

Sustainability Report 2021



C&A

Contents

#1 From Our <i>Leadership</i>	3
#2 Introduction	5
#3 The <i>Planet</i>	10
Sustainable Materials	11
Circular Fashion	19
C&A FIT	26
Eliminating Plastic Pollution	27
Environmental Stewardship	30
Doing Our Part to Address Climate Change	32
Sustainable Chemicals Management	36
Water Stewardship	41
Moving to Zero Waste	43
Safeguarding Animal Welfare	45
#4 The <i>People</i>	47
Worker Wellbeing	48
People & Community	56
Enabling Consumers	61
Industry Collaboration	65
#5 Our <i>Performance</i>	67
#6 Our <i>Report</i>	70
About Our Report	71
About Our Brand	73
<i>Contact & Imprint</i>	77

From Our *Leadership*

#1

Leadership Letter

Dear Readers,

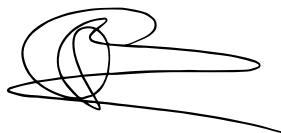
For many decades, C&A has been an industry pioneer in enabling people to express themselves through fashion — regardless of their social status and income. We called it 'Democratising Fashion'. In light of increasing challenges to our planet and its people, we have to build on that tradition and take it one step further. What we do now is democratise sustainable fashion.

The road ahead for C&A is one of transformation. In 2021, we introduced new corporate values, one of them called "We Care for People & Planet". This reflects our fundamental commitment to create fashion with a positive impact that allows consumers to make more sustainable choices. And the same applies to our workforce. We strive to improve the lives of people, those working directly for C&A as well as those throughout our global supply chain. We are creating a people-centric culture and purpose-led organisation where everyone is empowered, valued and appreciated for who they are. And we support our suppliers in doing the same.

In order to secure our long-term business success, sustainability must become an even more important part of our corporate culture and business model. In doing so, we honour our legacy as a trusted brand — while embracing our commitment to democratising sustainable fashion, in which consumers do not have to choose between sustainability or affordability. Our fashion entails both, while at the same time offering high quality and the latest style.

These and other beliefs form the centre of our 2028 sustainability strategy. Its goals reflect our priorities for a more sustainable future — in our business, our industry and in the communities where we operate. We remain committed to the principles of the UN Global Compact. And we will make sure that they are reflected in our work to protect and uphold human rights, labour rights, the environment and ethical business.

We are encouraged by the progress we have made in many of these areas, yet we acknowledge the urgency to do more. We are committed to continue driving our industry as we embed sustainability in our core values. And we will continue to share our progress towards that aim transparently, detailing our successes as well as challenges. Our Sustainability Report is a testament to this transparency.



Giny Boer
CEO



Introduction



#2

Introduction

Building on our over 180-year history and our belief that business plays an important role as a force for good, we achieved nearly all our 2020 sustainability goals. We are poised to continue that positive momentum by setting and delivering on ambitious sustainability targets in C&A retail markets around the world, including C&A Europe.



Our 2028 Global Sustainability Strategy

We believe engaging locally is the most effective way to promote sustainable behaviour. Informed by C&A's materiality assessment, the OECD Due Diligence Guidance, and retail market needs, our global strategy emphasises those issues where we can make the biggest difference in addressing local challenges. *The strategy*, based on three key objectives, includes focus goals we will aim to reach faster, regional tactics we will revisit annually and continued goals where we will advance our previous positive work. Together, they result in a powerful and flexible sustainability strategy that can evolve as the world changes, whilst guiding progress at the regional level. To support this global strategy, C&A Europe has developed targets and roadmaps and will report progress annually.

This 2021 Sustainability Report shares progress against our strategic goals and highlights our commitment towards caring for the planet and its people. We are working to ensure C&A continues leading in responsible use of resources, reducing greenhouse gas emissions, using more sustainable chemicals, promoting water efficiency and addressing waste, particularly plastics. We are implementing state-of-the-art approaches and technologies to lead our industry's evolution to truly sustainable fashion, drawing on our leadership in sustainable raw materials and circular innovation to embrace next-generation closed-loop products. At the same time, we are uniting with our customers, co-workers and communities to integrate sustainability into everything we do — openly and transparently.

Working together,
*we can realise
our vision of
sustainable fashion.*
Working together,
*we can wear
the change.*



Planet

C&A's Environmental Stewardship Programme furthers our climate change commitments, water stewardship, industry-leading approach to safer chemicals and waste-reduction activities, particularly those related to the use of plastics throughout our supply chain. In 2021, we continued reducing our operational environmental impacts and developed a Retail Sustainability Programme that covers energy, water, waste and plastics in our retail stores, distribution centres and offices. During the year, C&A Europe sourced 77% of core materials more sustainably, on track toward sourcing 100% by 2028. Our strategic focus on cotton continues to yield positive impacts, and our new partnership with Recover™ will bring high-quality recycled cotton to the everyday garments our customers love. We also advanced our innovative Cradle to Cradle® Certified apparel, and in 2021, began offering our first Forever Denim collection made with Platinum level Cradle to Cradle Certified® denim fabric — the first textile fabric in the apparel industry to achieve this designation.

People

Worker wellbeing has always been part of C&A's DNA, as we strive to make safe and fair working conditions the norm in the apparel supply chain. In 2021, we took our approach to a new level. This included a complete update of our worker wellbeing programme and a new target to positively impact 75% of our suppliers' workforce with our wellbeing programmes by 2028. During the year, we also launched a Global Learning Management Solution accessible by C&A Europe co-workers, offering over 300 C&A Academy learning items to support skills development and career advancement.



2021 C&A Europe *Highlights*

We **tripled**
the share of
recycled polyester
from 5.3% to 15.7%

We sourced
99%
*more sustainable
cotton*²

39%
of our factory base
is *A/B rated*³

79%
of the chemicals used
are approved
*safe chemicals*¹

Started
denim production
in Europe in our
C&A FIT

41%
of our man-made
cellulosics are *more
sustainably sourced*

¹ Excluding commodity chemicals, in accordance with ZDHC Material Restricted Substance List.

² We define more sustainable cotton as either sourced as certified organic cotton, Better Cotton, recycled cotton, or in-conversion cotton. ³ In 2021, we moved over 50% of our factories from C&A auditing to SLCP and introduced a more stringent rating matrix. Learn more about our transition to SLCP and our rating system under [Worker wellbeing](#).

The *Planet*

#3

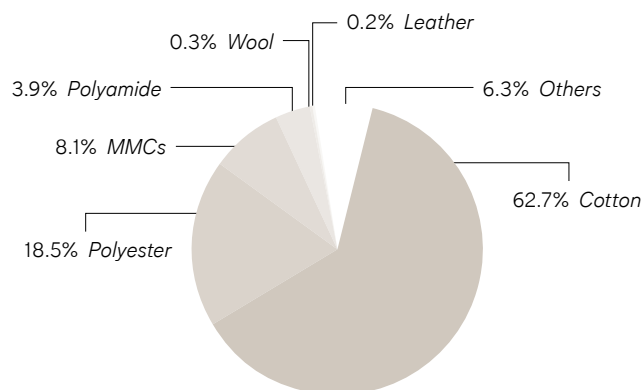
Sustainable Materials

We will source *100%*
of our core raw materials
more sustainably.

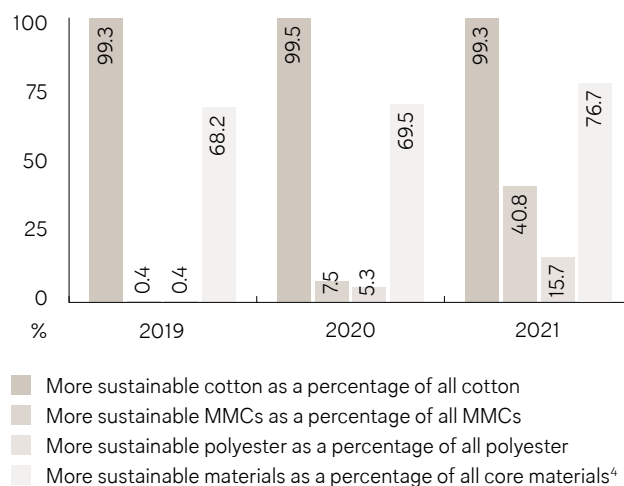
At C&A, we have been committed to increasing the use of sustainable raw materials for many years. After reaching 100% more sustainable cotton in 2020, we set a new goal to achieve 100% more sustainable sourcing across all our core materials: cotton, polyester and man-made cellulosic (MMC) fibres, which account for over 85% of our material footprint.



C&A fibre mix¹



% of cotton, polyester & man-made cellulosics (MMCs) that is more sustainably sourced^{2,3}



How We Define More Sustainable Materials

We define more sustainable materials as those that have higher environmental and social performance than their conventional counterparts. We evaluate materials using industry tools such as the Textile Exchange Preferred Fiber and Materials Index and the Higg Materials Sustainability Index. We also require that they are sourced under credible third-party certifications. These include, but are not limited to, certified organic and in-conversion cotton, cotton sourced through the Better Cotton Initiative, certified recycled polyester and nylon (GRS — Global Recycled Standard, RCS — Recycled Claim Standard, or equivalent), and down certified to the Responsible Down Standard, amongst others.

Fashion to *Feel Good About*

In particular, C&A strives to drive change in how cotton, polyester, and man-made cellulosics are developed and manufactured. To ensure that the materials we use to make our clothes are more sustainable, we strive to source them from farms and manufacturers that use fewer natural resources, respect nature and people, and protect the welfare of animals. We recognise there are limitations to the sustainable materials available at scale so we are committed to working with others in the apparel industry to research, pilot, scale and report on innovative and sustainable alternatives.

¹ Based on delivered quantities in season 1 and season 2 data for 2021.

² Baseline year: 2019.

³ Based on delivered quantities. Includes all shell materials — does not include materials used as filling, lining, or trims on garments.

⁴ Core materials defined as cotton, polyester, and man-made cellulosics.

More Sustainable Cotton

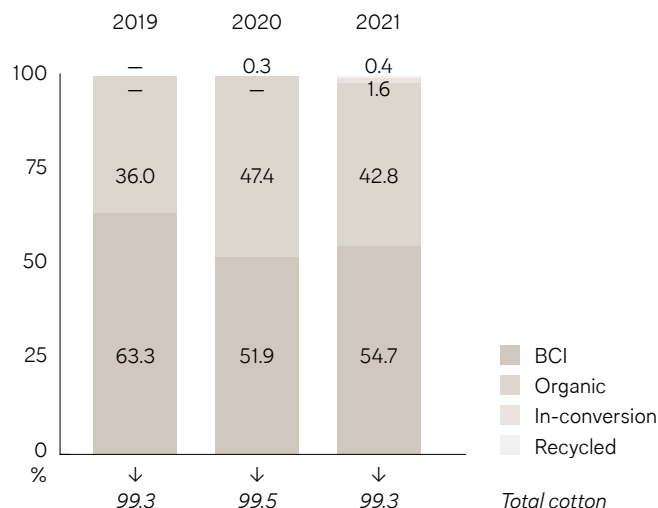
Cotton is C&A's most significant raw material, making up 63% of the total fibre sourced for our products. It is an area of strategic focus for us because we can make the biggest positive impacts by sourcing more sustainable cotton. Conventional cotton farming and production processes are known to have a significant negative environmental footprint in terms of water use and pollution, soil quality, biodiversity and greenhouse gas emissions. The chemicals used in conventional cotton farming also pose a risk to farmer and community health.

For these reasons, we are working to reduce the environmental and social impacts associated with cotton using a portfolio approach to sourcing. This means we aim to ensure that all of our cotton is either sourced as certified organic cotton, cotton sourced through the Better Cotton Initiative, recycled cotton or in-conversion cotton. This approach helps to ensure the integrity of our more sustainable cotton fibre from farm to store.

In 2021, we sourced 99.3% of our cotton more sustainably. Whilst we are proud to be so close to our 100% goal and pleased with the significant progress made, reaching the final per cent has proved challenging for a number of reasons. These include industry-wide challenges such as administrative accuracy, material availability, higher and fluctuating prices, difficulties in identifying safe sources of recycled cotton and other issues.

Against this backdrop, maintaining our high rate of sourcing more sustainable cotton will require our constant efforts, especially from C&A's sourcing and commercial teams.

% of total cotton
that is more sustainably sourced



Organic Cotton

Organic cotton has been at the heart of our sustainable materials strategy for more than 10 years. At C&A, we are committed to supporting the development of the organic cotton sector. In 2021, over 124 million of our garments were made from organic cotton.

This year, the industry has faced sourcing challenges in India where there are ongoing concerns with the integrity of organic cotton certification due to some fraudulent schemes being uncovered. To mitigate this risk, at C&A we work with partners on the ground to engage farm groups directly and map material supply through ginner and spinner, to maximise traceability. We do our utmost to be confident in the credibility of our organic products, but we acknowledge the ongoing risk and will continue working with the industry to overcome these issues.

Growing Market Availability

One of the biggest challenges facing the sector is increasing demand, coupled with limited supply of certified organic cotton. Less than 1% of cotton produced globally is organic, according to the Textile Exchange, and the sector faces additional challenges such as a lack of access to quality non-GMO seeds, few incentives for farmers to transition, and risks to economic viability from reduced yields.

In addition, establishing an organic management system on-farm takes three years to complete the full conversion, so there is a time lag for additional supply to become available. In order to grow the capacity of organic production worldwide, support farmers through their transition, and signal market demand to encourage conversion, C&A has begun accepting the use of in-conversion cotton — cotton in its second year of converting to organic production. We source in-conversion cotton through our partner Cotton Connect.



Collaborating to Address Market Challenges

Another way C&A is working to strengthen the organic cotton sector is through our involvement with the Organic Cotton Accelerator (OCA). In 2016, C&A was one of the founding partners of OCA, which was created to address the systematic changes needed in the organic cotton sector, from the ground up.

Cotton is our biggest material at C&A, so we know we can really make an impact when we invest in focused and measurable sustainability actions. Therefore, we have participated in our first farm project with OCA, for the organic cotton season 2021–22, which will help to build a fair, environmentally friendly and economically viable organic cotton supply chain in India. Alongside other brands and government agencies, our involvement in these farm projects is helping farmers transition to organic production, whilst providing long-term procurement commitments and better earnings through premiums.

Our plans include:

- Making better quality non-genetically modified seeds more accessible to transitioning and organic farmers.
- Improving the business case for growing organic cotton, to encourage more farmers to make the switch to organic.
- Promoting best practices throughout the entire organic cotton supply chain.
- Continuously improving integrity and market transparency.

We know that by working directly with organic cotton farmers, we can positively impact farming communities, protect their livelihoods and sustain our planet's ecosystem.



Converting to Organic Cotton: *A Farmer Success Story*

Dongar Singh and his family have an organic cotton farm in the Village of Kosdana in Madhya Pradesh, India. Dongar has been involved in the organic programme since 2018 when the organic movement was started by the Shree Ram Fibre (SRF) group in the region, but he suffered yield loss during the initial conversion phase, which left him apprehensive about converting to organic.

Since 2018, the SRF group has received support from Cotton Connect for the C&A programme. Farmers have been trained on organic practices and as a result are able to produce better quality organic cotton. For instance, Dongar Singh learnt how he could utilise available resources for better organic interventions, including manure management and natural botanicals for pest control. He also understands the importance of sustainable agricultural practices like crop rotation and intercropping of nutrient-providing legumes to improve his farm's fertility. He has also incorporated important tree species and begun using trap cropping, refuge crops, pheromone traps, sticky traps and light traps, supporting beneficial insects and worms.

Dongar Singh is now a strong advocate for the organic farming system due to his good crop yields, better quality cotton, lower costs, and ease of cultivation. His cost savings from organic farming have also allowed him to provide a better education for his children.

Better Cotton

In 2015, C&A joined the Better Cotton Initiative (BCI), which aims to train farmers to produce cotton in a way that respects the environment, boosts their incomes and strengthens the industry. Better Cotton is an important part of our portfolio approach to sourcing more sustainable cotton. Since 2016, C&A has steadily increased the use of more sustainable cotton from 53% in 2016 to 99.3% in 2021, and part of this growth is due to our adoption of Better Cotton.

How We Calculate Use of Better Cotton

Use of Better Cotton is measured through a mass balance model. With the mass balance system, each unit of Better Cotton we buy supports the production of a unit of Better Cotton somewhere in the world. A key benefit of a mass balance model is that the time and costly segregation process is not necessary, making Better Cotton easier to adopt in the supply chain, and as a result, more scalable.

C&A uses Better Cotton sourced with the mass balance model and is encouraged by the progress BCI is making to create more supply of more sustainable cotton in the market.



