

Making Sustainable Fashion the New Normal

Global Sustainability Report 2018

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

65% of C&A employees worldwide participated in our Inspiring World campaign, 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 and tier-2 suppliers' factories worldwide. 46% of the workers in our supply chain work in top-rated factories

Fewer natural resources

Through our sourcing of more sustainable cotton, we have reduced blue water consumption by 51% (blue water is the fresh surface water or groundwater used to grow a crop or produce goods)

Driving more sustainable cotton

We are the world's largest buyer of organic cotton. 71% of the cotton we source is certified organic or Better Cotton – taking us closer to our 2020 goal of 100%

Towards a new normal

We are working towards a vision of the new normal – where sustainability is just another word for normal. To achieve our vision of fashion with a positive impact, our sustainability work is focused on the areas that are most relevant to our business and where we can have the biggest impact - our products, our supply chain, and people's lives.

[Read more about our approach](#)

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 3.5 million store visitors every day. 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 100 million customers each year. With about 51,000 employees worldwide, our retail business encompasses 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. Today, the C&A retail business is part of the [COFRA Group](#), headquartered 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. Together, our cornerstone commitment – for all our cotton to be more sustainable by 2020 – and our focus on circular apparel, are creating fashion with a positive impact for people and the environment.

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.

Our corporate foundation complements our global sustainability strategy to create a fair and sustainable apparel industry in which everyone – from farmer to factory worker – can thrive. In this way and others, we collaborate with C&A Foundation to make fashion a force for good. C&A Foundation initiatives work broadly across the entire apparel industry towards systemic change in social and environmental impacts. For more information, visit the [C&A Foundation website](#) or read the [C&A Foundation 2018 Annual Report](#).

C&A At a Glance



About 51,000 employees



Nearly 1,900 stores



21 countries worldwide



722 suppliers in our global network



Mexico Est 1999

72 stores
41 cities
150,000 customers p/day



Brazil Est 1976

275 stores
121 cities
1,000,000 customers p/day



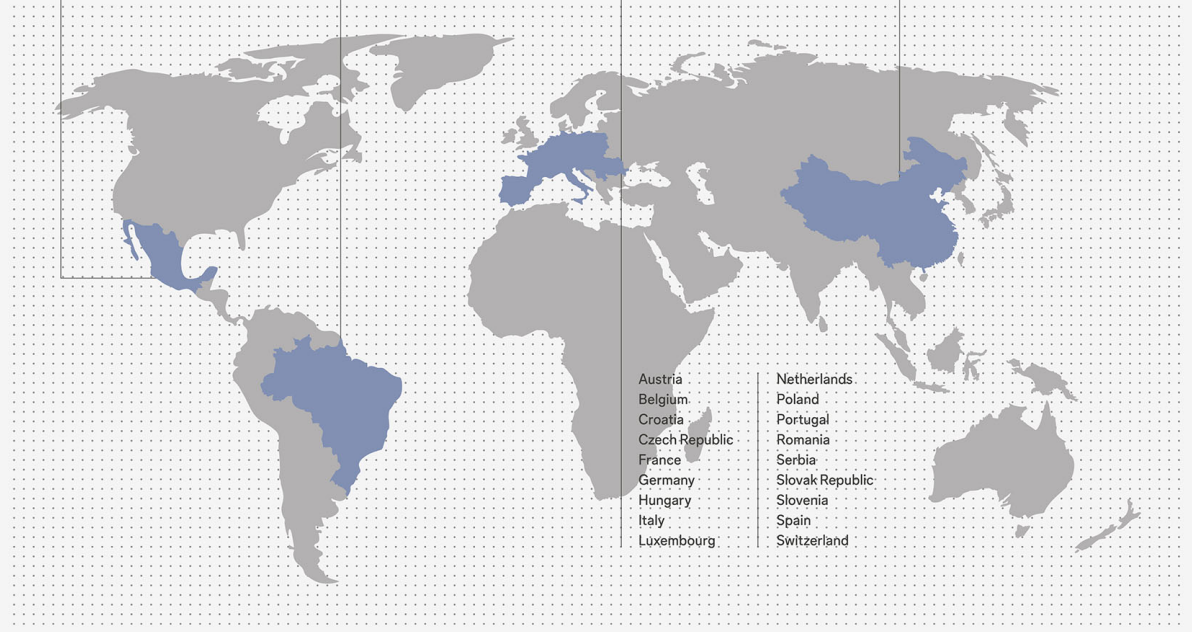
Europe Est 1841

1,486 stores
18 European countries
2,000,000 customers p/day



China Est 2007

70 stores
21 cities
200,000 customers p/day



Europe

We have 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*^{TM [1]} jeans in Europe.
[Read more](#)
- In Europe, we have taken the bold step of committing to source 100% of our man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain, and in 2018, 100% of cellulosic fibre suppliers to Europe were verified as low risk of controversial fibre.
[Read more](#)
- In 2018, C&A Europe sold more than 300,000 items containing recycled polyester and 95,000 pieces containing recycled cotton.
[Read more](#)
- In 2018, we brought to market more than 1.1 million Responsible Down Standard-certified items in Europe.
[Read more](#)
- In 2018, we continued our Saving Water Programme, which features waterless finishing for denim production, and brought to market over 800,000 pieces for Men and Ladies.
- We expanded our in-store take-back programme to additional countries in Europe, and launched an online take-back programme in Germany. The 'we take it back' programme is now available in 460 C&A stores in Europe.
[Read more](#)
- All our European products remain free from perfluorinated compounds, and we have eliminated chromium from our leather tanning process.

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](#)
- Three 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](#)
- We continue 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](#)
- We are working towards our aspirational goal of zero waste to landfill by developing a unified European approach to handling unsold inventory and emphasizing reuse wherever possible. We recycled 15,403 metric tons of cardboard boxes and paper, as well as 3,314 metric tons of hangers and other plastics during 2018.
[Read more](#)

Sustainable Lives

- C&A was recognised as the most sustainable retail fashion brand in the Netherlands and Germany in our fourth annual survey of more than 6,000 customers. Our use of Bio 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](#)

- We also conducted an additional survey of six other European markets — Austria, Belgium, Czech Republic, Poland, Spain, and Switzerland — to better understand customer perceptions of our sustainability performance and which issues are most important to our customers in those markets.

[Read more](#)

- #WearTheChange, our first global, multi-channel sustainability communications programme, launched in Europe in early 2018, across in-store, online, and print touchpoints. Since then, C&A Europe has nearly doubled the overall reaction rate compared to our average, demonstrating good engagement with consumers.

[Read more](#)

- During 2018, we communicated 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](#)

- In several European countries, 100% of C&A employees participated in our new Inspiring World campaign, launched in 2018. C&A Europe supported 39 charities with donations totalling €760,000.

[Read more](#)

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

[Read more](#)

- In 2018, the partnership among C&A, C&A Foundation, and Save the Children reached more than 8 million people, of whom around 4 million are children.

[Read more](#)

- C&A Europe provided training for 'we take It back,' reaching all employees in the 460 stores running the programme, as well as C&A Germany employees, introducing them to online take-back.

[Read more](#)

- Almost 200 new C&A Europe employees participated in the 2018 orientation programme for new hires, which includes an introduction to our sustainability commitments and actions.

[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. We operate 278 stores, 3 distribution centres, and a head office in more than 120 cities across the country. We've reported on sustainability since 2010 and were the first fashion retailer in the country to report in accordance with the Global Reporting Initiative (GRI) guidelines. We were 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. We have 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

- During 2018, we introduced Gold level Cradle to Cradle Certified™ jeans in Brazil, the first retailer to do so.
[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. Working with our biggest spinners, we have accelerated uptake significantly, increasing the number of BCI members in our Brazilian supply chain to over 60 companies.
[Read more](#)
- Our in-store take-back pilot more than doubled in 2018, expanding from 31 to 80 stores. As of 2019, the 'we take it back' programme is no longer a pilot and is slated to expand to 130 stores during the year. To date, our stores in Brazil have collected 15,332 garments, the majority of which were donated to a local organisation for reuse.
[Read more](#)
- We have shared responsibility for taking back and disposing of old mobile phones and batteries we sell in Brazil. In 2018, we collected 49,472 batteries and 3,960 cell phones in our stores.
[Read more](#)
- C&A Brazil was recognized by AMCHAM Brasil Prêmio Ecofor our 'Cradle to Cradle Certified™ gold products' and 'In-store take-back + Electronic waste program'.
[Read more](#)

Sustainable Supply

- C&A Brazil has had an audit programme since 2006. Today, we continue to ensure our suppliers and authorised subcontractors comply with the social and environmental standards in our global Supplier Code of Conduct, which is sometimes higher than the local legal requirements.
[Read more](#)
- The C&A Brazil Sustainable Supply Chain programme in Brazil has improved substantially since 2017, showing a strong governance model, and contains several elements that set a

benchmark in the country. During the year we trained suppliers on requirements in health and safety, fire safety, compensation, governance, and other topics.

[Read more](#)

- We were 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 2018 in the Fashion Revolution Transparency Index Brazil, which analysed 20 fashion brands.

[Read more](#)

- In 2018, 60 C&A stores were renovated in Brazil, generating a total of 943 metric tons of construction waste, of which 53% was sent to recycling, part of our efforts to reduce the environmental impacts of store openings and updates.

[Read more](#)

- The region recycled 391 metric tons of cardboard boxes and paper, as well as 62 metric tons of hangers and other plastics during 2018.

[Read more](#)

- In 2018, Instituto C&A (as C&A Foundation is known in Brazil) collaborated with local non-governmental organisation partner Missão Paz, which helps to advance the rights and empowerment of immigrant workers. During the year, the organisation helped 703 immigrant workers from the fashion supply chain, and supported 9 people rescued from slave labour.

[Read more](#)

- Instituto C&A partnered with non-profit Centro de Apoio e Pastoral do Migrante to help 3,712 immigrants register as Brazilian residents, and made 906 visits to factories and homes to address social welfare and labour conditions.

[Read more](#)

Sustainable Lives

- C&A was again recognised as the most sustainable retail fashion brand in Brazil in our fourth annual survey of more than 6,000 customers.

[Read more](#)

- We continued customer and employee engagement in our sustainability journey with #WearTheChange, our global, multi-channel sustainability communications platform. Localised approaches and events achieved nearly 118 million impacts, more than 12 million engagements, and numerous articles and posts in the media.

[Read more](#)

- Two 2018 C&A Fashion Futures events attended by hundreds of people boosted consumer awareness and involvement in the journey towards more sustainable fashion.

[Read more](#)

- In 2018, C&A Brazil raised awareness for equality and diversity through Diversity Week; a Pride Collection; actions for International Women's Day; and recruiting fairs for minorities, transgender people, and immigrants.

[Read more](#)

- In the 2018 employee survey, 92% of C&A employees in Brazil told us they feel proud of C&A's contribution on the community, society, and environment.

[Read more](#)

- More than 10,000 C&A Brazil employees participated in the first year of Inspiring World, with donations benefiting two Brazilian NGOs.

[Read more](#)

- The Instituto C&A volunteering programme at C&A Brazil's headquarters included 137 employee volunteers participating in 10 events, more than the previous year, and nationwide, 1,541 C&A employees participate in volunteering.

[Read more](#)

Mexico

We operate 76 stores in 40 cities across Mexico. We're working to expand the sourcing of more sustainable cotton, improve supplier performance, reduce our 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.
[Read more](#)
- C&A Mexico accelerated its sourcing of cotton as Better Cotton by providing training to suppliers and internal teams during 2018 and encouraged fabric spinners in Mexico to become members of BCI.
[Read more](#)
- A water-saving pilot project in Mexico is ongoing for Mens', Ladies', and Kids' denim products.
[Read more](#)
- We are launching a pilot take-back programme in 10 C&A Mexico stores during 2019.
[Read more](#)

Sustainable Supply

- Over 60% of C&A Mexico's suppliers are based in Mexico, and we share the others with C&A Europe. In 2018, we continued working 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](#)
- In 2018, just 15% of supply chain employees worked in D- and E-rated factories, an improvement of 22 percentage points since 2017. The teams working with the domestic

supply chain in Mexico have focused on building capacity and technical know-how in all production units.

[Read more](#)

- We are one of the only international brands implementing a Sustainable Chemicals Management approach in Mexico, and have rolled out our global programme in the region, working with suppliers to support understanding and compliance.

[Read more](#)

- We recycled 430 metric tons of cardboard boxes and paper, as well as 30 metric tons of hangers and other plastics during 2018, and C&A Mexico has begun working with our other three regions to determine the feasibility of greater consistency for handling our unsold inventory and contributing to our global zero waste goal.

[Read more](#)

Sustainable Lives

- #WearTheChange, our multi-channel sustainability communications platform, was introduced in Mexico in 2018, with the full launch around Earth Day 2019.

[Read more](#)

- During the launch of #WearTheChange in Mexico, all employees were given organic cotton T-shirts made to foster additional pride #WearTheChange. Sustainability was also a main topic during the end-of-year employee meeting known as Encuentro Nacional.

[Read more](#)

- In the 2018 employee survey, which included 1,079 employees — our largest ever in Mexico — 90% of C&A Mexico employees told us they feel proud of C&A's contribution on the community, society, and environment.

[Read more](#)

- In late 2018, C&A Mexico provided employees with training to refresh Code of Conduct understanding, and includes Code of Ethics training to all new employees during onboarding.

[Read more](#)

- All 230 headquarters employees volunteered to pack emergency kits for people affected by natural disasters. Along with Save the Children, C&A delivered 4,000 kits containing first aid and personal hygiene products.

[Read more](#)

- More than 175,187 garments with a commercial value of approximately \$15 million pesos (nearly €700,000) were donated to fund social projects, benefiting families in the communities where C&A operates.

[Read more](#)

China

C&A China, which began operations in 2007, has 70 stores — including one stand-alone store dedicated to Kids' products — across 23 cities. Internet shopping is growing fast in China. C&A China launched its online platform in March 2014 with good results. Sales revenue increased fourfold after only three years. E-commerce represents 15% of our retail business in China, achieving a record 300,000 visitors to our online channel every day.



Sustainable Products

- Only a small proportion of the cotton produced in China is organic. Working with C&A Foundation and CottonConnect, we have been piloting a project in Shandong Province to support farmers in their transition from conventional to organic cotton. During 2018, we expanded the project to a total of 300 farmers (from 105 in 2017), and purchased 90 metric tons of in-transition cotton to produce 144,000 T-shirts and 80,400 pairs of jeans. [Read more](#)
- In China, we have taken the bold step of committing to source 100% of our man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain. [Read more](#)
- In 2018, 100% of cellulosic fibre suppliers to China were verified as low risk of controversial fibre. This is in keeping with our commitment to source all man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain. [Read more](#)
- In China, we brought to market more than 157,000 pieces of Responsible Down Standard-certified down, which represented 100% of all down items sold by C&A in China. [Read more](#)

Sustainable Supply

- 45% of the suppliers we work with in C&A China we share with C&A Europe. 15 of these suppliers provide 60% of our products in China. In 2018, we continued working to raise the standards across all of our suppliers. [Read more](#)
- Although most of our climate-related impacts originate in the C&A supply chain, we are also working to be energy efficient in our retail stores. A 2017-2018 LED lighting replacement initiative at a large store in Shanghai are expected to deliver annual energy savings of 50% at store and could potentially be replicated at other C&A locations in China and elsewhere. [Read more](#)
- C&A China has begun working with our other three regions to determine the feasibility of greater consistency for handling our unsold inventory and contributing to our global zero waste goal, and we recycled 133 metric tons of cardboard boxes and paper during 2018. [Read more](#)

Sustainable Lives

- Beginning in April 2018, we strengthened customer engagement in our sustainability journey with #WearTheChange, our global, multi-channel sustainability communications platform. Implementation included a series of creative and localised approaches in China.
[Read more](#)
- C&A launched a graphic design competition featuring sustainability messages on T-shirts and canvas bags, resulting in more than 2,500 designs submitted by participants, then extended #WearTheChange engagement with colourful notebooks made from sustainable inks and paper and featuring the same graphics as the T-shirts and bags.
[Read more](#)
- During the year, we recorded numerous views of WeChat articles featuring #WearTheChange, more than twice the average for C&A articles, including 515,000 views by key opinion leaders.
[Read more](#)
- In the 2018 employee survey, 93% of employees in China told us they feel proud of C&A's contribution on the community, society, and environment, an increase of 6 percentage points over the 2017 survey.
[Read more](#)
- C&A China conducted e-learning on the Employee Code of Ethics, and 100% of new employees completed the online training and test, as well as 98% of headquarters office staff and 100% of store employees.
[Read more](#)
- In addition, 77 C&A China employees completed online and in-person sustainability training sessions in 2018.
[Read more](#)
- Throughout the region, 97% of C&A employees from retail stores and the head office participated in the first year of Inspiring World, generating €41,160 in donations for two organisations that support women's livelihoods and empowerment.
[Read more](#)

Our Values

Trust us to do the right thing

With 178 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 10 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. In 2015, we updated our [Fairness Channels](#) to accommodate our more rigorous [Supplier Code of Conduct](#) and [Employee Code of Ethics](#).

To ensure that the workers in our supplier's 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, and regional committees led by retail market management teams. This global governance structure enables us to make better decisions quicker and with lasting results.



Towards a new normal

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

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

Words from our leaders

Dear C&A stakeholders,

Making sustainable fashion the new normal is difficult but rewarding work. In 2018, we have experienced significant shifts in the fashion industry, where normalising sustainable and circular fashion will be essential to brand longevity and customer engagement.



At the same time, we are well aware that global fashion faces a changing – and challenging – economic environment marked by shifting consumer trends, a deficit in trust, and other external forces. The continued meteoric growth of e-commerce, recent uncertainties in global trade, and growing consumer interest in circular business models, are just a few of the trends promising even greater changes ahead that will challenge the fashion industry.

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

Moving circular fashion forward and driving innovation, supporting SDG 12 and SDG 17 – We have now brought to market almost 4 million pieces of our revolutionary Cradle to Cradle Certified™ apparel – including the world's first gold Cradle to Cradle Certified™ jeans, offered in 2018. We are also sharing our learnings with the industry through open-source roadmaps prepared with Fashion for Good so others have resources to embrace the circular approach. We have actively sought out and tested circular fibres, business models, and innovations with the Fashion for Good start-ups, and are pleased

with the promise of pre-competitive collaboration on sustainability challenges with other brand partners.

Doing our part to minimise climate change, supporting SDG 13 - Climate change continues to be one of the major challenges of our time and we have been working hard on our Science-Based Targets in line with the Paris Agreement. This year alone, by supporting organic and sustainable agriculture, we have been able to avoid 116,000 tons of CO₂ emissions (mtCO₂e), equivalent to the yearly CO₂ emissions of over 70,000 passenger cars. In 2019, we will finalise our targets and communicate them publicly.

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

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

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

Engaging our employees in transforming the industry we all share, supporting SDG 5, SDG 8, and SDG 17 - 2018 saw the launch of our Inspiring World campaign, in which nearly 33,000 employees shared their vision of a better world. With C&A Foundation, the programme provided over €1 million to charities chosen by employees and benefitting more than 250,000 people.

Collaborating at scale, supporting SDG 8 and SDG 17 – Industry-wide collaborations are key to our sustainability progress and to bringing about the wide-scale change needed to revolutionise the industry. Among many other important alliances, in 2018, we continued our close involvement with ACT (Action, Collaboration, Transformation), a groundbreaking agreement among global brands, retailers, and trade unions to transform the garment, textile, and footwear industry. With other ACT brands, we are striving to ensure living wages for garment workers in key sourcing countries by establishing industry-wide, national collective bargaining agreements as well as responsible purchasing evaluation tools and practices for the industry. Lastly, we will continue to support and provide our technical expertise to the Ellen MacArthur Foundation to develop circular approaches for the apparel industry. And of course, we partner with C&A Foundation to support systemic change in social and environmental practices across the industry.

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

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

Edward K. Brenninkmeijer

Chairman, Global Sustainability Committee, C&A AG,
Chairman, C&A Foundation Board

Jeffrey Hogue

Chief Sustainability Officer, C&A Global

Our 2018 performance

Strong performance towards our 2020 aspirational goals

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



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

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

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

Our performance overview

Sustainable Products

- 71% of the cotton we source is certified organic cotton or sourced as Better Cotton, up from 67% in 2017, 53% in 2016, and 40% in 2015. We remain the world's leading buyer of certified organic cotton.

[Read more](#)

- Over one-quarter of the cotton we buy is sourced as Better Cotton, making us one of the world's largest contributors to the Better Cotton Initiative.
[Read more](#)
- 49% of the raw materials we use in our collections – such as cotton, viscose, and polyester – are now sourced more sustainably.
[Read more](#)
- In Europe and China, we have taken the bold step of committing to source 100% of our man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain.
[Read more](#)
- We work closely with Fashion for Good, where we are collaborating to drive circular economy approaches into our supply chain with other leading brands by implementing new technologies from innovative start-ups.
[Read more](#)
- We are sharing our learnings from the development of our Cradle to Cradle Certified™ products with the industry through Fashion for Good's *Good Fashion Guide* and other resources, which are open-source roadmaps.
[Read more](#)
- We developed and offered the world's first gold Cradle to Cradle Certified™ Jeans in several Mens' and Ladies' styles.
[Read more](#)
- We have now brought almost 4 million pieces of our revolutionary Cradle to Cradle Certified™ apparel to market in Europe, Brazil, and Mexico.
[Read more](#)
- We were recognized by Ethical Corporation with the Sustainable Innovation of the Year award for our Cradle to Cradle Certified™ gold level T-shirts, as well as by AMCHAM Brasil Prêmio Eco.
[Read more](#)
- C&A Europe introduced our first recycled nylon products in early 2018: around 80,000 pieces of lingerie certified to the Global Recycled Standard (GRS).
[Read more](#)
- 100% of our down and feathers meet the Responsible Down Standard, and we are working to strengthen the standard.
[Read more](#)
- We are working with the Organic Cotton Accelerator, CottonConnect, and C&A Foundation to improve the business case for organic cotton for 300 farmers in India.
[Read more](#)
- We expanded our in-store take-back programme to new geographies globally, reaching nine countries as of 2019, including a new pilot take-back initiative at 10 stores in Mexico and an online take-back programme in Germany that also supports Save the Children.
[Read more](#)

Sustainable Supply

- We disclose 100% of our tier-1 and tier-2 suppliers across all four regions. The names and addresses of the factories of our 722 suppliers are plotted on a supplier map.
[Read more](#)
- We continued to work with suppliers through our Supplier Ownership Programme, covering

more than 67,500 workers.

[Read more](#)

- We continued to deliver a strong and constantly evolving audit process on safe and fair labour. In 2018, 46% of the workers in our supply chain work in top-performing, A- and B-rated factories that adhere to our high standards on minimum wages, discrimination, violence or abuse, protection of vulnerable groups, freedom of association, undisclosed production, health & safety, and environmental compliance.

[Read more](#)

- We are among the leading brands for remediation in line with the Bangladesh Accord. C&A was one of the first signatories of the Accord, and six years on, 96% of the issues identified across C&A's supplier operations have been corrected. Corrective Action Plans (CAPs) are in place for the remaining operations.

[Read more](#)

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

[Read more](#)

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

[Read more](#)

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

[Read more](#)

- We continued to implement the Sustainable Chemicals Management (SCM) Programme at all key tier-1, tier-2, and tier-3 suppliers, creating tangible progress towards our Zero Discharge of Hazardous Chemicals commitment.
- We worked closely with suppliers to build knowledge, strengthen skills, and drive remediation in the supply chain so our suppliers can meet our SCM requirements. During the year, 85% achieved compliance.

[Read more](#)

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

[Read more](#)

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

[Read more](#)

Sustainable Lives

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

[Read more](#)

- We continued customer engagement in our sustainability journey with #WearTheChange,

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

- [Read more](#)

- 93% of employees in China, 92% in Brazil, and 90% in Mexico, told us they feel proud of C&A's contribution on the community, society, and environment.

- [Read more](#)

- During its first year, the Inspiring World campaign involved 65% of C&A global employees representing 21 countries, and provided a collective €1 million in donations through C&A Foundation to 45 charities, benefitting more than 250,000 people.

- [Read more](#)

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

- [Read more](#)

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

- [Read more](#)

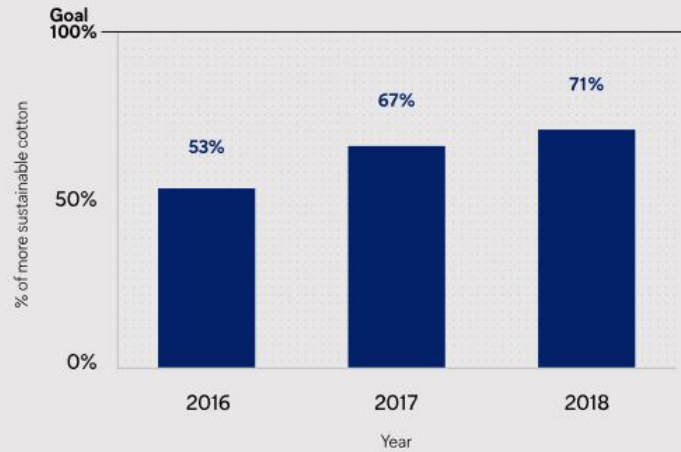
Progress towards our 2020 goals

● Exceeding ● Meeting ● Not Progressing

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

KPI - % share of total cotton products

■ Total global share



Retail Markets/Metric	Status	2016	2017	2018
Europe	●	61%	74%	74%
Brazil	●	26%	42%	61%
China	●	85%	95%	96%
Mexico	●	2%	35%	48%
Units of more sustainable cotton - total pieces	-	222,195,516	294,072,750	318,456,614
Units of organic cotton ^[2] - total pieces	-	138,722,325	173,224,396	170,496,672
Units of BCI and REEL Cotton ^[3] - total pieces	-	83,473,191	120,848,354	147,959,942

Footnotes

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

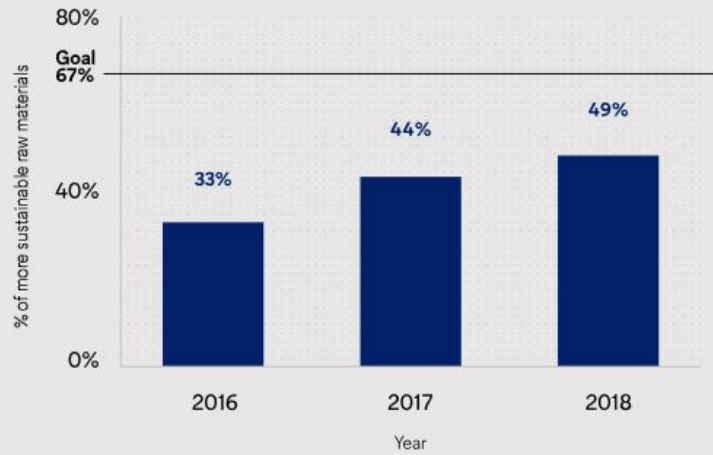
^[2] Pieces of Certified Organic Cotton - Garment pieces made of cotton certified by a third party under the Organic Content Standard (OCS) or the Global Organic Textile Standard (GOTS).

^[3] Pieces of Better Cotton - An estimate of pieces sourced under the Better Cotton Initiative's mass balance system in metric tons converted into pieces.

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

KPI - % share of total products

■ Total global share



Retail Markets	Status	2016	2017 ^[2]	2018
Europe	●	39%	49%	51%
Brazil	●	16%	25%	40%
China	●	45%	58%	65%
Mexico	●	1%	21%	31%

Footnotes

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

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

Sustainable Supply

● Exceeding ● Meeting ● Not Progressing

● Goal: Zero discharge of hazardous chemicals ^

	2016	2017	2018
2017 KPI – Number of mills audited	111	251	n/a
2018 KPI – % coverage of supplier expenditure	n-a	n-a	92%

Footnotes ^

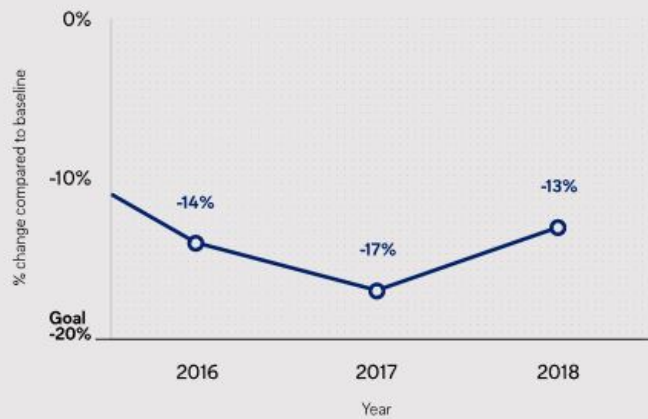
In 2018, we adjusted this KPI to represent % coverage of supplier expenditure, which is a better representation of progress toward safer chemicals in our supply chain.

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]

KPI – % change in CO₂e/m² Gross Leasable Area (GLA) compared to 2012 baseline

■ Global change from baseline



Metric	2016	2017	2018
Absolute carbon footprint KPI – total metric tons (mt) CO ₂	230,845	215,148	225,990
Absolute energy footprint KPI – total megawatt hours	885,625	815,314	818,374
Energy efficiency KPI – % variance in kWh/m ² Gross Leasable Area (GLA) ^[3]	-14%	-19%	-20%
Greenhouse Gas Emissions Inventory according to the Greenhouse Gas (GHG) Protocol	6,451,528	5,352,366	5,678,204
Scope 1 GHG Emissions KPI – metric tons (mt) CO ₂ e	22,117	19,759	19,800
Scope 2 GHG Emissions KPI – metric tons (mt) CO ₂ e	208,728	195,389	206,190
Scope 3 GHG Emissions ^[2] KPI – metric tons (mt) CO ₂ e	6,220,683	5,137,217	5,452,214

Footnotes

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

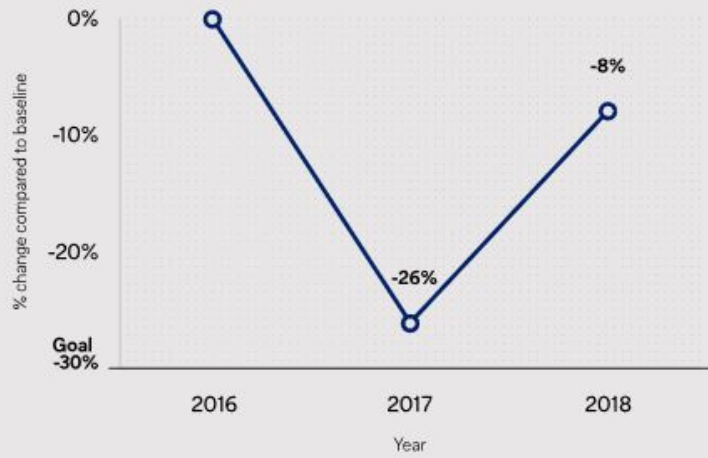
^[2] Scope 3 calculations include the following 7 of the 15 scope categories in the GHG Protocol: purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, use of sold goods, and end-of-life treatment of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

^[3] Compared to 2012 baseline.

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

KPI - % change compared to 2016 baseline

■ Global change from baseline



Footnotes

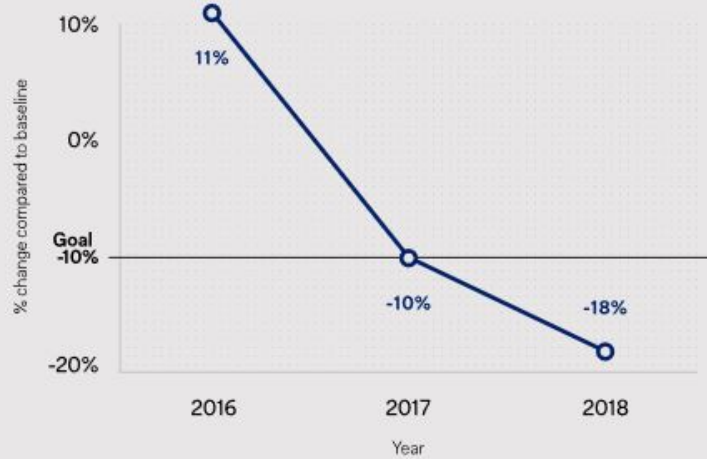
^[1] From 2016 baseline, by 2025.

This is a new goal.

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

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

■ Global average



Footnotes

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

^[1] From 2016 baseline, by 2025.

Goal: Zero waste to landfill ^[1]



	2016	2017	2018
KPI – 0 waste to landfill (hazardous ^[2] and non-hazardous, measured in metric tons)	Was not tracked	1,601	7,033

Footnotes



This is a new goal.

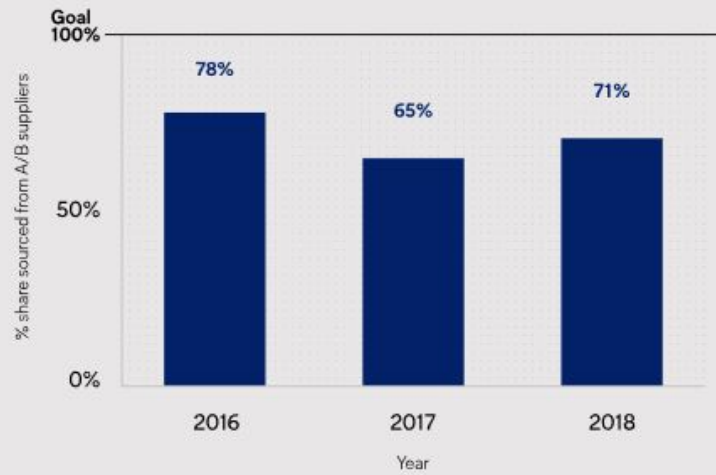
^[1] By 2025.

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

● 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



Retail Markets	Status	2016	2017	2018
Europe	●	89%	65%	70%
Brazil	●	42%	52%	36%
China	●	52%	68%	69%
Mexico	●	36%	50%	64%

Footnotes ^

A and B-rated suppliers are the highest performing suppliers as rated against our Code of Conduct and audit protocols. Each supplier is rated based on performance from audits conducted at the factory level.

● Goal: Build capacity and supplier ownership within our supply chain ^

	2016	2017	2018
KPI – Number of key factories included in the Supplier Ownership Programme. ¹	24	24	39

Footnotes ^

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

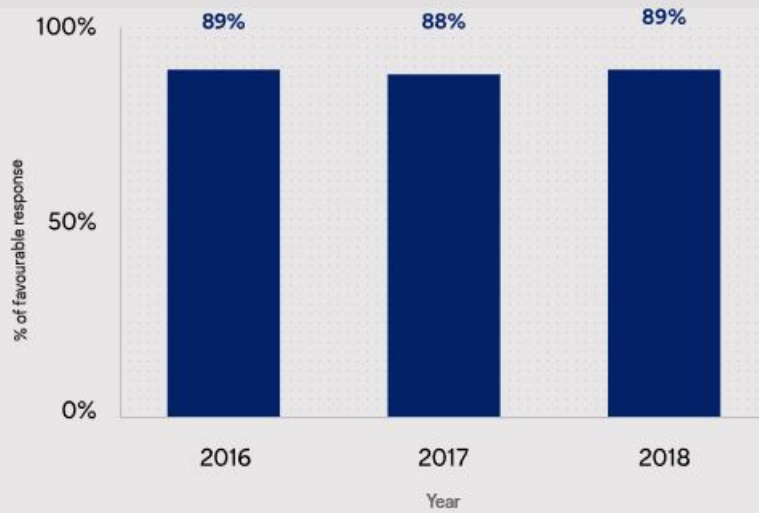
Sustainable Lives

● Exceeding ● Meeting ● Not Progressing

● 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'.^[2]

■ Global average



Retail Markets	Status	2016	2017	2018
Europe	●	85%	85%	85%
Brazil	●	93%	87%	91%
China	●	n/a	87%	90%
Mexico	●	88%	92%	90%

Footnotes

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

^[2] In 2017 and 2018, we report the total score due to the omission of the sustainability-related question for Europe.

● Goal: Establish and achieve key goals in our Women's Empowerment Principles action plan ^

	2016	2017	2018
KPI – not yet established	On track	Signed WEP	Region-specific implementation plans on gender parity and women's empowerment developed for our retail markets

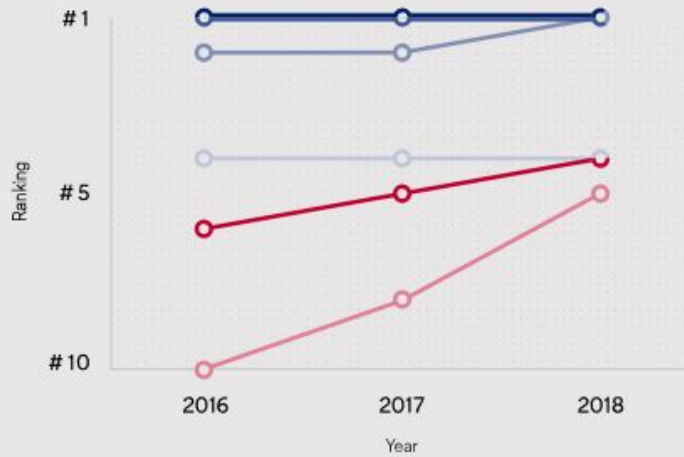
Footnotes ^

Now that our regions have developed their roadmaps for achieving the seven principles, they will be able to set measurable goals.

Goal: C&A is recognised as the most sustainable retail fashion brand ^[1]

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

- Netherlands
- Brazil
- Germany
- France
- Mexico
- China



Retail Markets/year

Country ^[2]	2016	2017	2018
Germany	9%	11%	10%
Netherlands	12%	14%	14%
France	4%	2%	2%
Brazil	17%	15%	16%
China	4%	2%	1%
Mexico	3%	3%	3%

Footnotes

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

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

Our Strategy

Mainstreaming sustainability to become the new normal

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









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

Measurable, aspirational global goals in three pillars

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

2020 global sustainability framework

Sustainable Products	Sustainable Supply	Sustainable Lives
 <p>Sustainable Materials Use more sustainable raw materials.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • 67% of our raw materials are more sustainable. • 100% of our cotton is more sustainable.  <p>Circular Economy Design and produce products for their next lives.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • 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. 	 <p>Clean Environment Reduce our environmental impact.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • 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.*  <p>Safe & Fair Labour Ensure safe and fair working conditions.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • 100% of our products sourced from A/B-rated suppliers. • Build capacity and supplier ownership within our supply chain. 	 <p>Engaging Employees Create a culture of sustainability amongst our employees.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • Continuously increase employee sustainability engagement scores. • Establish and achieve key goals in our Women's Empowerment Principles action plan.  <p>Enabling Customers Help customers to act more sustainably.</p> <p>2020 goals</p> <ul style="list-style-type: none"> • C&A is recognised as the most sustainable retail fashion brand.
*2025 goal		

Sustainable Products

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

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

[Learn more about how we're building sustainable products and working in collaboration](#)

[Learn more about our approach to the circular economy](#)

Sustainable Supply

The apparel supply chain is complex. C&A's encompasses around 1 million people,

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

[Learn more about how we're developing sustainable supply chains](#)

[Learn more about our work in sustainable agriculture](#)

Sustainable Lives

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

[Learn more about how we're promoting sustainable lives](#)

[Learn how we are impacting the lives of the workers in our supply chain](#)

Developing our strategy

Defining our material issues

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

[Read about our material issues](#)

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

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

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

Strategy: Using our identified material issues as an input, we developed our integrated sustainability strategy. It has three pillars: Sustainable Products, Sustainable Supply, and

Sustainable Lives. We strive to address and include all material issues within our sustainability framework. Other issues, such as quality, product safety, and responsible marketing remain part of our core business approach.

