believe that this new approach will ultimately lead to better supplier relationships and improved wellbeing for workers.

**Percentage of products sourced from top-rated suppliers in our retail markets**
<table>
<thead>
<tr>
<th></th>
<th>Year 2017</th>
<th>Year 2018</th>
<th>Year 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>65%</td>
<td>70%</td>
<td>43%</td>
</tr>
<tr>
<td>Brazil</td>
<td>68%</td>
<td>78%</td>
<td>82%</td>
</tr>
<tr>
<td>China</td>
<td>68%</td>
<td>69%</td>
<td>82%</td>
</tr>
<tr>
<td>Mexico</td>
<td>48%</td>
<td>64%</td>
<td>60%</td>
</tr>
<tr>
<td>Global</td>
<td>65%</td>
<td>71%</td>
<td>52%</td>
</tr>
</tbody>
</table>
Validating our programme

Our Sustainable Supply Chain (SSC) team is made up of expert practitioners and located in different sourcing hubs – including Bangladesh, Brazil, Cambodia, China, Hong Kong, India, Myanmar, Mexico, Pakistan, and Turkey. In 2015, C&A set up a third-party relationship with a professional services provider to carry out ongoing human rights due diligence in our supply chain, using the UN Guiding Principles for Business and Human Rights to verify whether the current SSC programme is fit for purpose against the requirements outlined in the C&A Supplier Code of Conduct.

Through the process, extensive testing and analysis was conducted to assess our progress in implementing the SSC strategy, examining how it was rolled out through all our sourcing countries in Asia, Europe, Europe, Middle East and Africa (EMEA), and Latin America. We took a phased approach, beginning in 2016 with C&A Europe and following with C&A Brazil and Mexico in 2017.

This analysis covers the company’s supplier portfolio, audit programme, capacity building programme, and approach to minimising human rights risks. As part of this ongoing due diligence process, shadow and validation audits are conducted in different sourcing countries to assess the accuracy, precision, and repeatability of our audit processes. In addition, desk assessments and interviews are conducted with the Sourcing, Buying, and Sustainability teams.

**Sustainable Supply Chain focus areas**

The due diligence was designed to test our SSC operations against ten strategic focus areas:

1. Programme governance
2. Implementation of our Supplier Code of Conduct
3. Supplier registration and onboarding process
4. Implementation and follow-up of the audit program
5. Supplier rating and performance management
6. Corrective action plan (CAP) implementation and remediation
7. Building capacity in our supply chain
8. System integration, processes, and accuracy
9. Organisational structure and resources
10. Programme impact and reporting

The assessment showed that the SSC programmes have different levels of maturity. Europe and Brazil are the most advanced and their programmes are working effectively within their mandate. The programme in Mexico also made good improvements during 2018 and is now positioned to become even stronger.

The third-party auditor concluded that, to effectively address the human rights risks in our supply chain, C&A should continue moving towards a more strategic and systematic approach. We have taken note of the individual recommendations and have built an integrated, transparent approach through an online real-time project management platform.

Safe and fair labour
Safe and dignified work for all

We believe that safe and fair working conditions should be the norm for all apparel workers, not just the ones that work in our suppliers' factories. That's why we are using our influence to build capacity across our supply chain, striving to normalise good practices and create convergence with other brands and multi stakeholder initiatives. We were one of the first apparel companies to institute a Supplier Code of Conduct in 1995, and have forged long-term relationships with many of our suppliers to build trust.

C&A follows the UN Guiding Principles on Business and Human Rights. We are fully aware
of the roles and responsibilities we have as a company. We have embedded the OECD Due Diligence Guidance for Responsible Supply Chains in the garment and footwear sector to properly identify, prioritise, and manage risk throughout our supply chain. This ongoing exercise aligns with C&A’s work with the German Partnership for Sustainable Textiles, the Dutch Covenant for Sustainable Apparel and Textile, and the industry-wide Action, Collaboration, Transformation (ACT) initiative.

We have defined the top four challenges faced by our suppliers and created long-term engagement strategies for each challenge. We are committed to seeking out solutions to eradicate practices such as excessive overtime and wages, undisclosed subcontracting, fire and building safety, restrictions to freedom of association, and labour rights in our key sourcing countries. We will continue to work in partnership with other leading organisations and civil society to drive change across the industry.

Our top four labour issues

Over the past several years we have identified four priority challenges that significantly affect the working conditions in our supply chain. These issues are complex and usually interconnected in the unique contexts of the various countries we source our products from. Because of this, it takes time, collective action, influence, and partnerships to deliver sustainable change.

We are focused on building capacity, tackling those issues where our business decisions have the greatest impact, and identifying areas of convergence with other industry partners. In addition, we thoroughly analysed our purchasing practices and identified the areas where we can perform better towards our suppliers. The key challenges below are not in any specific order of importance.

Challenge 1 - Compensation and working hours
Challenge 2 - Building and fire safety
Challenge 3 - Freedom of association
Challenge 4 - Undisclosed production
Challenge 1 - Compensation and working hours

Working to live

For garment workers in markets such as Bangladesh, a long working week can be normal. We acknowledge the various factors that can cause this to happen and are working to change practices to ensure that workers are compensated fairly and no worker works more than a maximum of 48 hours per week, plus 12 hours maximum of overtime. In fact, our Supplier Code of Conduct stipulates that working hours may not exceed a 48-hour week plus a maximum of 12 hours overtime, or 60 total hours in any seven-day period, except in truly exceptional and unforeseeable circumstances. In addition, workers need to be fairly compensated for their hard work.

Through supplier training and regular auditing, our supplier partners are aware of the requirement to comply with national laws, the ILO Core Conventions, collective bargaining agreements, and the aspects of the ETI Base Code dealing with maximum working hours, overtime pay, and rest days. They are also aware of the need to compensate workers for overtime in a timely manner. To maintain a safe and comfortable workplace, workers must also be allowed to take breaks, have at least one day off in every seven-day period, and be eligible for statutory holidays. To detect and address potential non-conformances with these requirements, our audit teams and Development Officers regularly assess, monitor, and help to mitigate unintended consequences.

Read more on how we rate our suppliers

Challenges

Through our experiences, we recognise that our buying and sourcing practices may affect how our suppliers plan for production and can have significant impacts on wages and working hours. Last-minute changes in design, production, or delivery timings may inadvertently exacerbate this issue. Aside from this, we have also experienced that suppliers may not adequately plan for production, leading, among other things, to challenges in staffing levels to deliver the orders on time. Other factors like workers needing to attain additional compensation to support their families, and situations where factory management may intentionally misrepresent actual working hours to avoid business impacts, make this particular issue very challenging to address. Lastly, there is a general lack of wage law enforcement by local governments, requiring the brands to do most of the checking.

For many years, we have required our suppliers and their factories to compensate workers by paying wages that meet or exceed legal minimum and/or industry benchmark standards, whichever is higher. Even so, it’s still common to find instances of unpaid overtime premium. In some cases, workers are being compensated by productivity (the number of pieces made) instead of hourly at a premium rate.

How we’re responding

Many workers want or need to maximise their pay, so reductions in work hours can only benefit them if wages increase. Therefore, we have embarked on a journey to identify and overcome the barriers to these tensions through a multi-stakeholder approach with other brands, the Action, Collaboration, Transformation (ACT) initiative, C&A Foundation, and our
Accurate tracking and adequate remuneration

Transparency on working practices is of utmost importance in allowing us to monitor performance across our supply chain. Over the past four years, we have emphasised the need for transparency with our suppliers and their production units. For instance, suppliers must use reliable time recording systems, where all regular hours, overtime hours, and breaks are accurately tracked. Our Sustainable Supply Chain (SSC) Development Officers help factory management understand these requirements and work with them to ensure the accuracy of their records.

Ensuring appropriate payment and training

C&A’s Code of Conduct specifies that ‘wages and compensation (for standard working hours, i.e., without overtime) must be paid regularly and on time, and be sufficient to meet basic needs and provide some discretionary income for workers and their families’. This definition is aligned with the one used by the Clean Clothes Campaign and others. In addition, C&A is a founding member of the industry-wide initiative ACT. C&A has highlighted its commitment to work towards living wages in our supply chain in the Memorandum of Understanding signed in 2015 with IndustriALL. Among other commitments, as part of ACT we committed to help establish industry-wide, national collective bargaining agreements in those production countries that do not yet have them. This will allow worker representatives to bargain with the local manufacturers’ associations to secure the wages they need.

Whenever a piece-rate wage is used, suppliers must demonstrate that payments are at least equivalent to the minimum wage or that collective bargaining is in place. This is supported by a written wage and compensation policy communicated to workers through employee handbooks, notice boards, letters, regular meetings, or other means. Factories must also provide training to all workers and subcontractors. These measures increase transparency and empower workers, while helping us identify the issues more easily. In 2019, 99.6% of our production units were in compliance with national wage legislation. All C&A suppliers in China were found to be in compliance with respect to wages. Non-compliances were discovered among a small percentage of suppliers in South Asia, Brazil, and Mexico.

Read more about our Supplier Ownership Programme

Supportive purchasing practices

Our aspiration is to drive an efficient and ethical buying process, taking into consideration the challenging environment in which our suppliers operate. We have undertaken a thorough internal assessment of the way we buy, using the ACT self-assessment tool. C&A actively participated in the creation of this tool and analysed all steps of its buying process thoroughly: from forecasting and product development to production and delivery. We identified eight core areas for improvement within our purchasing practices. These improvement areas have been agreed collectively in the form of ACT purchasing practices commitments by which we abide. In addition, C&A is in the process of implementing the ACT Labour Costing Principles for isolating labour costs in price negotiations with suppliers.
Together with our senior sourcing and buying management, C&A is working on implementing a holistic internal action plan focused on improving our communication with suppliers to create additional trust and training our own employees on responsible buying practices, among many other areas of work. We have been working very hard during the last years in increasing transparency throughout the supply chain. This transparency is also associated with our ability to collaborate with our suppliers in the implementation of the Open Costing Sheets. With this approach, we are able to ensure that all labor costs are ringfenced and secured. This is the first step towards securing better wages for the garment workers. Currently around 70% our volumes are under open costing sheet methodology. In addition, we are committed to developing a monitoring process, together with other ACT brands, suppliers, and trade unions that will make it possible to measure improvements in our purchasing practices and report on progress.

Improving purchasing practices is not a project with a start and end date. We believe it is a continuous journey — one we have just started. If we want to have a long-lasting impact on suppliers and workers, engaging the whole industry on this journey is crucial. That is why we are proactively sharing our knowledge and experience buying responsibly with industry peers and initiatives such as the Dutch Covenant and German Partnership for Sustainable Textiles.

Case study
Towards living wages for workers

Achieving a living wage is a continuous improvement journey that is sustainable over time only if it takes place through a process owned by both worker and entrepreneur representatives. We aim to make sure there is full freedom of association so that suppliers and workers in our supply chain are knowledgeable and empowered to negotiate, sign, and implement collective agreements. When there is full respect of labour rights, workers feel empowered to negotiate their living wage and participate in ensuring gradual wage increases over time.

ACT is made up of 21 international brands and IndustriALL Global Union. Its members are bound by a common objective: to ensure living wages for garment and textile workers by promoting industry-wide collective bargaining agreements in the most important sourcing countries. C&A has been part of ACT, as a founding member, since its inception.

ACT members recognise that no sustainable solution is possible without close collaboration with manufacturers, employers’ organisations, trade unions, and governments in the garment producing countries. In a globalised economy, national solutions cannot be separated from the role of international supply chains. Together, we are focusing on three elements that can have a positive effect on outcomes at the factory level:

- Establishing programmes for industry-wide collective bargaining – which can lead to improved worker participation and voice to influence practices and conditions.
- Developing responsible purchasing practices for the garment and textile industry - which can lead to better planning and anticipation of the issues that may contribute to excessive working hours and unpaid wages.
- Actively engaging the countries’ governments in the conversations – to support advocacy
and national wage review processes.

Our approach

Collective bargaining at the industry level means that workers within a country can negotiate their wages under the same conditions, regardless of the factory where they work in, or the retailers and brands for which they produce. The ACT approach links collective bargaining with brands’ purchasing practices as the mechanism that provides the economic leeway for national bargaining partners to agree on continuous, substantial improvements in working conditions and wages. Therefore, C&A actively promotes the fundamental labour right of workers to bargain and negotiate collectively through their democratically elected labour unions.

We believe collective bargaining is the only viable approach to achieve living wages in the apparel industry in a sustainable manner. Collective agreements at the national level provide a level playing field for all employers and workers to agree on higher wages and better working conditions, instead of competing on those issues.

We are aware that brands’ purchasing practices and capacity planning are key for suppliers to plan their production cycles, avoid excessive working hours, and ensure on-time and accurate payment to workers. As the countries in Asia do not have a long history or experience with collective bargaining, we acknowledge that for a certain period of time, moving towards a living wage agreed through collective bargaining may carry the risk of an international competitive disadvantage. To address this challenge, the approach will be pursued in key sourcing countries simultaneously. Meanwhile, special supportive country commitments by C&A and other ACT brands for the first countries signing a collective bargaining agreement at industry level will mean that higher wages will not lead to international competitive disadvantages. We have a global supply chain and we believe it needs a global approach to transform the industry together with other peers.

Country work

C&A is working in Cambodia, Myanmar, Turkey, and Bangladesh alongside other ACT brands. These initial countries have been selected due to their sizable garment production, the considerable presence of ACT member brands, and the potential for trade unions to engage in collective bargaining at the industry level. Together, these countries make up 51% of our sourcing volume. Successfully working in these countries—along with the others where collective bargaining is already in place—will result in the vast majority of our supply base being covered by collective agreements.

Our progress in 2019 in four of the pilot countries was a stepping stone towards establishing an industry-wide collective bargaining mechanism. In 2019, we were key participants in the four ACT country missions in Cambodia, Myanmar, Turkey, and Bangladesh, where we joined other brands and IndustriALL to meet key local stakeholders (local unions, factory owners, and ministries) and drive positive change in the development of a long-lasting collective bargaining process.

In late November 2019, following eight months of negotiations, factories producing for ACT brands—a group that includes C&A—in Myanmar agreed on a Myanmar Freedom of Association (FoA) Guideline with IndustriALL affiliate Industrial Workers’ Federation of Myanmar. C&A engaged suppliers in this process and has made adherence to the FoA...
Guideline one of our zero tolerance criteria for all our suppliers in Myanmar. The FoA guideline covers the process for joint meetings between management and trade unions, dismissal procedure, collective bargaining mechanism and negotiation process, strikes, and other topics, designed to facilitate cooperation and solve workplace issues.

A lot remains to be done in this field. We are committed to engaging with all relevant stakeholders as well as working towards increasing the necessary buying leverage by inviting non-ACT brands to join our collective efforts to achieve our ultimate goal of improving living wages for workers in the apparel industry.

**Challenge 2: Building and fire safety**

**Building capacity on fire, building, and electrical safety**

It is a fundamental right of all workers to have a safe and healthy work environment. However, a lack of fire safety precautions in apparel production units has claimed the lives of thousands of people in Bangladesh.

Our [Supplier Code of Conduct](#) includes robust requirements for building construction, fire protection, and emergency preparedness. We have learned a lot from our work with the Bangladesh Accord on Fire and Building Safety, and have maintained leading brand status in remediation of fire and building safety issues in Bangladesh. We have rigorous requirements of all our factories and in all sourcing countries globally, and when appropriate, provide additional resources and training to improve safety.

**Challenges**

*Significant gaps in education and expertise*

Fire and building safety are complex topics, with engineering and technical aspects that are often beyond the internal knowledge of an apparel factory. To assess these issues at the factory level, advanced vocational training and/or engineering degrees are required. In many of the sourcing countries, there is a lack of a competent talent pool to support the identification and remediation plan development, requiring costly consultant support.

In addition, fire and building safety requires robust processes from the local government that ensures adherence to the national building, fire and electrical legislations. Bringing many of our suppliers up to standard has required partnership, leading to significant actions at the factory level such as educating and upskilling the workforce and refitting locations with fire-resistant features. Often, these upgrades are costly or require
significant time and resources to achieve.

**How we’re responding**

**Supporting our suppliers**

Normalising a high standard of fire safety requires significant effort from us and our suppliers. We work closely with them to understand the implications of new requirements and support them as they implement improvements. With our input, factories can access the necessary skills and tools to implement fire, building and electrical safety programmes and management systems. We also assess their capability to implement the changes from a capital or resource standpoint.

**Auditing**

Our Supplier Code of Conduct was updated in 2015 to include additional extensive requirements for fire and building safety throughout our supply chain. During 2017 and early 2018, we worked with a consultancy to review our fire and building safety requirements again, ensuring compliance with local legislation and industry standards. We inspect all of our factories and require them to have legal documentation in place for each of their buildings, including dormitories, canteens and warehouses. Legal documentation is checked, and buildings undergo regular safety inspections to ensure improvements are implemented according to local legislation. Since this is an ongoing task, we will continue to adjust processes and requirements to ensure all production units are operating as safe working places.

**Legal documentation**

C&A suppliers are required to maintain adequate insurance that covers workers for any injuries, accidents, or death. This applies to all work done on site and should also, when stipulated by law, include contractors and temporary and part-time workers.

**Case study**

**Improving building and fire safety in Bangladesh**

It has been seven years since the Rana Plaza collapse in Bangladesh, in which more than 1,100 garment workers lost their lives.

The Accord on Fire and Building Safety in Bangladesh helps ensure that no worker needs to fear fire, building collapses or other accidents that can be prevented with reasonable health and safety measures.

The Accord is a legally-binding agreement between global brands and retailers and **IndustriALL Global Union** and **UNI Global Union** and eight of their Bangladeshi affiliated unions to work towards a safe and healthy garment and textile industry in Bangladesh.

This agreement was signed in the immediate aftermath to the Rana Plaza building collapse on 24 April 2013, which killed 1,133 workers and critically injured thousands more. Over 220 companies signed the five-year Accord, and by May 2018, the work of the Accord had
contributed to significantly safer workplaces for millions of Bangladeshi garment workers. To maintain and expand the progress achieved under the 2013 Accord, over 190 brands and retailers have signed the 2018 Transition Accord with the global unions, a renewed agreement which entered into effect on 1 June 2018. Moving into 2020, the Transition Accord will cease and the responsibility will be transferred to the Bangladesh government for further implementation.

Read more on the Accord website

Read more about the Transition Bangladesh Accord

Read more on the Accord website

Challenge 3: Freedom of association

Enabling worker organisation and collective bargaining

Freedom of association and collective bargaining is fundamental to improving labour conditions across the apparel supply chain and in our sourcing countries. Freedom of association remains an important focus of our strategy to amplify workers’ voices, encourage a dialogue with management, and advance the overall performance of our suppliers’ factories.

One of the backbones of our approach is promote freedom of association and collective bargaining throughout our supply chain. Hence, in all our audits we incorporate an individual interview with the union representative at factory level. Therefore, in case the factory has a freely elected union representative our team will be able to incorporate the view of the union representative in the audit result.

Challenges

Overcoming legal restrictions

Some countries restrict collective bargaining by law. In these cases, we expect our suppliers to help workers establish alternative forms of worker representation and negotiation. We also expect our suppliers to establish, implement and communicate a grievance mechanism that is accessible, predictable, equitable, transparent, rights-compatible, confidential and based on engagement and dialogue to resolve internal disputes and employee complaints. Freedom of association is tested as part of our auditing process and violations are considered a severe non-compliance with our Supplier Code of Conduct. It is also a key aspect of our Fairness Channel and WeChat (in China
only) compliance hotlines, implemented with the support of Ethicspoint incident management software.

Incidents

In 2019 we detected 18 cases where freedom of association was not respected in our supply chain. Of these cases, 11 were found in Myanmar, 3 in Turkey, and one each in Cambodia, Bangladesh, Mexico, and Brazil. In all countries where freedom of association cases have been detected, we have staff whose task it is to develop suppliers and production units working for C&A. We have thus been able to address each of the issues individually, working together with suppliers, production units, respective units, and government representatives to resolve the cases. All 18 cases were resolved to the mutual satisfaction of workers, management, and labour unions.