Better Cotton Traceability Panel

Although the cotton supply chain is complex, the ability to trace cotton from farm to the final product is essential to confidently ensure that the cotton that we are sourcing is more sustainable. At C&A, we recognise that traceability is crucial to reaching our sustainability commitments, and we have already developed expertise in cotton traceability through the [Organic Cotton Traceability Panel](#) facilitated by Fashion For Good. In response to increasing demands for supply chain transparency, BCI has embarked on a traceability initiative to go beyond the current mass balance approach. We have been a supporter since the project's inception and we take part in the Better Cotton Traceability Panel.

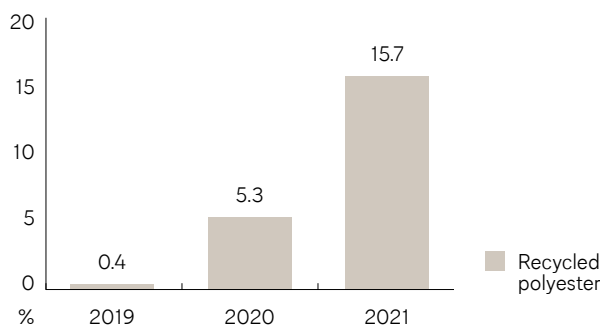
At C&A, we know that collaboration is crucial to solving industry challenges, so we are pleased to be working with a group of leading international retailers and brands to help enable new traceability solutions and bring greater visibility to the cotton supply chain. The project involves four stages, with planning and design starting in 2021 and the development and build happening in 2022. Engagement and adoption is planned for 2023 with improvements and continued rollout ongoing from 2024. BCI and the Traceability Panel will invest to further develop farm-to-gin physical tracing arrangements, building upon Better Cotton's existing trading platform. The project will investigate technology solutions and credibility arrangements to clearly distinguish the country of origin, and work towards tracking growers' environmental and social practices. The project also aims to create new market mechanisms that bring value for farmers, such as rewarding them for carbon sequestration and providing training to farmers. C&A will further support this project by conducting a pilot of traceable Better Cotton in 2022.



Recycled Cotton

To ease our reliance on virgin materials and work towards the circular economy, we are actively increasing our adoption of mechanically recycled cotton in the making of our products. Whilst recycled cotton only makes up a very small percentage of our cotton sourcing today, this will increase significantly in the next few years and is an important strategic focus for achieving our 2028 goal. We are working to scale recycled cotton through our partnership with Recover™ (read more in [Circularity](#)).

% of total polyester
that is recycled



More Sustainable Polyester

At C&A, we are working to reduce our use of virgin synthetics. As polyester is derived from petroleum, it is imperative that we find alternative feedstocks that reduce our reliance on this finite, non-renewable resource. Polyester accounts for about 18% of the material we use, and as part of our larger commitment to sustainable materials, we are aiming to source 100% more sustainable polyester by 2028. C&A first began increasing its use of recycled polyester in 2016. In 2017, C&A Europe developed the first products with polyester certified to the Global Recycling Standard (GRS) or the Recycled Claim Standard (RCS).

Starting from a baseline of less than 1% recycled polyester use in 2019, initially our main focus is on increasing usage of mechanically recycled polyester. The apparel industry faces two main barriers to uptake. Firstly, recycled polyester is in high demand, leading to price surges. Secondly, the apparel industry needs to develop solutions that recycle textile waste back into textiles. Mechanically recycled polyester is available, but the most prevalent feedstock is recycled plastic bottles rather than polyester fabric.

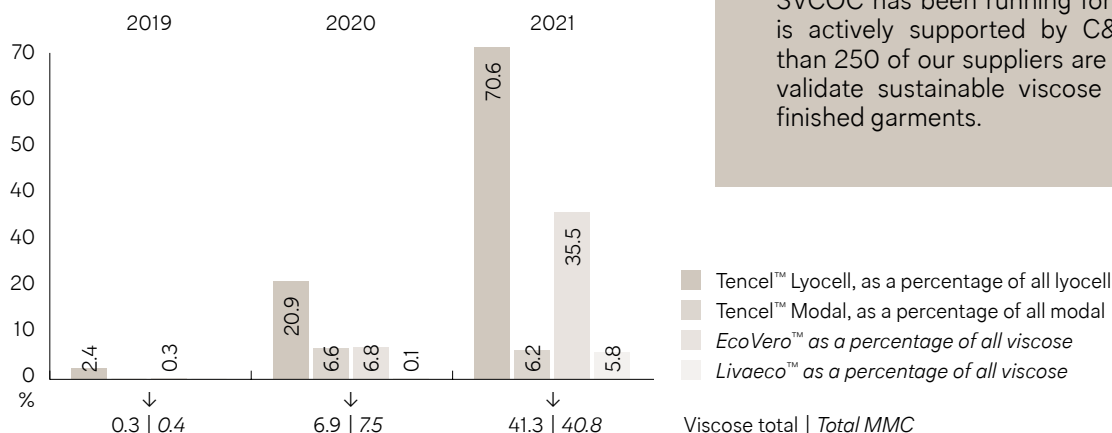
Looking beyond mechanical recycling, C&A supports the crucial industry need to develop next-generation polyester. To this end, we are working with the industry to bring to market innovative solutions for chemically recycled polyester and other next-generation alternatives, such as bio-derived sources. This includes our partnership with [Fashion for Good](#) on the Full Circle Textiles Project launched in 2021 to address polyester chemical recycling (please see [Circularity](#)). We will continue to work with the industry to address the systemic changes needed to scale next-generation materials.

More Sustainable Man-Made Cellulosics

Viscose, modal and lyocell are all man-made cellulosic fibres derived from cellulose, most commonly from the dissolved wood pulp of trees. Whilst trees are a renewable resource, there is the risk that Ancient and Endangered Forests are being destroyed in the production of man-made cellulosics. Additionally, viscose and modal can also have a significant impact during production if chemicals are not properly managed.

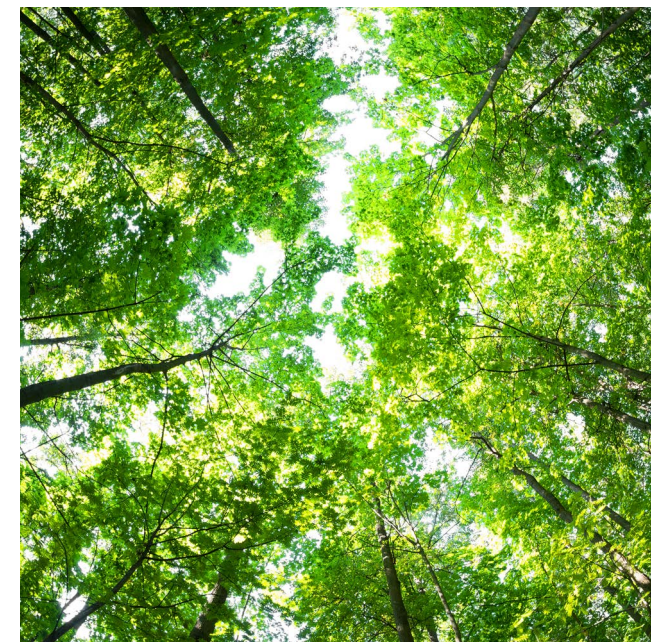
Man-made cellulosics account for 8% of the materials used at C&A during 2021. Our minimum policy for sourcing man-made cellulosics *responsibly* ensures we source only from our nominated manufacturers: Lenzing, Birla, Enka and Bailu. These manufacturers have been rated as 'green shirt' through the Canopy Style Initiative and share our commitment to the [Changing Markets Foundation Roadmap to Responsible Viscose Production](#).

% of man-made cellulosics
that is more sustainably sourced



Sustainable Viscose Chain of Custody

To improve viscose traceability, we have worked with [Control Union](#) to develop the Sustainable Viscose Chain of Custody (SVCOC), a standard that traces material through the supply chain from fibre producer to final product. The standard is built on four principles — legal compliance and governance, traceability, environmental practices, social practices, and occupational health and safety. To achieve certification, manufacturers must pass an onsite audit against the four principles. Transaction certificates are then used to trace SVCOC-approved viscose fibre through the supply chain. Companies involved along the supply chain (such as spinning, weaving, knitting, processing and manufacturing) are also required to have a scope certificate. SVCOC has been running for three years and is actively supported by C&A. Today, more than 250 of our suppliers are using SVCOC to validate sustainable viscose fibre content in finished garments.



Continuously Improving Man-Made Cellulosics Sustainability

To advance even further in our aim to have a positive impact on the planet through our sourcing decisions, we are committed to 100% sustainably sourced viscose by 2028.

Sustainably sourced means meeting our minimum sourcing policy, whilst meeting additional requirements, including that all materials must have a certified raw material source, measured lower impact in manufacturing and traceability in the final product. We currently recognise these fibres as more sustainable:

- Birla Livaeco™
- Lenzing EcoVero™
- Tencel™ Modal
- Tencel™ Lyocell

Other *Sustainably Sourced* Materials

Read about our approach to sourcing animal-derived materials, including down and cashmere, in [Animal Welfare](#).

Traceability

An important step in making more sustainable choices is to understand where our fibres originate from. To this end, we continually look at ways to improve and refine how we collect data about the fibres we use and to share best practices across our industry.

We engage in a number of innovative material traceability projects that serve as the foundation of our robust sustainable sourcing programme. In addition to the Better Cotton Traceability Panel (read more in [Better Cotton](#)), we have also participated in a material traceability pilot with Textile Genesis. The project involved tracking organic cotton, recycled polyester and more sustainable viscose. A total of 113,600 garment pieces were traced — equivalent to nearly 36 metric tons of raw material with the participation of 17 suppliers from Austria, Bangladesh, India, Pakistan, Sri Lanka and Thailand. Textile Genesis has systems to trace fibres from their origins using blockchain-like technological solutions to reduce risks related to substitution and fraud.



Future Outlook

More sustainable materials are at the core of our 2028 Sustainability Strategy. We are invested in collaborating with others to help develop new fibres, and in continuing to increase our uptake of more sustainable and traceable materials. We continually monitor new developments and have plans to incorporate emerging materials into our mix by 2028 as we strive to improve industry standards and maximise our positive environmental and social impact.

Circular Fashion

We will extend the life of 7 out of 10 products in the way *they are designed, produced and re-used*.

At C&A, we know that the transition to a fully circular economy is both a challenge and an immense opportunity — and one that will take many years. To create the pathway to circular fashion, we must reimagine much of what we do. We are committed to this journey and have started by applying key circularity principles to our products. We are committed to extending the life of our products by consciously influencing the way they are designed, sourced, produced, used and re-used. As we progress, we will pilot and test different ways to achieve this goal, including opportunities to resell, repair, rent and recycle our products. These are all important steps to a restorative circular economy, where nothing is wasted in the creation or disposal of our clothing.





Circularity Principles

As a member of the [Ellen MacArthur Foundation](#) (EMF) Network, we are aligned with EMF's definition of the circular economy as a system that designs out waste and pollution, keeps products and materials in use, and regenerates natural systems. Our approach is based on three principles of circularity:

Made from safe and recycled or renewable inputs

Product inputs are free from hazardous substances and decoupled from the consumption of finite resources.

Made to be made again

Products and their materials are designed and manufactured so they can be reused, remade and recycled.

Used more

Products that are optimised for durability or move through business models that extend their life, such as re-use or repair.

Made from Safe & Recycled or Renewable Inputs

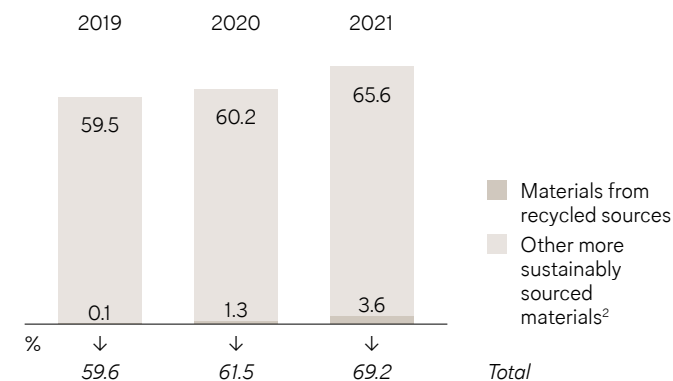
We've developed clear tactics against each of the EMF principles to help realise the circular economy. Our pioneering work to date includes a wide range of Cradle to Cradle Certified® products and recycling innovations and partnerships, paired with our in-store take-back programme.

An important way we are moving towards a more circular system is by sourcing materials from safe, recycled inputs, with any remaining virgin inputs sourced from renewable, regenerative sources. To accelerate the transition to a circular apparel industry, we are aiming to increase the volume of recycled materials in our products, whilst collaborating with the industry to scale textile recycling. We aim to increase recycled materials across each core fibre type by 2028, but closing the material loop will require systemic industry change. Read more about our approach to raw materials in [Sustainable Materials](#).

Limits to the availability of high-quality recycled materials from textile waste remains an industry-wide challenge. We are committed to work in partnership with others to

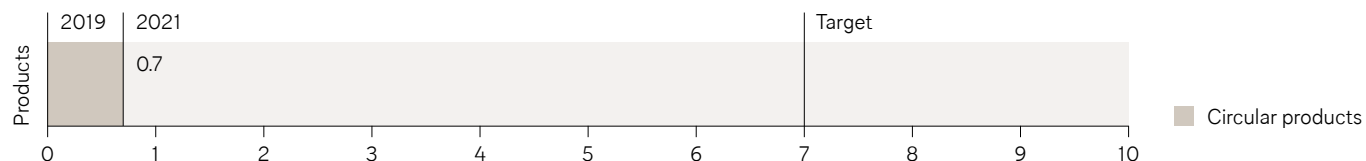
establish circular textile material flows, by advancing textile collection and sorting systems, continuing our work to engage consumers in recycling and investing in fibre recycling innovation.

% recycled & more sustainable materials¹



Circular products at C&A³

Number of products out of 10 that are designed with the *principles of circularity*.



¹ As a percentage of all materials.

² Includes more sustainably sourced cotton, man-made cellulose and Cradle-to-Cradle certified materials.

³ Unit of measure: number of pieces out of 10. Baseline: 2019.

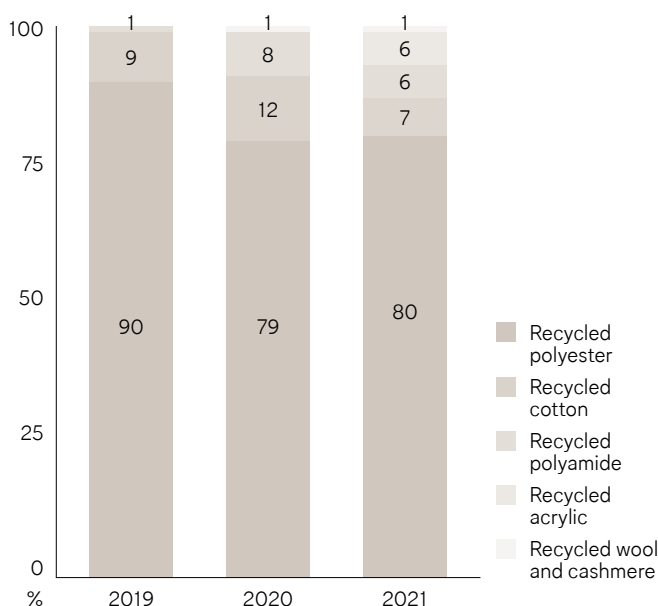
Partnering to Scale *High-Quality Recycled Cotton*

We recently engaged in a strategic 4-year partnership with [Recover™](#), a leading material sciences company and global producer of low-impact, mechanically recycled cotton fibre, to bring high-quality recycled cotton to everyday garments. We share a strong commitment to circularity with Recover™ and we are collaborating with them to address the scale, availability and quality limitations in the recycled cotton supply chain.

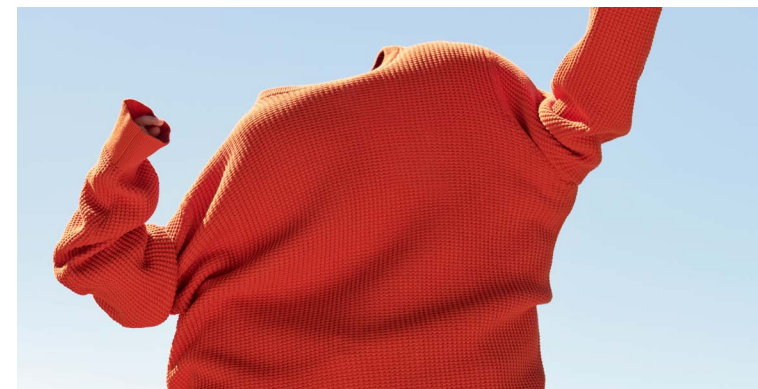
Recover™ will integrate its fibre into our supply chain, as well as provide technical support to help our spinners and weavers optimise their yarns and fabrics. As a leading retailer in Europe with a long-term commitment and high production volumes, we are able to bring the size and scale needed to make a lasting impact on the industry. C&A and Recover™ are collaborating on post-industrial recycling in Asia as well as post-consumer recycling in Europe. Our first collection made with Recover™ fibre was available to customers in late 2021 as part of C&A's Clockhouse range.