For more about our material issues, see [Materiality](#)

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

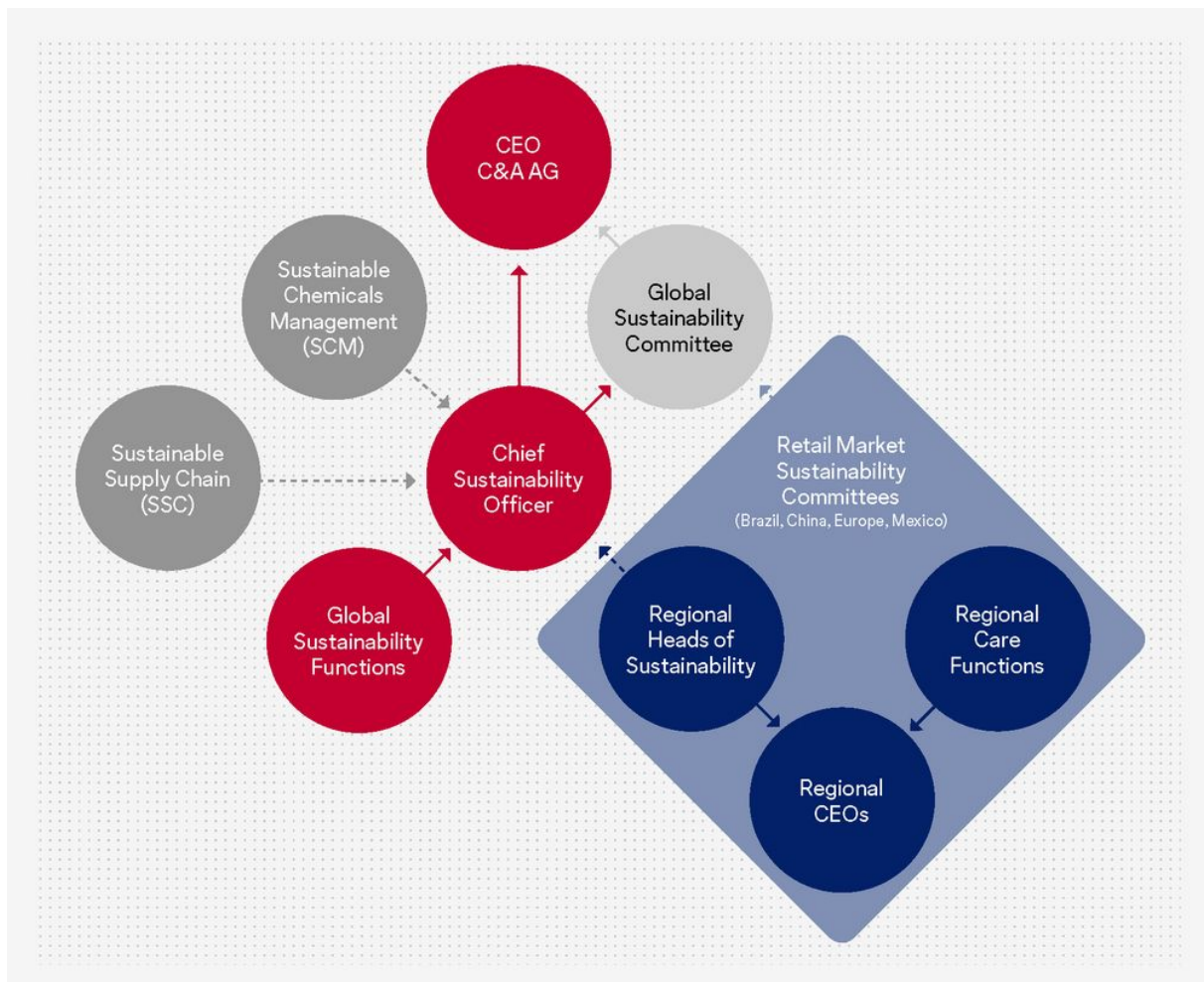
- **Rohingya crisis in Myanmar and Bangladesh:** As the refugees of the northern Rakhine State of Myanmar fled from their homes, C&A evaluated its sourcing strategy in Myanmar. We engaged other brands and the Government of Myanmar on the issue. We continue to source from Myanmar, but are carefully monitoring the situation to determine whether changes in our strategy should be made. At the same time, C&A Foundation is increasing its support to the growing refugee population in Bangladesh.
[Read more about how we protect vulnerable workers](#)
- **Increased focus on the circular economy:** As the topic of the circular economy becomes more important in the fashion industry, we are creating additional commitments to develop Cradle to Cradle Certified™ products and to deeply engage the innovators of Fashion for Good to accelerate and scale circular technologies in our supply chain.
[Read more about our approach to the circular economy](#)
- **Science-based climate targets:** To contribute to the commitments of the Paris Agreement on climate change, C&A will create science-based climate targets for our value chain, including our Scope 3 emissions. We have started to model our impacts to begin setting our goals beyond 2020.
[Read more about how we combat climate change](#)
- **UN Women's Empowerment Principles:** Because women are so important to our business – and make up the majority of our customers, employees, and supply chain workers – we have created region-specific action plans on gender parity and the empowerment of women for our retail markets.
[Read more about our new commitment](#)
- **Approaches to fair wages and eliminating excessive working hours:** Apparel workers are often subject to long working hours, due in part to the way that clothing is purchased by brands, and in some cases because workers seek additional hours to supplement meagre wages. When workers earn fair wages, their incentive to seek more working hours is generally reduced. In this way, the issues of fair wages and working hours are interconnected in the apparel industry. In 2016, we developed a stringent policy on the avoidance of excessive working hours. In 2017, we examined the approach and recognised that it was not driving the change that we wanted to see. In 2018, we focused on purchasing practices and supplier ownership to drive additional progress on this important topic.
[Read more about how we are reducing excessive working hours](#)
[Read more about stakeholder engagement](#)

Governing sustainability

Accountability drives performance

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

Global governance structure



Sustainability teams

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

Global Sustainability Committee

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

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

Materiality

What's material matters

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

Approach to materiality

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

1. **Research** - We interviewed 40 key stakeholders, including development experts, researchers, and business leaders. We assessed sustainability performance, reviewed existing research, and developed an initial mapping of our material issues. We also utilised key data from our LCA process, our historical sustainability performance, customer research and interactions, and stakeholder input over the past three years to validate aspects identified.
2. **Value Chain Impacts** - For the first time we also focused on assessing our environmental impacts further to ensure that we are focusing in the right areas, regardless of our influence. We developed an LCA model to determine our water and carbon footprints from the fields to the end of use of our products. We also assessed our social impacts across our value chain through our SSC programs and in our human rights gap assessment.
3. **Exploration** - We then evaluated the success of existing C&A sustainability programmes, reviewed major industry initiatives, and explored how the industry might look in 15 years, with a goal of determining where and how C&A could make a difference. Key initiatives like the [UN Sustainable Development Goals](#) and the [UN Guiding Principles on Business and Human Rights](#) provided additional context for consolidating and focusing the material issues for greater global impact. From this, we prioritised the aspects where C&A has a key role in creating positive change and also where these issues are priorities for our

stakeholders.

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

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

2018 materiality assessment update

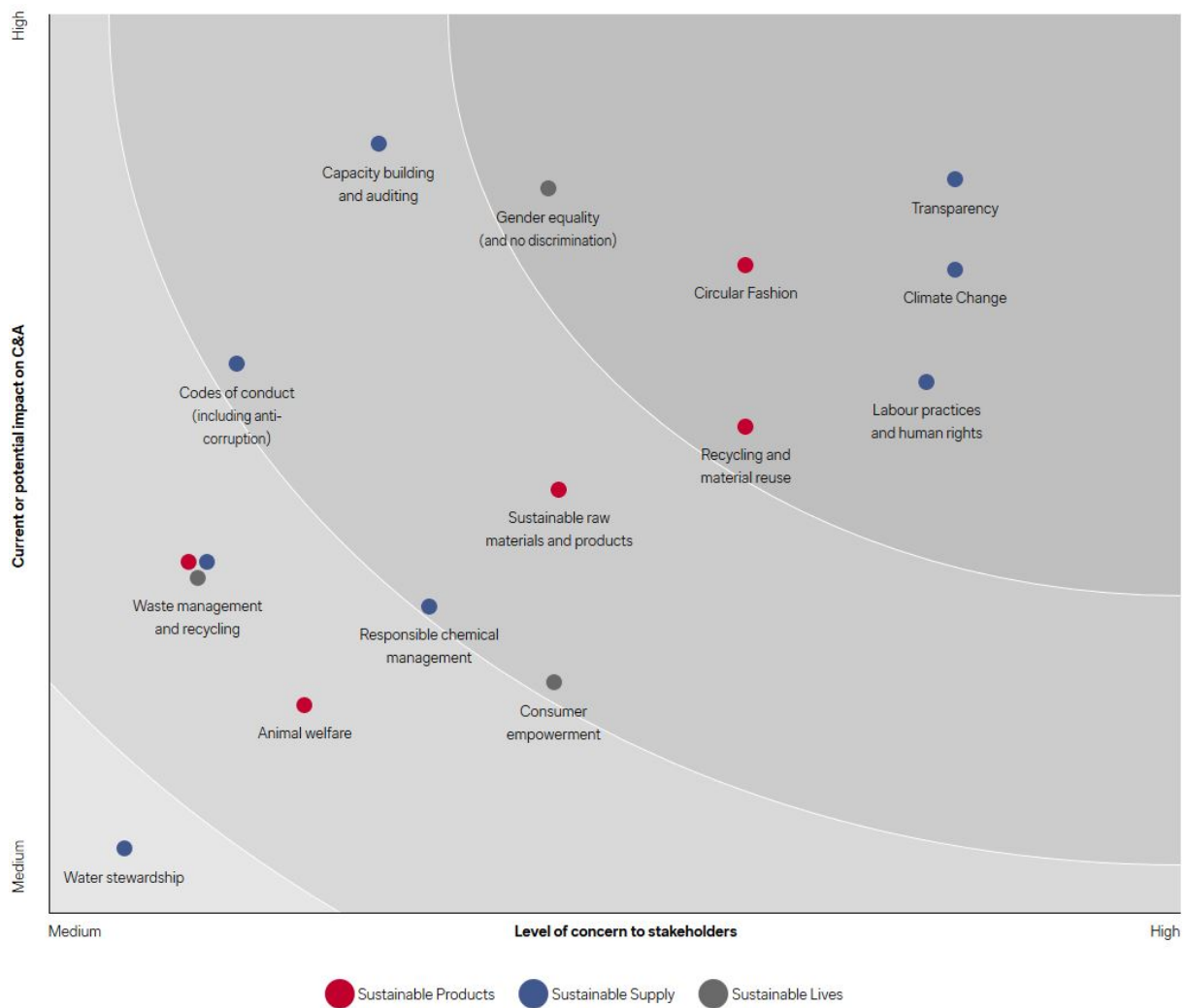
Since our initial materiality assessment in 2013, we have continued to review our material issues in the context of stakeholder input and importance to our business. In 2018, we again updated our materiality assessment and consulted four important categories of input:

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

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

2018 materiality assessment review

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



Stakeholder engagement

Maintaining active dialogue to drive change

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

Our stakeholder engagement process includes six steps:

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

programmes.

6. We incorporate their feedback where appropriate to help us continually improve our strategy.

Our key stakeholder groups



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

Our key stakeholder organisations	
Organisation	Topic
Business & Human Rights Center	Human rights due diligence
Centre for Research on Multinational Corporations (SOMO)	Workers' rights
Clean Clothes Campaign	Workers' rights
Ethical Trading Initiative (ETI)	Workers' rights and living wages
Freedom Fund	Workers' rights and bonded labour
Four Paws	Animal welfare

Our key stakeholder organisations	
Organisation	Topic
Greenpeace	Sustainable Chemicals Management
Human Rights Watch	Workers' rights and freedom of association
Arisa (formerly Indian Committee of the Netherlands)	Workers' rights and migrant labour
IndustriALL	Workers' rights and living wage
InPacto - National Pact to Eradicate Slave Labour Institute	Workers' rights and bonded labour
International Labour Organization (ILO)	Global partnership for workers' rights
Responsible Sourcing Network	Cotton sourcing
Solidaridad	Workers' rights
Textile Exchange	Animal welfare and raw materials

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

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

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

Partnering for change

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

C&A Foundation

Our most significant partner is C&A Foundation, who have been on a mission to make fashion a force for good since 2014. They believe that fashion can be fair and sustainable, but that radical change is needed across the industry to reach this goal. Together, we deliver groundbreaking projects that make a real difference. Fashion for Good - the world's first collaborative innovation platform for sustainable fashion — is one recent example: this industry-wide initiative was launched by C&A Foundation, with C&A as one of its first brand partners. Fashion for Good supports the development of circular fashion,

with other leading brand partners such as Kering, adidas, PVH, Target, Zalando, and Stella McCartney, among others. In 2018, we continued our work with Fashion for Good to help transform the apparel sector by supporting the Fashion for Good-Plug and Play Accelerator Programme for start-ups and the Scaling Programme to encourage adoption of innovations, as well as the Good Fashion Fund to catalyse access to finance, the creation of guides for use in developing Cradle to Cradle Certified™ apparel, and the Fashion for Good Experience—an interactive museum for sustainable fashion innovation.

[Read more about C&A Foundation](#)

[Read the C&A Foundation 2018 Annual Report](#)

The Sustainable Apparel Coalition (SAC)

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

[Read more about SAC](#)

Zero Discharge of Hazardous Chemicals (ZDHC)

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

[Read more about ZDHC](#)

ACT (Action, Collaboration, Transformation)

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

[Read more about ACT](#)

The Bangladesh Accord for Fire and Building Safety

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

challenges.

[Read more about the Bangladesh Accord](#)

Dutch Textile Covenant

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

[Read more about the Dutch Textile Covenant](#)

German Partnership for Sustainable Textiles (Textilbündnis)

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

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

[Read more about Textilbündnis](#)

Social and Labour Convergence Project (SCLP)

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

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

International partnerships summary

Collaboration or partnership	Since	Role
Sustainable Fiber Alliance (SFA)	2019	Member
Changing Markets	2018	Signatory
Make Fashion Circular	2018	Participant

Collaboration or partnership	Since	Role
United Nations Women's Empowerment Principles (WEP)	2018	Signatory
Cradle to Cradle Products Innovation Institute	2017	Certification Standards Board Member & Board member
Fashion for Good	2017	First corporate partner and Innovation committee member
Prince of Wales Cotton Communiqué	2017	Signatory
Science Based Targets initiative (SBTi)	2017	Signatory
Ellen MacArthur Foundation Circular Economy 100 (CE100)	2016	Member
Ellen MacArthur Foundation Make Fashion Circular	2018	Participant
Dutch Covenant for Sustainable Apparel and Textile	2016	Member
Action, Collaboration, Transformation (ACT)	2015	Founding member
Amsterdam Coalition	2015	Founding member
Better Cotton Initiative (BCI)	2015	Member Buyer and investment committee member
CanopyStyle Initiative	2015	Member
Save the Children	2015	Sponsoring partner
The German Partnership for Sustainable Textiles	2015	Member
UN Global Compact	2015	Signatory
Organic Cotton Accelerator (OCA)	2014	Founding member, Board and investment committee member
Bangladesh Accord for Fire and Building Safety	2013-2018	Member
Better Mill Initiative	2013	Member
Ethical Trading Initiative (ETI)	2012	Member
Forum for the Future	2012	Member
Zero Discharge of Hazardous Chemicals (ZDHC)	2011	Signatory and Board member
Brazilian Association of Textile Retailers (ABVTEX)	2010	Member
Partnership for Cleaner Textiles	2010	Member
Sustainable Apparel Coalition (SAC)	2010	Founding member
CottonConnect	2009	Founding member
Global Social Compliance Programme	2008	Board Member
Textile Exchange	2004	Board member

How we report

Leading industry standards and a balanced view

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

[Read about how we use global frameworks](#)

[Use our GRI, UNGC, and SDG Index to navigate the report](#)



About our report

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

Reporting scope and boundaries

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

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

Uncertainty

We strive to provide accurate and precise data. However, there are inherent uncertainties

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

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

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

Standards of practice

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

- **Employee data:** Obtained from our transactional Human Resource systems. Practices follow industry standards for identification of gender, management levels, and contract types. The employee engagement survey was rolled out by an independent third party to ensure confidentiality.
- **Cotton and raw material data:** Obtained from our internal systems for order placement and sales.
- **Climate and carbon footprint data:** Obtained from core financial data and modelled using hybrid, input/output LCA methods, combined with C&A business data, by Aligned Incentives. All methods used followed the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In the case of water, we applied both the Aligned Incentives hybrid LCA methodology and the Water Footprint Network methodology for green, blue, and grey water impacts. Location- and market-based emission factors for electric grids were based on data from the International Energy Administration (IEA), country-level reported factors from the Brazilian Government, and residual mix factors from the Association of Issuing Bodies (AIB).
- **Limited assurance of GHG Inventory** – C&A voluntarily engaged PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) as an independent audit firm to conduct a limited assurance engagement on selected non-financial performance indicators disclosed in the Sustainability Report 2017. PwC conducted the limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) to verify that the indicators disclosed comply with the principles stated in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative. Part of the engagement focused on assessing GHG inventories across scope 1, 2, and 3 in

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

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

[Read about our material issues](#)

What we mean when we say...

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

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

Transparency

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

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

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

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

[See the full list of our suppliers' factories here.](#)

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

External review

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

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

Certified™ jeans in Europe, Brazil, and Mexico.

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

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

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

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

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

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

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

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



Sally Uren
CEO, Forum for the Future

Global frameworks

Global frameworks provide a compass on sustainability

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

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

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

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

To navigate our report using these three frameworks, see our [GRI, UNGC, and SDG Index](#).

Six global goals that guide our strategy and reporting framework

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

C&A's contribution to the Sustainable Development Goals



SDG #5 - Gender equality

Achieve gender equality and empower all women and girls

Related C&A 2020 Sustainability Goal

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

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

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

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

Sustainable products

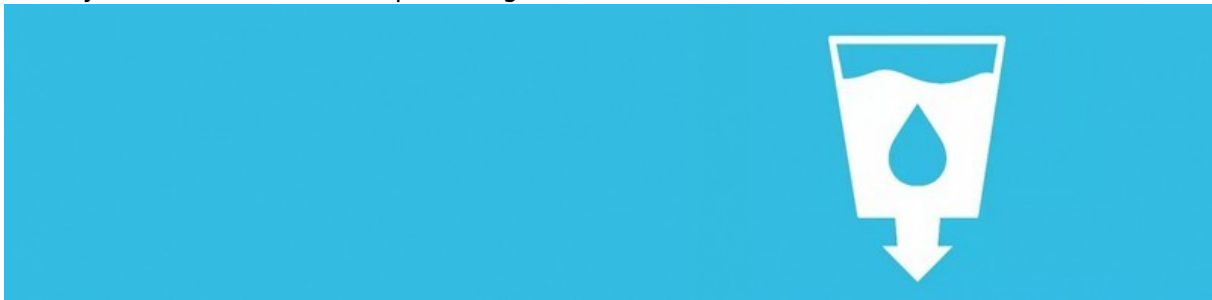
- We want to create products everyone can enjoy, regardless of their gender. We recognise the need to reflect this in the products we design for both men and women, and the way in which we market them. [Read more](#)

Sustainable supply

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

Sustainable lives

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



SDG #6 - Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all

Related C&A 2020 Sustainability Goals

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

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

where we can make the greatest contribution.

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

Sustainable products

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

Sustainable supply

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



SDG #8 - Decent work and economic growth

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

Related C&A 2020 Sustainability Goals

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

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

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

where we have C&A stores and offices.

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

Sustainable supply

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

Sustainable lives

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



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 Mens' and Ladies' clothing lines. [Read more](#)
- In 2018, we took another important step forward towards 100% more sustainable cotton by launching a groundbreaking Organic Cotton Traceability Pilot with Fashion for Good, C&A Foundation, the Organic Cotton Accelerator (OCA), and Bext360. This initiative uses innovative technology to trace organic cotton in textiles through the value chain, which is valuable to ensuring the integrity, quality, and purity of organic cotton.
- For the sixth year, we have been named the world's largest buyer of organic cotton, and our commitment to 100% more sustainable cotton – including organic and Better Cotton – will help to ensure we use significantly fewer natural resources, while emitting less CO₂, when compared with conventional cotton. [Read more](#)
- In Europe and China, we have taken the bold step of committing to source 100% of our man-made cellulosic fibres from suppliers who have practices in place to prevent ancient or endangered forest products entering their supply chain. [Read more](#)
- We continue to develop other innovative clothing collections including sustainable denim made with organic cotton and recycled PET made from plastic bottles. [Read more](#)
- We're helping customers give their clothes a second life through our clothing take-back programmes. Since our successful launch in the Netherlands, we have rolled out in-store take-back in Belgium, Brazil, Luxembourg, the Netherlands, Portugal, Spain, and Switzerland. We also launched a convenient online take-back programme for customers in Germany, and in 2019 we are piloting take-back at 10 stores in Mexico. These initiatives not only make it easier for more customers to responsibly dispose of unwanted clothes, but help to shift our industry to a circular approach. [Read more](#)

Sustainable supply

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

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

commitment.

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



SDG#13 - Climate action

Take urgent action to combat climate change and its impacts

Related C&A 2020 Sustainability Goals

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

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

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

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

Sustainable products

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

pesticides, look after the health of the soil, and conserve natural habitats and biodiversity. [Read more](#)

Sustainable supply

- Our cornerstone commitment to source 100% more sustainable cotton underpins our approach to combating climate change. We estimate that our sustainable cotton mix in 2018 contributes 10% less CO₂ than the equivalent amount of conventional cotton, avoiding roughly 54,600 metric tons of GHG emissions. [Read more](#)
- The use and disposal of clothing by our customers makes up 10% of our total carbon footprint. We explored our customers' habits to dig deeper into this number, and found that a high proportion (60-85%) of our customers line-dry their clothes, and a majority wear articles such as trousers, shirts, and blouses multiple times before washes. [Read more](#)



SDG #17 - Partnership for the goals

Strengthening the means of implementation and revitalise partnerships for sustainable development

Related C&A 2020 Sustainability Goal

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

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

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

[See a full list of our partnerships here](#)

Awards

Recognising our commitments

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

In 2018:



- We were recognised as the world's largest purchaser of organic cotton for the sixth year, and the number one buyer of preferred (ecologically and/or socially progressive) man-made cellulosic fibres by [Textile Exchange](#).
- We were selected as a Finalist for [The Circulars 2018](#) in The Accenture Strategy Award in the Circular Economy Multinational category.
- We were ranked number 4 among the most transparent brands in the global [2019 Fashion Revolution Transparency Index](#), which rates 200 companies according to disclosures about their social and environmental policies, practices, and impact. We are up from number 5 the previous year. In addition, C&A Brazil earned the number 1 spot in the [2018 Fashion Revolution Transparency Index Brazil](#).
- We were placed in the 'Leaders Circle' of the multi-sector apparel industry by Textile Exchange for our overall leadership in preferred fibres and materials strategy, textile supply chain management, material consumption, and consumer engagement.
- We were rated 'Good' and an example of responsible fast fashion in the Good on You Fashion Platform 2018 rating, compared to many companies who were rated 'It's A Start'.
- Along with C&A Foundation, we won the 2018 Employee Engagement Awards in the Social Responsibility category for our Inspiring World campaign.
- We earned the 2019 PR News CSR Award in Product Design/Redesign for our Cradle to Cradle Certified T-shirts and jeans.
- Our Cradle to Cradle Certified™ jeans were selected by the German Federal Government's Partnership for Sustainable Textiles, the Textilbündnis, as one of the most innovative initiatives of 2018.
- C&A Brazil was also recognised by Prêmio Eco for 'Cradle to Cradle Certified™ Products' and 'In-store take-back + Electronic waste program'
- C&A Brazil was a winner of the Ecoera Award, designed by sustainability specialist Chiara Gadaleta to evaluate the fashion, beauty, and design markets on social and environmental indicators.

Sustainable Products

Acting for our customers

We want to bring sustainable fashion to the mainstream. That's why we strive to make our clothes responsibly and sustainably, and to make it 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 2018, 49% of the clothing offered in our stores was more sustainable and was certified or verified to credible third-party standards.



Our cornerstone commitment to certified organic cotton supports the sector, as does our work sourcing Better Cotton, buying 100% of our down from the Responsible Down Standard (RDS), and sourcing viscose in line with the CanopyStyle initiative. By shifting a significant part of the market towards positive change, we can begin to make sustainability the new normal. We made good progress towards our 2020 goals in 2018, sourcing 71% of our cotton more sustainably and offering the world's first affordable gold level Cradle to Cradle Certified™ jeans. Our strong record of driving positive change in the apparel industry, together with a 178-year history of giving our customers the best clothing, makes us confident we can achieve our ambitious goals. To succeed, we will need to continually revisit and update our approaches, accelerate our efforts, partner with others across the apparel industry, and keep challenging the status quo.

Our ambition: fashion with a positive impact

We want a future where sustainable apparel isn't the alternative – it's the norm. We can help create this by always working in a way that respects people, nature, and the environment. Normalising sustainability means reimagining production processes throughout our supply chain. The fashion industry must embrace the circular economy, starting with designing products for their next use, while protecting ecosystems and providing dignified work for people. Products will be designed and created for their next life, and fashion will have a positive impact on our planet and its people.

Read more about our work on [circular fashion](#).

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 chain.
- 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 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 in 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 markets.

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

Our 2018 performance

Towards 100% more sustainable cotton

Our goal to use 100% more sustainable cotton forms the cornerstone of our approach to sustainability. Cotton is the raw material we use the most worldwide, making up 57% of the materials we use (or approximately 120,000 metric tons). That means our work on sustainable cotton makes a significant contribution to reducing our overall carbon, water,

and chemicals footprint throughout our value chain. Because we're determined to meet our goal while underlining our commitment to industry collaboration, we source Better Cotton in addition to organic cotton.

Towards more traceable cotton

Another important step forward is the groundbreaking Organic Cotton Traceability Pilot we undertook in 2018 with Fashion for Good, C&A Foundation, the Organic Cotton Accelerator (OCA), Bext360, Zalando, PVH, 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 to making sure it is not blended with conventionally grown cotton at any stage.

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

In 2016, we reached our target of sourcing 100% RDS-certified down and have continued in 2018. To take our commitment one step further, in 2017 we conducted visits to RDS-certified suppliers that had supplied C&A to better understand how the standard was implemented and where improvements could be made. We confirmed that RDS is effective in preventing many harmful practices, including force feeding and live plucking. 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 shared the findings of our investigation with Textile Exchange, and since then, have been working with them to drive improvements to the standard. We are pleased to report that the revised standard is being reviewed for publication later in 2019. At the same time, we have been 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.

[Read more about our work on responsible down and feathers](#)

Continuing our journey with recycled fibres

In 2017, C&A Europe started taking meaningful steps to increase our use of recycled fibres in our collection. We have since used recycled polyester in outerwear and blouses, recycled nylon in lingerie, and have continued using recycled cotton in denim. In 2018, this resulted in more than 300,000 items containing recycled polyester sold in our European stores. C&A stores in Europe also sold 95,000 pieces containing recycled cotton in both Mens' and Ladies' denim.

[Read more about our work on polyester](#)

Protecting natural resources

Having made significant strides in sourcing sustainable cotton, our most-used material, we are now focusing on man-made cellulose such as viscose, which comprise 8% of the raw materials we use.

Following our commitment to the CanopyStyle initiative and adopting a Forest & Fabric policy in 2015, C&A Europe and C&A China committed in 2017 to source all man-made cellulosic fibres from producers that are third-party verified suppliers of cellulose and have been confirmed as 'low risk' of controversial fibre. In 2018, 100% of cellulosic fibre suppliers to Europe and China were verified as low risk.

C&A Brazil implemented a Forest & Fabric policy for its domestic supply chains with 20 suppliers who represent about 60% of the domestic man-made cellulosic fibre volume. We plan further rollout of the approach in our Brazilian supply chain in 2019.

On a global level, we have taken our commitment to responsible man-made cellulose 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 cellulose](#)

Sustainable materials

Supporting the uptake of sustainable raw materials

Our long-term goal is to help the apparel industry become circular, where our products are designed and sourced with their end of use in mind and nothing is wasted in their creation or disposal.

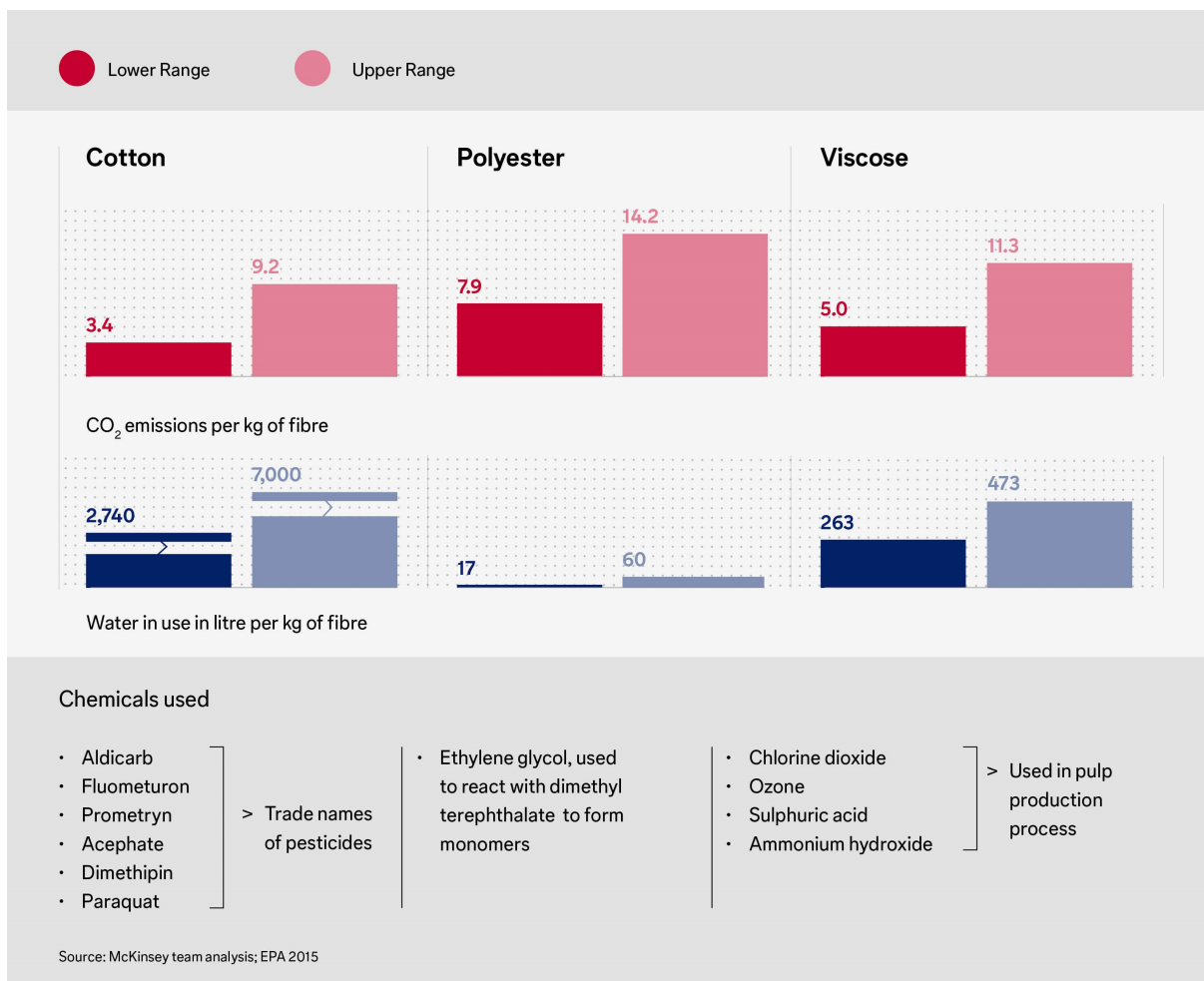


We are proud of what we've achieved in 2018: making significant progress towards our target of sourcing 100% more sustainable cotton by 2020 and increasing the sustainability of our raw materials to 67% by 2020. In 2018, 71% of the cotton we sourced and 49% of the raw materials we used were more sustainable, and we remained the world's leading buyer of certified organic cotton for the sixth year.

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 can drive change in how cotton, polyester, and viscose 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



Better Cotton Initiative, Organic Cotton Accelerator, Textile Exchange, CottonConnect, Canopy, C&A Foundation, Fashion for Good

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.
- 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

Normalising better practices for more sustainable cotton

Our 2020 goal is for 100% of the cotton we use to be more sustainable. In 2018, 71% of the cotton we sold was either certified organic cotton or sourced as Better Cotton. By sourcing more sustainable cotton, we are normalising better practices across the cotton industry and demonstrating that sourcing 100% more sustainable cotton is possible.



Certified organic cotton is our most sustainable option, and accounts for 38% of the cotton we use. For the sixth year, C&A is the world's leading buyer of organic cotton. We never blend organic cotton with non-organic cotton when it goes into our collections, and we make sure all the organic cotton we use is certified to third-party standards (Organic Content Standard, OCS, or Global Organic Textile Standard, GOTS).

Why focus on cotton?

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:

- Water use: 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](#)].

- Pesticide use: 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.
- Carbon emissions: Organic cotton produces 46% fewer carbon emissions than conventional cotton [SOURCE: [Textile Exchange](#)].
- Labour: Forced and bonded labour is a key challenge in the cotton industry. Better Cotton has a strong focus on ensuring decent work, covering freedom of association, non-discrimination, child labour and forced labour, and health and safety [SOURCE: [BCI](#)].
- 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 BCI cotton](#)



Our 2018 actions



Work towards our 2020 goal for 100% of our cotton to be more sustainable.



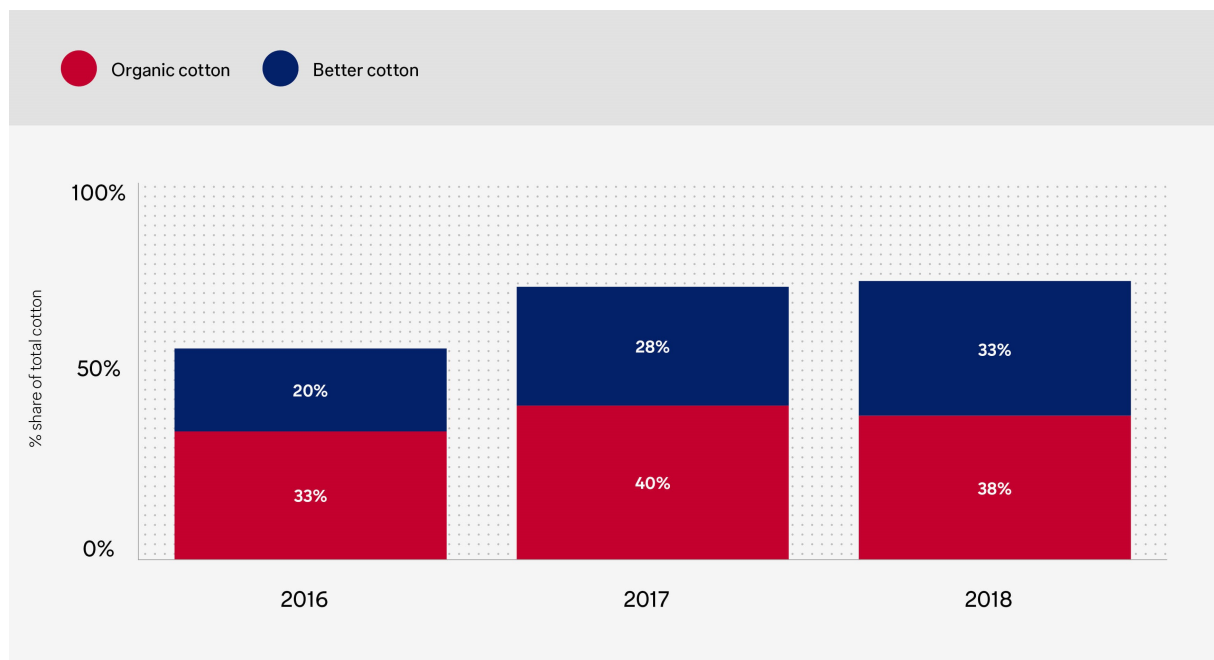
Increase Better Cotton uptake in all our retail markets.

Our 2018 performance

Progress towards our 2020 goal

Our use of more sustainable cotton has improved, with 71% used across the business in 2018, up from 67% last year. In 2019, we will continue focusing on closing the gap to 100% by engaging with our entire cotton supply chain towards creating change across the sector.

Organic and more sustainable cotton (Better Cotton) as a % share of total cotton sourced



**From 2012 to 2016, this included REEL cotton*

Leading in organic cotton

C&A was named the leading buyer of organic cotton in the world for the sixth time in 2018 [SOURCE: [Textile Exchange](#)].

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 C&A 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 how we are developing 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 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.

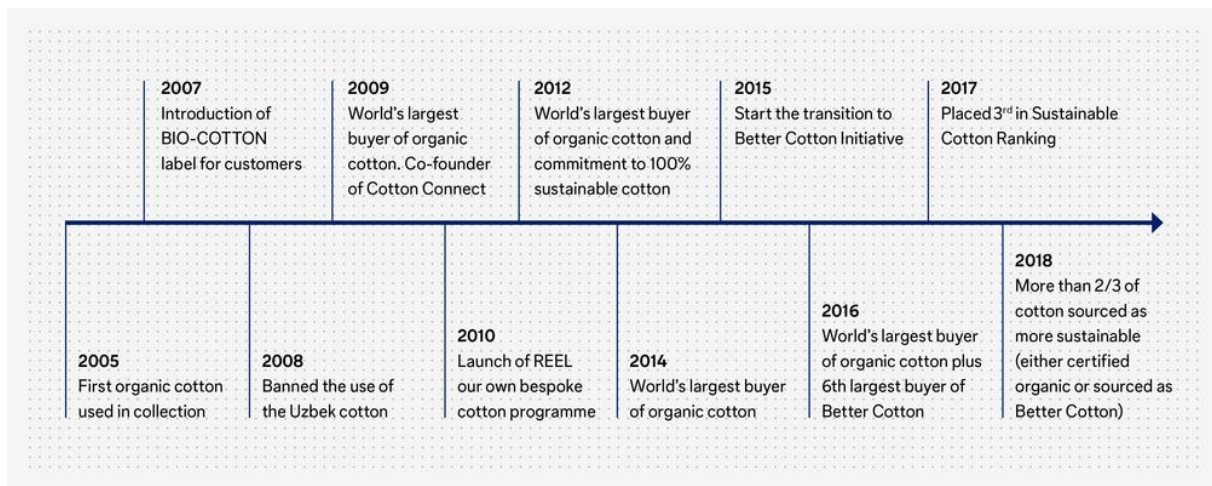
[Read more about how we support cotton workers in our supply chain](#)

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

A cornerstone business objective

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 more than 170 million pieces.



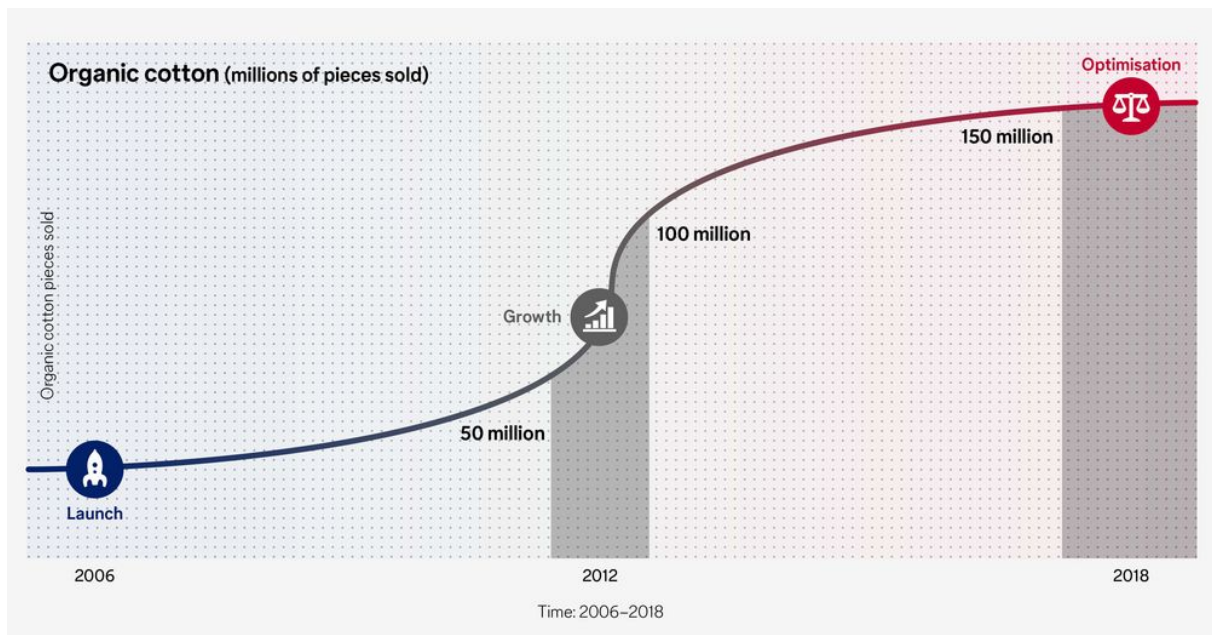
Organic cotton also protects soil quality, biodiversity, and water supply, while preventing water pollution. And it's safer for farmers and their communities' health. From the grower to the garment maker, our organic cotton supply chain is certified to the Organic Content Standard (OCS) or Global Organic 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 2018 performance

Our evolution in certified organic cotton

Since we began purchasing organic cotton in 2005, we have rapidly grown our procurement, and by 2018, 38% of the cotton we used was certified organic. We remain committed to organic cotton as one way to make our clothing more sustainable. Concurrently, we continue evaluating what our customers want in sustainable fashion. Going forward, we are focused on getting organic cotton into the right products and clothing collections. Prioritising our use of organic cotton will result in higher concentrations of organic cotton in certain product types and collections where its use is especially important to customers.