How we’re responding

Fair resolution

When freedom of association issues are discovered through auditing, union allegations, strikes or via our Fairness Channel compliance hotlines, we take decisive action to work together with the proper groups to resolve the issue, ensure the fair treatment of workers and implement the necessary safeguards to avoid being repeated in the future. Where necessary, we will support the reinstatement of workers dismissed unfairly and ask for compensation or support.

Read more about our values and Fairness Channels

Case study

Combating child labour in embroidered garment supply chains

Over the past several years, C&A together with C&A Foundation — and now Laudes Foundation — continued our journey to eradicate human and labour rights abuse in the embroidered garment supply chain. Hand-embroidered items are one of India’s main contributions to the global apparel market.

Workers are often in home settings, making it difficult to monitor their working conditions. Home working is allowed in our supply chain only if suppliers follow C&A Guidelines for the Use of Home Workers, which is adapted from the Ethical Trading Initiative (ETI) guidelines.

The non-governmental organisation GoodWeave envisions a world where all children are sent to school and not to work, and in which adults have rights, dignity and opportunities in the workplace. It has been extremely effective: child labour in South Asia’s carpet industry has declined by an estimated 80% since its work in the region began. The effectiveness of this work is based on the successful implementation of a traceability system, monitoring standard and improved social infrastructure in home working communities.

In 2016, C&A Foundation[^1] commissioned a two-year pilot project with GoodWeave in Uttar
Pradesh, India. The goal was to find an approach for the apparel industry that will be as successful as the carpet industry model, providing educational support to those too young to be working and ensuring all adults are working in safe and fair conditions. Phase two of this partnership is now reaching 20,000 workers and 6,500 children within and beyond C&A supply chains.

Child Friendly Community (CFC) programmes, which ensure children are enrolled in schools, are now established in six project communities in India: Tilbegampur, Kanwara, Jaee, Bissa, Salai, and Nangla. Where this is not possible, children are enrolled into informal bridging schools known as Motivation and Learning Centres (MLCs) to help them reach the standard they need to enroll in private or government schools.

The pilot shed light on the economic hardships faced by home workers and how accessibility to our full supply chains remains a key challenge. Suppliers are more engaged and the mapping is more successful when several brands push for participation and transparency together – a similar finding to GoodWeave’s work with the carpet industry. GoodWeave has invited additional apparel producers and NGOs to engage and is currently in discussion with several other brands.

[1] In January 2020, C&A Foundation became part of Laudes Foundation. This work in particular was started by C&A Foundation and continues today under Laudes Foundation.

**Championing worker representation**

Our [Supplier Code of Conduct](#) requires our suppliers to adopt an open and collaborative attitude towards worker representation, allow workers to form or join trade unions of their own choosing, and to bargain collectively.

In addition, we are participating in the ACT Initiative, which plays a key role in assuring living wages in the supplier countries through the creation of national industry-wide collective bargaining processes with freedom of association as a main cornerstone.

Read more about our involvement in the ACT Initiative

**Empowering workers**

When workers and management communicate well, they are more likely to collectively support a healthy work environment. Workers need to know their rights and responsibilities and have channels through which they can raise concerns. C&A is committed to helping our suppliers provide workers with safe and effective ways to raise concerns and grievances. During the last decade, our compliance hotlines have helped us identify issues that arise in our offices, stores, or supply chain. We aim to support fairness and transparency in how we work with our employees, suppliers, and their workers.

Read more about how we empower workers

Learn more about our values

**Supporting freedom of association**

Recent years have seen unrest in the Cambodian garment industry. Protesters have taken
to the streets, clashing with security forces and union leaders have been dismissed as they planned to organise strikes. Unions have repeatedly described repression of workers’ rights by company management and anti-union crackdowns. Engaging with suppliers on freedom of association and collective bargaining is a high priority for us.

Through the Ethical Trade Initiative (ETI), we have engaged with other brands to voice our concerns directly to the Government. Together, we were clear that stability, predictability, and the rule of law are needed for further growth of the garment sector in the region. In particular, we want to see Cambodian laws respecting the ILO Core Conventions.

We continue our active engagement with the Government of Cambodia, suppliers, and key stakeholders to raise our concerns about labour and human rights. To date, we have participated in three consultations with unions, suppliers, and the government in Cambodia.

During the round tables, we emphasised that C&A aims to work only with production units that fully comply with our Supplier Code of Conduct. We encourage suppliers to enable open communication to solve disputes amicably and are willing to support them with technical knowledge if they have difficulties resolving a dispute.

Due to the rigour of these round table discussions, we have already seen changes start to happen in the region, including the following outcomes:

- Improved supplier knowledge of local legislation
- Increased understanding of the role of trade unions
- Improved means to address conflicts between management and worker representatives

Challenge 4: Undisclosed production

Preventing undisclosed production

Undisclosed production is when a production unit that has not been previously approved for production is discovered. Although it is not often detected, it constitutes a serious violation because we cannot verify that the factory is in alignment with our Supplier Code of Conduct and our environmental and social requirements. We require that each new production unit is audited and meets the requirements of our Supplier Code of Conduct before orders are placed.

Challenges

The detection of undisclosed production requires ongoing vigilance due to the complexity
of the global supply chain. It's one of the reasons that we disclose a list of our tier-1 and tier-2 suppliers' factories every year. By being transparent on where our products are produced, we can create accountability for ourselves and our suppliers when undisclosed production is used.

In 2019, we detected 36 incidents of undisclosed production in our supply chain. We consider these violations to be serious, and three of those cases led to the suspension of C&A’s business relationship with the supplier. In all cases, a thorough investigation was conducted, and corrective action plans put in place with the supplier and our internal teams.

Read more on how we rate our suppliers and our commitment to transparency

See our suppliers' list

How we're responding

Clear expectations and serious consequences

If undisclosed production is identified, the Sustainable Supply Chain (SSC) and Sourcing and Quality teams assess the situation and the production unit. Because the circumstances behind the cases are sometimes complex, the teams thoroughly investigate the situation and intentions, and utilise a systematic process to determine the consequences.

Three-strike process

We continue to operate under a three-strike policy to mitigate the risk of undisclosed production units such as home working. Additionally, if a zero-tolerance item is found on inspection, a supplier can be suspended for 12 months or terminated, depending on the results of the investigation. If undisclosed production is detected and the factory meets the other requirements of our Supplier Code of Conduct and quality standards, the supplier will receive a warning on the first instance, leading to suspension for 12 months or termination after the third instance. In all cases, if a zero-tolerance finding is detected at the undisclosed production unit, the supplier will be suspended for 12 months.

To foster accountability and understanding of our requirements around undisclosed subcontracting, we informed our entire supply base and have regular interactions on the subject during our audit process.

Supplier and worker engagement

Working together to build a better supply chain

Although we have a rigorous auditing process and maintain a zero-tolerance approach to serious issues at our suppliers’ production units, more needs to be done to normalise good practice across the entire industry. That's why we are moving beyond auditing and compliance. To achieve our vision of safe and fair workplaces for all, we must employ a
two-pronged approach: building our suppliers’ capacity to assess and strengthen their performance, and empowering their workers to act.

In many places, workers are simply not used to being able to influence decision-making. The right to freedom of association or acknowledgement of workers’ rights can be unheard of. We are changing that through supporting fair contracts and social dialogue.

**Supplier Ownership Programme**

Each supplier faces their own unique set of challenges, so a one-size-fits-all approach will not work. Instead, we must partner with our suppliers to enable ownership of the issues and challenges they face in this area.

We launched a Supplier Ownership Programme (SOP) with 14 key suppliers in 2015 and expanded it to 24 in 2016. As of early 2019, the participating suppliers and production units covered more than 67,500 workers, an increase over 2017. Among others, one of the objective of the SOP is to incentivize suppliers by substantially reducing the number of audits that their factories will receive. Having a real partnership with trusted suppliers supports their ability to better manage their day to day activities and, in constant dialogue with their workers, find the solutions that meet their needs. The managers involved in the programme report into senior factory management and lead the social and environmental compliance or sustainability programmes in the factories. We have shown that the programme is scalable and will continue with the certification of currently enrolled suppliers.

The programme contains seven key interactive modules – from an overview on management systems to worker communication and the environment. Each module includes a one- or two-day workshop, home assignments, and joint on-site visits by the C&A Development Officer and the responsible supplier representative.

As of 2019, a total of 37 production units are in the programme, a significant increase over 25 in 2018. Of the 37 total, 22 are already certified, with certifications validated by the C&A Sustainable Supply Chain (SSC) team and Elevate, a third-party auditing company. This means that we trust the supplier to have the necessary social compliance management systems at a corporate level, and that the factories themselves have established management systems.
Our experience so far shows a number of essential factors required for a successful programme:

- Top management commitment and mindset
- Commitment from the factory manager to work cross-functionally
- Competent compliance managers reporting directly to top management
- Compliance managers with time and resources dedicated to the project
- Suppliers and production units with at least two people skilled in the Supplier Ownership Programme
- Aligned targets between compliance and production teams

**Supplier Ownership Programme module topics and engagement approach**

**Where next?**

**Extending the Supplier Ownership Programme and collaborating on capacity building**

We will continue to build capacity amongst our suppliers, while ensuring workers are aware of their rights and responsibilities, and that their freedom of association is respected. We will work with the top 15 international brands to align our capacity building programmes into one holistic approach that can be used across multiple countries.

**Protecting the most vulnerable**
Safeguarding human rights

Our large supply chain touches the lives of many people and every one of those people has the right to work in safe and fair conditions. We actively seek out issues that may take advantage of a worker’s dignity or human rights, and take a zero-tolerance approach when we find them. Thankfully, as our supply chain becomes more sophisticated and we increase our partnership with suppliers, we find fewer and fewer cases each year.

Eradicating underage labour

No workers under the age of 16

In 2015, we raised the required minimum age of workers in our supply chain to follow the recommendations in the ETI Base Code and in line with ILO standards. All workers must be at least 16 years to be present or work in a supplier’s production area. If young workers (aged 16 to 18) are hired, suppliers must comply with all relevant legal requirements, including work hour restrictions, hazardous work restrictions and health checks.

Supporting victims of underage labour

If underage labour is identified in our supply chain, the child is removed from the factory immediately. To discourage them from seeking a job elsewhere, monthly payments equal to the minimum wage, funded by the supplier, are disbursed until they reach the legal minimum working age. At this point, the individual should be given the opportunity to be re-employed.

We also require that the supplier provides families with compensation for health screening, transportation funds, and accommodation for a child’s relatives to return them to the home. If the child is willing to attend lessons, the supplier must pay their school fees until the child meets the legal minimum working age.

Incidents

Five cases were identified in 2019-20 where production units were considered to have significant risk for incidents of child labour. As per C&A’s remediation policy, contracts have been signed between C&A’s nominated organisation and the suppliers to guarantee children’s educations and minimum wage payment until the age of 16. All five cases were identified in unauthorised subcontracted facilities. C&A collaborates with different nominated social organisations, depending on country and topic, to deliver improvements.
that benefit workers, families, and children, such as when the risk of underage workers is identified in production units.

Who we work with

We partner with local NGOs like the Centre for Child-Rights and Corporate Social Responsibility (CCR CSR) in China and South East Asia, Sheva in Bangladesh, Çagdas Yasami Destekleme Dernegi (the Association for the Support of Contemporary Living) in Turkey, and Save the Children in Mexico, to ensure that underage workers are supported and that we follow through the process of remediation. In other production countries, we are seeking NGOs that can better support the needs of children and follow the remediation process. In the meantime, our local teams take the responsibility to ensure that the remediation process is fulfilled.

Modern day slavery

Hidden out of sight and often out of reach, an estimated 45.8 million people are trapped in situations of modern day slavery across various industries [SOURCE: Global Slavery Index].

Forced labour thrives in areas where there is high social and economic inequality, opaque business practices, weak rule of law, and high demand for cheap labour. To put an end to this, we work with Laudes Foundation to challenge deep-seated cultural and social norms and improve transparency within our supply chain.

Eradicating forced, bonded or compulsory labour

Safe and fair labour practices mean that people must be free to make their own choices. Workers must be entitled to freedom of employment and movement. Work must be voluntary and all forms of bonded, indentured or prison labour are prohibited. Suppliers and labour brokers must not restrict the freedom of employment of workers and workers should be free to refuse to perform certain hazardous tasks. Our Supplier Code of Conduct lays out our full list of requirements.

If any form of bonded, indentured or prison labour is identified in our supply chain, we terminate our relationship with the production unit immediately and the supplier is disciplined. By taking such a tough stance, we hope to educate suppliers and improve conditions for workers. There were no cases identified in 2019 with production units considered to have significant risk for incidents of forced or compulsory labour.

In late 2017, C&A was awarded the prestigious Stop Slavery Award by Thomson Reuters Foundation in recognition of our best-in-class demonstration of integrity and innovation in detecting, preventing, and remediating forced labour in our supply chain.
Case study

Taking steps to abolish Sumangali in India

Sumangali is a form of bonded labour practiced in some spinning mills in southern India. The practice violates international labour standards and the human rights of women. Women are given three-year contracts, often in unacceptable working and living conditions, with the promise of a bulk payment that will cover their dowry to get married. However, their wages are often held back, if they receive them at all, and they are not allowed to leave or return to their homes.

We first became aware of this illegal system in 2007. Since then, we have been working to eradicate it from our supply chain, regularly inspecting our direct suppliers – with an emphasis on spinning mills – to ensure that the bonded labour practices and curfews are discontinued.

In 2018 and 2019, we continued our engagement in the second phase (2018-2022) of the Tamil Nadu multi-stakeholder initiative’s Nalam Programme, a learning programme created by ETI to educate young female workers about their rights and responsibilities within mills. We constantly work towards assessing and verifying more vertically integrated spinning mills in our supply chain, and aim to involve all of the newly-approved mills in the second phase of the programme.

These efforts by the Nalam Programme to educate women workers on their workplace rights and health and safety issues have already reached nearly 21,000 women in spinning mills and garment factories. In addition, over 360 supervisory staff—the direct link between management and the workforce—participated in 2-day residential training programmes during 2018 to make sure they understand and implement the requirements for acceptable work hours, overtime, communication with workers, and other workplace concerns.

Beyond this programme, in 2018 C&A joined the newly launched ETI South India Ethical Trade Platform. The purpose of the platform is to support brands, manufacturers, and trade unions in adhering to global standards and to work together towards improving working conditions in the Indian supply chain. The work of the platform is performed
alongside local stakeholders and government to build awareness of and capacity in business and human rights.

To further support the eradication of Sumangali, C&A Foundation — and now Laudes Foundation — has been working for several years to address the root causes of the issue, as well as working to prevent vulnerable girls and young women from entering the system in the first place. It began with three-year project run by Terre des Hommes and in 2015, C&A Foundation[1] made a €2.4 million grant to the Freedom Fund, the world’s first private donor fund dedicated to ending modern slavery. Since then, €6.4 million has been awarded to the Freedom Fund to combat forced and child labour and to strengthen protections at the state and national levels.

[1] In January 2020, C&A Foundation became part of Laudes Foundation.

**Efforts supporting the end of forced labour in South India**

Together with four other brands and the OECD, we are working on prevention and mitigation of the harmful impacts of forced labour, with a focus on the spinning mill industry in South India. The OECD is supporting this initiative and providing technical assistance as part of its sector work on due diligence and responsible business conduct within the garment and footwear sector.

In February 2019 at the OECD Garment Forum in Paris, C&A, together with industry peers, the Confederation of Indian Industry (CII), and the OECD, launched a partnership — initially formed in 2018 — to support a sector-wide approach to due diligence for responsible business conduct within the Indian garment and textile sector. Successful transformation of the sector requires a sector-wide approach that is tailored to the operating context and drives partnership with local industry at scale. In order to advance the work of the platform, C&A is also part of a subcommittee (steering group) with representatives from the Indian Industry, global brands, CII, and OECD secretariats.

**Raising awareness within the Indian manufacturing sector, including spinning mills**

In addition, the parties to the partnership held two roundtables to increase awareness about the OECD due diligence process, share information from global brands about drivers for due diligence requirements, and hear from Indian garment and textile manufacturers on the challenges they face in carrying out due diligence in their supply chains:

1. CII-OECD Roundtable in New Delhi with C&A and global apparel brands, as well as 40 Indian textile business representatives.
2. CII-OECD South India Roundtable in Coimbatore, Tamil Nadu, with C&A and global apparel brands, as well as 40 South Indian manufacturers, including representatives from the South Indian spinning mills sector.

This engagement continued with additional platform activities in 2019, including the OECD baseline assessment, which established a common understanding of key due diligence risks in the Indian garment and textile supply chain.

**Responding to the global refugee crisis**
Europe has experienced one of the most significant influxes of migrants and refugees in its history. Civil war and terror in the Middle East and Africa has led to migration where refugees seek a better life, risking their lives along the way. Among the forces driving people to make the dangerous journey were the conflicts in South and Central America, Syria, Afghanistan, Myanmar and South Sudan. According to UNHCR, the majority – some 57% – of the total 68.5 million refugees worldwide had migrated from just those three countries [SOURCE: UNHCR and UNHCR Global Trends Report 2017].

We participated in a workshop convened by the Centre for Global Development and the Tent Partnership for Refugees along with NGO, business, and multilateral leaders and experts. The purpose was to analyse the barriers preventing refugees from finding jobs and to develop a blueprint for facilitating greater business engagement in policy dialogue that increases refugee access to the formal labour market. Providing greater formal labour market access would unlock significant benefits for refugees, hosts, and businesses. We have continued our engagement with the Centre for Global Development, among other knowledge partners, to craft our support to refugees for greater impact.

**Supporting migrant workers and refugees**

We have updated our migrant labour guideline based on recommendations from the Ethical Trading Initiative (ETI). We believe that protecting labour rights and promoting safe and secure working environments for all workers, including migrant workers, is important to safeguard their dignity and rights. We acknowledge that monitoring and improving employment practices and working conditions for migrant workers can be challenging. C&A’s updated guideline outlines the responsibility of our suppliers and their production units to meet fundamental principles for the employment of migrant workers as outlined in the ILO Conventions and comply with local labour laws and our Code of Conduct.

In general, our approach to the refugee crisis is exemplified in how we have been supporting Syrian refugees in Turkey. Turkey hosts an estimated 3.6 million refugees from Syria [SOURCE: World Vision]. The country’s workers routinely suffer from low wages, weak enforcement of labour standards, informal and unregulated working arrangements, gender violence, and challenges to the right to freedom of association, making working conditions hard. This is all exacerbated by the Syrian refugee crisis.

Our teams on the ground have been actively participating in key initiatives in order to provide better solutions and safeguards for the Syrian refugee workforce in the garment industry, together with ETI and the Fair Labour Association (FLA).

Protection of these vulnerable workers and their right to work is paramount. C&A was one of the very first brands to ask the government of Turkey for a process that would enable refugees to receive legal permission to work, a process which was finally enacted in January 2016. We have also developed a booklet in collaboration with FLA, that helps refugees understand how to apply for a job in Turkey and what to expect in terms of workers’ rights and how to defend them.

Even though we have observed no illegal refugees in our Turkish supply chain, we have continued our unannounced audit protocol for every production unit in order to ensure that no workers are abused. In 2019 and beyond, we will continue to support Syrian refugees in Turkey, taking part in initiatives to help recruitment, raise awareness and support social integration.
In addition, C&A remains deeply concerned by the ongoing persecution against the Rohingya people in Myanmar and we strongly condemn the human rights violations that have been reported. Since 2017, more than 900,000 Rohingya have fled Myanmar across the border into Bangladesh, in a tragic refugee crisis. According to UNICEF, over half of the refugees are children and highly vulnerable. C&A and C&A Foundation continue working together to support the protection of these vulnerable people. Throughout 2018 and 2019, C&A Foundation\[1\] continued to support the protection of these vulnerable people.

Read about our support of refugees from Myanmar

\[1\] In January 2020, C&A Foundation became a part of Laudes Foundation.

