

C&A

Global Sustainability Report 2020



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FROM OUR LEADERSHIP

2020 and the COVID-19 crisis had a deep impact on our people, our customers, our suppliers, and countless communities around them. The entire apparel retail industry was challenged like never before, and C&A experienced that incredible challenge first hand.

2020 taught us a lot along the way. It taught us to share with and care for our neighbour. During the year, we undertook new ways of connecting with our employees, our customers, and our suppliers. It reminded us of our responsibilities, of our duty towards our peers and our planet. It also further highlighted the absolutely critical role of sustainability in the future of our industry, and that it's no longer a matter of if, but when sustainability becomes the new norm.

While 2020 marks the completion of our Five-Year 2020 Global Sustainability Framework, we are pleased to be unveiling a new sustainability strategy. This will guide us as we continue advancing our work to address climate change, source more sustainable raw materials, and innovate for circular fashion, among other critically important areas.

Being an Active Actor for Change

It is our belief and conviction that sustainability should become mainstream in the fashion industry. We acknowledge this can take years, maybe decades. But change is needed, and step by step, we want to be an active actor for change. Our 2020 framework was developed with a view to make this vision actionable.

Five years on, we're pleased to report we have made excellent progress toward this ambition.

“We have challenged ourselves, been challenged by others, and pushed the boundaries of what is possible — learning and fine-tuning our approach along the way.”

Take organic cotton, for example. We began our commitment to source more sustainably in 2005, with 1 million garments made of organic cotton. In 2020, over 123 million of our garments were made of organic cotton, and today, C&A remains one of the largest volume buyers of certified organic cotton worldwide. We are also proud to report that 96% of all our cotton was sourced more sustainably during 2020, despite the unprecedented year.

In 2017 we were the first retailer worldwide to offer a collection of Cradle to Cradle Certified™ Gold T-shirts, which we followed in 2018 with the world's first Cradle to Cradle Certified Gold jeans.

Since then, we have developed numerous Cradle to Cradle Certified pieces and collections in various styles, and in 2020, the first-ever Platinum level Cradle to Cradle Certified denim fabric.

We have also made great headway in sourcing more sustainable raw materials. Five years ago, we set ourselves a goal to source 67% of our raw materials from more sustainable sources. That year, we sourced 33% more sustainable raw materials. Today, 68% of C&A's raw materials are sourced from more sustainable sources. Needless to say, without the active engagement of our suppliers and partners, we would not have been able to achieve this, and we thank all of C&A's partners on this journey.

Stronger Together

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 Ellen MacArthur Foundation's Make Fashion Circular, and the Sustainable Apparel Coalition. These and many other collaborations facilitate powerful work across the

apparel value chain for collective transformation. We feel especially fortunate to work with such engaged and committed team members across the entire C&A organization to deliver on the commitments we made to sustainable products, sustainable supply, and sustainable lives.

We also remain committed to doing our part in contributing to make the United Nations Sustainable Development Goals (UN SDGs) possible. Throughout this report you will see some of the ways we contribute to these through practical examples. We are also pleased to reaffirm our commitment to the United Nations Global Compact (UNGC), a set of 10 important principles in the areas of human rights, safe and fair labour, environmental responsibility, and anti-corruption.

Paving the Way for a New Strategy

While one chapter closes, another one opens. Building on our endeavours of the past five years, we believe that C&A is well-positioned to accelerate its positive momentum with a new 2028 Global Sustainability Strategy. Our 2028 Strategy sets the bar even higher. It includes new ways to inspire our customers to participate in our sustainability

journey, ambitious Science Based Targets for climate, and an even greater focus on circularity, among other objectives. In the coming years we look forward to continuing collaborations with our employees, our retail market teams, our supply chain partners, our industry peers, as well as industry organizations towards even more sustainable fashion.

As we look to the future, we will create novel ways to engage our employees around sustainability, encourage them to become even stronger ambassadors of the C&A brand, and make it even easier to help our customers to make sustainable choices. Working together, we can realize our vision of sustainable fashion. Working together, we can wear the change.



Allan Leighton
Chairman C&A AG



Aleix Busquets Gonzales
Director Global Sustainability

Introduction



OUR COVID-19 RESPONSE

During 2020, the fashion industry experienced unprecedented hardship. Across the sector — and at C&A — employees, suppliers, and customers all struggled during the COVID-19 crisis. Many difficult choices were required throughout the year.

At the end of March 2020, C&A closed all stores around the world in response to the initial COVID-19 outbreak. The safety of our employees, suppliers, and customers was our top priority at the time. Over the following several months, we worked hard to meet the needs of these groups, remaining responsive to input from multiple parties to facilitate mutually beneficial progress while maintaining safe conditions for our own people as well as those working for C&A suppliers.

Putting Our People First

From one day to another, our employees had to work from home. We all had to learn how to connect and interact in new ways, and at the same time, ensure that this new working reality had no unintended consequences to our employees. To support office employees as they worked from home during the pandemic, C&A retail markets launched new ways of connecting with team members. For instance, C&A Brazil provided employees with additional health resources and support during the COVID crisis, while C&A Europe created the Wellbeing: New Ways of Working Programme. This online platform supports employees by addressing mental, physical, and social wellbeing. C&A engaged employees through online yoga and meditation sessions, course offerings, talks, social activities, and opportunities to connect with colleagues.

The programme makes it easy for team members to contact colleagues and exchange experiences and tips for greater mental, physical, and social wellbeing, fostering a sense of community that transcends the store or office experience.

Committed to Our Suppliers

When the first shops were ordered to shut at the onset of the pandemic, like other retailers in March 2020, all orders from suppliers were paused in a move that we quickly realized was not sustainable. Learning from our mistakes, we promptly committed to supporting our suppliers and their workers through this difficult period, supporting the Call to Action organized by the International Labour Organization in collaboration with the International Organization of Employers and the International Trade Union Confederation. We engaged with each and every one of our suppliers to understand their needs.

As early as April 2020, we were able to reinstate 93% of original orders well ahead of our commitment to compensate suppliers for all remaining orders at the original price. And by February 2021, C&A had compensated 100% of all original, pre-pandemic orders, while also beginning to place new ones. During the next several months, we continued our close contact with supply partners, testing new ways of working, such as virtual audits and virtual meetings with worker representatives and factory managers.

In collaboration with other brands, we also worked to address wage issues for workers around the globe through dialogue with suppliers that were struggling to fulfil their commitment to their workers. We certainly acknowledge it was an extremely difficult year for garment suppliers, their workers, and their countries. We also recognize it will take some time for them to fully recover. We will stand by them as they work to recover and resume thriving operations.

Helping Our Customers

C&A did not overlook the wellbeing of our customers during the pandemic. That is why in March 2020, in response to a global shortage of protective equipment, C&A donated 240,000 face masks to hospitals across Europe. Also, to help accommodate our customers, in March 2020 C&A Europe announced free home delivery of C&A products and extended the return policy.

Similarly, in Mexico, C&A donated 55,000 face masks manufactured with fabric scraps from domestic suppliers to a public hospital and a non-profit organization. Later, as stores were allowed to reopen, C&A developed safe store policies to help protect both employees and customers.

Pausing Our Sustainability Materiality Assessment in 2020

C&A has conducted annual sustainability materiality assessments since 2013 — except in 2020. We elected to delay our 2020 materiality assessment until the pandemic was under control so we would be able to incorporate all the learnings of the pandemic into a more holistic materiality assessment.

We hope to be able to complete this more comprehensive assessment during 2021, making sure it reflects the most up-to-date perspectives of our key stakeholders, including employees, suppliers, NGOs, partner organizations, customers, and others. We look forward to determining how the material issues might have changed for our business and our stakeholders in light of the global pandemic, emerging challenges associated with sourcing more sustainable cotton, and other global trends.

ABOUT THE C&A BRAND

With origins in textiles dating to the 1600s and our official founding in 1841 by brothers Clemens and August Brenninkmeijer, C&A has operated during both prosperous and turbulent times.

And while 2020 was an especially difficult year, our pioneering spirit, our longstanding values, and our commitment to employees and customers all enable us to adapt and thrive even through the most challenging times. Today, C&A is still largely family-owned as part of COFRA Holding.

The C&A brand is present in four retail markets — Europe, Brazil, Mexico, and China. In these markets we strive to create a brand our customers admire and trust, and all businesses coordinate their efforts and learnings as related to sustainability initiatives.

Wherever customers interact with the C&A brand, we want them to feel good about shopping at C&A, and our employees to feel proud of our contributions to society and the planet. With fashionable, affordable, and responsibly made clothing, we make sustainable choices easy for our customers, and invite them to wear the change.

Wear The Change

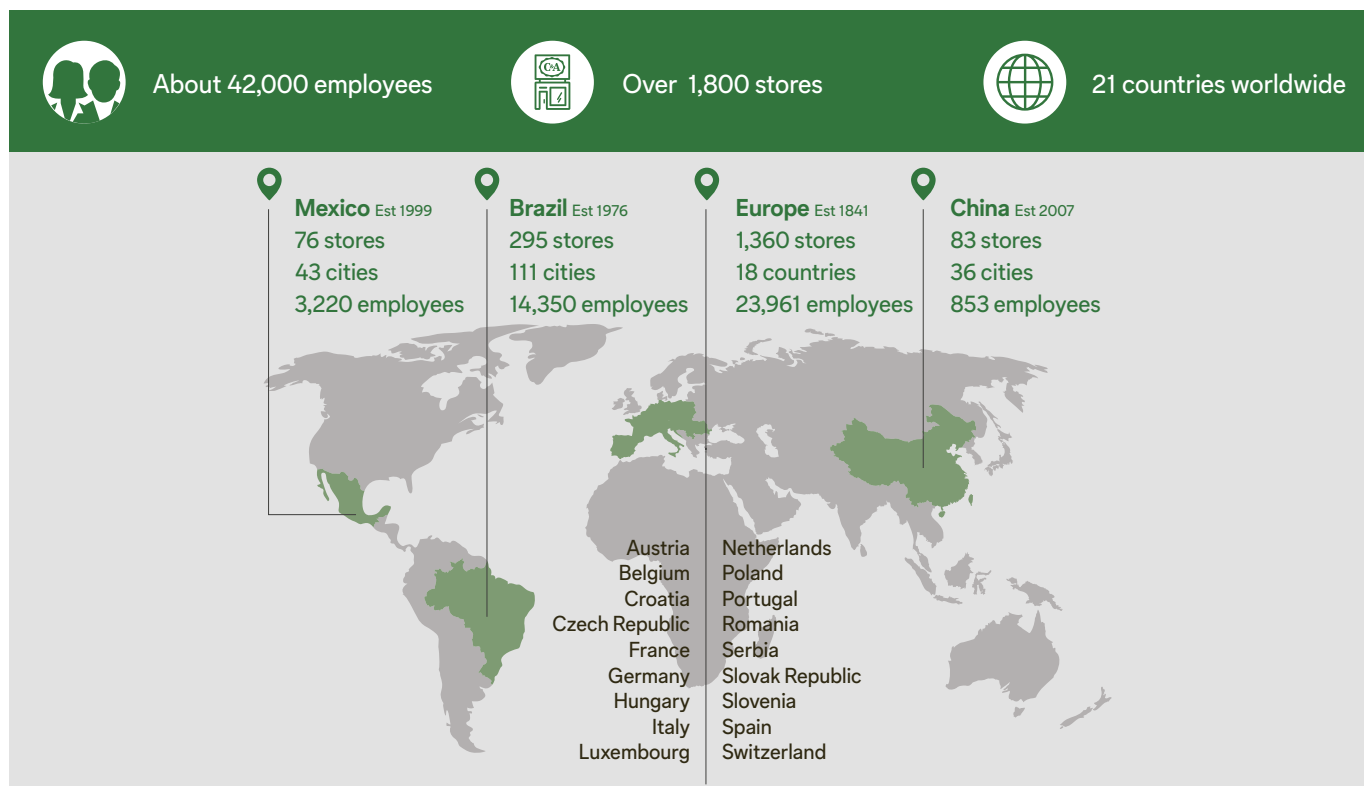
Throughout our history, we have operated according to a simple belief: that business plays an important role as a force for good. Our approach to sustainability — in our products, our business, and our operations — reflects this belief. It comes to life in Wear The Change, the powerful phrase we have adopted for sustainability at C&A. Wear The Change reflects our commitment to serving as a force for good and to making sustainable fashion choices easy.

