



2020/21 Social Stewardship Programme Summary

Contents

OECD Due Diligence Risk Analysis	2
Risk analysis for Forced labour	2
Risk analysis for Freedom of Association (FoA) and Collective Bargaining	3
2028 Global Sustainability Strategy – Worker Wellbeing	6
Targets and measures deriving from the OECD risk analysis	6
Progress reporting	7
Updates on C&A’s Social Stewardship program	8
Cease, prevent, mitigate, remedy labour and human rights risks & violations	8
Monitoring & assessment	8
Remediation.....	9
Publicly disclosing our supply chain.....	10
Capability building and Industry collaboration	12
Gender-based labour violence & harassment (GBVH)	12
Trade unions & independent worker committees.....	13
Living conditions & dormitories – Hostel Guideline for India.....	13
Living wages and C&A’s ACT commitment.....	14
Annual & measurable progress	14
Annual supplier feedback.....	14
Next steps	15
Grievance and whistleblowing mechanism	16
How workers are informed of the whistleblowing or grievance mechanism	16
Further development of our grievance mechanism	16
Number of reported violations or grievances filed, addressed, and resolved	17

Disclaimer: This summary provides an overview of key activities in C&A’s globally shared supply chain.



OECD Due Diligence Risk Analysis

In 2021, C&A went through its first OECD due diligence risk assessment process. Please refer to our website for details about our approach, the process and the consultation with external stakeholders.

[[Link](#): Choose “Worker Wellbeing” and section “Addressing OECD sector risks”]

We have worked with the German Partnership on Sustainable Textiles’ (PST) TexPerT tool to outline the details of our Risk Assessment. Please refer to the following link and choose “Roadmap”:
[[Link](#)]

Risk analysis for Forced labour

The risks identified during the OECD due diligence risk assessment regarding forced labour are as follows:

The gross risk analysis classifies 9 of C&A’s top 10 sourcing countries as a high or medium-high risk for forced labour, yet actual cases in C&A’s direct supply chain are extremely rare. Whilst no severe cases of actual forced labour were identified, C&A detected very few contractual/procedural incidents such as unreasonable restrictions or fees, particularly related to migrant labour.

The gross risk coming from T-REXS (PST’s risk tool) identifies the following of C&A’s sourcing countries as high risk for forced labour: Bangladesh, China, Pakistan, India, Myanmar, Indonesia, Vietnam, Cambodia (medium high risk)

Actual risk as per C&A data: Pakistan, Myanmar, Turkey, Thailand, Poland

As the low number of forced labour cases in C&A’s direct supply chain indicates, C&A has a robust set of mitigation processes in place. These are effectively preventing forced labour in C&A’s direct supply chain with regular assessments, but also ensure full remediation where required. Although C&A’s mitigation processes are well aligned with current industry standards, severe cases of forced labour, particularly also in unofficial parts of the supply chain are sensitive and difficult to capture.

- C&A’s Code of Conduct includes a clear prohibition of forced labour of any kind
- C&A has a specific forced labour policy detailing requirements and potential sanctions, signed by all C&A suppliers, and referencing the OECD Guidance
- C&A has a specific migrant labour guideline for supply chain partners
- C&A does not accept production from countries/regions with a high risk of state orchestrated forced labour
- Adherence to C&A’s requirements is checked through regular unannounced assessments – potential risks determine frequency of visits
- Local Sustainable Supply Chain (SSC) teams are regularly trained on factory visit interview skills for sensitive topics; worker interviews are a key SSC tool
- Forced labour is classified as a Zero Tolerance and followed up with strict sanctions

The most serious risk within this module is actual forced labour followed by unreasonable restrictions and contractual/procedural issues related to migrant workers. C&A did only capture few actual occurrences related to the less-severe types of forced labour as it is challenging to capture all forced labour risks. Supply chain priority should be across 1) geographies and 2) tiers as C&A’s country risk indicates all of C&A’s top sourcing countries at risk.