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Clean environment

Taking a science based approach

2019 marked an important milestone for C&A. While we have been focused on reducing our impact on climate change for many years through sustainable sourcing and factory engagement, our science-based targets for climate change have now been approved by the Science Based Targets Initiative.

Along with our strong focus on water, chemicals, and waste, we have also been working hard on modelling and validating our science-based targets through a combination of process life cycle assessment (LCA) and hybrid modelling of the entire C&A value chain. Our GHG reduction targets are now science-based and are in alignment with the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

We therefore will:
Reduce our absolute GHG emissions by 30% for offices, distribution centres, and retail stores by 2030.
Reduce our absolute GHG emissions by 30% in the value chain by 2030.
Aspire to use 100% renewable energy by 2025 in our offices, distribution centres, and retail stores.

As we progress on this journey, we will take a look at science-based approaches for other areas, such as water and biodiversity, to ensure our approach supports the balance of the Earth’s ecosystems.

**Our 2019 actions**

Launched a hazard-based chemical assessment project across key fabric mills and laundries, and conducted a project to understand the provenance of chemicals.

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 ZDHC commitment.

Improved our hybrid LCA methodology to better understand our carbon and water footprints and the impact of our actions in these areas.

Developed science-based climate targets, which were approved.

**Our 2019 performance**

We believe that our focus areas should be based on scientifically sound data and analysis. In 2019 we completed our fifth C&A-specific, cradle-to-grave hybrid life cycle assessment (LCA) to better understand our carbon and water footprints and our impacts on climate change and water risk. We’re also working hard to build and test robust assessment tools for chemicals and environmental management that drive consistent change toward zero discharge of hazardous chemicals and reduced environmental impacts across the industry. Finally, we continue to strengthen our efforts by setting new global goals to reduce water use in the production of raw materials, striving to cut waste and water use in our own operations, and providing in-store recycling solutions for our customers.
Climate change

Material processing, which is dominated by textile production, is the largest source of emissions in our supply chain, representing about 45% of total emissions. During 2019, supply chain emissions were reduced by 4.3% over 2018. We reduced our global emissions intensity by 29% since our 2012 baseline, achieving and surpassing our goal of a 20% reduction in C&A stores, distribution centres, and offices.

Water reduction

The hybrid LCA assessed our water footprint across our value chain, demonstrating that the largest water consumption phase is the production of raw materials (64%), followed by intermediate textile goods (29%). Together, they make up 93% of our total combined blue, grey, and green water footprint. In 2019, our sourcing of organic and Better Cotton, as well as sustainable cellulosic fibres, significantly reduced our water footprint, with blue water reduced by 54%, green water by 35%, and grey water by 43% in one year.

Our 2019 water footprint decreased by 2.9% compared to 2018. This includes a 2.5% decrease in blue water consumption, a 5% decrease in green water consumption, and a 2.6% decrease in grey water consumption.

To make further reductions, in 2017 we committed to new global 2025 goals to reduce water in the production of our raw materials by 30% (compared to 2016), and to further reduce the water we use in stores, distribution centres, and offices by 10% (compared to 2012). In 2019, we made significant achievements. For instance, we reduced the volume of water used in our supply chain by 5.3 percentage points over 2018, through more sustainable agriculture and apparel production in our supply chain. We also reduced our water use in stores, distribution centres, and offices by 33% over our 2012 baseline, greatly surpassing our goal of 10%.

Towards zero waste

In 2017, C&A committed to sending zero waste to landfill from C&A stores, distribution centres, and head offices by 2025. With products such as our Gold level Cradle to Cradle Certified™ collection developed in 2017 and expanded in 2018, as well as our Platinum level Cradle to Cradle Certified™ denim fabric in 2019, we’re closer to our goal of circular fashion. We recognise that zero waste is an ambitious and difficult aspiration. At the same time, we are committed to building the foundation for minimising waste production — and helping our customers do the same — so that we can eventually meet our goal. However, the volume of waste sent to landfill in 2019 remained virtually unchanged from 2018, indicating that we have more work to do if we are to progress towards zero waste. We are evaluating our lack of progress in this area with a view to developing new goals and approaches.

Advancing Sustainable Chemicals Management

Our SCM programme began with 50 fabric mills in 2016, and grew to 350 production units globally in 2019. During the year, we advanced our focus from expanding coverage to driving positive impacts in input, process, and output management, with special emphasis in 2019 on input chemistry to identify and drive adoption of safer chemicals. In 2019, we revised our SCM Minimum Performance standard as we moved from our previous chemical audit approach to the industry-accepted Higg Index FEM.
Who we’re working with

Zero Discharge of Hazardous Chemicals, Sustainable Apparel Coalition, Laudes Foundation, World Resources Institute, Aligned Incentives, IPE, Greenpeace, China National Textile and Apparel Council (CNTAC), Fashion for Good, Solidaridad, Partnership for Sustainable Textiles, Dutch Covenant for Sustainable Apparel and Textile

Chemicals

Accelerating our Sustainable Chemicals Management programme

When it comes to managing sustainable chemicals, we apply the ‘clean factory’ approach, encouraging the elimination of hazardous chemicals across production for all brands, not just C&A’s production. Since we first began our Sustainable Chemicals Management (SCM) programme, it has expanded to include hundreds of production units in our supply chain, from fabric mills to printers. Now we are working with them to achieve lasting positive impacts in identifying and adopting safer chemicals, improving on-site chemical management systems, and eliminating hazardous chemicals from wastewater. Among other activities, this work includes communicating our SCM Minimum Performance Standard and Rating System to our supply chain and regularly enhancing the standard, such as to increase the amount of certified safe chemistry used by our suppliers.

Our 2019 actions

Full deployment of a chemical transparency tool that identifies which products our supply chain is using, who is manufacturing them, in what quantities they are being used, and if
they are certified as safer chemistry.

Adoption of the Higg Index Facility Environmental Module (FEM) that drives an industry standardised tool to assess environmental and chemical performance in our supply chain and work with industry partners to create effective remediation.

Developed science-based climate targets, which have been approved.

**Our Performance 2019**

**Progressing towards zero discharge of hazardous chemicals**

Chemicals surround us in our daily life. Not surprisingly, they are also an integral component in making and washing garments – from helping grow raw materials like cotton, to processes like dyeing or as key ingredients in the laundry products our customers use.

At C&A, we want to make sure chemicals used in making C&A products are safe for people and the planet so we founded, alongside five leading brands, the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation. Today, together with 30 other Signatory Brands, C&A is implementing ZDHC’s Roadmap to Zero framework, where we apply the ‘clean factory’ approach, encouraging the elimination of hazardous chemicals across production for all brands, not just C&A’s production.

Each year we demonstrate our public commitment to the communities where our apparel is produced - and to Greenpeace - by reporting our progress in this detailed report. Along with a full explanation of our chemicals management approach and the progress we make, we also present the challenges we face. Year-on-year performance data is also available on the chemical audits and regular wastewater testing we carry out as part of our SCM programme.

**Our approaches to controlling hazardous chemicals**
Our approach to Sustainable Chemicals Management

C&A’s holistic approach to chemical management revolves around three areas: input, process, and output management.

Our holistic approach to chemical management

We recognise that our vision of a supply chain with zero discharge of hazardous chemicals cannot be achieved alone. Only with industry efforts, including brands, NGOs, academics, chemical suppliers, and manufacturers, can we drive permanent change. Within each of the above three areas, C&A has focused on developing industry standards, tools, and methodologies, such as our efforts in developing the Sustainable Apparel Coalition’s Higg 3.0 Facility Environmental Module (FEM), the ZDHC Manufacturing Restricted Substances List (MRSL), and the ZDHC Wastewater Guidelines.
We have also created a Minimum Performance Standard as a tool to communicate our expectations in chemical management to our supply chain. All of our facilities under the SCM programme are provided with a rating that encourages them to meet or conduct remediation to ensure the expectations are adhered to. The Standard is updated annually to drive continuous improvement towards ZDHC. And since 2015, all our facilities have been required to disclose their wastewater test reports on the Institute of Environmental Affairs (IPE) website, and required to disclose on the ZDHC Gateway since its beginning.

C&A engages with industry stakeholders such as the Institute of Public and Environmental Affairs (IPE). As part of this engagement, C&A regularly screens our supply chain for environmental violations listed on the IPE website and works jointly to drive remediation across our supply chain in China. This screening extends beyond C&A’s direct suppliers to also cover upstream and downstream suppliers such as chemical formulators, waste disposal operators, and off-site effluent treatment plants. As part of these efforts, C&A has joined the IPE Blue EcoChain tool, which provides automatic notifications to C&A should an environmental violation be detected in the supply chain. This allows C&A to provide an immediate response and work quickly with the facility to remediate the issue.

**Input management**

Input management is the cornerstone of the SCM programme. The objective of input management is simple: for C&A suppliers to procure chemicals that meet ZDHC requirements. In practice, this means screening and testing chemical products against the requirements of the ZDHC Manufacturing Restricted Substances List (MRSL) and registering the results on the ZDHC Gateway. The Gateway acts as a global database for safer chemistry for C&A suppliers and the industry at large.

To support the identification of safer chemistry, C&A implements a hazard-based Screened Chemistry Programme with several other brands to identify best-in-class and better alternative chemicals. Together, along with the ZDHC Gateway, we provide our suppliers with information on safer chemicals so they can make informed decisions when procuring chemicals.

We are also working globally to engage with key chemical suppliers and formulators to increase the awareness of ZDHC and its requirements, with the aim of increasing knowledge of safer chemistry and driving research and innovation to find suitable alternatives.

**Our approach to chemical input management**
Process management

Process management is key to ensuring each of our supply chain partners has the necessary personnel, management systems, tools, and expertise to reach ZDHC requirements. In 2015 we developed the SCM Audit where we sent in technical experts to each of our wet production units to assess their current level of performance and create a joint action plan to drive continuous improvement.

In 2019, our auditing approach was replaced with the Higg Index Facility Environmental Module (FEM) 3.0. This assessment builds upon the core aspect of wastewater, chemicals, and environmental management systems we have been addressing since 2015, by expanding into energy, air emissions, water, and environmental permits. To ensure a robust and comprehensive assessment, each production unit is required to conduct third party verification of their assessment at least every two years.

Output management
C&A is committed to report publicly on its progress towards ZDHC. We conduct regular wastewater testing at our production units against the ZDHC Wastewater Guidelines to validate the elimination of hazardous chemicals. By testing raw wastewater for chemicals listed on the ZDHC MRSL, we validate the elimination of hazardous chemicals at individual facilities. If a detection is found, a phase-out plan is created with the production unit to replace the chemical with a safer alternative within the shortest possible timeline.

Additionally, all C&A suppliers communicate their wastewater testing results publicly on the IPE website as well as the ZDHC Gateway. This ensures all relevant stakeholders have access to the progress we are making year-on-year.

Safe products are also an output of a holistic and effective chemical management system. Read our approach to Product Quality and Safety here. In addition, C&A continues to work with ZDHC to create a comprehensive framework for the monitoring of air emissions — going beyond the legal limits C&A currently monitors — with the intent to start implementation in 2021.

**Capacity building**

We train our suppliers to understand why chemical management matters and what it involves, and to develop the infrastructure they need to reduce their impact. This capacity building covers many different areas, but includes training about which chemicals to use, how to select better alternatives, and how to safely manage chemicals in their operations.

On-the-ground experts conduct frequent site visits to provide any support required and to assess remediation progress and timelines as part of our corrective action plan (CAP) process. C&A also hosts regular meetings at an operational level in our local offices to discuss common issues in the supply chain and develop solutions, and also at a top management and owner level to raise awareness of our requirements.

**Working together towards zero discharge of hazardous chemicals**

The SCM programme was built on a foundation of collaboration. From the very beginning, we realised that no brand can achieve zero discharge of hazardous chemicals alone. To that end, we were a founding member of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation, established in 2012 with the goal of eliminating the use of priority chemicals by:

- Developing and updating the Manufacturing Restricted Substances List (MRSL) and accompanying guidance on conformity.
- Identifying safer alternatives for chemicals that are included on the MRSL.
- Developing a robust chemical assessment process.
- Monitoring the quality of wastewater from production units and reporting publicly on results.
- Working towards full transparency of chemical discharge in our supply chain.
- Empowering our suppliers to move towards zero discharge of hazardous chemicals through capacity building and training.
By using our global size and scale to deliver results in these six areas, our company is going beyond compliance. Ultimately, we are seeking to normalise good practice at C&A suppliers’ factories and across the rest of the industry.

C&A engages with industry stakeholders such as IPE. As part of this engagement, C&A regularly screens our supply chain for environmental violations listed on the IPE website and works jointly to drive remediation across our supply chain in China.

**Working with partners to drive improvement**

Laudes Foundation\(^1\) has been working extensively with ZDHC to accelerate, further scale, and drive impact on eliminating the use of hazardous chemicals across global apparel and footwear supply chains.

Continuing the previous ZDHC support provided, Laudes Foundation\(^2\) had several grants with ZDHC in 2019:

- **Five-year strategic growth plan.** This plan is enabling ZDHC to prioritise actions and document important milestones, supporting its vision of ‘widespread implementation of sustainable chemistry and best practices in the textile, leather and footwear industries to protect consumers, workers, and the environment’. The Foundation also provided a grant to accelerate plan implementation. This includes demonstrating the enabling role of chemistry, strengthening ZDHC organisational capacity, deepening support in target regions/countries, and promoting continuous improvement in the industry.

  Other grants support the development and application of two important tools that have been adopted by C&A for our supply chain:

- **ZDHC Gateway - Wastewater Module.** One of the barriers to better chemical management is a lack of data to inform and drive wastewater improvement. The Wastewater Module is a disclosure platform for wastewater discharge information that helps factories to disclose timely and accurate information, allows brands to monitor progress throughout the supply chain, and demonstrates accountability to industry stakeholders.

- **ZDHC InCheck Tool.** Suppliers do not always know how to access alternative chemicals for their production processes. This tool allows manufacturers to create and update a chemical inventory, complete a self-assessment, and source better chemicals.

  [Read more about Laudes Foundation’s support of ZDHC](#)

\(^1\) This work was started by C&A Foundation and continues under Laudes Foundation.

\(^2\) This work was started by C&A Foundation and continues under Laudes Foundation.
Our 2019 performance

Zero discharge of hazardous chemicals remains an ambitious target — a target which is regularly updated as we constantly identify additional chemicals to be phased out and replaced by safer alternatives. In 2019, C&A set out to identify a supply chain partner where we could work in collaboration to achieve full ZDHC conformance — a first in the C&A supply chain, and one of the first in the industry.

Across the rest of our supply chain, our primary focus was to accelerate our input management with the aim to map all the chemicals used in our supply chain. This included working closely with ZDHC to populate the gateway, and with our suppliers to upload and register their chemicals to the gateway. When hazardous chemicals are discovered through this process, we are supporting our suppliers in replacing them with safer chemicals where possible, using hazard-based Screen Chemistry to assess chemical products.

Together, these are central components of the C&A SCM Programme, which covers 350 production units from our wet processing units in tier-1 and tier-2 facilities to all nominated fabric mills. Our SCM minimum performance standard, introduced at the end of 2017, is a holistic scoring mechanism that transparently aggregates a facility’s performance across the three pillars of the programme: Input, Process, and Output. The standard also covers remediation, to ensure facilities are continuously working to improve their performance. Requirements are categorised into three groups—Zero Tolerance, Critical, and Major—and each facility is scored based on the number of requirements met.

In 2017, we determined that 71% of our supply chain was not meeting our Minimum Performance Standard, so in 2018 and throughout 2019, we focused on creating impact. This involved special efforts to build knowledge, strengthen skills, and drive remediation in the supply chain. By 2019, the number of facilities not meeting our minimum performance standard was reduced to 15%. The facilities not meeting our requirements were primarily new facilities that were added into the SCM Programme during 2019 and were conducting their first audit and wastewater testing.

Throughout 2019, we conducted:

- 296 self-assessed Higg Index Facility Environmental Modules
205 third-party verifications for FEM  
579 wastewater tests to identify hazardous chemicals in our supply chain  
296 corrective action plan visits to evaluate efforts towards meeting our SCM programme requirements  
10 two-day seminars on chemical and wastewater management, training 249 factory staff

2017 represented the first year our facilities were given a SCM performance score based on a standard, and 29% of facilities were found to be meeting our requirements, with the remaining facilities given a clear timeframe for raising their performance to ensure they can continue to work with C&A. During 2017 we determined that significant work was needed to support our supply chain in meeting C&A’s requirements in chemical and environmental management.

Therefore, our focus in 2019 was on enhancing our internal and external support programmes. As a result, 97% of facilities were meeting our requirements by the end of the year. The SCM Minimum Performance Standard becomes more exacting each year, so facilities will continue to be held accountable for any new requirements as well as any required remediation against the 2017 and 2018 standard.

In 2019, the standard underwent an overhaul as we transitioned from our internal chemical audit to the industry-accepted Higg Index FEM. As a result, the methodology of monitoring remediation was updated and becomes incomparable to previous years.

The above results show the SCM remediation programme is working, with further efforts still required to increase the level of performance in line with C&A expectations. As the minimum performance standard rises each year, C&A drives continuous improvement.

Input management

We made significant progress in 2019 in better understanding the challenges of input management as well as advancing industry solutions.

During 2019, C&A globally implemented a Chemical Inventory Management System across 350 production units. This allows us to better understand what chemicals our suppliers purchase and where they come from, and then—by mapping against the ZDHC Gateway—identify their MRSL conformance. This information allows us to then prioritise our engagement with the chemical industry and discuss the industry’s requirements with the goal to increase the number of safer chemicals available on the marketplace.

C&A utilises the ZDHC InCheck tool, a standardised industry approach to monitoring input chemistry. By collecting a facility’s chemical inventory list and screening it against safer chemicals listed in the ZDHC Gateway, the tool identifies the facility’s level of conformance to the MRSL. Each facility is given an InCheck report, which we used to identify and manage progress towards the elimination of hazardous chemicals.

It is vital that the industry have one source of information for conformant chemistry. To address this, in 2017 ZDHC launched the Gateway, a global database of safer chemistry that enables chemical formulators to securely share chemical information with brands and textile, footwear, and leather suppliers, in line with the ZDHC standards. ZDHC brings together a global database of conformant chemistry by recognising 27 existing certifications and testing bodies.
As of the end of 2019, 280 facilities sourced from 3,395 chemical formulators and purchased 18,110 unique chemical products. Using a combination of data from ZDHC Gateway and other public portals, C&A has identified that 28% of these chemical products are MRSL conformant. Not all of these remaining chemicals are necessarily non-conformant, but simply have yet to be certified. From the chemical products used by these facilities, the coverage of ZDHC Gateway was 17%. This demonstrates that the platform is still maturing, but made significant progress in 2019 with the alignment with the industry standard BlueSign.

This experience demonstrates the need to have global alignment on input chemistry in order to engage the long, complex chemical supply chains used by the apparel and textile industry. To this end, C&A continues to engage with our key chemical suppliers, both international and domestic, to introduce the ZDHC requirements, with the aim of publishing their conformant chemistry in the ZDHC Gateway.

**Process management**

For the last few years, we have relied on a comprehensive system of SCM audits to assess a facility’s on-site chemical management system and performance. In 2019, our internal audit system was phased out in favour of the Higg Index FEM industry assessment, which links manufacturers, brands, and retailers together in measuring environmental impacts and provides various training and improvement resources. This module offers a holistic approach beyond chemicals and wastewater—our previous primary focus areas—to include environmental management systems, permits, water, air, wastewater, chemicals, and waste.

Through the Higg Index, we assessed the performance of 296 facilities and found that the top five non-conformances identified in 2019 were:

1. Having a documented process to systematically identify, monitor, and verify compliance with all product Restricted Substances List (RSL)
2. Having a documented process to systematically identify, monitor, and verify compliance with all Manufacturing Restricted Substances List (MRSL)
3. Having well marked, designated chemical storage and temporary storage areas
4. Having the ability to trace all production chemicals from the manufacturing process back to the chemical inventory
5. Training employees responsible for the chemical management system on RSL and MRSL

Once all the non-conformances are identified, the SCM team works with the facilities to implement a corrective action plan and provide technical support wherever needed. To date, the C&A SCM Programme has created 350 corrective action plans that all contribute to the elimination of hazardous chemicals. First, we recognise that production units need to strengthen their management systems and training programmes, which relate to four of the top five issues identified. Second, we need to work with our supply chain to better manage their temporary chemical storage areas.

