

Commitments to Responsible Purchasing Practices

C&A acknowledges that risks to human rights can arise through its own buying and purchasing practices. With a view to minimize these risks, C&A is committed to continuously reflect on potential negative impacts of its sourcing and purchasing practices. To that end, C&A is a long-standing member of ACT – Action, Collaboration, Transformation and applies the ACT Global Purchasing Practices Commitments.

Commitment No.1

C&A commits that purchasing prices include wages as itemised costs

Implementation measures:

- a. Write compliance with collective bargaining agreements into purchasing agreements between C&A and suppliers' terms and conditions of purchase.
- b. Adopt all direct and indirect labour cost components in costing calculations in line with the ACT labour costing protocol.
- c. Provide guidance to suppliers on labour costing.
- d. Reflect increases in negotiated wages in the labour components of costing calculations.

Commitment No.2

C&A commits to fair terms of payment

Implementation measures:

- a. Payment to suppliers is in line with agreed timeframe.
- b. Ensure the amount paid to suppliers is in line with the payment terms agreed and retrospective changes may only be made where it is mutually agreed and is not to the detriment of the supplier.
- c. Do not impose penalties that fall outside the terms of the purchase agreement.
- d. Ensure that the purchase agreement clearly references financial consequences for non-performance.
- e. Implement an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes.

Commitment No.3

C&A commits to better planning and forecasting

Implementation measures:

- a. Improve forecasting processes with suppliers.
- b. Give clarity and ensure communication with suppliers regarding key critical path stages.
- c. Determine dates and frequency of adjusted forecasts.

- d. Release excess booked capacity in a timely manner, where possible setting internal deadlines or reaching agreement with suppliers.
- e. Improve dialogue with strategic suppliers to balance volumes through peaks and troughs

Commitment No.4

C&A commits to undertake training on responsible sourcing and buying

Implementation measures:

- a. Design and implement a training programme with common guidelines on ACT commitments to purchasing practices

Commitment No.5

C&A commits to practice responsible exit strategies as laid out in our responsible exit policy.

Implementation measures, which can be summarized as:

- a. Consider reasons for and consequences of exiting.
- b. Conduct an impact/due diligence assessment (level of business).
- c. Allow appropriate phase-out time.
- d. Seek to avoid negative impact on workers.
- e. Take reasonable measures to assure that all wages and legally entitled severance payments are made