Following the logic of severity and likelihood, the focus must be on measures that continuously improve skills and knowledge how to capture sensitive issues around forced labour. It is further important to revise audit and non-audit tools such as complaints mechanisms to make accessible and capture this sensitive topic. Additionally, forced and migrant labour policies and procedures need close connection as cases detected were interlinked.

Prioritization of the most severe risks:

Measures need to focus on: All tiers and processing steps

Priority countries: Pakistan, Turkey

Target

Improve local teams' ability to detect sensitive topics (with focus on sexual harassment/ gender-based violence, forced labour) during worker interviews

Scope: Bangladesh, India, Pakistan, Turkey

Timeline: Dec 2022

(Please note that the targeted training includes two additional countries, Bangladesh and India. As the training includes several topics, not only forced labour, and Bangladesh and India are prioritised countries for the discrimination/ sexual harassment sector risk)

Measures

Training of complete local teams in Bangladesh, India, Pakistan with the help of an external service providers specialised in investigative assessments (measure: training certificate & final assessment report for each team member)

Refreshment training in Turkey (as team already received training in 2019)

Scope: Bangladesh, India, Pakistan, Turkey

Timeline: Dec 2022

Note: the training extends over a period of one year and includes a baseline assessment, classroom training and final assessment

Risk analysis for Freedom of Association (FoA) and Collective Bargaining

The risks identified during the OECD due diligence risk assessment regarding Freedom of Association and Collective Bargaining are as follows:

The gross risk analysis classifies 8 of C&A's top 10 sourcing countries as a high or medium-high risk for issues related to Freedom of Association (FoA) or Collective Bargaining based on the country specific conditions in terms of legal situation, role of trade unions and the ability of workers to raise their voice collectively.

The gross risk coming from T-REXS identifies the following of C&A's sourcing countries as high and medium risk for Freedom of Association (FoA) or Collective Bargaining: Bangladesh, China, India, Turkey, Cambodia, Indonesia, Vietnam, Pakistan (medium risk), Myanmar (not initially in T-REX, added after the review meeting with PST)

Actual risk per C&A data: Bangladesh, Pakistan, India, Myanmar, Turkey, Cambodia



These are the countries with the highest number of workers working in C&A factories out of the gross risk list. Additionally, these countries reflect the actual cases detected through C&A audits and other channels.

C&A's internal mitigation process aims at identifying and moderating FoA issues with its own experienced staff. For example in 2019, all FoA cases detected in C&A's supply chain were resolved to the mutual satisfaction of workers, management and labor unions. On the other hand, root causes of FoA issues need to be tackled collaboratively via multi-stakeholder initiatives. C&A is actively engaged in the industry-wide Action, Collaboration, Transformation (ACT) initiative which focuses on developing country-specific FoA guidelines and dispute resolution mechanisms – as well as on improving purchasing practices.

- C&A Code of Conduct includes requirements for Freedom of Association based on ILO guidelines and ETI Base Code
- Adherence to C&A's requirements is checked through regular unannounced assessments
- Local SSC teams are regularly trained on factory visit interview skills for sensitive topics; worker interviews are a key SSC tool
- All FoA cases in C&A supply chain are investigated and monitored through C&A local staff, if necessary, with support from external experts
- C&A is a signatory of ACT and engages in regular contact with IndustriALL
- C&A has supported the set-up of ACT's FoA Guidelines and Dispute Resolution Mechanism in Myanmar & Bangladesh and is now implementing both
- C&A is a member of Better Work since May 2020
- C&A runs a Workplace Dialogue Program in Myanmar in collaboration with SMART Myanmar

The most serious risk within this module is that workers cannot advocate for their own rights by being adequately represented, bargain collectively or defend their interest. Workers might be hindered, threatened, discriminated or the employer interferes with electing worker representatives – or workers might not even be aware about their rights at all. All these risks occur occasionally in C&A's supply chain and hence, mitigation processes do not cover them adequately, yet. Supply chain priority should be 1) all tiers, 2) across geographies, but with focus on Myanmar, Bangladesh, Turkey, and Cambodia identified as hot spot countries.