**Overcoming challenges**

C&A recognises a knowledge gap in the supply chain needed to overcome many of the issues we had identified through our assessments. Most of the mills, laundries, and printers we work with only have a basic understanding of chemicals issues, and lack the skills and information to make necessary changes.
To meet this challenge, C&A continues to implement a series of global trainings with an expert chemical management consultancy. Over 2 days, we trained more than 249 factory workers on Chemical and Wastewater Management, tackling issues such as how to manage chemicals and hazardous waste throughout the facility, properly handle and dispose of chemicals, conduct chemical risk assessments, create chemical policies and management systems, and address other important knowledge gaps identified during our assessments.

Another challenge is third-party resources. Although some good progress is being made—particularly with the Higg Index 3.0 module — third-party resources in certain countries for chemical assessments and wastewater testing are still in their infancy. High costs and a lack of resources and collaboration are slowing down the kind of progress we need to meet our targets as an industry.

**Output management**

In 2019, C&A conducted 579 wastewater tests across 18 countries using the methodology listed in the ZDHC Wastewater Guidelines. C&A monitors the raw wastewater within the facility for the detection of any hazardous chemicals present. Since 2018, all our facilities have been required to disclose their wastewater test reports on both the IPE website and ZDHC Gateway.

Overall, C&A analysed nearly 55,000 chemical analytes within the wastewater of our supply chain. C&A had a pass rate of 99.6%, meaning that the majority of the analytes tested were not detected in the wastewater.

**Rates of MRSL compliance in raw wastewater by chemical group**

*2018*

*358 Facilities*
The 2019 graph reflects the latest raw wastewater test reports from 296 facilities globally.
using the clean factory approach, meaning results include all production on-site from all brands. Production units that only tested discharge wastewater (e.g. a ZDHC accepted report for another brand) have been excluded in order to create comparable results. Results indicate a positive trend in facilities continuing to identify hazardous chemicals used in their production facilities and phase them out. Ten of the 14 chemical groups now have a failure rate of 5% or less, demonstrating that the majority of facilities have now phased out these chemicals. In 2018, we identified challenges with the phase-out of AP & APEOs and phthalates. Through our remediation efforts, AP & APEOs has decreased from 99 detection in 2018 to 36 detection in 2019 and Phthalates from 90 detections to 32.

C&A will continue to work with our supply chain, and the chemical industry, to strive towards zero detections of hazardous chemicals in wastewater. C&A’s advances in chemical input management will support this work as it directly tackles the issue at source and works to ensure that facilities know which chemicals are compliant before they are purchased and used.

Where next?

Industry-wide, apparel suppliers continue to face challenges in substituting safer chemicals. Factors such as the limited availability of viable and cost-effective alternatives, the need for thorough assessment of chemicals thought to be safer, the lack of support from governments, and a need for greater transparency in chemical formulations all present difficulties to the supply chain. At C&A, we are using a variety of approaches—including training, capacity building, and infrastructure changes—to help suppliers address these challenges, while also recognising the broader issues that extend beyond their control.

Input management

Looking ahead to 2020 and beyond, we will continue to work with ZDHC to identify additional chemicals that should be phased-out in the industry. ZDHC has operationalized a robust multi-stakeholder mechanism to update the MRSL which C&A will continue to adopt. We will also continue increasing traceability in our chemical supply chain. C&A will continue mapping our chemical supply chain to better understand what chemical products are being used, where they are coming from, and how they are disposed. This will include focused engagement with our chemical supply chain as we work to identify and phase out hazardous chemicals and to certify safer chemicals to be used in the supply chain, via
ZDHC. This is a long process likely to take several years, but can be accelerated with industry action.

Our efforts to enhance transparency in our chemical supply chain allow us to prioritise our collaborations to create the biggest impact. In 2020 and beyond, we will keep working with key chemical suppliers to drive further adoption of the ZDHC Gateway. We will also continue setting requirements on the usage of chemicals registered in the Gateway for our supply chain. In addition, Screen Chemistry has now been adopted under the ZDHC Framework and is currently under a multi-stakeholder review. Screened Chemistry, which uses a hazards-based approach to chemistry, will continue to play an important role in our future programme as it is critical to ensuring that human health and environmental impacts are fully evaluated before adopting alternative chemistries. This is imperative to avoid regrettable substitutions.

**Process management**

C&A will continue to drive positive impacts in process management. C&A’s adoption of Higg Index FEM in 2019 provided a holistic assessment of our supply chain’s environmental and chemical performance. C&A will work in partnership with our supply chain on raising their performance in critical areas and continue to benchmark our supply chain’s performance against the industry. Benchmarking by facility type will allow facility managers to compare their performance against that of their peers. The modules will also give manufacturers guidance for improvement and current best practices, while creating opportunities for conversation among supply chain partners so businesses can collectively perform better. In addition, C&A will ensure a robust mechanism to ensure that FEM assessment are complete and accurate. As such, we will continue to require all our production units to conduct regular third-party verification.

C&A identifies the need to have a more robust training platform for chemical management and replace individual brand training, which has been C&A’s previous approach. We will work with our partners, like the ZDHC, to establish a robust training programme that meets the needs of our supply chain and supports in closing the knowledge gap. In addition, facilities will continue to receive on-site expert support via C&A’s SCM team located in all major production countries.

**Output management**

Alongside a strengthened input management programme, wastewater testing continues to validate that the elimination of hazardous chemicals has been achieved in specific facilities, or reveals their progress towards reaching ZDHC. The major focus in 2020 will continue to be on root-cause analysis - identifying the failing chemical detection back to its original source and looking for alternatives. C&A continues creating phase-out plans for each facility where a failing chemical detection occurs and supporting them in finding alternatives via the ZDHC Gateway.

Likewise, we remain committed to publicly disclosing wastewater test results using the ZDHC Gateway Wastewater Module and IPE. The Gateway Wastewater Module, funded by Laudes Foundation, serves as a global portal for verified wastewater results tested against the ZDHC Wastewater Guidelines. It provides suppliers (manufacturing facilities) with an easy way to disclose secured and verified wastewater and sludge data to their clients (brands/retailers), reduce unnecessary testing, and focus on improving the quality
of discharge.

**Designing products with zero discharge of hazardous chemicals**

Our vision is for the global apparel industry to become a circular system, where clothes are designed with their next use in mind. Our Gold level Cradle to Cradle Certified™ T-shirts and jeans, as well as our newer Platinum level Cradle to Cradle Certified™ denim, play a vital role in the certification of safe chemistry. These products are designed and made with fewer, safer chemicals, and complement our overall approach to better chemical management by demonstrating that zero discharge of hazardous chemicals is possible. Our leadership in sustainable chemicals management involves working with suppliers to reduce all hazardous chemicals in their factories, not just the chemicals used for C&A production. In this way and others, we are striving to create a paradigm shift not only in our own supply chain, but across the entire apparel industry.

[Read more about our Cradle-to-Cradle Certified™ products](#)

[1] This work was started by C&A Foundation and continues under Laudes Foundation.

**Climate Change**

**Taking a science-based approach**

Climate change is one of the most important areas for C&A to focus on because it threatens the communities we work in, as well as our ability to access raw materials in the future by increasing the frequency of unpredictable or extreme weather events. To be effective, we must look at this issue using a science based approach.

In February 2020 we were proud to announce that C&A received approval from the [Science Based Targets initiative (SBTi)](https://www.sbtinitiative.org) for absolute reduction of greenhouse gas (GHG) emissions by 30% across all scopes by 2030. Our science-based target (SBT) approval marks yet another milestone in our sustainability journey to reduce CO₂ and other GHG emissions by sourcing more sustainable materials and by responsibly managing supply
chain environmental performance.

Over the past several years, we have been recognized as one of the few brands to have disclosed its entire GHG inventory for five years. Supported by consulting firm Aligned Incentives, the life cycle assessment (LCA) leader, we have been focused for over two years on modelling and validating our SBTs through a combination of process LCA and hybrid modelling of the entire C&A value chain.

Our new GHG reduction targets are science based and are in alignment with the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

We will deliver the following:

- Absolute GHG emissions reduction by 30% for our offices, distribution centres, and retail stores by 2030.
- Absolute GHG emissions reduction by 30% in our value chain by 2030.

And we will aspire to:

- Use 100% renewable energy by 2025 in our offices, distribution centres, and retail stores.

Currently, our own operations (scope 1 and 2) make up only 4% of our total carbon footprint. We will continue to improve efficiencies and aim to source all electricity from renewable sources.

The challenge will be our supply chain and other downstream sources, such as the use of our products after they are sold (scope 3), where many emissions originate. To address this challenge, we will continue to focus broadly and deep within our supply chain in the following areas:

- Continue to drive a large proportion of more sustainable raw materials like certified organic cotton, where C&A has been recognised for many years to be the leader both in terms of absolute volumes and share. Each year, our procurement of certified organic cotton is equivalent to taking 70,000 cars off the road.
- Continue to support the Higg FEM module by increasing adoption rates and engaging our supply chain on improving its performance. C&A currently has one of the highest adoption rates with over 400 facilities, where over 50% have been verified.
- Continue to drive innovation as a principle partner of Fashion for Good, where start-ups’ circular and sustainable technologies are actively piloted in the our supply chain.
- Achieve further innovations in circular product design, building on the development of the most sustainable apparel products in the world with C&A’s Cradle to Cradle Gold Certified™ jeans and circular knit collection. The associated GHG emission reductions have been estimated to be as much as 85%.
- Participate in a new collaboration with brands under the Gold Standard Initiative to support and align on value chain interventions and globally aligned accounting standards.

The Science Based Targets initiative mobilises companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Read more about science-based targets
How we measure and account for GHGs

Working with the scientists at Aligned Incentives, we have determined our GHG inventory for Scope 1, 2, and 3. To accomplish this, we use a hybrid LCA in accordance with the World Resources Institute/World Business Council for Sustainable Development GHG Protocol for corporate accounting and reporting and value chains. Our model combines input-output and process LCA methods, enabling us to focus on the key hotspots in our value chain.

Our 2019 estimate uses data from more than 83,000 shipments from our sourcing countries to our stores. We also evaluated emissions across 3,811 unique non-product spend categories to assess the value chain impacts of products and services that are related to our business operations and administration. This, combined with energy and fuel data for each of our stores, distribution centres, and offices, has provided us with a comprehensive data set used in the analysis. It has therefore enabled us to set a firm baseline from which we will measure our reductions going forward.

Improving our model to enhance our approach

In 2017, we updated our estimate for the consumer use phase by utilising customer survey data, garment-specific care instructions, and garment durability data from the Sustainable Apparel Coalition. In 2018, we updated waste ratios at each life cycle stage, giving us an even more accurate understanding of material inputs and resulting waste embedded in the products sold. All previous estimates were recalculated to reflect this improvement to the methodology. We continue to use this new approach in our estimates.

Making progress

Total greenhouse gas emissions by scope

<table>
<thead>
<tr>
<th>Reporting Category</th>
<th>Scope Grouping</th>
<th>Impact Amount</th>
<th>% of Total</th>
<th>Impact Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>5,146,998 tCO₂e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1</td>
<td>Fuel oil</td>
<td>590</td>
<td>0.01%</td>
<td>tCO₂e</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
<td>-----</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Scope 1</td>
<td>Natural gas</td>
<td>18,977</td>
<td>0.37%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 2</td>
<td>Purchased electricity</td>
<td>87,984</td>
<td>1.71%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 2</td>
<td>Purchased district heating</td>
<td>8,430</td>
<td>0.16%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 2</td>
<td>Purchased district cooling</td>
<td>2,350</td>
<td>0.05%</td>
<td>tCO₂e</td>
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<td>Scope 3</td>
<td>Purchased goods and services</td>
<td>4,019,818</td>
<td>78.10%</td>
<td>tCO₂e</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Fuel-and energy-related activities</td>
<td>19,371</td>
<td>0.38%</td>
<td>tCO₂e</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Upstream transportation and distribution</td>
<td>441,118</td>
<td>8.57%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 3</td>
<td>Waste generated in operations</td>
<td>310</td>
<td>0.01%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 3</td>
<td>Business travel</td>
<td>13,444</td>
<td>0.26%</td>
<td>tCO₂e</td>
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<tr>
<td>Scope 3</td>
<td>Employee travel</td>
<td>78,435</td>
<td>1.52%</td>
<td>tCO₂e</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Use of sold products</td>
<td>426,730</td>
<td>8.29%</td>
<td>tCO₂e</td>
</tr>
<tr>
<td>Scope 3</td>
<td>EOL treatment of sold products</td>
<td>29,440</td>
<td>0.57%</td>
<td>tCO₂e</td>
</tr>
</tbody>
</table>

**Total greenhouse gas emissions, year-on-year comparison**

![Graph showing year-on-year comparison of greenhouse gas emissions](image)

**Total greenhouse gas emissions across our value chain**
Total greenhouse gas emissions across our value chain, year-on-year comparison

Unit: tCO$_2$e

Source: Aligned Incentives, 2019

Reducing our climate impact through more sustainable materials

Roughly 10% of our GHG emissions are from agriculture, most of which is from cotton agriculture. In 2019, 94% of the cotton we sourced was more sustainable, meaning that it
is grown organically or sourced as Better Cotton. We estimate that our sustainable sourcing of cotton in 2019 avoided roughly 58,772 metric tons of GHG emissions, or a reduction of 11% in GHG emissions compared to conventional cotton.

**Greenhouse gas emissions of C&A’s cotton mix, compared to conventional cotton**

![Graph showing greenhouse gas emissions comparison between C&A's cotton mix and conventional cotton](image)

In 2019, almost 8% of our GHG emissions from raw material production is from man-made cellulosic fibres. We have an aspiration to source all of our viscose free from ancient and endangered forests and from suppliers that use best available technologies (BAT). This effort is already contributing to noticeable emission reductions. We estimate that by sourcing more sustainable cellulosic, we have avoided roughly 57,158 metric tons of GHG emissions, or a reduction of 45% compared to conventional cellulosic fibres.

**Greenhouse gas emissions of C&A’s viscose mix, compared to conventional viscose**

![Graph showing greenhouse gas emissions comparison between C&A's viscose mix and conventional viscose](image)
Together, the combination of sourcing more sustainable cotton and cellulosic fibres has enabled us to avoid 115,929 metric tons of GHGs.

Read more about our commitment to more sustainable viscose

**Reducing our climate impact through more efficient production**

Material processing, which is dominated by textile production, is the largest source of emissions in our supply chain, representing about 45% of total emissions. Our SCM programme works to address these impacts, and we continued focusing additionally on SCM in 2019 to strengthen our approach and drive reductions over time.

**Reducing our emissions from retail operations**

Our scope 1 and 2 GHG emissions account for around 2.3% of our total GHG emissions. We have a 2020 target to reduce emissions intensity by 20% compared to 2012.

To calculate our emissions intensity, we normalise using Gross Leasable Area (GLA) or the total square metres (m2) that can be leased for our stores, offices, and distribution centres. In 2019, we reduced our carbon intensity by 29% and increased our energy efficiency by 23%, compared to 2012. The reductions experienced were due to improvements in energy management, lighting, and practices across a variety of retail stores in our four retail markets.

In the graph below, our emissions estimate for purchased energy (electricity, district heating, and cooling) is market-based, Scope 2 methodology.

**Absolute GHG emissions and carbon efficiency of stores, offices, and distribution centres**

Source: Aligned Incentives 2019
Consumer use

The use and disposal of clothing by our customers makes up 9% of our total carbon footprint. Prior to 2017, our past estimates of consumer use impacts were based on large assumptions with high levels of uncertainty. In 2017, however, we took a closer look at our customers’ habits to improve our estimate and understand the levers with which C&A – and other brands – can reduce consumer use impacts.

Using primary data collected from a customer survey, we identified previous assumptions that had overestimated impacts in this life cycle stage, and we were pleased to learn that a sizeable portion of our customers are currently consuming fashion more sustainably. Specifically, we learned that a high proportion (60 to 85%) of our customers line-dry their clothes, and a majority wear articles such as trousers, shirts, and blouses multiple times before washes.

Also in 2017, we ran a sensitivity analysis to measure the impact of the average cleaning cycle on the carbon footprint of our clothing. We found that clothes washing represents roughly 55% of total greenhouse gas impact, and drying accounts for the remaining 45%. Washing at 40°C is the dominant driver (52%) of the greenhouse gas impacts of washing clothes. This was not surprising, as many washing machines have 40°C as their default setting.

These results show the power of normalising sustainable behaviours. Using our data, we estimate that the total greenhouse gas impact of our clothing could be reduced by 45% if line-drying were the norm for the 15 to 40% of customers who machine-dry their clothing. And if the default 40°C wash became a 30°C wash, we would see additional greenhouse gas savings of approximately 21%. Together, these simple changes could cut the carbon footprint of our clothing by one-third, or over 300 megatons.

Customer survey results: drying method by region and garment type
Customer survey results: wears-per-wash profiles by region and garment type

Source: Aligned Incentives, 2017
Where next?

Already, in just one year, we have reduced Scope 1 and 2 emissions by 9.5% compared to the new 2018 baseline used to measure progress towards our science-based targets, thanks to increased renewable energy purchases. In addition, supply chain emissions have been reduced 4.3% from the baseline. Both are below the target trajectory line and reflect positive progress toward our recently approved science-based targets.

In 2020, we will focus on the following areas to support our approved science based targets:

1. **Develop short- and long-term roadmaps**: We will work with our retail markets to define roadmaps and marginal abatement curves that focus on the interventions needed in the short- and long-term for scope 3 emissions. These interventions will be prioritised and resources allocated to deliver our planned reduction.

2. **Map carbon neutrality in our stores, offices, and distribution centres**: We will begin to roadmap the interventions needed to reach carbon neutrality by 2025.
Water
Contextual and finite

Today, around one billion people live in areas where access to fresh water is scarce. By 2025, two-thirds of the world’s population may struggle to access enough clean water to meet their needs. The apparel industry uses a lot of water across its supply chain, from crop irrigation to wet processes in production, through to customer use. For instance, a simple cotton T-shirt requires the equivalent of three years’ worth of drinking water (2,700 litres) to manufacture and use [SOURCE: WWF]. In a world of shrinking natural resources, we must work together to reduce this level of consumption quickly. Our cornerstone commitment to sourcing more sustainable cotton underpins our approach to water, as more sustainable cotton uses considerably less water than conventional cotton.

How we define our water footprint

The water footprint is an indicator of freshwater use that looks at both direct and indirect water use for any kind of productive activity: for example, growing cotton for the products consumed by an individual or group of individuals or for the activities within a geographic area. It accounts for water consumption and pollution over each phase of the production process and value chain, and includes three components:

- The blue water footprint is the amount of fresh surface or groundwater used to grow a crop or produce goods or services. It is the amount of water evaporated, incorporated into the product or returned to a different location or in a different time period from where it was withdrawn.
- The green water footprint is the total rainfall or soil moisture used to grow plants. It is relevant for products that include agricultural crops, and wood and other forestry inputs, where it refers to the quantity of water either through plant evapotranspiration incorporated into the harvested crop, or both.
- The grey water footprint is a measure of pollution. It is expressed as the volume of water required to assimilate the pollutant load to meet ambient water quality standards. The pollutant that requires the largest assimilation volume is referred to as the critical pollutant and is used to calculate the grey water footprint. If there are both surface and groundwater discharges, the grey water footprint for each discharge is calculated.
How we measure our water footprint

Similar to previous years, we have used hybrid LCA to assess our water footprint across our value chain. The analysis demonstrates that the largest water consumption phase is the production of raw materials (64%), followed by intermediate textile goods (29%). Together, they make up 93% of our total combined blue, grey, and green water footprint.