*Recycled materials portfolio*¹



¹ Figures are shown as a percentage of all recycled materials.



Polyester Recycling – Full Circle Textiles Project

With the aim to scale textile-to-textile recycling of polyester, we are participating in the Full Circle Textiles Project. Initiated by [Fashion for Good](#), the project aims to validate and scale promising technologies in polyester chemical recycling. Fashion for Good has enlisted innovators in polyester chemical recycling from around the world, with the shared goal of producing chemically recycled polyester from post-consumer textile waste that will eventually be used in fabric and garment production. The project's overall aim is to understand, assess and validate current polyester chemical recycling technologies and to catalyse financing to support scale up and commercialisation.

Results will be assessed and validated by participating partners, including C&A. In addition to financially contributing to the project, C&A will ultimately receive fabric samples from each innovator's output to evaluate for viability and future uptake.

Accelerating Textile Recycling in Bangladesh with the Circular Fashion Partnership

C&A is participating in the [Circular Fashion Partnership](#) (CFP), a project led by the Global Fashion Agenda to establish a long-term, scalable transition to a circular fashion system in garment manufacturing countries. The partnership facilitates collaborations among global fashion brands, textile and garment manufacturers, and recyclers for new systems to capture and direct post-production fashion waste back into new fashion products.

The first stage of the project, which took place in 2021, aimed to demonstrate the business case for scaling industrial waste recycling in Bangladesh, where approximately 50% of our product volume is made. The initiative focused on decreasing textile waste and increasing the use of recycled fibres, while also finding solutions to the COVID-19-related accumulation of deadstock. Utilising a platform developed by Reverse Resources, the CFP developed a systematic way to communicate global demand from brands, such as C&A, for recycled materials, and improve access to consistent, high-quality, digitally traced feedstock for recyclers.

Project outputs have included a policy brief with recommendations for policymakers, and project learnings have been published in the [Scaling Circularity Report](#) for use by others. C&A is proud to support the second phase of the CFP in its next iteration in 2022, where the initiative will continue increasing recycling capacity in Bangladesh and exploring replication opportunities in other manufacturing countries, such as Vietnam and Indonesia.



Made to Be Made Again

One of the recurring challenges in today's linear apparel system is that products are often not designed to be easily reused or reimaged. We believe that products should be specifically engineered for the future, and be designed and manufactured so they can be disassembled for reuse, remaking, or recycling. We are committed to designing for circularity, and an important way we are working towards this is by adopting Cradle to Cradle Certified® standards.

Our key actions in this area will include continuing to grow our Cradle to Cradle Certified® products, in line with Version 4 of the Cradle to Cradle standard, the most ambitious and actionable standard yet.

Cradle to Cradle Certified® Products

Our commitment to circularity is demonstrated through the extensive range of Gold level Cradle to Cradle Certified® products and the Platinum level Cradle to Cradle Certified® denim fabric we have brought to market. Cradle to Cradle Certified® is the global science-based standard of the Cradle to Cradle Products Innovation Institute for products that are safe, circular and responsibly made, assessing sustainability performance of products across the categories of material health, product circularity, clean air and climate protection, water and soil stewardship, and social fairness. C&A has pioneered the use of this standard (v3.1). In 2017, we brought the first Gold level Cradle to Cradle Certified® t-shirts to market in stores across Europe, Brazil and Mexico.

Our Most Sustainable Denim

In 2020, we announced the first-ever Platinum level Cradle to Cradle Certified® denim fabric in the apparel industry. Manufactured with 100% rapidly renewable resources and fully recyclable, the fabric was the world's first textile to meet the highest Cradle to Cradle Certified® level. To create the world's most sustainable denim fabric, C&A partnered with long-term supplier Rajby Textiles Ltd. and the circular economy advisor Eco Intelligent Growth (EIG).

The resulting Beluga Denim developed for C&A was optimised for material health, from certified organic cotton fibre to the process chemicals. Additionally, the process water was kept in a closed loop system, and the final manufacturing stage was 100% carbon neutral. Since 2021, selected Forever Denim styles are manufactured with this denim fabric.

Product Innovation — Jeans Redesign Initiative

The Jeans Redesign was an initiative by the Ellen MacArthur Foundation (EMF), which brought together a group of industry experts to collaboratively test and develop a common vision to transform the way jeans are made. This resulted in the development of a set of guidelines for the design and production of jeans in accordance with the principles of a circular economy. The guidelines were built on existing efforts by industry players to improve jeans production, including our own open-source guide for Developing Cradle to Cradle Certified® Jeans, developed in partnership with Fashion For Good. The guidelines have been designed to be regularly reviewed and updated to ensure they continue to drive the industry forward, and a new update was published in 2021.

We open-sourced
our Cradle to Cradle
Certified® jeans
guidance to *support
others in the industry
on their circularity
journeys.*

C&A participates in the Jeans Redesign project and is implementing the Jeans Redesign Guidelines. We are committed to continuing to bring new products to market as part of the Jeans Redesign project.



Used More

A core concept of the circular economy is keeping products in use as long as possible. We want to extend the life of existing garments by integrating new circular business models such as re-use, repair, rental, and upcycling. Circular business models can still have environmental impacts (for example, the impact of dry cleaning rental garments), so we will carefully consider the best approach for our consumers and the environment. We will further define our approach to circular business models through testing and piloting over the next 2 to 3 years. In the meantime, we will continue improving apparel durability and expanding our online and in-store clothing collection programmes.



We Take It Back

We are proud of our premier in-store clothing recycling programme, *We Take It Back*. Customers who visit participating stores can bring in old clothes, shoes and other textiles they no longer want and give them a second life. Our recycling partner [Texaid](#) processes the textiles and determines if they are fit for reuse or recycling. Non-reusable and non-recyclable textiles that are wet or polluted with oil are thermally recovered.

Although numbers vary by country and year, in Europe we have found that about 75% of collected items get reused, while 20% are recycled, and just 5% cannot be reused or recycled. Only when the clothing can no longer be used for hygienic reasons or heavy soiling, then thermal recovery is used for energy production.

In late 2021, our largest sales markets, France and Germany, launched *We Take It Back* in stores. *We Take It Back* collection programmes are also available in-store in the Netherlands, Belgium, Luxembourg, Portugal, Spain, Switzerland and Austria.

In addition, C&A has a partnership with [Packmee](#) for our online customers who want to drop off used garments and shoes. This programme, currently available in Germany

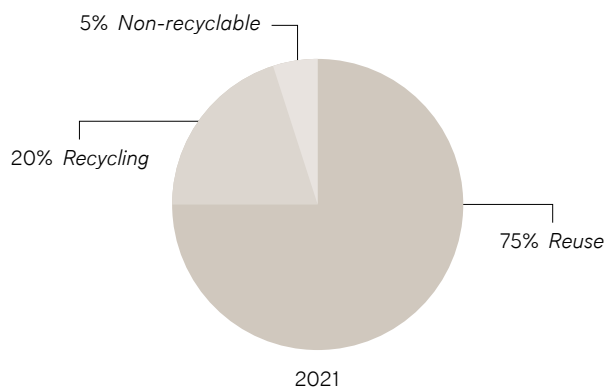
and France, allows customers to print free shipping labels to mail clothing, shoes and other household textiles they no longer need to be reused or recycled.

Despite some *We Take It Back* collection being halted due to COVID-19 safety concerns in 2020, we are pleased that the programme has continued to grow. In 2021 alone, C&A collected 765 metric tons of used textiles through our in-store *We Take It Back* programme. In that same time, Texaid received a total of 40,185 packages with a total used textile weight of 265 metric tons from our customers in Germany and France through online take-back.

Through our in-store and online take-back initiatives, we were able to give a new life to 1,030 metric tons of textiles in 2021. Texaid — with its second-hand store brands Vintage Revivals, ReSales and carou — is a strong partner supporting local re-use and a closed loop approach.

In the future, we plan to roll out in-store *We Take It Back* as well as the online Packmee option across all European markets to continue offering customers convenient ways to extend the life of their garments.

Utilization of collected clothing Europe





C&A x carou Partnership — Selling Second-Hand Garments

We recently launched an innovative pilot project with carou — an online retailer for second-hand clothing. The cooperation is another part of our ongoing efforts to promote circular fashion, with customers now able to purchase second-hand garments in our concept store in Hamburg Altona in Germany.

The second-hand garments provided by carou in the store also include clothing sourced through our *We Take It Back* programme — a great example of closing the loop. The in-store pilot aims to provide the ideal setting to inspire a wide audience for second-hand fashion and to make pre-owned fashion an integral part of the shopping experience. Customers have responded positively, and we will look to continue and expand our re-sale models in future to increase our approach of closing the loop.

Future Outlook

C&A is committed to a circular future. To achieve our vision, we must upskill our teams on the circular economy and implement further strategies for circular design and production. We look forward to growing our textile re-use, recycling and upcycling programmes as circularity becomes a more central part of our business. At the same time, we will continue to work towards increasing the use of recycled materials and work with industry peers and non-governmental organisations to bring scalable materials to market.

Other future efforts include expanding *We Take It Back* in our European markets. By increasing this popular programme, we can give even more customers a convenient way to make sustainable fashion choices. To this end, we are excited to continue building efficient connections between our in-store take back programme and textile recycling opportunities as we advance towards a fully circular business.



C&A FIT

“C&A FIT will be more than just a lab for prototypes. It’s about producing in larger quantities. Sustainable fashion cannot just be a niche product.”

Giny Boer, CEO C&A Europe

Our new C&A Factory for Innovation in Textiles (C&A FIT) in Mönchengladbach, Germany focuses on the latest technology, digitalisation, automation and CO₂-free production for more sustainable fashion. The renovation of the 4,300 m² factory was completed in September 2021, and the facility has initially hired and trained about 100 co-workers in the sewing and laundry departments. C&A FIT is specialising in more sustainable jeans production, and as of mid-2021, is producing six styles for C&A’s Forever Denim collection. Production is ramping up, starting with around 400,000 jeans per year, and could be expanded to 800,000 over time.

In line with our ambition to scale sustainable fashion and make sustainability the norm in our industry, C&A FIT demonstrates our commitment to creating a more digital and sustainable textile production and supply chain. The facility is powered by 100% renewable electricity from on-site solar and a wind farm in Wachtendonk. Water consumption is significantly reduced through the latest innovative technology, in combination with smart water recovery, to recycle about 50% of the water used. Our high-tech finishing machines are equipped with modern systems to reduce the consumption of water and chemicals by up to 80% compared to conventional finishing. [Learn more](#)



Eliminating Plastic Pollution

We will replace *50% of single-use plastics* in our stores, online shop and supply chain with sustainable alternatives.

Plastic has become ubiquitous in our modern life and in our industry. With global plastic recycling falling far short of meeting demand, C&A is eager to take responsibility for the plastics we use in our business and find ways to eliminate plastic pollution for the greater community.

We aim to reduce the use of virgin plastic by 50% by 2028. To achieve this goal, we must take practical steps, including following an elimination hierarchy to avoid, reuse and reduce plastics. This includes implementing programmes to avoid plastics entirely and working to increase our sourcing of non-virgin plastics when we are not able to avoid plastic use. When we cannot reduce or avoid using plastic, we will replace the material with recycled plastic, a bio-based plastic alternative or a durable and reusable option. As our business grows, we will continue evaluating our total plastic footprint, including that used in our stores and online business as well as in packaging from our suppliers.

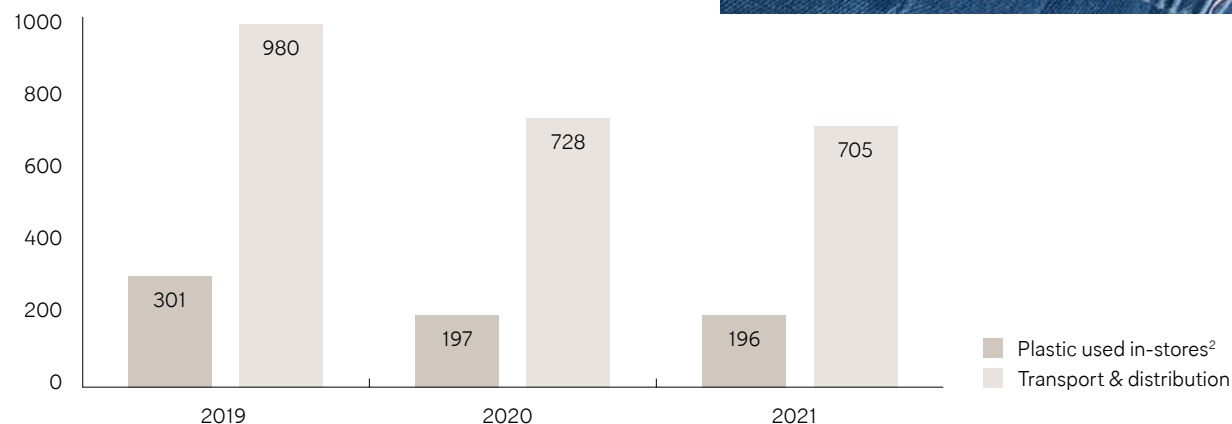


Calculating Our Plastic Footprint

We are committed to creating transparency around the plastics we use in product packaging and distribution as part of our Environmental Stewardship Programme. We are measuring plastic usage at C&A stores in Europe to develop a baseline that can be used to measure improvements moving forward. In 2021, we evaluated the use of plastics at all levels, including marketing and presentation materials in stores, packaging in distribution centres, and polybags used by suppliers and in our e-commerce business.



Virgin plastic used in stores & for transport and distribution¹



¹ Unit of measure: metric tons.

² Based on estimated number of plastic strings, size tapes, hooks and bags used for product packaging.

Innovation & Progress

The ubiquity of polybags poses a significant dilemma for our industry. While it is important to protect our products and make sure they arrive at our distribution centres, stores, and customers' homes in pristine condition, single-use plastic coverings carry a significant environmental trade-off. The thin plastic that makes up polybags is usually virgin plastic that often goes unrecycled.

Adopting Recycled Plastic Polybags

We seek innovative ways to reduce our reliance on plastic, especially virgin and single-use plastic. After a successful test phase in 2021, we are in the process of transitioning away from the virgin plastic polybags used in our e-commerce shipments to options made of 85% post-consumer materials.

C&A has also joined the Circular Polybag Pilot initiated by Fashion for Good. This is the first fashion industry project of its kind focused on scalable solutions to plastics. The polybag being evaluated in this pilot uses 100% recycled Low-Density Polyethylene (LDPE), including polybag waste from which ink and adhesive contaminants have been removed through a patented process.

Exploring *Bio-Based Plastic Alternatives*

In close cooperation with *Fashion for Good*, another brand and three innovators, we are exploring and testing alternatives to virgin plastic that could work at scale for our business. We plan to test several bio-based plastic options for repacked garments and items from customer returns. For the options that show promise, we will continue work to scale their use.

Minimising Consumer-Facing Plastics

We will continue watching the market for innovative developments to help us meet our goal. Some of our initial steps include seeking ways to reduce, eliminate or replace with a bio-based source the small plastic pieces used in our products and stores. Among these are hangtag fasteners, scarf clips and the hooks that attach a pair of socks or allow them to hang on a display shelf. Building on a previous initiative with Fashion for Good, we have begun the work of replacing the majority of these hard plastics in stores with a bio-based product. We look forward to partnering with Fashion for Good and others to continue developing innovative materials that enable a plastic-free future.

In our distribution centres, we are working to identify more sustainable alternatives and continually eliminate virgin plastic polybags used in e-commerce. We also plan to collect the plastics in our distribution centre and provide them to a selected supplier for processing. We will then buy back the recycled polybag for online use in a closed loop.



Environmental Stewardship

Every product we make and sell has an environmental impact, from its design and production to its shipping, sale, use and disposal. Most of our impact, whether measured by greenhouse gas emissions (GHGs), or chemical or water use, is in the sourcing of our raw materials and their manufacture into the products we sell. To address this, we continue to build a comprehensive programme that will advance our work in addressing climate change, water scarcity, the impacts of chemicals and waste management.

In addition, we understand that many of our suppliers' processes, whether in factories or mills, are interconnected. That is, a certain process or technology might have implications for both water and chemical use, water and energy use, or all three. As a result, we have adopted a more systemic approach to dealing with the connections among climate, water and chemicals. Our new Environmental Stewardship Programme reflects this broader remit, and includes roadmaps and resources across emissions, water and chemistry for greater efficiency and balance in our own and our suppliers' environmental initiatives.