All four C&A retail markets have adopted Wear The Change, creating local customizations that connect with customers and inspire them to make sustainable choices. Reflecting the central nature of sustainability to the business and its brand promise to customers and other stakeholders, in 2020 C&A Europe adopted Wear The Change as the overall brand identity.

Governing Sustainability

The Sustainability Committee serves as the policy- and strategy-setting body for sustainability across the retail markets where the C&A brand is present. The committee aligns on policy and strategy while managing sustainability performance.

Our Global Sustainability team collaborates with C&A retail market teams to develop locally relevant plans and targets that advance us towards our 2028 goals at the C&A brand level, while providing the necessary retail market ownership.



HOW WE REPORT

C&A has applied the Global Reporting Initiative (GRI) Standards to this report. Our 2019 materiality assessment and 2020 Global Sustainability Framework helped to determine the issues covered in the most detail throughout the report.

We're also a signatory to the UNGC and UN SDGs, which provide frameworks and guidance for advancing the sustainability agenda. To navigate our report using these three frameworks, see our [GRI, UNGC, and SDG Index](#).

Because this report shares performance not only for the 2020 business year, but also cumulative performance against our 2020 Global Sustainability Framework, it provides historical performance data from 2016 to 2020. Our baseline year for measuring progress against our goals is 2015 unless otherwise stated. Where possible, we have also provided Five-Year performance results for C&A retail markets.



C&A supports the Sustainable Development Goals and is contributing to the following:



Additional Environmental Performance Reporting

This report covers C&A's performance against the 2020 goals from our most recent Five-Year sustainability framework, which concluded at the end of 2020. That strategy also included three 2025 goals related to water use in production of our raw materials, water use in our operations, and zero waste to landfill. The most recent performance data against these three goals can be found in our [2019 Global Sustainability Report](#). We will continue working toward achieving these goals through 2025, sharing progress in future sustainability reports.

In addition, continued performance against our 2020 goal to reduce the carbon footprint in C&A stores, distribution centres, and offices will be available later in 2021 as a [downloadable summary](#), as will C&A's 2020 global results for zero discharge of hazardous chemicals in our supply chain.

WE SUPPORT



Our Strategy



2020 GLOBAL SUSTAINABILITY FRAMEWORK

Sustainable Products



Sustainable Materials

Use more sustainable raw materials.

2020 goals

- 67% of our raw materials are more sustainable.
- 100% of our cotton is more sustainable.



Circular Economy

Design and produce products for their next lives.

2020 goals

- Continually increase Cradle to Cradle Certified™ products in our retail markets.
- Support circular innovations in our value chain through our partnership with Fashion for Good.

Sustainable Supply



Clean Environment

Reduce our environmental impact.

2020 goals

- Zero discharge of hazardous chemicals.
- 20% reduction of carbon footprint in C&A stores, distribution centres, and offices.
- 30% reduction of water in raw materials stage.*
- 10% reduction of water in stores, distribution centres and offices.*
- Zero waste to landfill.*



Safe & Fair Labour

Ensure safe and fair working conditions.

2020 goals

- 100% of our products sourced from A/B-rated suppliers.
- Build capacity and supplier ownership within our supply chain.

* 2025 goal

Sustainable Lives



Engaging Employees

Create a culture of sustainability amongst our employees.

2020 goals

- Continuously increase employee sustainability engagement scores.
- Establish and achieve key goals in our Women's Empowerment Principles action plan.



Enabling Customers

Help customers to act more sustainably.

2020 goals

- C&A is recognized as the most sustainable retail fashion brand.

[Sustainable Products](#)[Sustainable Supply](#)[Sustainable Lives](#)

Our Performance



2020 PERFORMANCE HIGHLIGHTS



3,157

metric tons

of unwanted garments
are collected through “we
take it back” programme*

* Total volume collected since the programme
was rolled out in 2017



68%

of our raw materials
are more sustainable



96%

of our cotton
is more
sustainable



91,888

workers are
covered in the Supplier
Ownership Programme*

* Number of workers covered since the
launch of the SOP in 2015

We don't pursue a more sustainable future to win awards,
but we're pleased when our efforts receive recognition.

#1 C&A is the #1 brand in the ‘frontrunner’ group of
the 2020 **Changing Markets Foundation** annual
assessment of responsible viscose use

#2 C&A is the second highest rated company in the
2020 Fashion Transparency Index
Published annually by **Fashion Revolution**

#4 C&A is #4 in the 2020 **Sustainable Cotton
Ranking**
Published by Pesticide Action Network UK, Solidaridad,
and WWF

#1 C&A Brazil is highest rated in the 2020 Fashion
Transparency Index Brazil
Published by **Fashion Revolution Brazil**

#1 C&A Mexico is highest rated in the 2020 Fashion
Transparency Index Mexico
Published by **Fashion Revolution Mexico**

#1 C&A China is the #1 rated company in the annual
Corporate Information Transparency Index (CITI)
Green Supply Chain Index
Published by The Institute of Public and Environmental Affairs*

*The Institute of Public and Environmental Affairs, one of the most influential
environmental NGOs in China, assessed 540 companies across 20 industries on
the environmental management of their supply chains in China, including
85 brands in the textile industry.

Sustainable Products



2020 GOAL: 100% OF OUR COTTON IS MORE SUSTAINABLE

Cotton is used by nearly everyone, every day, and supports 250 million people's livelihoods [SOURCE: BCI]. Cotton also makes up the majority of the materials we use in our clothing, so it's where we can have the biggest impact with the right interventions.

Conventional cotton farming and production processes have a much more negative impact than more sustainable cotton. This is why we follow strict policies to ensure the integrity of our more sustainable cotton fibre from farm to store. In 2020, we sourced 96% of our cotton more sustainably, a significant accomplishment.

What We Mean By

More Sustainable Cotton

More sustainable cotton is either sourced as certified organic cotton, Better Cotton, recycled cotton, or transitional cotton (transitional cotton is produced by farmers during the time of conversion to organic certification, usually 3 years).

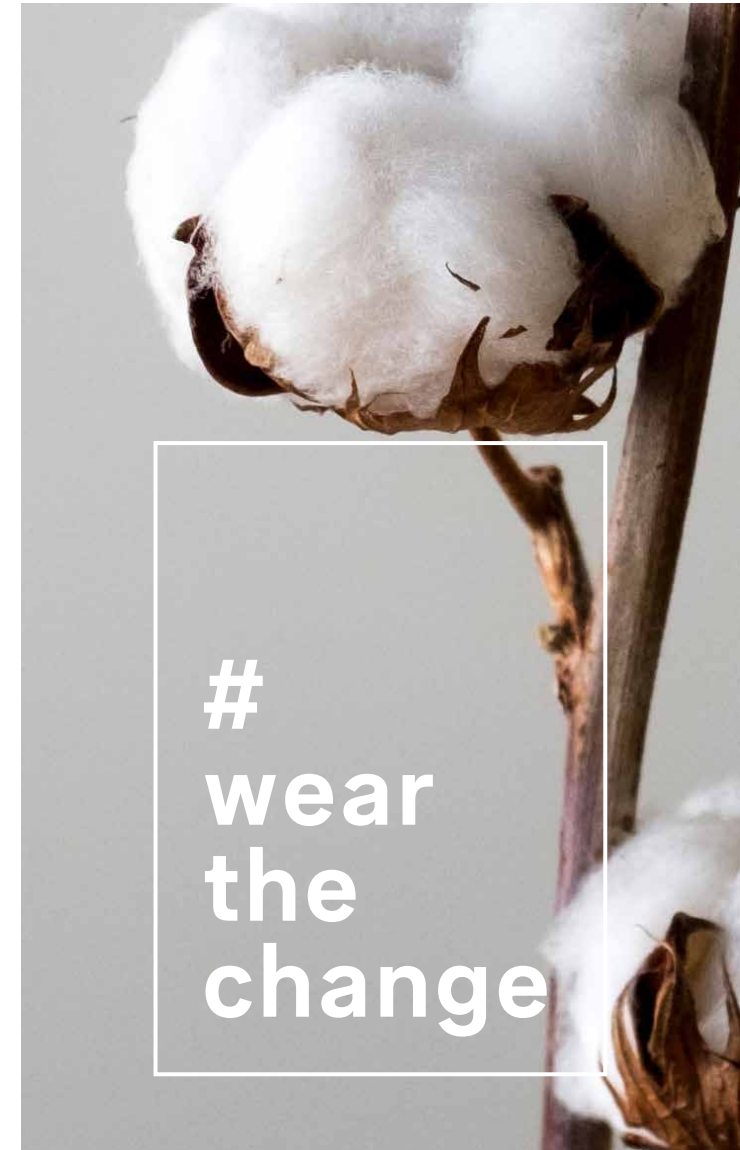
Our Five-Year Journey

Since 2016, C&A has steadily increased the use of more sustainable cotton from 53% in 2016 to 96% in 2020. Part of this growth is due to our switch in 2015 from the sustainable cotton programme REEL to Better Cotton under the Better Cotton Initiative (BCI), which leads the industry in improving global cotton production.

This allowed us to adopt a holistic approach to developing sources of more sustainable cotton. To that end, we built relationships with farmers and farm groups, which BCI trains in sustainable cotton farming practices. In some cases, C&A helps to facilitate the transition to organic farming. Throughout this period, we remained one of the world's leading buyer of organic cotton, exemplifying our commitment to making cotton production better for the environment, for workers, and for the industry.

40% of the cotton in C&A products is organic. According to well-respected studies, only 1% of all cotton produced in the world is organic. Therefore, achieving 40% is a significant achievement, owing to C&A's commitment to organic cotton and the important work of suppliers and partners alongside us.

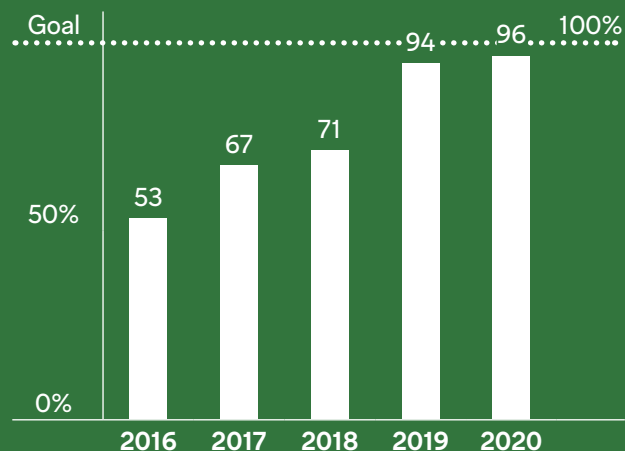
In 2020, we sourced 96% of our cotton more sustainably, a significant accomplishment.



2020 Global Results

Despite the challenges the fashion industry faced due to the coronavirus pandemic, C&A was able to increase the use of more sustainable cotton from 94% in 2019 to 96% in 2020. In 2020, C&A used 6% more organic cotton, while sourcing of Better Cotton decreased by 4%.

Global share of more sustainable cotton in %

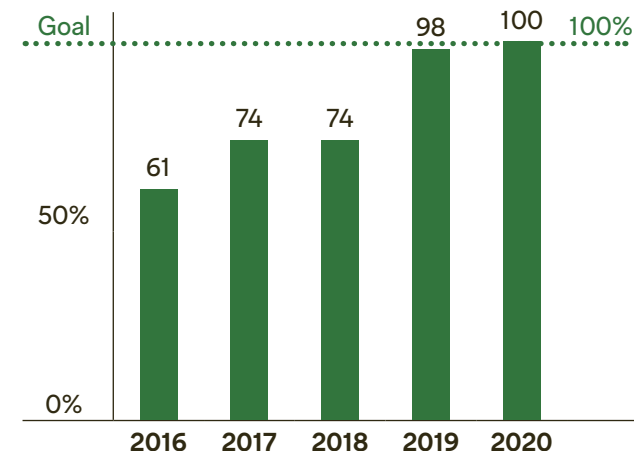


Europe

C&A Europe has steadily increased its use of more sustainable cotton over the last several years from 61% in 2016 to 98% by 2019. In 2020, C&A Europe sourced 100% more sustainable cotton. This commitment to sourcing more sustainable cotton includes organic cotton, which is central to our ability to develop Cradle to Cradle Certified™ products.