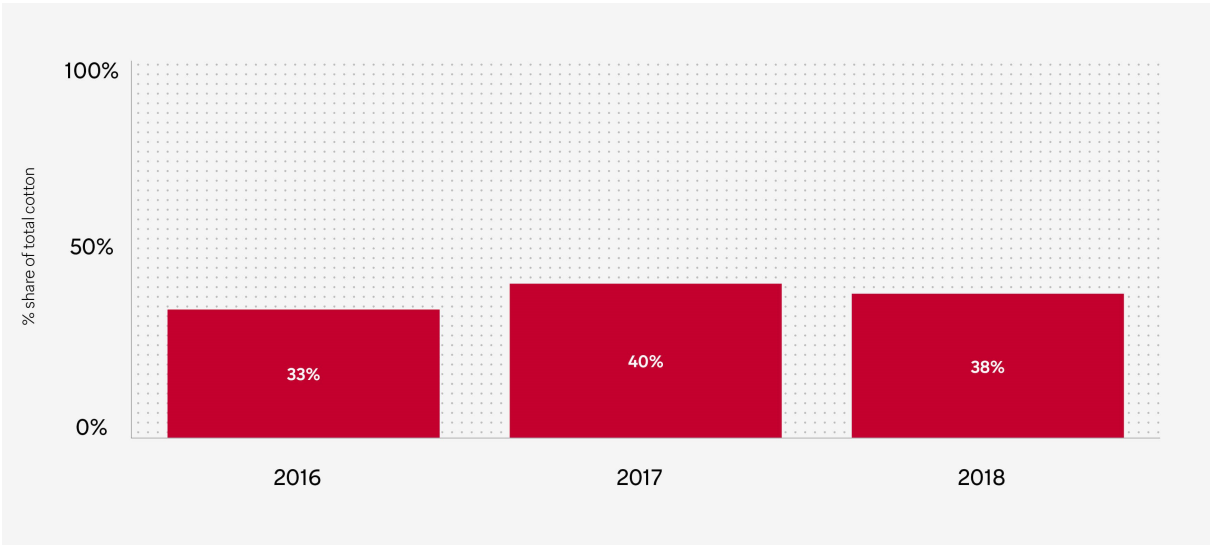


One important attribute that has emerged is physical traceability of the fibre. Though all our organic cotton is certified to a third-party standard, we want to understand if it would be possible to physically trace the fibre from farm to store. This is why we are engaged in an innovative blockchain [pilot](#) with Bext360 that uses technology to trace organic cotton throughout the value chain using different tracing methodologies to detect chain of custody through the value chain – from farm to store. The pilot aims to determine if this is an approach that could provide C&A even greater confidence around integrity, purity, and quality, and enable new communication approaches with our customers.

By offering organic cotton garments and communicating the benefits to our customers, we can continue to help drive demand. It is important to note that we began to consolidate global organic cotton volumes for all retail markets in 2015. Prior to 2015, only Europe's certified organic volumes were reported.

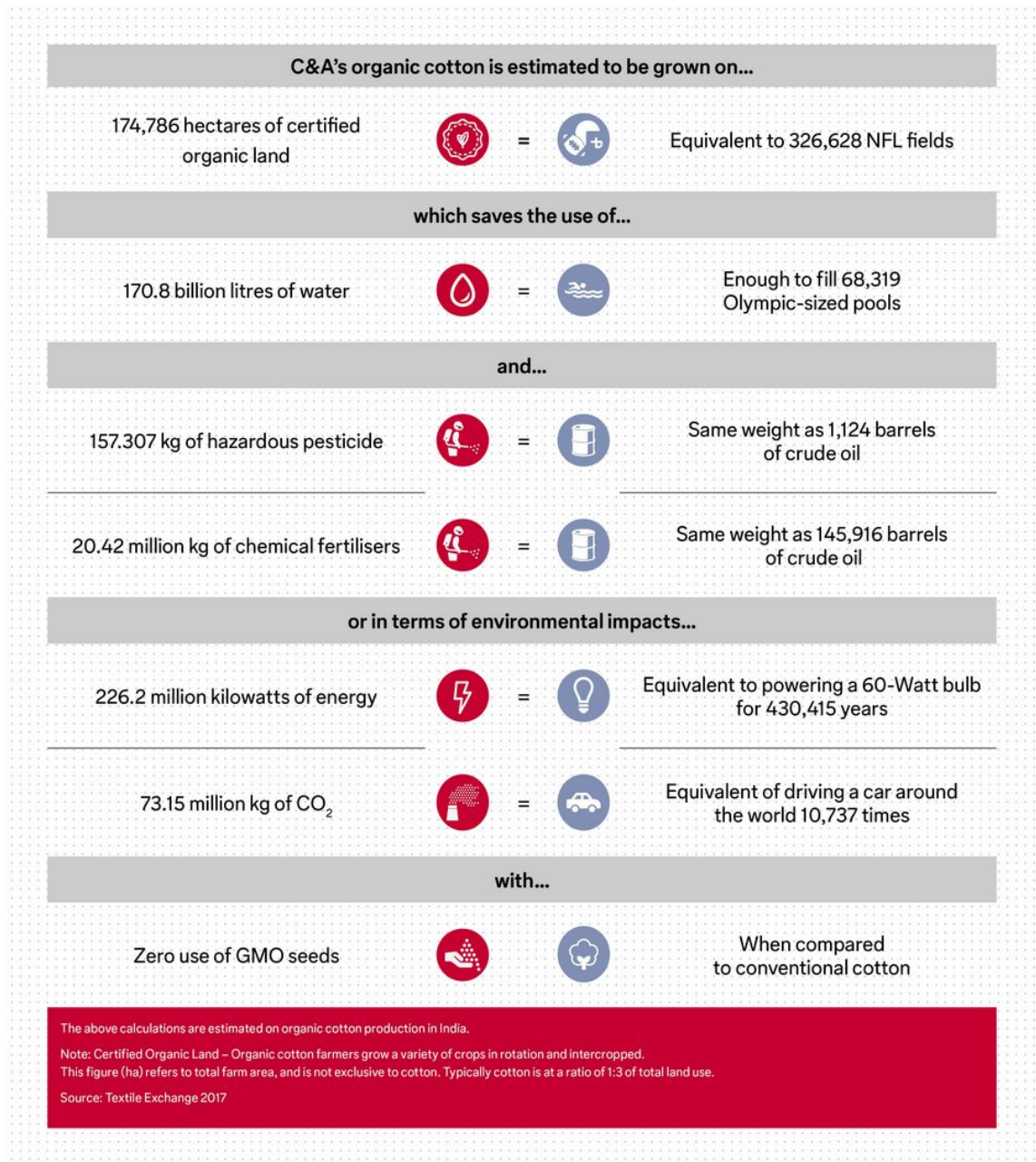
[Read more about how we are communicating with customers](#)

Organic cotton as a share of total cotton sourced



Reducing our impact

In 2018, the Textile Exchange estimated that through the purchase of organic cotton in 2017, C&A saved 170.8 billion litres of water, avoided the use of 157 metric tons of hazardous pesticide, and improved the quality of over 174,000 hectares of soil. Note that the Textile Exchange uses a different methodology for calculating impacts and savings than Aligned Incentives, the organisation that calculates C&A’s footprint — presented elsewhere in this report. Therefore, the results cannot be directly compared.



Estimated savings from organic cotton procurement

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 ginner, 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.

Continuing our work to strengthen the sector

Throughout 2018, we continued our partnerships with organisations such as C&A Foundation and the Organic Cotton Accelerator (OCA), to help bolster and secure the organic cotton sector.

Case Study

Supporting the extension of organic cotton farming in China

Supporting the growth of organic cotton worldwide is a key commitment of both C&A and C&A Foundation. In 2017, both organisations worked closely with CottonConnect to launch an organic cotton pilot at Binzhou farm, Shandong Province in China. The project continued in 2018 and into 2019 as well.



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 of 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.

For the 2019 harvest, which will be used in apparel delivered in 2020, C&A China plans to expand purchases beyond T-shirts and jeans.

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 C&A 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.

Behind the scenes with OCA: Higher income, better health, happier families

'Our communities tend to heavily use pesticides for agriculture. A neighbouring village with roughly 800 families has 16 families with cancer patients. I feel blessed to have switched to organic farming. My family's health is much better, we are eating more nutritional food and all of my children are in school or college'.

Baliram, farmer in Modhapura (a small village in the Kheda District of Gujarat, India)

For years, it has been difficult for cotton farmers to justify the costs associated with transitioning from conventional cotton farming to organic methods. The Organic Cotton Accelerator (OCA) was started – with core funding from C&A Foundation – in 2014 to address exactly these barriers – not by increasing demand for organic cotton, but by working with farmers to making it a more rewarding enterprise.

C&A piloted a programme in collaboration with C&A Foundation to support 300 organic cotton farmers in India for the 2017-18 cotton season by committing to procure their crop at the time of sowing. This meant less risk, better income, more security, and more trust

for the farmers at the beginning of the season.

C&A worked with the Vasudha Farms Initiative, an on-the-ground intermediary that works with 35,000 cotton farmers in India on transitioning to organic or the Better Cotton Initiative (BCI) methods.

'We started with the premise that every participating farmer would get a 10% premium for their cotton price by transitioning to organic. But we quickly realised that was not the right incentive for the farmers, given that only 25% of their annual revenue comes from cotton. So we quickly switched approaches - we offered them the seeds upfront at no cost on the condition that they would invest in multi-cropping techniques', says Avinash Karmarkar, VP for Vasudha Farms Initiative.

'When you switch to multi-cropping, you're making your farm more sustainable and resilient to climate change. You're earning year-round. You're using biopesticides so the environment is cleaner, which leads to fewer health problems. And, for the first time, you're also producing essential nutritious food for your families instead of buying all of it from the market', explains Avinash.

The hard work has paid off. Total net income from cotton was 9% higher for organic project farmers when compared to control farmers. This can be attributed to lower production costs for organic farming and better prices received for organic cotton because of farmer differentials that provided an additional 10% on top of market price. And, because all transactions to farmers were made through bank accounts, payments to farmers were validated.

While organic cotton has brought revenue, the vegetables and spices have brought supplemental income and nutritional security. 'My wife quipped that she's having to cook different dishes every day for the first time because of all the crop we harvested last year. We have made do on simple lentils and wheat rotis for most of our lives. This time, we ate vegetables and proteins for almost two months', says Sardar Methu, one of the participating farmers.

As a result of this project, his income has increased substantially. Moving forward, he aims to expand multi-cropping, including organic cotton, to all three acres of his land. For Baliram, partnering with OCA, C&A Foundation and Vasudha - and by association, C&A - has brought better health for his family and a more sustained income. 'My daughters go to college and are aware of the benefits of organic farming. They are proud of my work today and that brings me endless joy', he says.

For Avinash, the key ingredient of the pilot's success was the ability to make it completely farmer-centric. 'We were able to really understand their challenges and struggles. OCA helped us be holistic in our approach and that has yielded results. Next year, we also plan to address the issue of incredibly abusive moneylending practices by introducing microlending, so they don't end up stuck in an endless cycle of debt', he says.

Altogether, the results and experiences from the first OCA pilot year provided valuable insights to further improve sourcing projects during the 2018-19 season. OCA will use the learnings for further development of its future Farmer Engagement and Development programme into a scalable, brand-driven sourcing and capacity building programme for organic cotton, aimed at integrity, quality, and prosperity at the farmer level.

C&A Foundation helps organic cotton farmers

In 2018-2019, C&A Foundation helped 49,509 farmers adopt organic cotton cultivation practices with support from partners such as Cotton Connect, Rare, and Action for Social Advancement (ASA), among others. Last year, the Foundation provided over €6.1 million for social and environmental programmes in India, China, Pakistan, Tanzania, and Brazil. 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.

C&A Foundation launched its first organic cotton initiative in Tanzania and helped 6,957 farmers adopt organic cotton practices. In Pakistan, C&A Foundation partner WWF, in collaboration with farmers and the Agriculture Extension Department of Balochistan, produced 500 metric tons of certified organic cotton. In India, C&A Foundation and the Government of Madhya Pradesh convened Cotton Trailblazers. This milestone event celebrated the global leadership of the state in organic cotton production, acknowledged the efforts of diverse sector stakeholders, and renewed commitments for regular dialogue.

[Read about C&A Foundation's Sustainable Cotton programme](#)



Where next?

Bolstering the industry

Industry initiatives must align on global standards to provide the vision and drive needed for the 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 from strength to strength.

Reaching out to 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 2019 under the #WearTheChange umbrella platform.

[Read more about communicating with customers](#)

The Better Cotton Initiative

A sustainable mainstream commodity

C&A joined the Better Cotton Initiative (BCI) in 2015. BCI is transforming the cotton sector by working toward its objective of making a third of the world's cotton more sustainable by 2020 [SOURCE: [BCI](#)].



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 reduce the impact of growing cotton significantly. 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 as it 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 more scalable.

In 2018, 33% 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.

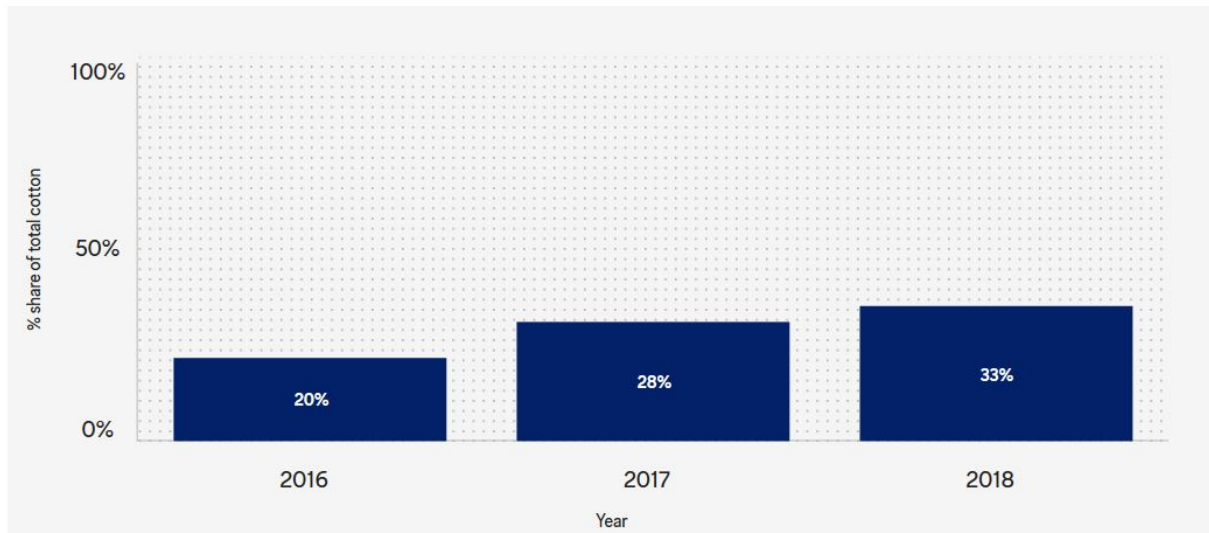
Membership in the Better Cotton Growth and Innovation Fund

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 2018 performance

Better Cotton as a % of total cotton sourced



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, in 2018, we 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. 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 increased the share of cotton sourced as Better Cotton to 47% — 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 2018, retailer and brand member sourcing of Better Cotton accounted for 4% of global cotton consumption. In 2018, BCI experienced a historic level of uptake as 93 retailers, such as C&A, and brand members sourced more than one million metric tons of Better Cotton, an increase of 45% over the previous year


[Read BCI's latest quarterly activity report](#) and [2017 annual report](#)

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.


Chain of custody model (BCI)

Mass Balance

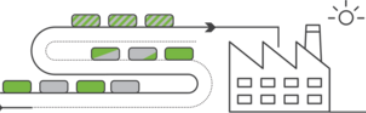


What is it?


Better Cotton is sourced from licensed BCI Farmers.




The Better Cotton gets mixed with conventional cotton in a complex supply chain.



The retailer has sourced the Better Cotton and BCI Farmers have seen the benefit, but the Better Cotton may not be in the end product.



What does the BCI logo mean?




When you see the On-Product Mark you know you are supporting more sustainable practices at farm level. You are buying cotton from a committed BCI Member who is investing in BCI.

The cost to the retailer of sourcing Better Cotton goes directly back to field level activities including training and monitoring. It doesn't matter to the farmer where the Better Cotton ends up.


It's better for the people who produce it, better for the environment it grows in and better for the sector's future.

Why do it like this?

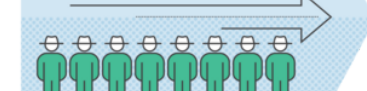
Mass Balance is less complicated than physical traceability and is therefore less costly...



Which helps create more demand for Better Cotton...



Which enables BCI to reach more cotton farmers.





Where next?

Looking ahead, we will continue focusing on reaching our 100% more sustainable goal and drive Better Cotton uptake.

Other raw materials

Other more sustainable raw 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 practice for other raw materials.

Our 2020 goal is for 67% of our raw materials to be more sustainable. In 2018, we made good progress against that goal, achieving a total of 49%. The vast majority of this progress has been driven by our work in more sustainable cotton.

Why we focus on man-made fibres

- Man-made fibres account for more than 40% of the materials we use at C&A.
- 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 2018 actions



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

Continue sourcing 100% RDS-certified down



Roll out our sourcing policy for man-made cellulosic fibres in Europe, China, and Brazil.

Increase the uptake of recycled fibres in Europe and China.

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

Our 2018 performance

100% Responsible Down Standard-certified down

We have been sourcing 100% RDS-certified down since 2016. In 2018, we brought over 1.3 million products containing down to market, all certified to RDS. This includes more than 1.1 million RDS-certified items in Europe alone. In China, we brought to market close to 160,000 pieces of RDS-certified down, which represented 100% of all down items sold by C&A in China.

[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 around 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.

Animal welfare

Treating animals with care and respect

C&A has a long-standing commitment to high standards of animal welfare. We believe that animals should be treated with care, respect, and dignity, as per the [Five Freedoms](#). We work hard with partners and our suppliers to make sure this approach is standard practice across our supply chain. This involves focusing on all the animal-based raw materials involved in the production of our clothing.



Our animal welfare policy

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, 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

Safeguarding animal welfare in cashmere production

In 2018, we started to look cashmere as part of our commitment to making sure our animal welfare policy was implemented through our animal-based fibre. We acknowledge the challenges that cashmere production might have and we are determined to work towards using a more sustainable cashmere. The first step taken was to work with our suppliers to identify the cashmere upstream supply chain. To this end, we joined the [Sustainable Fibre Alliance \(SFA\)](#), a non-profit international organisation working with the extended cashmere supply chain, from herders to retailers.

Currently, 15 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 will 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

Since C&A joined the roadmap, SFA has discussed the strategy headlines in line with United Nations Sustainable Development Goals (SDGs), the member commitments, and the measurement of impacts throughout the cashmere supply chain.

[Read our animal welfare policy here](#)

Our 2018 performance

Maintaining our Responsible Down Standard-certified supply chain

We have been sourcing 100% RDS-certified down since 2016. In 2018, we brought over 1.3 million products containing down to market, all certified to RDS.

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 has continued in 2018.

[Read more about responsibly sourced down](#)

Listening, investigating, and taking action

We are constantly seeking to improve our practices. When legitimate concerns are raised, we take them extremely seriously. We listen and investigate to ensure the necessary action is taken. For example, when we discovered violations in our angora wool supply chain in 2013, we eliminated it from our entire product range because the supply chain was opaque and we understood that it would be difficult for us to ensure the welfare of all animals in the process.

In 2018, we started to look cashmere as part of our commitment to making sure our animal welfare policy was implemented through our animal-based fiber. As a result, in 2019, we joined the Sustainable Fibre Alliance, which is working with the extended cashmere supply chain, from herders to retailers. Their goal is to promote a global sustainability standard for cashmere production to preserve and restore grasslands, ensure animal welfare, and secure livelihoods. In 2019, we will define the scope of our work and next steps. Only through collaborations like these will we be able to drive impact and improve practices.

Following allegations of animal abuse in the mohair industry, we have banned the use of mohair from the angora goat beginning with the Spring/Summer season 2019. As of this season, no product with mohair is sold by C&A.

Where next?

Going forward, we will continue working towards strengthening the Responsible Down Standard and will source only RDS-certified down for all our feather- and down-filled products. We will also continue our work with SFA to extend sustainable and humane

practices throughout the entire cashmere supply chain. Other existing commitments, such as remaining a fur-free retailer and banning certain practices from our supply chain, will of course continue.

Responsibly sourced down **Independently certified and traceable from** **farm to shop floor**

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 track the fibre from farm to end product. Every time an RDS down changes ownership, a Transaction Certificate (TC) 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.



Auditing to ensure best practice

No standard is a guarantee, but it is the best possible tool to ensure industry expectations are being met. Control Union conducts yearly audits of our suppliers to check they are following the RDS requirements.

In 2017, 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 in 2018 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.

Traceability to hatchling

Today, the RDS applies to the welfare of birds that are the direct source of certified down and feathers. Certifying parent farms is optional for now, because making it compulsory could affect the standard's ability to scale. The difficulty in certifying for chain of custody between parent farms, hatcheries, and raising farms would make it challenging and costly to apply to supply chains in all key down producing regions. But we know this needs to change and are committed to help overcome the challenge.

Where next?

Maintaining RDS and implementing the new version of the standard when released

In 2018, we worked with the International Working Group of the Responsible Down Standard on the next revision of the standard, strengthening its requirements and encouraging improvements in industry practices. Looking ahead, we are committed to using the standard as the best way to ensure responsible down practices.

Recycled Polyester

Accelerating use in our collections

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, we will increase our use of certified recycled sources over time and reduce the impact of extraction and processing of non-renewable resources.



Our 2018 performance

Innovating products to use recycled polyester

In 2016, C&A recognised the need to increase our use of certified recycled polyester. In 2017, C&A Europe developed the first products with polyester certified to the Global Recycled Standard (GRS) or the Recycled Content Standard (RCS). Over 100,000 pieces were launched in stores in early 2018, in both outerwear and Ladies' blouses. In 2018, we continued this development and sold more than 300,000 recycled polyester pieces in Ladies', Men's, and Kids'. Most of the recycled polyester in our products is made from recycled PET bottles from multiple sources.

C&A China also explored recycled polyester in clothing during 2017 and 2018. And in 2018, C&A Brazil identified opportunities to work with recycled cotton and polyester, and with biodegradable polyamide. These will be further investigated for potential implementation in the domestic supply chain in 2019.

[Read more about circular fashion](#)

Where next?

Increasing uptake of recycled polyester

We will continue to find ways of using more certified recycled polyester in our products, increasing demand for this more sustainable resource. For 2019, C&A China will use recycled poly-down for some poly-fill jackets as part of a new collection and plans to expand recycled poly-fill as availability increases in China.

Preferred man-made cellulosics

Protecting endangered forests

Viscose (also known as rayon), modal, and lyocell are derived from cellulose made from the dissolved wood pulp of trees. They account for 8% of the materials used at C&A during 2018.

Less than 20% of the world's ancient forests remain in tracts large enough to maintain biological diversity [SOURCE: [Canopy](#)]. We have a responsibility to protect what is left, and we need to do it quickly - at current rates, 55% of the Amazon rainforest could be gone by 2030.



We are working with the CanopyStyle initiative to tackle the logging of the world's ancient and endangered forests, alongside 170 other brand partners. We joined the initiative in 2015 and published our Forest & Fabric policy the same year.

Our global commitment means we are assessing our sourcing of cellulose-based fibres and eliminate the sourcing of fabrics made of pulp from ancient and endangered forests, and other controversial sources.

This includes:

- Showing a preference for suppliers who are working to preserve endangered forests or use Forest Stewardship Council- (FSC)-certified methods.
- Training and engaging suppliers on the Canopy Style Initiative, encouraging them to conduct verification audits and share their results publicly.

Responsible environmental management practices in cellulosic production

Raw material sourcing is only one of the many challenges in the production of man-made cellulosics. Production practices are important as well. In 2018, the Changing Markets Foundation authored a [roadmap towards responsible viscose and modal fibre manufacturing](#), outlining the steps needed to address these challenges.

We are committed to working with the industry and with producers 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 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 2018 performance

In 2017, all C&A Europe and C&A China suppliers signed an agreement to source viscose from two suppliers only – Birla and Lenzing – when producing garments for C&A. Both companies are third-party-verified suppliers of cellulose and have been confirmed as ‘low risk’ of controversial fibre. This verification gives us confidence that they have the right practices in place to prevent ancient or endangered forest products entering their supply chain. As of 2018, 100% of man-made cellulose for C&A in Europe and China have been confirmed as low risk.

We are one of the only large brands to have taken this significant step, and we did so in order to send a clear signal to the market that we are serious about protecting the world’s forests. Since C&A Europe accounts for the majority of viscose used within the company, our new agreement makes a real difference for C&A’s viscose sourcing.

C&A Brazil implemented our Forest & Fabric policy in its domestic supply chains with 20 suppliers responsible for approximately 60% of the domestic man-made cellulosic fibre volume. In 2018, we increased procurement of cellulosic materials from producers that have been verified as having a low risk of controversial fibre. We plan further rollout of this approach in our Brazilian supply chain in 2019. C&A Mexico began evaluating its supply chain as a first step, work that will continue in 2019.

Helping to shift the market

The CanopyStyle initiative aims to shift the entire man-made cellulose market and eliminate the sourcing of fabrics made of pulp from ancient and endangered forests, and other controversial sources. To achieve this, producers must go through the CanopyStyle verification audit and publish their results.

To date, CanopyStyle has confirmed through audits that 28% of the global production of man-made cellulose is at low risk of sourcing from ancient and endangered forests. An additional four producers, representing 30% of global production, have completed and published their CanopyStyle audit, but have yet to drive improvements in their wood supply chain to be verified as low risk. Canopy also released the [ForestMapper tool](#) in late 2018, which will enable us to view where ancient and endangered forests are located and

make more informed decisions when purchasing viscose fabrics. Along with more than 100 other companies across various industries, we are committed to using ForestMapper to reduce the risk of sourcing from the world's ancient and endangered Forests.

Cutting carbon through more sustainable viscose

We estimate that our sourcing of more sustainable viscose in 2018 avoided 62,054 metric tons of CO₂e emissions, a reduction of 47% compared to conventional viscose.

[Read more about how we reduce our CO₂ emissions](#)

Where next?

Rolling out our global commitment

Globally, we will continue to work with suppliers to eliminate the sourcing of fabrics made from controversial sources and train suppliers on the Canopy Style Initiative. We will also work 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

With the global population set to reach nine billion people by 2030, nature will struggle to meet human demands like never before. That means there's an urgent need to achieve our goal of making circularity the norm across the value chain.



Sustainability means rethinking how we design our products for their next use. We want to evolve the apparel industry to a future where every material is used and reused safely, where ecosystems are protected, and where people are provided with dignified work. This

means making products that are 'made with their next use in mind' and where we no longer talk about 'end of life', but rather 'end of use.' This is the philosophy of circular fashion. For the apparel sector to become truly circular, each part of the value chain must evolve.

To address the challenges of the linear fashion model, C&A has developed a strategy with three major elements:

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](#).

Why we need to develop circular fashion

In 2017, the Ellen MacArthur Foundation released a new report, entitled [A New Textiles Economy](#). The report demonstrates the growing momentum in the industry to move towards a circular economy, and gives us 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.

Throughout the value chain - from raw material extraction to end of use - the apparel sector has a large impact on the environment. To truly create the pathway to a new

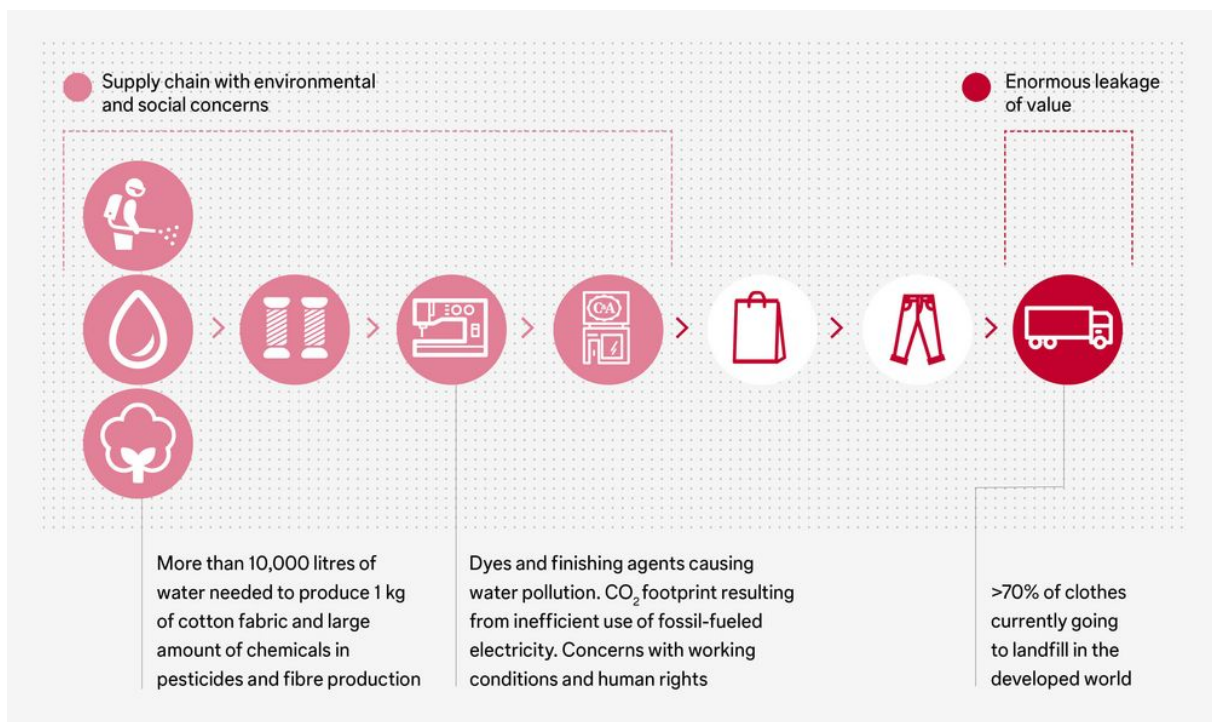
normal, we must reimagine much of what we do.

In a circular model, products are designed and developed with their next use in mind. This means 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.

[Read more about sustainable chemical management](#)

[Read more about safe and fair labour](#)

Why circular fashion is necessary for sustainable apparel production



For more about our circular fashion strategy, view this [video](#).

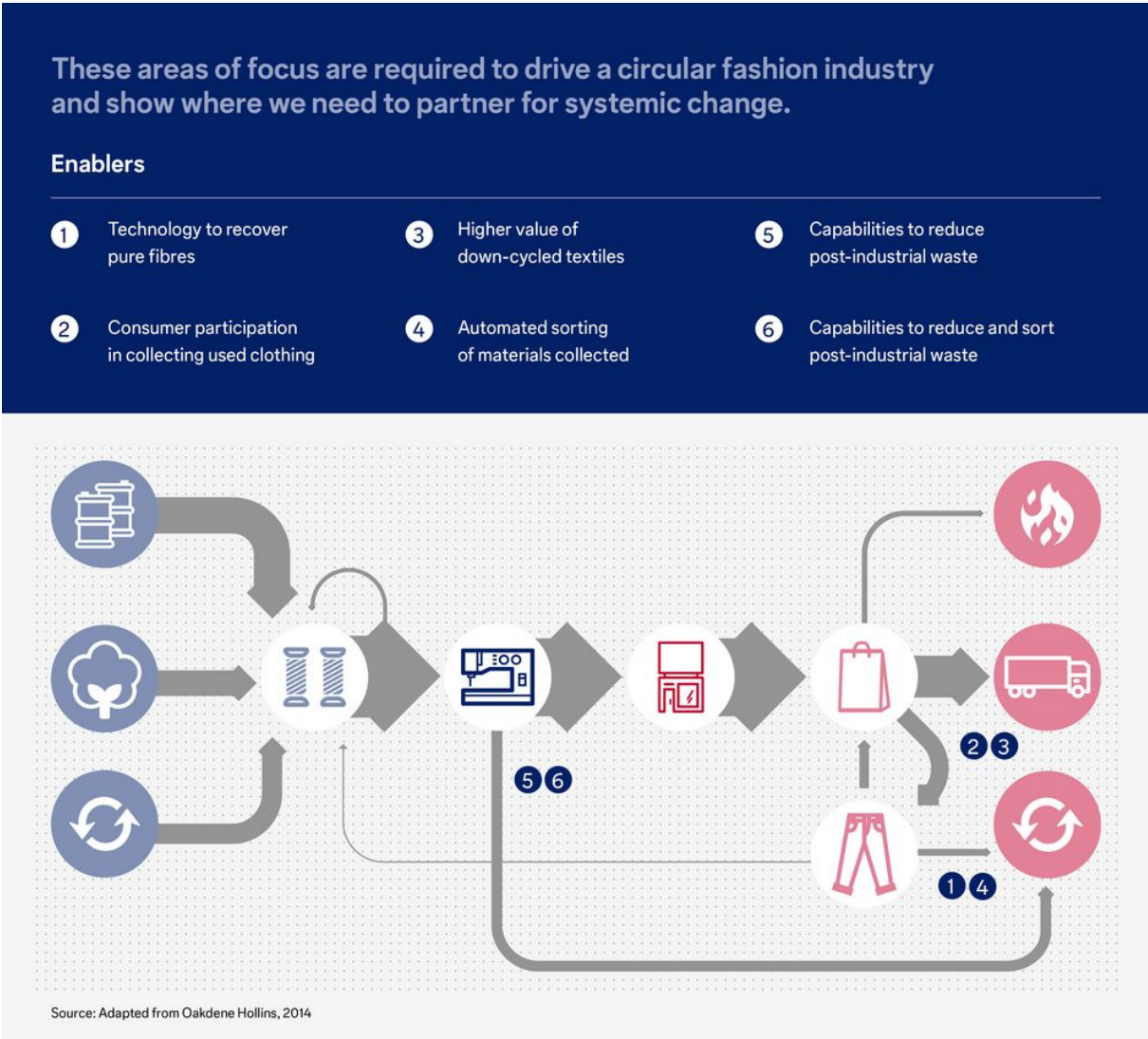
Our vision

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.

We believe there are six enablers of a circular fashion industry and are currently working on all of them through our own programmes or in partnership with [Fashion for Good](#). Our commitment is demonstrated through our Gold level Cradle to Cradle Certified™ products

- all supported by our ever-expanding in-store take-back programme that allows customers to recycle clothing that has reached its end of use.

The six enablers to a circular fashion industry

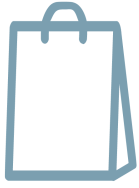


Our 2018 actions



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™ jeans.

Expand our in-store take-back programme in additional geographies and online in Germany.

Our 2018 performance

Pioneering circularity in stores

In 2017, C&A brought the first Gold level Cradle to Cradle Certified™ products to market in stores across Europe, Brazil, and Mexico. We have since developed many new products and collections, which reached the selling floor later in the year, as we expanded the Cradle to Cradle Certified™ collection from Ladies' to include Men's, Kids', and Teens' items in some of our markets, and offered new innovations such as stripes, embroideries, and prints to add richness to our offerings.

In 2018, we developed and offered the world's first Gold Cradle to Cradle Certified™ Jeans in several Men's and Ladies' styles. Notably, in collaboration with Fashion for Good, we also made publicly available a set of resources for other apparel companies to use in developing their own Cradle to Cradle Certified™ products. These mark important steps on our own journey — as well as that of the apparel industry — towards circular fashion.

In total, we have brought almost 4 million pieces of Cradle to Cradle Certified™ apparel to market so far.

Following its successful launch in the Netherlands, we rolled out our in-store take-back programme to additional retail markets and now have take-back programmes in nine countries - with a view to further expanding the programme by 2020.

[Read more about our circular fashion products](#)

[Read more about our in-store take-back programme](#)

[Read more about product innovation](#)

Accelerating change through Fashion for Good

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

- The Fashion for Good-Plug and Play Accelerator Programme to help start-ups grow
- The Scaling Programme to scale up innovations and encourage their widespread adoption

- The development of guides for other companies to use 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 23,000 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 funding and scaling support for their innovations. It also acts as a convener for change by bringing together a circular apparel community, building a good fashion movement, and creating freely available resources. The initiative has gained tremendous momentum, with over 75 innovators and more than 15 pilots facilitated so far.

[Read more about our partnership with Fashion for Good](#)

Who we work with



C&A Foundation, Fashion for Good, MBDC, McDonough Innovation, Cradle to Cradle Product Innovation Institute, Circular Economy 100, Ellen MacArthur Foundation, Fashion for Good-Plug and Play Accelerator, Lafayette Plug and Play Accelerator, I:CO, Centro Social Carisma, EIG, Retalhar, Make Fashion Circular

Normalising circular fashion

Although we are proud to have brought the first Gold level Cradle to Cradle Certified™ products to market, we know circular fashion is still a long way from being 'normal'.

One of the most important things we can do to change this is continue sharing what we've learnt about circular fashion with the rest of our industry. For example, true circularity involves looking at how products are designed, developed, and manufactured. We know our certified T-shirts and jeans have been designed this way, making them better for the environment, workers, and their communities.

These products prove that circularity is possible today. We want to encourage others to join us so that attributes like this become part of the new normal. Since the launch of our circular products, other brands and retailers, as well as manufacturers, have launched Cradle to Cradle Certified™ materials, showing that momentum is growing.

From wood waste to T-shirt: The Fashion for Good-Plug and Play Accelerator in action

'Up to 50% of every tree cut down is considered waste. Timber companies are looking for ways to use this waste because there is too much of it. Often it is left to rot, which sends CO₂ into the atmosphere, or it is burned, which also creates problems and can lead to climate change'.

Jane Palmer, President, Nature Coatings

In comes Nature Coatings and its first prototype: a high performing and inexpensive black pigment made from wood waste. Jane, who has worked in textiles her whole career, including owning and operating a dye house, wanted to identify a way to shift the textile industry away from petroleum-based ingredients - and reduce unnecessary waste along the way. Most pigments, she discovered, are petroleum-based, don't biodegrade and use complex chemistry that has been linked to DNA mutations in fish and cancer in humans.

Nature Coatings' black pigment offers a solution that is easy to substitute in the apparel supply chain. 'There is no new technology required, no new costs. It actually stays ahead of the Restrictive Substances List (RSL) so saves any unintentional sales loss', says Jane.

And now, thanks to the [Fashion for Good-Plug and Play Accelerator](#), the pigment should be in market in the next few months. Since its launch, the Accelerator has awarded two cohorts of start-ups and innovators, working closely with them on transforming blue-sky breakthroughs into scalable innovations through an intensive start-up programme.

Nature Coatings was part of the intake. And, as Jane puts it, Fashion for Good as been everything it promised to be. 'We came in with a semi-finished product. We had a solid product and a business development plan, but the Accelerator forced us to make some decisions, evolve our business plan, generate interest from investors and gave us critical access to big apparel brands to test our product', she explains.

Connecting with C&A has been especially useful, she points out. Over a series of meetings, her team has had multiple opportunities to collect feedback and refine their value proposition. And the company has had the opportunity to work with one of C&A's suppliers to test its pigment with one of their products.

'Our message wasn't very clear when we entered Fashion for Good. Today, we have a clear value proposition, we've been able to open multiple doors among investors and partners and generated overall excitement among the apparel sector for what we have to offer', says Jane.

Circular fashion products

Circular fashion for everyone

In mid-2017, we launched the world's first Gold level Cradle to Cradle Certified™ T-shirts in Europe, followed by launches in Brazil and Mexico. The T-shirts are made of 100% organic cotton with safe materials and chemicals, and produced in a socially and environmentally responsible way. Even the T-shirt stitching is made from organic cotton and the dyes are 100% non-toxic.



During the summer of 2018, we introduced Gold level Cradle to Cradle Certified™ jeans in Europe, followed by Brazil, making us the first retailer to offer certified jeans at this level. Developing Cradle to Cradle Certified™ jeans was even more complicated than T-shirts because of the complexity in the processes involved as well as with the number of components present in jeans. Working closely with suppliers, we were able to ensure that all components and ingredients used in our new Certified jeans are safe to humans and the environment.

For both the T-shirts and jeans, we are working with manufacturers who share our vision for a circular economy and worked closely with us to make the products a reality. We are continually launching additional Cradle to Cradle Certified™ products for Men's, Ladies', Teens', and Kids' collections. In addition, we continue working to identify more producers to join the Cradle to Cradle Certified™ journey in the regions where we operate.

[Read more about our work on sustainable supply](#)

The Cradle to Cradle Certified™ product standard is the only holistic, third-party standard able to certify circular products. It 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.

[Read more about the Cradle to Cradle Certified™ Standard](#)

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

Our goal is for all C&A Cradle to Cradle Certified™ products to achieve the highest possible level of certification and we trust that the Gold level represents a product optimised for circularity.

Our 2018 performance

Expanded Cradle to Cradle Certified™ options

To date, we have brought almost 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, 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.

The world's first Gold level Cradle to Cradle Certified™ jeans

Building on the success of our certified T-shirts, in 2018 we launched a collection of Gold level Cradle to Cradle Certified™ jeans. In so doing, C&A became the world's first retailer to offer Men's and Women's jeans made completely from sustainable materials – from fibre to buttons to hem – which can be recycled at end of use. In Europe, the jeans have been offered at an affordable price of €29 as part of the family company's commitment to making sustainability the new normal. The jeans are also available in all C&A stores in Mexico and in Brazil, where the Ladies' jeans are priced at R\$109 (approximately €25) and Men's at R\$119.99 (approximately €27).