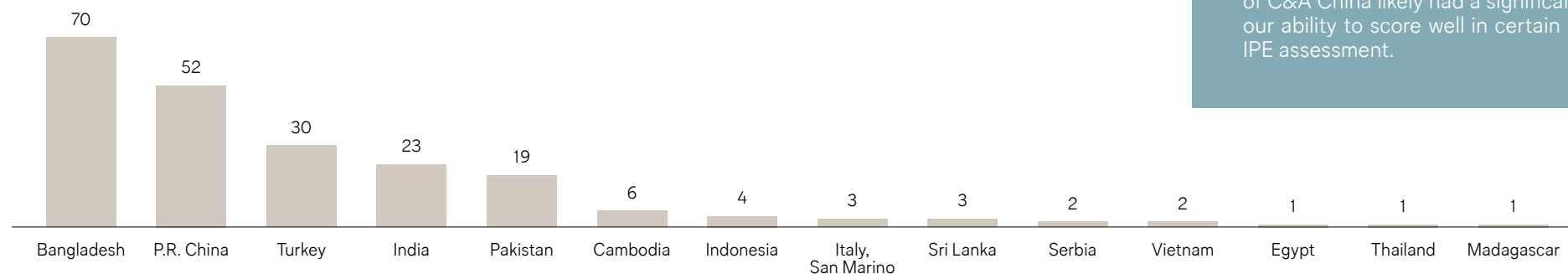
Environmental Stewardship Programme

Our Environmental Stewardship Programme supports our environmental commitments centred around climate change, water stewardship, safer chemicals and waste reduction in the C&A supply chain – commitments that form a critical part of our 2028 Sustainability Strategy. Concurrently, we are working to reduce our operational environmental impacts through a new Retail Sustainability Programme that covers carbon, water, waste and plastics in our retail stores, distribution centres and offices.

Our supply chain-focused Environmental Stewardship Programme builds on the learnings and success of our ongoing supplier-focused climate and water stewardship initiatives. It includes a comprehensive chemicals management programme and expands our ambition to mitigate even more climate risks in our supply chain. As we engage with others throughout our value chain, we are finding more opportunities to engage our suppliers on a wide range of environmental issues.

Environmental Stewardship Programme

Number of factories in scope¹ by sourcing country



¹ Sites in scope are those subjected to the in-depth environmental and chemical management programme.

Our Environmental Stewardship Programme continues to focus on Tier 1 and 2 production units that manufacture textile or leather-based products with 'wet processes'. These include processes such as washing, dyeing or printing garments or their major components. Our programme focuses on these areas of the supply chain since they are responsible for the most significant environmental impacts in the overall apparel manufacturing process.

The Environmental Stewardship Programme covers 86% of products we sell at wet processing.



Industry Leadership in Supply Chain Environmental Management

We are pleased to have been recognised for our leadership in environmental supply chain management by China's most influential environmental NGO, the Institute of Public and Environmental Affairs (IPE). In the 2022 Corporate Information Transparency Index (CITI), C&A ranked sixth out of over 120 apparel and textile brands and fourth overall among 611 companies across all industries.

The annual index ranks the supply chain practices of brands in the areas of transparency, responsiveness, compliance and corrective action, energy conservation, emissions reduction, as well as performance disclosure. IPE recently increased the requirements for companies to demonstrate their leadership in energy efficiency and the implementation of sustainable supply chain practices. While we are confident that our supply chain practices continue meeting IPE's standards, the 2021 sale of C&A China likely had a significant impact on our ability to score well in certain areas of the IPE assessment.

Doing Our Part to Address Climate Change

*We will reduce absolute
greenhouse gas emissions across
all scopes by 30% by 2030.*

Climate change is the crisis of our time, and we have an urgent responsibility to act. The rate of warming and its effect on weather patterns, agriculture, and natural resource scarcity threatens our future as a species and that of a healthy planet. The global community must rise to this threat if we are to halt the worst effects of the climate crisis, while planning for a healthier future.

Climate change is one of the most important areas for C&A to focus on. To be effective, we must look at this issue using a holistic and science-based approach.

Our greenhouse gas (GHG) reduction targets are aligned with the Paris Agreement to limit global warming to well below 2°C above pre-industrial levels:

- Absolute GHG emissions reduction by 30% for our offices, distribution centres and retail stores by 2030.
- Absolute GHG emissions reduction by 30% in our value chain by 2030.

Understanding *Scopes 1, 2, and 3*

Scope 1: GHG emissions that come directly from our facilities or activities.

Scope 2: GHG emissions from energy we purchase to power our business.

Scope 3: GHG emissions generated through the manufacturing and distribution of C&A's products, business travel and other indirect sources.



Calculating Our GHG Footprint

Since 2018 we have worked with Aligned Incentives to determine our GHG emissions inventory for Scopes 1, 2, and 3. To accomplish this, we use a hybrid life cycle assessment (LCA) in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This approach provides us with powerful insights into emissions reductions opportunities, and we seek to capitalise on these insights as we advance towards our targets.

Through 2021, we continued working with Aligned Incentives and the wider industry to improve energy and emissions reporting, data accuracy, and geographic applicability — a key challenge in emissions accounting. We have collected a strong foundation of energy data for our extended supply chain through the Higg Facility Environmental Module (FEM) tool data submitted by our suppliers annually. Of the sites disclosing environmental data to C&A, 90% of facilities were verified by third-party experts. This primary data is used in our calculations and helps us better understand energy use in our supply chain.

We also use this primary data to work with factories in reducing their energy use and emissions. Through the Carbon Leadership Programme, for example, we work with selected factories to understand energy use, emissions impacts, and provide support in setting factory level carbon targets. We will continue to take a data-driven approach to identifying site-specific emissions reductions and opportunities specific to local contexts.

Getting to Know *the Higg Index*

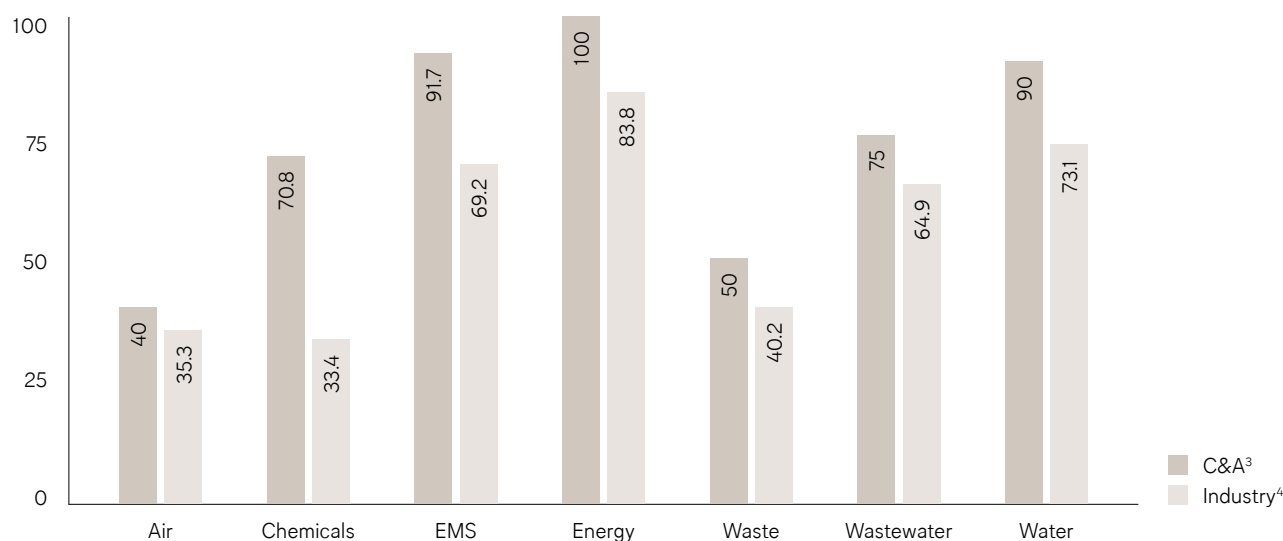
The Higg Index is a suite of tools for the standardised measurement of value chain sustainability, managed by the Sustainable Apparel Coalition — of which C&A is a member. The Higg Index includes tools that collectively assess the environmental and social performance of a brand's value chain and its products. To collect and review supplier environmental progress, we use the Higg FEM.

The Higg FEM provides snapshots of the environmental impacts of the facilities that make our products and helps us identify and prioritise opportunities for supplier performance improvements. Facilities can track key performance indicators related to air quality, chemical use, environmental management systems, energy output, water use, wastewater, and waste with the Higg FEM.

As an early adopter of the Higg FEM tool, we have been collecting and reviewing supplier FEM data since 2017. When an industry aligns behind a single tool, as the apparel industry is doing with the Higg FEM, it helps suppliers do a better job of collecting and reporting their data and gives brands like C&A a better understanding of their environmental performance.

Higg FEM 2021 Verified Median Score¹ by Impact Area²

C&A vs Industry



¹ Total score per impact area is 100; scoring methodology and question applicability are determined and subject to review by Sustainable Apparel Coalition (SAC) of which C&A is a member.

² The figures have been rounded.

³ Based on verified FEM results of 145 production units out of 217 production units which actively produced for C&A Europe in 2021; remaining results are to be verified within year 2022.

⁴ Industry median refers to the median of all verified FEM 2021 results of 4732 available accounts according to the Higg portal.

GHG Inventory & Progress to 2030¹

C&A's Global GHG emissions (including C&A Europe, C&A Brazil and C&A Mexico) across the value chain totaled 4,953,311 metric tons of carbon dioxide equivalent (t/CO₂e), with the breakdown as follows:

Reporting Category per GHG Protocol	tCO ₂ e	% of Total tCO ₂ e	2019 % Change from 2018 baseline	2020 % Change from 2018 baseline	2021 % Change from 2018 baseline
Scope 1	17,040	0.3%	2%	-27%	-10%
Scope 2	133,270	2.7%	-1%	-33%	20%
Scope 3, Category 1 Purchased Goods and Services	3,764,327	76.0%	-4%	-37%	-35%
Scope 3, Category 3 Fuel and Energy-Related Activities	48,157	1.0%	3%	-19%	31%
Scope 3, Category 4 Upstream Transportation and Distribution	434,268	8.8%	-16%	-15%	-12%
Scope 3, Category 5 Waste Generated in Operations	2,832	0.1%	-2%	-38%	-35%
Scope 3, Category 6 Business Travel	481	0.0%	-18%	-69%	-71%
Scope 3, Category 7 Employee Commuting	72,634	1.5%	-3%	-20%	-7%
Scope 3, Category 11 Use of Sold Products	441,309	8.9%	-2%	-30%	-41%
Scope 3, Category 12 End-of-Life Treatment of Sold Products	38,992	0.8%	13%	-31%	-28%
<i>Total</i>	<i>4,953,311</i>	<i>100.00%</i>	<i>-4%</i>	<i>-34%</i>	<i>-32%</i>

¹ All year-on-year emissions comparisons calculated against 2018 instead of 2020.

2021 GHG Reduction Progress

We saw a net decrease of 32% in total emissions in 2021 compared to 2019, the last 'pre-COVID-19' year, but we recognise that this reduction was driven by the COVID-19 pandemic, which resulted in an overall lower business activity.

Reducing Scopes 1 & 2

C&A is dedicated to reducing our GHG emissions in our direct operations, including our stores, distribution centres and offices. We have committed to reducing our absolute Scope 1 and 2 emissions by 30% by 2030 based on a 2018 baseline using a three-part approach:

1. Increase our energy efficiency
2. Shift from conventional energy to green energy
3. Offset remaining emissions via renewable energy certificates (RECs).

Reducing Scope 3

Our goal is to reduce absolute Scope 3 GHG emissions by 30% by 2030. Most of our climate impact, more than 95%, lies within our Scope 3 supply chain emissions — emissions that are under the direct control of our supply chain partners. We take responsibility for reducing these emissions and are working to refresh our strategy to address these. We take a holistic approach to doing so, combining sustainable raw material roadmaps with manufacturing emissions plans. Together, these represent approximately 75% of our total emissions.

Carbon Leadership Programme

C&A works on the ground with our suppliers' manufacturing facilities to help them identify efficiency opportunities. In doing so, we are able to understand the emissions reductions potential at site level. The Carbon Leadership Programme is our primary method of doing this within our supply chain, and we have onboarded more than 30 energy-intensive wet processing facilities as of July 2022. We are committed to building wider industry knowledge of manufacturing impacts in the apparel supply chain, and as such, have been an active participant in the Carbon Leadership Programme since its inception.

The Carbon Leadership Programme is a multi-stakeholder initiative that brings together climate leaders in the apparel industry to accelerate the implementation of their supply chain carbon targets, while also standardising supplier engagement approaches to share with the wider industry. The goal of this collaborative approach is to maximise carbon reduction throughout the industry.

The initiative follows five steps to help manufacturing facilities and suppliers deliver on their carbon commitments: measurement, prioritisation, target setting, implementation, and tracking and reporting. The programme assesses supply chain facility carbon emission data, with the aim of using that data to develop more sustainable production strategies for suppliers.

Through analysis of data obtained from the programme, we gain insights into the carbon reduction potential of different supplier segments and can develop a low-carbon roadmap for our supply chain. The methodology we built with RESET Carbon has been piloted at 32 of our supplier sites to date. Results have been evaluated for facility-level carbon and water reduction potential and extrapolated into long-term carbon savings projections and targets for 16 sites, which now have carbon reduction action plans.

We expect to make further emissions reductions through our sustainable materials roadmap. For more about our commitment to using more sustainable materials, see [*Sustainable Materials*](#).

Sustainable Chemicals Management

We will ensure that 80% of the chemicals used are approved safe chemicals.

At C&A, we want to make sure any chemicals used in making our products are safe for people and the planet. Our goal is to foster a supply chain that continually expands the use of even safer chemicals. One of our primary means of controlling hazardous chemicals across the supply chain is our longstanding chemical management programme. The programme represents C&A's holistic chemical management approach, which includes input, process and output management.

We founded, alongside five leading brands, the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation. Today, together with other Signatory Brands, we are implementing ZDHC's Roadmap to Zero framework, where we apply the 'clean factory' approach, encouraging the elimination of hazardous chemicals across production for all brands, not just C&A's production. Our holistic chemical management programme remains aligned with the ZDHC approach, and our accompanying performance standard continues to drive improved performance.

Ensuring Safe Chemicals with Zero Discharge of Hazardous Chemicals Foundation Tools

Our chemicals programme uses ZDHC's Roadmap to Zero framework, designed to eliminate the use of priority chemicals.



Input Management

Input management is the cornerstone of our chemical management 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 results on the ZDHC Gateway, a global database for safer chemistry.

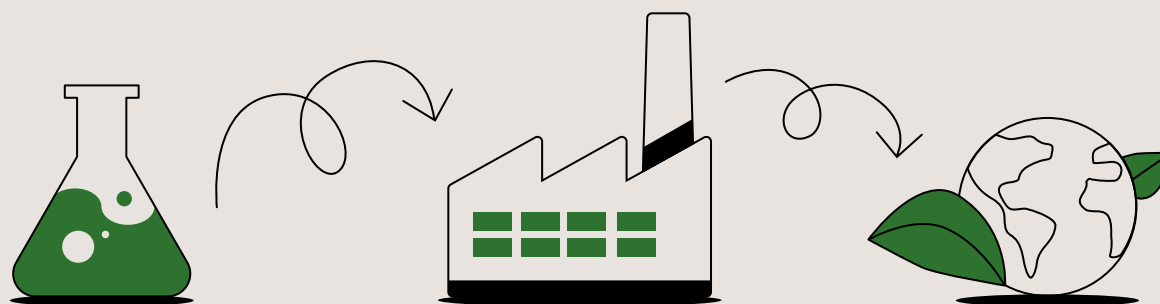
We track the chemical inventories of key suppliers using tools such as those from BV3 and CleanChain, which allow us to monitor the chemicals our suppliers are purchasing and increase the transparency of chemicals used in our supply chain.

We evaluate participating facility performance by ensuring they meet our performance requirements for sustainable chemicals management. About 90% achieved these performance requirements in 2021.

We prioritise chemical input management via the monthly chemical inventory lists provided by our suppliers, which allow us to increase the transparency of chemical usage and determine whether the chemicals meet the ZDHC MRSL. We review these inventory lists monthly and determine supplier facilities' MRSL conformance. As of December 2021, the chemical conformance rate in our supply chain was 79.5%¹. This means that 79.5% of our suppliers' chemicals are registered on the ZDHC gateway and conform to the ZDHC MRSL. This continued progress is due to our continued support to supplier facilities in substituting safer chemical alternatives, our requirement that chemical suppliers certify safe chemicals and other factors.