To this end, in 2018 C&A Europe became the first-ever retailer to introduce Gold level Cradle to Cradle Certified jeans in Europe — and the first C&A retail market to launch any Cradle to Cradle Certified products, serving as a helpful model to other C&A markets. Now the global number of Cradle to Cradle Certified™ pieces brought to market by C&A across its markets exceeds 4 million.

Share of more sustainable cotton in %

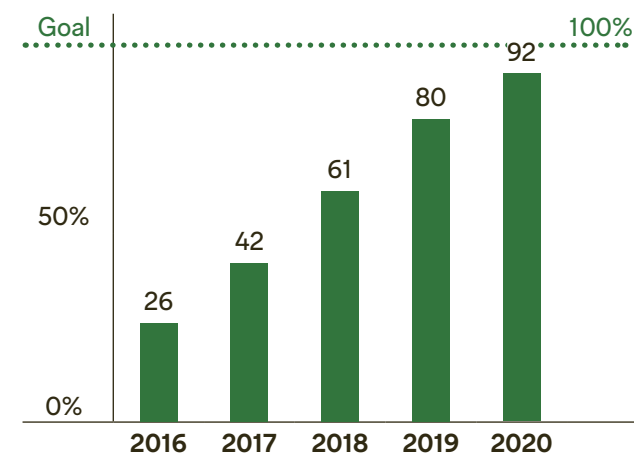


Brazil

C&A Brazil made impressive progress, increasing the sourcing of more sustainable cotton from just 26% in 2016 to 92% in 2020. In 2016, C&A Brazil won the ECO Amcham Award for its case study, Use of sustainable cotton to reduce environmental impacts to produce Denim, then repeated that win in 2017 with its case study, Sustainable Cotton, and again in 2019 for C&A's Participative Monitoring Program – How we are enabling our suppliers to be protagonists in the development of their supply chain.

In 2020, despite the significant impact of COVID-19 on the supply chain, C&A Brazil's sourcing of more sustainable cotton increased by 12 percentage points from 80% in 2019. C&A Brazil's sale of Cradle to Cradle™ Certified clothing has also continued to increase, and in 2020, C&A Brazil sold 21,800 pieces, despite the effects of the pandemic.

Share of more sustainable cotton in %

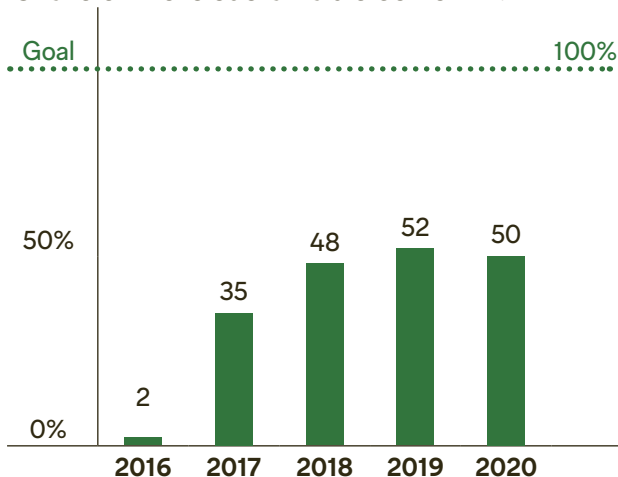


Mexico

In Mexico, C&A's journey to source more sustainable cotton led to significant improvements over the past five years. In 2016, C&A Mexico was sourcing 2% more sustainable cotton. C&A Mexico focused on training and enabling their supply chain to increasingly shift to the production of more sustainable cotton, encouraging mills to become part of BCI.

As a result of these efforts, by 2019, this retail market was sourcing 52% more sustainable cotton. In 2020, C&A Mexico focused on improving the wellbeing of workers in the Mexican supply chain, as well as maintaining at least 50% more sustainably sourced cotton in order to avoid unduly pressuring factories and workers.

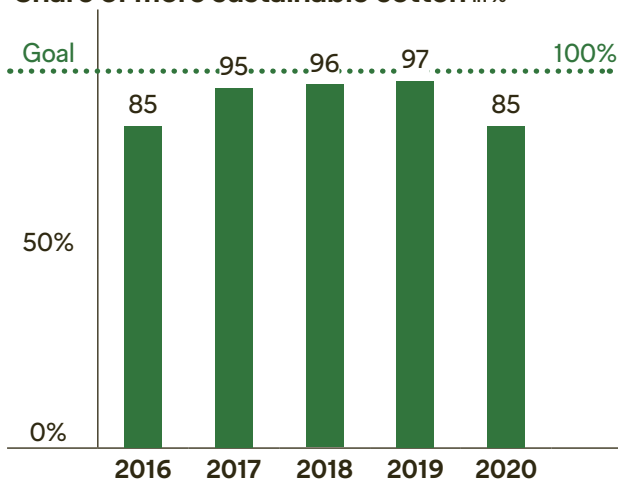
Share of more sustainable cotton in %



China

C&A China was quickly able to achieve a high percentage of more sustainably sourced cotton. In 2016, C&A China sourced 85% more sustainable cotton, later increasing this to 97% in 2019. In 2020, this retail market's goal was to use more organic cotton in products for children. While transitioning from Better Cotton to organic caused a 12-percentage point decrease and return to 85% more sustainable cotton sourced in 2020, C&A China nevertheless remain committed to setting high standards for using sustainable cotton, especially in children's collections. C&A continues to support more sustainable cotton farming in China.

Share of more sustainable cotton in %



Future Outlook

As we move forward, we will continue to act as an industry leader in increasing the use of sustainable raw materials by building on our success in sourcing more sustainable cotton and other raw materials.

The work we have done with sustainable, reusable, and recyclable fibres and fabrics also positions us well to continue advancing [circular fashion](#). Learn more about our new [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



MORE SUSTAINABLE COTTON AT THE FARM LEVEL

During 2020 we continued our ongoing support of more sustainable cotton through on-the-ground programmes with farmers as well as innovative projects and partnerships.

According to the [2020 Organic Cotton Market Report](#), certified organic cotton is grown in 19 countries, with 97% of that produced in just seven countries. Of those, India at 51% of global production and China at 17% represent the majority of organic cotton production today.

Supporting Organic Cotton Farming in Pakistan

In 2020, Laudes Foundation, World Wildlife Fund for Nature (WWF), and the Agriculture Extension Department (AED) Balochistan collaborated on an organic cotton project with small, independent farmers in Pakistan to improve their livelihoods and generate a new source of organic cotton. C&A supported this initiative by committing to buying 80% of the cotton grown and paying the organic cotton premium to participating farmers.

Because C&A bought the cotton and paid the premium through WWF, the farmers received their payments directly without having to forfeit any income. The project took virgin, barren land that had not been chemically cultivated and turned it into organic farmland in one year, bypassing the standard 3-year transition period for the conversion of already cultivated farmland to organic. Now, more than 880 certified farmers are growing organic cotton over more than 3000 hectares, improving their livelihoods and strengthening local communities.

Organic Cotton in Binzhou, China

We continued our work with CottonConnect at Binzhou farm in China's Shandong Province during 2020, helping to create scale for organic cotton in one of the only organic cotton projects currently underway in China. It takes three years to transition from conventional cotton crops to fully organic, and this is a challenging and risky period for farmers.

As part of this project, C&A China therefore committed to buy cotton during these transition years. This commitment provided small, independent farmers with market access, additional incentives, and financial security. In addition, C&A China offered to pay the farmers a premium to secure their income and compensate for any loss of yield during the transition process.

Since this project began, we have supported these farmers by purchasing in-transition cotton each year to produce T-shirts and jeans. We have also worked with farmers to improve their harvesting technology and prevent the accidental introduction of foreign fibres, which can affect quality and lead to wastage during spinning and cutting. In 2020, 100,000 pieces of clothing were made from cotton produced in Binzhou in 2019.



Successfully Tracing Organic Cotton with Innovative Technologies

C&A was an early advocate of transparency along the fashion value chain and one of the first interested in determining where the cotton used in apparel comes from. To that end, the Organic Cotton Traceability Pilot was initiated in 2018 by Fashion for Good and partner organizations like C&A.

The goal of this pilot was to test and validate on-product markers in combination with blockchain technology as a traceability solution in real-world practice. The lead blockchain technical partner, Bext360, integrated the technologies of supporting technical partners whose DNA, invisible fluorescent, and microbiome technologies were applied in tracking the organic cotton. After enduring the harsh manufacturing processes of spinning, chemical treatments, high temperatures, and dyeing, the DNA and invisible fluorescent tracers emerged intact to positively identify the cotton in consumer-ready garments in retail outlets.

Electronic tags enabled additional verification by way of unique digital data points collected through production. Deploying machine vision and artificial intelligence to automatically catalogue and grade the quality of the cotton, the blockchain platform can then track each transaction through the entire value chain.

The new process explored in the Organic Cotton Traceability Pilot creates a digital and physical trail that increases reliability of traceability by combining the immutability of blockchain with on-product markers that verify the identity of the fibre. By having fully traceable organic cotton, the hope is to grow its use in the industry while increasing awareness of sustainable products.

2020 GOAL: 67% OF OUR RAW MATERIALS ARE MORE SUSTAINABLE

Achieving our goal to increase the sustainability of our raw materials to 67% by 2020 aligns with our vision of a restorative circular economy where little is wasted in the creation or disposal of our clothing.

We strive to continually increase the percentage of our products designed with the principles of circularity. This includes continued development of Cradle to Cradle Certified™ products. These garments are made of 100% organic cotton with safe materials and chemicals and are produced in socially and environmentally responsible ways so they can be used and reused or recycled again and again.

What We Mean By

More Sustainable Raw Materials

We define more sustainable raw materials as the proportion of raw materials sourced under a third-party certification or verification, such as:

- Certified organic cotton (Organic Content Standard or Global Organic Textile Standard)
- Cotton placed as orders sourced under the Better Cotton Initiative
- Viscose consistent with the CanopyStyle Initiative
- Certified recycled materials (Global Recycled Standard, Recycled Claim Standard, or equivalent)

Our Five-Year Journey

We have steadily increased the use of sustainable raw materials since 2016. While many of our efforts serve to improve the sustainability of cotton, C&A also has worked to identify the environmental impacts of viscose and polyester to help us understand where to focus our efforts.

In 2016, we announced a global commitment to the CanopyStyle initiative. Since 2018, we have been using CanopyStyle's Hot Button Report, the primary fibre sourcing analysis tool for the fashion industry, to inform our viscose sourcing. We have sourced 100% of man-made cellulose for C&A in Europe and China from producers with the highest 'green shirt' ranking in the report and with annual audits confirming low risk of sourcing from the world's Ancient and Endangered Forests and other controversial sources.

Since 2016, C&A has also recognized the need to increase our use of certified recycled polyester. As a result, we have developed and marketed products with polyester certified to the Global Recycled Standard (GRS) or the Recycled Content Standard (RCS). Because polyester is an important material in our collections and we are committed to reducing our impact from fossil fuels, we continue to increase our use of certified recycled sources over time. In 2020, recycled polyester represents 7% of the polyester volumes at C&A Europe. Although this appears to be a modest amount, it represents a significant increase over our previous sourcing amount and a commitment to source more recycled fibres.

To complement the last five years of effort toward using more sustainable materials, C&A has also led the fashion industry in its commitment to the development of Cradle to Cradle Certified™ products. The Cradle to Cradle Certified Product Standard is a

comprehensive one-standard solution for addressing the critical sustainability objectives that define products made for tomorrow.

We sold our first Gold level Cradle to Cradle Certified T-shirts in 2017 and continued to expand our Cradle to Cradle Certified product portfolio to include jeans and other items in 2018. Over the years we have brought to market more than four million Cradle to Cradle Certified products.

C&A recently expanded Cradle to Cradle certification to two new suppliers. We now collaborate with six suppliers across three countries that provide Cradle to Cradle Certified products, with plans to continue onboarding other partners and further expand our Cradle to Cradle Certified offerings.

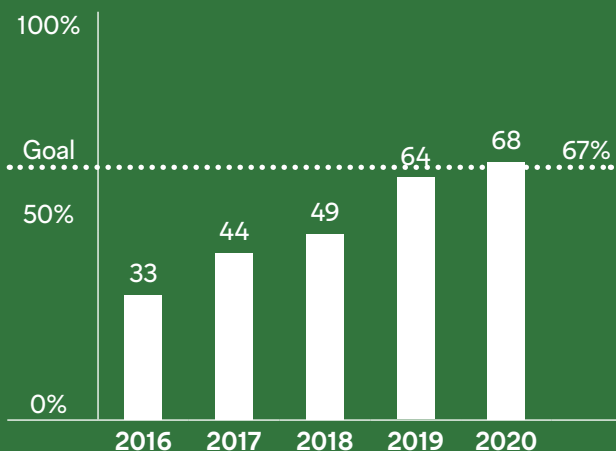
In 2020, C&A met and exceeded our goal, using 68% more sustainable raw materials.