Following the logic of severity and likelihood, C&A will continue its path of having a skilled and experienced team to identify and moderate FoA risks and support workplace dialogue. Engagement in multi-stakeholder initiatives such as ACT to tackle root causes will be even more important as well as working on systemic enablers as purchasing practices.

Prioritization of the most severe risks:

Measures need to focus on: Myanmar, Bangladesh, Cambodia, Pakistan, Turkey

Supply chain tier scope: Tier 1 and part of Tier 2 (washing, embroidery, printing)

We excluded India due to our limited leverage & business presence.

Targets

Implement C&A's Workplace Dialogue Framework in all C&A sourcing countries which are in Better Work scope and in Turkey



Scope: Bangladesh, Cambodia, Pakistan, Turkey

Timeline: 2023

(Turkey is not a Better Work country, but we are still rolling out the Workplace Dialogue Framework associated with Better Work)

Measures

Measure 1

Register all factories in Better Work scope in Bangladesh, Cambodia and Pakistan with Better Work

Scope: Bangladesh, Cambodia, Pakistan

Timeline: 2023

Measure 2

Decide on a service provider for Workplace Dialogue in Turkey

Scope: Turkey

Timeline: 2023



2028 Global Sustainability Strategy – Worker Wellbeing

Learn about C&A’s 2028 Global Sustainability Strategy [here](#).

The strategy includes a set of 13 ambitious goals that are translated into specific targets and activities for each of C&A’s global retail markets until 2028. Essential to the strategy is the goal to continually improve the wellbeing of workers and workers’ rights in C&A’s supply chain, hereafter referred to as Worker Wellbeing goal. All activities of the goal are related to C&A’s Sustainable Supply Chain (SSC) program and a dedicated SSC team of around 60 people across all main sourcing countries.

Read more about this goal and our social stewardship approach here: [\[Link: Choose “Worker Wellbeing”\]](#)

C&A believes that engaging locally is the most effective way to promote sustainable behaviour across all retail markets. That is why the global strategy guides the ‘why’ and ‘what’ through C&A’s global sustainability framework, with C&A retail markets delivering the ‘how’ locally. Future activities and programs for worker wellbeing in C&A Europe will include:

C&A Worker Wellbeing Goal – Activities & Programs	
1	Fully align C&A’s worker well-being program with OECD Due Diligence Guidance for responsible supply chains in the garment and footwear sector
2	Industry Convergence: Substitute C&A brand audit with SLCP by end of 2022 and re-deploy resources for supplier development
3	Re-think C&A Supplier Ownership Program (SOP) with focus on simplicity and worker participation, and drive supplier participation
4	Scale C&As Workplace Dialogue (WPD) Framework, including our commitment to Better Work
5	Support development and scaling of worker grievance structures in our supply chain
6	Define & scale C&A’s Gender Equity Framework
7	Actively support multi-stakeholder initiatives for better purchasing practices , including a fair income for workers
8	Actively advocate and support the advancement of social security systems in relevant sourcing countries
9	Continue increasing the number of suppliers that share C&A’s mindset of continuous improvement and worker well-being

Targets and measures deriving from the OECD risk analysis

By analysing each OECD sector risk in depth, we have been concluding further targets and measure how to grow our Sustainable Supply Chain program further. Targets and measures per each sector risk can be found on PST’s TexPerT tool. Please refer to the following link and choose “Roadmap”: [\[Link\]](#)



To learn more about C&A's OECD risk analysis, please refer to the chapter at the top of this document and our website: [\[Link: Choose "Worker Wellbeing" and section "Addressing OECD sector risks"\]](#)

Progress reporting

With our membership commitment towards the German PST, we have been publicly measuring SMART targets for social and human rights related as well as environmental topics. The current "Progress Report" can be found here [\[Link\]](#)

The OECD risk assessment targets and measures as well as the ones deriving from the 2028 Global Sustainability Strategy match in many aspects. After launching the implementation of both roadmaps in March 2022, progress reports with KPIs and targets will follow in due course.