Our Holistic Approach to Safer Chemicals

Safer Chemicals + Smarter Processes = Better Outputs



Identify safer chemicals, drive their adoption and eliminate use of hazardous chemicals.

Assess and verify on-site chemical and wastewater management systems and practices.

Validate the elimination of hazardous chemicals to the environment and product.

Understanding Our Minimum Performance Standard

We strive for ongoing improvement and evolution in our chemical management programme, so we are pleased to have earned the highest possible rating from ZDHC — Aspirational — in 2021. Our holistic approach and Minimum Performance Standard continue to drive performance.

In 2021, our supply chain partners are evaluated based on a total of 26 performance indicators covering Input, Process as well as Output Management. The overall results generated from all indicators are then included in supplier scorecards alongside social stewardship, product quality and pricing metrics for informed decision-making of our sourcing department.

¹ Excluding *commodity chemicals*. Testing for chemical conformance with the exception of commodity chemicals aligns with the current ZDHC approach.

Process Management

Process management is key to ensuring each supply chain partner has the proper personnel, management systems, tools and expertise in place to safely use and handle chemicals in their daily operations. The Higg FEM enables us to assess our suppliers' on-site environmental performance, specifically focusing on energy use, chemicals and wastewater quality. It also allows us to check that proper policies and procedures for handling chemicals are in place at supplier facilities.

Since 2018, the overall performance of our suppliers' factories continues to improve across all environment impact areas, year-on-year. Even so, we plan to continue focusing on the following chemicals management areas, making sure our suppliers' facilities have in place:

- Methods for tracing production chemicals from the manufacturing process back to chemical inventory.
- Chemical hazard signage and safe handling equipment where chemicals are used.
- Appropriate and operable protective and safety equipment, as recommended by the Global Harmonization System Safety Data Sheet (or equivalent), in all areas where chemicals are stored and used.



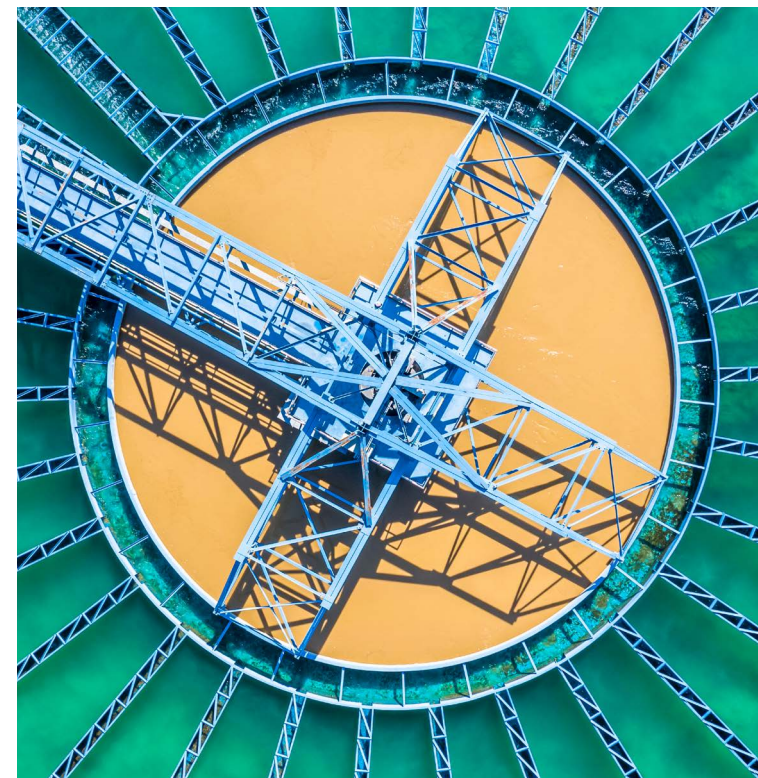
Output Management

C&A is committed to report publicly on progress towards ZDHC to achieve our goal of reducing localised pollution in our supply chain. For output management, we conduct regular testing at suppliers' production units against the ZDHC Wastewater Guidelines to ensure clean water discharge. We strive for 100% of our suppliers' facilities to meet the minimum performance standard outlined in our chemical management programme.

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. We strive for 100% of our facilities to meet the minimum performance standard outlined in the Environmental Stewardship Programme.

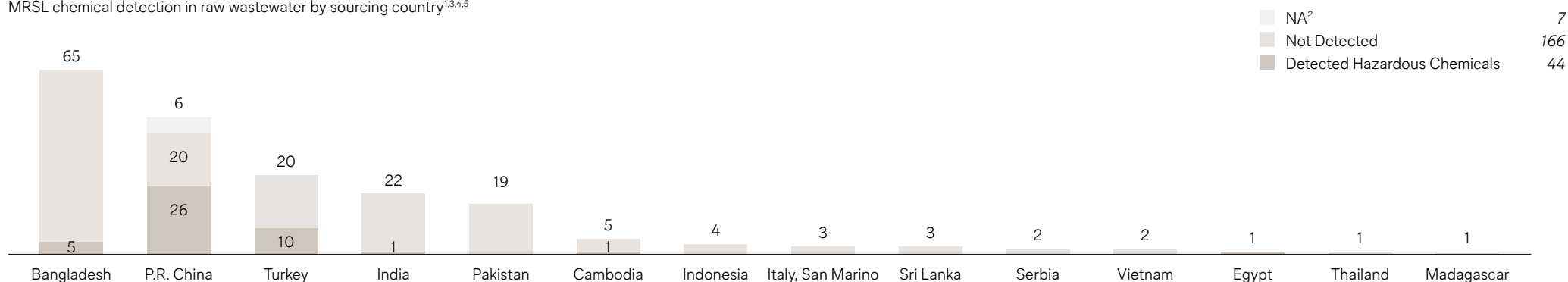
Based on the annual wastewater testing results for 2021, 79% of directly discharging sites have no detection of any MRSL chemicals and 88% of sites fall within the foundational limits of conventional parameters listed in the ZDHC Wastewater Guidelines v1.1. Wastewater sampling and testing took place from 1 November 2020 to 31 October 2021.

In those instances where C&A identifies issues with chemical inputs, processing, or outputs, we work with our partners to develop corrective action plans and conduct root-cause analyses, which are followed up by regional teams with in-person visits to production sites wherever possible.



Wastewater performance

MRSL chemical detection in raw wastewater by sourcing country^{1,3,4,5}



¹ There are 217 production units in total, of which 116 directly discharge wastewater to the surrounding water body.

² NA refers to production units which are exempted from testing due to negligible amount of wastewater or other reason(s) as approved by ZDHC Foundation.

³ Sampling period: November 2020 to October 2021.

⁴ Should there be more than 1 wastewater test conducted during the reporting cycle, the latest valid report is taken into consideration, occasionally combined results of more than 1 report are considered when necessary.

⁵ For the full list of restricted chemicals and conventional parameters tested please refer to ZDHC Wastewater Guidelines v1.1.

Capacity Building & *Leadership*

We believe our strong performance in chemical management is, in part, due to in-depth training and engagement provided by our in-country teams. With our learning technology partner, we have developed a bespoke online chemical management platform to 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, including resource efficiency, effluent treatment plant, wastewater management and root-cause analysis.

In 2021, we delivered training across 20 bespoke C&A courses. This training has been provided based on identified learning needs, and where it is most needed, to 351 factory representatives in charge of environmental management at their sites. We have plans to continue expanding this programme, which not only provides suppliers with important training, but also improves their engagement with us.



Industry *Collaboration*

Our vision of a supply chain with zero discharge of hazardous chemicals cannot be achieved alone. Only with industry partnership, including brands, NGOs, academics, chemical suppliers and manufacturers, can we drive permanent change. Within each of the above Input, Process and Output areas, C&A has focused on developing industry standards, tools and methodologies, such as our efforts in providing inputs to strengthen FEM requirements in the latest version 4.0 and to improve capabilities of the ZDHC Gateway portal.

As part of our commitment to environmental stewardship, we continuously aim to drive positive changes in the interests of our supply chain partners by actively participating in multi-stakeholder initiatives such as the ZDHC Brand Advisory Group, the Higg FEM Chemical Group and the AFIRM Group.

Water Stewardship

We will reduce blue water consumption by 50% in high water risk areas by 2030.

The apparel industry uses a lot of water across its supply chain, from crop irrigation to wet processes in production, through to customer use. We use water at every stage in our value chain — and we are committed to ensuring it remains free from hazardous chemicals and available for generations to come. Water scarcity and other impacts to our water systems pose significant risks to communities around the world and to the viability of our supply chain.



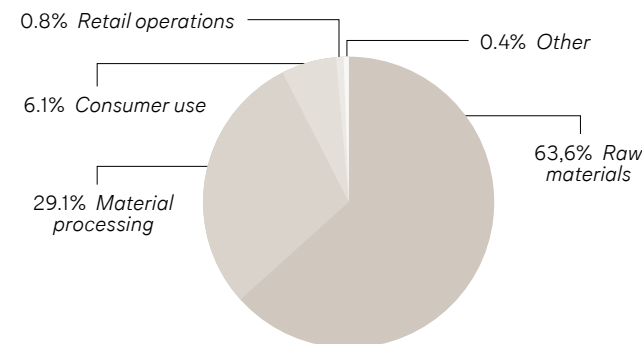
Defining *Our Water Footprint*

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.
- The green water footprint is the total rainfall or soil moisture used to grow plants.
- The grey water footprint is a measure of pollution, expressed as the volume of water required to assimilate the pollutant load to meet ambient water quality standards.

We use a hybrid LCA approach to assess our water footprint across the value chain. The last year for which we calculated our water footprint was 2019, due to the COVID-19 pandemic. We continued to collect water data in 2020 and 2021, which provided useful base knowledge and which we can build on in the future. However, we do not have a water footprint for the previous two years, and we need to overcome barriers urgently in order to progress faster in this area.

Water footprint



*Working
Together to
Conserve
Water*

To help protect against water scarcity and combat climate change, we must work closely with our suppliers to help them reduce water use in manufacturing. We have encouraged our suppliers to complete the Higg FEM to better understand their water use. Using this data, we have identified suppliers in areas at high risk of water scarcity in anticipation of potentially helping them to set water reduction targets in the future.



Moving to Zero Waste

We will avoid that any of the returned goods and season leftovers, cardboard and plastics are *being sent to landfill or incineration*.

At C&A, we are committed to moving toward a zero waste future, which means we must take assertive action to avoid, eliminate or reduce waste wherever possible. We continually pursue zero waste to landfill from our own operations, while also making it easier for our customers to change their own consumption and recycling patterns as well.

In 2021, we completed an assessment to better understand the primary waste streams in our operations. Now, we are taking additional steps to reduce our impacts, such as in-store waste management initiatives and the use of recycled materials in our clothing.



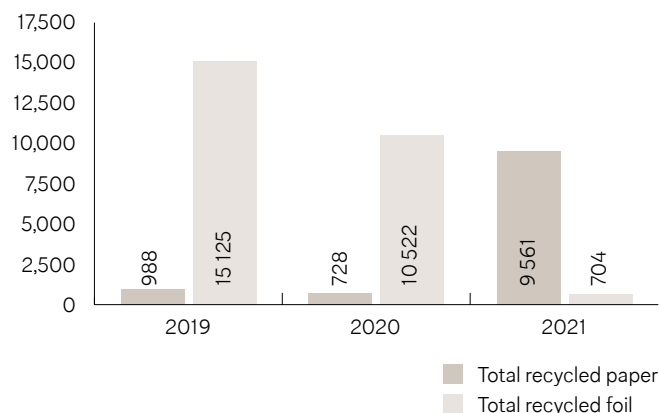
Distribution Centre Recycling

Our distribution centres offer opportunities to reduce and eliminate waste, and we have been monitoring, reducing and recycling plastic packaging, cardboard and paper in our distribution centres. In 2021, our distribution centres collected and sorted 9,561 tons of paper, as well as 704 tons of foil, which we sent to the appropriate recycling facilities.



Reducing Garment Waste

Recycled materials in our distribution centres¹



¹ Unit of measure: metric tons.

² Including customer returns.

Our approach to avoiding textile waste starts with careful production and inventory management. We know that the best way to reduce excess materials is to align our product offerings with consumer interests and to reduce the number of product options we make and sell. As of 2020, we have enhanced how we forecast our buying and merchandising to further improve product assortment planning. This allows us to operate with smaller product quantities and less waste, while still providing our customers with the style and fit options they seek. Largely due to these refinements to our forecasting practices, we have decreased the volume of unsold seasonal merchandise. Compared to 2020, we reduced the amount of unsold seasonal merchandise by 28%² (1,312 tons in 2020 to 939 tons in 2021).

Unsold merchandise and customer returns, in good and unused condition, are either donated or made available to external service providers for reuse purposes. Customer returns in a condition that does not allow for reuse are treated in accordance with our waste policy, which is based on the EU waste hierarchy.

Reusing Textile Scraps

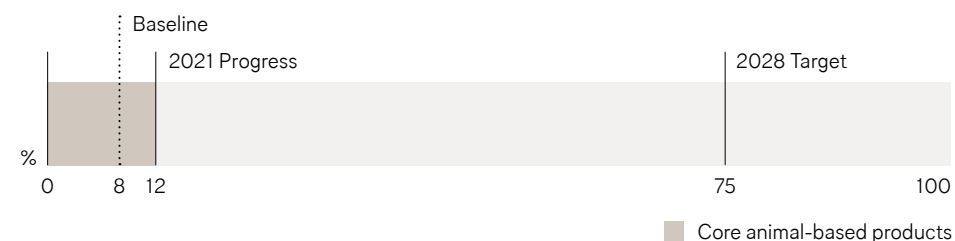
The excess fabric generated at the factories manufacturing our products is known as clips or scraps. Although it is often the easiest type of textile to recycle because we know its fibre composition as well as its chemical profile, we do not have a clear understanding or an accounting of what our suppliers do with textile scraps. As part of the Circular Fashion Partnership, we learned more about what our suppliers do with textile scraps, and we are now training them on how to segregate this waste. We are also working to source more recycled materials for use in our products.

Safeguarding Animal Welfare

We will source *75% of our core animal-based materials* certified to defined animal welfare standards.

C&A has a long-standing commitment to high standards of animal welfare, as outlined in our [Animal Welfare Policy](#). 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, other brands, retailers, suppliers and independent auditors.

% of core animal-based products
that are certified to animal welfare standards¹



¹ Baseline: 2019. Core animal-based materials include leather, down, wool and cashmere.

Sustainable & Socially Responsible Cashmere

We continually seek to improve our animal-based fibre sourcing practices. In 2018, we began evaluating the animal welfare practices associated with cashmere, which comes from goats, and joined the [Sustainable Fibre Alliance](#) (SFA) in 2019. The SFA works with the extended cashmere supply chain with the goal of promoting a global sustainability standard for cashmere production. This includes collaborations with an array of stakeholders, from herders to retailers, to preserve and restore grasslands, ensure animal welfare and secure livelihoods associated with the cashmere supply chain. The SFA oversees sustainable cashmere principles and criteria and is in the process of consolidating these into an even more holistic and performance-based standard for cashmere.

Through our involvement with the SFA, C&A brought certified cashmere garments to market in 2021. During the year, 60% of the cashmere clothing offered in our stores was Cashmere Standard-certified, helping to promote cashmere production that is measurably better for animals, the environment and herding communities.

C&A was one of the first apparel companies to *bring SFAxICCAW¹ certified cashmere garments to market in 2021.*

SFA Certification Benefits to Herders

When herders join the SFA and become licenced to sell certified cashmere, they gain access to better prices and a broader market, even during the disruptions caused by the COVID-19 pandemic. The SFA and its partners also provide training on fibre sorting that supports price premiums on higher quality fibre. Additional SFA training covers how to herd more sustainably, protect grazing pastures through ecosystem-based land management, practice good animal husbandry and better advocate for community needs.

In 2021, the organisation helped 95 herding communities made up of 10,000 herding families in the Inner Mongolia region of China, also known as the Inner Mongolia Autonomous Region. Overall, about 40,000 people have benefited from the education and capacity building provided by the SFA to ensure sustainable herder livelihoods.



Future Outlook

Ensuring animal welfare is an industry-wide challenge we cannot solve alone. We are members of the Textile Exchange, which oversees several certification schemes for responsible animal-based fibres, including the Responsible Down Standard (RDS), Responsible Wool Standard (RWS) and others. We continue looking for ways to collaborate with others in our industry to discover new ways to improve together. We are also updating our animal welfare policy to make sure it reflects the latest best practices in animal husbandry and environmental protection.

¹ ICCAW: International Cooperation Committee on Animal Welfare.

The *People*

#4

Worker Wellbeing

We will positively impact 75% of the workers in our supply chain with wellbeing programmes.