2020 Global Results

In 2020, C&A met and exceeded our goal, using 68% more sustainable raw materials. We achieved this in part because of a substantial increase in recycled polyester content. We also increased chain of custody and traceability in manmade cellulosics to ensure that, as of mid-2021, we are sourcing these materials only from Birla and Lenzing, suppliers providing more sustainable, responsible cellulose.

We made strides promoting circular fashion as well, launching our innovative denim collection made with the first-ever Platinum level Cradle to Cradle Certified fabric. Featuring 100% rapidly renewable resources and fully recyclable, this small collection includes denim jackets, trousers, and shirts. We have also developed woven tops made with 100% Cradle to Cradle Certified fabric.

Global % of more sustainable raw materials

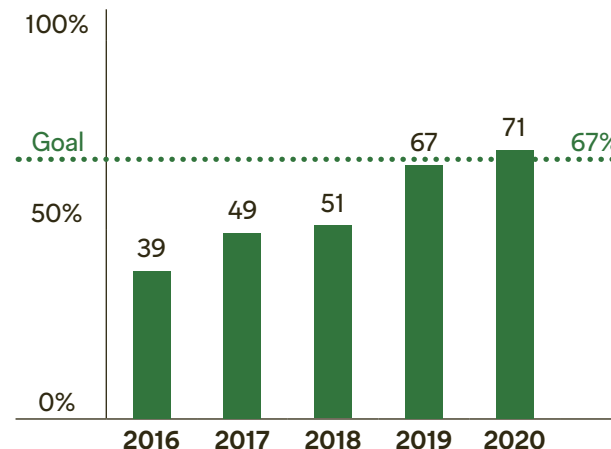


Europe

C&A Europe began in 2016 sourcing only 39% more sustainable raw materials, and reached the global goal of 67% by 2019. Despite the challenges of the pandemic, C&A Europe was able to exceed that goal in 2020 by sourcing 71% more sustainable raw materials. This achievement was the result in part of steady increases in the sale of items containing recycled polyester.

Additionally, Europe committed to sourcing 100% of man-made cellulosic fibres from suppliers with practices in place to prevent ancient or endangered forest products entering their supply chain. Since the commitment, 100% of cellulosic fibre suppliers to Europe have been verified as low risk of controversial fibre.

% of more sustainable raw materials

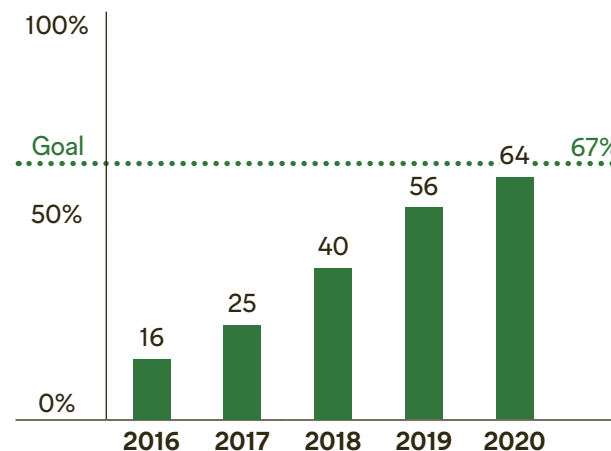


Brazil

In 2016, C&A Brazil was sourcing just 16% more sustainable raw materials. The main challenge was to find solutions with scale and without too burdensome a cost impact. C&A Brazil met that challenge by bringing the CanopyStyle initiative to Brazil.

By 2018, C&A Brazil was sourcing 40% more sustainable raw materials and won the ECO Amcham Award with its case study on the first Cradle to Cradle Certified Gold T-shirt. Even with the COVID-19 impact on the supply chain, C&A Brazil saw improvement in 2020, increasing its percentage of more sustainable raw materials to 64%, an improvement of 8 percentage points from 2019.

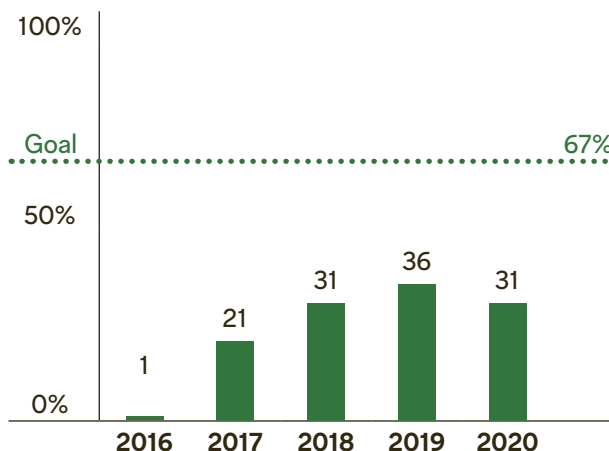
% of more sustainable raw materials



Mexico

C&A Mexico has grown considerably in its sourcing of more sustainable raw materials. This market began in 2016 sourcing just 1% more sustainable raw materials, increasing to 31% by 2018. By 2019, C&A Mexico was sourcing 36% more sustainable raw materials. Due to the hardships caused by the COVID-19 pandemic, C&A Mexico was not able to continue this growth trajectory, opting instead to focus on the wellbeing of workers in the Mexican supply chain. Nevertheless, C&A Mexico ended 2020 having sourced 31% more sustainable raw materials.

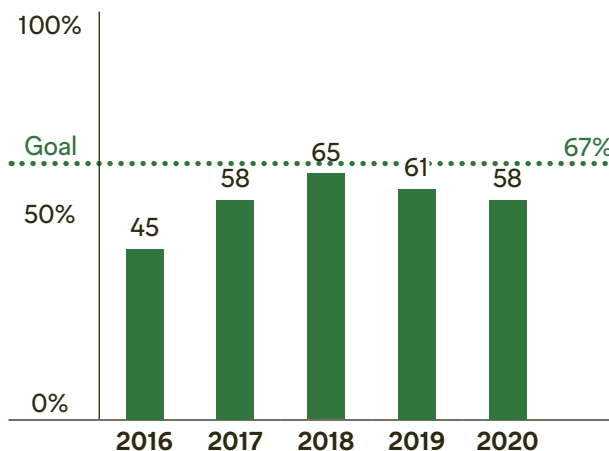
% of more sustainable raw materials



China

From 2016 to 2018, C&A China increased its sourcing of more sustainable raw materials from 45% to 65%, almost meeting the 67% goal. In part, this was due to C&A China's 2017 commitment to source 100% more sustainable viscose and the effort to use recycled polyester in blouses, dresses, and outerwear. Due in large part to supply chain issues and the shortage of sustainable cotton supply, the percentage of more sustainable raw materials sourced decreased in 2019 and 2020, ending at 58%.

% of more sustainable raw materials



Future Outlook

Our 2028 objective is to act as an industry leader in increasing our use of sustainable raw materials. To achieve this, we will continue our work with the [CanopyStyle Initiative](#) and have committed to assessing the sourcing of cellulose-based fibres and continuing to avoid fabrics made of pulp from Ancient and Endangered Forests and other controversial sources.

In the coming years we will be looking to increase our use of recycled materials. We are also working with Fashion for Good to explore the use of new recycled materials and to identify scalable recycling technologies for mixed-fibre fabrics. Finally, we are hoping to expand availability of repair services in retail locations so that customers can participate in circular fashion. Learn more about our [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



Sustainable Supply



2020 GOAL: ZERO DISCHARGE OF HAZARDOUS CHEMICALS

C&A's goal is to foster a supply chain with zero discharge of hazardous chemicals. One of our primary means of controlling hazardous chemicals across the supply chain is our longstanding Sustainable Chemicals Management Programme (SCM).

The programme represents C&A's holistic chemical management approach, which includes input, process, and output management. The objective of input management is for C&A suppliers to procure chemicals that meet ZDHC requirements.

Process management is key to ensuring each supply chain partner has the personnel, management systems, tools, and expertise to meet ZDHC requirements. For output management, we conduct regular testing at suppliers' production units against the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation Wastewater Guidelines to ensure clean water discharge. We strive for 100% of our facilities to meet the minimum performance standard outlined in the SCM programme.

Our Five-Year Journey

Over the past five years, we have developed comprehensive tools for tracking and measuring chemicals in our supply chain. In 2016, we actively supported the convergence of the ZDHC Chemical Management Audit and the Sustainable Apparel Coalition's Higg Index tool to create the Higg Index Facility Environment Module (FEM). This was an important step towards making chemical management accessible to more suppliers, reducing costs across our supply chain, and improving the positive impact of our work.

Then in 2017, C&A conducted a pilot project to better understand what chemicals our suppliers purchase and where these come from, increasing visibility into chemical use in the C&A supply chain. Also in 2017, ZDHC launched the Gateway, a global database of safer chemistry that enables chemical formulators to securely share chemical information with brands and textile, footwear, and leather suppliers, in line with the ZDHC standards.

In 2018, C&A rolled out tools to increase the transparency of the chemicals used in our supply chain, allowing us to determine which chemical products are being used, who is supplying them, and in what quantities. Known as CleanChain, this tool provides information that drives the adoption of safer chemistry. Our internal audit system was phased out in March 2019 in favour of the Higg 3.0 FEM industry standard, which links manufacturers, brands, and retailers together in measuring environmental impacts, and provides various training and improvement resources.

This module offers a holistic approach beyond chemicals and wastewater — our previous primary focus areas — to include environmental management systems, permits, water, air, wastewater, chemicals, and waste.

The development of these resources allowed us to streamline the rollout of our SCM programme. We began in 2016 with 50 fabric mills in the programme, slowly adding more facilities over the following years. In 2017, only 29% of facilities were meeting our requirements, and the remaining facilities were given a clear timeframe for raising their performance to ensure they could continue to work with C&A.

By 2018, we had more than 300 production units covered globally under the SCM programme, including all major fabric mills, laundries, printers, and vertical set-ups in the C&A supply chain. By the end of 2019, 93% of facilities were meeting our requirements, a significant accomplishment in just a few years.

In light of the pandemic, and due to the severe mobility restrictions imposed in all countries, we had to pause the SCM programme until July 2020. Additionally, we allowed suppliers to balance competing challenges without pressuring them unduly. We then streamlined the programme to do more focused testing of wastewater and to emphasize input management for suppliers.

2020 global results for zero discharge of hazardous chemicals in the C&A supply chain will be available later in 2021.

Ensuring Safe Chemicals with ZDHC Foundation Tools

To make sure the chemicals used in our supply chain are safe for people and the planet, we helped to found the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation in 2011. Our SCM uses ZDHC's Roadmap to Zero framework, applying the 'clean factory' approach and encouraging elimination of hazardous chemicals. The foundation's goal is to eliminate the use of priority chemicals by:

- Developing and updating the Manufacturing Restricted Substances List (MRSL) and accompanying guidance on conformity.
- Identifying safer alternatives for chemicals that are included on the MRSL.
- Developing a robust chemical assessment process.
- Monitoring the quality of wastewater from production units and reporting publicly on results.
- Working towards full transparency of chemical discharge in our supply chain.
- Empowering our suppliers to move towards zero discharge of hazardous chemicals through capacity building and training.



Future Outlook

Looking ahead, our goal is to continually improve and secure safe chemicals throughout our supply chain. We will achieve that in part through use of an improved MRSL 2.0 rolled out in early 2021. C&A supported the development of this new list, which was created with the input of academics, non-governmental organizations, and other experts.

We will also work to continue closing the knowledge gap in the supply chain by implementing global training programmes. Additionally, Laudes Foundation, will continue working with ZDHC to accelerate, further scale, and drive impact on eliminating the use of hazardous chemicals across global apparel and footwear supply chains. Learn more about our [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



2020 GOAL: 100% OF PRODUCTS ARE SOURCED FROM A/B-RATED SUPPLIERS

We rate each supplier production unit on a scale from A to E, with A being the highest rating. When it comes to evaluating suppliers on sustainability, our first guiding principle is transparency, supported by capacity building. Sustainability criteria make up 20% of the overall scorecard rating for suppliers to C&A Europe, and have the same weight as price, quality, delivery, and product execution.