Creating the world's first Gold level Cradle to Cradle Certified™ jeans was not without its challenges, such as:

- Selecting the right suppliers
- Organisational complexity
- Complexity of assessment
- Limited availability of assessed components
- Limited availability of assessed chemicals
- Meeting commercial Key Performance Indicators

It's important to note that our aim is to offer circular fashion products at affordable prices. The production of Gold level certified jeans requires that we use a specific cotton sewing thread, which has a significant impact on production cost, and hence on the selling price. Therefore, we have decided to produce a smaller volume of Gold level certified jeans that we sell online and a larger volume of Bronze level certified jeans to maintain the price level our customers are used to.

The difference between C&A's Gold level certified jeans and the Bronze level certified jeans is rather small. The Bronze level certified jeans actually have been certified Gold in four of the five certification areas. The use of a polyester sewing thread, however, reduces the overall rating to Bronze.

We will continue to seek solutions to scale the production of Gold certified jeans at reasonable production cost and use the opportunity of our Gold level certified jeans to further explain the certification benefits to our customers.

Sharing our learnings with the industry

We recorded our journey and lessons learned as we overcame these challenges and we are now sharing these learnings publicly so other brands can determine how to change their own practices and make environmentally and socially responsible fashion the norm. Fashion for Good has developed three resources, drawing from the experience we learned while developing the first Cradle to Cradle Certified™ Gold products:

- 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 regards 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.

These freely available resources comprise the world's first comprehensive toolkit 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. Since they were made available, these resources have contributed to momentum in our industry.

[Read how to create Cradle to Cradle products](#)

We are encouraged by the global coverage our Cradle to Cradle Certified™ jeans have received in the media and from other stakeholders, indicating strong interest in Cradle to Cradle Certified™ items. These new jeans, along with the resources for use by others, mark a milestone for fashion and another step forward in our leadership towards making real change in the industry, from the farmer to the customer.

To learn more about our Cradle to Cradle Certified™ clothing, view this [video](#).

Case study: Raising Awareness about Circular Fashion in Brazil

Building a truly circular fashion industry requires the involvement of customers and the public at large. In Brazil, C&A created a series of events — C&A Fashion Futures — aimed at connecting with Generation Z (also referred to as TrueGen) on sustainability topics such as transparency and the circular economy. The events went beyond C&A to create conversations of collective interest about fashion and a more sustainable future.

In the second C&A Fashion Futures event, focused on circular fashion, C&A shared its circular vision and initiatives in circular fashion, including Cradle to Cradle Certified™ T-shirts and jeans, and hosted discussions about how to move towards a circular economy. A well-known environmental influencer and experts on preparing for the future were among the speakers and a special mini-documentary raised awareness about circular fashion. To date, more than 6 million people have been reached in Brazil through the C&A Fashion Futures events and related social media mentions and articles.

Other efforts to invite customers to contribute to our circular fashion journey included in-store communications about the benefits of the Cradle to Cradle Certified™ T-shirts and jeans. Using our umbrella platform #WearTheChange, we launched various in-store communications, gave #WearTheChange T-shirts to all employees and encouraged them to post photos on social media of themselves wearing the shirts, provided employees and managers with training so they could speak knowledgeably with customers about the items, and met with customers from our ongoing relationship programme known as &YOU to discuss the Cradle to Cradle Certified™ products and their features.

[Read more about the ways we communicate with our customers about sustainability](#)

External recognition for our Cradle to Cradle work

For the launch of these products, C&A has been recognised by various organisations.

- C&A earned the prestigious Sustainable Innovation of the Year Award at the 2017 Ethical Corporation Responsible Business Awards in London.
- C&A was selected as a Finalist for The Circulars 2018 in The Accenture Strategy Award in the Circular Economy Multinational category.
- C&A Brazil was recognised by Prêmio Eco 2018 for Cradle to Cradle Certified™ Products as well as our In-Store Take-Back + Electronic Waste Program.
- Our Cradle to Cradle Certified™ products received the 2019 PR News CSR Award - Product Design/Redesign for Cradle to Cradle Certified™ T-shirts and jeans.
- C&A's Cradle to Cradle Certified™ jeans were selected by the German Federal Government's Partnership for Sustainable Textiles, the Textilbündnis, as one of the most innovative initiatives of 2018.
- We also continue sharing our experience and learnings from the development and launch of Cradle to Cradle Certified™ products with the wider industry, at events and through press coverage and case studies. For example, a case study about our Cradle to Cradle Certified™ products was selected to be part of a special edition of the publication *P220N*, one of the primary magazines about sustainability in Brazil.

Partnering to accelerate the change to circular fashion

Fashion for Good

Fashion for Good is a 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 producers, suppliers, retailers, non-profit organisations, innovators, and funders. The initiative offers practical action in the form of support, funding and roadmaps, and fosters a sector-wide collaboration.

Following its initiation by C&A Foundation, C&A was one of the first corporate partners of Fashion for Good, joining the Sustainable Apparel Coalition (SAC), the Ellen MacArthur Foundation, and IDH, the sustainable trade initiative. Since then, adidas, Bestseller, Galeries Lafayette, Kering, Otto Group, PVH Corp, Stella McCartney, Target, and Zalando have joined Fashion for Good.

In 2018, the initiative focused on supporting innovators through its Fashion for Good-Plug and Play Accelerator and Scaling Programme. Going forward, the Good Fashion Fund will catalyse access to finance where required to shift the industry to more sustainable production methods.

From its first hub in Amsterdam, Fashion for Good houses a Circular Apparel Community co-working space, creates open-source tools like its *Good Fashion Guide* and Cradle to

Cradle Certified™ guides, and welcomes visitors to join a collective movement to make fashion a force for good. In October of 2018, Fashion for Good opened the doors of its Experience, a consumer-facing museum focused on changing the hearts and minds of visitors and equipping them with practical actions to have a positive impact on the industry.

In 2018, we collaborated with Fashion for Good and others on a traceability pilot that is continuing in 2019. The innovative Organic Cotton Traceability Pilot uses new technology to trace organic cotton in textiles through the value chain to help making sure it is not blended with conventionally grown cotton at any stage.

Other collaborations towards circular fashion

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. Its ambition is to ensure clothes are made from safe and renewable materials, new business models increase their use, and old clothes are turned into new. We are contributing to the Make Fashion Circular initiative through working groups where 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 accelerate the transition to a circular economy.

A call to action for the supply chain

Through the process of creating the first Gold level Cradle to Cradle Certified™ T-shirt and later the jeans, we recognised that in order to increase the uptake of this holistic approach in the apparel value chain, we needed manufacturers to embrace the basic concepts of a circular economy and how it translates into standard requirements. As a result, Fashion for Good created a self-assessment tool for suppliers to use on their journey toward creating Cradle to Cradle Certified™ products. When used along with the other freely available Fashion for Good resources, this tool can change how raw materials are grown, made, and sourced, and how clothing is produced — for the benefit of society and the environment.

[Learn more about the Fashion for Good Cradle to Cradle Self-Check](#)

How to give the T-Shirt its next life?

Reuse via Donation
 Donate clothing that can still be worn in take back bins, so it can be reused again or donated for humanitarian relief. A list of trustworthy donation facilities can be found on our website.

Recycle via Donation
 In case the clothing donated to the take back bin cannot be worn, it will be transformed by textile recycling companies into low-value products such as rags and to a small extent cotton yarn.

By donating C2C Certified clothing to "Fashion for Good" you will be actively supporting pilots to help scale chemical recycling of clothing. The donation can be sent via post to: Fashion for Good, Roikin 102, 1012 KZ, Amsterdam.
 "Fashion for Good" is a joint-industry initiative with the goal to catalyse the transition of the current fashion industry to a circular industry. It was created with an initial grant by founding partner C&A Foundation.

Compost at home
 C&A's Gold Level C2C Certified™ organic cotton clothing is safe enough for home composting and can be returned into the biological nutrient cycle. Make sure: If any irreversible modifications to the clothing are made at home, for example, dyeing, then the clothing should not be composted.

DESIGNED TO BE RECYCLED.
 Organic. Socially responsible. Respecting nature.

Certified to 


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Thank you for your continuous support to bring out the best in HER

For more inspiration for you and your customers check us out on social media and visit us on our blog.



Expanding specific materials and components in circular fashion

We know there's a long way to go to make circular fashion the norm. As ever, the first step in our journey has been to pilot our own flagship programmes across our network.

Along the way, we have identified several roadblocks to Cradle to Cradle Certified™ apparel, which we are working to overcome by collaborating with Fashion for Good and other partners. Today, we are encouraged by the steady growth of available materials and components for use in developing circular fashion.

Two years ago, we began helping the apparel sector evolve towards making circular fashion the norm, 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 now ready for commercial use, in 2018 we evolved 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.
- 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.

We also continue engaging producers and suppliers to grow our toolbox of certified

materials, which will allow us to further diversify our Cradle to Cradle Certified™ offerings in the future, and we continue to make the information public for use by others.

Knowledge sharing among C&A regions

We are exploring new sourcing regions so that we can offer more certified products in more C&A stores around the world. In Brazil, for instance, where 80% of what we sell has been produced within the country, we conducted a feasibility study in 2018 to determine whether certified products and components could be produced there at a scale sufficient to meet our needs. Results are promising, and we will continue evaluating the possibility of sourcing and producing certified items in other countries to make Cradle to Cradle Certified™ commercially relevant and scalable across our regions. Being able to produce certified apparel domestically supports local growers and producers, and prevents overburdening a small number of overseas suppliers.

In-store take-back programmes

Our vision is restorative circular fashion, where nothing is wasted in the creation or disposal of our clothing. Of course, the transition to a fully circular apparel industry will be challenging and time intensive as the industry shifts its entire operating model to adopt a more holistic systems approach. One of the most important steps on this journey is the development of an effective collection and sorting system to increase the collection rate of used garments, which stands at just 25% worldwide [SOURCE: [Ellen MacArthur Foundation](#)].

The industry must develop a strong collection system if we are to build a circular industry, and our in-store and online take-back programmes are important steps on this journey. In 2018, we continued doing our part by expanding our in-store take-back programme to new geographies globally. A 2019 pilot take-back initiative at some stores in Mexico and 2018 roll-outs in Portugal and Spain and launch of an online take back in Germany will expand take-back opportunities for our customers to eight countries: Belgium, Brazil (where the programme expanded from 31 to 80 stores in 2018), Germany (online take-back only), Luxembourg, the Netherlands, Portugal, Spain, and Switzerland. This not only makes it easier for more customers to take care of their unwanted clothes responsibly through our stores, but helps to shift our industry from a 'take, make, use, and dispose' model to a circular approach.

In Europe, where our take-back programme is known as 'we take it back', we collaborate with I:CO, a global solutions provider for clothing, footwear, and other textiles collection, reuse, and recycling. For every full bag of clothes and shoes they bring back, customers receive a 15% discount on their next C&A item. Since 2012, the programme has collected more than 945 metric tons of used garments in five European countries, with the majority sold as second-hand items. Particularly absorbent textiles are used for the production of cleaning cloths while others are used to make insulation materials and stuffing for furniture.

In Germany, we launched a convenient online take-back programme in September 2018. The 'we take it back' collection programme operates in concert with PACKMEE, a service provider specialising in the collection and marketing of still-wearable clothing, footwear, and household textiles. The system gives consumers the ability to easily hand over discarded clothing online. Of every donated and sold kilo of wearable items, a portion of the revenue goes to Save the Children.

In Brazil, our in-store take-back pilot launched in 2017 more than doubled in 2018, expanding from 31 to 80 stores. As of 2019, the 'we take it back' programme is no longer a pilot and is slated to expand to 130 stores during the year. To help customers connect their actions to our larger #WearTheChange initiative, we updated the collection boxes for in-store take-back to reflect #WearTheChange. In-store take-back training was also provided for customer-facing and back-office employees, as well as managers. To date, our stores in Brazil have collected 15,332 garments weighing over 2,831 kg. Most of the garments, 72%, were in good condition and donated to local organisation Centro Social Carisma for reuse. The remaining are recycled in partnership with Retalhar. The growth of 'we take it back' shows that Brazilian customers are already engaged in the reuse and recycling of their clothes.

[Read more about 'we take it back'](#)

[Read more \(in Portuguese\) about 'we take it back'](#)



Where next?

As we look to the future of circular fashion, we will continue to make sure our offerings are customer-relevant and commercially viable throughout our regions. C&A Mexico is offering Cradle to Cradle Certified™ jeans and T-shirts in early 2019. Determining how to make Cradle to Cradle Certified™ products domestically, such as C&A Brazil is exploring, will be important as well.

In addition, C&A Mexico is launching a pilot take-back programme in 10 stores during 2019.

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. Within its Innovation Platform, Fashion for Good will keep focusing on:

- Continuing the Fashion for Good-Plug and Play Accelerator Programme to help start-ups grow.
- Continuing its [Scaling Programme](#) to encourage the widespread adoption of good fashion by scaling innovations.
- Introducing the Good Fashion Fund to help catalyse access to finance to allow a shift to more sustainable production methods at scale.

Fashion for Good will act as a convener for change by:

- Expanding upon its [Good Fashion Guide](#) to share best practices and open-source tools on how good products can be produced at scale.
- Expanding the active [Circular Apparel Community](#) of partners, experts, investors, and mentors.
- Continually updating the Fashion for Good Experience and hosting inspiring and action-focused events and workshops to expand the good fashion movement.

Refining our Cradle to Cradle Certified™ approach globally

Globally, we have delivered almost four 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 2018, 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.

[Read more about how we are communicating with customers](#)

Product innovation

Making sustainable fashion the reality

We want to normalise sustainable fashion, and one of the most effective ways to do this is through product innovation. We're constantly pushing the boundaries with our products by expanding the Cradle to Cradle Certified™ product range. Beyond our own products, our engagement with Fashion for Good helps to grow and scale innovations across the industry.



C&A was at the forefront of leading best practices – such as chrome-free leather and phasing out the use of poly-vinyl chloride (PVC) and per- and poly-fluorochemicals (PFCs) – that have since become standard practice. We hope the same will happen with circular fashion, and we are working to help make sure it will.

[Read more about chrome-free leather and PVC](#)

Our 2018 performance

Finding innovative ways to save water

In Europe, we've developed innovative denim collections made with less water. In 2018, we continued our Saving Water Programme, which features waterless finishing for denim production and brought to market over 800,000 pieces for Men and Ladies. A water-saving pilot project in Mexico is ongoing for Men's, Ladies', and Kids' denim products.

[Read more about our water footprint](#)

Increasing the use of recycled fibres

Throughout 2018, we sold more than 300,000 recycled polyester pieces in Ladies', Men's, and Kids'. All were made with polyester certified to the Global Recycled Standard (GRS) or the Recycled Content Standard (RCS), and most of the recycled polyester was made from recycled PET bottles.

C&A China began incorporating recycled polyester into clothing in 2017 and 2018. Also in

2018, C&A Brazil identified opportunities to work with recycled cotton and polyester, and with biodegradable polyamide. These will be further investigated for potential implementation in the domestic supply chain in 2019.

Where next?

We will continue evaluating how to expand our Cradle to Cradle Certified™ offerings and products made with recycled fibres, as well as working closely with Fashion for Good and other organisations to support further innovations in the apparel industry.

Product quality and safety **Delivering what our customers want**

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 Europe, Brazil, Mexico, and China 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

Our commitment to quality extends throughout the manufacturing chain, beginning with

fabric manufacture and continuing through production to the final random sampling of individual products in our 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 fabric, yarn, 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. C&A is a founding member of ZDHC, a coalition of 23 global brands and retailers 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.

Recalling potentially unsafe products

We had no product recalls across our retail markets in 2018.

Sustainable Supply

Raising standards and building capacity

Our supply chain encompasses more than 1 million people, employed through 722 global suppliers, who run more than 1,600 production units, across four entirely different sourcing regions and many different cultures. Even though these numbers appear to be very large, our part of the supply chain represents only a very small part of the entire apparel and textile industry. On 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, this is why we develop long term relationships with our supply chain. In this light, we have maintained our relationships with over 71% 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 supports our commitments towards safe and fair labour practices and a clean environment throughout our supply chain. Over the last two years, we have reduced our supply base by 39% and we continue limiting our number of suppliers, as appropriate and possible.

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.

Our ambition

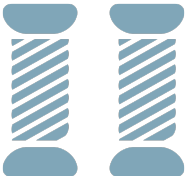
A sustainable supply chain from farmer to customer

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 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 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; ours includes over 700 suppliers and 1,600 tier-1 and tier-2 production units. 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's (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 fully 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 90 people worldwide, including 36 auditors and 25 development officers. 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. When there are breaches of our Supplier Code of Conduct, we invite suppliers, C&A employees, and workers in our supplier' 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.

Zero-tolerance issues and their rationale	
Issue category	Description of issue
General Zero-Tolerance Violations	
Forced, bonded, indentured or prison labour	Forced work – by actual or perceived threat
Serious forms of child labour	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
Child labour/underage workers	Workers who are below 16 years old
Abuse	Any evidence of physical, sexual, verbal or mental abuse
Failure to pay minimum wages	If more than 50% of sampled workers do not receive the legal minimum wage
Failure to pay probationary wages	If more than 50% of sampled workers do not receive the legal probationary wage
Foreign or migrant workers without legal work permits	Workers do not have the right to work or have a valid work permit
Unauthorised working at home	Production placed in an unauthorised home production unit
Denied audit	Not granting unrestricted access to workers, records, all areas of the production unit and dormitories, without unreasonable delay for a second time
Bribery and corruption	Any case of giving or receiving an unearned reward to influence behaviours in C&A’s value chain, including kickbacks and facilitation payments. Any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means.
Working Hours	
Paid overtime	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%
Workplace Health & Safety	
Sandblasting	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
Building Safety	
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

Zero-tolerance issues and their rationale	
Issue category	Description of issue
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	
No fire licence	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
Separate living area for workers	Dormitory or living area is not clearly separated from the production area and/or warehouse
Separation of generators and/or boilers	Industrial generators and/or boilers are not isolated from the production area
Environment	
Wastewater Treatment Plant	Offsite or onsite wastewater treatment is legally required, but is not present
Wastewater discharge	Wastewater discharge does not meet legal requirements

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 on day off in every seven-day period, and to take statutory holidays.

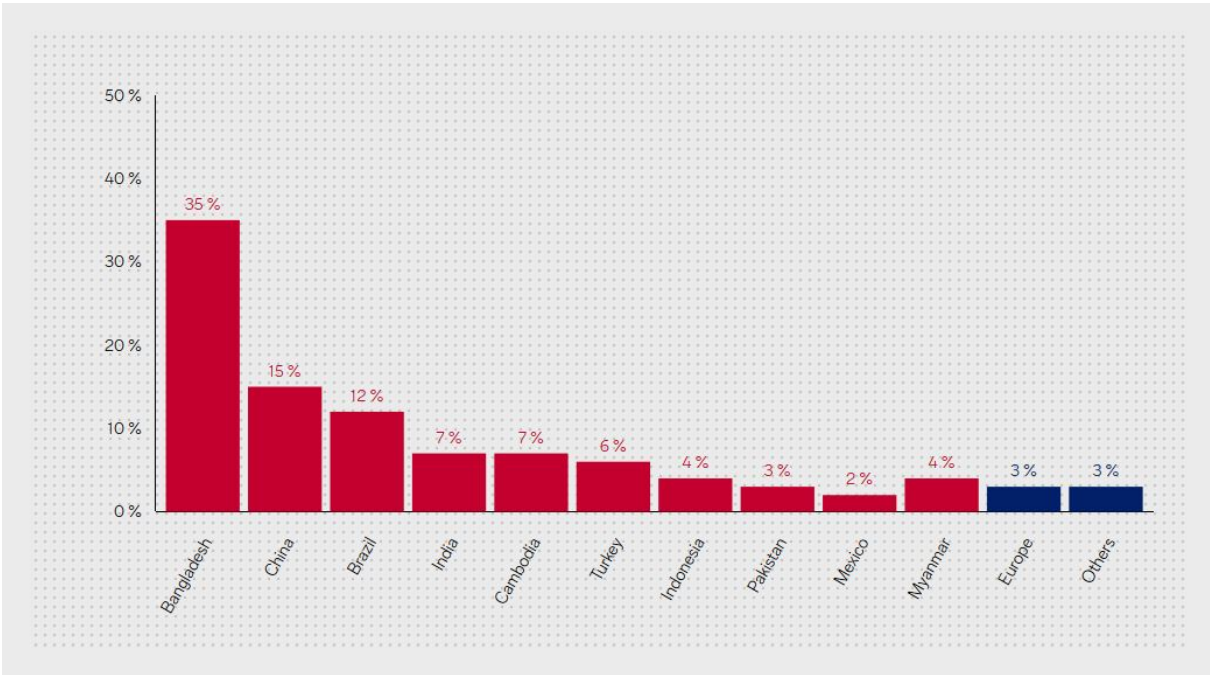
[Read more about our Supplier Code of Conduct](#)

[Read more about the guidelines for implementation of our Supplier Code of Conduct](#)

Our 2018 performance

The majority of our production (94%) is concentrated in ten sourcing countries.

Garment sourcing countries by % share of volume of product made



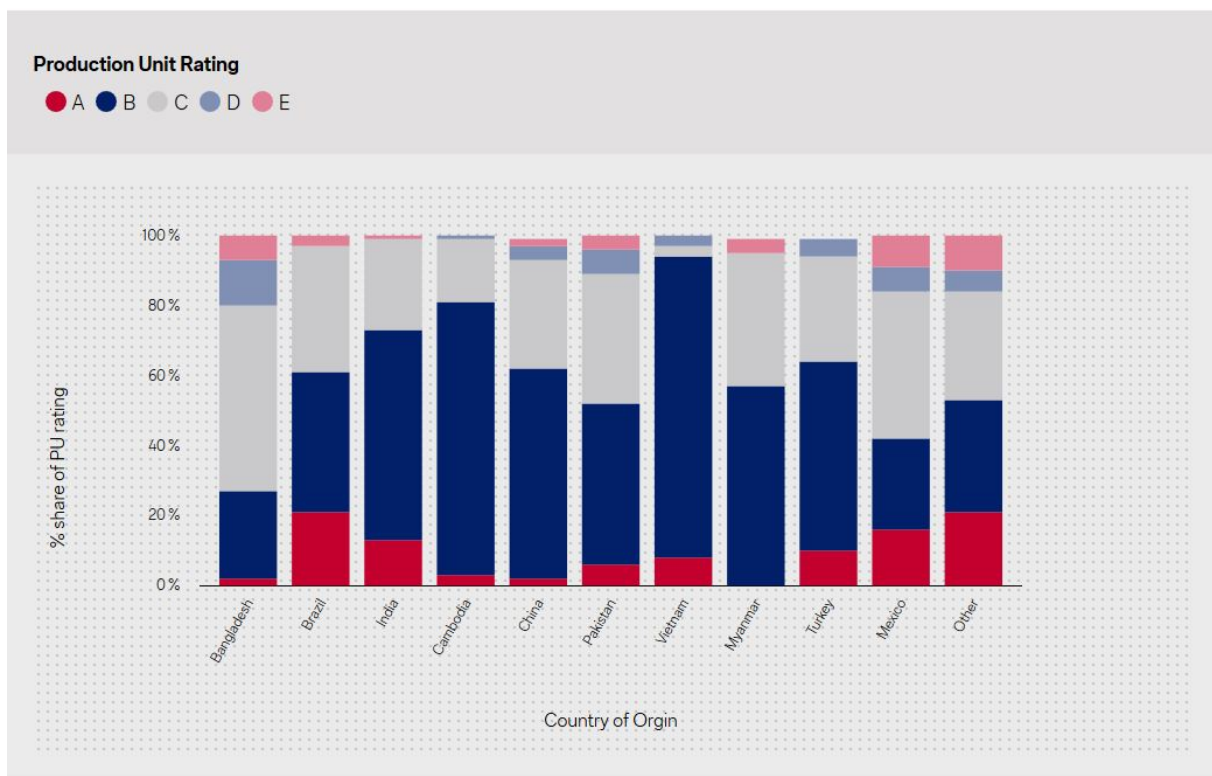
2016 was the first year we reported our global supplier ratings by production unit and by percentage of workers. Throughout 2015, Brazil and Mexico began implementing the global Sustainable Supply Chain (SSC) programme guidelines and audit process. As a result, 2016 was the first year the new Supplier Code of Conduct was in effect in all sourcing regions, allowing us to provide global figures.

It is important to note that Brazil and Mexico have sizeable domestic supply chains, with 84% of products sold in Brazil and 45% of the products in Mexico produced domestically. Because our new requirements are unique for the supply chain in Brazil and Mexico, we are working closely with each supplier and factory to build their capacity and improve ratings over time to meet our Supplier Code of Conduct requirements.

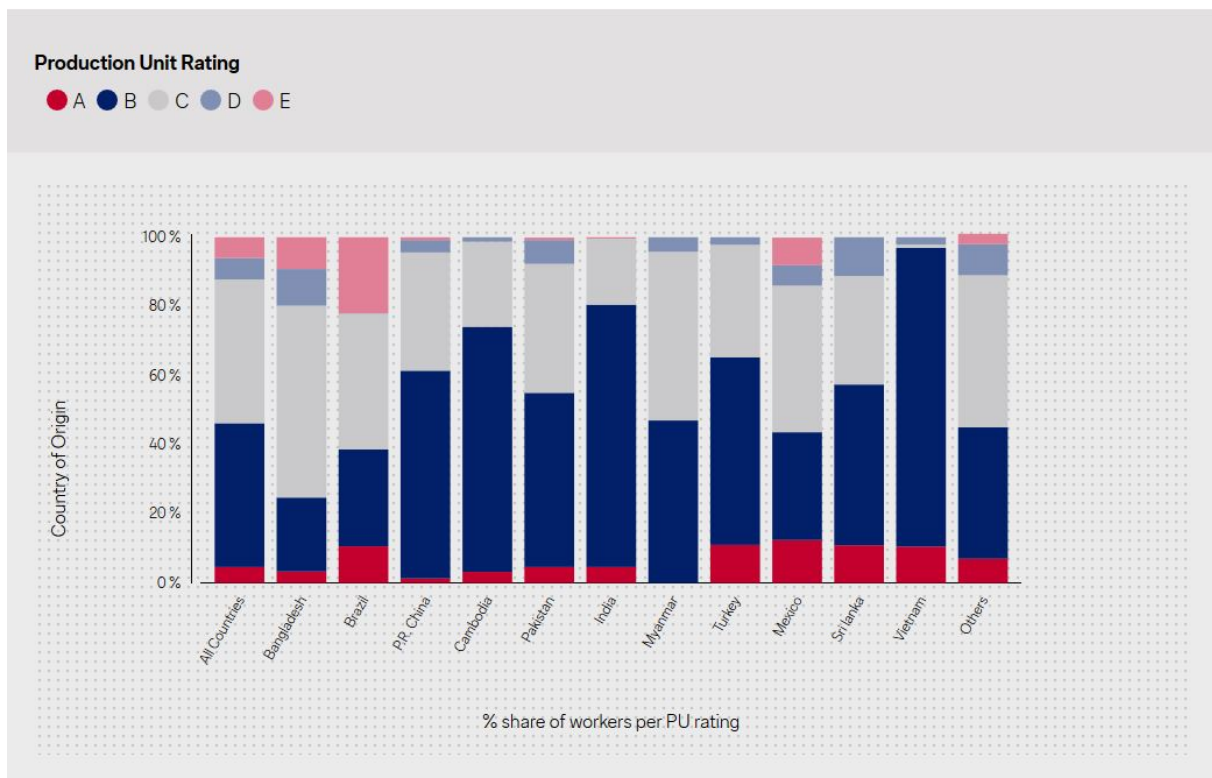
Proportion of products sourced from A- and B-rated suppliers (% volume/region)

	Year		
	2016	2017	2018
Brazil	42%	68%	78%
Mexico	36%	48%	64%
China	52%	68%	69%
Europe	89%	65%	70%
TOTAL	78%	65%	71%

Tier-1 and tier-2 production unit rating by country of origin



Proportion of workers in production units by rating and country of origin



In 2018, 46% of the workers in our supply chain were working in A and B-rated factories. This is a reduction of nine percentage points compared to 2017, when 55% of workers were in top-rated factories. The change is largely due to an increase in the percentage of workers in C-rated factories. For C&A Brazil suppliers, this is primarily a result of the significant decrease in production units with D/E ratings as they improved their ratings to C. For C&A Europe, it is due to the high percentage (24%) of new production units brought into our supply chain by the growth of the business. Many of these new suppliers performed at a C rating.

As of the close of 2018, 12% of the total still work in D- and E-rated factories. To continually improve ratings over time, all D- and E-rated factories have corrective action plans (CAPs), are monitored by local teams, and have order placements restricted until their performances improve significantly.

In Brazil and Mexico, 22% and 15% of supply chain employees work in D- and E-rated factories, respectively, in 2018. These regions adopted the full Supplier Code of Conduct for the first time in 2016, meaning that we now have a single global standard for suppliers in all regions. In 2018, the teams working with the domestic supply chains of Brazil and Mexico focused on building capacity and technical know-how in all production units to progress towards our goal. In Brazil, we focused mainly on making sure suppliers and their workers secured and maintained the required governmental documentation to permit working in that country. This was done with the support of our development officer team as part of an effort recognised by the ECO AMCHAM Award. In addition, it is worth noting that three of the D and E-rated facilities in Brazil are large, representing about 17% of workers in the supply chain. These factories have clear action plans for development in 2019 and no critical issues.

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.

The global sustainability team leads and owns the global policy and strategy for SSC and facilitates the sharing of learnings across all our sourcing countries and retail markets. This allows the SSC team to focus on executing the SSC programme on the ground, supporting production units through their continuous improvement journey.

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, 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. Regional action plans are being independently verified through third-party assessment for SSC Europe, and second-party assessment for SSC Brazil and Mexico.

Europe

After almost three years since the third-party assessment took place, the majority of the recommendations have been implemented through the regional action plan. SSC Europe is currently updating its strategy, in which it will address the remaining opportunities for improvement.

Brazil

The 2018 assessment carried out by members of the Global Team found that our SSC programme in Brazil is fit for purpose. It has improved substantially since 2017, showing a strong governance model, and the majority of the recommendations have been successfully implemented. Additionally, the programme contains several elements in line with international good practice, setting a benchmark in the country.

The Brazil Regional Sustainability Steering Committee has clear goals and objectives and meets every 6 to 8 weeks. The committee sets targets and conducts follow-up to track progress. Its IT platform and system allow effective management of processes and procedures. Key functions and responsibilities also have been set up, and there is a good level of interaction between the SSC team, Sourcing, and the broader Sustainability team. Awareness of the Supplier Code of Conduct is high and there is a clear and effective onboarding process for suppliers and production units.

A solid audit and corrective action plan (CAP) process is also in place. Shadow audits of four production units generated the same ratings as the SSC auditors. CAPs were being generated as required, and all issues identified in the CAPs were discussed with the suppliers and their factories. The 2017 assessment also found that some requirements of the Supplier Code of Conduct still had to be adapted locally, particularly building and fire safety. This important piece was addressed during 2018 and a new model that accounts for the Brazilian production units' specifications is ready to be implemented in 2019.

Mexico

The second-party assessment carried out in 2018 has certified that the SSC programme in Mexico has made good progress compared to the 'not fit for purpose' finding of the 2017 third-party assessment. The SSC team is now in place and fully operational, processes and procedures have been developed and rolled out, and the programme is running at an acceptable level. Some of the important milestones during 2018 included:

- Conducting alignment and capability building workshops to ensure audit consistency and evaluation
- Improving relationships with commercial areas, sourcing, and buying
- Generating positive supplier feedback, as the work is starting to show positive impacts
- Updating the supplier agreements

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 that we source our products from. Because of this, it takes time, collective action, influence, and partnerships to deliver sustainable change.

Over the past year, we've 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 own pilot projects.

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 that is 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 2018, 98% of our production units were in compliance with national wage legislation. All suppliers to our Brazil and China regions were found to be in compliance with respect to wages. Non-compliances were discovered among a small percentage of suppliers to our Europe and Mexico regions.

[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.

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. 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 2017 was crucial for the ground work initiated in three of the pilot countries for establishing an industry-wide collective bargaining mechanism. In 2018, we were key participants in the three ACT country missions in Cambodia and Turkey, where we joined other brands and IndustriALL to meet key local stakeholders (local unions, factory owners, and Cambodian ministries) and drive positive change in the development of a long-lasting collective bargaining process in the country.

In March 2018, C&A hosted the ACT country consultation in our Yangon, Myanmar offices. Our initial meetings and the proposed ACT approach on wage setting mechanism were well received by ministries, unions and suppliers. We did not want to lose momentum, so we returned to Myanmar later in 2018 to continue our engagement and work towards living wages for the textile industry. During the year, we met with unions, suppliers, and the government in Myanmar to address work conditions and wages. Together with other ACT brands, we also met with the tripartite delegation of Myanmar (Ministry of Labour, Unions, and the supplier association) during the International Labour Conference in Geneva to discuss labour and human rights, wages, and the continued development of the country.

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 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. In Brazil during 2018, we trained 27 suppliers in the state of Santa Catarina about requirements and best practices in health and safety, fire safety, compensation, governance, and other topics.

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

C&A was one of 220 brands, international unions, and members of civil society to sign the Accord on Fire and Building Safety in Bangladesh in response to the disaster. The Accord is an independent, legally-binding agreement, designed to create a safe and healthy Bangladeshi ready-made garment industry. It aims to create a working environment in which no worker needs to fear fire, building collapse or other accidents that could be prevented through health and safety measures, as well as ensuring the right to refuse unsafe work.

Approximately 35% of C&A suppliers are in Bangladesh. All of C&A's suppliers' cut-and-sew factories in Bangladesh have been inspected and corrective action plans (CAPs) have been developed for each of them. To support the complex and highly technical aspects of the corrective actions and remediation, we developed a strong technically expert team in Bangladesh. We've also arranged training sessions for Accord engineers to share their knowledge with suppliers.

To date, 96% of the issues identified across C&A's operations have been corrected, up from 92% in 2017, with the remaining CAPs in the process of remediation¹. The main reason for those still in the process of remediation is the addition of several new production units to our supplier list in 2017. Their remediation plans are at an earlier stage than the rest of our suppliers.

¹Official data from the Accord may vary because they must verify the corrective actions before their numbers gradually match ours.

[Read more on the Accord website](#)

Accord 2.0

The Bangladesh Accord has now been in place for nearly six years. C&A has been recognised as one of the brands that has made a dedicated effort to making this initiative successful, having been part of its steering committee since inception. In 2017, we were one of six organisations selected to help define how the agreement should be extended past its five-year anniversary.

Together, we agreed that the Accord has made great progress in raising awareness on important safety measures, empowering and involving workers, and driving real change in fire and building safety in the Bangladesh garment industry. After fruitful negotiations among the brands' representatives, IndustriALL Global Union, and local stakeholders, it was decided that the Accord would be extended until May 2021, with some important

additions:

- Strengthening brands' commitment to freedom of association based on the ILO Core Conventions
- Enlargement of the scope to include tier-2 productions units (such as printing and laundries) on top of cut-and-sew factories
- A clear description of when and how the work of the Accord will be handed over to the Government of Bangladesh

The renewed Accord was signed at the OECD Global Forum on Responsible Business in June 2017 with C&A representing the brand community. The new Accord is important for us because it extends independent, expert building safety inspections for three more years, ensuring that safety improvements achieved under the first Accord will be maintained and that any new findings in any factory will be addressed.

Despite the encouraging progress of 2017, we are concerned about the uncertainty of the Accord going forward. During the last months of 2018 and beginning of 2019, the capacity of the Accord to perform has been limited due to a number of court decisions in Bangladesh that remain open. We are deeply committed to the good work of the Accord. As founding members and as a company dedicated to building safety, we believe the Accord is the best way to address the Bangladesh apparel industry's fire safety challenges. Should the Bangladeshi courts decide the Accord will no longer be permitted to do this work, C&A will still focus on ensuring safe working conditions in Bangladesh.

[Read more about the Bangladesh Accord 2.0](#)

Additional support to victims of the Tazreen fire

We remain deeply saddened by the loss of life and injuries caused by the tragic fire in November 2012 at Tazreen Fashion in Bangladesh, a factory that supplied C&A Brazil. In the aftermath, C&A Foundation provided immediate financial support to the families of all 112 people killed and established a fund to provide ongoing support to 49 adult dependents.

Working with Caritas Bangladesh, C&A Foundation also created a rehabilitation programme to help survivors find a new path for themselves. C&A Foundation continues to contribute to the Trust for Injured workers' Medical Care (TIWMC), which supported 172 workers injured in the Tazreen fire and also ran two medical camps in 2017. These 172 workers will receive medical treatment and psychosocial support for the next 14 years through a grant from C&A Foundation.

C&A Foundation also supported the Tazreen Claims Administration Trust (TCA) alongside the Clean Clothes Campaign and IndustriALL Global Union in 2015, to help survivors and the families of victims gain access to adequate compensation. The TCA finalised its work in 2016, completing the compensation payments to the victims of the fire. In total, approximately US\$2.17 million was paid out to all the impacted families and the workers injured in the fire.



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.

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 2018, we detected eight cases where freedom of association was not respected in our supply chain. Of these, four were found in Turkey, two in India, and one each in Myanmar and Cambodia. To remediate these incidents, our local Sourcing and Sustainable Supply Chain (SSC) teams, with support from the Global Sustainability team and the Sourcing teams, have worked closely with our suppliers, the workers' representatives, and international trade unions to address each issue individually. As of early 2019, four cases are still open and we are working to successfully close them in the coming weeks.

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

In 2018, C&A Foundation and C&A 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, we commissioned a two-year pilot project with GoodWeave in Uttar Pradesh, India. The goal is 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.

The pilot is with three apparel producers in five communities, supporting 7,500 home workers and 6,000 children within and beyond C&A supply chains. Child Friendly Community (CFC) programmes, which ensure children are enrolled in schools, are now established in three project communities in India: Kanwara, Tilbegumpur and Jaee. 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 enrol in private or government schools. As of January 2017, 750 children were attending Motivation and Learning Centres and 243 children have been enrolled in school.

The pilot is already shedding light on the economic hardships faced by home workers, but securing access 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.

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.

In 2018, C&A also continued its 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. In 2018, C&A convened two roundtable meetings with suppliers in Cambodia to discuss freedom of association, collective bargaining and wages. Together with our previous round tables, we have now held eight round table discussions on the issue of freedom of association, focusing on building healthy labour/management relations with senior management representatives all of our Cambodian suppliers.

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

Case study

Resolving a freedom of association issue leads to collective bargaining agreement

Concerns regarding Akar Tekstil in Turkey were communicated to our SSC team, as well as to representatives of two other apparel brands, in early 2017. Allegations included unionised workers being dismissed from the factory using false reasons and discrimination against unionised workers by changing their work stations and separating them from others.

In collaboration with other brands, we held open dialogues between factory and union management over a 6-month period. However, the situation did not improve, C&A and the other brands decided to conduct an independent investigation, which revealed clear breaches of freedom of association.

During a meeting with union and factory management, the brands suggested the expected action plans to be implemented by the supplier. This included the owner making an announcement in the factory regarding freedom of association, avoiding any further discrimination, and holding dialogue with the union. In early 2018, a protocol was signed, establishing 30% union participation in the factory as the threshold at which discussions would begin for a collective bargaining agreement (CBA) covering all workers. In addition, a committee with representatives of the factory, the union, and IndustriAll was established to clarify unionisation steps. In July 2018, the factory signed a CBA with the union Deriteks. It was also decided that workers would determine their representatives to the union, instead of the union making these decisions, and that worker representative training would be provided.



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 2018, we detected 26 incidents of undisclosed production in our supply chain, of which one case involved undisclosed home working. We consider these violations to be serious, and six 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

In 2016, we rolled out 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. 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.