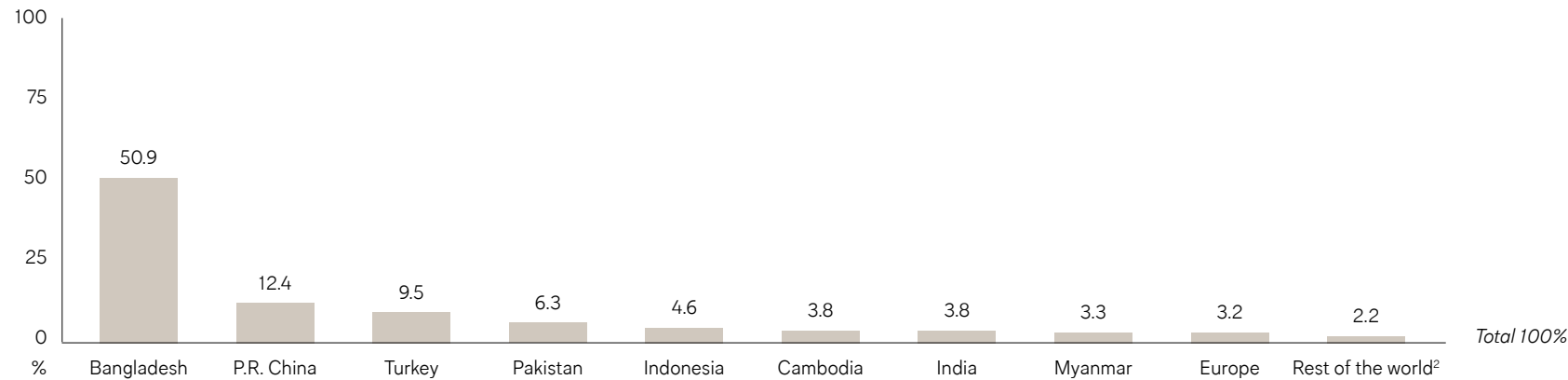
At C&A, we believe safe and fair working conditions should be the norm for all apparel workers. We aim to continually improve the wellbeing of workers in our supply chain, and we are proud of our long-standing Social Stewardship Programme in pursuit of that aim. The supply chain supporting the C&A brand encompasses over 670,000 people across various key sourcing countries and cultures. We have been working diligently to increase transparency throughout the supply chain. The result is that we have good visibility into our supply chain, with 100% transparency of cut-and-sew, wet processing, printing and embroidery units, which applies to factories from all direct suppliers as well as importers. We also have oversight of a considerable proportion of fabric and spinning mills and can estimate the country of origin for 85% of our raw materials.

Our goal is to ensure that 75% of workers in our supply chain are covered by a successful worker wellbeing programme. We are implementing several initiatives towards this goal, including industry programmes covering capacity building, working conditions, women's rights, workplace dialogue, and health and safety. Each programme is defined by a specific set of key performance indicators to ensure we are helping suppliers to achieve meaningful improvements in the rights and wellbeing of workers.

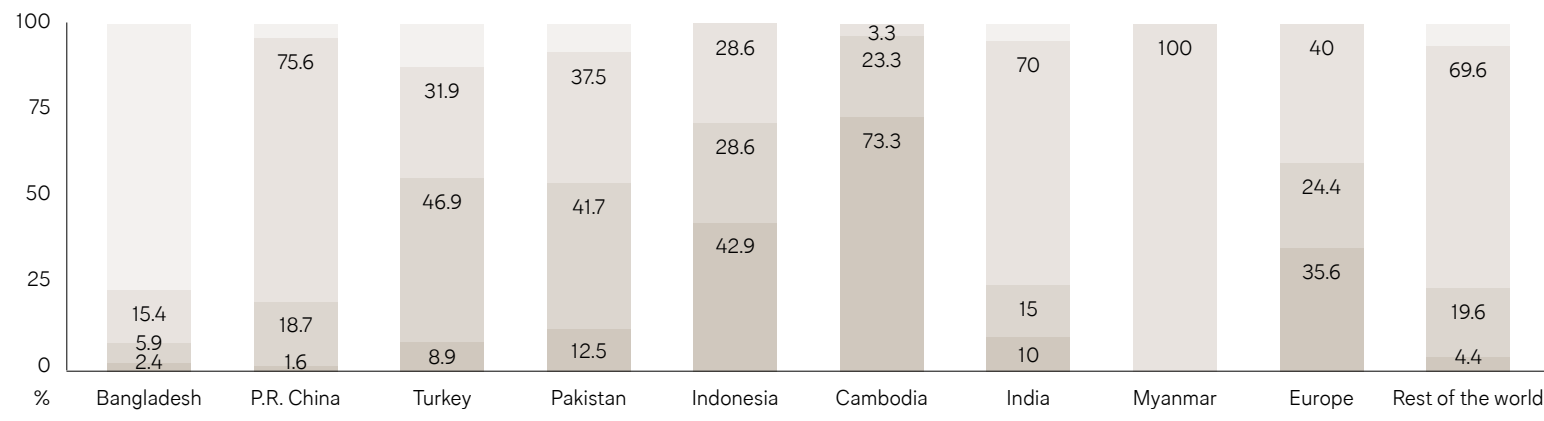


Sourcing footprint

% of products delivered by country of origin¹



% of A/B-rated production units per sourcing country³



We developed our own rating methodology from A to E to communicate our expectations on improvements to suppliers and factories based on their performance.

In 2021, as we moved over 50% of our factories from C&A auditing to the Social & Labor Convergence Program, we made our rating matrix more stringent.

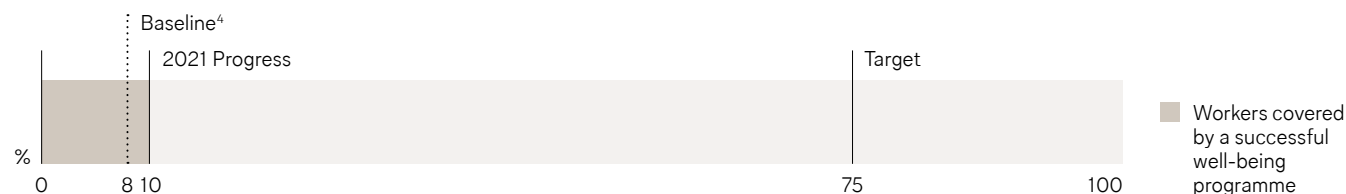
The methodology considers the severity and urgency of non-compliances found in the factories. Each rating has clearly defined business implications, which are communicated to suppliers and factories during their mandatory training.

For example, a D or E rated factory needs to work on immediate improvements to continue working with us.

Our suppliers and factories are informed of their rating and we provide a summary of any identified non-compliances.

A B C D/F

% of workers covered by a successful wellbeing programme



Workers covered by a successful well-being programme

- 1 Based on delivered quantities in season 1 and season 2 data for 2021.
- 2 Rest of the world includes: Vietnam, Sri Lanka, Tunisia, Morocco, Madagascar, Egypt and Brazil.
- 3 Figures include all production units in season 1 and season 2 supplier portfolio for 2021.
- 4 Baseline year: 2019.



Photo: Porticus/©Andy Aitchison

Strengthening Our Due Diligence in Line with OECD Guidance

At C&A, our Social Stewardship Programme has been designed to continually build capacity across the supply chain. We constantly strive to improve the lives of workers in the supply chain, which requires a holistic approach to make sure they are safe, satisfied and engaged at work.

To ensure our approach is robust and adheres to best practice, in 2021 we formally aligned our efforts with the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#). Through this work, we aimed to challenge our Social and Environmental Stewardship Programme to ensure its effectiveness to identify, prevent, mitigate and remedy risks and to prioritise actions based on the most salient risks assessed by severity and likelihood.

The due diligence process involved a risk assessment against the 12 sector risks for the garment and footwear industry identified in the OECD guidance, plus two additional areas as required by key external stakeholders. The process also evaluated the likelihood of harm occurring in C&A's supply chain, looking at known risk factors and existing mitigation efforts. It drew from audit results, grievance mechanisms, supplier visits and other channels. Risks were then prioritised based on their severity and a gap analysis was conducted of our actions compared to OECD expectations. The outcome of our assessment was documented using the Partnership for [Sustainable Textiles TexPerT tool](#).

An important element of the process was engaging with some of our key external stakeholders to validate the risk assessment and gain their feedback for improvement and future priorities: the OECD, ILO Better Work, Fair Wear Foundation, IndustriALL and SGSF¹ — a Bangladeshi union and IndustriALL affiliate. The consultation yielded suggestions for improving our approach and activities, which we will implement during the next assessment cycle, such as increased focus on purchasing practices and worker voice.

We consider workers to have wellbeing when *they are safe, healthy, satisfied and engaged at work*.

The learnings from C&A's OECD assessment process are embedded into our 2028 sustainability strategy, and we will implement actions to address risks and monitor effectiveness. Because the OECD due diligence process is designed to be iterative, we will conduct the assessment annually as we evolve our programme and make sure we have the right tools in place to foster further improvements in labour and human rights in our global supply chain.

Read more about our methodology and findings on our [website](#).

¹ SGSF: Somnilito Garments Sramik Federation.

Evolving Our Worker *Wellbeing Programme*

In 2021, we took several important steps to support our worker wellbeing goal:

1. Championing industry convergence by adopting the Social & Labor Convergence Program (SLCP)
2. Elevating worker voices
3. Developing our Gender Equity Programme
4. Improving purchasing practices.



533 factories out of 1151 had *SLCP-verified assessments in 2021*, covering not only merchandise but raw materials and accessories to products.

Category	Zero-tolerance issue	Number of factories where issues were reported
Social	Discrimination and harassment	1
	Employment practices	6
Health & Safety	Building safety	6
Environmental	Wastewater	2
Other	Transparency	1
	Missing operating licenses	4

Championing Industry Convergence by Adopting SLCP

Audit fatigue has been an ongoing challenge in our industry. When individual apparel companies use different monitoring tools and require brand-specific annual audits, suppliers can become overwhelmed. Not only does this duplication result in additional costs, it can also tie up supplier resources in preparing and responding to brand-specific audits, leaving suppliers with less time to focus on implementing measurable improvements in working conditions.

To address these challenges, the Social & Labor Convergence Program ([SLCP](#)) has brought together more than 250 stakeholders to create and implement a common tool for social auditing. The SLCP Converged Assessment Framework (CAF) provides a self-assessment tool for factories that allows suppliers to take ownership of their social and labour data. Brands or service providers support and facilitate the data collection if needed before independent third parties — authorised by SLCP through in-depth training and exams — verify the accuracy of the self-assessed data.

We believe that this kind of consistency and convergence among our peers, along with standardised tools, can help to increase data quality and efficiency, as well as accelerate positive change. As an early adopter of the SLCP CAF, our ambition is to support SLCP in the transition to become the go-to assessment tool for the apparel and footwear industry. We actively participate in the Technical Advisory Committee for the Common Assessment Tool and co-chair the Technical Advisory Committee on Verification Oversight, which guides the quality assurance process for SLCP assessments.

We have committed to replace our own audit protocol with SLCP's tool by the end of 2022. We migrated more than 60% of our targeted factory group by the end of 2021. We have also started to extend beyond our Tier 1 and 2 supply chain by including factories producing items such as hangers, hooks and price tickets.

Moving away from proprietary auditing tools toward the SLCP CAF brings several benefits. It boosts supplier accountability and provides greater industry standardisation. In addition, the single data set to which all signatories have access provides a useful baseline to help suppliers improve, whilst allowing us to collaborate with other brands for supplier training and development.

The transition to SLCP has also led to changes in our team. Where our team members previously spent their time in factories conducting audits, they now use that time working with suppliers to raise awareness of key requirements, answer questions, provide training, remediate any non-compliances and build even stronger relationships. Under our previous approach, the audit team carried out social audits. The 'Development Officer' team was responsible for follow up of corrective actions, capability building and projects related to social standards and labour rights, but were disconnected from audits.

Moving towards SLCP with the aim of freeing up resource to focus on actual improvements in the supply base allows us to work more collaboratively and efficiently. The two separate roles have been merged into one new 'Developer' role with full oversight across the SLCP assessments and capacity-building projects. Developers undertake remediation visits focused on the most critical issues — seeking the root cause of any issue and identifying sustainable solutions. 110 factories across Tier 1 and 2 reported serious cases of non-compliances, among which 20 factories reported cases of zero-tolerances issues — 7 for social, 6 for health and safety, 5 for business practice and transparency and 2 for environmental issues.¹ The Developers will support each factory individually with the objective of encouraging process ownership and adoption of internal management systems.

Integrating SLCP into Our Processes & Accelerating Supplier Development

To integrate the SLCP assessments into our existing processes and ways of working, we undertook an in-depth equivalence analysis against our Code of Conduct and our own audit questionnaire. By mapping the SLCP questions, we have been able to produce the same A-E rating for factories we have historically used for managing supplier performance.

¹ See table on [page 51](#) for details.

Elevating Worker Voices

One of the best ways to understand working conditions in the supply chain is to hear directly from workers themselves.

At C&A, we see the need to provide a platform for social dialogue where suppliers' management and workers can address and solve requests and complaints, based on mutual respect. Social dialogue refers to any process in a workplace that allows workers to exert influence over their work or their working conditions, to resolve conflicts based on mutual trust and develop established ongoing communication channels between workers and the employer.

C&A considers social dialogue essential and a key focus element of our development work as it empowers workers to raise their voices, tackles the root causes of issues and creates ownership. That is why social dialogue is a key pillar of our strategy.

As a very important starting point, we joined [Better Work](#) in 2020 to help us do just that. Better Work is a partnership between the United Nations, ILO and International Finance Corporation (IFC), a member of the World Bank Group. The comprehensive programme brings together all levels of the global garment industry to improve working conditions and respect labour rights for workers, whilst boosting the competitiveness of apparel businesses.

Our 2028 Sustainability Strategy includes a commitment to scale workplace dialogue in our most important sourcing countries — Bangladesh, Cambodia, China, India, Indonesia, Pakistan, Sri Lanka, Turkey and Vietnam. As part of our Better Work membership, we have committed to a staged approach to include all eligible factories in the Better Work programme by May 2023. We [published the list](#) of C&A supplier factories participating in the Better Work programme that have either a freely elected worker committee or a trade union. As of March 2022, we had 139 factories on board, which represents 57% of factories eligible to join the Better Work programme.

Worker Voice Pilot

Our strategy for strengthening workplace dialogue extends beyond the countries where Better Work operates. For example, we participated in the SLCP Worker Engagement Tech pilot from November 2021 to March 2022. The aim was to understand how worker voice technology can support SLCP verifications as a permanent method. The technology involves a digital platform that allows workers to report information directly via a mobile phone survey. Based on the successful pilot, SLCP will integrate this method when implementing the next version of its assessment tool. The pilot also found the technology was useful for factory managers to better understand worker experiences. We plan to use this technology with C&A suppliers in future.

Factories enrolled in Better Work go through a learning process with assessments, advisory services, industry seminars and training. At the heart of the factory advisory process is building trust and cooperation between representatives of workers and employers. The involvement of worker-management committees is essential to improve communication at the factory level and the programme ensures that workers and trade union representatives are engaged in the development and implementation of corrective action plans.

Better Work publicly discloses serious non-compliances 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. We have not identified any cases of serious non-compliance with Better Work in our supply chain.



“By implementing SLCP assessments into our existing processes, we create an opportunity to be more proactive. Integrating the Better Work programme allows us to deep dive into challenges related to brands and factories even more.”



Mohsena Akter,
SSC Regional Manager
Bangladesh Hub (Bangladesh,
Pakistan, India, Sri Lanka)

Developing Our Gender Equity Framework

Women are the driving force behind the apparel industry. C&A signed the UN Women's Empowerment Principles in 2018, formalising our commitment to gender equity and to the support and empowerment of women. We are working to develop a roadmap and framework to help us scale our approach in relevant sourcing countries.

Addressing Gender-Based Labour Violence & Harassment

Gender-based violence and harassment is a common issue amongst many cultures and societies, including those where apparel is made. Our Supplier Code of Conduct includes a clear prohibition on gender-based violence and harassment, and if any of these zero-tolerance violations is discovered, we require the supplier and factory to remediate the issue on a clear timeline. The remediation includes compensation for and protection of the victim as well as long-term initiatives to prevent reoccurrence, such as training for workers and management. Where available, we collaborate with expert organisations such as CARE.

Whilst we record just a few incidents in our supply chain, we recognise that gender-based violence and harassment incidents often go unreported. Therefore, we engage in a range of activities to prevent such behaviour in our supply chain. As part of our 2028 Sustainability Strategy, the learnings from a variety of pilots and programmes inform our planned gender equity approach. A detailed roadmap, including key performance indicators and target-setting, is under development.

