



C&A

Code of Conduct

for the Supply of Merchandise





Introduction

C&A's business model is to provide high quality fashion products at affordable prices.

We are committed to doing so in a sustainable way, with respect for people and the environment, while adhering to high standards of business integrity. We strongly believe that this is the only way that C&A and its suppliers can continue to be successful in the long term.

The Code of Conduct for the Supply of Merchandise ('the Code of Conduct') describes what C&A expects from suppliers regarding legal compliance, labour practices, environmental performance, and anti-corruption. Expectations related to other matters, such as quality standards, product

standards, and delivery instructions, are addressed in other policies and guidelines.

The requirements in the Code of Conduct are explained further in the Supporting Guidelines to the Code of Conduct. The requirements apply to all suppliers who produce merchandise for C&A¹. It is important to note that the provisions in the Code of Conduct constitute minimum, not maximum standards.

C&A expects suppliers to aim for continuous improvement of working conditions and environmental performance.

1. Including production units, subsidiaries, affiliates, and agents. The requirements apply not only to production for C&A, but also to production for any other third party.



Requirements

C&A adheres to the ten principles of the UN Global Compact.

C&A expects suppliers to conduct their operations in a responsible manner, and make every effort to protect people and the environment.

The table below provides a summary of the requirements in the Code of Conduct.

Summary of Requirements

1. Legal Compliance

- Compliance with national & other applicable law at all times
 - Respect for intellectual property rights
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2. Labour

- No child labour
 - No discrimination in employment
 - No forced labour
 - Respect for freedom of association and collective bargaining
 - No harsh or inhumane treatment
 - A safe and hygienic work environment
 - Special consideration for vulnerable groups
 - Regular employment
 - Living wages, paid on time
 - No excessive working hours
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3. Environment

- Compliance with legal requirements
 - Management of environmental performance
 - Improvement of energy and water efficiency
 - Reduction of waste and emissions into the environment
 - Reduction of hazardous chemicals in the supply chain
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4. Anti-Corruption

- No bribery and corruption
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1. Legal Compliance

- Where the provisions of law and the Code of Conduct address the same subject, suppliers must apply that provision which affords the greater protection of workers or the environment.
- Suppliers must comply with national and other applicable law at all times.
- Suppliers must ensure that intellectual property rights are respected, and that unlawful copies are neither offered, nor produced.

2. Labour

The requirements in this section are based on standards of the International Labour Organisation, the Global Social Compliance Programme, and the Ethical Trade Initiative Base Code.

C&A respects human rights, and seeks to avoid complicity in human rights abuses. C&A expects suppliers to respect the human rights of workers, and to adhere to the requirements in this section.

2.1. Child Labour

- Workers must be at least 16 years of age, or older if required by local law, including regulations for compulsory education.
- Workers performing hazardous work or working during the night must be at least 18 years of age.

2.2. Discrimination

- Suppliers must not engage in, support or tolerate discrimination in employment².
- The sole basis for differentiating between worker must be the ability and willingness to do the job, rather than personal characteristics³.

2.3. Forced Labour

- Workers must do their work on a voluntary basis, which means that all forms of forced labour, including bonded, indentured, and prison labour, are prohibited.
- Suppliers must not infringe upon the free choice of employment by requiring deposits, retaining identity documents, or withholding wages.
- Suppliers must allow workers to terminate their employment contract after reasonable notice.

2. Including recruitment, hiring, training, working conditions, job assignments, compensation, promotions, discipline, termination and retirement.

3. Such personal characteristics include, but are not limited to: gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including trade unions, political affiliation, and sexual orientation.



2.4. Freedom of Association

- Suppliers must 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.
- Suppliers must give worker representatives access to the workplace in order to carry out their representative functions.
- Where the right to freedom of association and collective bargaining is restricted by law, suppliers must facilitate, and not hinder, workers to establish alternative forms of workers representation and negotiation.
- Suppliers must implement effective grievance mechanisms to resolve internal industrial disputes and employee complaints.

2.5. Harsh & Inhumane Treatment

- Suppliers must treat workers with dignity and respect, and not engage in or tolerate bullying, harassment⁴, intimidation, violence, corporal punishment or abuse of any kind⁵.
- Suppliers must establish written disciplinary procedures, explain them in clear terms to their workers, and keep a record of all disciplinary actions.
- Suppliers must make sure that disciplinary measures are proportionate, and do not include physical or mental punishment.