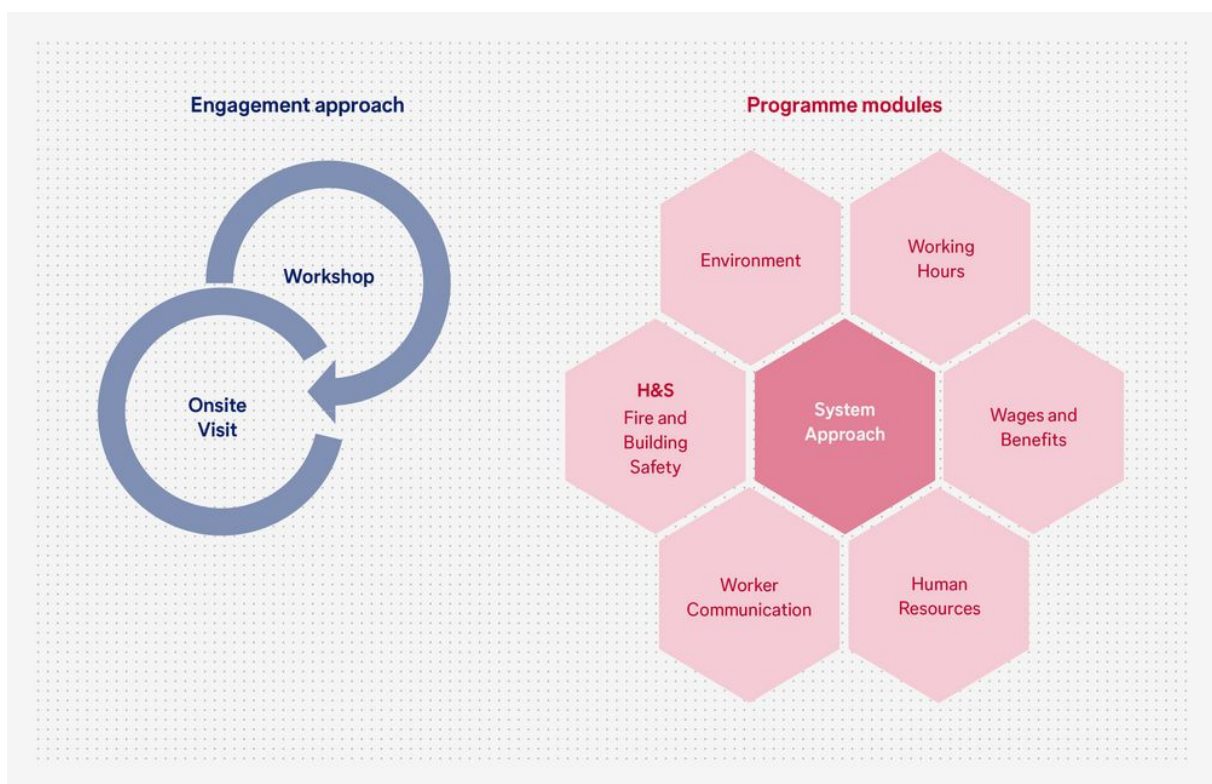
Eight suppliers are now certified, with a total of 17 certified production units in the programme, validated by the C&A Sustainable Supply Chain (SSC) team and Elevate, a third-party auditing company. This means that we trust the supplier to have the necessary

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

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. In 2018, the eight suppliers already certified under our Supplier Ownership Programme continued to run more of their production units through the programme.

Case study

Empowering employees at Epyllion

Epyllion in Bangladesh has been a C&A supplier for over 20 years – in fact, C&A was the company’s first international customer. Epyllion employs 12,060 workers in Bangladesh and has been participating in the C&A Supplier Ownership Programme since 2016.

Since starting the Supplier Ownership Programme, Epyllion’s knitwear factory in Mirput, Dhaka, has implemented several changes, including proactive management systems, better risk controls, and clear communication of policies and procedures to all employees.

At Epyllion, employees are empowered so the company understands their needs and they keep up to date on HR management issues, health and safety, their security and rights, and working practice. Workers and management have the resources to address issues proactively, and production can continue uninterrupted on a more regular basis. Having safe employees has meant better retention, leading to a more stable and productive workforce.

Being part of the Supplier Ownership Programme means that Epyllion can maintain a high level of compliance with its own company policies, C&A’s Supplier Code of Conduct, and local legislation. This forward-thinking outlook is paying dividends. The company has reduced its own costs and business risk by preventing problems instead of reacting to them.

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

In 2018 we detected seven incidents of underage workers in Myanmar and Mexico. In all of these cases except one, the workers were between 14 and 16 years old. We handled each situation with care and in accordance with our remediation process, including working closely with the suppliers and local civil society to ensure that the case was clearly resolved and that the underage workers were supported through the process.

The children found in Myanmar are both now in education. We are making sure they are receiving proper local support, including the provision of a monthly income to their families by the factory in which the children had been employed. In Mexico, we are closely working with Save the Children to address this issue in a more proactive manner since sometimes we see resistance from the children and their families to join the remediation process and return to school. Together with Save the Children, in 2019 we will assess the best way to tackle this resistance in Mexico.

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 C&A 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.

In 2018, we detected no cases of forced, bonded, or compulsory labour in our supply chain.

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.

Supporting cotton workers in our supply chain

Cotton makes up 57% of the materials we buy and use at C&A. Around the world it supports the livelihoods of 250 million people [SOURCE: [BCI](#)]. Growing cotton is resource-intensive, and forced and bonded labour has remained a key challenge for the industry.

C&A is committed to sourcing 100% more sustainable cotton by 2020, and in 2018, a total of 71% of our cotton was more sustainable. Buying organic cotton has a direct positive impact on the health and safety of farming communities who are no longer exposed to hazardous chemicals.

We also work closely with the Better Cotton Initiative (BCI), which has a strong focus on promoting decent work.

In addition, we have a history of taking concrete steps to support cotton workers when required. In 2007, we signed the Cotton Pledge against forced labour, committing to end the practice of forced labour in the cotton sector in Uzbekistan. In practice, we banned the use of Uzbek cotton by our suppliers when the government forced adults and children to grow and harvest cotton, violating their human rights.

[Read more about our commitment to more sustainable cotton](#)



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, 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 April 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 has been working for several years to address the root causes of the issue, beginning with a three-year project run by Terre des Hommes. C&A Foundation is also working to prevent vulnerable girls and young women from entering the system in the first place. In 2015, C&A Foundation made a €2.4 million grant to the Freedom Fund, the world's first private donor fund dedicated to ending modern slavery. Since then, C&A Foundation has awarded €6.4 million to the Freedom Fund to combat Sumangali and to strengthen protections against forced and child labour at the state and national levels.

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, July 2018, 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, December 2018, 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 will continue with additional platform activities in 2019, starting with the OECD baseline assessment, which will establish 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 have 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.

[Read about our support of refugees from Myanmar](#)

Case study

Working in partnership to guarantee labour rights

Migrants from Angola, Bolivia, Haiti, and Venezuela often enter Brazil hoping to find jobs and a better life, but with little idea about their labour rights. C&A Brazil and Instituto C&A, as C&A Foundation is known in Brazil, play an important role in making sure those workers know their rights, helping to defend them where necessary.

Through the support Instituto C&A gave to Missão Paz as part of the anti-slave labour programme, Missão Paz helped 703 immigrants from the fashion supply chain. In addition, 831 immigrants in the fashion industry took part in meetings about rights and empowerment. Importantly, nine people rescued from slave labour were supported by the organisation. Missão Paz also collaborated on 16 national press articles about immigrant slave labour to raise awareness of the issue.

Clean environment

Enhancing 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 add further Zero Discharge of Hazardous Chemicals (ZDHC) wastewater guidelines and wastewater legal requirements.

Continually driving significant water and carbon reductions

The apparel industry faces environmental challenges at every stage of a garment’s life, from farms, to fabric and garment production, through to transportation and in our stores. Our cornerstone commitment to sourcing more sustainable cotton results in significant carbon and water savings when compared to conventional cotton. Considering that 71% of our cotton is now more sustainable, our role in driving less impact is significant on the upstream supply chain.



We believe that our focus areas should be based on scientifically sound data and analysis. In 2018, we completed our fourth 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.

Our 2018 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.

Began the development of science-based climate targets.

Our 2018 performance

Advancing Sustainable Chemicals Management

We began with 50 fabric mills in our SCM programme back in 2016, and now have more than 300 production units covered globally under the SCM programme. This includes all major fabric mills, laundries, printers, and vertical set-ups. Over the coming years, we will shift our focus from expanding coverage to driving impact creation jointly with our industry partners in three key areas:

1. Input management – identify safer chemicals, drive adoption and eliminate the usage of hazardous chemicals.
2. Process management – assess and verify on-site chemical management systems and performance.
3. Output management – validate the elimination of hazardous chemicals from wastewater and publicly disclose.

In 2017, we communicated our SCM Minimum Performance Standard and Rating System globally with our supply chain to ensure our expectations of chemical management performance are clearly understood. That same year, we also identified wastewater discharge quality for conventional parameters as an on-going concern for our supply chain. In 2018, to increase the emphasis and priority of this issue, C&A further enhanced the Minimum Performance Standard by adding the requirement to meet the Foundation Level set in the ZDHC Wastewater Guidelines. Also during the year, we upgraded the supplier requirement to meet legal wastewater discharge requirements to a zero tolerance item in the SSC Audit.

The Standard, and its associated performance requirements, is updated annually as we work towards ZDHC.

Chemical audits and Higg 3.0 pilot

We have been actively supporting the convergence of the ZDHC Chemical Management Audit and the Sustainable Apparel Coalition (SAC) Higg Index tool to create the Higg Index

3.0 Facility Environment Module (FEM). This is in line with our commitment to utilise industry tools and standards to ensure we reduce cost and complexity across our supply chain.

Driving the adoption of safer chemistry

The starting point for safer chemistry is transparency. In 2018, C&A rolled out tools to increase the transparency of the chemicals used in our supply chain, allowing us to determine which chemical products are being used, who is supplying them, and in what quantities. Known as CleanChain, this tool provides information that promises to drive the adoption of safer chemistry.

Collaboration with others in the industry is central to our shared progress. To this end, we have been working with other brands and stakeholders on a chemical screening project that uses a hazard-based approach to identify and substitute best-in-class or better alternatives. Additionally, we continue collaborating on the development of the ZDHC Gateway, a platform funded by C&A Foundation, which acts as a global database of green chemistry and wastewater testing results.

Carbon and water footprints

We completed our fourth hybrid LCA in 2018, gathering data on our carbon and water footprints from cradle to grave. We reduced our global carbon footprint by 12% compared to 2016, driven by a reduction in the materials we used (despite selling more items in 2018) and by the sourcing of more sustainable materials.

Our 2018 water footprint increased by 22% compared to 2017. This includes a 22% increase in blue water consumption, a 23% increase in green water consumption, and a 22% increase in grey water consumption. This is due to a variety of factors, most notably a 12% increase in raw material use. However, we have achieved an absolute reduction of 8% in our blue water consumption in raw material extraction compared with 2016, or roughly 28 million cubic metres (m³) of water.

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 2018, we made progress towards these commitments. For instance, we saved 1 billion cubic meters (m³) of water – the equivalent of 400,000 Olympic-sized swimming pools – through more sustainable agriculture and apparel production in our supply chain. However, as of this report publication, we are still analysing the data for C&A Europe, our largest region. Results will be updated once progress has been analysed.

Towards zero waste

In 2017, C&A committed to sending zero waste to landfill from C&A stores, distribution centres, and offices by 2025. With products such as our gold level Cradle to Cradle Certified™ collection developed in 2017 and expanded in 2018, we're also one step 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.

Who we're working with



Zero Discharge of Hazardous Chemicals, Sustainable Apparel Coalition, C&A 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

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. We apply the ‘clean factory’ approach, encouraging the elimination of hazardous chemicals across production for all brands, not just C&A’s production. To that end, we are a founding member of ZDHC, a coalition of 27 global brands and retailers with a shared commitment to zero discharge of hazardous chemicals in their supply chains.



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 Sustainable Chemicals Management (SCM) programme.

[Read our public commitment to ZDHC](#)




Our approaches to controlling hazardous chemicals

TIER 4 Cotton Farms  Chemicals used for · Fertilisers · Pesticides	TIER 3 Fabric Mills  Chemicals used for · Dyes · Auxiliaries · Colourants	TIER 2 Laundries and Printers  Chemicals used for · Detergents · Softeners · Colourants · Auxiliaries	TIER 1 Cut and Sew  Chemicals used for · Auxiliaries for cleaning and maintenance
We use a variety of approaches to control hazardous chemicals across the product and supply chain			
Sourcing more sustainable materials like organic cotton	Implementation of the C&A Sustainable Chemicals Management (SCM) Programme including our Manufacturing Restricted Substances List (MRSL)	Enforcing our product safety and Restricted Substances List (RSL)	

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

Input  Identify safer chemicals, drive adoption, and eliminate use of hazardous chemicals.	Process  Assess and verify on-site chemical and wastewater management.	Output  Validate the elimination of hazardous chemicals to the environment and communicate to the public.
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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) and the ZDHC Gateway.

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.

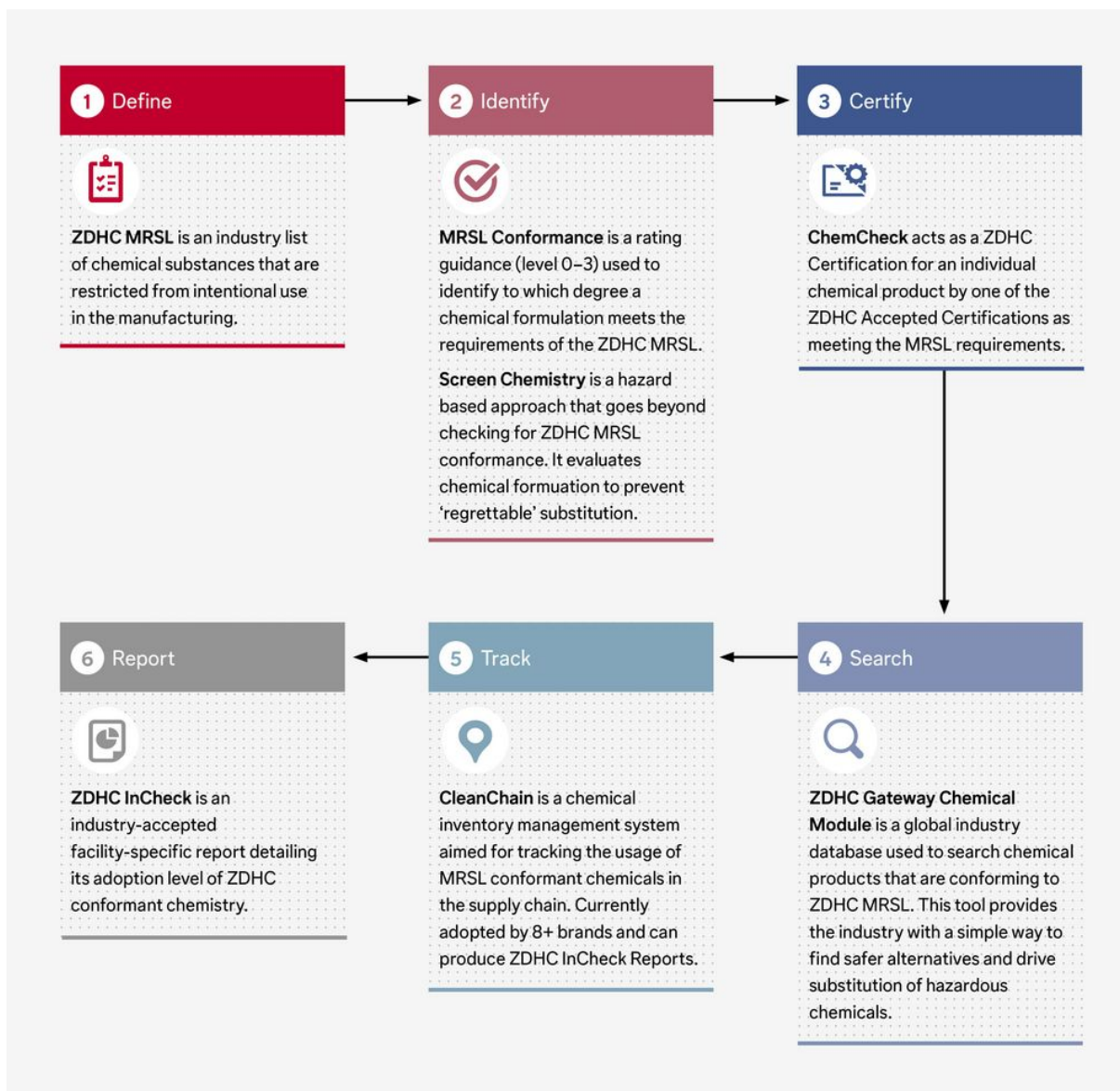
Input management

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. To do this, we developed the SCM Audit — an approach we used from 2015 through 2018 and in which 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. Beginning in 2019, our auditing approach is being replaced with the Higg Index 3.0 FEM.

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 facility to replace the chemical with a sustainable alternative within the shortest possible timeline.

Additionally, all C&A suppliers communicate their wastewater testing results publicly on the [Institute of Environmental Affairs \(IPE\)](#) website as well as the ZDHC Gateway. This ensures that all relevant stakeholders have access to the progress we are making year-on-year.

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 our local offices, at an operational level 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 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.

Working with C&A Foundation to drive improvement

C&A Foundation brings together brands, initiatives and people who collectively have the power to create a fair and sustainable fashion industry. A core focus area of the foundation is circular fashion, including chemicals. C&A Foundation has been working extensively with the ZDHC to accelerate, further scale and drive impact on eliminating the use of

hazardous chemicals across global apparel and footwear supply chains.

The foundation has several active grants with the ZDHC:

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'. C&A 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 C&A Foundation's support of ZDHC](#)



Our 2018 performance

In 2018, our input management approach matured to include greater focus on mapping and transparency with respect to 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 92% of our global business volume – an increase of 11% over 2017 – 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 we focused on creating impact. This involved special efforts to build knowledge, strengthen skills, and drive remediation in the supply chain. By 2018, the number of facilities not meeting our minimum performance standard was reduced by 56%. The facilities not meeting our requirements, 15% of the total, were primarily new facilities that were added into the SCM Programme during 2018 and were conducting their first audit and wastewater testing.

Between 2017 and 2018, we remediated:

- 478 Critical issues
- 663 Major issues

This was achieved by performing:

- 379 Chemical management audits
 - 478 Wastewater tests to identify hazardous chemicals in our supply chain
 - 379 Corrective action plan visits to evaluate efforts towards meeting our SCM programme requirements
- 16 two-day seminars on chemical and wastewater management, training over 400 factory staff

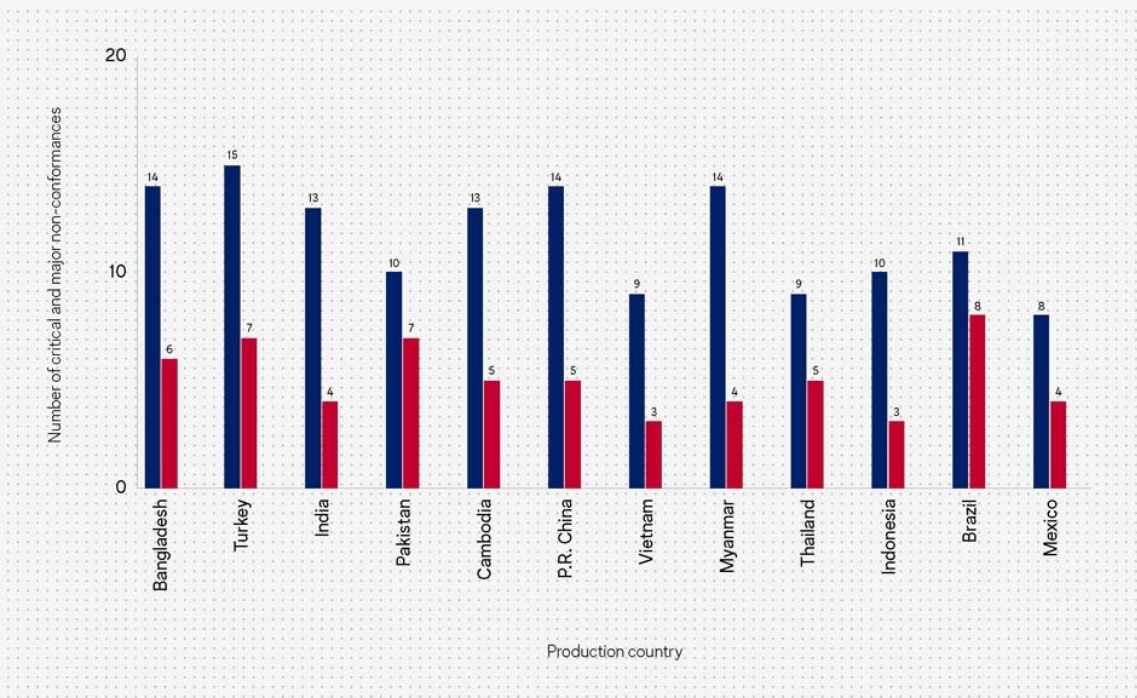
2017 represented the first year our facilities were given a SCM performance score based on a standard, and 29% of facilities were found to be meeting our requirements, with the remaining facilities given a clear timeframe for raising their performance to ensure they can continue to work with C&A. During 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 2018 was on enhancing our internal and external support programmes. As a result, 85% 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.

Whilst we continue to issue a SCM Rating to communicate internally and to our facilities their high-level performance status, we feel it is more tangible to communicate the number of non-conformances remediated.

Average number of Critical and Major non-conformances for facilities in 2017 and 2018, after 12 months of remediation

● 2017 ● 2018



Total number of Critical and Major non-conformances in 2017 and after 12 months of remediation

2017		2018		Remediation Rate %
Critical	Major	Critical	Major	
716	1339	238	676	56%

The above results show that 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. Since updating our standards in 2018, SCM identified an additional 65 critical and 158 major issues across the supply chain, and suppliers are now being given 12 months' support for remediation. These newly identified issues are not included in the above analysis so that we can more clearly show the effectiveness of the SCM remediation programme by providing a year-on-year comparison.

Input management

We made significant progress in 2018 in better understanding the challenges of input management as well as advancing industry solutions.

During 2017, C&A conducted a pilot project using CleanChain, a chemical inventory

management tool, 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. In 2018, CleanChain was rolled out to facilities globally, which make up a long and complex chemical supply chain.

The CleanChain process produces the ZDHC InCheck tool, which we piloted in our supply chain throughout 2018. This tool will standardise the industry's 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 in the pilot was 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 existing certifications, and now includes more than 20 such certifications.

As of the end of 2018, 130 facilities had adopted CleanChain. These facilities sourced from 1,122 chemical formulators and purchased 7,777 unique chemical products. Using a combination of data from ZDHC Gateway and other public portals, C&A has identified that 46% 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 11%. This demonstrates that the platform is still in its infancy and requires further industry support to reach its potential.

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. Despite continued challenges to the Gateway, C&A remains committed to the Platform as its one source of information on safer chemicals.

Process management

For 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 December 2018, we moved to adopt the Sustainable Apparel Coalition's updated Higg Facility Environmental Module (FEM) 3.0, following our successful pilot at 41 facilities throughout the year.

Our internal audit system was phased out in March 2019 in favour of the Higg 3.0 FEM industry standard, 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.

The top five non-conformances identified in 2018 were:

1. Facility not implementing a plan for the proper handling, use, storage, and disposal of chemicals.
2. Facility not properly managing hazardous waste (including sludge).
3. Facility does not have a system to ensure chemical formulations purchased are compliant with ZDHC MRS� or similar standard.
4. Facility does not maintain personal protective equipment (PPE), safety showers, or other safety measures appropriate for the chemical hazards according to the MSDS.
5. Facility not having a policy for monitoring and controlling banned and restricted substances for all chemicals used in the facility.

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 379 corrective action plans that all contribute to the elimination of hazardous chemicals. Given that many new facilities were added into the global SCM Programme in 2018, the top five non-conformances are similar to those identified in 2017. The SCM team members typically identify the same challenges during the first audit cycle, given that some of these issues go beyond legal compliance and are not necessarily in the scope of typical compliance audits.

Overcoming challenges

In 2017, C&A identified a knowledge gap in the supply chain needed to overcome many of the issues we had identified through our audits. 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.

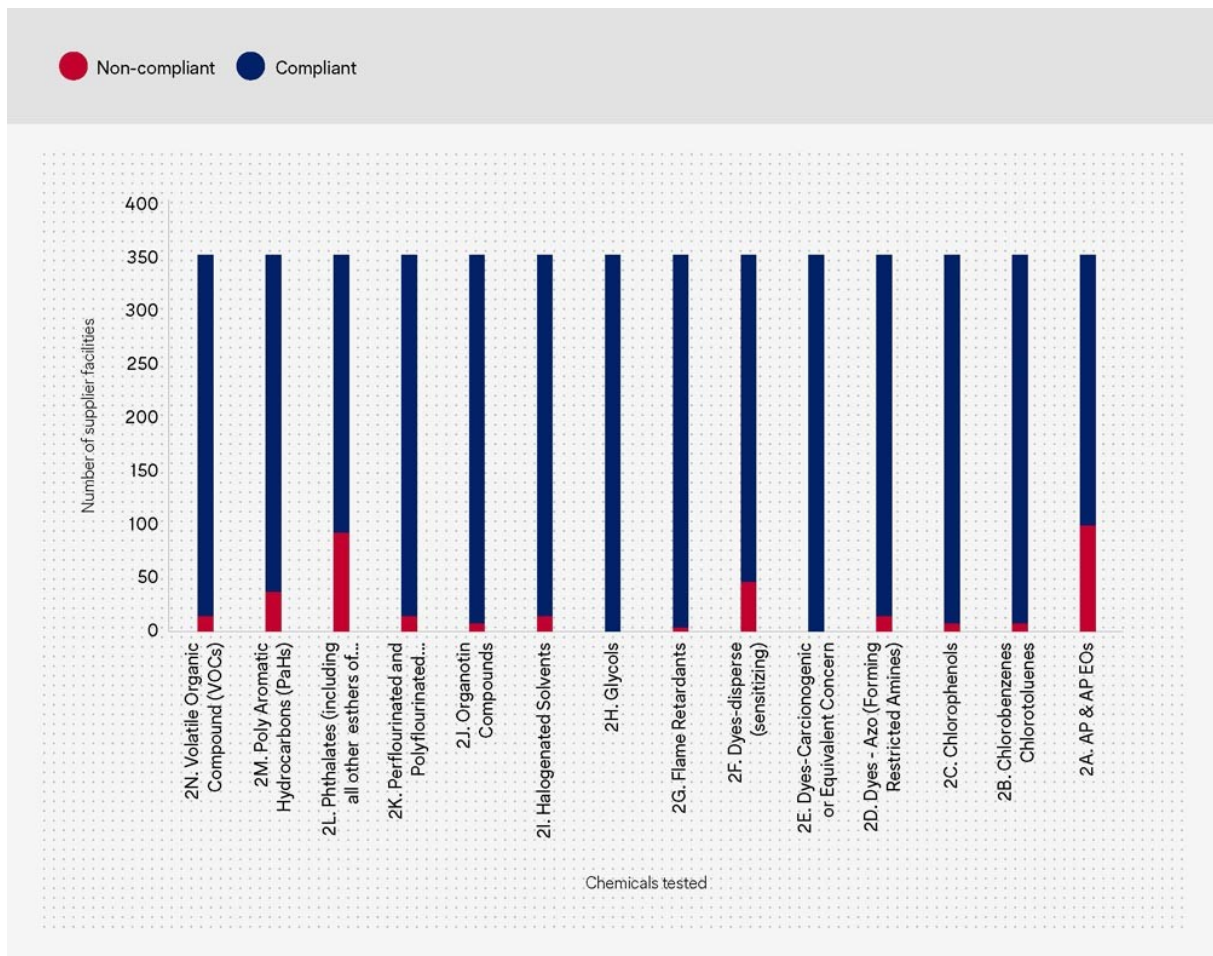
To meet this challenge, in 2018 C&A implemented a series of global trainings with an expert chemical management consultancy. Over 2 days, we trained more than 400 factory workers on Chemical and Wastewater Management, tackling issues such as how to manage hazardous waste, properly handle and dispose of chemicals, conduct chemical risk assessments, and address other important knowledge gaps identified during our audits.

Another challenge is third-party resources. Although some good progress is being made – particularly with the Higg Index 3.0 module – third-party resources for chemical auditing and wastewater testing are not yet mature. High costs and a lack of resources and collaboration are currently slowing down the kind of progress we need to meet our targets as an industry.

Output management

In 2017, C&A conducted wastewater testing at 358 facilities across 16 countries using the methodology listed in the ZDHC Wastewater Guidelines. C&A tests wastewater samples at three points: incoming water, raw wastewater, and discharged wastewater. Since 2018, all our facilities have been required to disclose their wastewater test reports on both the IPE website and ZDHC Gateway.

Rates of MRS� compliance in raw wastewater by chemical group



This graph reflects the latest wastewater test reports from 358 facilities globally using the clean factory approach, meaning results include all production on-site from all brands. 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. Of high concern is the number of detections in AP & APEOs and phthalates, a similar trend to 2017, in addition to disperse dyes and Poly Aromatic Hydrocarbons (PAHs).

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 2019 and beyond, we will continue increasing traceability in our chemical supply chain. Using the CleanChain tool work we began in late 2018, 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 we are confident the CleanChain tool and ZDHC Gateway will play a key role.

Our efforts to enhance transparency in our chemical supply chain allow us to prioritise our collaborations to create the biggest impact. In 2019 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 from 2019 onwards. In addition, Screen Chemistry, which uses a hazards-based approach to chemistry, will continue to play an important role in our 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. Many of the facilities audited for the first time in 2017 were given expert technical support to remediate all key issues, and are expected to continue this work until the issues have been addressed. In

2019, we are evolving our previous approach and replacing the internal SCM Audit with the Sustainable Apparel Coalition (SAC) Higg FEM 3.0 tool, an important industry standard. We are excited to join the growing number of brands and retailers looking to align their assessment of environmental and chemical performance across the industry. Using the Higg FEM 3.0 tool, we are able to reduce auditing for our suppliers and contribute to improved alignment across brands, making it more efficient for suppliers to implement necessary changes for the benefit of multiple customers and the industry as a whole.

Annually, C&A suppliers will use the FEM tool to conduct assessments, which are then verified by SAC-approved, on-site assessors. 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.

Also in 2018, we continued rolling out SCM Capacity Building to ensure we close the skill and knowledge gap that exists within the textile supply chain today. In 2019, 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. With many facilities having conducted their first ever wastewater testing in 2017, the focus in 2018 was 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 C&A 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 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](#)

Climate Change

Reducing our impacts by focusing in the right areas

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 focus our efforts on those areas where we can make the most change, most quickly. To identify these opportunities, we routinely assess our impacts using Life Cycle Assessment (LCA) across our entire value chain - from raw material extraction to end of use.



In 2018, we committed to the Science Based Target initiative (SBTi) to reduce our greenhouse gas emissions (GHG) in alignment with the Paris Agreement. This included developing and evaluating various target scenarios, a detailed exercise that will continue through 2019. The work is being done in coordination with the development of our next sustainability strategy.

[Read more about science-based targets](#)

Approach and methodology

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 2018 estimate uses data from more than 523,000 shipments from our sourcing countries to our stores. We also evaluated emissions across 3,120 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.

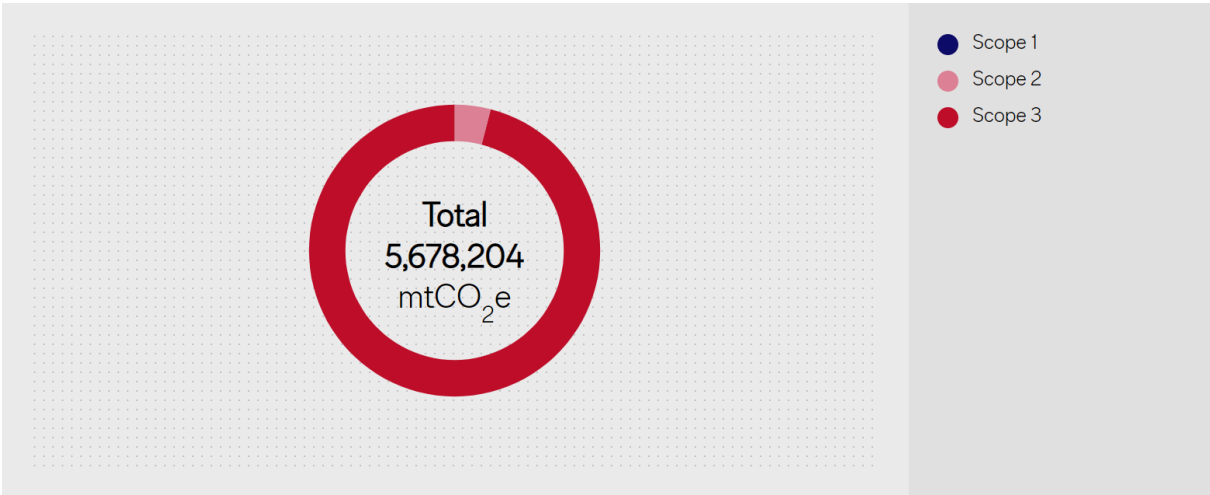
Improving our model to enhance our approach

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.

Making progress

In 2018, GHG emissions were 12% lower than our baseline year of 2016. We have observed a slight increase in GHG emissions from 2017 due to increases in sales; however, we continue to demonstrate progress through the sourcing of more sustainable raw materials like sustainably sourced cotton and viscose.

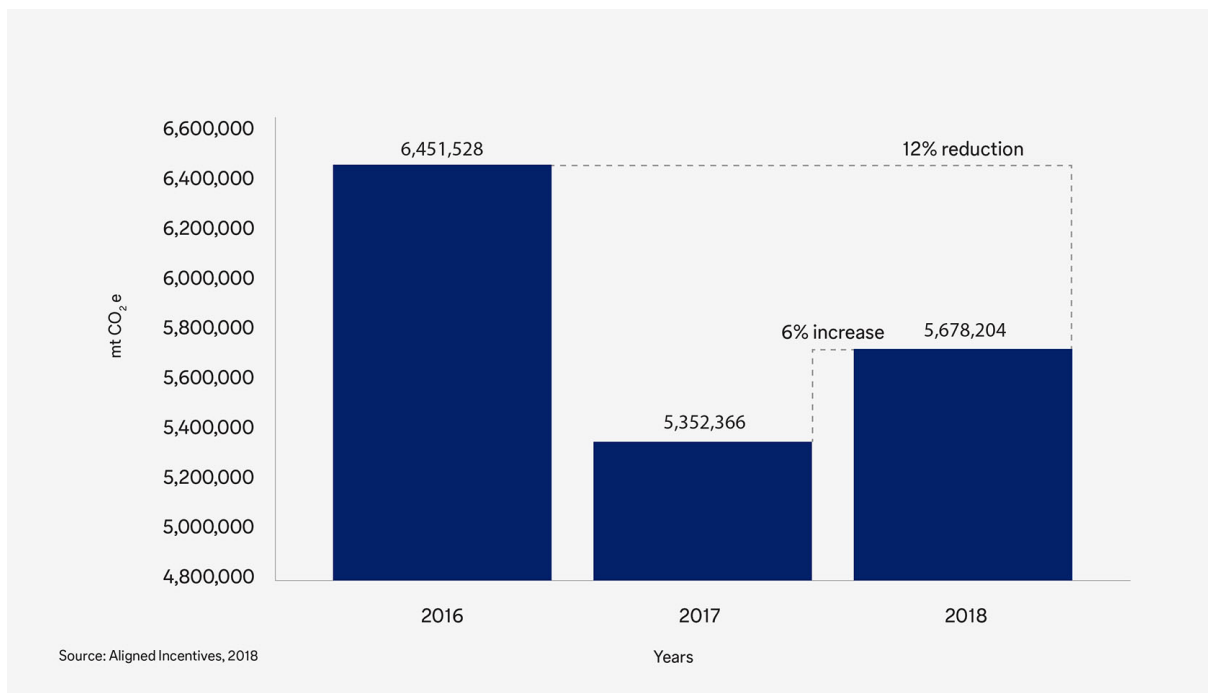
Total greenhouse gas emissions 2018, by scope



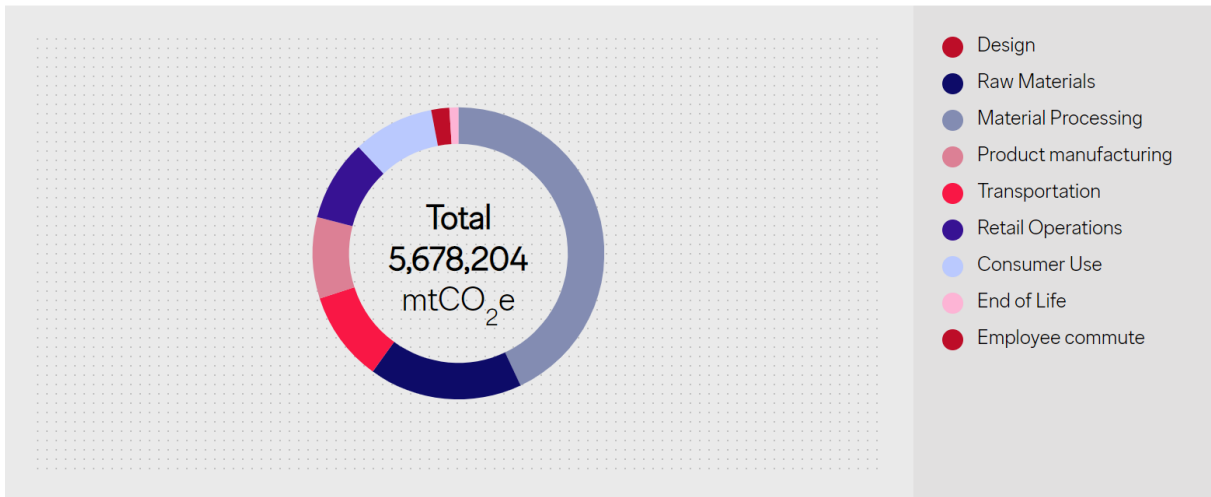
Reporting Category	Scope Grouping	Impact Amount	% of Total	Impact Unit
Scope 1	Fuel oil	848	0.01%	mtCO ₂ e
Scope 1	Natural gas	18,952	0.33%	mtCO ₂ e
Scope 2	Purchased electricity	176,707	3.11%	mtCO ₂ e
Scope 2	Purchased district heating	24,735	0.44%	mtCO ₂ e
Scope 2	Purchased district cooling	4,748	0.08%	mtCO ₂ e

Scope 3	Purchased goods and services	4,238,163	74.64%	mtCO ₂ e
Scope 3	Fuel-and energy-related activities	38,234	0.67%	mtCO ₂ e
Scope 3	Upstream transportation and distribution	485,567	8.55%	mtCO ₂ e
Scope 3	Waste generated in operations	295	0.01%	mtCO ₂ e
Scope 3	Business travel	14,402	0.25%	mtCO ₂ e
Scope 3	Employee travel	109,970	1.94%	mtCO ₂ e
Scope 3	Use of sold products	535,633	9.43%	mtCO ₂ e
Scope 3	EOL treatment of sold products	29,950	0.53%	mtCO ₂ e

Total greenhouse gas emissions, year-on-year comparison



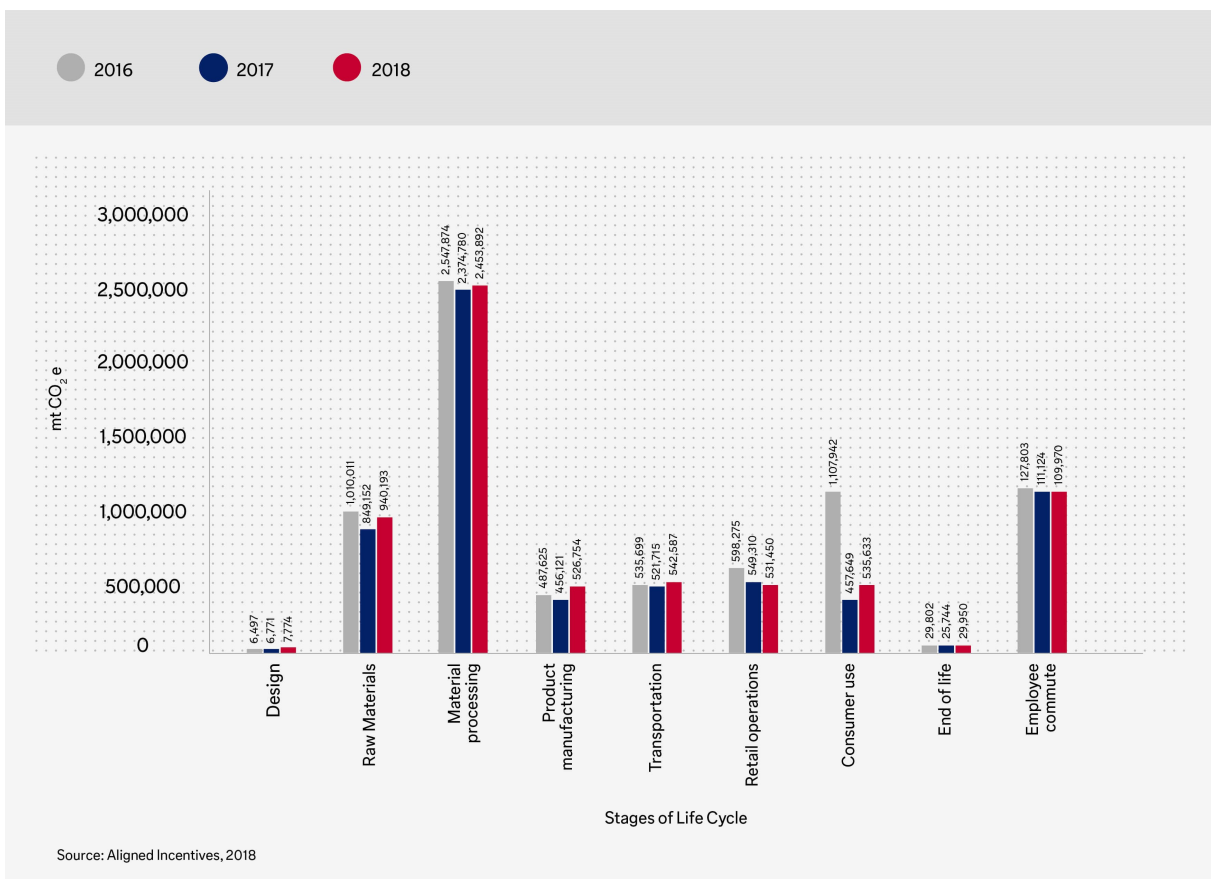
Total greenhouse gas emissions 2018 across our life cycle



Total greenhouse gas emissions across our life cycle, year-on-year comparison

Unit: mtCO₂e

Source: Aligned Incentives, 2018

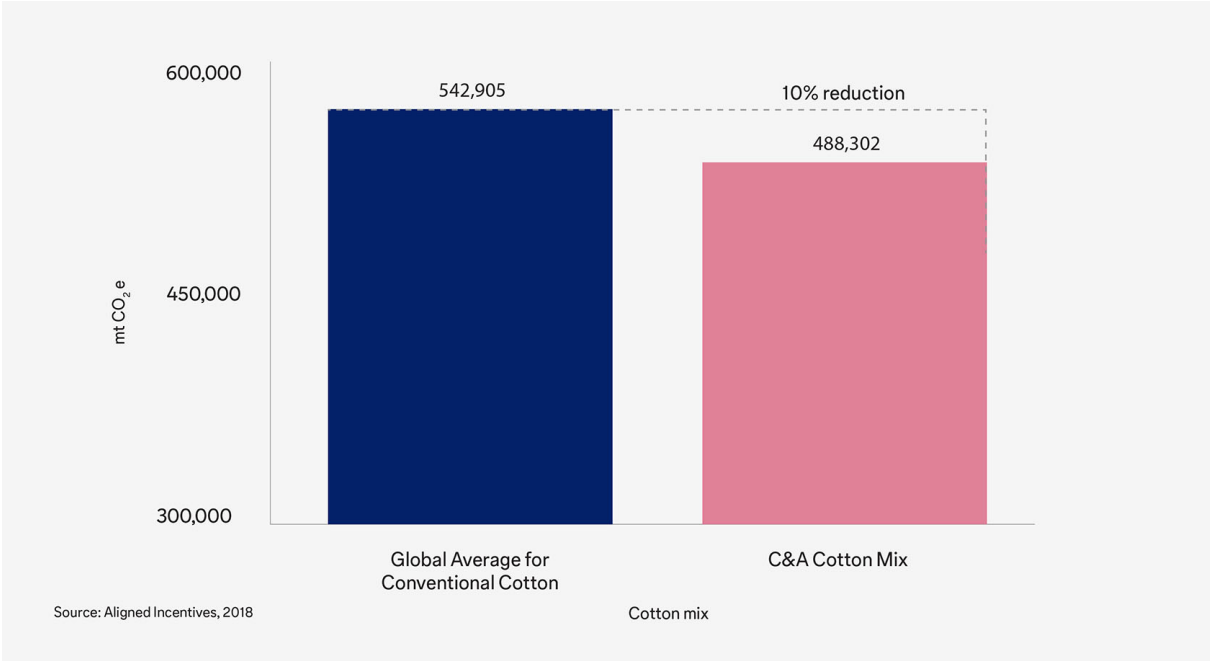


Reducing our climate impact through more sustainable materials

Roughly 9% of our GHG emissions are from agriculture, most of which is from cotton agriculture. In 2018, 71% of the cotton we sourced was more sustainable, meaning that it is grown organically or sourced as Better Cotton. We estimate that our sustainable

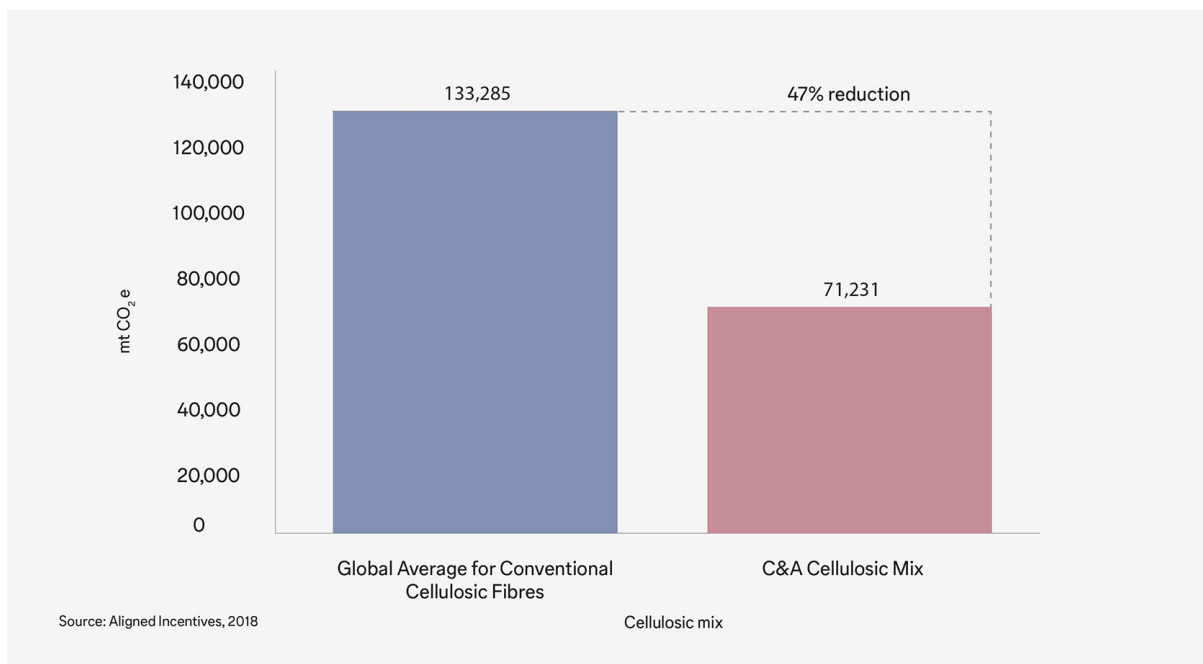
sourcing of cotton in 2018 avoided roughly 54,600 metric tons of GHG emissions, or a reduction of 10% in GHG emissions compared to conventional cotton.