Prevention Of Sexual Harassment (PoSH) & Hostel Guidelines For Factories

From 2019 to 2021, we worked with Swasti Health Catalysts on a project with factories and hostels in Bangalore, India to improve working and lodging conditions for migrant workers in our factories. The project aimed to strengthen the prevention of sexual harassment in workplaces and hostels provided by factories and develop a robust [guideline](#), along with technical support to factories in implementing the guidelines.

Among other activities, the project included strengthening the PoSH policy, capacity building of supplier factory management on gender equity and PoSH, and gender sensitivity awareness across management and the workforce. Outcomes have included:

- Reduced verbal abuse in factories
- Encouragement from supervisors to workers
- Reduced grievances
- Increased understanding of PoSH
- Support from mid-management for the programme
- Programme scaled to other factories

Approaches to Prevent Gender-Based Violence

With the CARE STOP project, C&A piloted an approach for prevention and mitigation of gender-based violence in four factories in Myanmar in 2020, followed by a factory in Cambodia in 2021–2022. The projects included creating and implementing a sexual harassment policy, training for sexual harassment prevention committees and human resources teams, and training for workers and management on the sexual harassment policy.

Gender Equity Self Diagnostic Tool

In 2021, C&A and seven other brands piloted the Gender Equity Self Diagnostic Tool (SDT) at 60 factories in Bangladesh, India, Indonesia and Vietnam. The open-source tool for assessing the current state of gender integration in textile, clothing and footwear manufacturing was developed by the International Center for Research on Women (ICRW). The SDT is a simple questionnaire for factories to assess and generate a customised scorecard to diagnose strengths and areas for improvement for integrating gender equity across policies, practices and operations. The pilot project aimed to help identify priority actions for enhancing gender equity and to provide insights on gender considerations in the supply chain.



Photo: Porticus/©Andy Aitchison



Improving *Purchasing Practices*

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. To address these challenges, our 2028 Sustainability Strategy includes a commitment to actively support multi-stakeholder initiatives for better purchasing practices, including a fair income for workers. Our planned actions include:

- Train C&A team members on the impact purchasing practices can have on worker wellbeing
- Create processes to mitigate and prevent negative impacts of purchasing practices on worker wellbeing
- Establish tools to monitor fair income of workers

As a founding member of the industry-wide initiative *ACT*, we have a strong commitment to achieving adequate wages for our supply chain workers. We have also highlighted our commitment to work towards adequate wages in our supply chain in the Memorandum of Understanding signed in 2015 with IndustriALL.

Through our ACT membership, we have committed to working towards changing purchasing practices that improve working conditions and create the conditions for secure adequate wages through collective bargaining at industry level. In 2021, ACT began developing an accountability and monitoring framework to provide member brands with an agreed set of indicators and monitoring instruments for implementing purchasing practices commitments. We will evaluate and report our progress in alignment with the framework when it is published in 2022.

Purchasing *Practices Survey Tool*

As a member of the ACT Purchasing Practices Working Group, we supported the development of a purchasing practices survey tool and participated in the 2021 survey. The survey includes member brand employees and suppliers across key garment manufacturing countries, including all four countries where ACT directly operates: Bangladesh, Cambodia, Myanmar and Turkey. The 2021 survey saw strong participation from more than 1,300 suppliers and 1,800 brand employees, making this the largest survey about the specific purchasing practices of major international brands and retailers to date. It marks a significant contribution to understanding the state of play for purchasing practices in the apparel industry.

A generally positive picture across the results indicates that brand employees and suppliers think the ACT member brands have substantial responsible purchasing practices measures in place. However, ACT members must continue addressing key challenges such as a lack of training and a disparity between how brands assess their behaviour and how suppliers experience purchasing practices on some issues. 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 in achieving compliance with the ACT Global Purchasing Practices Commitments.

Future Outlook

We continue to support industry convergence and use of standardised tools to collaboratively drive change. Building on our commitment to SLCP, we will look to align our remediation processes with other apparel brands so we can work together to lift standards in the supply chain for improved worker health and safety, compensation and overall wellbeing. Ideally, this will mean that only one corrective action plan will be required by all brands, which would free up even more resources — for both brands and suppliers — to focus on actions that can meaningfully improve worker wellbeing and workers' rights. Looking ahead, we have revised key steps to support our Worker Wellbeing goal better, with dedicated priorities for the following two years. Women empowerment and purchasing practices will remain key focus areas for us, whilst the topic of elevating worker voices increasingly moves to the fore. We aim to ensure adequate worker representation in our supply chain factories and support our suppliers and workers to establish these, for example with dedicated trainings. Further, we will establish an easier access to C&A's grievance mechanisms as well as support our suppliers to take responsibility for rolling out their own effective grievance mechanisms. Only if workers are aware about their rights and enabled to raise their voice, can we create the basis for prevention of many reoccurring topics for social and labour rights issues. Another key priority for us will be to take necessary steps in ensuring adequate wages for workers in our supply chain. We see these priorities as fundamental drivers to address working conditions.

People & *Community*

We strive to improve the lives of people working for C&A, directly and indirectly. We focus on strengthening communities, promoting positive actions and giving back. We aim to continually improve the wellbeing of our co-workers, providing resources, programmes and tools to foster a mentally and physically healthy lifestyle. We are committed to building an inclusive C&A where everyone can become their best self. Through our giving and volunteering initiatives and collaborations, we strive to bring about positive change in the communities where we live and work.



Q&A with Jean-Sebastien Guy, Chief People & Culture Officer

Q: Given the ever-changing landscape and rapid nature of the fashion industry, C&A is undergoing a transformation to best respond to evolving customer demands. What does this transformation mean from a people perspective?

A: We are deeply transforming our organisation to respond to what our customers want, and ensure we are fit for the future. We are shifting our operating model to make sure we can meet the demands in the right way, and moving the company into the digital era. This has meant looking at the entire structure, the way we make decisions, our culture, how we organise ourselves and the way people work with each other. People are at the heart of this transformation. To make things happen and achieve the change we want to see, you have to engage people, listen to their views, learn from each other and bring them along on the journey. Our C&A leaders are really stepping up and leaning into the change. We know we don't have all the answers, but we are focused on being prepared, resilient and ready to adjust because the context is changing all the time. We strongly believe the only way to deal with the external world is to stay flexible and resilient.

The key focus of our transformation is becoming One C&A — ensuring we are all united around our core purpose and speaking with one voice. The digital element is driving connection and improving communication for all co-workers at C&A. We can see the company changing and becoming more transparent. Change can be difficult, but this process is really a beautiful adventure. We have amazing people here at C&A. The level of engagement and belonging of people who truly want to make this company successful is extraordinary. Part of this is down to the DNA of the company established all the way back in 1841. When you have people who've been here for 35 years, there is a reason for that. C&A is special and we cherish it.

Q: How are you changing the culture of the company to support this transformation?

A: Everything comes back to culture, to achieve change you must walk the talk. We asked ourselves what are the most crucial steps to unleash potential and have the conversations that really matter within the company. We are aiming to recalibrate C&A culture by elevating the importance of clarity, care and trust. This will require letting go of hierarchies and breaking functional silos. We want to empower our co-workers to lead and co-create in networks of competence. And crucially, placing equity and inclusion front and centre of how we make decisions and treat people.

We are transforming from a top-down structure to a much less hierarchical mindset. We want to create an open space and platform in which people can share and create communities together. This obviously starts from the top with the management team demonstrating and reflecting this culture and mindset. Not only do we need to be crystal clear about our values and purpose, but also the leadership behaviours needed.

Q: How are you putting people at the centre of your approach?

Part of this transformation has also been a change to our HR approach. Before, C&A was very business driven and the people side was undervalued. We are gearing up to move away from HR transaction work to focus on people and culture, empowering our co-workers with a human-centred approach. Now we are repositioning people at the centre, so that as we take business decisions, people considerations are at the heart of everything we do.



We care for
people & planet.

We are consumer-
obsessed.

We keep it simple.

We are forward
thinking & acting.

We love togetherness.

Q: How has the external environment affected your People & Culture Strategy?

The COVID-19 pandemic brought fundamental changes to our workplaces and workforce, and has accelerated the arrival of the future of work. Worldwide, people are reassessing what they expect from their employers, turnover is at an all-time high, and we are seeing record talent shortages. Against this backdrop, we recognise the need to rethink and reshape our people strategy to ensure we are meeting the needs of today's and tomorrow's workforce. At C&A, we have aligned our people approach with our long-term priorities and our values, to lead and transform our business over generations to come.

Our new people strategy will help C&A retain and attract top talent by increasing our competitive advantage as an employer, while enabling co-workers at C&A to lead through our purpose and inspire everyone not just to look good, but to feel and do good too. We have four focus areas:

- Recalibrating C&A culture
- Enhancing co-worker experience
- Health and wellbeing
- Developing the talent we need



Co-worker Engagement & Experience

Ensuring our co-workers' voices are heard and their feedback is addressed is a central part of our approach. When we were developing our new people strategy, an important step was to gather feedback from our co-workers. We listened to our people at every level across functions to understand what they need from C&A to be able to thrive in our organisation, to meet our customers' expectations and to grow our business. We held an engagement survey in September 2021 to establish a new baseline, with 25,000 people invited to participate. We will repeat this survey every one and a half years across the whole of C&A, as well as having several pulse check surveys along the way to assess progress and engagement.

We integrate the feedback we receive globally into our overall strategies and plans, and our leaders get feedback on their areas of strength and concerns so they can take action. In this year's survey, we received feedback that co-workers felt there were limited career opportunities and a lack of career development focus. Our Talent Week in early 2022 was an immediate, direct response to this input.

Talent Week included 10 sessions with more than 50 speakers. We created a week of events to showcase our talent approach and value proposition to our co-workers, and to encourage individuals to take responsibility to build their own careers. Our speakers focused on topics such as wellbeing, career advancement and learning opportunities. A total of 3000 people from 20 countries participated in the Talent Week.

Another initiative we launched this year was our Store Days, to increase connection between our corporate offices and our stores. The programme has been fully rolled out across all European C&A countries, with 434 stores offering Store Days in 2021 with 1150 co-workers enrolled to visit.

We are also working to enhance co-worker experience by embracing flexibility for jobs that can accommodate it. We recognise that people crave connection but equally value their autonomy and the freedom that flexible scheduling can allow.

Health & Wellbeing

Building individual and collective resilience is one of our key focus areas to enhance co-worker experience. We provided yoga and meditation classes online to allow access for all co-workers. We held a total of 31 wellbeing classes with 306 members in our wellbeing community. We also had pub quizzes and lunch lotteries to support co-worker engagement and social connections.

Another core aspect of ensuring a healthy experience at C&A is training our leaders to foster a culture and conditions that support co-worker health and state of mind. We have focused on mindfulness with our leadership team, with principles of kindness, compassion and clarity as key drivers to promote a growth mindset and ownership over the co-worker experience at C&A. This year, our leadership training focused on the importance of self-care and work-life balance, and how to incorporate this into their day-to-day work. 400 leaders in our head office went through the in-depth programme, with sessions on a mindfulness approach structured in three layers: self-leadership, leading teams and leading the organisation.



Talent Development

At C&A, constant learning is one of our core values. We are forward thinking and acting, continually looking for ways to improve and grow, both as a company and as individuals. We know that it is by making mistakes, failing faster and learning from what went wrong that we succeed and get it right.

We are working to develop the talent we need by transforming C&A into a self-learning organisation. We are focused on closing the skills gap through upskilling and reskilling on the job, as well as through our C&A academy. We will also hire for growth potential and match candidates into roles suited to their strengths.

We launched our Global Learning Management Solution in September 2021. More than 4000 of our co-workers have access to the system, with over 300 C&A Academy learning items available. Since launch, we have had 17,000 registrations. Next year, we will also be expanding to cover our store co-workers, bringing access to an additional 22,000 colleagues.

We are also working to promote a positive co-worker experience by moving from performance management to performance enablement, through goals alignment, regular feedback and coaching. We are building a transparent job architecture and career pathways — from vertical to lateral and cross-functional — to further develop our internal talent marketplace.

Community Giving

Giving back is key to C&A and our co-workers, 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 co-workers around the world to play their own part in tackling societal issues.



Rebuilding After The Flood

2021 saw dramatic floods in Europe, leaving a trail of destruction in Germany and Belgium, and damage in the Netherlands, Austria and Switzerland. Western Germany was worst-hit by the flooding, especially the area around Ahrtal. The COFRA Foundation supported the Spenden Shuttle with a donation of 100,000 EUR to support direct actions in the area. Moreover, over 80 C&A co-workers from the team in Cologne and Oberhausen took matters in their own hands and prepared over 3000 bags to support people impacted by the flood in the region of Ahrweiler. Also in Belgium, co-workers supported the people in impacted areas with bags of essential clothing.



Planting C&A Forests

Our co-workers in Portugal and Spain took part in a tree planting event in Vigo (Spain) and Lisbon (Portugal) as part of the 30th anniversary of C&A Portugal. These projects support the restoration of local areas, boosting local biodiversity to revitalise these areas. Supported by Life Terra, we have created our C&A Forests with 4 hectares, planting 1350 trees and offsetting an estimated 270 t of CO₂ equivalent (over the next 40 years) in each forest. The event included over 50 co-workers and together we intend to continue to take necessary and useful measures that will help in the fight against climate change and enable our co-workers to take part.

Future Outlook

Building upon our equity and inclusion work is a key priority for the coming year, with exciting plans already in the pipeline.

Alongside our internal equity and inclusion ambitions, we also see a role for our business in helping to uproot inequality in society. Over the next years, our focus across C&A markets will be on improving social mobility. We will support women and youth of diverse origins that face multiple disadvantages. An important part is supporting this through our charitable giving approach.

Enabling Consumers

We will *enable 55% of our customers* to recognise that they can make more sustainable choices at C&A.

We aim to create fashion with a positive impact and enable customers to make more sustainable choices. At C&A, we believe that we all can make sustainable choices — however big or small — to support people and the planet. To that end, we are proud to offer customers more and more options to make it easy to choose sustainability with every product they purchase.

Building on our continued approach to engaging customers through Wear the Change, we aim to further empower our customers to make more sustainable purchasing choices by informing them about the sustainability attributes of the products we sell, our supply chain and the way we do business.



Understanding Our Customers

Since 2015, we have partnered with GlobeScan on an annual sustainability insights survey to help us learn more about and act on the issues that matter most to our customers. This year, we asked 5,000 consumers across three markets (France, Germany and the Netherlands) about the most important sustainable product attributes. Consumers indicated that the following were the most important:



Product is made by workers whose rights are protected



Product is made by a company that treats its employees equally



Product is made by workers who earn a fair wage



Product is made with organic materials



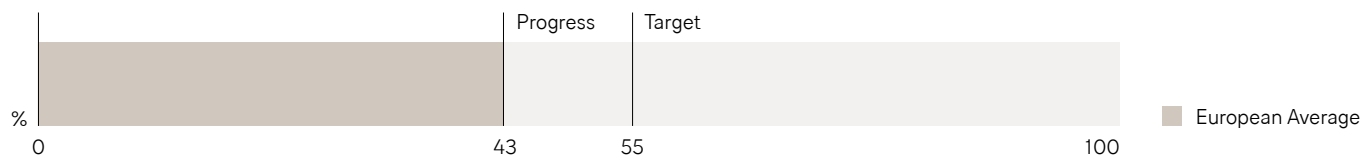
Product is certified by an independent ethical/responsible label

Because we aim to openly share the information our customers need to make more sustainable decisions, the survey also asks how easy it is to find out about these sustainable product attributes when shopping at C&A. We are doing well at communicating our environmental performance to customers — with a focus on organic materials, independent certifications, recyclability and recycled content. However, the research has told us we have more work to do on the social side — to communicate our impact on our co-workers, supply chain workers and the community.

We have been measuring the perception of C&A as a sustainability leader for many years, but this year we tailored the survey to the actions we can take to help customers make sustainable choices. For example, we wanted to understand more about how our marketing team can provide helpful and transparent information about sustainable choices. We have gained important feedback on preferred communication channels for sustainability messages, with customers looking for information in-store, on-product labels and online. We have begun putting these and other findings into action and will use the insights to engage customers on our sustainability journey.



% of customers that feel enabled to *make sustainable purchasing choices at C&A*¹



¹ Based on annual GlobeScan sustainability insights survey.

Increasing *Transparency*

We are glad to see our customers endorse greater transparency and ask for even more transparency on where and how our clothes are made and how the people who make them are treated. We have committed to an unprecedented level of openness and honesty, starting with transparency about our [supply chain](#).