Total water footprint, year-on-year comparison

Source: Aligned Incentives, 2019

Total 2019 water footprint across our life cycle

Source: Aligned Incentives, 2019
Total water footprint across our life cycle, year-on-year comparison

Reducing our water footprint through more sustainable cotton

Sourcing organic and Better Cotton, as well as sustainable cellulosic fibres, has resulted in the following significant reductions in our water footprint:

**Blue water:**
- Reduction = 352 million cubic meters
- % reduction = 54%

**Green water:**
- Reduction = 594 million cubic meters
- % reduction = 35%

**Grey water:**
- Reduction = 151 million cubic meters
- % reduction = 43%

Blue water footprint of C&A’s cotton mix, compared to conventional cotton

Green water footprint of C&A’s cotton mix, compared to conventional cotton

Grey water footprint of C&A’s cotton mix, compared to conventional cotton
Reducing our water footprint through more efficient production

29% of our water footprint is from the production of fabrics, primarily in the dyeing and finishing stages. These stages of production are addressed in our SCM programme where there is a strong focus on chemical use and wastewater treatment.

Where next?

In 2020 we will focus on creating new goals for water efficiency. Through the development of our new sustainability strategy, we will create new contextual goals for consumption in water-scarce regions and enhance our SCM programme through the identification of water discharge goals.

Waste

Pursuing zero waste to landfill

The apparel industry creates significant waste along its value chain. The majority of this occurs when we make clothes and when we throw them away. Less than 1% of material used to produce clothing is recycled into new clothing, representing a loss of more than $100 billion worth of materials each year [SOURCE: Ellen MacArthur Foundation].
In 2017, C&A committed to sending zero waste to landfill from C&A stores, distribution centres, and offices by 2025. Our approach to reducing waste is grounded in the idea that we must shift our industry from a model of 'take, make, use, and dispose' to one where every resource is used and then repurposed, again and again. Our vision is to help enable a restorative circular economy, where nothing is wasted in the creation or disposal of our clothing. Products are designed and developed with their next use in mind, using pure materials and safe chemicals. Social justice, including safeguarding health and safety and fair labour, water stewardship, and the use of renewable energy, are also an integral part of the circular model.

Read more about our approach to circular fashion

The transition to a fully circular apparel industry will take many years. To truly create the pathway to a new normal, we must reimagine much of what we do. However, there are various steps we can take today to start reducing our impact straight away, such as in-store waste management initiatives and the use of recycled materials in our clothing. In 2019, we continued scaling up our efforts in these areas.

Read more about our 'we take it back' recycling programme

Our 2019 performance

Eliminating plastic shopping bags
in 2020, C&A Europe eliminated the single-use plastic shopping bags in all of its more than 1,400 stores across 18 countries in Europe. They also introduced a durable ‘bag-for-life’, made of 80% recycled PET which will withstand many shopping trips. When worn out, it can be returned to any C&A store and exchanged for a new one free of charge.

As an alternative to the 'bag for life', we will offer customers the choice of 100% recycled paper bags. The paper bags are made of unbleached brown paper, saving water and energy that would otherwise be needed for the bleaching process. In addition to paper and rPET, C&A continues to offer other alternatives, such as cotton bags.

C&A Brazil launched the Waste Game to engage store employees and make them more aware of C&A’s solid waste reduction initiatives. The game took place over 4 months in 2019 in all stores, and offered employees ways to earn points for activities such as participating in training, communicating solid waste practices to others, carrying out effective waste disposal procedures, and checking in-store communication materials and signage. The event led to improvements in awareness of solid waste practices.
Continuing our journey with recycled fibres

We have continued to incorporate recycled fibres in our collection. We have used recycled polyester in outerwear and blouses, recycled nylon in lingerie, and have continued using recycled cotton in denim and T-shirts. In 2019, C&A Europe sold more than 550,000 items containing recycled polyester, 85% more than the previous year, as well as 102,000 pieces containing recycled cotton, a 7% increase over 2018. In Mexico, C&A sold more than 14,600 pieces containing recycled cotton in Men’s, Ladies’, and Youth T-shirts.

Read more about our products made with recycled materials

In-store take-back and recycling facilities for customers

We expanded our in-store takeback programme to additional stores and collected 1422 metric tons of garments for donation or recycling in Europe, Brazil, and Mexico.

Read more about our in-store take-back programme

Recycling rates by retail market (2019)

<table>
<thead>
<tr>
<th>Recycled waste streams</th>
<th>C&amp;A Retail markets and licensees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Europe (metric tons)</td>
</tr>
<tr>
<td>Cardboard box and paper recycling and/or donations</td>
<td>16,113</td>
</tr>
<tr>
<td>Hanger and/or other plastic recycling</td>
<td>3,047</td>
</tr>
<tr>
<td>Electronics recycling*</td>
<td>0</td>
</tr>
<tr>
<td>Other materials recycling (aluminum, cosmetics, lab waste, store window displays)</td>
<td>0</td>
</tr>
</tbody>
</table>

*This category includes lamps, electronic waste, light bulbs, and toner cartridges, among other forms of waste. Legislation in Brazil requires electronic manufacturers and retailers that sell electronic devices to offer a proper disposal procedure for this type of waste.

Total waste produced by retail market (2019)

<table>
<thead>
<tr>
<th>Waste type</th>
<th>C&amp;A Retail markets and licensees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Europe (metric tons)</td>
</tr>
<tr>
<td>Hazardous*</td>
<td>-</td>
</tr>
<tr>
<td>Non-hazardous</td>
<td>24,887</td>
</tr>
</tbody>
</table>

*Europe does not track hazardous waste data.
Where next?

Despite an uptick in the volume of recycled waste in 2019 and expansion of our ‘we take it back’ programme, we did not make sufficient progress during the year towards our zero waste goal. We are exploring the reasons for this and evaluating appropriate steps as we develop our next sustainability strategy and goals.

Sustainable Lives

Sustainability is something we do together, every day

C&A is a global retail fashion company that touches the lives of approximately 51,000 employees, over 1 million apparel workers, and millions of store visitors each year. What we do – and the way we do it – has a significant impact on many different groups of people. We focus on strengthening communities, promoting positive actions, and giving back.

We want our customers to feel good about shopping at C&A, our employees to be engaged in our sustainability journey, and the communities we serve to thrive. We aspire to be recognised as the most sustainable retail fashion brand across our retail markets, something we are proud to have achieved during 2019 in Brazil for the fourth year in a row, and once again in Germany. As in previous years, our industry-leading work in more sustainable cotton remains one of the top reasons we are viewed as a sustainable fashion leader.

We believe that deep engagement with local issues is the most effective way to promote sustainable behaviours across our retail markets. That means we guide the ‘why’ and ‘what’ through our 2020 global sustainability framework, and allow the retail markets to deliver the ‘how’ in ways that best connect with people at the local level.

Our ambition

Bringing sustainability to life for customers, employees, and communities
At C&A, we are working to integrate sustainability into everything we do. This includes:

- **Enabling our customers:** We envision a fashion industry where customers are empowered to make more sustainable choices, do their part to contribute to the circular economy, and join our call to action through #WearTheChange. Our customers shouldn't have to choose between looking good, feeling good, and doing good. They deserve great fashion that's also good for the people who make their clothes, and good for the environment, and we aim to make sure we provide fashion our customers can feel good about.

- **Engaging our employees:** C&A employees are not only key to the success of our sustainability strategy and our business, but are also essential in enabling customers to participate in sustainability. We want all our employees to feel engaged and supported, take pride in their work, believe in our company values, and be enthusiastic about engaging customers on our sustainability journey. Whether through sourcing and buying, or connecting with customers in our stores, every C&A employee has an important role in driving sustainability. We engage them in many ways, including through our annual Inspiring World campaign, which connects employees with our sustainability strategy and commitments in tangible ways.

- **Strengthening communities:** Creating sustainable fashion extends into the communities where C&A colleagues, customers, and garment workers live. We are committed to fostering more sustainable lives in these communities through safe, fair, and resilient work environments where everyone feels connected and able to take action.

**Our 2020 goals for sustainable lives**

**Engage employees:**

Continuously increase employee sustainability engagement scores by creating a culture of sustainability among employees.
Establish and achieve key goals in our Women’s Empowerment Principles action plan.

Enable our customers to act more sustainably:
We will work to ensure C&A is recognised as the most sustainable retail fashion brand.

Our 2019 performance

Engaging customers in sustainable fashion
Throughout 2019, we leveraged #WearTheChange to communicate with — and engage — our customers in the journey towards making sustainable fashion the new normal. In Brazil, Mexico, and China, #WearTheChange has been localised to connect with customers more strongly. In Brazil and China, #WearTheChange has been translated for use in multi-faceted outreach campaigns in stores, online, and through creative consumer-facing events, as well as internal communications to inspire further employee involvement and make sure our employees have the information they need to be sustainability ambassadors.

Engaging our employees in sustainability
Our Inspiring World campaign, which completed its second year of partnership with C&A Foundation[1] in 2019, aligns closely with our 2020 sustainability strategy of creating sustainable products, a sustainable supply, and sustainable lives. During 2019, Inspiring World engaged employees in all four retail markets. More than 30,960 employees, or 63%, representing 20 countries, participated. Together, they helped raise nearly €1 million in donations from C&A Foundation[2], benefitting people around the world.

In each country where C&A has employees, we are supporting one or more local charities, as well as the global charity Canopy, which created the CanopyStyle initiative to eliminate sourcing from the world’s Ancient and Endangered Forests. Employees also identified one ‘small action for big change’ they planned to take, such as eliminating their own use of single-use plastics, donate to a food bank, planting a tree, or donating old clothing through C&A’s ‘we take it back’ recycling programme.

Inspiring World strives to help C&A employees feel proud of our company, values, and efforts to make the world a better and more sustainable place. Over time, we expect it will foster more engaged C&A employees who value sustainability, while its charitable fundraising will lead to lasting environmental and community benefits.

Listening to our employees
In 2019, C&A China surveyed employees about what C&A is doing with respect to sustainability and how employees can contribute. Results were positive, with employees
indicating they are proud of the company's contributions to community, society, and the environment, and paving the way towards more sustainability ambassadors among our global employees.

**Advancing the Women’s Empowerment Principles**

Since we announced that C&A had signed the United Nations Women’s Empowerment Principles in 2018, C&A headquarters and our four retail markets and licensees have developed market-specific roadmaps to drive progress implementing the principles according to a set of 12 questions developed for each principle.

In 2019, C&A retail markets and licensees began implementing their region-specific plans on gender parity and women's empowerment. These include a variety of training programmes for managers and supervisors on equality, diversity, unconscious bias, maternity/paternity/adoption leave, and others. C&A China has also incorporated WEP concepts and practices into new employee orientation training. Additional steps taken by some of the retail markets are a survey of both female and male employees on topics such as stress, working practices, work hours, and other psychosocial factors; a variety of non-discrimination policies which are part of the Code of Ethics; and analysis of employee gender by recruitment, level, function, and promotion.

**Employee Code of Ethics**

Our Employee Code of Ethics serves as the standard that guides behaviour and establishes what we expect at C&A. We continued to implement it globally during 2019, with the retail markets determining the most effective way to implement and engage employees in the Code. Implementation of and employee communication on the Code in C&A Europe’s head office was slowed by the pandemic. In China, the Code was rolled out and 100% of employees participated in training.

Read more on our values and ethics

Read more about how we govern sustainability

[1] In January 2020, C&A Foundation became part of Laudes Foundation.


**Supporting families and communities**

Our global, multi-year humanitarian partnership with Save the Children and C&A Foundation benefitted nearly 2 million people in 2019, of which more than 1.1 million are children. Significant yearly funding of €3.36 million from the foundation towards Save the Children from 2018 to 2020 — is helping to amplify the scope of the partnership.

Together, the three organisations have deepened their commitment to Disaster Risk Reduction (DRR), in particular school safety and urban resilience, and humanitarian response activities. Child Friendly Spaces are a crucial element. These protected environments are set up in communities affected by disaster and crisis and give children the chance to play, make friends, learn, and express themselves, helping them to heal
from physical and mental suffering many have experienced.

C&A is also involving employees and customers in supporting the partnership, adding resources to further contribute to safety, justice, and comfort for children and families.

In 2019, C&A Europe and C&A Mexico raised almost €1.1 million through cause-related marketing, donation boxes, and other campaigns in stores and with customers and employees.

Read more


Where next?

Building on the success of our Inspiring World giving and engagement campaign, our five-year employee engagement plan includes:

- Identifying additional sustainability ambassadors
- Offering these ambassadors empowerment roles to help us build further momentum among all employees
- Creating further opportunities for employee ownership of sustainability initiatives
- Ultimately enlisting employees' ideas for developing the next iteration of our sustainability engagement strategy

Engaging employees
Driving purpose through sustainability

Motivated, informed, and engaged employees are the key to C&A’s success. Our in-store team members are the people who create special relationships with our customers. We need to make sure we always understand what makes employees feel valued and motivated, so they can contribute to great customer experiences and feel engaged in the issues they care about most.
We want all C&A employees to feel empowered and motivated to build sustainable practices into their day-to-day roles. We believe in bringing out the best in us all, so that together we can bring out the best in our customers, their families, and their local communities. By engaging employees through our sustainability initiatives, our Inspiring World campaign, giving back, and assisting in our work on strengthening communities, we can make the most of these opportunities.

‘Well-being programme’ to support our employees during the challenging times of Covid-19 pandemic

With many stores still closed across Europe, and many of us juggling home office, childcare and home schooling, our private and professional lives have both been shaken. The classic de-stressing mechanisms that usually help us unwind after a day of work, such as meeting friends, going to the gym or a restaurant, have been put on hold for the time being in many countries. That is why in the beginning of 2021, C&A Europe launched a ‘Well-being programme’ to support its employees as best as it can in these challenging times and beyond, when we have regained a sense of normality. The programme is structured into three main pillars, focusing on mental, physical and social well-being. The different tools and tips & tricks are aimed at clearing our head, staying active and mindful, and developing healthy routines.

Many employees – especially those from younger generations – want to feel a sense of purpose from their work, so during the year we continued focusing on employee engagement as a key lever for sustainability at C&A and beyond. In addition, our 2019 consumer survey indicated that treating employees well is a strength for C&A and that our performance in this area is perceived to be strong. Consumers also told us that gender diversity and inclusion in our workplace is an area of perceived strength for C&A and should be encouraged.

Our 2019 actions
Continue providing opportunities for employee training and development.

Engage employees worldwide through the Inspiring World #BeTheChange campaign.

**Our 2019 performance**

**Employee engagement in sustainable actions**
Involving employees in sustainability takes many forms in our four retail markets and licensees, including information, training, direct engagement opportunities, and campaigns such as Inspiring World. In some retail markets, we also use surveys to collect employee feedback. However, while our Europe and Mexico retail markets and Brazil licensee conducted employee surveys from 2016 to 2018, they did not repeat them in 2019. The China retail market conducted surveys from 2017 to 2019, with the 2019 survey having a limited scope. Despite this, the 2019 employee engagement survey results were positive. In 2019, 88% of C&A China employees surveyed strongly agreed that they are proud of C&A’s contributions to communities, society, and the environment.

Given that the scope of the survey has changed over the years amongst the retail markets and licensees, we are evaluating the applicability of this metric going forward.

**Inspiring second-year outcomes for Inspiring World**
In 2018, we launched our Inspiring World campaign, engaging employees in developing ideas for positive change and partnering with C&A Foundation[1] to make donations benefiting some 250,000 people. In 2019, we went a step further and shifted from ideas to action by encouraging employees to commit to a ‘small action for big change’, a step they pledged to take for sustainability. Also in 2019, C&A Foundation[2] donated almost €1 million to charities chosen by employees and to the global organisation Canopy, which is working to eliminate sourcing from Ancient and Endangered Forests.

Our overall objective for Inspiring World is to build employee capacity for supporting our 2020 sustainability goals by engaging them over three years on campaigns aligned with our strategy: Sustainable Lives, Sustainable Products, and Sustainable Supply. During its second year, the campaign involved:

- 63% of C&A global employees
- 20 countries and a number of sourcing hubs

**My small action for big change is to...**

- **Vermeide Einweg-Plastik (avoid single-use plastic).** Sandra, Switzerland
- **Evite consumir plástico descartáve (avoid consuming disposable plastic).** Julia Porto, Brazil
- **Plantar un árbol (plant a tree).** Alicia Macarena, Spain
- **Wir unterstützen C2C Kleidung und stehen für den Klimaschutz (support C2C clothing and"
stand for climate protection). Marcel Baer and Christoph Teschner, Germany

- *Gebruik het openbaar vervoer, pak de fiets of loop naar het werk* (use public transportation, take a bike, or walk to work). Pleun, the Netherlands
- *Recicla latas, garrafas e papel* (*recycle cans, bottles, and paper*). Ana Francisco, Portugal

[1] In January 2020, C&A Foundation became part of Laudes Foundation.


**Who we’re working with**

- C&A Foundation
- Laudes Foundation

**Where next?**

**Fostering deeper understanding of sustainability commitments and achievements**

Going forward, we will continue to increase employee understanding of C&A’s commitment to sustainable fashion and our leadership in developing Cradle to Cradle™ Certified clothing, encourage them to become local sustainability ambassadors, and help them feel proud to work for the company.

Other 2020 actions will include:

- Continuing to engage with employees through Wear The Change and Inspiring World
- Providing additional information to make sure employees are aware of the many environmental and social benefits associated with our Cradle to Cradle™ Certified clothing
- Raising awareness among employees about sustainability issues relevant to the local markets in which they work
- Communicating our new global sustainability strategy and goals once they are announced in 2021

**Listening to our employees**

**Engaging them in how we’re doing**

Regional employee engagement surveys are an opportunity for our colleagues to share their thoughts on C&A’s values, our strategy, our approach to sustainability, and how we’re doing as an employer. In 2019, we surveyed employees in China, where 88% of surveyed employees strongly agreed with the statement that they are proud of C&A’s contributions to communities, society, and the environment. Because surveys were not
conducted in the other retail markets in 2019, we are re-evaluating their use as currently designed, and exploring other ways to continue engaging and getting feedback from employees.

Number of employees working at C&A

<table>
<thead>
<tr>
<th>C&amp;A Retail markets</th>
<th>Mexico</th>
<th>Brazil</th>
<th>China</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,628</td>
<td>1,871</td>
<td>12,749</td>
<td>32,549</td>
</tr>
</tbody>
</table>

Our 2019 performance

Employees are proud of our sustainability work
A majority (63%) of employees participated in our second annual Inspiring World campaign, demonstrating their concern for sustainability at work and at home. During the 2019 employee surveys, 88% of employees surveyed in China strongly agreed with the statement, ‘I feel proud of C&A’s contribution to communities, society, and the environment’.

Where next?

Moving from pride to action
We’re pleased with our previous years’ employee engagement scores on sustainability, which show have been connecting with our colleagues in those retail markets on this topic. But from 2018 onwards we began building on this employee pride by providing training so they can serve as ambassadors for sustainability, and contribute to progress on our 2020 goals. The Inspiring World campaign is central to this approach, as are internal communications and training focused on Wear The Change, Cradle to Cradle Certified™ products, and in-store take-back programmes. In 2020, we will continue engaging with employees through Wear The Change and Inspiring World, as well as retail market-specific sustainability communications.

Equality and diversity
Honouring our greatest asset

We’re committed to making sure our workplaces and policies allow our employees to contribute their very best, fulfilling their potential and addressing customer needs. Each of our regions has the flexibility to address diversity as is locally relevant. For instance, C&A Brazil maintains a Diversity Committee, which has been working on diversity across ethnic origin, gender, and LGBTQ+ issues. Annually, C&A Brazil also raises awareness through actions such as Diversity Week; a Pride Collection; and a variety of recruiting fairs dedicated to minorities, transgender people, and immigrants. In 2019, C&A Brazil provided actions for Black Awareness Day and the launch of the Pride Collection during the LGBT+ pride month, as well as programmes to recruit transgender people and immigrants.