Production units rated A and B are those with no serious violations. All new suppliers and production units must be able to demonstrate they meet our sustainability criteria, and if needed, make improvements before they can start working with us.

Our Supplier Ownership Programme (SOP) is an important way of working toward achieving this goal and ensure suppliers operate in keeping with the C&A [Supplier Code of Conduct](#). The SOP includes a strong focus on the ownership and accountability of suppliers to responsibly manage their labour practices, on dialogue with factory workers, and on capacity building and management systems to drive success.

Our Five-Year Journey

Over the past five years, we have rated our suppliers against the Code of Conduct, while driving towards our aspirational goal of sourcing 100% of our product volume from A/B-rated suppliers.

Between 2016 and 2019, our sourcing from A/B-rated suppliers decreased from 78% to 52%, increasing to 65% in 2020. The main reason for the overall decrease from 2016 to 2020 is that our stringency level for social and labour standards increased significantly. Although we are not fully satisfied with these results, we acknowledge that throughout this journey, our programme has matured, and we have regularly raised the bar on the minimum requirements expected from our suppliers and their production units.

We do not cut and run. In cases where suppliers and their factories do not fully comply with our Code of Conduct, we work with them to improve. For example, we continuously maintain and update a list of issues we consider zero-tolerance criteria.

Of these, the majority are related to the health, safety, wellbeing, compensation, and treatment of workers in the supply chain. In cases where suppliers and the factories do not comply with our Code of Conduct, we work with them to improve. Unless the non-compliances are serious and of a zero-tolerance nature, we maintain our business relationship to avoid unintended consequences to workers and aim for a responsible exit plan if necessary.

As we have examined our aspirational goal, we have realized that the most important outcome of our work is encouraging our suppliers to shift towards new mindsets. This includes making them participants in this change and in collaboration with their workers' representatives. We believe that increasing worker participation to further improve working conditions is essential. In this light, we understand that our 100% A/B-rated suppliers goal will not drive this outcome, so we are changing our approach.

Our recent adoption of the SLCP CAF to gather information about suppliers provides a useful baseline to help them improve, provides greater industry standardization, and boosts supplier accountability. Notably, the adoption of SLCP will end the industry-wide audit fatigue experienced by suppliers across the apparel sector. Numerous individual apparel brand audits — which do not reveal new or meaningful insights and improvements — will be replaced with one common assessment. This will allow more time for factories to work on improvements rather than preparing for audits. Importantly, it also affords our team more time for capability building with suppliers. Where some C&A retail market team members previously spent their time in factories conducting audits, they can now use that time to support suppliers to raise awareness of key requirements, answer questions, make them accountable, provide training, and build even stronger relationships.

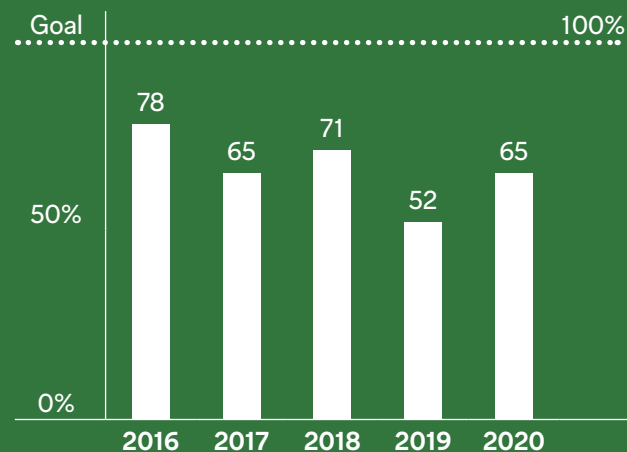
2020 Global Results

In 2020, C&A sourced 65% of its products from A/B-rated suppliers. This represents an increase of 13 percentage points from 2019.

2020 also saw a shift in our supplier monitoring programme away from C&A's proprietary auditing protocols to an industry-wide approach that is becoming widely adopted — the Social and Labour Convergence Project (SLCP) Converged Assessment Framework (CAF).

This step forward is helping the industry to move away from audit fatigue while allowing for improved relationships with suppliers that will enable them to meet Code of Conduct requirements from many brands and retailers.

% products sourced from A/B suppliers



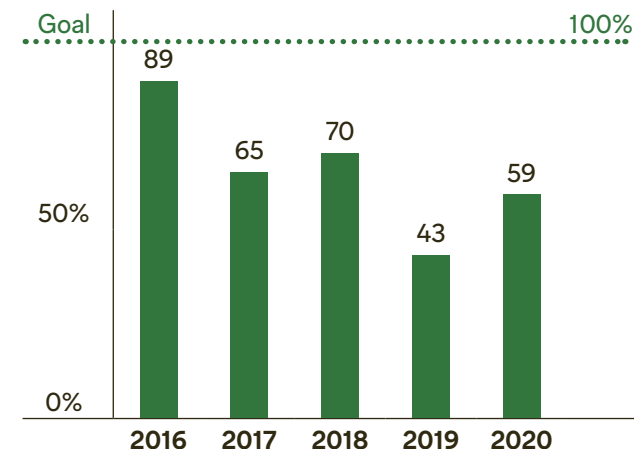
Europe

The percentage of products sourced from A/B-rated suppliers in C&A Europe has fluctuated over the last several years. C&A Europe began in 2016 sourcing 89% of its products from A/B-rated suppliers. That percentage fell in 2017 to 65%, recovering the next year to 70%. While it fell again in 2019 due to changes in approach — where we applied a more stringent threshold — and onboarding a large number of new suppliers, C&A Europe was able to achieve an increase in 2020 despite the pandemic and severe mobility restrictions.

C&A Europe finished 2020 with 59% of suppliers A/B rated. Due to COVID-19, the C&A Europe Sustainable Supply Chain (SSC) Team was limited in its ability to conduct audits and provide on-site remediation support to suppliers and production units. Many other tools were applied to get visibility into C&A's supply chain, such as virtual assessments and regular check-ins. However, these did not affect ratings.

In addition, new challenges arose among C&A Europe suppliers in 2020, particularly related to unpaid wages and worker lay-offs, which led to some production units receiving lower ratings. Because it was often not possible to support and verify improvements on-site during the pandemic, C&A Europe was unable to reassess lower-rated facilities once suppliers indicated improvements had been made, so their lower ratings remained in place throughout the year.

% products sourced from A/B suppliers



Brazil

C&A Brazil made steady progress in sourcing products from A/B-rated suppliers. In 2016, 42% of its products came from A/B-rated suppliers. That number increased to 78% in 2017, the same year C&A Brazil won the ECO Amcham award with the case study for its SSC Development Team.

This increase reflects C&A Brazil's investment in capacity building for small production units, including an initiative to support supply chain improvement through the involvement of development officers. During the 2020 COVID-19 quarantine, C&A Brazil conducted remote auditing and supported suppliers through a sustainable supply chain webinar. By the end of 2020, C&A Brazil had sourced 85% of its products from A/B-rated suppliers.

Mexico

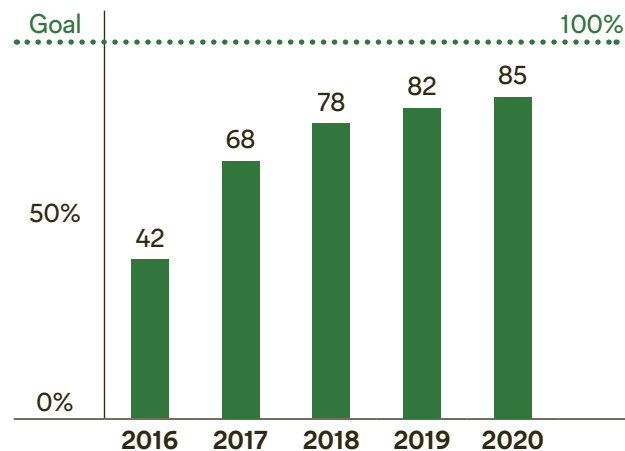
Over the last five years, C&A Mexico worked with suppliers to demonstrate support as business partners and collaborate on best practices in the supply chain. In 2016, C&A Mexico sourced 36% of its products from A/B-rated suppliers, increasing that number to 64% in 2018. The SSC program was a benefit for suppliers as well as for C&A. As a result, many suppliers to C&A Mexico developed stronger internal systems and controls.

In the majority of C&A Mexico's supply chain, C&A is the only brand that performs comprehensive audits, so C&A's SSC team members not only serve as auditors, but also as consultants to further develop suppliers and encourage their ongoing improvement. In 2020, the focus was on supporting suppliers with a flexible and collaborative approach to help them with development, while C&A Mexico performed virtual and desk audits during the worst months of the pandemic. Although the volumes coming from A/B-rated suppliers remained high within the C&A Mexico domestic supply chain, low supplier ratings from other global sources resulted in an overall rate of 55% for the year.

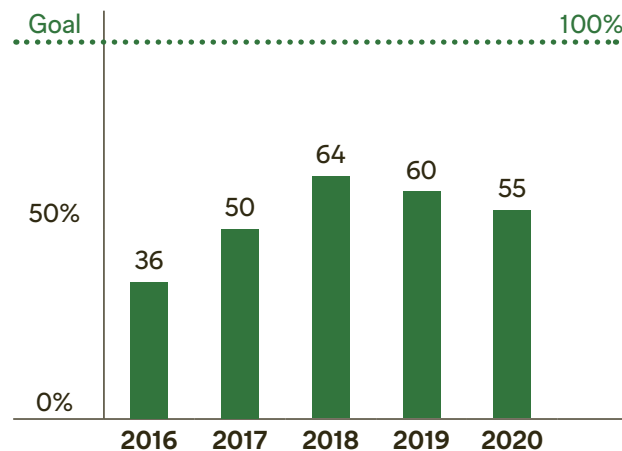
China

C&A China has made steady progress in increasing the business share of A/B-rated suppliers. In 2016, 52% of products came from A/B-rated suppliers. By 2019, that metric increased to 82%. Because of the COVID-19 lockdown in China, many production units were not able to complete their audits in 2020. Nevertheless, C&A China suppliers continued making progress on many fronts, such as working hours. C&A China ended the year with 76% of products sourced from A/B-rated suppliers, a moderate reduction of 6 percentage points from 2019.