C&A achieved the fourth highest score in the [2021 Fashion Transparency Index](#), demonstrating our strong commitment to transparency. The index, published by the non-profit organisation [Fashion Revolution](#), includes the world's 250 largest global fashion brands and retailers and evaluates performance relating to a brands' supply chain and approach to a range of social and environmental issues. At C&A, we believe transparency leads to accountability. Whilst we are pleased to be among the leading companies, we will continue working to increase our score.

With our industry peers, we are shifting towards the use of an industry brand score to enable customers to readily compare C&A's sustainability performance with other brands. The Higg Brand & Retail Module ([Higg BRM](#)) guides brands and retailers on their sustainability journeys and identifies hotspots and opportunities for improvement along their global value chain. Higg BRM assesses the life cycle stages of a product as it goes through a company's operations, identifying sustainability risks and impacts across a wide range of business activities.

The first assessment for C&A Europe was completed in 2021 (based on 2020 data) and third-party verified. This assessment has set a baseline for future improvements. C&A Europe has been assessed across four categories: management system, brand, stores, and operations and logistics. Each section features an Environmental Score and a Social Score. We are currently in the process of the 2022 assessment (based on 2021 data).



The Higg Brand & Retail Module – 2021 Assessment for C&A Europe

Based on 2020 data

	Management System	Brand	Stores	Operations & Logistics	Total
Environmental	86.7%	66.7%	41.7%	33.3%	56.3%
Social	95.2%	71.6%	80.8%	52.6%	78.0%

Sustainability Made Easy

Sustainability Made Easy is our approach to engage customers. We are aiming to make sustainability an easy choice and accessible to everyone by offering a broad range of sustainable options without compromises. In 2021, we launched a new [sustainability hub](#) as part of the C&A Online Shop where we share key sustainability topics in a simple and fun way. The launch was accompanied by a strong digital campaign in our social and paid media channels to increase customer awareness about sustainability at C&A. We aim for consistency to reinforce the sustainability message, and all our supporting campaigns for sustainable collections have been linked to the Sustainability Made Easy narrative. We are continually working to improve the information we provide to make sustainability accessible and transparent for our customers. In the future, the online shop will include more information on sustainability and our activities to enable customers to learn more about the product and processes behind it.

Sustainability Made Easy *In Store*

We are expanding our sustainability communications across touchpoints to better reach customers, such as through in-store campaigns. Product hangtags that provide more detailed information about a product's origin, including fibres, production and sustainability certifications, are key to giving customers the information they want in a convenient way.¹ We are increasing the use of QR codes to enhance transparency and visibility, and to make it easier to find further information online.

Forever Denim Campaign



In 2021, we spread the word about our collection made with the most sustainable denim fabric in the world. The first Forever Denim collection was made with Cradle to Cradle

Certified® Platinum level fabric. Our social media campaign featured environmental influencers and founders, and encouraged leaders to walk the talk by choosing to wear our most sustainable denim. Our campaign also invited COP26 attendees to wear this Forever Denim collection in Glasgow. View the video [here](#).

Read more about Forever Denim in [Circular Economy](#).



Case Study: Promoting the Circular Economy

As we work to advance circularity in the fashion industry, we also invite our customers to be part of this journey. The circular economy is a complex topic, but we are committed to increasing awareness for our customers. We are promoting and enabling circular fashion through various campaigns, including our recent involvement in the documentary *Going Circular*. One of our Cradle to Cradle Certified® products was featured in the film to help demonstrate how Cradle to Cradle certification is changing the industry. Our [video](#) with the Cradle to Cradle Products Innovation Institute CEO Christina Raab discusses the circular economy along with C&A's Circularity Commitment.



¹ <https://www.c-and-a.com/uk/en/corporate/company/sustainability/sustainability-strategy/unite-inspire/>

Industry Collaboration

We will *collaborate on impactful industry initiatives* to achieve our sustainability goals.



At C&A, it is our belief and conviction that sustainability needs to become mainstream in the fashion industry. Creating the radical change we want to achieve for our business and for the fashion industry takes constant collaboration. To that end, we remain an active participant in key industry initiatives such as Fashion for Good, the Organic Cotton Accelerator and Better Work. These and many other collaborations facilitate powerful work across the apparel value chain for collective transformation.

You can read more about some of our other collaborations throughout this report. For instance, see how we are:

- [Supporting the Better Cotton Traceability project](#)
- [Partnering with Recover to scale high-quality recycled cotton](#)
- [Reducing Scope 3 emissions with the Carbon Leadership Project](#)

Impactful *Industry* *Initiatives*

The United Nations' 17th Sustainable Development Goal recognises the value of global partnerships in fostering sustainability. At C&A, our partners are critical to helping us develop and achieve our sustainability ambitions and goals. We work with them to inform our strategy and amplify our work, which aims to drive change across the broader apparel industry. Following the launch of our 2028 sustainability goals, we have been undertaking a process to identify the areas where we must collaborate to achieve change. We are working to identify additional industry initiatives to further accelerate progress.

We regularly engage with [*key external stakeholders and participate in a number of key partnerships.*](#)

Stakeholder *Engagement*

C&A developed a Stakeholder Engagement Strategy in 2014 under the Global Sustainability department. Our initiatives towards stakeholder engagement became a clear structure, including a roadmap, definition and prioritisation of our stakeholders. It is crucial for C&A to engage with stakeholders to understand their perspectives on key issues to enable a joint approach on finding solutions that leave both sides satisfied. We prioritise stakeholder input and perspectives, maintaining active dialogue with our relevant stakeholders and including their feedback as we [implement new strategies and programmes.](#)

In 2021, we decided to update our Stakeholder Strategy and review our roadmap. Read more about our new strategy under Future Outlook within this chapter. If you want to learn more about our stakeholder groups and how we engage with them, please refer to [Materiality Assessment.](#)



Future Outlook

The importance of stakeholder engagement has significantly increased throughout the years. It has become an important aspect of a company's due diligence work, according to the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. This document has become the foundation of due diligence work for companies in the apparel and garment sector. The OECD Guidance has enforced the practice of stakeholder engagement within companies and has set clear definitions for stakeholder groups that must be covered in a holistic stakeholder engagement strategy. It is expected that the engagement goes two ways and is meaningful and truthful. In 2022, C&A will build more capacity on external stakeholder engagement to ensure that the company continues to fulfil its thorough due diligence work. Furthermore, the stakeholder roadmap, including definition, prioritisation and engagement approach, will be updated throughout the year.



Our *Performance*

#5

C&A Europe Progress

Goals	KPI	2028 Target	Baseline	Progress 2021
Act as an industry leader in increasing the use of sustainable materials	% of our core materials sourced more sustainably	100%	68% (2019)	77%
Innovate and connect circularity principles to our business and products	Number of products (out of 10) with extended life through the way they are designed, produced and re-used	7/10	0/10 (2019)	0.7/10
Pursue the elimination of plastic pollution	% of single-use plastics in our stores, online shop and supply chain with sustainable alternatives	-50%	1,289 mt (2019)	-30%
Enable customers to make sustainable choices by increasing transparency around our products and business	% of our customers that recognise that they can make more sustainable choices at C&A	55%	43% (2021)	43%
Continually improve the wellbeing of workers and workers' rights in our supply chain	% of the workers in our supply chain positively impacted with our wellbeing programmes	75%	8% (2019)	10%
Collaborate on impactful industry initiatives to achieve our sustainability commitments	Number of impactful industry initiatives in which we actively collaborate to advance our 2028 sustainability goals	9	0/9 ¹ (2021)	0 ¹
Act on clear, regularly reviewed climate change targets	% reduction in absolute greenhouse gas emissions, across all scopes, by 2030	-30%	6,392,179 tCO ₂ e (2018)	-32%
Continually improve and secure safe chemicals throughout our supply chain	% of the chemicals used that are approved safe chemicals	80%	79% (2021)	79%
Continually pursue zero waste to landfill or incineration of waste from C&A operations	Avoiding any of the returned goods and season leftovers, cardboard and plastics being sent to landfill or incineration.	0%	21,398 mt (2019)	n/a ²
Reduce blue water consumption in manufacturing processes	% reduction in blue water consumption in high water risk areas by 2030	-50%	105M m ³ (2018)	n/a ²
Protect animal welfare throughout our supply chain	% of our core animal-based materials that are certified to defined animal welfare standards	75%	8% (2019)	12%

¹ Industry initiatives were identified for all relevant goals in 2021, however specific key performance indicators will need to be defined to allow for meaningful impact measurement going forward.

² More primary data required to refine baseline and fully understand performance and impact for these goals.

C&A Global Progress Summary

	Focus Goals	KPI	2028 Target	Baseline	Progress 2021
Europe	Act as an industry leader in increasing the use of sustainable materials	% of our core materials sourced more sustainably	100%	68% (2019)	77%
	Innovate and connect circularity principles to our business and products	Number of products (out of 10) with extended life through the way they are designed, produced and re-used	7/10	0/10 (2019)	0.7/10
	Pursue the elimination of plastic pollution	% of single-use plastics in our stores, online shop and supply chain with sustainable alternatives	-50%	1,289 mt (2019)	-30%
Brazil	Act as an industry leader in increasing the use of sustainable materials	% of our core materials sourced more sustainably	80%	50% (2019)	58% ¹
	Innovate and connect circularity principles to our business and products	Number of products (out of 10) with extended life through the way they are designed, produced and re-used	5/10	0/10 (2019)	< 1/10 ²
	Pursue the elimination of plastic pollution	% of single-use plastics in our stores, online shop and supply chain with sustainable alternatives	-50%	536 mt (2021)	0% ³
Mexico	Continually improve the wellbeing of workers and workers' rights in our supply chain	% of the workers in our supply chain positively impacted with our wellbeing programmes	80%	0% (2019)	0% ⁴
	Continually improve the wellbeing of our employees	Be recognised by our employees for the wellbeing initiatives offered by C&A	-	Pending ⁵	-
	Act as an industry leader in increasing the use of sustainable materials	% of our core materials sourced more sustainably	100%	34,5% (2019)	28% ⁶
Global	Act on clear, regularly reviewed climate change targets	% reduction in absolute greenhouse gas emissions, across all scopes, by 2030	-30%	7,326,702 tCO ₂ e (2018)	-32%

¹ BCI cotton is the main driver. Pilots for regenerative cotton, recycled domestic polyester and traceable viscose planned for 2022.

² Ongoing pilots in 2021 representing 0,05% of products to be scaled up : Cradle to Cradle, take-back program "Movimento Reciclo" and Circular Denim.

³ In 2021, C&A Brazil focused on conducting an in-depth assessment of the plastics consumption and developed a strategy.

⁴ In 2021, the focus was in auditing all factories that were not audited in 2020 due to the pandemic. The first pilot of the wellbeing program is planned for 2022 and will be primarily focused on supporting factories with their compliance programs and new-hire training on C&A's Code of Conduct.

⁵ Baseline and target to be defined in 2022.

⁶ Due to issues related to availability of materials in 2021, C&A Mexico focused their efforts on maintaining existing levels of more sustainable materials, especially in BCI cotton.

Our *Report*

#6

About *Our Report*



This represents the first comprehensive sustainability report published by C&A Europe. It is informed by C&A's previous global reports (2016–2020), but unless specified otherwise, discloses data and information specific to C&A's European retail market and operations, which span 17 countries. We are committed to data accuracy, comparability and consistency to enable year-over-year assessments of our progress and drive continued improvement in our performance.

This report covers progress from our 2021 fiscal year (March 2021–February 2022), but also includes more recent qualitative updates where appropriate. We have determined that in limited cases, reporting data according to the calendar year is more meaningful. Calendar year data points are highlighted where relevant in this report.

C&A Europe will report progress annually against the C&A 2028 Global Sustainability Strategy, which serves as our overarching sustainability framework and provides global goals to guide our progress at the regional level. In this report, we have introduced our market-specific sustainability goals, which reflect contexts and materiality assessments specific to our European operations, whilst also supporting the 2028 Sustainability Strategy.

Learn more about the progress of the retail markets [C&A Mexico](#) and [C&A Brazil](#).

Global Frameworks

The Global Reporting Initiative (GRI) 2021 Standards, UN Global Compact (UNGC) principles, UN Sustainable Development Goals (SDGs) and OECD Due Diligence guidelines provide the frameworks for our reporting. To navigate our report using these three frameworks, see our [GRI, UNGC, and SDG Index](#).

Materiality Assessment

In 2021–2022, we completed a sustainability materiality assessment specific to the C&A Europe business and stakeholders. The detailed methodology and outcomes are available [here](#).

Sustainability Reports & Resources

As part of C&A global commitment to transparency, we aim to share data and information relevant to our stakeholders, including the reports, resources and key figures [here](#). We will update these as needed to reflect new resources and amendments.

Governance

Sound governance helps us operate transparently and with accountability. Learn more about how we govern sustainability [here](#).



About *Our Brand*

With over 1,300 stores in 17 European countries and more than 25,000 employees, C&A is one of Europe's leading fashion retailers. Every day, C&A welcomes about two million visitors to its stores in Europe and offers quality fashion at affordable prices for the whole family. [Learn more](#)



Data Privacy & Security

C&A respects the privacy of our customers, co-workers, employment applicants, third parties and other stakeholders, and is very serious about guarding the security of personal data. [Our privacy and data protection statement](#) is available by country on our website and is provided in the local language.

We comply with all relevant national data protection laws, and personal data is processed in accordance with the provisions of the EU General Data Privacy Regulation (GDPR). We also provide information on the [use of data according to GDPR](#) on our website.

Specific privacy statements are available by country and entity for:

- Employment applicants
- Customers
- Co-workers
- Freelancers
- Partners
- Retirees

C&A has implemented a high standard for data protection, which is in accordance with applicable law. C&A processes (especially collects, stores and transmits) personal data with an adequate legal basis. Your personal data will only be processed if you have given us your consent to do so or if a legal provision permits data processing. Where we process personal data based on a balancing of interests (within the meaning of Art. 6 (1) f) GDPR) we do so only as far as a legitimate interest has been credibly demonstrated and if processing is allowed after consideration of all interests. We use data only in ways that are considered reasonable and not in a way that one might find intrusive or cause one harm.

In the financial year 2021, all data subject rights of C&A Group customers were successfully clarified and completed in a timely manner.

All complaints and reports of potential data breaches or violations (financial year 2021: 12 cases) were reviewed, processed and documented. The underlying facts were analyzed, technical or organisational measures were adjusted where necessary, and the requesting authorities were informed of the results and measures.

Information Security / Cybersecurity

C&A is aware of the growing cybersecurity threat landscape. Therefore, C&A is constantly monitoring the challenging and evolving IT risk situation. It is a top priority in our organisation to always take appropriate measures to protect customer and co-worker data as well as C&A's IT environment in general.



Product Quality & Safety

Our customers' health, safety and enjoyment of our products are 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 Quality Management & Technical Development teams in head offices, sourcing hubs, and at suppliers 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*

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, our online shop and third-party marketplaces.

Ensuring High Quality in Our Supply Chain

We place high importance on our product quality and safety standards and work with our suppliers to ensure these are upheld at all times. We conduct quality audits and production units must meet all our requirements to be allowed to produce garments for C&A according to all our quality and safety standards. All new products undergo a product sample inspection process. 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. 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 and legal requirements.



Raising the Bar with Our *Quality Standards*

During 2021, the quality team increased efforts to highly support QEI (Quality Enhancement Initiative) where we continued to enhance durability and extend the lifetime of our products.

Our *Restricted Substances List*

C&A has adopted the Apparel & Footwear International RSL Management (AFIRM) Restricted Substances List (RSL) and makes it the binding RSL standard for C&A suppliers and manufacturers at all levels of the supply chain. The AFIRM RSL is used as a reference for limits and testing methods of restricted substances possibly found in raw materials, semi-finished and finished products.

The AFIRM RSL protects consumers and end users of materials and products from harmful levels of chemicals

Besides restricted substances of the AFIRM RSL, there are some additional chemical parameters that C&A restricts for our products. These include restrictions on perfluorinated compounds (PFCs), polyvinylchloride (PVC), heavy metals for toys and total chromium for chrome free tanned leather.

Besides our process to ensure that our fabrics, yarns, components and trims have undergone rigorous testing, in 2021, approximately 20% of our collections in Europe carried the OEKO-TEX® Standard 100 label/logo, an independent testing and certification system for textile raw materials, components and end products.



Eliminated Substances

- Some 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.
- PVC is a plastic which may be used in, for example, prints or as synthetic leather. Due to its negative environmental profile, C&A has forbidden the use of PVC for all products.

Contact & Imprint

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President of the Management Board: Giny Boer

Photos

C&A, Porticus/©Andy Aitchison

Explore our [Sustainability Reporting Centre](#)

Contact us at sustainability@canda.com

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Recover™ is trademark of Recover Textile Systems, S.L.

The following wording is registered for C&A:

WEAR THE CHANGE

#WearTheChange

Engage with us