Committed to the Women’s Empowerment Principles

In 2018, C&A signed the United Nations Women’s Empowerment Principles, committing the company to gender parity and the empowerment of women. Women are the driving force behind the apparel industry and our brand, and gender equity is an important principle of C&A’s culture. We communicated our commitment to the Women’s Empowerment Principles internally through a variety of media, including letters, video, and live in-store events. Our regions have since developed roadmaps for implementing the principles.
Since the announcement, C&A headquarters and our four retail markets have developed market-specific roadmaps to drive progress implementing the principles. This work draws from the principles gap analysis tool developed by the United Nations and BSR, and aims to address a set of 12 questions developed for each principle, with region-specific implementation.

We remain committed to improving the situation of women worldwide: in our own company, in our supply network, and in communities around the world. Women are the driving force behind the apparel industry and our brand. Just as the majority of our customers and employees are women, so are most of the people making our clothes.

Through partnerships, as well as diligent programmes to ensure safe and fair workplaces throughout our supply chain, we are working to lift and empower women throughout the apparel industry.

C&A employees by gender and contract type

C&A employees by contract type and location
C&A management teams by gender split*

Head offices: 72% men, 28% women
Stores: 68% men, 32% women
Distribution centers: 57% men, 43% women
*update as from 1 March 2021, C&A Europe employees

Our commitment to the Women's Empowerment Principles is in line with our activity in partnership with C&A Foundation[1], which actively worked in 2019 to achieve gender equity in the apparel industry. We strongly believe that to fundamentally transform fashion into a force for good, gender inequality and violence against women must be addressed.

In each of its philanthropic programmes, C&A Foundation has worked with partners to promote women's voices, leadership skills, and the capacity to exercise their rights. Looking ahead, Laudes Foundation will continue to execute on the ambition to incorporate equity, inclusion, and diversity in its partnerships and operations.

[1] In January 2020, C&A Foundation became part of Laudes Foundation.
Supporting fairness and transparency

C&A is committed to equal opportunities for all employees, regardless of age, gender, ethnic origin, religion, ideology, sexual orientation, or disability. We support fairness and transparency in our way of working, with our employees and suppliers, and through our Fairness Channels – the tools we use to identify and address any issues that arise internally or with suppliers. C&A Mexico also expanded the Fairness Channels to suppliers, providing them with a way to share input about C&A employees.

Our stores clearly display the names of C&A contacts for concerns or questions. We deal with any concerns rapidly, working to find the best solutions for all parties. Of course, we also comply fully with anti-discrimination laws in the countries where we operate, and encourage diversity across all our departments. All job roles, promotions, and rewards are awarded purely on the basis of merit. Should any issue of potential discrimination be reported, the executive board takes appropriate measures to investigate and resolve it.

Our transparency commitment and practices were reviewed and rated number 2 in the 2020 Fashion Revolution’s Fashion Transparency Index. This review of 200 global fashion brands and retailers ranks companies according to their level of disclosure about their social and environmental policies, practices, and impact. Notably, we were also ranked number 1 in the 2019 Fashion Transparency Index Brazil, which analysed 30 brands.

Respecting others

Doing business ethically has been central to our company since it was established 179 years ago. In line with our values, we have a deeply rooted respect for others, a passion for serving our customers, and a keen appreciation for trust and responsibility. Today, maintaining our high ethical standards is an important way of meeting our customers’ expectations – and our own. Our global Employee Code of Ethics outlines how employees should behave, what a good working environment should be, and what good leadership looks like.

Respecting human rights

C&A respects the human rights of everyone we work with. Our Supplier Code of Conduct and Employee Code of Ethics are guided by the latest best practice on human rights, including the UN Guiding Principles on Business and Human Rights. Additionally, we conducted a human rights gap assessment and are determining how our buying practices could affect human rights issues in our supply chain, and if needed, how to address any issues.

From this foundational work, we are now conducting human rights due diligence of our supply chain, including our sourcing and buying practices. We have a rigorous auditing process and maintain a zero-tolerance approach to serious issues at our suppliers’ production units.

We are engaged in a pilot project to understand the steps needed to develop a sustainable and scalable approach to reducing excessive working hours, while maintaining decent salaries for workers. Suppliers have been asked to analyse the practices within their factories that could lead to excessive working hours, and C&A used the Action,
Collaboration, Transformation (ACT) purchasing practices questionnaire to understand how our purchasing could exacerbate or improve the issue. To date, all but one of the pilot factories in Bangladesh saw a significant reduction in working hours, and have maintained this achievement. In China, the pilot factory took longer to reduce excessive working hours, but has achieved this gradually and maintained the decrease over time.

We also have continued our work on purchasing practices. We have adopted the ACT Global Purchasing Practices commitment and are working on a time-bound implementation plan that includes a monitoring and accountability mechanism.

We also conducted additional due diligence visits to RDS-certified supply chains to determine where improvements could be made.

Read more about our efforts to reduce excessive working hours

**Going beyond responsible marketing**

C&A communicates with many different people around the world. We want to create products everyone can enjoy, regardless of age or size, and recognise the need to reflect this in our advertising campaigns and choice of models. Through our advertising, we aim to share our values and positive attitude to life. So, when we’re developing new advertising campaigns, we will continue to avoid content that could be seen as discriminatory, defamatory, or hurtful. We apply the same rigour to complying with the laws and guidelines of national advertisers’ associations.

Beyond our duty to advertise responsibly, we communicate actively with customers on sustainability, such as through our global #WearTheChange outreach, which connects with all of our customer-facing sustainability activities.

Read more about Wear The Change

**Learning and development**

**Providing educational opportunities and rewarding careers**

Learning and development is an essential part of engaging and empowering our employees if sustainability is to be something we do together, every day. We take a localised approach to our employee engagement on sustainability, focusing on the topics, issues, and educational content that matter most in each region.
Our 2019 performance

Our in-store colleagues are the ambassadors of our sustainability approach to our customers, making them a particularly important audience for training and engagement on this topic. Every customer-facing campaign at C&A is supported by internal communications and engagement, allowing in-store colleagues to bring our messages to life for customers.

Supporting employee development

We aim to support our employees’ personal and career development while they are with C&A. Across our markets, we make e-learning available to employees on core topics, and provide management development programmes that deliver additional training to managers with outstanding performance and potential. In 2019, some of our employee training programmes included:

1. C&A Europe delivers a monthly orientation programme for new hires that familiarises new employees with the business and includes an introduction to our sustainability commitments and actions. In 2019, C&A Europe welcomed 180 new hires through this programme.
2. C&A China provided training to 100% of new employees on our Code of Ethics in 2019 and all completed it, passing the test to demonstrate their understanding.
3. In 2019, C&A Brazil conducted:
   - Week-long, in-person training for more than 600 leaders and 130 managers on human resources, operations, and other key topics. The initiative was valuable to help managers integrate new processes.
   - Launch of a new learning platform called the Fashion Academy, which is more modern and provides usability similar to streaming services.
   - New training initiatives in the commercial area, including Fashion Talks, which involve the entire commercial team and covers processes and fashion concepts.

C&A Brazil also has several continuing programmes dedicated to people development, such as:

- Trainee Programme: designed to develop young talent to become Products or Store Managers. The 1.5-year programme exposes participants to several different development
opportunities, including on-the-job training, classes, and participation in strategic projects.

- **Future Leaders Program**: designed to prepare internal talent for a leadership position. During this 1.5-year programme, participants are exposed to several development opportunities, including classes, leading a strategic project, and others. In 2019, nine people joined the program.

- **Leadership Development Program**: This two-day workshop is designed to develop C&A leadership (managers and above) by focusing on topics such as diversity, empathy, communication, trust, collaboration, conflict management and others. In 2019, 30 employees participated in the program from various departments.

- **Store Supervisor Development Program**: designed to develop supervisors to become store managers. During the 1-year programme, participants are exposed to online initiatives such as Store Management, Planning, Results Governance, People Management, and a final project focused on process improvement. In total, 40 people are participating in the current class.

**Where next?**

**Aligning sustainability with learning and performance management**

For sustainability to truly become something we do every day, it needs to be embedded within training and objectives for those employees we trust with the delivery of our goals, such as our Sustainable Supply Chain (SSC) team and the Fabric team that works with organic and Better Cotton. In Brazil, for instance, we provide annual training to the SSC team on audit protocol, document review, and checklist use.

**Delivering on employee engagement plans**

In 2020, we will continue refining our global employee engagement approach for sustainability in alignment with the retail markets' sustainability engagement plans. These plans leverage our Inspiring World initiative to:

- Increase employee engagement in sustainability and pride in C&A for our actions in this area.
- Develop employees as sustainability ambassadors who can drive further engagement and momentum among colleagues.
- Foster a culture in which everyone contributes to our sustainability goals.
- In the longer term, allow all employees to develop their own sustainability plan actively to our vision. This year's Inspiring World 'small action for big change' engagement project represents a good start.

Execution of these plans began with the launch of our global #WearTheChange platform in 2018, and has continued throughout 2020 to include the shift from employee ideas to employee action in the Inspiring World campaign.

**Enabling customers**
Looking good, feeling good, doing good

Millions of consumers visit our stores each day or shop with us online. They trust us to live by our values. We believe they shouldn't have to choose between looking good, feeling good, and doing good. They deserve great clothes that have been sourced and made in a way that respects people, the environment, and animals, and at no extra cost – and we aim to provide that.

As issues such as climate change and worker safety become more tangible, they have become more important to our customers. For many years, we have acted on their behalf to make our clothes responsibly and source our materials sustainably. 94% of the cotton we use is organic cotton or sourced as Better Cotton, we offer groundbreaking products such as our Gold level Cradle to Cradle Certified™ T-shirts and jeans, and we bring our sustainability journey to life through #WearTheChange in C&A stores around the world and in our online shopping experience.

Read more about our sustainable products

Our 2019 performance

Gathering customer input

In our most recent annual survey of over 6,000 customers, conducted in partnership with GlobeScan, C&A was recognised (in unprompted responses) as the most sustainable retail fashion brand for the fourth year in a row in Brazil and once again in Germany. In addition,
trust in C&A remained strong and stable, with C&A rated top among apparel retailers trusted to act in a socially and environmentally responsible way in several countries. As in previous years, our industry-leading work in more sustainable cotton remains one of the top reasons we are viewed as a sustainable fashion leader. Sourcing materials responsibly, being transparent, and making sure workers are treated fairly in our supply chain are still mentioned as the main drivers for an improved sustainability reputation.

Read more about our customer survey

Replacing single-use plastic bags with a more sustainable option

C&A is phasing out the sale of single-use plastic bags in all of our more than 1,400 stores across 18 countries in Europe. In 2020, we began introducing the durable ‘bag-for-life’, made of 80% recycled PET, which can withstand many shopping trips. When worn out, it can be returned to any C&A store and exchanged for a new one free of charge. C&A Europe is also offering customers the choice of 100% recycled paper bags made of unbleached brown paper, which saves the water and energy otherwise needed for the bleaching process. In addition to PET and paper, customers can choose from among other alternatives, such as cotton bags.

#WearTheChange

In 2018, we launched #WearTheChange across in-store, online, and print touchpoints, with customised adaptations in some markets. All products promoted under #WearTheChange are produced and sourced in a way that is more sustainable than conventional methods. For example, they are made of organic cotton or are Cradle to Cradle Certified™. #WearTheChange also extends beyond products to raise awareness among customers of our other sustainability initiatives.

Enabling our customers to make sustainability the norm

Our passion for our customers underpins all that we do, and we care deeply about what is important to them. We work hard on their behalf to create clothing that respects people, the environment, and animal welfare, and we actively listen to our customers to understand their concerns and address their priorities.

We ask ourselves these important questions every day:

- Have we done everything to create and produce our product in the most sustainable way and ensure durable quality?
- Are we doing all we can to be open and honest about our business practices?
- Are we building a responsible and transparent supply chain and leaving a positive impact?
- Are we creating more sustainable lives for our customers, our employees and our partners all over the world?
- Are we challenging ourselves to find better, more sustainable solutions?

With initiatives such as the rollout of our gold level Cradle to Cradle Certified™ T-shirts and gold level Cradle to Cradle Certified™ jeans, as well as #WearTheChange, we are working
to address our customers’ concerns for the future. By offering more sustainable products to our customers, and showing what’s possible through innovative affordable everyday fashion, we’re helping make sustainable fashion the new normal.

**Listening to our customers**

**Understanding our customers better**

Our annual sustainability customer insights survey, in partnership with GlobeScan, helps us listen to and act on the issues that matter most to our customers. The insights we gain from the survey guide how we speak to our customers about sustainability in our products and campaigns – ultimately leading to a better sustainability strategy that not only reduces impact and risk, but is also tailored to their concerns.

2019 was the fifth year we conducted the survey, asking over 6,000 customers in six C&A markets – France, Germany, Netherlands, Brazil, China, and Mexico – about their priorities and expectations for sustainability. Here are selected insights from the 2019 results.

**Our sustainability leadership**

Our goal is for C&A to be recognised as the most sustainable retail fashion brand in all our regions. In 2019, we were once again recognised as the most sustainable retail fashion brand in Brazil and Germany. The 2018 survey also showed that our use of organic cotton and other natural and organic materials remains one of the key reasons C&A is recognised as a sustainability leader in all four of our retail markets. This represents an important expansion from previous years, when recognition of our leadership in organic cotton was most prominent in Europe. In Brazil and Mexico, customers associate C&A with sustainable children's clothing, while in China, we are associated with Binzhou cotton, which is in transition towards organic cotton. Trust in C&A also remained especially strong in Germany, the Netherlands, and Brazil -- where C&A is the most trusted fashion brand.

When survey respondents were prompted to consider their degree of understanding about C&A’s sustainability initiatives, they scored us favourably across a range of sustainability issues, but some also reflected a partial recognition of our sustainability progress, indicating we have more work to do in effectively communicating with our customers.
C&A has made it its mission to produce garments as ecologically and socially responsible as possible. (C&A customer, Germany)

C&A has launched a global campaign that invites consumers to also take part in actions promoting sustainability. (C&A customer, Brazil)

#WearTheChange means a quality product that makes me look good without sacrificing the balance of the planet. (C&A customer, Mexico)

Cradle to Cradle Certified [means] certification by an independent body, focusing on a company’s eco-friendly behaviour. (C&A customer, France)

Cradle to Cradle Certified refers to some sustainability campaign, but I don't know the exact meaning. (C&A customer, Brazil)

These and other responses when prompted show that whilst some customers understand our sustainability initiatives, we still have ample opportunities to improve the spontaneous recognition of our work. The 2019 survey also demonstrated that conveying openness and honesty is key to amplifying the reputational impact of our sustainability initiatives and to maintaining the level of trust we have achieved over the years with customers. Being seen as open and honest includes how we communicate our environmental commitments with transparency and humility. Strengthening our perception as an open and honest company means we need to continue integrating sustainability into our overall brand communications.

**What customers care about**

While the issues driving C&A’s sustainability reputation varied across regions, some core priorities were common to customers across the world. Globally, the top issues remained relatively similar from 2018 to 2019. Notably, promoting circular fashion appeared in the survey results as an important driver to our reputation for the first time since the survey has been conducted. We plan to continue adopting circularity principles in the design and production of our clothing, and to fostering circular fashion more broadly across the industry.

Promoting gender diversity and inclusion in factories and workplaces, which was new to the survey in 2019, was viewed as an area of strength for C&A, and one we will continue to encourage among suppliers. The top three issues driving C&A’s sustainability reputation are:

- Sourcing materials responsibly
- Treating workers fairly
- Openness and honesty

**The issues that drive C&A’s sustainability reputation**
Our 2019 performance

A core part of our sustainability commitment is to help our customers look good, feel good, and do good. The survey gives us strong insights into how we can bring our customers along with us on our sustainability journey. In 2019, our customers told us what we have been doing right, and what we need to focus on in the future.

**Increasing our sustainability communications to customers**

In a previous survey, we had found that while C&A was not named as the leader in sustainable fashion retail in all regions, many more customers believed that our performance is good when questioned more closely. Based on this insight, one of our priorities for 2017 was to align our sustainability communications with brand communications.

In line with this priority, we developed #WearTheChange, our first global, multi-channel sustainability communications platform, during 2017. The aim of this ongoing platform is to align our sustainability communications with our brand communications, and speak with a single voice to customers in all regions. Throughout 2018 and 2019, we leveraged #WearTheChange to communicate with — and engage — our customers in the journey towards sustainable fashion. The 2019 survey revealed that our messages are getting through to consumers in most markets.

Read more about Wear The Change

**Strengthening our reputation for openness and honesty**

Since 2015, customers’ perception of C&A as open and honest has been a core driver of our reputation on sustainability. Our 2019 customer survey showed that our perception as open and honest remains an important part of our perception by customers.

According to survey partner GlobeScan, being seen as open and honest is more often a
challenge for companies than a strength. During 2019, we built on our positive reputation for openness and honesty to help our customers engage with our sustainability efforts more widely, through a variety of in-store communications campaigns as well as broader outreach to the public. As a family company that has been trusted by generations of customers for 179 years, we are determined to create a deeper and more direct connection with customers on our sustainability efforts.

Sourcing materials sustainably and responsibly

As in previous years, our 2019 survey showed that, once again, customers continue to appreciate the importance of sourcing materials responsibly — rating it as one of the three most important reputation drivers, along with being open and honest, and treating workers fairly. We continue responding to this expectation by communicating our efforts to source responsibly through the #WearTheChange platform in stores, online, and in social media, and by publishing our updated and complete list of suppliers.

Where next?

We will continue communicating with our customers about the sustainability topics most relevant to them, and take our product storytelling to the next level through #WearTheChange. In order to truly break through and engage our customers, we are activating #WearTheChange across multiple channels, including more social media.

We also recognise that connecting with consumers involves cutting through the barrage of other information they receive every day. Our 2019 consumer survey results point to a need for multiple communication channels at the same time — including but also beyond what we are doing now in stores, online, and through social media. This means we will continue leveraging our sustainable products as one way to help customers view us as leaders in environmental, supply chain, and community efforts, but will also need to demonstrate our sustainability leadership beyond our products as well. As a 179-year-old, family-owned company with strong values, we will need to emphasise our longstanding beliefs and values in our customer communications at the brand level.

Communicating with customers

Clothing that looks good - and does good too

Helping our customers feel good about buying and wearing our products is critical: they support our work to create positive change in the apparel industry with their purchasing decisions. We strive to make products with respect for people, the environment, and animals. We want our customers to feel proud of the products they buy from us, and to help them make purchasing decisions that drive change.
Our 2019 performance

Welcoming customers to our sustainability journey

At C&A, we have long believed that everyone should be able to look good, feel good, and do good, every day. Our customers deserve great quality, stylish clothes that have been sourced and made in a way that respects people, the environment, and animals – without compromise, and at no extra cost.

Since we began our annual insights survey, our customers have been telling us that they appreciate the steps we have taken to enhance sustainability in our supply chain and our operations, and they want to know more about the sustainability of the clothes they buy. In response, we created a customer-facing message that could bring sustainability to life in an uncomplicated and accessible way, helping customers find the products they want and be reassured that they have been produced and sourced sustainably.

Bringing sustainability to life with #WeartheChange

As part of our mission to bring sustainable products into the mainstream, #WearTheChange focuses on the needs of C&A customers. That means helping them find the products they want in a range of styles and colours to suit them, and communicating their sustainability credentials in a way that is clear, simple, and easily accessible for everyone. In 2019, sustainability communications continued globally with #WearTheChange in stores, online, and in print. We also updated our product hang tags where appropriate to give customers even more information about specific products.

All products promoted under #WearTheChange are produced and sourced in a way that is more sustainable than conventional methods. Each is backed by a verifiable sustainability claim, such as certified organic cotton or Cradle to Cradle Certified™. At the same time, it is important to note that #WearTheChange is not a certification or claim – instead, it serves as a way to help our customers identify and understand the more sustainable products we offer, and learn more about our sustainability efforts. Nevertheless, every product with a hangtag which says #WearTheChange must be backed by a verifiable sustainability claim.