This is how C&A is planning to measure progress towards achieving the worker wellbeing goal:

Goal	2028 TARGET	KPI
Continually improve the wellbeing of workers and workers' rights in our supply chain	75% of workers in C&A supply chain participate in a successful worker wellbeing programme*	% of workers in C&A supply chain covered by a successful worker wellbeing programme*

* Successful completion of a program is defined by a set of KPIs for each program, only if a factory reaches all mandatory program KPIs, its number of workers will be included in the KPI count



Updates on C&A's Social Stewardship program

The Social Stewardship program focusses on improving the wellbeing of workers and workers' rights in our supply chain. Since the 1990s, C&A is proud of having an own dedicated team – the Sustainable Supply Chain (SSC) team – across all sourcing countries which monitors and improves the social and human rights conditions in our supply chain. The basic values and standards are outlined in C&A's [Code of Conduct for the Supply of Merchandise](#). Production Units (PUs) are being assessed and monitored by SSC. Based on the issues identified, the main purpose of SSC's work is to facilitate and support development of factories and suppliers towards decent work and human rights – by supporting remediation, providing training and capability building and working in collaboration with the industry for joint efforts.

Cease, prevent, mitigate, remedy labour and human rights risks & violations

Evidence & outcome of steps taken to cease, prevent, mitigate and remedy human rights risks, impacts and violations identified

The SSC program is designed to address labour and human rights risks and violations in C&A's supply chain. By understanding the three main pillars of our SSC program and our way of working, you will understand how we cease, prevent, mitigate and remedy risks and violations – and what is still to be done. Read more on our Monitoring and Assessment approach [[Link: Choose "Worker Wellbeing"](#)] and some updates below. This approach applies to 100% of our CMT factories and most of the processing [supply chain](#). Once violations are identified, our SSC Developer team focusses on remediation – see below detailed chapter – by supporting with identifying root cause, providing training in order to overcome the issues in a sustainable manner. The third pillar of our SSC program are Capability building and Industry collaboration for growing ownership regarding labour and human rights within our supply chain. Please read here about our Supplier Ownership Programme (SOP) [[Link: Choose "Worker Wellbeing"](#)], why we have missed our 2020 target and how we will move forward with the SOP in our 2028 Sustainability Strategy [[Link and choose "Progress Report"](#)]. Read more in below chapter on Capability building and Industry collaboration on gender-based violence and harassment (GBVH), updates on our workplace dialogue approach as well as how we address the subject around hostels in India.

A structured overview on all existing mitigation processes per each sector risk is referred in PST's TexPerT tool: [[Link and choose "Roadmap"](#)]. Detailed for each sector risk you will find a list of the mitigation process in bullets under "What risk has the company identified in their supply chain?". Further below, net risks and priorities as well as SMART targets and measure are outlined. That way, the TexPerT report provides a structured and detailed overview of where C&A stands in terms of addressing labour and human rights risks – and what needs to be done.

The iterative process around the OECD risk assessment is designed to adjusting the SSC program constantly, in order to make sure, we have the right tools and team in place for further fostering labour and human rights in our global supply chain. Read more about this process at the top of this document.

Monitoring & assessment

This section shares some updates on the SSC program in terms of how we assess and monitor factories. For the general outline, please refer to our website: [[Link: Choose "Worker Wellbeing"](#)]



Assessments include union representatives

In all our audits we incorporate an individual interview with the union representative at factory level. Therefore, in case the factory has a freely elected union representative our team will be able to incorporate the view of the union representative in the audit result. SLCP defines as well in their Verification Protocol that worker representatives shall be interviewed if applicable.