2.6. Health & Safety

- Suppliers must provide a safe and hygienic place to work, with sufficient light, heating, and ventilation.
- Suppliers must take precautions to prevent accidents and injury to health from occurring in the course of work, by ensuring safe handling and storage of chemicals, the safety of machinery and equipment, electrical safety, the safety, strength and stability of buildings, including residential facilities where provided, and by providing adequate safeguards against fire.
- Suppliers must provide workers with regular health & safety training, including fire safety training, training in waste management and handling of chemicals and other dangerous materials.
- Suppliers must provide access to clean toilet facilities, to potable water, and, if applicable, to sanitary facilities for food preparation and storage.
- Where provided, dormitories must be clean, safe, and meet the basic needs of workers.

2.7. Protecting the Vulnerable

- Suppliers must give special consideration to the rights of those most vulnerable to abusive labour practices, such as women, home workers, agency workers, temporary workers, and migrant workers.
- Suppliers who employ home workers must adhere to the C&A Guidelines for the Use of Home Workers, which are included in the Supporting Guidelines to the Code of Conduct.

4. Including sexual harassment.

5. Including physical, psychological, and verbal abuse.



2.8. Regular Employment

- Suppliers must engage with workers on the basis of a recognised employment relationship established through national law and practice.
- Suppliers must not try to avoid the legal obligations arising from such a relationship⁶.

2.9. Wages

- Suppliers must compensate workers by paying wages, overtime pay, benefits and paid leave which meet or exceed legal minimum and/or industry benchmark standards, whichever is higher.
- Suppliers must compensate workers for all overtime at a premium rate, not less than 125% of the regular rate of pay, or higher if required by law.
- Wages and compensation⁷ must be paid regularly and on time, and be sufficient to meet basic needs and provide some discretionary income for workers and their families.
- Suppliers must not make any deductions from wages which are not provided for by national law, or as a disciplinary measure.
- Suppliers must provide workers with written and understandable information about employment conditions, including wages, before the start of employment, and about the details of their wages each time they are paid.

2.10. Working Hours

- 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 excluding 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 may not exceed 60 hours in any seven day period, except in truly exceptional, unforeseeable circumstances⁸.
- Suppliers must allow workers to take breaks, to have at least one day off in every seven day period⁹, and to take statutory holidays.

6. For example, through improperly applied apprenticeship schemes or excessive use of fixed-term contracts.

7. For standard working hours, i.e. without overtime.

8. And only if all of the following conditions are met: 1) allowed by national law, 2) allowed by a collective agreement, and 3) safe guards are taken to protect workers' health and safety.

9. Or two days off in every 14 day period, where allowed by national law.



3. Environment

C&A believes that good environmental performance is a prerequisite for future success as an industry. Therefore, over time, C&A expects suppliers to go beyond compliance and manage environmental performance proactively. Where needed, C&A will work closely with suppliers to help them to achieve adherence.

3.1. Legal Compliance

- Suppliers must comply with all relevant local and national environmental protection laws and regulations, and aim to meet international environmental protection standards.
- Suppliers must obtain all necessary environmental permits, and keep them up-to-date.

3.2. Environmental Performance Management

- Suppliers must have an environmental management system¹⁰ in place, and assign responsibility for environmental performance to a senior management representative.
- Suppliers must measure energy & water use, emissions & discharges into the environment, and disposal of wastes, and disclose this information to C&A, upon request.
- Suppliers must integrate environmental impact into business decisions, take a progressive approach towards improving environmental performance, and require the same from their suppliers and subcontractors.

3.3. Resource Use & Climate Change

- Suppliers must take measures to continuously improve energy efficiency in buildings, transport & production, and make reasonable efforts to use renewable or less carbon intensive energy sources.
- Suppliers with wet processes must take measures to continuously improve water efficiency.
- Suppliers must make reasonable efforts to ensure that their purchasing decisions do not contribute to deforestation, cruel treatment of animals, or adverse impacts on vulnerable ecosystems or endangered species¹¹.