Our #WearTheChange message is clear: every little step counts. We continue inviting customers to join our sustainability journey with an inspiring and optimistic message that it’s possible to look good and feel good, with no compromises.
Making innovative sustainable products even more available

We want all our products to be the best they can be: designed, sourced, and made with sustainability in mind. C&A is the world’s leading buyer of certified organic cotton and 94% of our cotton clothes are made with more sustainable cotton as of 2019.

Throughout 2019 we also continued our development of circular fashion products. Our Gold level Cradle to Cradle Certified™ products include T-shirts and jeans. We also offer a diverse array of additional Cradle to Cradle Certified™ products in Men’s, Ladies’, Teens’, and Kids’ options in Europe, Mexico, and Brazil. Also during the year we developed the world’s first Platinum level Cradle to Cradle Certified™ denim fabric in the fashion industry.

The path to transparency

Our customers want us to be more transparent about where their clothes come from, so they can trust that we are making the right choices for them. We’re tackling this through our communications online, such as by posting up-to-date lists of our suppliers’ factories. To make a real difference to many of the social and environmental issues in apparel, we need to play our part in shifting the entire industry - and the only way to do this is through collaboration.

Global and local communications

Our communication approaches are localised to ensure we are talking to our regional customers about issues they care about. We learned years ago that although there are some differences between countries, there are often core issues of importance to everyone. As a result, we initially launched our Gold level Cradle to Cradle Certified™ T-shirt with similar campaigns across Europe and Brazil, followed by launch of our Gold level Cradle to Cradle Certified™ jeans in Men’s and Ladies’ options. We have replicated this model in our ongoing #WearTheChange platform, developing core global messaging with light-touch adaptations, such as translations, as needed to effectively communicate with customers in our retail markets.

Where next?

Enhancing communications through #WearTheChange

We launched #WearTheChange as a focal point for our customer-facing sustainability communications. Throughout 2019 we communicated the specific sustainability benefits of our products through this messaging, localised as needed for our retail markets. We also communicated in stores and online about the sustainability benefits of our Cradle to
Cradle Certified™ collections. But we know we have more work to do to make sure customers recognise the more sustainable nature of our #WearTheChange items, especially our innovative Cradle to Cradle Certified™ options.

The results of our 2019 customer survey reveal the need for more multi-channel communications across our global markets, where social media is increasingly complemented by new channels such as mobile apps. We are developing a broader communications program for release later in 2020, with the aim of helping customers make even more informed decisions and fashion choices.

Taking action in-store together
Small changes make a big difference

Although we strive to make the most sustainable sourcing and design choices on behalf of our customers, we can only do so much on our own. To that end, we continue looking at ways we can further engage customers through our #WearTheChange campaign, provide customers with opportunities to give new life to old garments through 'we take it back', and engage them in other ways during their shopping experience and beyond. Our objective is to make sustainability something we all do together, every day.

Our 2019 performance

Inviting customers on our sustainability journey

In our stores in every retail market, the first thing our customers around the world see is our #WearTheChange platform, which aims to help our customers find the products they want with the confidence they have been produced and sourced sustainably.

Read more about Wear The Change

Offering more sustainable products

For many years, we have worked on behalf of our customers to make our clothes responsibly and source our materials with sustainability in mind. 94% of the cotton we use is organic cotton or sourced as Better Cotton, which we know is important to customers,
and we offer groundbreaking products such as our Gold level Cradle to Cradle Certified™ T-shirts and jeans, as well as many other Cradle to Cradle Certified™ items.

Read more about our commitment to more sustainable cotton
Read more about our Cradle to Cradle Certified™ products

**Helping customers recycle with ‘we take it back’**

Our in-store take-back programme has grown to include retail markets around the world. In 2019, we collected 1,422 metric tons of unwanted clothing to give them new life. We also continued our online take-back programme in Germany and expanded it to France, providing customers with another option for recycling old clothes. In Brazil, where C&A stores also sell some electronics, in 2019 we collected 4.8 tons of batteries and mobile phones, which were then sent for recycling.

Read more about our in-store take-back programmes

**Replacing single-use plastic bags with a more sustainable option**

We are phasing out the sale of single-use plastic bags in all of our more than 1,400 stores across 18 countries in Europe. In 2020, we began introducing the durable ‘bag-for-life’, made of 80% recycled PET, which can withstand many shopping trips. When worn out, it can be returned to any C&A store and exchanged for a new one free of charge. We are also offering customers the choice of 100% recycled paper bags made of unbleached brown paper, which saves the water and energy otherwise needed for the bleaching process. In addition to PET and paper, we continue to offer customers other alternatives, such as cotton bags.

Read more about our work to phase out single-use plastic bags

**Giving customers a look at our sustainable stores**

In Brazil, C&A is the first fashion retail company to have a Leadership in Energy and Environmental Design (LEED)-certified, bespoke Eco Store. Several times each year, C&A Brazil invites customers and other interested members of the public to visit and learn about the store behind the scenes. In 2019, C&A Brazil conducted four tours which were attended by employees, customers, and students, bringing them even closer to C&A and the sustainability issues being addressed.

**Where next?**

**Refining our #WearTheChange communications**

We will continue communicating on the sustainability topics relevant for our customers and take our product storytelling to the next level through a variety of regionally customised #WearTheChange communications. We will use the findings of our 2019 customer survey to inform our communications approaches and further activate #WearTheChange across multiple channels. For instance, the survey indicated that social media is among customers’ preferred communication channels across Brazil, Mexico, and China. As a result, we plan to supplement our in-store posters, hangtags, and rail cards
with even more social media-based information about our products' sustainability.

Going forward, we are also focused on making sure we develop the right Cradle to Cradle Certified™ products and clothing collections, in keeping with what is commercially and locally relevant to customers. Refining our approach to Cradle to Cradle Certified™ products and making sure we communicate their benefits clearly and prominently in stores and online will help us even better meet our customers’ demand for more sustainable fashion.

**Expanding ‘we take it back’**

In 2020 and beyond, we anticipate growing the programme to even more markets as part of our overall commitment to circular fashion and as an effective way to further engage customers in doing their part to create a circular economy that benefits people and the environment.

**Strengthening communities**

**Making a positive impact on the communities we touch**

Many of the countries C&A sources from are disproportionately affected by environmental or social issues, ranging from poverty and tremendous gender inequality to extreme weather and disease. All of these issues adversely affect the communities where we source and those where C&A employees live.

To truly strengthen the most vulnerable communities, we must get to the root cause of these complex challenges. We have worked in partnership with C&A Foundation,[1] and now with Laudes Foundation, to address industry challenges and engage others on the journey with us. We maintain volunteer programmes that support local charities, offer in-store giving opportunities so our customers can play a role in supporting community charities, seek to change perceptions, and drive societal change. We are also partnering with Save the Children and Laudes Foundation to help communities become more resilient and respond to disasters.
In January 2020, C&A Foundation became part of Laudes Foundation.

Our 2019 performance

Building on the achievements of C&A Foundation

Over the past five years, C&A Foundation[2] has done outstanding work, creating networks, strengthening partnerships, and supporting projects that create lasting and positive change in global fashion. Building on that success, but recognising that the industry’s problems are driven by deep, systemic issues, Laudes Foundation was launched in 2020. This new foundation incorporates and advances the work of C&A Foundation, but has a remit on accelerating the transition to an inclusive economy. Specifically, Laudes Foundation will work to positively influence capital and tackle issues in the fashion industry and the built environment.

Helping children and families across the world

Over the course of the five years, C&A Foundation[3] provided funding of over €16 million to Save the Children. In 2019 the partnership reached nearly 2 million people, of whom more than 1.1 million are children.

The Children’s Emergency Fund is a fund to which different donors contribute throughout the year, so that it exists before an emergency occurs. This prepositioned funding allows Save the Children to initiate the first response within 48 hours after a crisis occurs, which immediately saves lives and alleviates suffering of the affected population. In this way, the Fund has an immediate and direct impact on the lives of the most vulnerable children and their families. The goal of the Children’s Emergency Fund was to raise at least €1.6 million in its first year of operation, with an annual target of €2.5 million by 2021. Since the Fund started in October 2018, it has raised over €2.5 million to support children in need and their families following emergencies.

Emergency and disaster relief

Through our Global Emergency Response programme with C&A and Save the Children, we’re saving lives in the aftermath of disasters and helping communities become more
resilient to daily risks and prepare for larger disasters. Since early 2018, we have responded to 20 disasters, established the Children’s Emergency Fund — responding to a further 22 disasters — and disbursed over €6.5 million to help children and their families. Between December 2017 and February 2020, our customers also contributed to the donation more than €3 million to Save the Children, supporting children and families in emergencies all over the world.

**C&A Together community giving**

In 2019, C&A Foundation[^4] provided funding of €2.68 million to 122 initiatives in 18 European countries. Recipients were chosen by our employees via our C&A Together community giving programme.

Read more about our disaster relief efforts

Read more about our charitable partnerships


**Giving back and volunteering**

**Making it easier to help communities**

Giving back is key to C&A and our employees, many of whom generously donate to and volunteer in their local communities. We aim to make it easy and rewarding for our colleagues to do so, bringing individual actions together to create an impact that is greater than the sum of its parts. From in-store fundraising to volunteering, we’re mobilising thousands of C&A employees around the world to play their own part in tackling societal issues, through programmes run in partnership with C&A Foundation.[^1]

Our communications approach is localised to ensure we engage and enable our customers to act on issues they care most about. Customers have told us they appreciate locally focused charity work. It can be difficult to get the right balance between supporting local and global causes and charities, but we believe both approaches are necessary to balance local interest and capitalise on our scale and reach. As always, we allow each of our retail markets to define how and where they would like to give back to ensure their experience has positive impacts at a local level.

[^1] In January 2020, C&A Foundation became part of Laudes Foundation.
Our 2019 performance

C&A Together across Europe

Our long-standing community giving programme, C&A Together, channels C&A Foundation[1] funds, and now Laudes Foundation funds, into charities nominated by local C&A retail organisations to support the wellbeing of children. This allows us to leverage our colleagues’ knowledge of what their local community needs, boosting the effectiveness of our grants. It also gives employees the opportunity to engage more deeply with their community.

In total, 122 different initiatives in 18 European countries received €2.68 million between March 2019 and December 2019. C&A Foundation[2] funds were distributed to a number of charitable organisations.

[1] In January 2020, C&A Foundation became part of Laudes Foundation.

Brazil

Case study: Helping migrant workers in Brazil

The Instituto C&A volunteering programme at C&A Brazil’s headquarters has been in place for five years. C&A Brazil maintains a volunteering committee, with representatives from each C&A division. In 2019, some 2,452 employee volunteers participated in 444 events, almost 100 more events than the previous year. As before, the events extended beyond the headquarters location to include friends and family members for even greater positive impacts.

Instituto C&A[1] also supported 127 charities during the year. Looking ahead, C&A Brazil will maintain the partnership with Instituto C&A for volunteering, with the aim of continuing to grow employee engagement and the number of people served through a variety of volunteering events. From 2020 onward, stores and distribution centre employees will begin volunteering to supported activities connected with the fashion value
In 2019, Instituto C&A continued collaborating with the organisation Missão Paz to promote the rights and empowerment of immigrant workers through advocacy for public policies, social and legal assistance, and labour integration support. During the year, the organisation supported people rescued from slave labour, helped at-risk children be enrolled in school, and assisted 1,149 immigrant workers in the fashion supply chain, among other actions.

The partnership between Instituto C&A and Centro de Apoio e Pastoral dos Migrantes in 2019 enabled the institutional strengthening of the organisation, contributed to 21 community structures to prevent forced and child labour, helped 7,622 workers participate in rights and training programs, and helped 54 women and men receive training and employment with viable livelihoods.

In 2019, Instituto C&A also began a partnership with the non-governmental organisation SEFRAS (Serviço Franciscano de Solidariedade), working directly with others to shelter migrants rescued from slave labour and raising awareness amongst those who interact with migrant workers.

[1] In January 2020, the programmatic work of Instituto C&A became part of the fashion programme of Laudes Foundation.

Where next?

Giving back and volunteering

The C&A Together giving programme in Europe will continue in 2020 to support charities identified by local C&A retail organisations. Likewise, C&A Brazil will maintain the partnership with Instituto C&A for volunteering, with the aim of continuing to grow employee involvement and the number of people served through a variety of volunteering events. And C&A Mexico will continue supporting local charitable organisations with in-kind donations and volunteering events.

Disaster relief

Helping vulnerable communities become more resilient

At C&A we truly believe in strengthening communities. This is an integral part of our culture and legacy – it’s who we are as a brand. Many of our operations are in countries that suffer from a disproportionate number of natural disasters every year, so we partnered with C&A Foundation[1] and Save the Children to provide emergency and ongoing disaster relief to affected families, children, and communities.
In January 2020, C&A Foundation became part of Laudes Foundation.

C&A’s global humanitarian partnership

In 2015, C&A and C&A Foundation developed our first global humanitarian partnership, collaborating with Save the Children to support millions of children and families across the world. Our joint initiatives are focused in two areas: disaster preparedness — including building resilience of communities — and immediate, lifesaving emergency response to humanitarian crises.

Save the Children is the world’s leading independent organisation for children’s rights. The organisation's emergency response work supports interventions that enable people affected by disasters to lead decent and dignified lives. It focuses on fast and flexible funding that is used to seed-fund operations of Save the Children and to attract other funds to the response.

Urban resilience and disaster risk reduction

The urban resilience and disaster risk reduction (DRR) work funded by our partnership focuses on urban communities and schools in four countries (China, India, Bangladesh, and Mexico). It aims to increase the resilience of schools and informal settlements in helping them to be prepared for natural disasters and everyday risks. As of the close of 2019, we have helped Save the Children to build the capacity of individuals and organisations in four states in Mexico, three cities in Bangladesh, two cities in India, and in one province in China.

Our 2019 performance

Helping children and families across the world

Over the past five years, C&A Foundation[1] has provided partnership funding of over €16 million, not including the additional funds donated through marketing and employee campaigns. This has contributed to assisting over 28 million people worldwide, including over 13 million children, since 2015. In 2019 alone, the partnership reached nearly 2 million people, of whom around more than 1.1 million are children. In addition, C&A Europe and C&A Mexico raised a total of almost €1.1 million in 2019, through cause-related marketing, donation boxes, and other campaigns in stores and with customers and employees. In 2019, the partnership was renewed with an additional €3.36 million.
Since January 2018, Save the Children have responded to 20 disasters and established the Children’s Emergency Fund, thanks to which we responded to another 22 emergencies. In 2019, together with the responses started in previous years and with the Children's Emergency Fund responses, Save the Children was able to reach more than 20 million people with the support of C&A Foundation[2]. Responses in 2019 included:

- Mozambique – Cyclones Idai and Kenneth in March 2019 - Tropical cyclone Idai made landfall, causing enormous damage and affecting over 2 million people. A month later, cyclone Kenneth devastated the southern part of the country. The Children’s Emergency Fund aimed to help about 220 families to recover from the impact of the cyclone and rebuild their homes by contributing funds towards the construction of semi-permanent safe shelters for the most vulnerable families. Other support included a Child Friendly Space and activities set up by Save the to help children recover from the trauma. In total, the emergency response by Save the Children reached almost 800,000 beneficiaries.
- India - Cyclone Fani hit Puri, India, affecting 3 million families with children. The fund provided housing, food, education, and protection measures for children.
- Democratic Republic of Congo – When the Ebola outbreak in this conflict zone affected more than 80,000 people, over half of whom were displaced, the fund provided comprehensive health support.

Sharing what works
C&A Foundation[3] and Save the Children continued to lead and disseminate research on DRR, with a suite of 10 research projects under three themes:

1. Policy and the enabling environment
2. Hazard impacts on education
3. Solutions for child-centred risk reduction and school safety

Convening and inspiring others
One partnership to improve the resilience of women and children can only go so far. We want to make an impact that is greater than the sum of our parts. We share lessons learned from the four country programmes within the Save the Children global network, with online communities of practice, and also with the global DRR and Resilience sector. Creating global and regional dialogue to strengthen the sector is an important focus of this programme.

Read more in the C&A Foundation 2019 Annual Report

Responding to the refugee crisis in Myanmar
Over a million Rohingya refugees have fled violence in Myanmar and since 2017, more than 740,000 Rohingya have fled Myanmar across the border into Bangladesh, according to UNHCR. In this tragic crisis, over half of the refugees are children, according to UNICEF.

C&A is deeply concerned by the ongoing persecution against the Rohingya people in Myanmar and we strongly condemn the human rights violations that have been reported.
Along with other Ethical Trade Initiative (ETI) brands, we sent an urgent appeal to the President of Myanmar over the humanitarian crisis in Rakhine State. We also communicated our deep concern through the Dutch Textile Covenant.

For several years, we have been purchasing products produced in Myanmar. We have created trustworthy and long-term relationships with several suppliers producing in Myanmar, and the jobs of thousands of employees working in our suppliers’ garment factories depend on these business relationships. By withdrawing from the country, we would harm those workers. After carrying out an in-depth due diligence process to assess all potential risks and their consequences, we have decided to continue to source from Myanmar for the time being. This decision, however, is subject to be revised in the future depending on how the situation in that country evolves and on our ability, as a responsible company, to continue carrying out due diligence and identify evolving risks. For these reasons, we will continue to closely monitor the developments in Myanmar and reserve the right to reassess our approach.

[1] In January 2020, C&A Foundation became part of Laudes Foundation.


Helping the most vulnerable children

Save the Children is one of the strongest and boldest advocates for children’s rights, providing relief and supports children in need around the world. Among Save the Children’s key interventions to protect children from harm and stress are Child Friendly Spaces. These protected environments, which will take on a central role for this partnership in the upcoming years, are mostly set up in communities affected by disaster and crisis and give children the chance to play, make friends, learn, and express themselves.

Between December 2017 and February 2020, C&A customers contributed to the donation of over €3 million to Save the Children.

In addition, C&A Brazil provided humanitarian assistance separate from Save the Children to 1,180 people following floods in the São Paulo, Sergipe, and Minas Gerais states.

Where next?

The partnership with Save the Children aims to provide over €3 million in 2020 to support children and families in dealing with disaster recovery and resilience. In addition, the Children’s Emergency Fund has set a goal to raise €2 million in 2020, towards an annual target of nearly €2.5 million by 2021. To drive greater awareness and engagement among customers and employees, C&A has designed a logo to use for external communication about our partnership, such as in stores.

Laudes Foundation will support Save the Children with an additional €4.5 million to support disaster risk reduction and urban resilience programs until 2023 in four countries: China,
India, Bangladesh, and Mexico). An additional €1.5 million in funding will go directly to global humanitarian disasters.

Our Suppliers' Factory List
Continuously increasing transparency in our supply chain

Our relationships with our suppliers have been developed over many years. Building on the trust developed over this time, our suppliers must deliver the highest quality products, made in a way that is in line with our environmental and labour standards. We also emphasize transparency, which in turn leads to accountability. To this end, we monitor the human rights conditions in our supply chain to ensure our standards are upheld and continually improved. We disclose the location of all of our global suppliers' tier-1 and tier-2 factories, in accordance with our commitment to the Transparency Pledge. We also disclose a proportion of our suppliers' tier-3 spinning and fabric mills.

Our objective of disclosing our suppliers' factories is threefold:

1. Be completely transparent about where our products are made, so our customers and stakeholders can feel confident we're making good choices.
2. Improve worker rights and increase worker voice within our suppliers' factories.
3. Provide a channel so that we can be alerted when issues are observed in our suppliers' factories and take immediate corrective action.

Our public disclosure on our suppliers' production units covers 100% of our tier-1 and tier-2 suppliers' factories (and number of our tier-3 vertically integrated production units that include spinning, fabric production and dyeing) for all markets, globally. We update this list every two months to ensure that the information provided is up to date and relevant to our stakeholders.