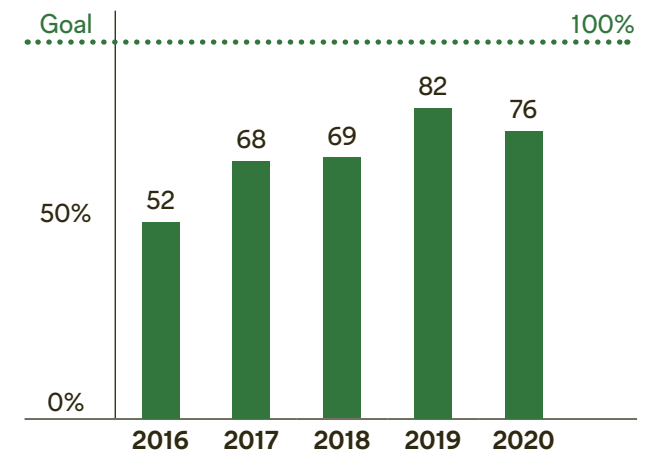
% products sourced from A/B suppliers



% products sourced from A/B suppliers



% products sourced from A/B suppliers

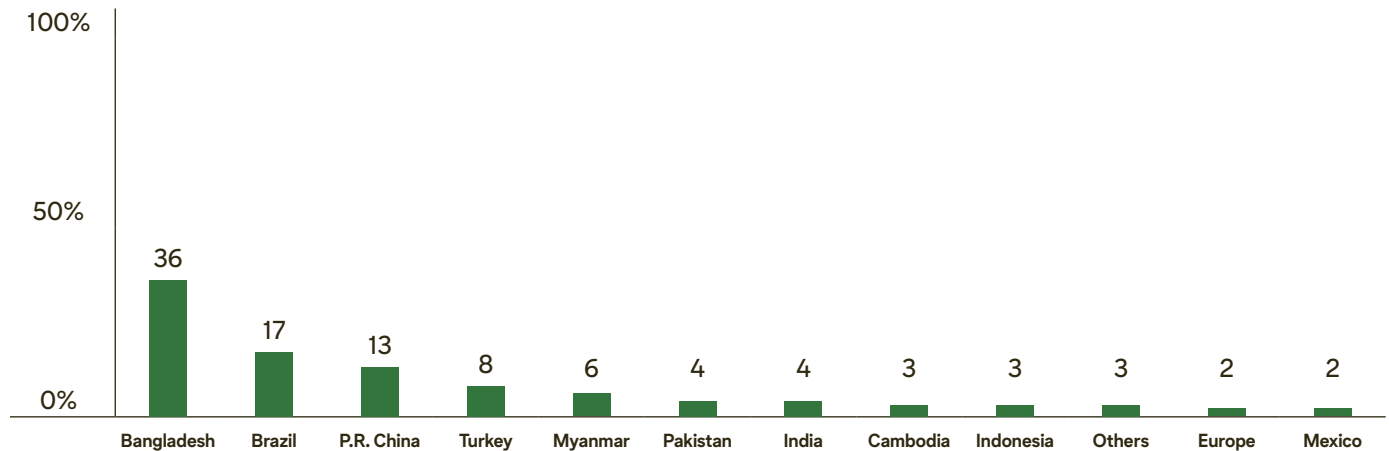


Supply Chain Oversight

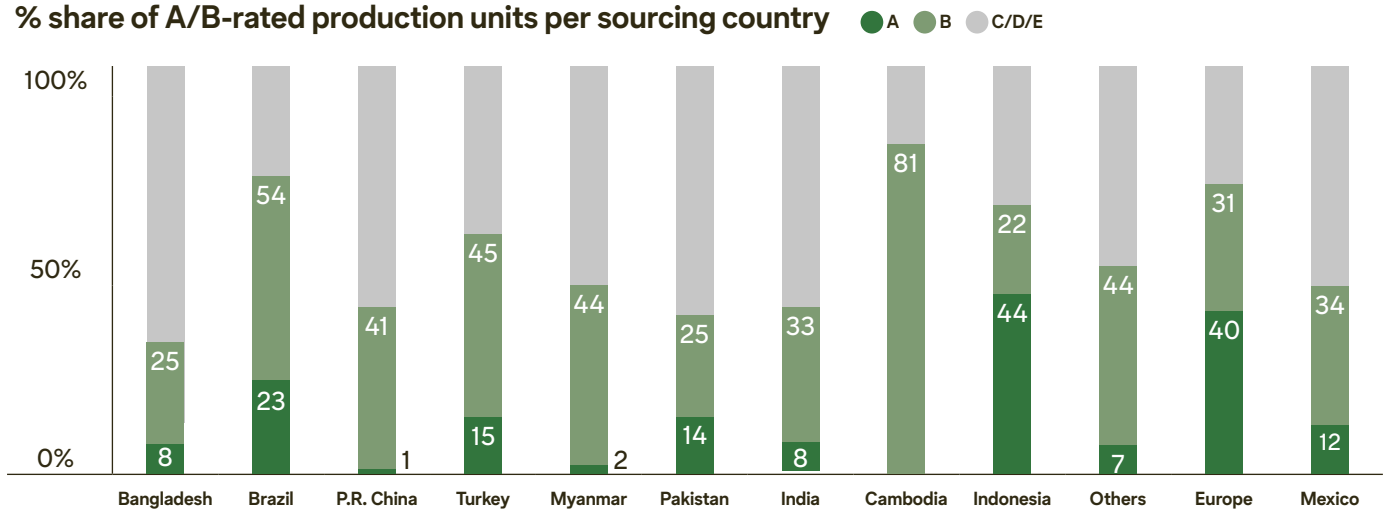
C&A has a good overview of its supply chain, with 100% transparency to cut and sew, wet processing, printing, and embroidery units, which applies to units from all direct suppliers as well as importers. We also have oversight of the majority of fabric and spinning mills, and all of our certified organic cotton can be traced to the farm group.

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

% share of volume by sourcing country



% share of A/B-rated production units per sourcing country

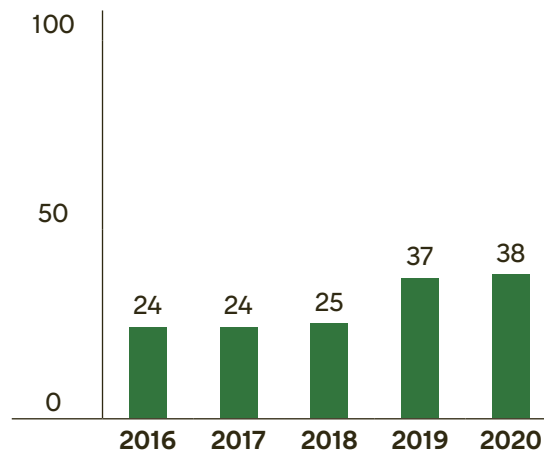


Supplier Ownership Programme

C&A launched the global SOP with 14 key suppliers in 2015 and expanded it to 24 in 2016. By the end of 2019, a total of 37 production units were in the programme, a significant increase over 25 units in 2018. Of these, 22 units were certified, with certifications validated by the C&A SSC team and Elevate, a third-party auditing company. This certification means that C&A trusts the supplier to maintain the necessary social compliance management systems at a corporate level and that the factories

themselves have established effective management systems. The 2020 pandemic posed challenges to the programme since travel was curtailed and suppliers experienced some financial hardships, leading to what we anticipate will be a temporary reduction in participating suppliers. Even so, by the end of 2020, 91,888 workers were covered by the programme globally, and we look forward to building the programme further in the coming years.

Number of key factories



During 2020, 38 production units participated in the SOP, of which 19 are certified. We stopped the programme with some suppliers in 2019, and in 2020 put the programme on hold due to COVID-19. The number of workers covered by the 38 production units in 2020 was 91,888.

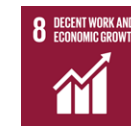


Future Outlook

As we move forward, C&A will work to continually improve the wellbeing of workers and workers' rights in our supply chain with help from our OECD due diligence assessment process as well as our Social & Labor Convergence Program and Better Work partnerships.

For example, C&A plans to create additional opportunities to incorporate factory workers' voices. These kinds of measures will create stronger relationships with suppliers and allow us to make lasting positive impacts on worker wellbeing. Learn more about our [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



Sustainable Lives



WOMEN'S EMPOWERMENT

C&A signed the UN Women's Empowerment Principles in 2018, formalizing our commitment to gender parity and to the support and empowerment of women.

We have since created locally-relevant road maps and action plans on gender parity and the empowerment of women in the four retail markets where the C&A brand is present, and have begun implementing those plans in our operations. Women are the driving force behind the apparel industry and our brand, and gender equity is a fundamental element of C&A's culture.

Women at C&A

Women are crucial to the functioning of C&A as they make up the majority of workers in our supply chain and employees in C&A stores across the globe. As of 2020, women account for 78% of all permanent C&A employees globally. In addition, 83% of temporary contract employees across the globe are women. C&A Europe and C&A China employ the highest percentage of women at 88% and 75% of their workforces, respectively. Comparatively, Brazil and Mexico employ a smaller percentage of women — 68% and 54%, respectively — yet women still make up over half of their employees.

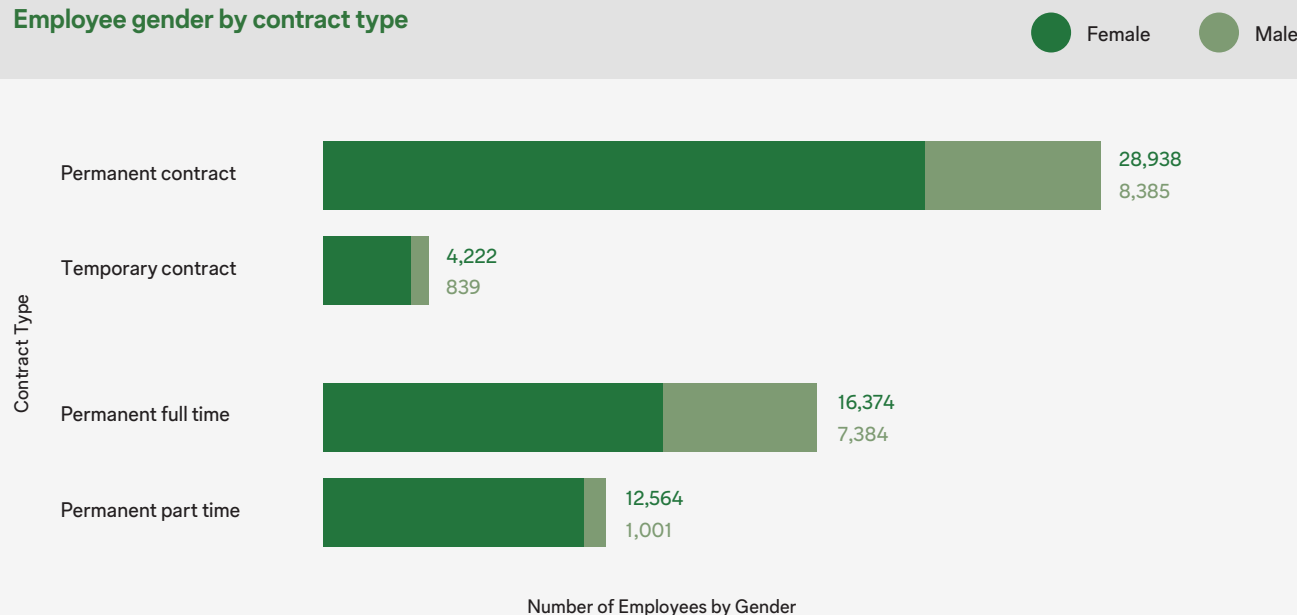
Women's Leadership in C&A Europe

We recognize that C&A has work to do in order to best exemplify the Women's Empowerment Principles. For instance, the percentage of men working in C&A senior leadership is still higher than women, with 71% of office positions, 54% of store positions, and 100% of distribution centre positions occupied by men.

However, recent changes in the C&A Europe leadership team demonstrate our commitment to hiring women at all levels of employment within the company, including leadership. In August 2020, three senior leadership appointments were announced within C&A's European business. Two of those appointed were

women, including Birgit Kretschmer, who joined C&A Europe as Chief Financial Officer (CFO), and Giny Boer as Chief Executive Officer (CEO). Giny Boer's appointment brings the number of female CEOs across all four C&A markets to two of the four. In February 2021, C&A welcomed another woman when Betty Kieß joined as Head of Corporate Communications Europe. These new hires underscore the active role we are taking to evolve and increase the number of women in C&A leadership.

Employee gender by contract type





Giny Boer
CEO, C&A Europe

“What does it mean to empower women at C&A? It means communicating loudly and repeatedly that they play an important and fundamental role in both the organization and the fashion industry. It means showing women that they have the capabilities to lead in their own intuitive and thoughtful ways. It means never forgetting to believe in ourselves and be daring enough to raise the bar. It means encouraging women to actively pursue opportunities and be ready to accept challenges. Most importantly, it’s about taking away that initial thought of ‘am I good enough?’ and trusting themselves, being bold and believing they can do whatever they set their minds to. My mission is not to just empower women at C&A, but to empower everyone in being committed to leading with openness, vulnerability, and empathy.”

Equality@C&A

While C&A has more work to do in bringing to life our commitment to the Women’s Empowerment Principles, several new initiatives are advancing our progress. For instance, C&A Europe has appointed a Chief People and Culture Officer in charge of diversity & inclusion and other aspects of workplace culture and experience, launched a Gender Working Group, and a new initiative known as Equality@C&A, during the week of International Women’s Day.

Equality@C&A is fostering a more inclusive work environment where everyone feels welcomed, respected, accepted, and acknowledged for their uniqueness, and where C&A colleagues work together in a mutually supportive climate. Among other initial activities, the group has invited employees to anonymously share their stories and work experiences about workplace equality.

“At C&A we stand for equality. We embrace diversity and welcome who you are. Together, we create a workplace where each person can truly belong and do their best work.”

Jean Sebastien Guy
Chief People and Culture Officer,
C&A Europe



Aarony Xu
Senior Sourcing Product Manager,
C&A China

“As the leading role for sustainability at C&A China, one of my most important areas of focus is integrating the core value of sustainability into the commercial business. Gender is never a special identity at C&A because we focus more on the job we do and the career we enjoy within the C&A culture. Even so, C&A’s heritage of providing fashion for ‘her’ — our female customers — recognizes the central place of women in our business and among our customers who love fashion.”