Recruitment fees

C&A's approach on recruitment fees is clarified in our [Migrant Labour Guidelines](#) for suppliers. C&A aligns with the Employer Pays Principle and requires suppliers to compensate all associated costs for the employment of migrant workers, including but not limited to employment fee, renewal fee, travel, and any other associated costs. Suppliers must have control measures in place to ensure that no such fees or deposits are imposed on the migrant workers. Suppliers are not allowed to request a deposit pay for the employment or charge back any cost of employment to the workers.

As part of our regular supply chain monitoring, C&A has detected very few contractual/procedural incidents such as unreasonable restrictions or fees, particularly related to migrant labour.

Remediation

Remediation for identified non-compliances

Since early 2020, C&A has diversified its monitoring and assessment tools – and committed to replace its own SSC audit by SLCP's tool by end of 2022. All different tools currently used – SSC audit, SLCP assessments, BW assessments – are resulting in the same A-E rating for factories as we have been through in-depth equivalence processes against our Code of Conduct. Each rating A-E has a clearly defined business implications rule set. This rule set is communicated to all suppliers and factories during the mandatory onboarding training. Our suppliers and factories are informed about each new rating and receive a summary of all identified non-compliances alongside.

By moving towards SLCP we aim not only at industry collaboration and reducing audits, but also on freeing up resources for supplier development work. Hence, our "SSC Developer" (SSC team members based in sourcing countries) spend most of their time now working with the factories on remediating the non-compliances identified. So called remediation visits are focused (but not limited) to the most critical issue – seeking for root cause and, most importantly, sustainable solutions. The SSC Developers will support each factory individually as a consultant with the objective of encouraging ownership of the processes and set-up or adoption of internal management systems. Training needs will be identified and potentially bundled with other factories.

Process and program adjustments are subject to our regular dialogue between the different SSC hubs and management. This results in a constant iterative process between our development work, the 2028 Sustainability Strategy as well as the OECD due diligence roadmap.

Exit strategy for severe and reluctant cases

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. E-rated factories are being suspended from new order placement. If agreed corrective actions are not undertaken and continuous discussions do not promise change, we will ultimately consider exiting the factory



and/or the supplier. 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.

Remediation process – Better Work

C&A has partnered with ILO’s Better Work program in 2020. Read more here: [[Link](#): Choose “Worker Wellbeing” and section “Honouring worker voice”]

Better Work findings are listed in an improvement plan, including both self-diagnosed issues and those that were identified during the BW assessment. The worker committee addresses the non-compliances. In this way, Better Work ensures that workers and trade union representatives are engaged in the development and implementation of remediation/corrective action plans.

Better Work supports factories through tailored factory visits, specific seminars with peers from other factories, and training appropriate to the factory’s specific needs.

Publicly disclose findings

Better Work publicly discloses serious non-compliances. The results are disclosed after fair notice is given to factories to make the required improvements. The [Better Work Transparency Portal](#) discloses the names of the apparel factories registered with Better Work country programmes and their compliance with key national and international labour standards.

C&A has signed the renewed Accord on Fire and Building Safety in Bangladesh (‘Accord’) immediately after concluding negotiations. The new version came into effect on 1 September 2021 and will extend the existing agreement for a further two years.

The Accord was created in the wake of the collapse of the Rana Plaza factory building on 24 April 2013. C&A was one of the first brands to sign the Bangladesh Accord for Fire and Building Safety and has played an active role in the steering committee since the beginning. 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.

The Accord publicly discloses details of remediation progress at RMG factories inspected by the Accord: [Link to Accord on Fire and Building Safety in Bangladesh](#)

Publicly disclosing our supply chain

In keeping with our Transparency Pledge commitment, C&A discloses the location of all our suppliers’ tier 1 factories, printing and embroidery units, laundries and dye houses. We also disclose the majority of our suppliers’ spinning and fabric mills.

C&A uses for the public disclosure of its factories the Open Supply Hub.

We update this list every month to ensure that the information provided is up to date and relevant to our stakeholders.



Capability building and Industry collaboration

Gender-based labour violence & harassment (GBVH)

Gender-based violence & harassment (GBVH) is a common issue across the industry and sectors (amongst all cultures and societies). Workers usually have a low awareness on what constitutes GBVH.