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



In 2018, roughly 9% 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 viscose, we have avoided roughly 62,000 metric tons of GHG emissions, or a reduction of 47% compared to conventional viscose.

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



Together, the combination of sourcing more sustainable cotton and viscose has enabled us to avoid over 116,000 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 focuses on these impacts, where we will focus additionally in 2019 to strengthen our approach and drive reductions over time.

Reducing our emissions from retail operations

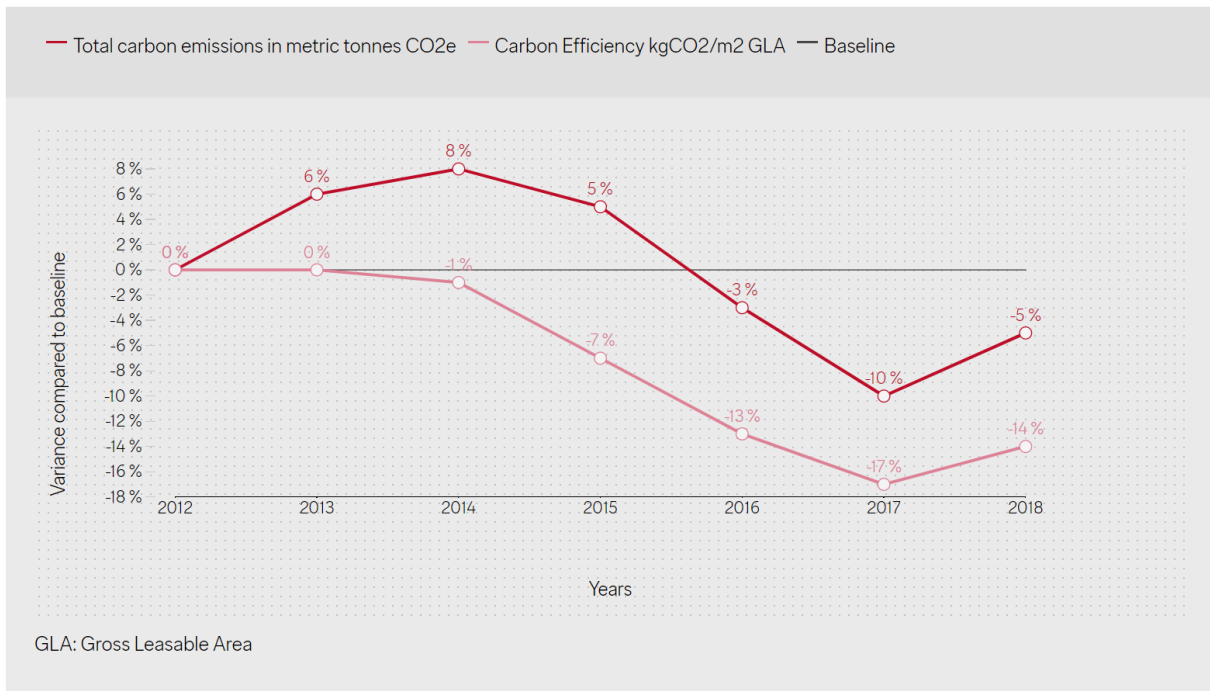
Our scope 1 and 2 GHG emissions account for around 4% of our total GHG emissions. We have a 2020 target to reduce emissions intensity by 20% compared to 2012. Scope 1 and 2 data includes an estimate for our European retail operations, which will be updated in August 2019.

In order 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 2018, our carbon efficiency decreased by 14% and our energy efficiency decreased by 20%, 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 location-based, Scope 2 methodology.

Absolute CO₂ emissions and carbon efficiency of stores, offices and distribution centres

GLA: Gross Leasable Area



Consumer use

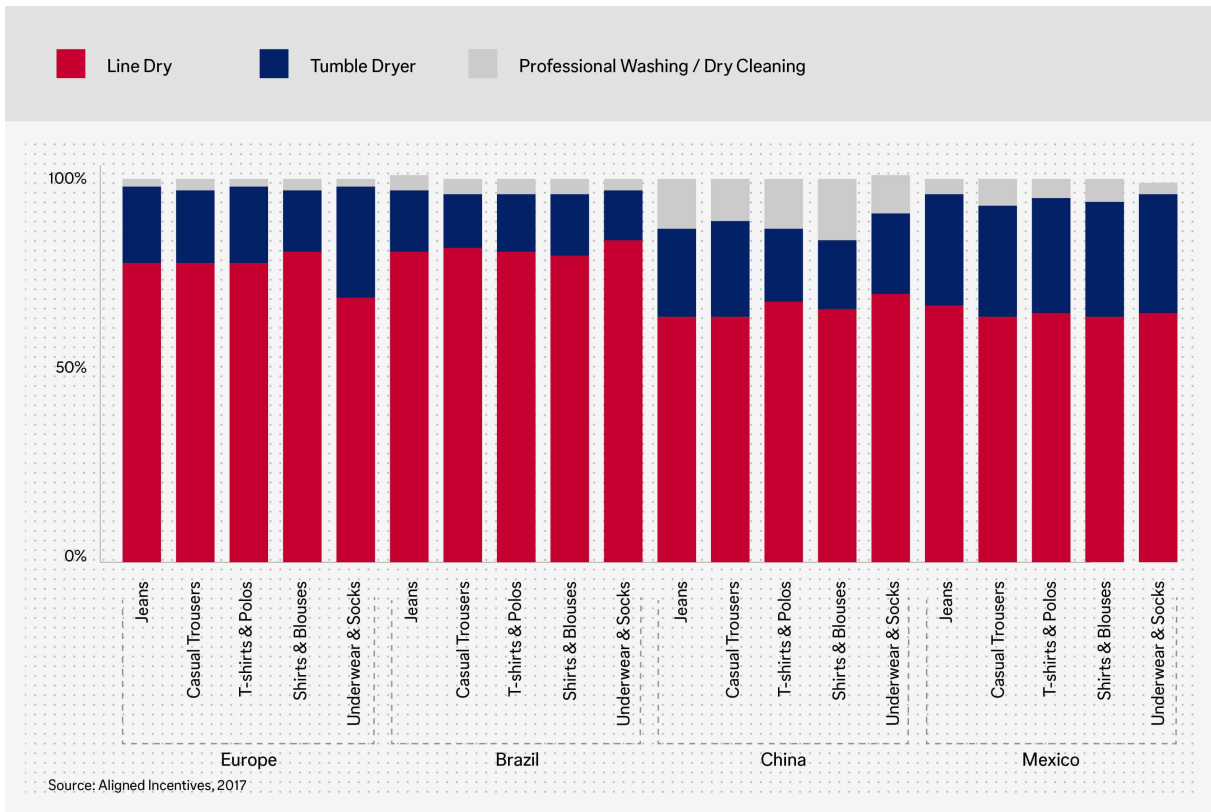
The use and disposal of clothing by our customers makes up 10% of our total carbon footprint. Prior to 2017, our past estimates of consumer use impacts were based on large assumptions with high levels of uncertainty. In 2017, however, we took a closer look at our customers' habits to improve our estimate 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.

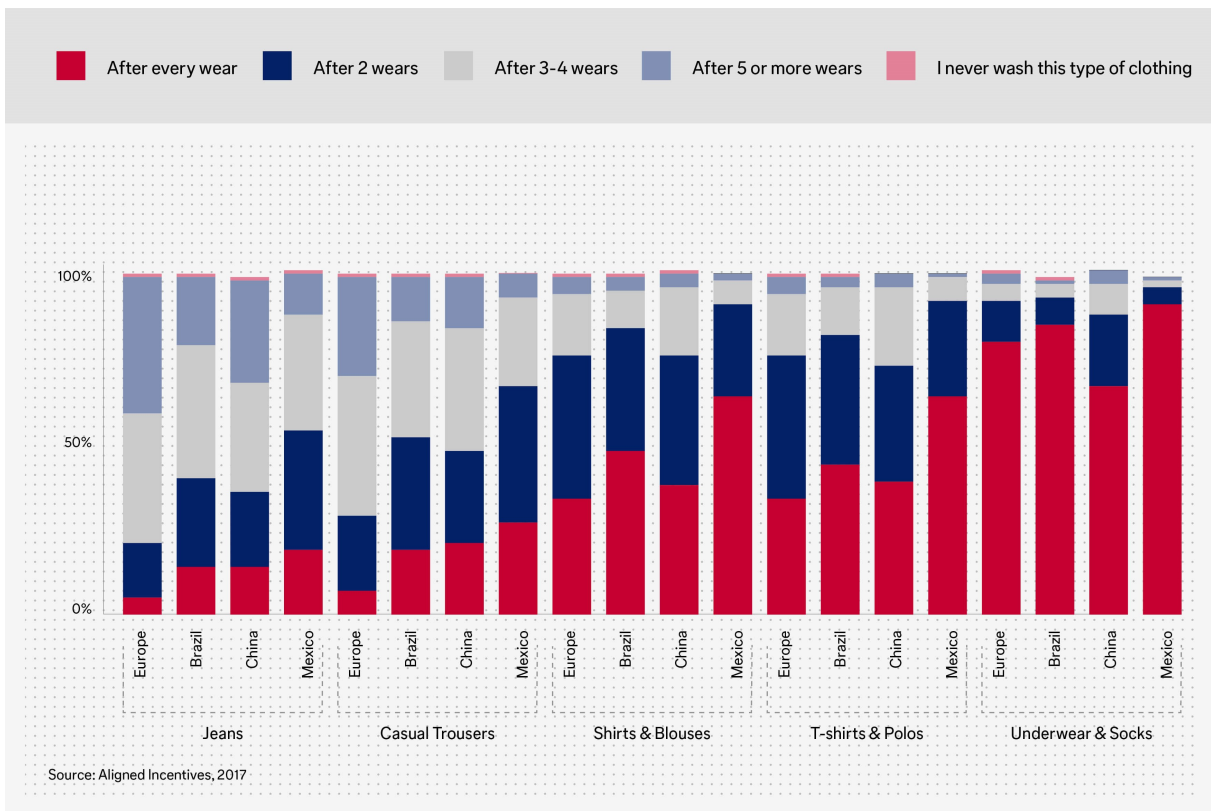
Customer survey results: drying method by region and garment type

Source: Aligned Incentives, 2017



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

Source: Aligned Incentives, 2017



Where next?

In 2019, we will finalise our science-based targets, where we will focus on reducing GHG emissions in the areas where we have the highest leverage and largest impact.

Water

The opportunity to reduce our impact

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

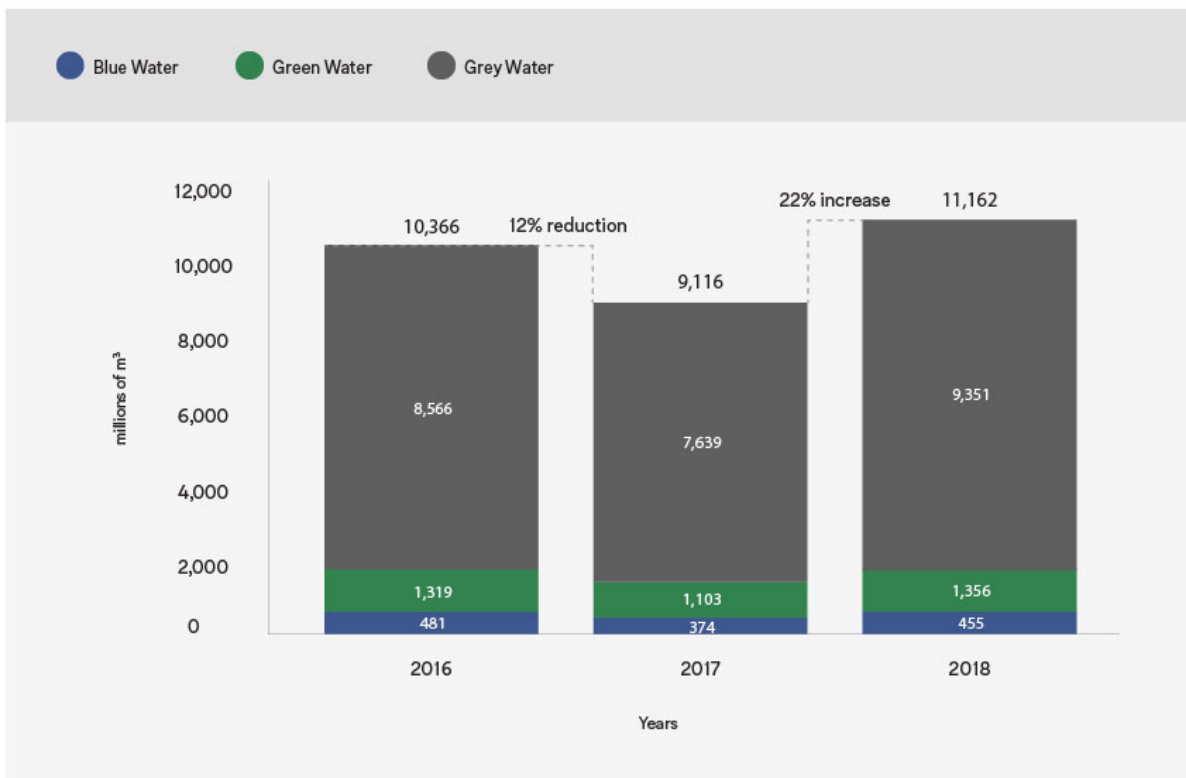
incorporated into the harvested crop, or both.

- 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 separately.

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 (65%), followed by intermediate textile goods (29%). Together, they make up 94% of our total combined blue, grey, and green water footprint.

Total water footprint, year-on-year comparison



Source: Aligned Incentives, 2018

Our performance in reducing our water footprint

In 2018, we observed a similar increase from 2017 in our absolute water footprint as our GHG emissions, driven primarily by sales increase. In spite of this absolute increase, our estimated retail water footprint decreased by 9% since 2012, and within 1% of our 2020 goal of 10% reduction in water intensity.

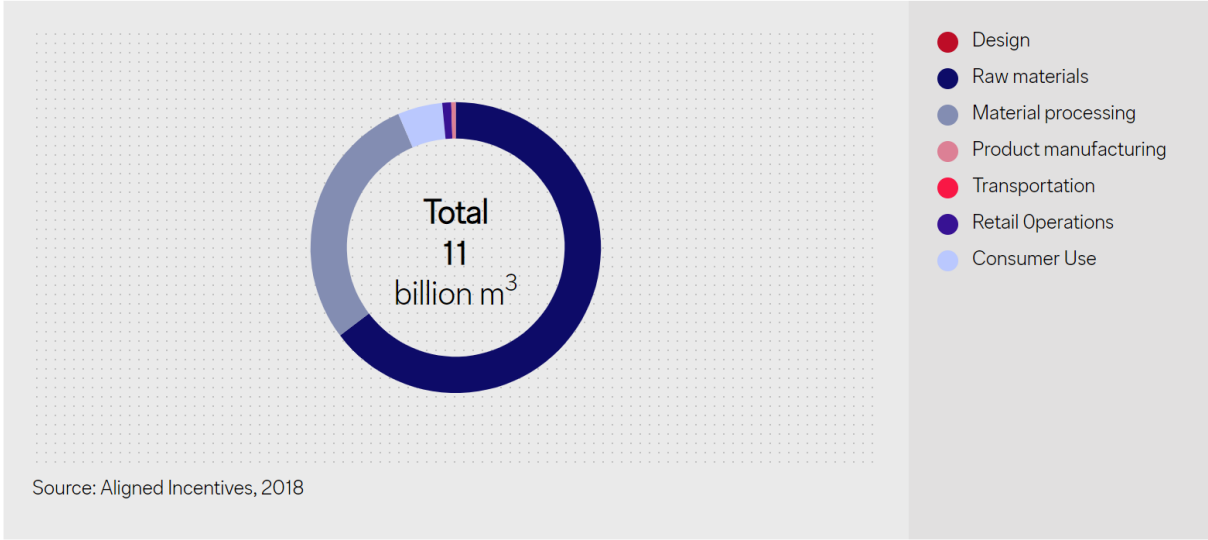
We have also achieved an absolute reduction of 8% in our blue water consumption in raw

material extraction compared with 2016, or roughly 28 million cubic metres (m³).

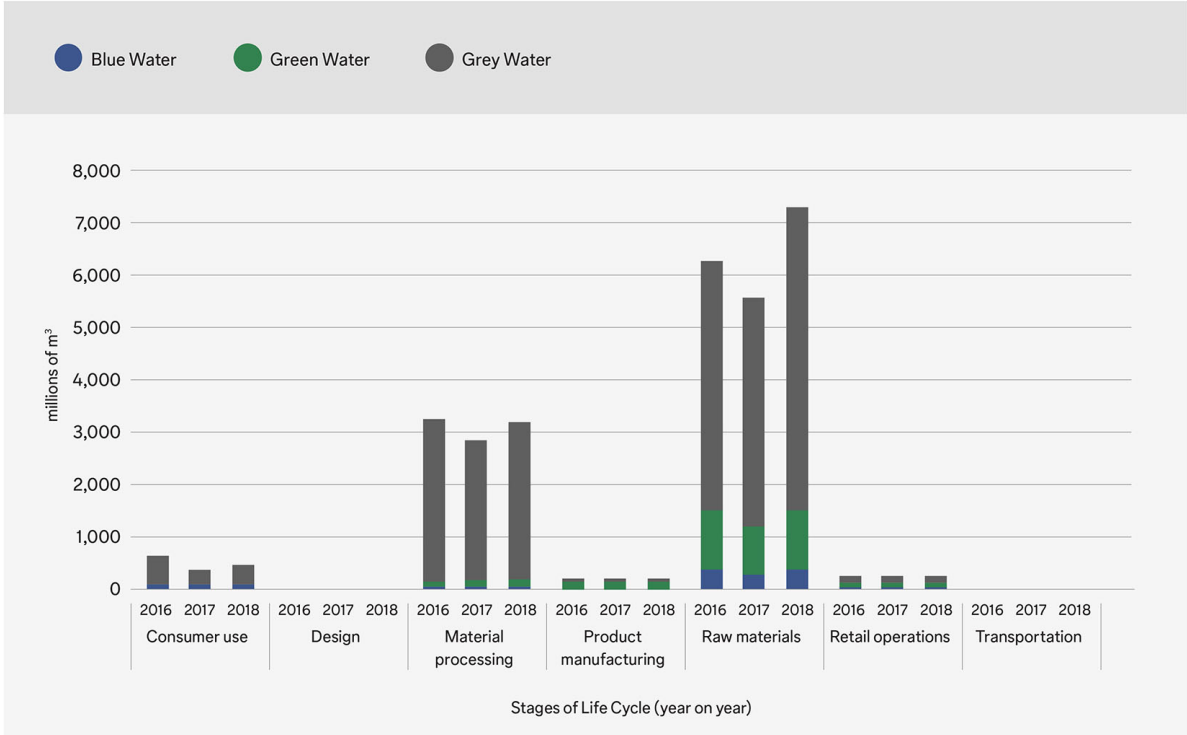
The graph below shows a comparison of our water footprint between 2016 and 2018. This reduction is strongly influenced by a reduction in sourced materials (inventory weight decreased despite an increase in sold items) and the sourcing of more sustainable materials, (e.g., cotton and viscose).

Total 2018 water footprint across our life cycle

Source: Aligned Incentives, 2018



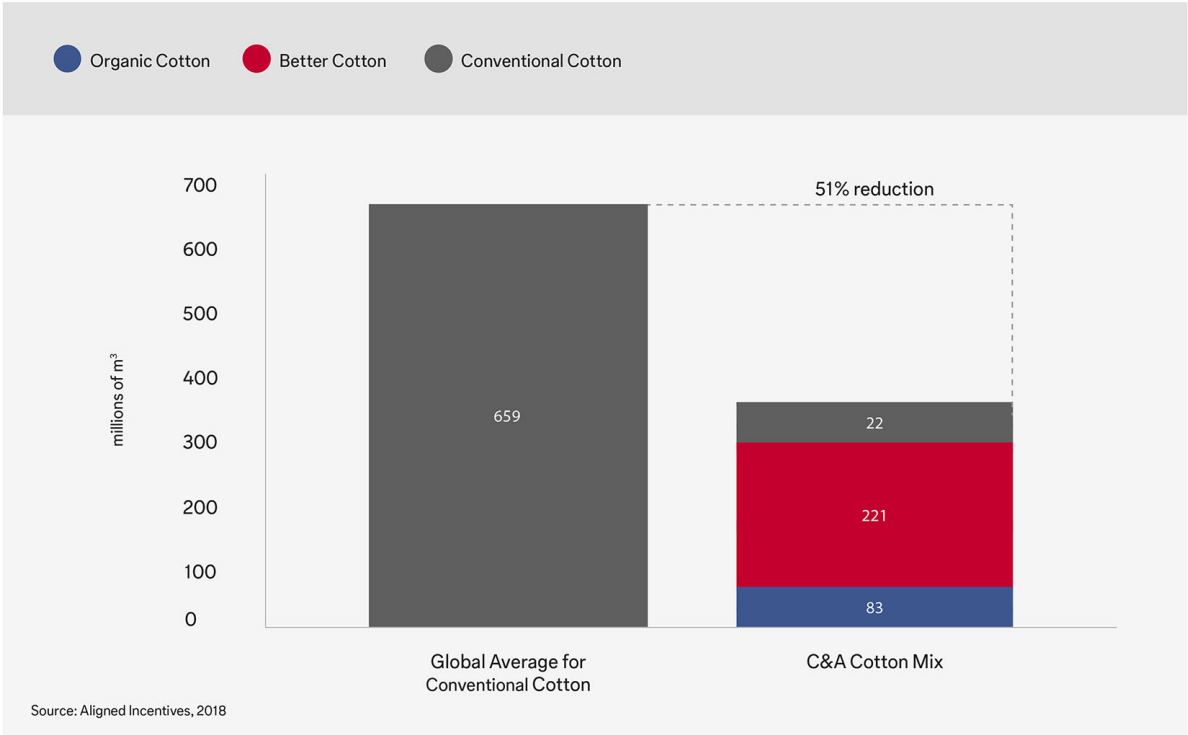
Total water footprint across our life cycle, year-on-year comparison



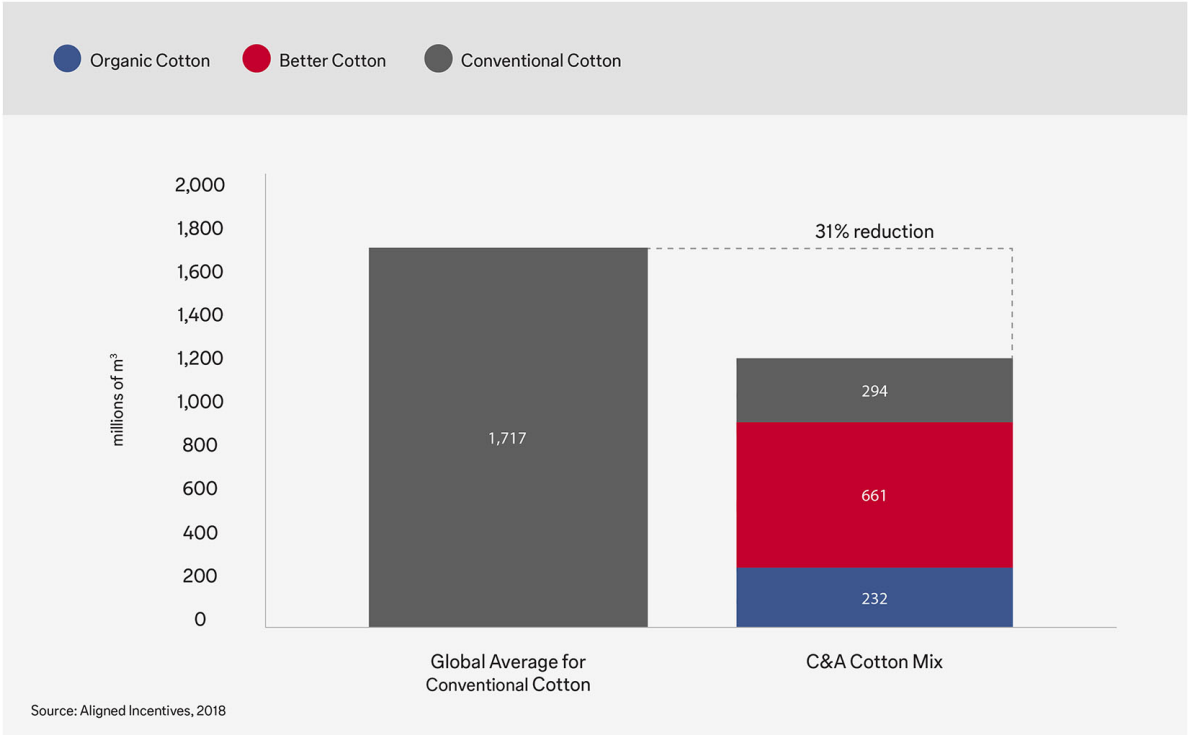
Reducing our water footprint through more sustainable cotton

Our cornerstone commitment to source more sustainable cotton – including organic and Better Cotton – has resulted in significant reductions in our water consumption. Sourcing more sustainable cotton has resulted in the reduction of our water footprint by 37% when compared with conventional cotton, or 1 billion m³.

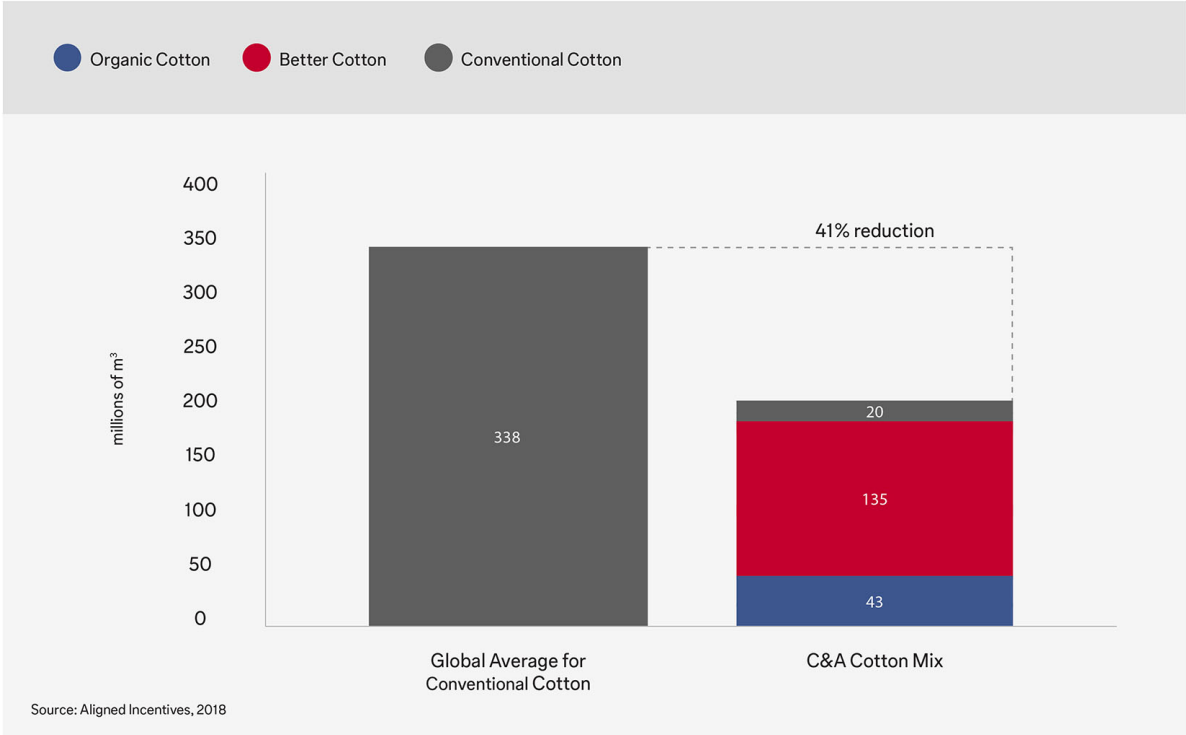
Blue water footprint of C&A’s cotton mix, compared to conventional cotton



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?

Throughout 2019, we will build upon our learnings with the Better Mill Initiative in China and our previous work with the Partnership for Cleaner Textiles (PaCT) programme in Bangladesh to support our suppliers in their continual improvement of water efficiency. We will also leverage our rollout of the Higg 3.0 Facility Environment Module to understand supplier performance from primary data to create new benchmarks for improvement.

In addition, we will focus on continually increasing our more sustainable raw material shares and working closely with Fashion for Good to identify innovations in processing and materials that may lead to water reductions.

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 2018, we continued scaling up our efforts in these areas.

[Read more about our 'we take it back' recycling programme](#)

Our 2018 performance

Consistency in managing unsold inventory

As part of our ongoing commitment to responsibly manage unsold inventory, in 2018 we began making improvements to the management structure and processes for dealing with unsold items in a consistent way across our regions. For instance, in Europe, where we operate in 18 countries, we are developing a unified European approach to handling unsold inventory and emphasizing reuse wherever possible. We have also begun working with our other three regions to determine the feasibility of greater consistency for handling our unsold inventory and contributing to our global zero waste goal.

Starting our journey with recycled fibres

In 2017, C&A Europe started taking meaningful steps to increase use of recycled fibres in our collection. We used recycled polyester in outerwear and blouses, recycled nylon in lingerie and have continued using recycled cotton in denim. In 2018, C&A Europe sold more than 300,000 items containing recycled polyester and 95,000 pieces containing

recycled cotton in both Mens' and Ladies' denim.

[Read more about our products made with recycled materials](#)

In-store take-back and recycling facilities for customers

Following its successful launch in the Netherlands, we rolled out our in-store take-back programme to additional retail markets, as well as a pilot in Brazil that has continued to evolve and grow to an anticipated 130 stores in 2019, and a 10-store pilot in Mexico early in 2019. This brings our total to nine countries, and we aim to expand the programme further by 2020.

In Brazil, we sell mobile phones in addition to clothing, and have shared responsibility for taking back and disposing of cell phones and batteries appropriately. We work with GM&Clog, who collect the waste and make sure it gets to the correct destination. We have an e-learning programme for all store staff to help raise awareness of this issue as well. In 2018, we collected 49,472 batteries and 3,960 cell phones, for a total of 53,432 items collected.

[Read more about our in-store take-back programme](#)

Reducing waste from store construction and refurbishment

As we grow, we build new stores and refurbish older ones. In Brazil and Europe, we are working towards greater reuse and recycling of construction materials. In Brazil, we have the support of a specialty construction waste management consultancy to help us reduce the environmental impacts of store openings and updates. In 2018, more than 60 stores were renovated in Brazil, generating a total of 943 metric tons of construction waste, of which 53% was sent to recycling.

In late 2018, C&A stores in Brazil also began implementing the workplace organisation approach known as 5S — named for the Japanese words seiri, seiton, seisō, seiketsu and shitsuke — which is designed to strengthen efficiency in our store operations and improve the daily work experience of retail employees. The 5S approach brings together C&A resources in sustainability, engineering, and communications to rethink how we can best reduce waste, manage depreciated assets, organise internal store space, and communicate with employees. As a next step, we will develop a manual and monitoring checklist that helps managers implement the 5S methodology through training and audits.

Recycling rates by retail market (2018)

Recycled waste streams	C&A Retail markets			
	Europe (metric tons)	Brazil (metric tons)	China (metric tons)	Mexico (metric tons)
Cardboard box and paper recycling and/or donations	15,403	391	133	430
Hanger and/or other plastic recycling	3,314	62	0	30
Electronics recycling*	0	24	0	4
Other materials recycling (aluminum, lamps, cosmetics, lab waste, store window displays)	0	27	7	3

*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 (2018)

Waste type	C&A Retail markets			
	Europe (metric tons)	Brazil (metric tons)	China (metric tons)	Mexico (metric tons)
Hazardous*	–	29	8	9
Non-hazardous	25,084	7,028	133	1,448

*Europe does not track hazardous waste data.

Where next?

More Cradle to Cradle Certified™ products in-store

To date, we have brought almost 4 million pieces of Cradle to Cradle Certified™ apparel to market, and look to continue expanding these offerings in additional regions. In Brazil and Mexico, our Cradle to Cradle roadmaps are helping to build on our initial success.

Increasing uptake of recycled polyester through product innovation

In 2016, we recognised the need to increase our use of certified recycled polyester, and in 2017, we developed new products with polyester certified to the Global Recycled Standard (GRS) or the Recycled Content Standard (RCS). These were launched in stores in early 2018 in both outerwear and Ladies' blouses. As a result, more than 300,000 items containing recycled polyester were sold in our European stores during 2018.

Expanding in-store and online take-back

In 2018, we further expanded our used clothing take-back programme to new geographies globally, and extended our Brazil in-store take-back programme from 31 stores in 2017 to 80 stores in 2018. In Germany, a new online take-back programme provides another convenient way for consumers to turn in their used clothes for a second life. We now offer clothing take-back options in nine countries.

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 more than 100 million 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 seek to empower our employees to be sustainability ambassadors in our offices and stores, enabling our customers to undertake more sustainable actions. Our focus on Inspiring Women (our flagship employee engagement campaign) recognised how women are the driving force behind the apparel industry and our brand: 80% of our employees are women, and approximately the same percentage is true of the workers in our supply chain and the customers who shop with us. We remain deeply committed to empowering women in our supply chain and among our customers.

In 2018, our successful Inspiring Women initiative made way for Inspiring World, a new global campaign that encourages our employees to share their visions of a better world and includes them in championing our 2020 sustainability goals. During the year, 65% of all employees participated in the Inspiring World campaign, a testament to their commitment to fashion with a positive impact.

Our ambition

Making sustainability the new normal

We want our customers to feel good about shopping at C&A, and our employees to feel proud of our contribution to the community, society, and environment. Our goal is for C&A to be recognised as the most sustainable retail fashion brand across our regions: something we are proud to have achieved in Brazil for the third year in a row and in the Netherlands for the fourth year in a row. We also achieved this recognition in Germany during 2018.

Our goal is for C&A to be recognised as the most sustainable retail fashion brand in all our

regions. In 2018, we were once again recognised as the most sustainable retail fashion brand in Brazil, the Netherlands, and Germany. The 2018 survey also showed that our use of Bio Cotton and other natural and organic materials remains one of the key reasons C&A is recognised as a sustainability leader in Europe.

Creating fashion with a positive impact doesn't end with our employees and customers. It extends into the communities where C&A colleagues, customers and garment workers live too. We'll foster more sustainable lives in these communities, through safe, fair, resilient, and inspiring work environments where everyone feels connected and able to take action.

Enabling customers

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. No decision or trade-off should be necessary, and there should be no extra cost to the customer – or the people who make their clothes.

Engaging employees

C&A employees are not only key to the success of the business, but are also the way we enable our customers to contribute to good causes and understand more about sustainability. We want every employee to feel engaged and supported, take pride in their work, believe in our company values, and be enthusiastic about engaging our customers. In the future, we look forward to every employee being in a position to drive sustainability, whether it's through sourcing and buying, or connecting with customers in our stores.

Strengthening communities

Many of our operations take place in areas facing serious environmental and social challenges. We aim to create strong, resilient communities where we live and source, to support the many workers who create our products. To this end, we believe that engagement with local organisations and communities is the most effective way to create positive and far-reaching change and giving back is one of the most valuable things we can do.