Open Apparel Registry

The Open Apparel Registry (OAR) is a groundbreaking and open source tool that maps garment facilities worldwide and assigns a unique ID number to each. It aims to become the source for identifying all global apparel facilities and their affiliations by collating
disparate supplier lists from industry stakeholders into a centralised map and database. The collated database of facility names, addresses, and affiliated parties is powered by an advanced name and address-matching algorithm that will allow users to understand facility affiliations, identify collaboration opportunities, and find potential new suppliers, among other activities.

C&A Foundation supported the launch of OAR, and now Laudes Foundation continues to support development of the platform. C&A is one of the only brands to have taken the time to upload its full list, which improved the learning algorithm for factory addresses. As the first initiative to freely share important industry data across brands, retailers, manufacturers, multi-stakeholder initiatives, and civil society, the OAR accelerates collaboration within the apparel industry and contributes to a new paradigm of open data that will ultimately help to make fashion a force for good.

**IPE Green Supply Map**

C&A also participates in the IPE Green Supply Chain Map. The [Green Supply Chain Map](https://green.supplychainmap.org) is a leadership initiative dedicated to showcasing brands’ commitment to supply chain transparency and environmental management. It openly links brands' supplier lists to publicly-available environmental data, including real-time data for air emissions and wastewater discharge. Brands that voluntarily join the map demonstrate leadership by going transparent toward their concrete actions to monitor and improve environmental performance. The map creates a channel for these brands’ suppliers to publicly verify their environmental compliance.

At the same time, it also allows consumers to incorporate brands’ efforts to minimize supply chain environmental impacts into purchasing decisions. Map users can filter by brand to view and understand individual companies’ supply chains, or can also filter to see the types of data that each facility discloses, including real-time emissions data, feedback about corrective actions to improve environmental performance, and annual pollutant emissions and resource usage data. The map is bilingual, featuring both English and Chinese versions, and also includes a search bar to check supplier name keywords.

Read more on how we rate suppliers and their ratings

Read more about our zero discharge of hazardous chemicals disclosure

Read more about how we’re making transparency the norm

**How we define our supply chain tiers**

Tier 1 - Cut and sew production units
Tier 2 - Printing and embroidery units, laundries, fabric mills and dye houses
Tier 3 - Spinning Mills

For more information regarding this human rights and environmental issues related to C&A's supply chain, please see the relevant chapters of this report.
Global Framework Reporting
GRI, UNGC, and SDG Content Index

At C&A we strive to report transparently against three major global sustainability frameworks: the Global Reporting Initiative (GRI) Standards, United Nations Global Compact (UNGC), and United Nations Sustainable Development Goals (SDGs). The following table details where the various framework elements are discussed in this report.

A link to our most recent UNGC Communication on Progress can be found here.

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<td>102-4 Location of operations</td>
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<td>About C&amp;A</td>
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<td>102-6 Markets served</td>
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<td>102-7 Scale of the organisation</td>
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<td>102-8 Information on employees and other workers</td>
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<td>Listening to employees</td>
<td>Principle 6</td>
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<td>Equality and diversity</td>
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<td>102-9 Supply chain</td>
<td>Sustainable supply</td>
<td>Supplier list</td>
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<td>102-10 Significant changes to the organisation and its supply chain</td>
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<td>102-11 Precautionary Principle or approach</td>
<td>How we report</td>
<td>Principle 7</td>
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<td>102-12 External initiatives</td>
<td>Leaders letter</td>
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<td>102-13 Membership of associations</td>
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<td><strong>Strategy</strong></td>
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<td>102-14 Statement from senior decision-maker</td>
<td>Leaders letter</td>
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<td>102-15 Key impacts, risks, and opportunities</td>
<td>Leaders letter</td>
<td>Our strategy</td>
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<td><strong>Ethics and integrity</strong></td>
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<td>102-16 Values, principles, standards, and norms of behaviour</td>
<td>Our values</td>
<td>Principle 1</td>
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<td>Principle 2</td>
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<td><strong>Governance</strong></td>
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<td>102-18 Governance structure</td>
<td>Governing</td>
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<td><strong>Stakeholder engagement</strong></td>
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<td>102-40 List of stakeholder groups</td>
<td>Stakeholder</td>
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<td>engagement</td>
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<td>102-41 Collective bargaining agreements</td>
<td>Equality and diversity Safety fair labour</td>
<td>Principle 3</td>
<td>SDG 8</td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
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<td>102-42 Identifying and selecting stakeholders</td>
<td>Stakeholder engagement</td>
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<td>102-43 Approach to stakeholder engagement</td>
<td>Stakeholder engagement</td>
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<td>102-44 Key topics and concerns raised</td>
<td>Materiality</td>
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<td><strong>Reporting practice</strong></td>
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<td>102-45 Entities included in the consolidated financial statements</td>
<td>How we report</td>
<td></td>
<td></td>
<td>C&amp;A does not disclose financial statements on a global level. We publish financial statements where national regulations require this.</td>
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<tr>
<td>102-46 Defining report content and topic Boundaries</td>
<td>How we report</td>
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<td>102-47 List of material topics</td>
<td>How we report</td>
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</table>

**Material topics that drive C&A’s sustainability reputation.**

**Sourcing materials responsibly** - uses organic, minimal chemicals, minimises pollution, avoids water pollution, minimises climate change, uses renewable energy, minimises climate change, uses recycled materials, no animal skins.

**Treating workers fairly** - no child labour, respect diversity, support worker rights, engage employees, support communities.

**Openness and honesty** - provide transparency in supply chain, make supplier list publicly available, engage with customers and employees

**Fair trade** - require suppliers to pay workers fair wages, limit work hours, provide health and safety equipment and systems

**Minimising pollution** – work with suppliers to minimise chemicals, set stringent supplier standards for and monitor wastewater discharge, use recycled materials.

**Products** – offer affordable, fashionable, comfortable, easy-to-wash, high-quality, durable products.
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<td>102-48 Restatements of information</td>
<td>How we report</td>
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<tr>
<td>102-49 Changes in reporting</td>
<td>How we report</td>
<td></td>
<td>Global data is provided, unless stated otherwise.</td>
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<td>102-50 Reporting period</td>
<td>How we report</td>
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<td>102-51 Date of most recent report</td>
<td>How we report</td>
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<td>102-52 Reporting cycle</td>
<td>How we report</td>
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<td>102-53 Contact point for questions regarding the report</td>
<td>Contact us</td>
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<td>102-54 Claims of reporting in accordance with the GRI Standards</td>
<td>How we report</td>
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<td>102-55 GRI content index</td>
<td>This document</td>
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<td>102-56 External assurance</td>
<td>How we report External review</td>
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<td>This report is not externally assured.</td>
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<td><strong>Universal Standards: Management Approach</strong></td>
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<td><strong>General requirements for reporting the management approach</strong></td>
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<td>103-1 Explanation of the material topic and its Boundary</td>
<td>How we report</td>
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<td><strong>Topic-specific Standards: Environmental</strong></td>
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<td><strong>Material Topic: Anti-Corruption</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Our values Sustainable supply</td>
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<td>Principle 10</td>
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<td></td>
<td>Equality and diversity</td>
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<td>205-1 Operations assessed for risks related to corruption</td>
<td>Sustainable Supply</td>
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<td></td>
<td>We are working towards a risk management and reporting system that will ensure violations of the Employee Code of Ethics or the Supplier Code of Conduct are reported in the future. Operations have not been formally assessed, but no significant risks related to corruption have been identified.</td>
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<tr>
<td>205-3 Confirmed incidents of corruption and actions taken</td>
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<td></td>
<td>There were no incidents of corruption during this reporting period.</td>
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<td><strong>Material Topic: Anti-Competitive Behaviour</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Our values Sustainable supply</td>
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<td>Equality and diversity</td>
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<tr>
<td>206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</td>
<td>N/a</td>
<td></td>
<td></td>
<td>No legal actions have been taken regarding anti-competitive, anti-trust or monopoly behaviour.</td>
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<td><strong>Material Topic: Materials</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Principle 8 Principle 9</td>
<td>SDG 6 SDG 12 SDG 13</td>
<td></td>
<td>We do not currently publish data on all materials across our business by weight or volume used, or the proportion of renewable and non-renewable materials. However, significant data on our raw materials is disclosed in the indicated pages. Cotton makes up a majority of the materials we buy and use at C&amp;A, and man-made fibres account for more than 40%. In 2019, we were once again the largest buyer of organic cotton in the world.</td>
</tr>
<tr>
<td><strong>301-1 Materials used by weight or volume</strong></td>
<td>Sustainable Materials</td>
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<tr>
<td><strong>301-2 Recycled input materials used</strong></td>
<td>Product innovation</td>
<td></td>
<td></td>
<td>C&amp;A Europe introduced its first recycled nylon products in early 2018. Since then, C&amp;A has provided lingerie certified to the Global Recycled Standard and denim containing recycled cotton.</td>
</tr>
<tr>
<td><strong>301-3 Reclaimed products and their packaging materials</strong></td>
<td>Product innovation Circular fashion Enabling customers</td>
<td></td>
<td></td>
<td>In addition to use of recycled materials in some products, we are helping our customers recycle used clothing. We expanded our in-store take-back programme to new geographies and stores, reaching nine countries as of 2019.</td>
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**Material Topic: Energy**
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<tr>
<td>103-2 The management approach and its components</td>
<td>Clean environment</td>
<td>Principle 7</td>
<td>SDG 6</td>
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<td>302-1 Energy consumption within the organisation</td>
<td></td>
<td>Principle 7</td>
<td>SDG 12</td>
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<tr>
<td>302-2 Energy consumption outside of the organisation</td>
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<td>Principle 8</td>
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<td>302-3 Energy intensity</td>
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<td>Principle 9</td>
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<td>302-4 Reduction of energy consumption</td>
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<td>SDG 6</td>
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<td>302-5 Reduction in energy requirements of products and services</td>
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<td>SDG 12</td>
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<td>302-6 Reduction in energy requirements of products and services</td>
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<td>SDG 13</td>
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<td><strong>Material Topic: Emissions</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Clean environment</td>
<td>Principle 7</td>
<td>SDG 6</td>
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<td>305-1 Direct (Scope 1) GHG emissions</td>
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<td>Principle 8</td>
<td>SDG 12</td>
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<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
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<td>Principle 9</td>
<td>SDG 13</td>
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<td>305-3 Other indirect (Scope 3) GHG emissions</td>
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<td>SDG 6</td>
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<td>305-4 GHG emissions intensity</td>
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<td>SDG 12</td>
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<td>305-5 GHG emissions intensity</td>
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<td>305-5</td>
<td>Climate change</td>
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<tr>
<td>Reduction of GHG emissions</td>
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**Material Topic: Effluents and Waste**

| 103-2 | Clean environment Chemicals Waste Circular fashion | Principle 7 Principle 8 Principle 9 | SDG 6 SDG 12 SDG 13 | |
| The management approach and its components | | | | |

| 306-1 | Chemicals | | | |
| Water discharge by quality and destination | | | | |

| 306-2 | Waste | | | |
| Waste by type and disposal method | | | | |

| 306-3 | | | | There were no significant spills during this reporting period. |
| Significant spills | | | | |

**Material Topic: Compliance**

| 103-2 | Clean environment | | | |
| The management approach and its components | | | | |

| 307-1 | | | | There were no cases of non-compliance brought in any markets. |
| Non-compliance with environmental laws and regulations | | | | |

**Material Topic: Supplier Environmental Assessment**

| 103-2 | Sustainable supply Clean environment Chemicals | | | |
| The management approach and its components | | | | |

<p>| 308-1 | Sustainable Supply | | | |
| New suppliers that were screened using environmental criteria | | | | |</p>
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<td><strong>Organisational Profile</strong></td>
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<td>308-2 Negative environmental impacts in the supply chain and actions taken</td>
<td>Chemicals, Climate change, Water</td>
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<tr>
<td><strong>Topic-specific Standards: Social</strong></td>
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<td><strong>Material Topic: Employment</strong></td>
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<tr>
<td>103-2 The management approach and its components</td>
<td>Engaging employees, Listening to employees, Equality and diversity</td>
<td>Principal 6</td>
<td>SDG 5, SDG 8</td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
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<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
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<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
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<td>401-3 Parental leave</td>
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<td><strong>Material Topic: Labour/Management Relations</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Engaging employees, Safe and fair labour</td>
<td>Principle 6</td>
<td>SDG 8</td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
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<tr>
<td>402-1 Minimum notice periods regarding operational changes</td>
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<td><strong>Material Topic: Training and Education</strong></td>
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<td>404-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>Learning and development</td>
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<td>103-2 The management approach and its components</td>
<td>Our values Equality and diversity Global frameworks</td>
<td>Principle 6</td>
<td>SDG 5</td>
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<tr>
<td>405-1 Diversity of governance bodies and employees</td>
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<td>405-2 Ratio of basic salary and remuneration of women to men</td>
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<td><strong>Material Topic: Non-discrimination</strong></td>
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<td>Our values Sustainable supply Equality and diversity</td>
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<td>406-1 Incidents of discrimination and corrective actions taken</td>
<td>Safe and fair labour Protecting the most vulnerable</td>
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<td>The management approach and its components</td>
<td>Sustainable supply&lt;br&gt;Safe and fair labour&lt;br&gt;Sustainable supply&lt;br&gt;Safe and fair labour&lt;br&gt;Supplier and worker engagement</td>
<td>Principle 3</td>
<td>SDG 8</td>
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<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
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<td><strong>Material Topic: Child Labour</strong></td>
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<td>SDG 8</td>
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<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labour</td>
<td>Protecting the most vulnerable</td>
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<td><strong>Material Topic: Forced or Compulsory Labour</strong></td>
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<td>The management approach and its components</td>
<td>Sustainable supply&lt;br&gt;Protecting the most vulnerable</td>
<td>Principle 4</td>
<td>SDG 8</td>
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<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labour</td>
<td>Protecting the most vulnerable&lt;br&gt;Supplier and worker engagement</td>
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<td><strong>Material Topic: Human Rights Assessment</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Sustainable supply</td>
<td>Principle 1 Principle 2</td>
<td>SDG 5 SDG 8</td>
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<tr>
<td>412-1 Operations that have been subject to human rights reviews or impact assessments</td>
<td>Sustainable supply</td>
<td>Principle 1 Principle 2</td>
<td>SDG 8</td>
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<tr>
<td>412-2 Employee training on human rights policies or procedures</td>
<td>Protecting the most vulnerable employees</td>
<td></td>
<td></td>
<td>We support supplier training on human rights to make sure C&amp;A suppliers understand the requirements for acceptable work ages and hours, overtime, communication with workers, safety, and other workplace concerns. As well, C&amp;A employees receive training on our Code of Ethics. We do not currently report other human rights training data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
</tr>
<tr>
<td>412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>Sustainable supply</td>
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Material Topic: Local Communities
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<td>103-2 The management approach and its components</td>
<td>Sustainable lives</td>
<td>Strengthening communities</td>
<td>Giving back and volunteering</td>
<td>Disaster relief</td>
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<tr>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
<td>Strengthening communities</td>
<td>Giving back and volunteering</td>
<td>Disaster relief</td>
<td></td>
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<tr>
<td>413-2 Operations with significant actual and potential negative impacts on local communities</td>
<td>More sustainable cotton Polyester Chemicals Climate change Water</td>
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<td><strong>Material Topic: Supplier Social Assessment</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Sustainable supply Safe and fair labour Supplier and worker engagement Protecting the most vulnerable</td>
<td>Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6</td>
<td>SDG 5, 8</td>
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<td>414-1 New suppliers that were screened using social criteria</td>
<td>Sustainable supply</td>
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<tr>
<td>414-2 Negative social impacts in the supply chain and actions taken</td>
<td>Sustainable supply Safe and fair labour Supplier and worker engagement Protecting the most vulnerable</td>
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<td><strong>Material Topic: Public Policy</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Our values Stakeholder engagement</td>
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<td>415-1 Political contributions</td>
<td>Principle 10</td>
<td></td>
<td></td>
<td>No financial or in-kind political contributions were made directly or indirectly.</td>
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<td><strong>Material Topic: Customer Health &amp; Safety</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Product quality and safety</td>
<td>SDG 12</td>
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<tr>
<td>416-1 Assessment of the health and safety impacts of product and service categories</td>
<td>Product quality and safety</td>
<td></td>
<td></td>
<td>Approximately 95% of our products are assessed for health and safety impacts globally (100% in Europe).</td>
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<tr>
<td>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>Product quality and safety</td>
<td></td>
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<td>C&amp;A had no product recalls across our retail markets in 2019.</td>
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<td><strong>Material Topic: Marketing and Labelling</strong></td>
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<tr>
<td>103-2 The management approach and its components</td>
<td>Product quality and safety Certified organic cotton Responsible down A circular fashion first</td>
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<tr>
<td>417-1</td>
<td>Product quality and safety</td>
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<td></td>
<td>We do not currently report this data at a global level, but we are working to standardise how we collect this information and hope to report it in the future.</td>
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<tr>
<td>Requirements for product and service information and labelling</td>
<td>Certified organic cotton</td>
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<td></td>
<td>Responsible down</td>
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<td></td>
<td>A circular fashion first</td>
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<tr>
<td>417-2 Incidents of non-compliance concerning product and service information and labelling</td>
<td></td>
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<td></td>
<td>There were no incidents of non-compliance during this reporting period.</td>
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<td>417-3 Incidents of non-compliance concerning marketing communications</td>
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<td>There were no incidents of non-compliance in the reporting period.</td>
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<td><strong>Material Topic: Customer Privacy</strong></td>
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<td>103-2 The management approach and its components</td>
<td>Enabling customers</td>
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<tr>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td></td>
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<td>No incidents were reported during this reporting period.</td>
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<td><strong>Material Topic: Socioeconomic Compliance</strong></td>
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<tr>
<td>103-2 The management approach and its components</td>
<td>Sustainable supply</td>
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<td></td>
<td>Clean environment</td>
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<td>Safe and fair labour</td>
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<td>Product quality and safety</td>
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## Universal Standards: GRI 102 General Disclosures

### Organisational Profile

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<tr>
<td>Non-compliance with laws and regulations in the social and economic area</td>
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<td>There were no incidents of non-compliance during this reporting period.</td>
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</tbody>
</table>

1 2019 GlobesSan survey results plus “Products” bullet item from last year’s GRI index.

## Contact us

### Global sustainability team

Sustainability at C&A is led by our global leadership team and operationalised by regional leadership. Both groups work together to embed our global sustainability strategy into the organization.

**Global Sustainability Leadership Team**

- Aleix Busquets Gonzalez, Head of Global Sustainability - [LinkedIn](#)
- Catherine Louies, Head of Transparency and Circular Innovation - [LinkedIn](#)
- Michael Reidick, Head of Social and Environmental Stewardship - [LinkedIn](#)
- Adam Brennan, Unit Leader Environmental Stewardship - [LinkedIn](#)
- Charline Ducas, Unit Leader of Circular Economy - [LinkedIn](#)
- Galina Parmenter, Senior Manager Policy and Transparency - [LinkedIn](#)
- Thomas Vornhusen, Unit leader SSC Operations - [LinkedIn](#)
- Suman Bethapudi, Materials and Circular Products Project Manager - [LinkedIn](#)

**Retail Market Sustainability Leaders**

- Leandro Ito, SSC/SCM and sustainability manager - Brazil [LinkedIn](#)
- Aarony Xu, Sr. Sourcing Product Manager - China [LinkedIn](#)
- Luven Huang, Market Intelligence Manager - China [LinkedIn](#)
- Alejandra Sánchez Ayala, Head of Sustainability - Mexico [LinkedIn](#)
Contact us

Please contact us with any questions on our sustainability approach, the report and our supplier list at sustainability(at)canda.com

For press inquiries please contact: press(at)canda.com

Legal contacts

C&A Mode GmbH & Co. KG

Personally liable shareholder:
C&A Retail GmbH
Headquarters: Zug / Switzerland
Company ID: CHE-116.290.471
Managing Director: Christoph Hammer

For any specific questions regarding this website and the content therein please contact by E-Mail:

Mail: sustainability(at)canda.com or press(at)canda.com

Based on the subject of your question, your country of residence and your language, your e-mail request will be forwarded to our specialists.