10. An environmental management system is a set of written policies, planning tools, and procedures to measure, manage, and report on environmental performance.

11. As defined by CITES and the IUCN red list.



3.4. Waste & Emissions

- Suppliers must take measures to reduce waste through design and operational efficiency, and facilitate reuse & recycling where possible.
- Suppliers must take measures to minimise noise pollution and emissions to air, soil, and groundwater.
- Suppliers must treat wastewater properly prior to discharge, test the wastewater as required to meet all national and local water discharge compliance standards, and share wastewater quality data with stakeholders, upon request from C&A.

3.5. Hazardous Chemicals

- Suppliers must work with C&A and their own suppliers towards the elimination of hazardous substances from the supply chain.

4. Anti-Corruption

C&A expects suppliers to adhere to high ethical standards in business practices.

- Suppliers must comply with all applicable anti-bribery and corruption laws.
 - Suppliers must not offer, pay, solicit or accept bribes, including facilitation payments.
 - Suppliers must have an anti-corruption policy and procedures in place, and review them regularly to ensure that they are operating effectively.
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Ensuring Adherence to the Code of Conduct

C&A recognises that it can be challenging to achieve full compliance with the requirements of the Code of Conduct, but believes that this is critical for the future commercial success of both C&A and its suppliers.

Adhering to the Code of Conduct is no less important than meeting our quality standards or delivery terms.

C&A will make serious efforts to work with suppliers who are open, honest, and committed to continuous improvement, and will support them to achieve the requirements.

1. Managing Performance

- Suppliers must have an effective management system to proactively manage adherence to the Code of Conduct, and assign responsibility for compliance to a senior management representative.
 - Suppliers must make workers aware of the requirements of the Code of Conduct, and train its managers and supervisors on how to achieve them.
 - Suppliers must conduct internal assessments on a regular basis.
 - Suppliers are responsible for ensuring compliance with the Code of Conduct by subcontractors.
 - Suppliers must obtain approval from C&A for all production units, whether owned or subcontracted, prior to the start of production. The use of any unauthorised production unit is strictly prohibited.
 - Suppliers may not subcontract any part of the production process without prior written consent from C&A, and only after a) the subcontractor has agreed to comply with the Code of Conduct, and b) the subcontractor has passed an audit.
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2. Monitoring & Transparency

- Suppliers must allow C&A and/or its representatives to perform assessments, whether announced or unannounced.
- Suppliers must be cooperative and transparent during an assessment, and provide unrestricted access to workers, records, work areas, and to dormitories, if applicable.
- Suppliers must allow worker interviews to take place in a private setting, and must not coach workers on how to respond to questions.
- Suppliers must maintain complete and accurate records¹² so that compliance can be effectively assessed, and not manipulate information or misrepresent any aspects of its operations.
- Suppliers must allow C&A to disclose names and locations of suppliers and production units, as well as information on their performance under the Code of Conduct, to third parties.
- Suppliers must provide assistance to C&A and/or its representatives to perform audits at their own suppliers and subcontractors, upon the request of C&A.

3. Sanctions

- C&A has a confidential whistleblowing system in place called the Fairness Channel, through which all stakeholders, including suppliers, factory workers, and C&A employees, can report unethical behaviour and violations of the Code of Conduct to top management of C&A.
- In case of violations of the Code of Conduct, C&A will ask the supplier to develop an improvement plan, with C&A's support if necessary, and implement it within a certain time frame, which may vary depending on the nature of the violation.
- In case of egregious violations, including, but not limited to child labour, forced or prison labour, bribery, fraud, use of counterfeit components, and use of unauthorised production units, and/or in case of continued failure to implement the agreed improvement plans, C&A reserves the right to terminate the business relationship with the supplier, including cancellation of outstanding orders.
- C&A will hold suppliers liable for any damages and expenses incurred by C&A, including loss of revenues and/or profits, which may result from violations of the Code of Conduct by suppliers, including their subcontractor(s).

C&A wants to build long term relationships with suppliers who are genuinely committed to working together towards better labour conditions and environmental performance, and will help them to overcome the difficulties they may face.

For further clarification and guidance for implementation of the Code of Conduct, please refer to the Supporting Guidelines to the Code of Conduct, which will be updated regularly.

12. For example, working-hour records and payroll documents.