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 2018 performance

Engaging customers in sustainable fashion

Throughout 2018, we leveraged #WearTheChange to communicate with — and engage — our customers in the journey towards making sustainable fashion the new normal. In two markets, Brazil and China, #WearTheChange has been localised and 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 on sustainability

During 2018, we evolved our successful three-year Inspiring Women campaign to the Inspiring World campaign, which aligns even more closely with our 2020 sustainability strategy of creating sustainable products, a sustainable supply, and sustainable lives. The new campaign rolled out mid-2018 in partnership with C&A Foundation.

The first year of Inspiring World engaged our employees in all four regions. More than 32,600 employees, representing 21 countries, participated, providing ideas about the topics most important to them, such as peace, equality, and justice. They also selected 45 charities to share €1 million in donations from C&A Foundation, benefitting more than 250,000 people.

In 2018, we again surveyed employees about what C&A is doing with respect to sustainability and how employees can contribute. Results were positive, paving the way towards fostering even 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 regions have developed market-specific roadmaps to drive progress implementing the principles according to a set of 12 questions we developed for each principle.

Renewing our partnership with Save the Children through C&A Foundation

In 2018, we renewed our partnership with Save the Children for three more years and another €10 million. We also worked closely with Save the Children and C&A Foundation to learn from our previous experiences together and design the next phase of our partnership to improve its effectiveness and apply those lessons to strengthening how C&A works with other NGOs in unique partnerships.

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 2018 and 2019, with the regions determining the most effective way to implement and engage employees in the Code. For instance, in late 2018, C&A Mexico provided employees with training to refresh the information, and includes Code of Ethics training to all new employees during their onboarding.

In Brazil, our employees get to know the Code of Ethics when they join the company through our induction process for new employees. C&A Brazil also has an e-learning programme about the Code of Ethics in our internal training platform Academia da Moda. The course, which is being updated for 2019, will include mini-trainings focused on key topics that represent greater risk, and will further reinforce C&A values to employees.

Also during 2018, C&A Brazil improved the structure of the Ethics and Conduct Committee through the Ethics Management department, which was created in April of 2018 to guide adherence to company values and principles, as well as manage the Fairness Channel and respond to potential breaches of the Code. During the year, the Ethics Committee also conducted 11 Webex training sessions with store employees on various Code of Ethics topics, whilst a broader ethics campaign communicated with employees about the Code.

In Mexico, refresher training was provided on the Code of Ethics to current employees in late 2018. In addition, all new employees receive training on the Code of Ethics as part of their onboarding.

C&A China conducted e-learning on the Code of Ethics for new and existing employees. All new employees completed the online training and test, as well as 98% of headquarters office staff and 100% of store employees.

[Read more on our values and ethics](#)

[Read more about how we govern sustainability](#)

Inspiring Women to Inspiring World

2017 was the third and final year of our Inspiring Women campaign, which helped raise funds for 70 organisations working to empower tens of thousands of women around the world. Inspiring Women also achieved employee participation rates of up to 47%, well above typical company engagement programmes. In 2018, the campaign evolved to Inspiring World, which has a broader scope that more closely aligns with our sustainability framework.

Carefully designed with the input of employees themselves, 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, the impact of the Inspiring World campaign will be twofold:

- More engaged C&A employees who value sustainability
- Fundraising for charities that work to create a lasting environmental impact, as well as strengthened communities

During the year, 65% of all employees participated in the campaign, 18% more than had participated in the 2017 campaign. Accordingly, donations to charities increased significantly, from €573,940 in 2017 to €1,001,150 in 2018.

Supporting families and communities

We renewed our previous three-year global humanitarian partnership with Save the Children and C&A Foundation for another three years. In 2018 alone, with the support of C&A Foundation and C&A, Save the Children was able to reach more than 8 million people, of which around 4 million are children. Significant yearly funding of €3.36 million from C&A Foundation towards Save the Children for the next 3 years — from 2018 to 2020 — will contribute to amplify the scope of the partnership.

In this next phase, the three organizations will deepen their commitment to Disaster Relief and Recovery (DRR) and humanitarian response activities, of which 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.

Between January 2018 and February 2019, C&A Europe and C&A Mexico raised a total of €1,333,141 for Save the Children through cause-related marketing, emergency appeals, and other initiatives.

[Read more](#)

Every sustainable lifestyle is different

We are a global fashion retail company made up of four regions and encompassing many different cultures, people, and societies. We believe that deep engagement with local issues is the most effective way to normalise sustainable behaviours across our different regions. That means we guide the 'why' and 'what' through our 2020 global sustainability framework, and allow the regions to deliver the 'how' in ways that make sense to them at a local level.

Where next?

Building on the success of the 2018 Inspiring World launch, our five-year employee engagement plan includes identifying additional sustainability ambassadors, offering them empowerment roles to help us build further momentum among all employees, creating further opportunities for employee ownership of sustainability initiatives, and ultimately enlisting their ideas for developing the next iteration of our sustainability engagement strategy.

Engaging employees

Driving purpose through sustainability

We believe motivated and engaged employees are the key to C&A's success. Our store staff are the ones who create special relationships with our customers. We need to understand what makes employees feel valued and motivated, so that they can play their part in creating great customer experiences and engaging them in the issues that move them.

Many employees – especially those from younger generations – want to feel a sense of purpose from their work. In addition, our 2018 consumer survey shows that globally, 'treating employees well' is a reputational strength for C&A and that our performance in this area is perceived to be strong. In 2018, we continued focusing on employee engagement as a key lever for sustainability at C&A and beyond.

Our 2018 actions



Continue to roll out C&A Employee Code of Ethics across our global retail markets.



Ask employees to rate C&A on our contribution on the community, society, and environment via the employee engagement survey.
Engage employees worldwide through the Inspiring World campaign.

Our 2018 performance

Employee engagement remains high

Involving employees in sustainability takes many forms in our four regions, but generally includes information, training, or direct engagement opportunities. The first step, of course, is listening to them.

- In 2018, our employee engagement survey was extended to 1,079 employees in C&A Mexico, our largest sample size to date in this region. Within C&A Mexico's corporate office, employee engagement remained high, and 90% of employees said they felt proud of C&A's contribution on the community, society and environment.
- In Brazil, we conducted a full employee survey for our headquarters and distribution centres, and a pulse survey for store employees during August and September 2018. A total of 5,278 employees were invited to take part, and 5,042, or 96%, participated — an extremely high response rate. Employees reported 90% favourability on the question related to understanding how C&A's sustainability practices and actions are related to our employees' work. In addition, employees reported 92% favourability on their pride in C&A's contribution to communities, society, and the environment.
- In China, the 2018 employee engagement survey also included two questions on sustainability, aligned with the questions asked in Brazil. 86% of employees strongly agreed that they understood how sustainability practices are related to their job. More than 93% felt proud of C&A's contribution to communities, society, and the environment.

Inspiring first-year outcomes for Inspiring World

In 2018, we launched our next campaign, Inspiring World, encouraging employees to share their input and stories of a better world, and partnering with C&A Foundation to donate over €1 million to charities chosen by employees. The objective of this campaign is to build C&A employees' capacity to support our 2020 sustainability goals by engaging them over three years on campaigns aligned with Sustainable Lives, Sustainable Products, and Sustainable Supply. During its first year, the campaign involved:

- 65% of C&A global employees
- 21 countries and six sourcing hubs
- Forty-five charities, which shared a collective €1 million in donations from C&A Foundation, benefitting more than 250,000 people

Although our successful, multi-year campaign Inspiring Women has evolved, 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. Yet around the world, women have less access to education, earn less money and are more at risk of violence. But it doesn't have to be this way. When women are educated, healthy and economically empowered, families, and communities can thrive. Through partnerships

with C&A Foundation and others, 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.

Who we're working with

C&A Foundation

C&A Foundation

Engaging employees to make sustainability the norm

We want employees to be 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, giving back, and assisting in our work on strengthening communities, we can make the most of these opportunities.

Brazil: Engaging employees in #WearTheChange

Making sure store employees are familiar with and excited about #WearTheChange positions them to be sustainability ambassadors with our customers. In Brazil, a multifaceted employee engagement campaign introduced employees to the platform and kept momentum going throughout 2018. Activities included:

- Launched #WearTheChange concurrent with a Cradle to Cradle Certified™ Products collection.
- Gave a #WearTheChange T-shirt to all employees — more than 15,000 T-shirts total — encouraging them to post selfies and videos wearing the T-shirt on social media; almost 700 photos were provided, and the employees who received more likes in social media channels won a kit that enables more sustainable habits.
- Held Webex session trainings for employees, provided managers with scripts to use during the daily employee meetings, included the campaign in the internal newsletter, and provided additional email promotions.
- Used in-store communications, including window displays, product racks, and informational audio played in stores, known as 'audiostore'.
- In the Brazil headquarters employee cafeteria, played the video clip produced in partnership with Brazilian singer Mahmundi, hosted karaoke where employees could sing the song, and set up an Instagrammable space, where they could take photos for posting online.
- Invited employees to join our public C&A Fashion Futures events.

[Read more about #WearTheChange](#)

Inspiring World

2017 was the third and final year of our Inspiring Women campaign, which helped raise funds for 70 organisations working to empower tens of thousands of women around the world. Inspiring Women also achieved employee participation rates of up to 47%, well above typical company engagement programmes. In 2018, the campaign evolved to Inspiring World, which has a broader scope that more closely aligns with our sustainability framework.



Our 2018 performance

Our Inspiring World campaign, launched in 2018, is now the central tool for involving C&A employees in sustainability, providing them with a different type of employee engagement. Inspiring World encourages employees to share their stories of a better world and participate in contributions to charities that benefit communities around the globe. The overall objective is to build C&A employees' capacity to support our 2020 sustainability goals by engaging them over three years on campaigns aligned with our strategy: Sustainable Lives, Sustainable Products, and Sustainable Supply.

Carefully designed with the input of employees themselves, 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, the impact of the Inspiring World campaign will be twofold:

- More engaged C&A employees who value sustainability
- Fundraising for charities that work to create a lasting environmental impact, as well as strengthened communities

During the year, 65% of all employees participated in the campaign, 18% more than had participated in the 2017 campaign. Accordingly, donations to charities increased significantly, from €573,940 in 2017 to €1,001,150 in 2018.

Case study: Dreaming of a better world and raising €1 million for charity

In 2018 — the campaign's very first year — we called on C&A employees to think of how

they can make fashion with a positive impact by answering the question: 'What's your dream of a better world for everyone'? Representing 27 locations in 21 countries across all four regions, more than 32,600 C&A employees dreamed together in answering the question.

Employees replied by submitting photos, videos, or written answers, any of which allowed them to vote for one global charity and two local charities to receive funding from C&A Foundation. This enabled employees to contribute to localised action as well as a larger, global purpose. All charities included in the poll have a positive environmental impact or strengthen communities by improving the lives of people working in the local textile industry.

First-year results were impressive:

- 32,615 people participated (65% of C&A employees), providing input about the topics most important to them, such as peace, equality, and justice.
- 21 countries and six sourcing hubs participated.
- Globally, 18 C&A markets achieved over 80% employee participation.
- Forty-five charities — all selected by employees — shared a collective €1 million in donations from C&A Foundation, benefitting more than 250,000 people— all selected by employees

As part of the initial campaign, C&A employees shared their dreams of...

A world where everyone respects diversity and gender. - Brazil

Warmer families, better society, better world. - China

Sustainable and green fashion. - Mexico

Tolerance towards religion and culture. - Germany

A poverty-free world, where everyone will be treated equally. - Sourcing representative, Bangladesh

Europe

In Europe, many countries saw 100% employee participation, including Croatia, Hungary, Italy, Poland, Romania, Serbia, and Slovenia, as well as in our sourcing hubs in Turkey, Bangladesh, Pakistan, and India. Overall, C&A Europe supported 39 charities with donations totalling €760,000.

Employees also donated their time to volunteer as part of the campaign. For example, at two store locations in the Czech Republic, employees supported the Environmental Partnership Foundation, which planted 1918 trees for the 100th anniversary of Czech statehood, by planting their own C&A trees in the shopping centre. In another Czech city, store employees volunteered their time to clean up an illegal dump.

China

In China, 97% of C&A employees from retail stores and the head office participated. Together, they generated €41,160 in donations for the China Women's Development Foundation, which provides women from rural communities with embroidery, tie-dying, and business training to earn a steady income, and the Shanghai United Foundation, which helps rural mothers rise from poverty by training them in the breeding of black pigs.

Brazil

In Brazil, more than 10,000 C&A employees participated and two Brazilian NGOs benefited: Aliança Empreendedora, which supports low-income entrepreneurs, and Instituto Ecotece, a sustainable fashion organisation. C&A Brazil leaders and campaign ambassadors, who were also Instituto C&A volunteers, played a key role in the results. Manager Juliana Cristina Pedroso de Oliveira, who is a member of Instituto C&A's Volunteer Programme, celebrated the 94% engagement of her regional team in the campaign.

'I had the support of a senior manager and all regional managers — all connected with the cause', explained Juliana. 'We tracked the status of each store daily in the WhatsApp group with leaders, managers, and supervisors', she added.

Ana Flávia da Cruz Melo, store leader and volunteer, explained, 'This is what Inspiring World means for me: to see people helping each other with love, respect, and eyes on the horizon, always wanting to go further. We are a team and I knew that the more posts we did, the more we would be contributing to a larger cause'.

View our [Inspiring World videos](#)

Where next?

Further activation of Inspiring World

Going forward, we will continue to increase employees' awareness of C&A's commitment to sustainable fashion, encourage them to become sustainability ambassadors, and help them feel proud to work for the company.

Listening to our employees

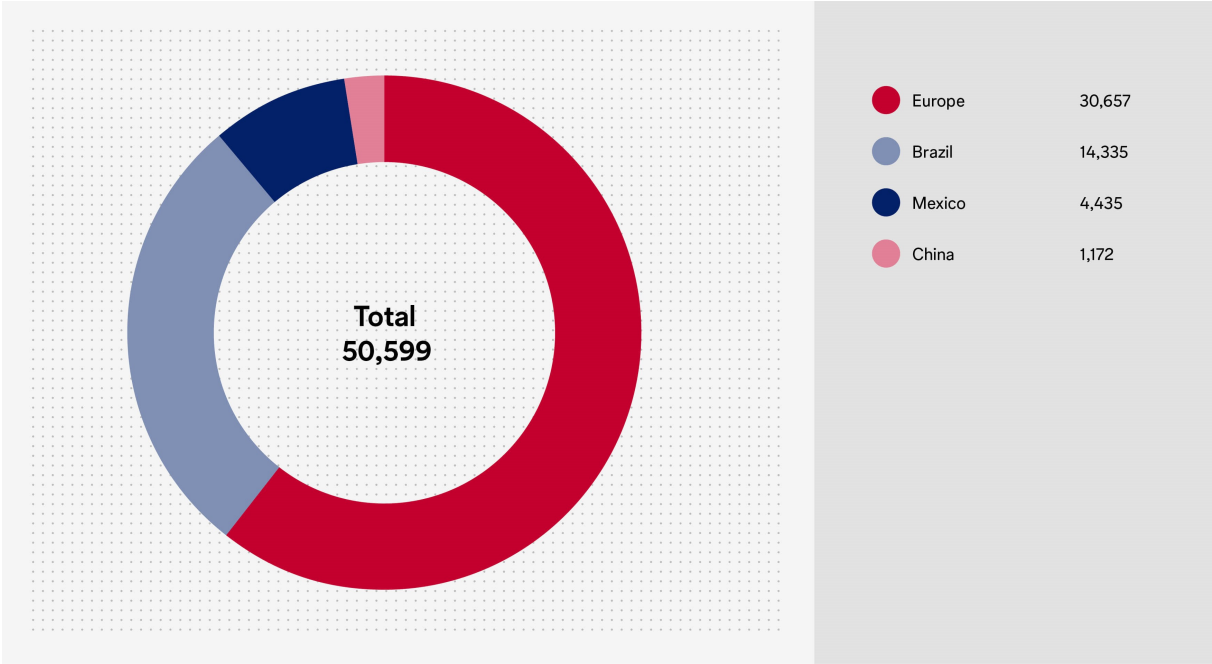
Open, honest feedback about how we're doing

Regional employee engagement surveys are an opportunity for our colleagues to tell us how they are feeling and share their thoughts on C&A's values, our strategy, our approach to sustainability, and how we're doing as an employer. In 2018, we surveyed employees in Brazil, China, and Mexico. Employees at our headquarters, distribution centres, and stores

in Brazil reported a high degree of understanding how employees affect our sustainability practices and a large majority, 90%, indicated they are proud of C&A's contributions to communities, society, and the environment.



Number of employees working at C&A



Our 2018 performance

Employees are proud of our sustainability work

During the 2018 employee surveys, a high proportion of employees agreed with the statement, 'I feel proud of C&A's contribution on the community, society, and environment': 92% in Brazil, 93% in China, and 90% in Mexico.

Regional highlights

- In Brazil, our survey partner Korn Ferry placed C&A in their P90 group of companies following our high employee engagement scores on sustainability - meaning that we are

ranked in the top 10% of companies in Brazil on this issue.

- Our engagement survey in China focused on employee pride in C&A's contribution and on employees being able to relate sustainability practices to their job. 86% of survey respondents strongly agreed with the statement 'I understand how sustainability practices are related to my job'.
- Also in China, 77 employees completed online and in-person sustainability training sessions in 2018.
- In Mexico, employees receive regular updates on C&A's role in sustainability and how they can play their part in realising our vision. Recent training has focused on Better Cotton, and future training will cover other aspects of more sustainable products.
- In Europe, our Sustainable Supply Chain (SSC) team trains product teams on our SSC approach and their responsibility.

Where next?

Moving from pride to action

We're pleased with our employee engagement scores on sustainability, which show we are connecting with our colleagues on this topic. But from 2018 onwards we have begun building on the strong employee pride in our commitments, training our colleagues to act as ambassadors for sustainability, and delivering on our 2020 goals. Our new Inspiring World campaign forms a core part of this new approach, as do our internal communications and training around #WearTheChange, Cradle to Cradle Certified™ products, and in-store take-back programmes.

Other 2019 actions will include:

- Continued engagement with employees on #WearTheChange, such as in Mexico, which is developing an internal communications roadmap for its 2019 launch of Cradle to Cradle™ Certified clothing.
- Encouraging employees to be part of the #WearTheChange movement and raise awareness about sustainability issues in Brazil.

Equality and diversity

Supporting 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+. In 2018, C&A Brazil continued raising awareness through actions such as Diversity Week; a Pride Collection; lectures and actions for International Women's Day; and a variety of recruiting fairs dedicated to minorities, transgender people, and immigrants. In recognition of our diversity work, the CEO of C&A Brazil was also invited to share our practices at the Plataforma Liderança Sustentável, a prestigious sustainability event. As we look to the future, we will continue to find ways to support our

employees in a diverse and inclusive workplace, and engage them as ambassadors of the C&A brand.



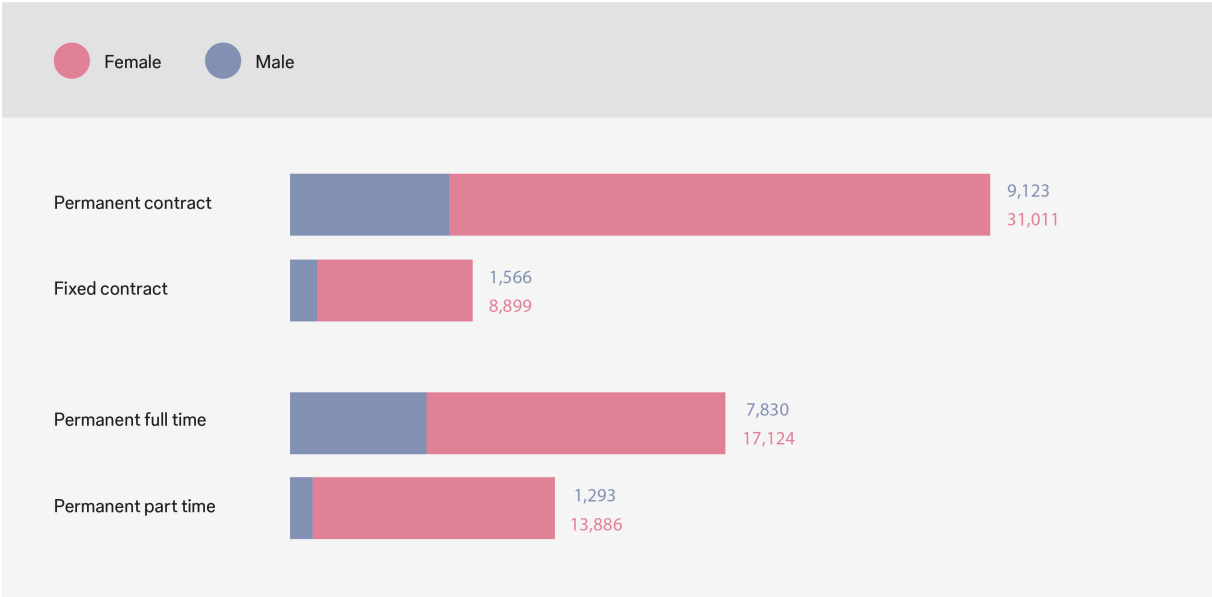
Committing to the Women’s Empowerment Principles

On International Women’s Day in March 2018, we announced that C&A had 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

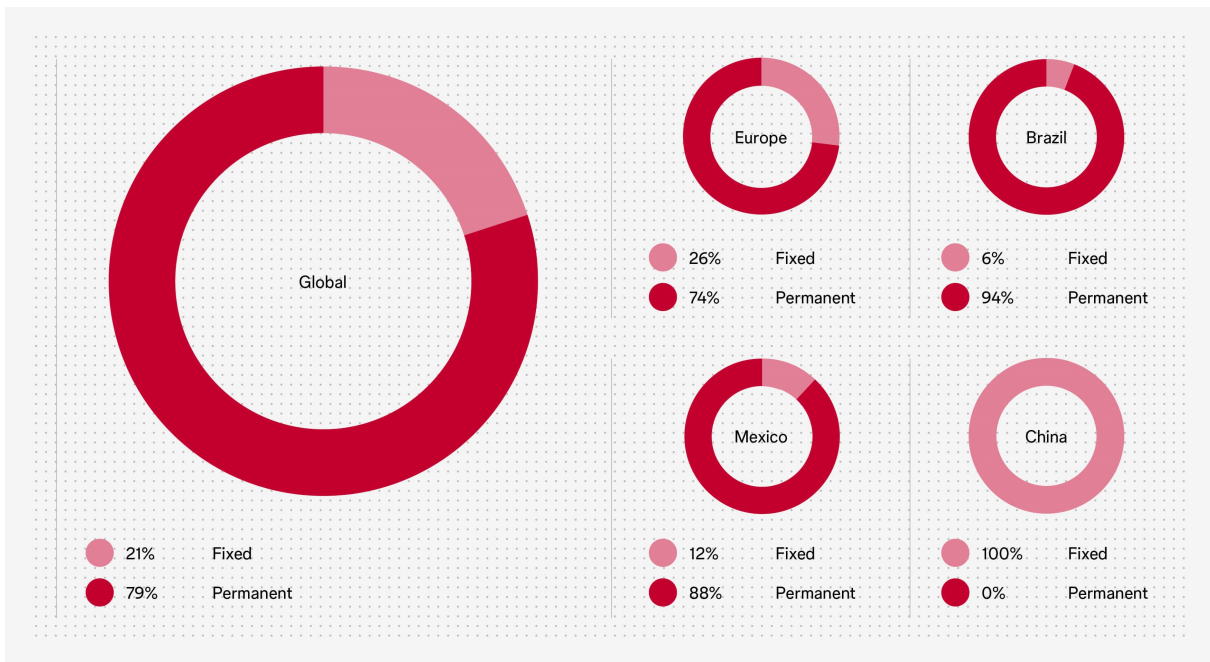
Since the announcement, C&A headquarters and our four regions have developed market-specific roadmaps to drive progress implementing the principles. This work draws from the principles gap analysis tool developed by the United Nations and BSR, and aims to address a set of 12 questions developed for each principle by C&A.

C&A employees by gender and contract type



C&A employees by contract type and location

Contract type



Our commitment to the Women’s Empowerment Principles is in line with our activity in partnership with C&A Foundation, which is working to achieve gender equity in the apparel industry. Both C&A and C&A Foundation 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 works with partners to promote women's voices, leadership skills, and capacity to exercise their rights. In October 2018, the foundation also released a statement of its ambition to incorporate equity, inclusion and diversity both in its partnerships and in its own operating model.

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. In 2018, the C&A Fairness Channels investigated four cases in total, and investigated and resolved each case. C&A Mexico also expanded the Fairness Channels to suppliers, providing them with a channel to share input about C&A employees.

In 2018, the C&A Fairness Channels investigated 83 cases. We are continually improving our training, education, and approach to the Fairness Channels, which resulted in greater awareness of the Fairness Channels and an increased number of reports during the 2018 commercial year. Also during the year, C&A Mexico expanded the Fairness Channels to its suppliers, providing them with a channel to share input.

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 4 in the 2019 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 also ranked number 1 in the 2018 Fashion Transparency Index Brazil, which analysed 20 brands.

Respecting others

Doing business ethically has been central to our company since it was established 178 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. In 2018, we 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 find out 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 are communicating actively to customers on sustainability, with the launch of our global #WearTheChange platform in 2018, which covers all of our customer-facing sustainability activities.

[Read more about #WearTheChange](#)

Learning and development

Engaging and empowering our employees

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, which means we can focus on the issues that really matter in each region.



Our 2018 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 we run at C&A is supported by internal communications and engagement, allowing in-store colleagues to bring our messages to life for customers.

Supporting employees' 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 our employees on core topics, and run management development programmes that deliver additional training to managers with outstanding performance and potential.

In 2018, specific employee training programmes included:

New hire orientation:

- 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 2018, C&A Europe welcomed almost 200 new hires through this programme.
- C&A China provided training to 100% of new employees on our Code of Ethics in 2018.

Function-specific sustainability training:

- Our Sustainable Supply Chain (SSC) team in Europe continuously trains product teams on our SSC approach and their responsibility.
- Europe provided a series of workshops for C&A Marketing staff to raise awareness about sustainability messaging to ensure accuracy and consistency in our external communications. This included awareness raising on greenwashing, the correct use of third-party logos and claims, as well as the appropriate use of #WearTheChange.
- C&A Brazil held a training webinar on our gold level Cradle to Cradle Certified™ T-shirts and Jeans for employees at the 44 stores that received the products, and for customer service employees. We also held a training webinar on 'we take it back', our in-store take-back, now offered in 80 stores, to make sure employees were familiar with the take-back procedures.
- C&A Brazil also hosted a day for trainees dedicated to rethinking product life cycle and sustainability, facilitated by the Re-Roupa movement, which has an approach to creating 'upcycled' clothes using small pieces of discarded fabric, or clothes with defects.
- Also in Brazil, we promote a learning journey programme that invites employees from the head office to join SSC auditors to visit and verify production units where our items are manufactured. In 2018, 45 employees took part in seven learning journeys.
- C&A China delivered both online and offline sustainability training sessions to 77 employees.

Leadership and talent development:

1. At C&A Brazil, several programmes are 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. In 2018, 10 people joined the programme. Since 2012, 31 trainees have become Store Managers and 28 have become Product Managers.
 - Future Leaders Program: designed to prepare internal talent for a leadership position. During the 1.5-year programme, participants are exposed to several development opportunities, including classes, leading a strategic project, and others. In 2018, 29 employees participated from various departments, including Commercial, Operations, Legal, IT, Financial, Supply Chain, and HR.
 - 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. Approximately 600 people have completed the training to date.

- 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 the most recent group, 39 people participated.

Other initiatives:

- Europe provided training for 'we take it back', reaching all employees in the 460 stores running the programme as well as logistics staff and many other functions. Additional training for all C&A Germany employees introduced them to the online take-back programme.
- Training for 'we take it back': In 2018, when C&A Brazil expanded the programme to 80 stores, all participating stores were invited to participate and reminded of the procedures involved.
- Cradle to Cradle training: In 2018, with the release of our gold level Cradle to Cradle Certified™ T-shirts and jeans C&A Brazil held a training webinar for store employees from participating stores to explain the initiative and encourage them to promote these products.
- C&A China used WeChat, a popular instant messaging app, to raise awareness and understanding of organic cotton and C&A China's Sustainability Commitment among its employees.
- C&A Mexico delivered training to all commercial department employees on Better Cotton and the role of employees in increasing its adoption. Future training will focus on different aspects of sustainable materials.
- At the launch of #WearTheChange in Brazil, employees were given T-shirts that helped them to understand the programme's key messages and attended a Webex training to learn more about it.
- During the launch of #WearTheChange in Mexico, all employees were given organic cotton T-shirts made to foster additional pride #WearTheChange. Sustainability was also a main topic during the end-of-year employee meeting.

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 2018, we continued developing a global employee engagement approach for

sustainability in alignment with the regions' 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 every employee to develop his/her own sustainability plan in order to contribute actively to our vision.

Execution of these plans began with the launch of our global #WearTheChange platform in early 2018, and continued throughout the year to include our evolution from Inspiring Women to the new, multifaceted Inspiring World campaign.

Enabling customers

Looking good, feeling good, doing good

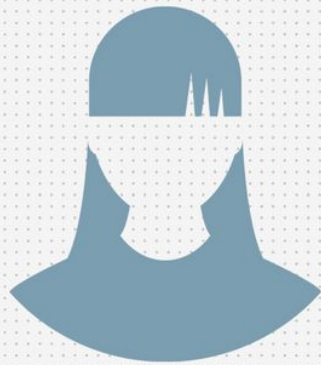
Over 3.5 million consumers visit our stores each day. They trust us to live by our values. We believe they shouldn't have to choose between looking good, feeling good, and doing good. They deserve great clothes that have been sourced and made in a way that respects people, the environment and animals, and at no extra cost. No decision or trade-off should be necessary.



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. 71% of the cotton we use is organic cotton or sourced as Better Cotton, and we offer groundbreaking products such as our Gold level Cradle to Cradle Certified™ T-shirts and jeans.

In 2018, we reached a key milestone in our sustainability journey with the launch of #WearTheChange, our first global, multi-channel sustainability communications platform, in Europe, Brazil, and China. #WearTheChange was launched in Mexico later, bringing sustainability to life for many more of our customers around the world.

[Read more about our sustainable products](#)



Launch global communications campaigns across multiple channels.

Conduct a fourth customer research survey to measure our progress on enabling customers to become more sustainable.

Our 2018 performance

Customer survey

In 2018, we surveyed over 6,000 customers in partnership with GlobeScan, for the fourth year running. In unprompted responses, C&A was recognised as the most sustainable retail fashion brand for the fourth year in a row in Brazil and the Netherlands. We were also recognised as the most sustainable retail fashion brand in Germany for the first time. 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 the same three countries.

Also during 2018 we conducted an additional survey of six other European markets — Austria, Belgium, Czech Republic, Poland, Spain, and Switzerland — to better understand customer perceptions of our sustainability performance and which issues are most important to our customers in those markets.

[Read more about our customer survey](#)

Organic, quality materials

Our 2018 customer survey showed that in a number of markets, 'bio', or organic materials, are a key tangible driver for C&A's perception as a sustainability leader – especially in the Netherlands. The durability and quality of our products also continued to be cited as positive drivers of our sustainability reputation.

[Read more about our commitment to organic cotton](#)

#WearTheChange

In 2018, we launched #WearTheChange, our first global, multi-channel sustainability communications campaign. It was launched in Europe in February 2018, across in-store, online, and print touchpoints, and rolled out to Brazil and China in April, with customised adaptations for each market. #WearTheChange was introduced in Mexico later in 2018, with the full launch around Earth Day 2019. All products promoted under

#WearTheChange are produced and sourced in a way that is more sustainable than conventional methods: for example, made of organic cotton or Cradle to Cradle Certified™. The platform also extends beyond products to raise awareness among customers of our other sustainability initiatives.

Who we're working with



GlobeScan, Cradle to Cradle Products Innovation Institute , Responsible Down Standard, Textile Exchange, Global Organic Textile Standard

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 globally, rollout of gold level Cradle to Cradle Certified™ jeans in some markets, and the launch of our #WearTheChange platform, 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.

2018 was the fourth year we ran 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 2018 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 2018, we were once again recognised as the most sustainable retail fashion brand in Brazil and the Netherlands. We were recognised as the most sustainable retail fashion brand in Germany for the first time. The 2018 survey also showed that our use of Bio Cotton and other natural and organic materials remains one of the key reasons C&A is recognised as a sustainability leader in Europe.

In China, customers reported stable levels of trust in C&A, but did not view us as a sustainability leader. 2018 C&A China campaigns such as the two #WearTheChange engagements rolled out to consumers during April and August might help to shift these perceptions in the future. The 2018 survey also showed that our momentum in Germany, the Netherlands, and Mexico seems to be slowing a bit and returning to our 2016 perceived performance levels. To address this, we plan to try new approaches to engaging customers through #WearTheChange and other communications outreach, as we have done in Brazil. In that retail market, where C&A is recognised among customers as the number 1 sustainable fashion brand, #WearTheChange is known as #VistaAMudança and is accompanied by specialised engagement events.

When survey respondents were prompted to consider C&A's performance in detail, they scored us favourably across a range of sustainability issues.

The world's largest user of organic cotton, which saves a considerable amount of water.

(C&A customer, Mexico)

C&A publishes an annual sustainability report. It has a used clothing collection programme. It has an electronic trash programme and several other programs and initiatives that generate sustainability in partnership with several countries and programs.
(C&A customer, Brazil)

They sell organic clothes (jeans among others). (C&A customer, France)

If you hand in your old clothes, you can discount your new clothes. (C&A customer, Netherlands)

They have made serious efforts to significantly improve the working and living conditions ... in the low-wage countries. (C&A customer, Netherlands)

C&A strives to reduce wastewater discharge during the garment manufacturing process.
(C&A customer, China)

Energy saving, environmental protection, materials are recyclable. (C&A customer, China)

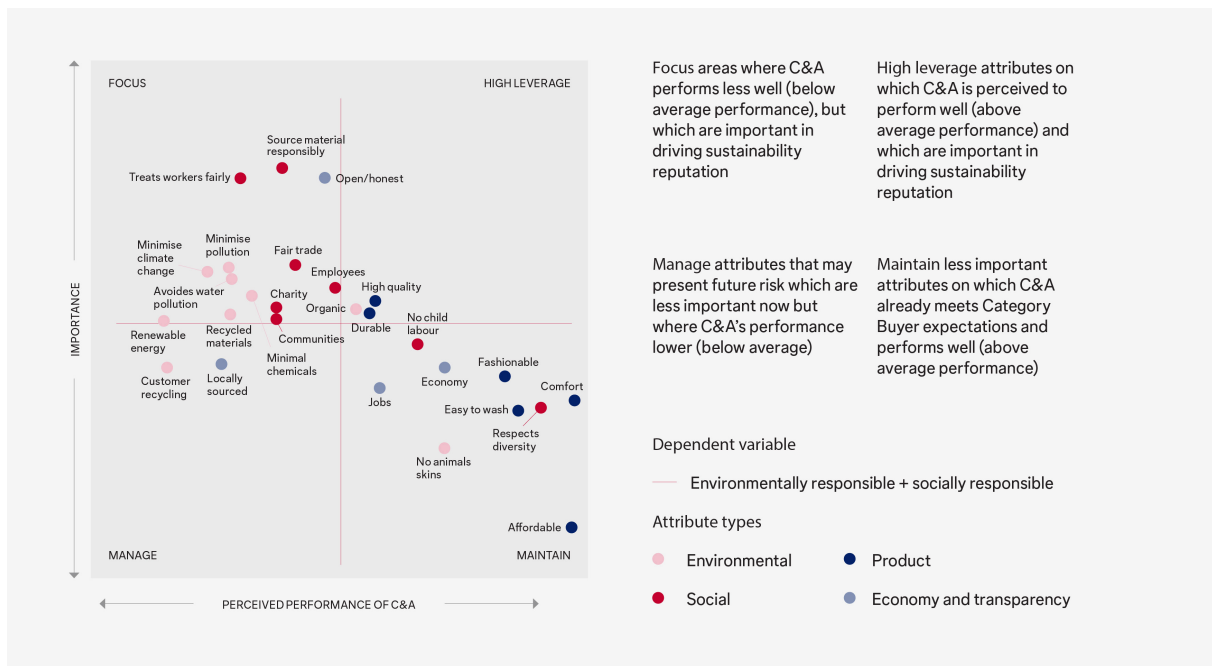
Their positive responses when prompted show that we have a significant opportunity to improve the spontaneous recognition of our work. The 2018 survey also demonstrated that conveying openness and honesty is key to amplifying the reputational impact of our sustainability initiatives. Being seen as open 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 building on our 2017 and 2018 campaigns to better integrate 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 five issues remained relatively similar from 2017 to 2018. Notably, minimising climate change has climbed two years in a row, now ranking as the sixth most important issue, and minimising pollution has become one of the most important issues for C&A to address. The top five issues driving C&A's sustainability reputation are:

- Sourcing materials responsibly
- Treating workers fairly
- Openness and honesty
- Fair trade
- Minimising pollution

The issues that drive C&A's sustainability reputation



Our 2018 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 2018, 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 2016, we 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, we have leveraged #WearTheChange to communicate with — and engage — our customers in the journey towards making sustainable fashion the new normal. The 2018 survey revealed that our messages are getting through to consumers in Brazil and China, but less so in Europe and Mexico. Perhaps not coincidentally, #WearTheChange has been localised and translated in Brazil and China, but is expressed in English in our other markets, a factor we will look into going forward.

[Read more about #WearTheChange](#)

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 2018 customer survey showed that our perception as open and honest has declined somewhat in Germany and the Netherlands, as well as in

China. In 2019, we will work to improve our perception of openness and honesty amongst customers by communicating more on sustainability and our supply chain.

According to GlobeScan, our survey partner, being seen as open and honest is more often a challenge for companies than a strength. During 2018, 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, such as the new Fashion Futures events held in Brazil during 2018 and the creative #WearTheChange activations in China during 2018. The China initiatives also leveraged social media, cited in the 2018 consumer survey as a key communications channel for us in Brazil, China, and Mexico. As a family company that has been trusted by generations of customers for 178 years, we are determined to create a deeper and more direct connection with customers on our sustainability efforts.

Sourcing materials sustainably and responsibly

Our 2018 survey showed that, once again, customers continue to appreciate the importance of sourcing materials responsibly — rating it as the most important reputation driver four years in a row. We continue responding to this expectation by communicating our efforts in this area 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 on the sustainability topics that are relevant for our customers 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.

We also recognise that connecting with consumers involves cutting through the barrage of other information they receive every day. Our 2018 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 178-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 2018 performance

Inviting customers to join 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 want to know more about the sustainability of the clothes they buy. In response to this demand, we set out to create a customer-facing message that could bring sustainability to life in an uncomplicated and easily accessible way, helping customers find the products they want and be reassured that they have been produced and sourced sustainably.

In particular, we wanted to align our sustainability communications with C&A brand communications to emphasise that sustainability is the new normal.

In 2018, we reached a key milestone in our sustainability journey with the launch of #WearTheChange, our first global, multi-channel sustainability communications platform. It was launched in Europe in February 2018, across in-store, online, and print touchpoints. All products advertised under #WearTheChange are produced and sourced in a way that is more sustainable than conventional methods. Each is backed by a verifiable sustainability claim: for example, certified organic cotton or Cradle to Cradle Certified™.

The #WearTheChange message is clear: every little step counts. We are 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.

The platform was rolled out to Brazil and China in April 2018, with customised adaptations for each market. Brazil and China have since launched a series of communications to raise awareness among customers — and the general public — about the benefits of more sustainable fashion and how customers can become even more involved. We launched #WearTheChange in Mexico in April of 2019.

#WearTheChange product claims

#WearTheChange is not a certification or claim – it is a wide-reaching communications platform to help customers identify and understand the more sustainable products we offer, and learn more about our sustainability efforts. But every product featured in the campaign must be backed by a verifiable sustainability claim.

Bringing sustainability to life

As part of our mission to bring sustainable products into the mainstream, the #WearTheChange platform 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.

For more about #WearTheChange, view this [video](#)

#WearTheChange: Connecting with customers

Since #WearTheChange was launched in early 2018, we have reached millions of people with our messages of more sustainable fashion.

- In Europe, we nearly doubled the overall reaction rate compared to our average.
- In Brazil, we achieved nearly 118 million impacts, more than 12 million engagements, and numerous articles and posts in the media.
- In China, we recorded numerous views of WeChat articles featuring #WearTheChange, more than twice the average for C&A articles, including 515,000 views by key opinion leaders.

Engaging customers in Brazil

In Brazil, C&A employees were given a #WearTheChange T-shirt and encouraged to post selfies on social media to help increase awareness and engagement, both among employees and with customers. Extensive in-store window displays, rack displays, hang tags, posters, and other communications explained the elements of more sustainable fashion and how C&A is supporting the process. These communications, along with a dedicated sustainability website, press releases, numerous social media posts, two documentaries and a special [video](#) clip featuring Brazilian singer Mahmundi — who wrote a song about #WearTheChange and our journey in sustainability — all built excitement for the campaign. The video earned more than 11 million views online. Later in 2018, two C&A Fashion Futures events attended by hundreds of members of the public further boosted consumer awareness and involvement in the journey towards more sustainable fashion.

