

C&A's Forced Labour Policy

Purpose of this policy

This policy aims to specify C&A's Code of Conduct section 3.3 "Forced Labour" and the respective "Supporting Guidelines to the Code of Conduct (Merchandise Suppliers)". As the Code of Conduct is part of each supplier's contractual agreement with C&A, this policy details the respective obligations and outlines potential sanctions in case of violations.

Prohibition of Forced Labour

Definition

C&A defines forced labour in line with ILO Convention No. 29 as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

C&A will not tolerate, support, engage in or condone any form of forced labour, migrant forced labour, modern slavery or human trafficking (hereinafter collectively referred to as "forced labour") throughout any production stage within C&A's supply chain.

Relevant reference: C&A's Code of Conduct (3.3 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, or other situations of labour done under threat of any penalty, sanction or political coercion, are prohibited.

Suppliers must not infringe upon the free choice of employment. In any case, they must not require deposits, retaining identity documents or withholding wages.

Suppliers must allow workers to terminate their employment contract after reasonable notice."

Details of the policy

C&A considers the following scenarios as forced labour within the meaning of this policy:

- Forced labour practices in direct or indirect connection with supplier controlled production processes (tier 1), e.g. cutting and sewing as well as all auxiliary processes e.g. washing, embroidery, printing, linking, finishing, sampling, quality inspection etc., regardless of where performed, e.g. in supplier owned or sub-contractor production units¹
- Forced labour practices in supplier's extended supply chain (tier 2 and further), e.g. pre-production processes such as weaving, spinning, knitting etc., regardless of where performed¹
- Forced labour practices including but not limited to raw material growth or production, harvesting and all other kinds of product relevant processing of components, e.g. trims, buttons or other (raw) materials

Dealing with violations/Sanctions

C&A is considering any forced labour practice as detailed above as egregious violation of the contractual relationships, which entitles C&A in its sole discretion to impose the following sanctions on the supplier

¹ All production units used for C&A production need to be disclosed to C&A as per Code of Conduct.

with immediate effect:

C&A is entitled to disengage from any business relationship including existing orders with all suppliers and supply chain partners, which are culpably involved in any forced labour practice.

The below consequences may be applied to Merchandise suppliers including all involved companies of their supply chain network, e.g. production units, sub-contractors, washing, printing and embroidery facilities etc. (tier 2 and further).

1. C&A terminates the **Merchandise supplier** account and, if applicable, any sub-accounts of this supplier, e.g. raw material accounts or offshore production accounts
2. C&A rejects to sell any product, on the way or already in our retail stores, which was manufactured in the respective production unit(s). All cost of this process must be borne by the supplier
3. C&A cancels all existing orders, regardless of the status of production for all applicable supplier accounts (as detailed under 1.)
4. C&A hold supplier liable for any damages and expenses incurred by C&A, including loss of revenues and profits, which may result from these violations
5. C&A withholds all open payments concerning supplier to cover its return costs, turnover losses and any other damage and expenses caused by the forced labour incident unless damages are fully compensated
6. Supplier is obliged to destroy all C&A related brand, promotion and policy material in all their factories
7. All affected C&A branded merchandise must be neutralized by supplier (C&A trademarks need to be completely removed)

The before mentioned consequences may be applied with the following stipulations to any **Raw material and component suppliers** regarding all types of fabric, yarn, components or any other kind of raw material, regardless of sourcing country:

8. C&A terminates not only the Raw material supplier account but also the Merchandise supplier account in case of “vendor own fabric”
9. C&A will only continue business with the involved Merchandise supplier if they guarantee full transparency concerning yarn, fabric and raw material sources for all orders, regardless of their status of production as well as for future orders

C&A will apply above mentioned sanctions vis a vis supplier, regardless whether forced labour were proven practice for C&A products or products for other customers of supplier, and/or with regard to whichever company under supplier’s commercial control, used for C&A production and/or production for other customers.