C&A's Code of Conduct includes a clear prohibition of GBVH. Adherence to C&A's requirements is checked through regular unannounced assessments. In case a violation is discovered, C&A requires the supplier and factory to remediate with clear timelines. The remediation includes both compensation and protection of the victim and long-term initiatives such as training for workers & management. Where available, we work together with expert organizations such as CARE.

While we only record a few incidents of sexual harassment across all main C&A sourcing countries, we do not see this as evidence for GBVH not occurring in the C&A supply chain. Rather, it indicates that incidents of sexual harassment are difficult to capture.

Therefore, we engaged in a range of activities to learn how to address GBVH in our supply chain in a better way.

C&A piloted an approach for prevention and mitigation of gender-based violence in four factories in Myanmar with the CARE STOP project (March 2019 to December 2020) and India with Swasti Health Catalysts (May 2019 to July 2021). The objective of the projects was to strengthen the prevention and redressal systems of the factories to address issues of sexual harassment in workplaces (including workers' hostels for the Indian factories). Both projects included creation & implementation of a sexual harassment policy, training for Sexual Harassment Prevention Committees and human resource management and training for workers and management on the sexual harassment policy.

In 2021, C&A – together with seven other brands – piloted the Gender Equity Self Diagnostic Tool (SDT) in six factories in Bangladesh, India, Indonesia, and Vietnam. The tool was developed by ICRW (International Center for Research on Women) and is available [here](#). The SDT is a simple questionnaire for factories to assess and generate a customized scorecard to diagnose strengths and areas for improvement for integrating gender across policies, practices, and operations.

In 2020, C&A contributed to the Better Factory Cambodia (BFC)/ CARE Standard Operating Procedures (SOP) on addressing Gender Based Violence & Harassment. The SOP is available [here](#). The SOP was developed in response to the needs of the apparel industry for expert support in preventing and responding to GBVH. It is based on the United Nations (UN) Guiding Principles on Business and Human Rights and the Violence and Harassment Convention 2019 (No. 190) by the International Labour Organization (ILO). The SOP is designed for use by stakeholders including but not limited to buyers, vendors (including manufacturing groups), agents, suppliers (including sub-contractors) and licensees.

As part of our 2028 Sustainability Strategy, the learnings from above activities feed into our planned gender equity program. A detailed roadmap, including KPIs and target-setting until 2028, is currently being developed.

[Link to SDT](#)

[Link to BFC/ CARE SOP](#)



Trade unions & independent worker committees

Our 2028 Sustainability Strategy includes a commitment to scale Workplace Dialogue in our most important sourcing countries – Bangladesh, Vietnam, Indonesia, Cambodia, Pakistan, China, Turkey, Sri Lanka and India.

To further this goal, C&A became a member of Better Work in May 2020 and committed to a staged approach of including all eligible factories in the Better Work Program by May 2023. Factories enrolled in Better Work go through a process of learning that includes assessments, advisory services, industry seminars and training. At the heart of BW factory advisory service is the principle of building trust and cooperation between legitimate representatives of workers and employers. The work of bipartite (worker-management) committees is essential to improve communication at the factory level.

[This list](#) includes all factories currently enlisted in the Better Work Program having established a freely elected worker committee and/or a trade union. With our Workplace Dialogue Program, we are aiming at covering all Better Work eligible factories in 2023 and extending to non-Better Work countries in the future, we will regularly update this list, adding more factories.

Living conditions & dormitories – Hostel Guideline for India

C&A partnered with Swasti Health Catalyst from August 2019 to April 2021 to develop a robust [guideline for hostels](#) in India and to implement the guidelines in hostels of factories working for C&A. The hostel guidelines were shared with the India Brands Ethical Working Group (BEWG) for input and are available for any brand and manufacturer to use. During the project timeline, the guidelines were implemented in two factories (due to the Covid pandemic, three factories dropped out of the program). Implementation included the training and sensitization of 25 hostel staff and around 1000 migrant workers. C&A is continuing with the implementation of the guidelines in our Indian supply chain.