“The role of women today is more than fundamental, it is necessary. Women bring a unique look and sensibility in every business. Being a leader at C&A completely changed the way I see life — and I started working to transform lives. If we look at the fashion world, the vast majority of the hands that sew our clothes belong to women. It is through them that we can provide fair and affordable fashion for everyone. Women represent a constant evolution for fashion, and it is through them that the market is constantly innovating and reinventing itself.”

Carla Vivian
Global Sourcing Manager,
C&A Brazil



Kelly Kroger
CEO, C&A Mexico

“I think the thing that is most fulfilling as a female CEO is repeatedly hearing from our female employees how proud they are to work for a company run by a woman, which is still not common in Mexico. It is an honor, but also a great responsibility, to be a role model for young female (and male!) professionals and help them challenge paradigms, even within their own minds.”



2020 GOAL: CONTINUOUSLY INCREASE EMPLOYEE ENGAGEMENT SCORES

We want all C&A employees to feel empowered and motivated to build sustainable practices into their day-to-day roles. We strive to build on our history of employee pride by providing training so they can serve as ambassadors for sustainability and contribute to progress on our other goals.

The Inspiring World campaign was central to this approach, as are internal communications and training focused on our Wear The Change sustainability approach, our diverse Cradle to Cradle Certified™ products, and our popular in-store take-back programmes.



Our Five-Year Journey

According to the results of employee engagement surveys, C&A employees from all over the world have consistently reported pride in C&A's contribution to the community, society, and the environment. During the 2018 employee surveys, for example, a high proportion of employees agreed with the statement, 'I feel proud of C&A's contribution on the community, society, and environment': 91% in Brazil, 97% in China, and 90% in Mexico. In 2019, 88% of C&A China employees surveyed strongly agreed that they are proud of C&A's actions around sustainability.

While some retail markets have continued the practice of surveying employees, we decided to put extra focus on engaging employees through two campaigns: Inspiring Women and Inspiring World. In 2015, C&A launched the employee engagement campaign, Inspiring Women, developed to honor and support women who are the driving force behind the apparel industry. In 2015, 52% of employees in participating countries took part in our Inspiring Women events, resulting in donations from C&A Foundation (now Laudes Foundation) of more than €1 million for 53 charities.

We increased employee participation in this campaign to 78% in 2016. By 2017, some countries achieved an outstanding engagement rate of above 80%. After the 2017 event, we saw a significant increase in employee awareness of organizations helping women as well as a greater proportion of employees agreeing that C&A operates in a socially responsible manner.

In 2018, we launched our next campaign, Inspiring World, encouraging employees to share their input and stories of a better world. Our overall objective for Inspiring World was to build em-

ployee capacity for supporting our 2020 sustainability goals by engaging them in campaigns aligned with our 2020 framework: Sustainable Lives, Sustainable Products, and Sustainable Supply.

In 2018, 65% of C&A global employees across the world from 21 countries and six sourcing hubs participated, contributing to 45 charities, which shared a collective €1 million in donations from C&A Foundation (now Laudes Foundation), benefitting more than 250,000 people.

In 2019, we went a step further and shifted from ideas to action by encouraging employees to commit to a 'small action for big change', a step they pledged to take for sustainability. Also in 2019, employee participation remained high, and their individual contributions flowed through the C&A Foundation (now Laudes Foundation) donated almost €1 million to charities chosen by employees including the global organization Canopy, which is working to collaborate with over 400 brands and retailers to protect with world's forests, species, and climate.

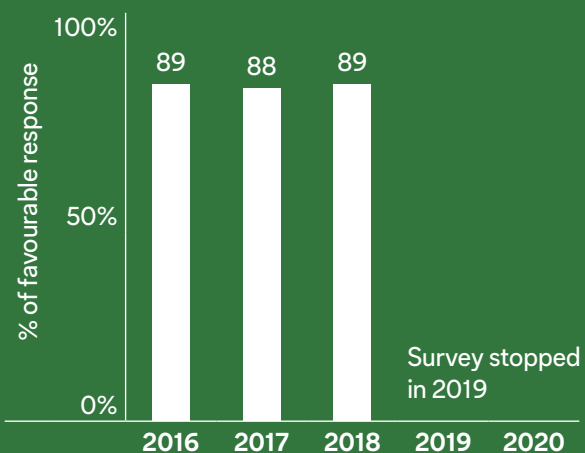
In 2020, due to the pandemic, we discontinued these types of activities and instead focused on employee wellbeing, implementing new programmes to support our employees.

2020 Global Results

Employee engagement surveys in C&A retail markets have consistently indicated that employees felt pride in C&A's contribution to the community, society, and the environment.

Over the years, however, C&A retail markets made changes to their surveying approaches, scope, and frequency in line with local needs. Therefore, we reconsidered the relevance of this KPI in 2019, and do not have 2019 or 2020 global employee engagement survey results. In addition, the pandemic brought to light very different employee needs during this time, so C&A retail markets in Europe and Mexico are conducting new, revised surveys.

Global average



Europe

C&A Europe has successfully engaged employees over the last five years, leading to the collection of donations for hundreds of initiatives in at least 18 European countries. The European giving programme C&A Together resulted in donations from C&A Foundation (now Laudes Foundation) of €2.9 million in 2018 and €2.68 million in 2019 to a variety of important causes. While there was no C&A Europe employee engagement survey in 2020 due to COVID-19, C&A Europe created the [Employee Wellbeing Programme](#), which was launched in early 2021. Weekly activities include yoga and meditation classes, as well as 'energy breaks' to give employees the opportunity to socialize while working remotely.

China

Employees at C&A China have remained enthusiastic about their role in promoting sustainability in the global fashion industry. From 2017 to 2019, 88% of C&A China employees on average have responded to surveys indicating they are proud to be part of the sustainability efforts at C&A. In 2020, 97% of employees reported their pride, further recognizing the importance of society and the planet we all share.

602

employees/week



Estimated reach of the weekly activities organized as part of the new Wellbeing Programme*

Employee Engagement Survey Results**

2016	2017	2018	2019	2020
85%	85%	85%	n/a	n/a

97%



of employees are proud to be part of C&A's sustainability efforts in 2020**

Employee Engagement Survey Results**

2016	2017	2018	2019	2020
n/a	87%	90%	88%	97%

* Launched March 2021.

** % of employees surveyed who responded favourably to this statement: 'I feel proud of C&A's contribution on the community, society, and environment'.

Brazil

Throughout C&A Brazil, employees are central to sustainability efforts. In 2016, 93% of employee survey respondents indicated they were proud to be included in C&A's sustainability efforts. We maintained this high percentage for 2020. C&A Brazil's employees have consistently engaged with and motivated people to participate in sustainability efforts across the company. Movimento ReCiclo, for example, C&A Brazil's in-store takeback programme, was launched in 2017 in 29 stores. At the programme's closure in 2020, it had reached 163 stores total.

In 2018, C&A Brazil won the ECO Amcham Award for this case study, Product Reverse Logistics (Movimento Reciclo and Electronic Waste Program). In 2020, C&A Brazil participated in the production and donation of masks and white t-shirts for health organizations during the initial phase of COVID-19. C&A Brazil also offered health support to employees during the pandemic, and stayed connected with employees through LinkedIn and Workplace communications.

Mexico

C&A Mexico's employees have consistently reported their pride in working for C&A. Between 2016 and 2018, upwards of 90% of employees stated in surveys they felt proud to be working for C&A, one of the few brands in Mexico that deploys sustainability programmes with suppliers. In the most recent survey conducted by C&A Mexico, 94% of participating employees indicated they felt proud to be part of C&A's sustainability efforts.

93%



of employees are proud to be part of C&A's sustainability efforts in 2020*

Employee Engagement Survey Results**

2016	2017	2018	2019	2020
93%	87%	91%	n/a	93%

94%



of employees are proud to be part of C&A's sustainability efforts in 2021*

Employee Engagement Survey Results**

2016	2017	2018	2019	2020
88%	92%	90%	n/a	n/a

* % of employees surveyed who responded favourably to this statement: 'I feel proud of C&A's contribution on the community, society, and environment'.

** No survey conducted in 2019 and 2020.

Future Outlook

We continue to engage employees as a key part of Wear the Change. C&A cares about sustainability at every level of our operations, including with our employees.

We remain committed to motivating and equipping our employees to make positive contributions to the sustainability of our operations and to empowering them to be sustainability leaders in their own communities. Learn more about our [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



2020 GOAL: C&A IS RECOGNIZED AS THE MOST SUSTAINABLE RETAIL FASHION BRAND

For the past 6 years, we have partnered with GlobeScan to administer our annual sustainability customer insights survey to help us listen to and act on the issues that matter most to our customers.

The insights we gain from the survey have guided how we speak to our customers about sustainability in our products and campaigns — ultimately leading to a better sustainability strategy that not only reduces impact and risk but is also tailored to their concerns and provides the degree of transparency they seek.

We also use the survey results to help us customize sustainability communications locally to make sure we talk with our regional customers about the sustainability issues they care most about. Over the years, we have learned there are some differences among countries, so our core sustainability messaging is customized and translated to connect with customers across retail markets.

In addition, we monitor C&A's position on respected transparency ratings and indices, such as the Fashion Transparency Index and the Institute of Public and Environmental Affairs (IPE) Corporate Information Transparency Index (CITI) Ranking, conducted annually by IPE, a non-profit environmental research organization based in China covering 20 industries with a presence in China, including apparel.

Our Five-Year Journey

Results of the GlobeScan surveys from 2016 – 2019 indicate that C&A has consistently ranked as one of the most sustainable

fashion brands in the eyes of customers in six markets — France, Germany, the Netherlands, Brazil, China, and Mexico.

The 2018 survey showed that our use of organic cotton and other natural and organic materials was one of the key reasons C&A had the reputation as a sustainability leader in all four of our retail markets. This represented an important expansion from previous years when recognition of our leadership in organic cotton was most prominent in Europe.

In 2019's fifth annual survey of more than 6,000 customers, C&A was recognized as the most trusted, sustainable retail fashion brand for the fourth year in a row in Brazil and once again in Germany, as well as in the Netherlands. Trust in C&A remained strong, with C&A rated top among apparel retailers trusted to act in a socially and environmentally responsible way.

During the past five years our in-store clothing collection programme known as “we take it back” grew from just a few stores to hundreds of stores in three retail markets — Europe, Brazil, and Mexico. Since the program was first rolled out, nearly 3,160 metric tons of clothing have been collected globally. Although numbers vary by country and year, in Europe we have found that about 63% of collected items get reused, while 31% are recycled, and just 6% cannot be reused or recycled.

In 2020, despite mandated store closings, C&A Austria launched “we take it back” in stores when they were able to open, while Germany and France continued making clothing collection available online. We plan to implement this visible and popular programme in all European markets to continue giving customers a convenient way to make sustainable choices and to reinforce C&A's commitment to sustainability in everything we do. Likewise, in Mexico, C&A plans to expand the programme to the majority of stores.

Committed to Transparency

In Mexico and Brazil, C&A is recognized as the most transparent apparel brand, as evaluated by Fashion Revolution for its Fashion Transparency Index for those countries. Likewise, C&A China ranked the highest of all evaluated companies — both within and outside the apparel industry — for the IPE CITI ranking.

Fashion Transparency Index Rankings

Year	C&A Global	C&A Mexico	C&A Brazil
2020	2nd	1st	1st
2019	5th	not rated	1st
2018	9th	not rated	not rated
2017	18th	not rated	not rated

C&A also participates in other important IPE programmes dedicated to supply chain transparency.

Institute of Public and Environmental Affairs Corporate Information Transparency Index Ranking

Year	C&A China
2020	1st
2019	1st
2018	4th
2017	4th
2016	34th

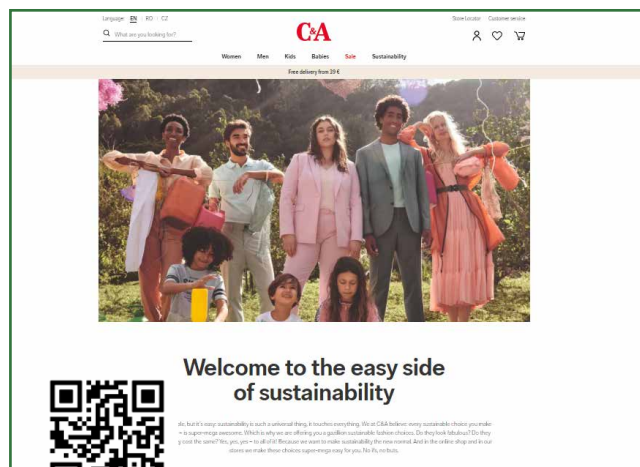
2020 Learnings

The most recent annual GlobeScan survey (conducted in early 2021, not in 2020, due to the pandemic) was scaled back from the usual six countries to just two — Germany and the Netherlands. Of course, the pandemic took a heavy toll on retail activities in these countries, as it did across Europe, with mandated store closures throughout 2020. Even so, the survey indicated that consumer perceptions of sustainability across all brands have increased, and C&A was once again amongst the leaders.