To further connect with youth, C&A invited a Brazilian young poet (@akapoeta) to write a manifesto using some of the words on the Cradle to Cradle Certified™ T-shirts. We then invited three influencers to read the poet's words and share them on social media. At the same time, we sent a press kit with a Cradle to Cradle Certified™ T-shirt, a glass straw, a One Less Trash cup (Menos 1 Lixo), and a printed version of the manifesto, to a small group of fashion-sustainability influencers. This generated an additional 24 posts on social media, with more than 275,000 potential impacts.

[Read more about #WearTheChange in Brazil](#)

China: Engaging customers and the public in #WearTheChange

In China, the launch of #WearTheChange took on a decidedly local feel, with each element carefully developed to connect with local customers, especially younger generations. Two campaigns, one in April and a second in August, raised awareness about C&A's use of more sustainable cotton and highlighted other sustainability messages.

First, C&A launched a graphic design competition featuring sustainability messages and visual images on T-shirts and canvas bags. The one-month promotion led to more than 2,500 designs from participants. In-store displays and social media posts explained the cotton in each item had been grown in Binzhou, Shandong Province using organic cultivation practices.

A few months later, the #WearTheChange platform continued with a lifestyle-friendly programme featuring colourful notebooks made with sustainable inks and paper and featuring the same graphics as the T-shirts and bags. The series of seven recyclable notebooks also highlighted sustainability messages and the personal responsibility to help protect the environment. A special gift package brought it all together with a #WearTheChange T-shirt, notebook, decorated canvas bag, and coordinating stickers.

The C&A China #WearTheChange social media campaign resulted in over 350,000 views.

[Read more about #WearTheChange](#)

Making more sustainable products the new normal

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. We now sell more clothes made with more sustainable cotton than with conventional cotton.

We have also started to develop circular fashion products, with the launch of the first gold level Cradle to Cradle Certified™ T-shirt, followed in 2018 by the launch of our certified jeans, both developed in partnership with Fashion for Good. Since then C&A has launched additional Cradle to Cradle Certified™ products in Men's, Ladies', Teens', and Kids' options in Europe, Mexico, and Brazil.

[Read more about our approach to circular fashion](#)

[Read about more sustainable cotton](#)

Europe: Launching our global sustainability communications platform

Our annual customer surveys, in partnership with GlobeScan, have showed that many customers want us to communicate more about sustainability – and that European customers favour in-store displays as a communications channel. In line with this feedback, we continue to promote our organic products in Europe, as well as communicating on our 100% Responsible Down Standard-certified jackets and the sustainability attributes of our denim products.

In 2018, we launched #WearTheChange across multiple channels, including in-store and e-commerce. #WearTheChange messaging now covers all our customer-facing sustainability activities. During 2018, we communicated the specific sustainability benefits of our products through the platform, including our gold level Cradle to Cradle Certified™ items,

as well as certified organic cotton, recycled polyester, and chrome-free leather.

[Read more about responsible down](#)

Brazil: Building on our strong reputation

Through our 2018 survey, customers told us that C&A is the sustainability leader in Brazil among apparel brands. Our #WearTheChange platform was launched in Brazil in April 2018, with varied communications customised for local markets. In 2019, C&A Brazil will continue building customer awareness of our sustainability commitments and performance.

Mexico: Growing our reputation for sustainability

The 2018 survey demonstrated that customers in Mexico continue to appreciate the quality and value they get from C&A products. We are also recognised for protecting the environment, but less so for our more sustainable cotton products. #WearTheChange launched in Mexico on Earth Day in 2019, along with broader brand equity building. We will continue using the #WearTheChange platform to make customers more aware of the sustainable fashion options we offer in Mexico.

China: Building partnerships to connect with consumers on sustainability

In China, we leveraged partnerships with two other companies known for their commitment to sustainability as part of our multi-pronged #WearTheChange platform. With the sustainable nail brand Little Ondine, we launched a 'green package' containing water-based natural nail polish. And we partnered with Jiukoushan, which makes colourful, recyclable notebooks using sustainable materials, to feature the winning sustainability-themed designs from our #WearTheChange graphic design competition on a series of their notebooks. Both initiatives aimed to engage the younger generation through fun, creative, and informational products and messages.

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 we will do this is through collaboration.

[Read more about our industry collaborations](#)

[Look at our suppliers' list and disclosure map](#)

Global sustainability messaging

Our communication approaches are localised to ensure we are talking to our regional customers about issues they care about. We learned as far back as 2015 that although

there are some differences between countries, there are often core issues of importance to everyone. As a result, in 2017 we launched our gold level Cradle to Cradle Certified™ T-shirt with similar campaigns across Europe and Brazil, followed in 2018 by the launch of our gold level Cradle to Cradle Certified™ jeans in Men's and Ladies' options. We have replicated this model in our new #WearTheChange platform, developing core global messaging with light-touch adaptations for each region.

Where next?

Enhancing communications through #WearTheChange

We launched #WearTheChange as a focal point for our customer-facing sustainability communications. Later in 2019, we will begin communicating the specific sustainability benefits of our products through the platform, localised for each region. We are also updating our product hang tags where appropriate to give customers even more information about specific products.

Taking action in-store together

Small changes make a big difference

Although we aim to make the most sustainable choices on behalf of our customers, we can only do so much on our own. We are looking at ways we can use our position on sustainability to do more to engage our customers in-store so that sustainability can become the new normal: something we all do together, every day.



Our 2018 performance

Inviting customers on our sustainability journey

In our stores in Europe, Brazil, and China, the first thing our customers see is our new #WearTheChange platform, which aims to help our customers find the products they want and to be reassured that they have been produced and sourced sustainably. Beginning in April of 2019, #WearTheChange was launched in Mexico, bringing sustainability to life for customers around the world.

[Read more about #WearTheChange](#)

Offering more sustainable products

For many years, we have acted on behalf of our customers to make our clothes responsibly and source our materials with sustainability in mind. 71% of the cotton we use is organic cotton or sourced as Better Cotton, and we offer groundbreaking products such as our gold level Cradle to Cradle Certified™ T-shirt.

[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'

Following its successful launch in the Netherlands, in 2017 we rolled out our in-store take-back programme to three additional retail markets – Belgium, Luxembourg, Switzerland. In 2018, we expanded to Portugal and Spain, scaled-up the programme in Brazil, and launched an online take-back programme in Germany that provides customers with another option for giving new life to their old clothes. In-store take-back became available as a pilot at some stores in Mexico in 2019 and we aim to expand the programme further to additional markets by 2020.

Europe

The 'we take it back' programme is now available in 460 stores, where customers have given more than 650 metric tons (approximately 2 metric tons each day) of unwanted clothes a new life. In Germany, C&A has collaborated with PACKMEE as part of our first online take-back. Customers have sent in 17,000 parcels since September 2018, helping to keep unwanted clothing out of the landfill and supporting Save the Children Germany.

Brazil

Since the successful take-back pilot in Brazil launched in late 2017, we have expanded the 'we take it back' programme from 31 to 80 participating C&A stores. In 2018 alone we collected 2,630 kg of items, representing 14,256 pieces. Of these, 73% were in good condition and sent for reuse to Centro Social Carisma, an organisation dedicated to children and their families. The remaining 27% of items were sent for recycling. Centro Social Carisma received €1,502 for selling the collected items and invested the money in projects that benefit over 400 people weekly. Since 'we take it back' began in Brazil, we have collected 2,831 kg, or 15,332 pieces for reuse and recycling.

Also in Brazil, we sell mobile phones in addition to clothing, and have shared responsibility for taking back and disposing appropriately of cell phones and batteries. In 2018 we collected 49,472 batteries and 3,960 cell phones. In total, 53,432 items were collected.

Key to our success with the take-back programme is employee engagement. Each year, C&A Brazil recognises the three stores that send the most cell phones and batteries for

recycling. Store managers celebrate the accomplishments with employees, using the opportunity to share additional information about the positive impacts of the recycling programme through discussions, a video, and a small gift for all employees. In 2018, C&A stores in São Paulo, Pelotas, and Rio de Janeiro were recognised for collecting and sending the most electronic items for recycling.

[Read more about our in-store take-back programmes](#)

Giving customers a look at our sustainable stores

In Brazil, we are the first fashion retail company to have a Leadership in Energy and Environmental Design (LEED)-certified, bespoke Eco Store. Four times a year, we invite customers and other interested members of the public to visit and learn about the store behind the scenes.

Where next?

Rolling out #WearTheChange across the globe

As of 2019, #WearTheChange will be active in all C&A retail markets, including Mexico, which is launching it early that year. We will continue communicating on the sustainability topics relevant for our customers and take our product storytelling to the next level through Cradle to Cradle Certified™ labelling and a variety of regionally customised #WearTheChange communications. In order to truly break through and engage our customers, we are activating #WearTheChange across multiple channels.

For more about #WearTheChange in Mexico, view this [video](#)

Focusing our Cradle to Cradle Certified™ product approach

In Europe, our aim was to deliver more than two million Cradle to Cradle Certified™ pieces over the first two seasons, alongside campaigns showcasing the products. So far, we have delivered almost 4 million pieces. In Brazil, we developed a Cradle to Cradle Certified™ roadmap to build on the success of the launch and position ourselves to reach even more customers. We anticipate doing the same in Mexico in the coming year.

Going forward, we are 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. Prioritising and refining our approach to Cradle to Cradle Certified™ products will help us even better meet our customers' demand for more sustainable fashion.

Expanding 'we take it back'

In 2018, we continued to grow the programme, reaching even more countries during the year and in early 2019. We also expanded our take-back programme in Brazil from 31 stores in 2017 to 80 stores in 2018, and will expand to 130 stores in 2019. The take-back programme is also being extended to 10 stores in Mexico as a pilot programme during

2019.

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 we source from and those where C&A employees live.



To truly strengthen the most vulnerable communities, we have to get to the root cause of these complex challenges. We work in partnership with C&A Foundation to address these challenges and try to bring people on the journey with us. We run volunteer programmes that support local charities, maintain in-store giving opportunities that allow our customers to play a role in supporting community charities, seek to change perceptions, and drive societal change. We are also partnering with Save the Children and C&A Foundation to help communities become more resilient and respond to disasters.



Save the Children

Continue strengthening our partnership with Save the Children for even greater benefits to children and families.

Continue giving back to communities through donations and volunteering across our retail markets.

Our 2018 performance

Helping children and families across the world

Over the past three years, C&A Foundation has provided partnership funding of over €10 million to Save the Children, and in 2018 we renewed our partnership for three more years and another €10 million. In 2018, the partnership reached more than 8 million people, of whom around 4 million are children.

Evaluating and improving our partnership

In 2017, C&A Foundation commissioned an independent evaluation of the partnership and its programmes. We used this opportunity to learn about how to improve not only the effectiveness of the partnership on the ground, but how C&A as a business works with NGOs in unique partnerships. During 2018, we worked closely with Save the Children and C&A Foundation to learn from those lessons and design the next phase of our partnership. This is what we learned and how we have responded:

- Impact takes time. We need to ensure that partners take time to discuss a programme's engagement and scope – being realistic with timeframes, and clear on roles and responsibilities.

As a result, we streamlined our partnership governance internally to improve strategy and decisionmaking.

- Seed funding works. When responding to emergencies, seed funding helps to provide a rapid response and scale up operations. In Ethiopia, C&A Foundation funds were recycled two to three times, which leveraged a further US \$20 million. However, this isn't measured systematically so we're working to improve KPIs for seed funding. This includes asking for feedback from beneficiaries to aid learning and improve future responses.

We have continued this format for supporting emergency responses – quick release of flexible funds with KPIs to monitor the feedback from beneficiaries. In addition, Save the Children Switzerland has launched the Children's Emergency Fund to leverage other donors for seed funding. Funds raised through C&A Europe's Christmas activities and donation boxes will go to the Children's Emergency Fund.

- Programmes need to be long enough. To see results at scale – including policies being implemented in countries and tools for disaster resilience being embedded in communities – programmes should last a minimum of five years.

Save the Children increased its Disaster Risk Reduction (DRR) programme to 5 years, building upon the previous 3 years' work.

- Focus on local government. Many countries already have policies in place, but these aren't being enacted. We need to ensure that local authority and government have the capacity to implement them.

Save the Children is now focusing on the second phase of its DRR programme, aiming to improve risk reduction and resilience of urban communities to mitigate and manage shocks and everyday risks. This includes strengthening child-centred, gender-sensitive, and inclusive risk reduction and resilience policies at national and local levels, and building capacities of institutions, organisations, and individuals to build resilience.

Disaster relief

Through our Disaster Risk Reduction (DRR) programme with C&A Foundation and Save the Children, we're helping communities become more resilient to daily risks and prepare for larger disasters. Since March 2018, C&A Foundation and Save the Children have responded to 10 disasters, established the Children's Emergency Fund, and disbursed €1.14 million to help children and their families. Between January 2018 and February 2019, our customers also donated over €604,081 to Save the Children.

Children's Emergency Fund

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 is to raise more than €879,000 (with the goal stated as 1 million CHF) in the first year, with an annual target of nearly €2.2 million (2.5 million CHF) by 2021.

C&A Together

Between March 2018 and December 2018, C&A Foundation provided funding of €2.9 million to 142 initiatives in 18 European countries. The 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 give back

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. As always, we allow

each region to define how and where they would like to give back to ensure their experience is impactful at a local level.



Our 2018 performance

C&A Together across Europe

Our long-standing community giving programme, C&A Together, channels C&A Foundation funds into charities nominated by local C&A retail organisations to support the wellbeing of children. It means we can harness 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, 142 different initiatives in 18 European countries received €2.9 million between March 2018 and December 2018. C&A Foundation funds were distributed in various ways, including:

- C&A France dedicated its Back to School campaign to C&A Together. For each children's item sold, C&A Foundation donated €1 to Secours Populaires Français, giving €100,000 in total to support disadvantaged children throughout France with school materials for the new academic year. Following the Back to School employee volunteering campaign, C&A Foundation donated €40,000 to Secours Populaires Français.
- At the Vienna City Marathon, employees from C&A Austria ran with and for the Red Nose Clown doctors, which C&A Foundation supported with a sponsorship of €120,000.
- C&A Germany, with the support of C&A Foundation, supported the Mittagskinder Foundation with €105,000. More than 200 children at 'social hot spots' in Hamburg receive free and regular healthy meals, homework assistance, and socio-educational support, including an extensive exercise programme.
- Other C&A Together giving programmes during the year included support for children's cancer research in Spain, a 'heart for children' programme in Germany to raise funds for children in need, a 'share your energy' campaign in Austria, and the Belgium and Luxemburg Child Focus Run for missing and exploited children.

[Read more about C&A Together with C&A Foundation](#)

China

When an employee of our Beijing store was badly injured in a fire, her colleagues generously donated almost €20,000 (RMB 147,769) to support her medical treatment, followed by additional funds to support her medical care, and frequent visits by her store manager and area manager. During winter of 2018 and early 2019, C&A China donated 300 pieces of winter clothing to residents of Tianfu County in Chongqing Province so that local children could have a comfortable winter. This project was in cooperation with the Beijing Women and Children's Development Foundation and ECT Fund.

Brazil

Case study: Supporting and celebrating immigrant families

The Instituto C&A volunteering programme at C&A Brazil's headquarters has been in place for three years. In 2018, some 137 employee volunteers participated in 10 events, more than the previous year, and the events extended beyond the headquarters location to include friends and family members.

The presence of children volunteering was a joy to behold during the Immigrant Children's Day, held in October at CAMI - Centro de Apoio e Pastoral do Migrante, where 67 adults and 12 children volunteered.

'It was an opportunity for families to help, to give example, to teach, to learn, to thank, and to have fun with children', says Flávia Fernandes, IT specialist, who participated in the event with her husband and their young son, Joaquim.

While the children were having fun, the immigrant mothers participated in a round of talks on human rights and working conditions — an activity carried out monthly by CAMI.

'Taking part in volunteering with Lilian, my wife, was an unforgettable day of welcoming children and, also, a day of reflection for us. My daughters, 8-year-old Lívia, and 4-year-old Larissa, had the opportunity to take part in the activities and had the opportunity to understand, at least a little, the challenges of immigrant children in Brazil, and how much we should reach out to them. We thank C&A Foundation Brazil for the opportunity', says Ricardo Gomes, of the C&A Trade Union Relations department.

Instituto C&A also increased the number of partnerships in the Volunteering Programme at the headquarters, supporting four new organizations related to the fashion industry: Mulheres de Paraisópolis (AMP), Barueri Amparo & União Social (BAU), Centro Social Carisma, e Centro de Apoio e Pastoral do Migrante (CAMI). During the year, short- and medium-term events took place online and in person, attracting 171 volunteers.

Developing our employee volunteering programme in Brazil

Instituto C&A has run an employee volunteering programme in partnership with C&A since 1991, and the programme has 1,541 volunteers among our stores all over the country. In 2018, for the first time, more than 260 C&A store managers were invited to spend an

entire day volunteering their time and services to a partner from the C&A Foundation Strengthening Communities Programme. In addition to donating their time to worthy causes, the leaders had opportunities to become more involved in the volunteer cause, so they could inspire their own teams.

Other volunteering activities revitalizing spaces, such as the school library and the sports area, at Marechal Deodoro Public School, holding a charity bazaar to raise funds for Carisma, instructing immigrants on how to create a curriculum vitae for employment at CAMI, and planting a new garden at OCA.

By the end of 2018, the store volunteering programme had 126 employee teams participating, with 38 selected as finalists for the 2018 Volunteer Award, which recognises those teams with the most highlighted initiatives during the year. More than 1,700 actions were carried out during 2018, benefiting 16,000 people in 83 institutions in Brazil. In addition, 256 stores and three distribution centres participated in these initiatives, representing 93% of C&A locations in Brazil, as the programme has steadily grown in recent years. C&A Brazil also has a [volunteering committee](#), with representatives from each C&A division.

Mexico

Volunteering for disaster relief and recovery

For the past 11 years, C&A Mexico has sponsored a volunteering day for its employees at headquarters, and 2018 was no different. About 230 employees — all headquarters employees — packed emergency kits for people affected by natural disasters. Along with Save the Children, C&A delivered 4,000 kits containing first aid and personal hygiene products. C&A store and distribution centre employees also wrote postcards with encouraging words for the people receiving the kits. Employees preparing the kits also received training on what to do when an emergency strikes, and in addition to benefiting children and families in need, the volunteering activities support team building, leadership skills, and pride to work for C&A.

[Read more about volunteering on the C&A Foundation website](#)

Balancing global and local approaches

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 that our charity work in their local communities could be more focused. 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.

Where next?

Giving back and volunteering

In Brazil, we will maintain the partnership with Instituto C&A for our volunteering

programme, with the aim of continuing to grow employment involvement and the number of people served through a variety of volunteering events.

In Mexico, plans include a special one-day, in-store campaign to be held in four cities — Mexico City, Guadalajara, Tijuana, and Culiacán. Customers who buy more than \$499 pesos (€25) in items at the store will have access to a workshop where they can paint a worry doll. For every worry doll our customers take home, C&A Foundation will donate three worry dolls to Save the Children (up to 900 worry dolls overall, worth €2,700), which will be delivered to children in the migrant caravan in Tijuana to help them cope with stress.

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.



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 resiliency — and immediate, lifesaving emergency response to humanitarian crises.

Save the Children's emergency response work supports interventions that enable people affected by disasters to lead decent and dignified lives. We focus on fast and flexible funding that is used to seed-fund operations of Save the Children and to attract other funds to the response.

The resilience and disaster risk reduction (DRR) work funded by our partnership focuses on urban communities in five countries. It aims to increase the resilience of these communities, helping them to be prepared for natural disasters and everyday risks. To

date, we have helped Save the Children's work in 48 informal settlements and 75 schools to build the capacity of individuals and organisations.

Together, we have also scaled smaller initiatives by helping governments implement policies at a national level.

Our 2018 performance

Helping children and families across the world

Over the past four years, C&A Foundation has provided partnership funding of €13.44 million, not including the additional funds donated through marketing and employee campaigns. This has contributed to assisting over 15 million children worldwide since 2015. C&A raises additional funds through cause-related marketing and other campaigns in stores, and with customers and employees, in Europe and Mexico – a total of over €4 million since 2015. In 2018, C&A Foundation renewed the partnership with Save the Children for another €3.6 million.

Since March 2018, C&A Foundation and Save the Children have responded to 11 disasters and established the Children's Emergency Fund. Together with responses started in previous years, Save the Children has been able to reach over 8 million people with the support of C&A and C&A Foundation in 2018. Responses in 2018 included:

- Integrated package of services to Rohingya children and their communities
- Ethiopia drought response
- Bangladesh flooding response
- Laos floods
- Lombok earthquake
- Kerala floods – also, employees of C&A and COFRA raised €5,080, which was matched by C&A Foundation
- Sinaloa floods
- Sulawesi earthquake and tsunami emergency response
- Migrant exodus in Mexico

Between January 2018 and March 2019, C&A Europe and C&A Mexico raised a total of €1,331,141 for Save the Children through cause-related marketing, emergency appeals, and other initiatives.

Sharing what works

In 2018 C&A Foundation 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

Each of the five countries we work in faces distinct challenges. In Bangladesh, for example, we focus on risk management for women, children, and garment workers, while in Mexico and China we focus on school safety. Save the Children's country teams share what they learn with each other, so they can create an overall framework of learning that they and others can build on for the future.

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 five country programmes within Save the Children, and also with the global DRR sector. Creating global and regional dialogue to strengthen the sector is an important focus of this programme.

[Read more in the C&A Foundation 2018 Annual Report](#)

Responding to the refugee crisis in Myanmar

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 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. We have therefore decided - for the time being - to continue to source from Myanmar. We will, however, continue to closely monitor the developments in Myanmar and reserve the right to reassess our approach.

C&A has had conversations with the United Nations High Commissioner for Refugees to understand their approach and explore ways of coordinating the industry efforts in supporting people who have fled the Rakhine state. In addition, C&A Foundation, with their global partner Save the Children, supported humanitarian efforts in this crisis during 2017. As the situation worsened in 2018, C&A Foundation designated an extra €2.5 million to six different initiatives in partnership with BLAST, CRS, CARE, Terre des Hommes, Oxfam, and the Center for Global Development. The partnerships supported underfunded challenges, such as tackling sexual and gender-based violence, protecting children, and protecting human rights.

[Read more in the 2018 C&A Foundation Annual Report](#)

Europe

Save the Children donations helping refugees

Save the Children, the world's leading independent organisation for children's rights, is an established strategic partner for C&A and C&A Foundation. 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.

In 2018, the partnership among C&A, C&A Foundation, and Save the Children was able to reach more than 8 million people, of whom around 4 million are children. Significant yearly funding of over €3 million from C&A Foundation towards Save the Children until 2021 will amplify the scope of the partnership and support Save the Children's programmes.

Between January 2018 and March 2019, C&A customers donated over €604,081 to Save the Children.

To show additional support for Save the Children, C&A sold stuffed animals (alpacas) at C&A stores in 15 European countries and [online](#) during the Christmas season. For every stuffed alpaca sold, C&A Foundation donated €9 to Save the Children — a total of €647,928.

In December 2018, we also launched our 'make the world better with a sweater' campaign. Nearly 4,500 employees from 14 countries in Europe wore 'ugly' Christmas sweaters to support Save the Children. For every picture showing an employee wearing an ugly Christmas sweater, C&A Foundation donated €3 to Save The Children. In total, 4,490 employees participated, resulting in a donation of €13,470. Additional C&A Foundation donations brought the total 2018 contribution to the Children's Emergency Fund to €700,000.

Mexico

Humanitarian aid after earthquakes

Two devastating earthquakes hit Mexico in September 2017, and recovery is ongoing. Oaxaca was struck by an 8.5 earthquake and only 12 days later a second 7.1 earthquake devastated seven states in the country. Hundreds of lives were lost, many others were injured, and thousands were left homeless – including C&A colleagues, their families, and friends. Save the Children estimates that over 400,000 children interrupted their studies due to damaged schools, over 50,000 lost their homes, and over 95,000 were living in insecure conditions due to structural damage.

C&A Foundation moved quickly to support Save the Children's assistance on the ground by donating €1 million. Through the employee donation portal, another €6,000 was raised by employees and matched by C&A Foundation. C&A Mexico also joined the effort by donating 15,000 garments to the victims in Oaxaca and, through a supplying company,

25,000 more items were sent to Morelos. With the support of C&A Foundation, Save the Children put in place a 12-month plan to intervene in the affected areas, reaching 32,000 children in shelters and schools with child-friendly spaces and recovery sessions. Through these combined efforts, Save the Children reached more than 140,000 people, of which 69,829 were children, through the following efforts:

- 175 child-friendly spaces established in shelters
- 2,239 emotional support sessions provided for 24,676 children
- 34 temporary classrooms established
- 24 permanent sanitary facilities built
- 2 community restaurants built
- 24,250 kits with clothes, shoes, food and blankets delivered
- 15 homes rebuilt in Morelos
- 1 elementary school was rebuilt in Puebla
- 135 families in Tehuantepec received monthly stipend

As part of C&A's commitment to supporting communities, in 2018 C&A Mexico and its Foundation donated more than 175,187 garments with a commercial value of approximately \$15 million pesos (nearly €700,000). Donations were distributed in the communities where C&A operates. Some in-kind donations helped to fund social projects in communities and the others were delivered directly to beneficiaries.

Disaster relief after hurricanes

When Hurricane Willa struck the Pacific coast of Mexico, two communities, Nayarit and Sinaloa, suffered flooded homes, overflowing rivers, damaged highways, and other damage. C&A Mexico and its Foundation made an in-kind donation of 11,105 articles of clothing to Nayarit residents. In Sinaloa, a donation of €17,400 helped more than 1,700 direct beneficiaries and almost 6,000 indirect beneficiaries. C&A also delivered 1,000 hygiene kits to help residents deal with the lack of clean water and sanitation services. Additional training was provided to help reduce risks among the affected population.

Support during migration

In late 2018 in Tijuana, where asylum seekers began convening in large numbers on their way to the United States, children and families needed support with water, hygiene, and sanitation, among other necessities. C&A Mexico and its Foundation provided €50,000 in support. Interventions included advocacy to safeguard and guarantee the rights of minors, safe spaces for boys and girls, and 3,000 hygiene kits. The combined actions benefited approximately 2,300 children.

Humanitarian aid to strengthen communities in Brazil

In addition to working closely with Save the Children, we are engaged in other programmes that benefit the communities where C&A employees, customers, and workers live. Our Strengthening Communities programme, executed through the SOS Community

project, provided humanitarian aid in 2018 to approximately 300 Venezuelan immigrants in Boa Vista (Roraima), Brazil. This included donations of basic materials for the Centro de Atenção a Mulheres e Crianças e Pastoral do Migrante and other support. The project also benefited 200 children in northeastern Brazil through the donation of mattresses and approximately 320 people through the donation of 100 stoves to families affected by a fire that gutted more than 800 houses in Amazonas, Manaus.

Where next?

The partnership between C&A Foundation and Save the Children aims to provide €1.5 million to support children and families in dealing with disaster recovery and resilience by the end of 2019, and anticipates reaching over 1.6 million people during the year. In addition, the Children's Emergency Fund has set a goal to raise €879,000 (with the goal stated as 1 million CHF) in 2019, towards an annual target of nearly €2.2 million (2.5 million CHF) by 2021. To drive greater awareness and engagement among customers and employees, C&A's regions have designed a logo to use in stores.

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 our global suppliers' tier-1 and tier-2 factories, in accordance with our commitment to the [Transparency Pledge](#).



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 and continued development of the OAR, and 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.

[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, laundries, and embroidery

Tier 3 - Fabric mills, spinning mills, and dye houses

For more information regarding this human rights and environmental issues related to C&A's supply chain, please contact Aleix Gonzalez Busquets via email at [aleixgb\(at\)canda.com](mailto:aleixgb@canda.com) or Jeffrey Hogue at [jeffrey.hogue\(at\)canda.com](mailto:jeffrey.hogue@canda.com).



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 UNGC Communication on Progress can be found [here](#).

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			

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
102-7 Scale of the organisation	About C&A			
102-8 Information on employees and other workers	About C&A Listening to employees Equality and diversity	Principle 6	SDG 5	
102-9 Supply chain	Sustainable supply Supplier list			
102-10 Significant changes to the organisation and its supply chain	How we report			
102-11 Precautionary Principle or approach	How we report	Principle 7		
102-12 External initiatives	Leaders letter Stakeholder engagement Global frameworks			
102-13 Membership of associations	Stakeholder engagement			
Strategy				
102-14 Statement from senior decision-maker	Leaders letter			
102-15 Key impacts, risks, and opportunities	Leaders letter Our strategy Global frameworks			
Ethics and integrity				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
102-16 Values, principles, standards, and norms of behaviour	<u>Our values</u> <u>Equality and diversity</u> <u>Sustainable supply</u> <u>Safe and fair labour</u> <u>Sustainable lives</u>	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	SDG 5 SDG 8 SDG 12 SDG 13	
Governance				
102-18 Governance structure	<u>Governing sustainability</u>			
Stakeholder engagement				
102-40 List of stakeholder groups	<u>Stakeholder engagement</u> <u>External review</u>			
102-41 Collective bargaining agreements	<u>Equality and diversity</u> <u>Safe and fair labour</u>	Principle 3	SDG 8	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.
102-42 Identifying and selecting stakeholders	<u>Stakeholder engagement</u>			
102-43 Approach to stakeholder engagement	<u>Stakeholder engagement</u>			
102-44 Key topics and concerns raised	<u>Materiality</u>			
Reporting practice				
102-45 Entities included in the consolidated financial statements	<u>How we report</u>			C&A does not disclose financial statements on a global level. We publish financial statements where national regulations require this.

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
102-46 Defining report content and topic Boundaries	<u>How we report</u>			

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
102-47 List of material topics	<u>How we report</u>			<p>Material topics that drive C&A's sustainability reputation.</p> <p>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.</p> <p>Treating workers fairly - no child labour, respect diversity, support worker rights, engage employees, support communities.</p> <p>Openness and honesty - provide transparency in supply chain, make supplier list publicly available, engage with customers and employees</p> <p>Fair trade - require suppliers to pay workers fair wages, limit work hours, provide health and safety equipment and systems</p> <p>Minimising pollution - work with suppliers to minimise chemicals, set stringent supplier standards for and monitor wastewater discharge, use recycled materials.</p> <p>Products - offer affordable, fashionable, comfortable, easy-to-wash, high-quality, durable products</p>

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
102-48 Restatements of information	How we report			
102-49 Changes in reporting	How we report			Global data is provided, unless stated otherwise.
102-50 Reporting period	How we report			
102-51 Date of most recent report	How we report			
102-52 Reporting cycle	How we report			
102-53 Contact point for questions regarding the report	Contact us			
102-54 Claims of reporting in accordance with the GRI Standards	How we report			
102-55 GRI content index	This document			
102-56 External assurance	How we report External review			This report is not externally assured, but independently reviewed by Sally Uren, Forum for the Future.
Universal Standards: Management Approach				
General requirements for reporting the management approach				
103-1 Explanation of the material topic and its Boundary	How we report			
Topic-specific Standards: Environmental				
Material Topic: Anti-Corruption				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	<u>Our values</u> <u>Sustainable supply</u> <u>Equality and diversity</u>	Principle 10		
205-1 Operations assessed for risks related to corruption	<u>Sustainable Supply</u>			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.
205-2 Communication and training about anti-corruption policies and procedures	<u>Sustainable Supply</u>			
205-3 Confirmed incidents of corruption and actions taken				There were no incidents of corruption during this reporting period.
Material Topic: Anti-Competitive Behaviour				
103-2 The management approach and its components	<u>Our values</u> <u>Sustainable supply</u> <u>Equality and diversity</u>			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/a			No legal actions have been taken regarding anti-competitive, anti-trust or monopoly behaviour.
Topic-specific Standards: Environmental				
Material Topic: Materials				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components		Principle 8 Principle 9	SDG 6 SDG 12 SDG 13	
301-1 Materials used by weight or volume	<u>Sustainable Materials</u>			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 57% of the materials we buy and use at C&A, and man-made fibres account for more than 40%. In 2018, we were once again the largest buyer of organic cotton in the world.
301-2 Recycled input materials used	<u>Product innovation</u>			C&A Europe introduced its first recycled nylon products in early 2018. Since then, C&A has provided lingerie certified to the Global Recycled Standard and denim containing recycled cotton.
301-3 Reclaimed products and their packaging materials	<u>Product innovation</u> <u>Circular fashion</u> <u>Enabling customers</u>			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, reaching nine countries as of 2019.
Material Topic: Energy				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	<u>Clean environment</u> <u>Climate change</u> <u>How we report</u>	Principle 7 Principle 8 Principle 9	SDG 6 SDG 12 SDG 13	
302-1 Energy consumption within the organisation	<u>Climate change</u>			
302-2 Energy consumption outside of the organisation	<u>Climate change</u>			
302-3 Energy intensity	<u>Climate change</u>			
302-4 Reduction of energy consumption	<u>Climate change</u>			
302-5 Reduction in energy requirements of products and services	<u>More sustainable cotton</u> <u>Climate change</u>			
Material Topic: Emissions				
103-2 The management approach and its components	<u>Clean environment</u> <u>Climate change</u>	Principle 7 Principle 8 Principle 9	SDG 6 SDG 12 SDG 13	
305-1 Direct (Scope 1) GHG emissions	<u>Climate change</u>			
305-2 Energy indirect (Scope 2) GHG emissions	<u>Climate change</u>			
305-3 Other indirect (Scope 3) GHG emissions	<u>Climate change</u>			
305-4 GHG emissions intensity	<u>Climate change</u>			

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
305-5 Reduction of GHG emissions	<u>Climate change</u>			
Material Topic: Effluents and Waste				
103-2 The management approach and its components	<u>Clean environment</u> <u>Chemicals</u> <u>Waste</u> <u>Circular fashion</u>	Principle 7 Principle 8 Principle 9	SDG 6 SDG 12 SDG 13	
306-1 Water discharge by quality and destination	<u>Chemicals</u>			
306-2 Waste by type and disposal method	<u>Waste</u>			
306-3 Significant spills				There were no significant spills during this reporting period.
Material Topic: Compliance				
103-2 The management approach and its components	<u>Clean environment</u>			
307-1 Non-compliance with environmental laws and regulations				There were no cases of non-compliance brought in any markets.
Material Topic: Supplier Environmental Assessment				
103-2 The management approach and its components	<u>Sustainable supply</u> <u>Clean environment</u> <u>Chemicals</u>			
308-1 New suppliers that were screened using environmental criteria	<u>Sustainable Supply</u>			

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
308-2 Negative environmental impacts in the supply chain and actions taken	<u>Chemicals</u> <u>Climate change</u> <u>Water</u>			
Topic-specific Standards: Social				
Material Topic: Employment				
103-2 The management approach and its components	<u>Engaging employees</u> <u>Listening to employees</u> <u>Equality and diversity</u>	Principal 6	SDG 5 SDG 8	
401-1 New employee hires and employee turnover				In this reporting period, C&A hired 19,342 new employees. - Gender profile: 71% female and 29% male. - Age profile: 82% under 30 years old; 16% between 30 and 50 years old; 2% over 50 years old. In the same period, employee turnover was 24,034. - Gender profile: 71% female and 29% male. - Age profile: 74% under 30 years old; 19% between 30 and 50 years old; 7% over 50 years old.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				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.

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
401-3 Parental leave				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.
Material Topic: Labour/Management Relations				
103-2 The management approach and its components	<u>Engaging employees</u> <u>Safe and fair labour</u>	Principle 6	SDG 8	
402-1 Minimum notice periods regarding operational changes				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.
Material Topic: Training and Education				
103-2 The management approach and its components	<u>Learning and development</u>		SDG 8	
404-1 Average hours of training per year per employee				Total average hours of training in this reporting period was 4.8 hours per employee, up from 3.1 hours per employee during the 2017 reporting period. Gender profile: 4.8 hours per female employee and 4.9 hours per male employee.

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
404-2 Programs for upgrading employee skills and transition assistance programs	<u>Learning and development</u>			
404-3 Percentage of employees receiving regular performance and career development reviews				In this reporting period, 51.4% of employees received regular performance reviews, up from 46.8% during the 2017 reporting period. Gender profile: 48% of female employees and 63.9% of male employees received regular performance reviews.
Material Topic: Diversity and Equal Opportunity				
103-2 The management approach and its components	<u>Our values</u> <u>Equality and diversity</u> <u>Global frameworks</u>	Principle 6	SDG 5	
405-1 Diversity of governance bodies and employees				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.
405-2 Ratio of basic salary and remuneration of women to men				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.
Material Topic: Non-discrimination				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	<u>Our values</u> <u>Sustainable supply</u> <u>Equality and diversity</u>	Principle 6	SDG 5	
406-1 Incidents of discrimination and corrective actions taken	<u>Safe and fair labour</u> <u>Protecting the most vulnerable</u>			
Material Topic: Freedom of Association and Collective Bargaining				
103-2 The management approach and its components	<u>Sustainable supply</u> <u>Safe and fair labour</u> <u>Sustainable supply</u> <u>Safe and fair labour</u> <u>Supplier and worker engagement</u>	Principle 3	SDG 8	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk				
Material Topic: Child Labour				
103-2 The management approach and its components	<u>Sustainable supply</u> <u>Protecting the most vulnerable</u>	Principle 5	SDG 8	
408-1 Operations and suppliers at significant risk for incidents of child labour	<u>Protecting the most vulnerable</u>			
Material Topic: Forced or Compulsory Labour				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	<u>Sustainable supply</u> <u>Protecting the most vulnerable</u>	Principle 4	SDG 8	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	<u>Protecting the most vulnerable</u> <u>Supplier and worker engagement</u>			
Material Topic: Human Rights Assessment				
103-2 The management approach and its components	<u>Sustainable supply</u>	Principle 1 Principle 2	SDG 5 SDG 8	
412-1 Operations that have been subject to human rights reviews or impact assessments	<u>Sustainable supply</u>	Principle 1 Principle 2	SDG 8	
412-2 Employee training on human rights policies or procedures	<u>Protecting the most vulnerable</u> <u>Engaging employees</u>			We support supplier training on human rights to make sure C&A suppliers understand the requirements for acceptable work ages and hours, overtime, communication with workers, safety, and other workplace concerns. As well, C&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.

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<u>Sustainable supply</u>			
Material Topic: Local Communities				
103-2 The management approach and its components	<u>Sustainable lives</u> <u>Strengthening communities</u> <u>Giving back and volunteering</u> <u>Disaster relief</u>			
413-1 Operations with local community engagement, impact assessments, and development programs	<u>Strengthening communities</u> <u>Giving back and volunteering</u> <u>Disaster relief</u>			
413-2 Operations with significant actual and potential negative impacts on local communities	<u>More sustainable cotton</u> <u>Polyester</u> <u>Chemicals</u> <u>Climate change</u> <u>Water</u>			
Material Topic: Supplier Social Assessment				
103-2 The management approach and its components	<u>Sustainable supply</u> <u>Safe and fair labour</u> <u>Supplier and worker engagement</u> <u>Protecting the most vulnerable</u>	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	SDG 5, 8	
414-1 New suppliers that were screened using social criteria	<u>Sustainable supply</u>			

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
414-2 Negative social impacts in the supply chain and actions taken	<u>Sustainable supply</u> <u>Safe and fair labour</u> <u>Supplier and worker engagement</u> <u>Protecting the most vulnerable</u>			
Material Topic: Public Policy				
103-2 The management approach and its components	<u>Our values</u> <u>Stakeholder engagement</u>			
415-1 Political contributions		Principle 10		No financial or in-kind political contributions were made directly or indirectly.
Material Topic: Customer Health & Safety				
103-2 The management approach and its components	<u>Product quality and safety</u>		SDG 12	
416-1 Assessment of the health and safety impacts of product and service categories	<u>Product quality and safety</u>			Approximately 95% of our products are assessed for health and safety impacts globally (100% in Europe).
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<u>Product quality and safety</u>			C&A had no product recalls across our retail markets in 2018.
Material Topic: Marketing and Labelling				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	<u>Product quality and safety</u> <u>Certified organic cotton</u> <u>Responsible down</u> <u>A circular fashion first</u>			
417-1 Requirements for product and service information and labelling	<u>Product quality and safety</u> <u>Certified organic cotton</u> <u>Responsible down</u> <u>A circular fashion first</u>			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.
417-2 Incidents of non-compliance concerning product and service information and labelling				There were no incidents of non-compliance during this reporting period.
417-3 Incidents of non-compliance concerning marketing communications				There were no incidents of non-compliance in the reporting period.
Material Topic: Customer Privacy				
103-2 The management approach and its components	<u>Enabling customers</u>			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				No incidents were reported during this reporting period.
Material Topic: Socioeconomic Compliance				

Disclosure	Location	UN Global Compact Principles	SDG	Comments
Universal Standards: GRI 102 General Disclosures				
Organisational Profile				
103-2 The management approach and its components	Sustainable supply Clean environment Safe and fair labour Product quality and safety			
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.

¹ 2018 Globescan 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.

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Based on the subject of your question, your country of residence and your language, your e-mail request will be forwarded to our specialists.