Living wages and C&A's ACT commitment

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.

Please refer to this [link](#) – Challenge 1 – for details on ACT and C&A's commitment.

Annual & measurable progress

Since 2020, C&A has continued its engagement within ACT and supported with the following achievements:

- 1) Every violation against Freedom of Association in Myanmar is now treated as a Zero Tolerance violation. This means respective business implications based on each brands' policies. For C&A, it means that no new orders can be placed until the violation is remediated.
- 2) Set-up of a Dispute resolution Mechanism (DRM) in Myanmar and Bangladesh. ACT, brands and IndustriALL will work together to settle outstanding worker payments. Since then, C&A has been involved in five cases in Myanmar and six cases in Bangladesh. Each of the cases tackled via the DRM has been proven to be successful.
- 3) In 2021, ACT has started establishing an Accountability and Monitoring Framework which provides ACT member brands with an agreed set of indicators and monitoring instruments to implement their [purchasing practices commitments](#). ACT member brands will ensure that their purchasing practices facilitate the payment of a living wage. The Framework will be published in the course of 2022.
- 4) ACT has developed an annex to the ACT MoU between ACT members on respect and exercise of Freedom of Association in Turkey. The annex aims at facilitating implementation of freedom of association by ACT members within their supply chain units in Turkey. This annex is about to be finalized.

C&A's internal progress concerns:

- 1) C&A's specialised Cost Engineers analysed all core products regarding all costs involved in calculating a garment price (all direct and indirect costs).
- 2) A database was set-up.
- 3) All data has been verified, across several suppliers and countries to get a diversified overview on all costs involved.

Annual supplier feedback

C&A has supported the set-up of a purchasing practices survey tool and has participated in the 2021 survey. The survey runs via the member brand employees and suppliers across key garment manufacturing countries. Including all four countries where ACT directly operates: Bangladesh, Cambodia, Myanmar, and Turkey. Strong participation from 1,338 suppliers and 1,831 brand employees contributed to the surveys, making this the largest survey into the specific purchasing practices of major international brands and retailers carried out to date. It marks a significant contribution to understanding the global state of play for purchasing practices in the global garment and textile industry. A generally positive picture across the results indicates that brand employees and suppliers think the ACT member brands do have substantial responsible purchasing practices measures in place. But there is still work to do. ACT has an ambitious multi-year plan to transform the global garment and textile industry, and responsible purchasing practices are a critical building block to get there. This report outlines key challenges ACT members must address to realise this goal. This includes, for example, a general lack of



understanding and training and a disparity between how brands assess their behaviour and how suppliers experience purchasing practices on some issues. The implementation of the ACT Global Purchasing Practices Commitments will transform the business relationship between ACT member brands and their suppliers and create conditions that protect the rights and wages of workers. This was the first time ACT has rolled out such comprehensive purchasing practices surveys to both brand employees and the suppliers to ACT member brands. The survey results are essential in guiding the activity of ACT and its member brands over the coming years as they provide a rich dataset to measure progress as of 2022 in achieving compliance with the ACT Global Purchasing Practices Commitments.

Read the [full report](#).

Next steps

ACT is planning the following steps in 2022:

- 1) Publishing the aggregated Accountability and Monitoring Framework (autumn).
- 2) Trainings on purchasing practices: Starting this spring, roll-out until end of this year via eLearning tool, developed by ACT in collaboration with brands and IndustriALL.
- 3) Start with the implementation of ACT's own grievance mechanism that allows suppliers to address complaints regarding brand's behaviour, particularly regarding fair terms of payment and responsible exit.
- 4) ACT is striving to collaborate beyond its member brands to gain more leverage.
- 5) Run the next purchasing practices survey (PPA/PPSA) in 2023.



