



Zero Tolerance Issues List

Zero-Tolerance Issue List

C&A expects its merchandise suppliers to adhere to its Code of Conduct. Non-compliances with the Code of Conduct must be addressed by corrective actions. Among possible non-compliances with the Code of Conduct, C&A considers the following violations as particularly severe, and therefore as zero-tolerance issues.

Topic (section in Code of Conduct)	Violation
Legal Compliance (2.1)	No valid business license
Child Labour (3.1)	Employment of workers below the age of 16
	Worst forms of child labour
Discrimination (3.2)	Severe discrimination against pregnant women
Forced Labour (3.3)	Forced labour
	Bonded / indentured labour
	Prison labour
Harassment or Abuse (3.5)	Physical abuse
	Sexual harassment / violence
Health & Safety (3.6)	Sandblasting
	Invalid building / fire safety permits / certificates
	Severe building safety risks
	Severe fire safety risks
	Dormitory / living spaces sponsored by production unit are not safe
Employment of migrant labour (3.7, Supporting Guidelines to the Code of Conduct, Section 2.7.4)	Employment without work permit
Wages (3.9)	Non-payment of minimum wage
Grievance Mechanisms (6.0)	Retaliation against workers raising a complaint or taking part in proceedings

Wastewater (4.4)	No legally required offsite or onsite effluent treatment plant (ETP)
	Wastewater discharge not meeting the legal requirements
Severe violation of trust	Denied access to production unit / documentation / workers / worker representatives / trade union representatives
	Falsification of essential records
	Bribery
	Workers fleeing premises when C&A staff / designated parties visit production unit

How does C&A react on zero-tolerance issues?

In response to a detection of one or more of these issues, C&A will determine immediate business consequences for the supplier and / or the supplier's production unit as reserved by C&A in its General Terms & Conditions for the Purchase of Merchandise.

These business consequences can take one of the following forms:

- full or partial temporary suspension of the production unit from being authorized for C&A production,
- full or partial cancellation of orders produced at the affected production unit,
- full or partial cancellation of other orders placed with the supplier,
- temporary suspension of the eligibility of the supplier to receive further orders until there is evidence of sufficient remediation or improvement
- permanent exclusion of the affected production unit from being authorized for production for C&A,
- termination of the business relationship with the supplier.

In each case, specific circumstances, including the severity of the violation (number of persons affected, seriousness of the harm and its irreversibility), are considered.

Since zero-tolerance issues, however, typically constitute serious violations and since C&A seeks to ensure effective remediation of the harm, whenever feasible, the standard consequence is to suspend the eligibility of the supplier for further orders until the zero-tolerance issue is confirmed to be remediated.

In addition, the following policies specify special additional consequences for specific zero-tolerance cases:

- Forced Labour Policy
- Policy on Full Disclosure of All Production Units Used for C&A Garments (Undisclosed Production Rules)
- Child Labour Remediation Process as regulated in the Supporting Guidelines to the Code of Conduct – Merchandise Suppliers