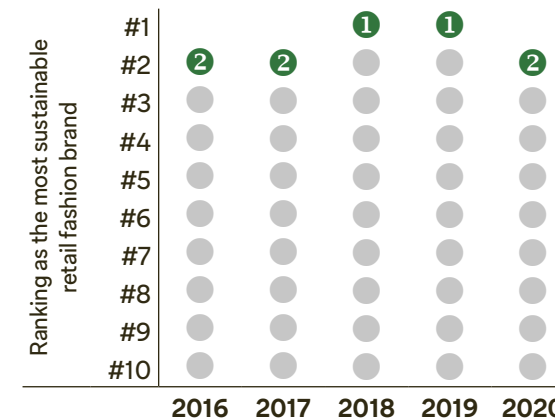
However, the strong progress of our peer group in this area — while reflecting the positive development of our industry — shows that we have work to do. For instance, we have learned that not all our sustainability actions are clear to our customers, and this could affect progress toward inspiring customers to participate in our sustainability journey. Therefore, we are committing to improve communications related to our use of more sustainable materials, our recognized leadership in sustainability transparency, our innovative Cradle to Cradle Certified™ offerings, and other noteworthy sustainability achievements.

Going forward, C&A Europe will also reduce reliance on stores as the primary touchpoint with customers, recognizing that the pandemic has shifted some to online shopping. C&A Europe will explore other communication channels to stay close to customers wherever and however they prefer to interact with C&A. Retail stores will continue to be valuable places for loyal C&A customers to connect with the brand and appreciate C&A's many sustainability accomplishments, but in-store communication will be one element of a multifaceted approach, not the primary approach.

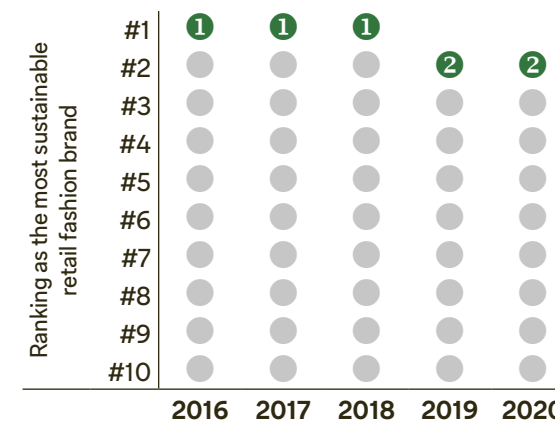
C&A Europe has already strengthened use of social media for sustainability communications, and launched the [Sustainability Hub](#) to make sure customers are informed about the sustainability topics that matter most to them. C&A Europe intends to maintain this pace with regular social media posts that keep C&A and sustainability top of mind among many audiences, and launch new sustainability communications across various platforms, including television, stores, and employee communications.



Germany



Netherlands

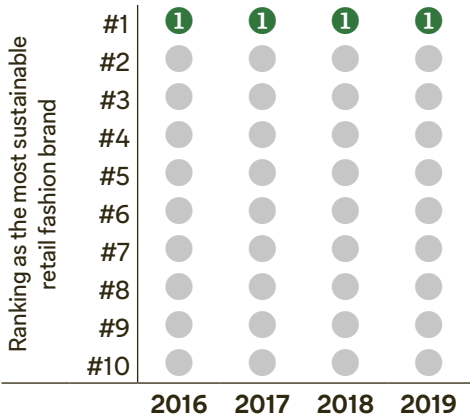


Consumer Rankings in Brazil, China, and Mexico

The most recent GlobeScan survey conducted for C&A in Brazil, China, and Mexico took place in 2019. C&A remained the #1 brand recognized for sustainable fashion in Brazil for the fourth year in a row. In China and Mexico, C&A faced increased competition for recognition from other retailers, thanks to growing consumer interest in environmental and social responsibility.

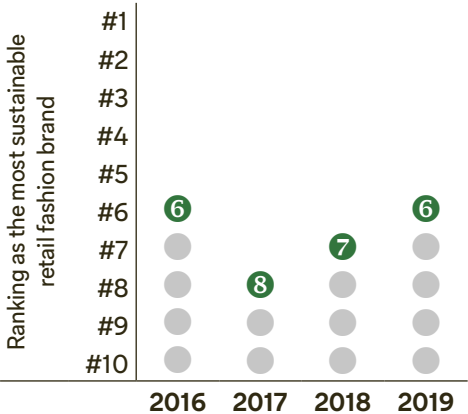
Brazil

C&A remains the most trusted brand in Brazil, where C&A is recognized for use of organic materials, sustainability-focused communications, and [Vista A Mudança](#) (Wear The Change).



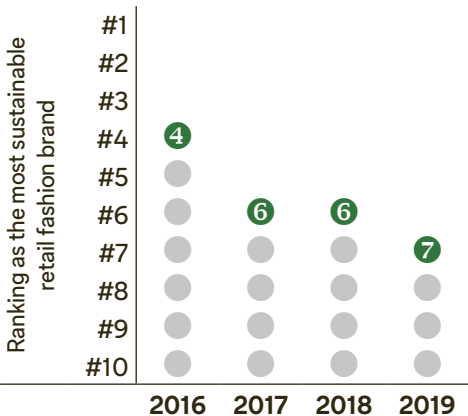
China

Consumer awareness of sustainable fashion has significantly increased in China, where consumers recognize C&A's use of organic materials and perceive the brand as generally protecting the environment.



Mexico

Customers recognize C&A for use of organic materials and recycle old clothing. To this end, C&A Mexico plans to extend the in-store take-back programme, [ReutiliC&A](#), to the majority of stores.



Future Outlook

The 2028 Global Sustainability Strategy includes several objectives designed to strengthen C&A's sustainability reputation. These include promoting the wellbeing and rights of workers in our supply chain, continuing our strong progress in sourcing sustainable raw materials, and enabling our customers to make sustainable choices through increased product and business transparency.

We will also work to expand our outreach beyond store-based communication like posters, displays, and product hangtags, to include a robust, multi-platform strategy that includes integrating sustainability information in the e-commerce experience. This will allow C&A to remain consumers' top choice when they think of affordable fashion that looks fabulous, feels great, and is made responsibly. Learn more about our [2028 Global Sustainability Strategy](#).

Contributing to these Sustainable Development Goals:



Our Five-Year Journey: 2016 – 2020 Performance



OUR FIVE-YEAR JOURNEY: 2016 – 2020 PERFORMANCE

2020 GOAL	KEY PERFORMANCE INDICATOR (KPI)	2016	2017	2018	2019	2020
100% of our cotton is more sustainable ^[1]	% share of total cotton products	53%	67%	71%	94%	96%
	% Organic cotton ^[2]	33%	40%	38%	34%	40%
	% BCI and REEL Cotton ^[3]	20%	28%	33%	60%	56%
67% of our raw materials are more sustainable ^[4]	Share of more sustainable raw materials	33%	44%	49%	64%	68%
Zero discharge of hazardous chemicals	2016 – 2017: Number of mills audited	111	251	–	–	–
	2018 – 2020: % coverage of supplier expenditure ^[5]	–	–	92%	93%	*
100% of products are sourced from A/B-rated suppliers	% share of volume of products sourced from A/B-rated suppliers	78%	65%	71%	52% ^[6]	65%
Build capacity and supplier ownership within our supply chain	Number of key factories included in the Supplier Ownership Programme ^[7]	24	24	25	37	38
Continuously increase employee engagement scores	% of employees surveyed who responded favourably to this statement: 'I feel proud of C&A's contribution on the community, society, and environment'. ^[8]	89%	88%	89%	–	–

* Results will be published in October 2021.

2020 GOAL	KEY PERFORMANCE INDICATOR (KPI)	2016	2017	2018	2019	2020
C&A is recognized as the most sustainable retail fashion brand ^[9]	Market ranking based on % of category buyers recognizing the brand as a leader in Germany	#2	#2	#1	#1	#2
	Market ranking based on % of category buyers recognizing the brand as a leader in Netherlands	#1	#1	#1	#2	#2
	Market ranking based on % of category buyers recognizing the brand as a leader in Brazil	#1	#1	#1	#1	n/a
	Market ranking based on % of category buyers recognizing the brand as a leader in China	#6	#8	#7	#6	n/a
	Market ranking based on % of category buyers recognizing the brand as a leader in Mexico	#4	#6	#6	#7	n/a

[1] More Sustainable Cotton – The sum of cotton that has been either certified to the Organic Content Standard (OCS), placed as orders sourced under the Better Cotton Initiative (BCI), or is verified as recycled. In 2019, the BCI methodology changed, as described in note 3 below.

[2] % Organic Cotton – Calculations are based on garment pieces made of cotton certified by a third party under Organic Content Standard (OCS).

[3] % BCI and REEL Cotton – Calculations are based on an estimate of pieces placed as orders sourced under BCI. Current reconciliation constraints do not allow for 100% Better Cotton Claim Unit (BCCU) crediting. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%. In 2019, this methodology changed, affecting the reported numbers for 2019 and 2020.

[4] More sustainable raw materials – The proportion of raw materials sourced under a third-party certification. This includes, but is not limited to, certified organic cotton, cotton placed as orders sourced under BCI, viscose sourced under the Canopy Style Initiative, certified recycled polyester (GRS, RCS, or equivalent), down sourced under the Responsible Down Standard (RDS), etc.

Current reconciliation constraints do not allow for 100% BCCU crediting. Therefore, the 2019 Better Cotton share per placed orders sourced under BCI was 60%. Per BCCUs credited, it was 51%. In 2019, this methodology changed.

Note that until 2017 only cotton was declared as sustainable raw material; beginning in 2018, recycled polyester and more sustainable viscose have been included.

[5] In 2018, we adjusted this KPI to represent % coverage of supplier expenditure, which is a better representation of progress toward safer chemicals in our supply chain. It represents the total supply chain expenditure and the amount of expenditure from suppliers with wet processing units covered, audited, and tested. Suppliers without wet process units were counted as audited and tested. The 2020 percentage will be available in late 2021.

[6] All factories were audited unannounced, which did not allow them any time to prepare. As a result, we found more infringements, both smaller and larger, than in previous years. As part of this, we detected more undisclosed production, which has a negative impact on a supplier's rating. Additionally, we had significant changes in the overall factory portfolio, as we onboarded an exceptionally high number of new facilities during 2019, and these did not receive A/B ratings in the initial audit, which affects the overall A/B rating results for the year. Because factors like these cause fluctuations in the numbers of suppliers receiving A/B ratings from year to year – and do not accurately reflect the progress many C&A suppliers are making – we will not use this KPI going forward. Instead, our recent adoption of the SLCP Converged Assessment Framework will provide a useful baseline to help suppliers improve, provide greater industry standardization, and boost supplier accountability.

[7] The Supplier Ownership Programme is offered to key factories in the C&A supply chain to help build capacity and increase ownership of compliance and sustainability performance. The 2020 pandemic posed challenges since travel was curtailed and suppliers experienced financial hardships, leading to what we anticipate will be a temporary reduction in participating suppliers.

[8] In 2019, we re-evaluated the relevance of this KPI and decided to support and measure employee engagement in other ways, such as through our popular engagement and giving programmes Inspiring Women and Inspiring World, as well as various C&A retail market activities such as C&A Europe's Wellbeing: New Ways of Working Programme.

[9] Due to the pandemic, the 2020 survey was slightly delayed until early 2021 and included the Netherlands and Germany only.

CONTACT & IMPRINT

Legal contacts

C&A Mode GmbH & Co. KG

Personally liable shareholder

C&A Retail GmbH

Headquarters: Zug / Switzerland

Company ID: CHE-116.290.471

Managing Director: Christoph Hammer

Contact

Please contact us with any questions about our sustainability approach, this report, or our supplier list at sustainability@canda.com

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Photos

C&A, Laudes Foundation

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