Grievance and whistleblowing mechanism

How workers are informed of the whistleblowing or grievance mechanism

The C&A “Fairness Channel” for making inquiries and lodging complaints is accessible via i) a dedicated website, ii) a dedicated email address, iii) toll free phone numbers in local languages and iv) a postal address. In addition, complaints may be made, as some complainants had chosen, by directly contacting the Integrity Department, HR Department, and managers in the various functions.

The complaint channels are promoted via many different means and media, such as the C&A Code of Ethics (for employees), Integrity training, C&A website, C&A Code of Conduct for the Supply of Merchandise (for suppliers) and during regular integrity communication to suppliers.

When it comes to complaint mechanisms for workers, each SSC audit will check the existence and set-up of a fair and anonymous grievance mechanism and worker committees at the factory. SSC’s experienced staff will give advice to the factory management and the worker representatives on that mechanism – and generally on worker dialogue. To increase worker dialogue constantly, C&A has continuously increased its expertise and became a partner of Better Work in 2020. The aim is to use the Better Work Advisory Services to improve Workplace Dialogue and grievance mechanisms at all factories in the Better Work Program.

A complaint is acknowledged within one week upon receipt and confidentiality of complainant’s identity is assured. If necessary, the complainant will be invited to provide more information, suggestion or assistance for the purpose of collecting evidence in respect of the allegation being raised. During the investigation process, further assistance may be elicited from the complainant whenever necessary, and feedback will be provided considering confidentiality and privacy. At case conclusion, the complainant will be informed of such and of the remedial actions, if any, having regards to confidentiality and privacy of other individuals.

Please refer to PST’s TexPerT tool for some exemplary cases: Please refer to the following link and choose “Grievance”: [\[Link\]](#)

Further development of our grievance mechanism

C&A’s grievance mechanism “Fairness channel” is designed for C&A employees and workers in the supply chain. We have learned and acknowledged over the past two years that we need to update our worker grievance mechanism. This is one tactic in our newly launched 2028 Sustainability Strategy. We aim to support the development and scaling of worker grievance structures in relevant sourcing countries by 1) exploring service providers for worker grievance mechanisms in collaboration with other brands; 2) exploring support of national dispute mechanisms in lieu of brand individual worker hotlines; and 3) scaling chosen solutions in relevant sourcing countries. The project is planned to kick-off in March 2022 and intended to achieve milestones in 2022 for 1) and 2).

Additionally, the new Sustainability Strategy includes a tactic on Workplace Dialogue which aims to improving the factory internal worker grievance mechanisms. We will use Better Work and external service providers (in non-Better Work countries) to achieve this goal.

The OECD risk assessment has helped us understanding another area for improvement – the process behind the different complaints and channels itself. We acknowledge that our current grievance mechanism is fragmented,



and we are aiming at building a C&A grievance and whistleblowing management system. It shall connect and improve the different existing entry points. That way we will be able to a) dealing with and respond to each complaint more efficiently, analysing root cause, working on prevention etc., b) deducting further (potential) risks and adjust the OECD risk assessment framework, related policies and procedures across different business areas, c) identifying areas for improvements for the grievance mechanism itself. As this is a recent learning in 2021, we are in the middle of setting up a roadmap for implementation.

Target & Measures

Support development and scaling of worker grievance structures in relevant sourcing countries in order to increase effectiveness

Scope: Pakistan, Cambodia

Timeline: 2025

<p>Measure 1:</p> <p>Pilot worker hotline in one sourcing country</p> <p>Scope: Cambodia</p> <p>Timeline: 2022</p>	<p>Measure 2:</p> <p>Explore service providers for worker grievance mechanisms in collaboration with other brands</p> <p>Scope: Pakistan, Cambodia</p> <p>Timeline: 2023</p>
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Number of reported violations or grievances filed, addressed, and resolved

As part of internal reporting, the companies in the PST are required to state the number of complaints received during the reporting period and to allocate these to the individual sector risks. On its homepage, the Textile Partnership publishes the number of complaints received aggregated for all Partnership companies. (This is still pending as not all review reports are finalised, yet.)