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# Protecting the most vulnerable

## Safeguarding human rights

Our large supply chain touches the lives of many people and every one of those people has the right to work in safe and fair conditions. We actively seek out issues that may take advantage of a worker's dignity or human rights, and take a zero-tolerance approach when we find them. Thankfully, as our supply chain becomes more sophisticated and we increase our partnership with suppliers, we find fewer and fewer cases each year.



## Eradicating underage labour

No workers under the age of 16

In 2015, we raised the required minimum age of workers in our supply chain to follow the recommendations in the <u>ETI Base Code</u> and in line with <u>ILO standards</u>. All workers must be at least 16 years to be present or work in a supplier's production area. If young workers (aged 16 to 18) are hired, suppliers must comply with all relevant legal requirements, including work hour restrictions, hazardous work restrictions and health checks.

Supporting victims of underage labour

If underage labour is identified in our supply chain, the child is removed from the factory immediately. To discourage them from seeking a job elsewhere, monthly payments equal to the minimum wage, funded by

the supplier, are disbursed until they reach the legal minimum working age. At this point, the individual should be given the opportunity to be re-employed.

We also require that the supplier provides families with compensation for health screening, transportation funds and accommodation for a child's relatives to return them to the home. If the child is willing to attend lessons, the supplier must pay their school fees until the child meets the legal minimum working age.

#### Incidents

In 2018 we detected seven incidents of underage workers in Myanmar and Mexico. In all of these cases except one, the workers were between 14 and 16 years old. We handled each situation with care and in accordance with our remediation process, including working closely with the suppliers and local civil society to ensure that the case was clearly resolved and that the underage workers were supported through the process.

The children found in Myanmar are both now in education. We are making sure they are receiving proper local support, including the provision of a monthly income to their families by the factory in which the children had been employed. In Mexico, we are closely working with Save the Children to address this issue in a more proactive manner since sometimes we see resistance from the children and their families to join the remediation process and return to school. Together with Save the Children, in 2019 we will assess the best way to tackle this resistance in Mexico.

#### Who we work with

We partner with local NGOs like the Centre for Child-Rights and Corporate Social Responsibility (CCR CSR) in China and South East Asia, Sheva in Bangladesh, Cagdas Yasami Destekleme Dernegi (the Association for the Support of Contemporary Living) in Turkey, and Save the Children in Mexico, to ensure that underage workers are supported and that we follow through the process of remediation. In other production countries, we are seeking NGOs that can better support the needs of children and follow the remediation process. In the meantime, our local teams take the responsibility to ensure that the remediation process is fulfilled.

## Modern day slavery

Hidden out of sight and often out of reach, an estimated 45.8 million people are trapped in situations of modern day slavery across various industries [SOURCE: Global Slavery Index].

Forced labour thrives in areas where there is high social and economic inequality, opaque business practices, weak rule of law, and high demand for cheap labour. To put an end to this, we work with C&A Foundation to challenge deep-seated cultural and social norms and improve transparency within our supply chain.

Eradicating forced, bonded or compulsory labour

Safe and fair labour practices mean that people must be free to make their own choices. Workers must be entitled to freedom of employment and movement. Work must be voluntary and all forms of bonded, indentured or prison labour are prohibited. Suppliers and labour brokers must not restrict the freedom of employment of workers and workers should be free to refuse to perform certain hazardous tasks. Our <u>Supplier Code of Conduct</u> lays out our full list of requirements.

If any form of bonded, indentured or prison labour is identified in our supply chain, we terminate our relationship with the production unit immediately and the supplier is disciplined. By taking such a tough stance, we hope to educate suppliers and improve conditions for workers.

In 2018, we detected no cases of forced, bonded, or compulsory labour in our supply chain.

In late 2017, C&A was awarded the prestigious Stop Slavery Award by Thomson Reuters Foundation in

recognition of our best-in-class demonstration of integrity and innovation in detecting, preventing, and remediating forced labour in our supply chain.

#### Incidents

From 2018 to date, we have not observed any cases of modern slavery or related violations like restricted freedom of movement, retaining worker passports, witholding wages or debt/bondage.

#### Detecting predatory recruitment practices

In each interview, we evaluate whether workers have been subject to predatory recruitment practices where they may have been put into debt in order to attain employment. In all cases, we concentrate on newly hired workers that have been hired through both internal and external recruiting processes. Our interviews focus on in-country and between country worker migration.

#### Supporting cotton workers in our supply chain

Cotton makes up 57% of the materials we buy and use at C&A. Around the world it supports the livelihoods of 250 million people [SOURCE: <u>BCI</u>]. Growing cotton is resource-intensive, and forced and bonded labour has remained a key challenge for the industry.

C&A is committed to sourcing 100% more sustainable cotton by 2020, and in 2018, a total of 71% of our cotton was more sustainable. Buying organic cotton has a direct positive impact on the health and safety of farming communities who are no longer exposed to hazardous chemicals.

We also work closely with the Better Cotton Initiative (BCI), which has a strong focus on promoting decent work.

In addition, we have a history of taking concrete steps to support cotton workers when required. In 2007, we signed the Cotton Pledge against forced labour, committing to end the practice of forced labour in the cotton sector in Uzbekistan. In practice, we banned the use of Uzbek cotton by our suppliers when the government forced adults and children to grow and harvest cotton, violating their human rights.

#### Read more about our commitment to more sustainable cotton



### Case study

# Taking steps to abolish Sumangali in India

Sumangali is a form of bonded labour practiced in some spinning mills in southern India. The practice violates international labour standards and the human rights of women. Women are given three-year contracts, often in unacceptable working and living conditions, with the promise of a bulk payment that will cover their dowry to get married. However, their wages are often held back, if they receive them at all, and they are not allowed to leave or return to their homes.

We first became aware of this illegal system in 2007. Since then, we have been working to eradicate it from our supply chain, regularly inspecting our direct suppliers – with an emphasis on spinning mills – to ensure that the bonded labour practices and curfews are discontinued.

In 2018, we continued our engagement in the second phase (2018-2022) of the Tamil Nadu multi-stakeholder initiative's Nalam Programme, a learning programme created by ETI to educate young female workers about their rights and responsibilities within mills. We constantly work towards assessing and verifying more vertically integrated spinning mills in our supply chain, and aim to involve all of the newly-approved mills in the second phase of the programme.

These efforts by the Nalam Programme to educate women workers on their workplace rights and health and safety issues have already reached nearly 21,000 womenin spinning mills and garment factories. In addition, over 360 supervisory staff—the direct link between management and the workforce—participated in 2-day residential training programmes during 2018 to make sure they understand and implement the requirements for acceptable work hours, overtime, communication with workers, and other workplace concerns.

Beyond this programme, in April 2018 C&A joined the newly launched ETI South India Ethical Trade Platform. The purpose of the platform is to support brands, manufacturers, and trade unions in adhering to global standards and to work together towards improving working conditions in the Indian supply chain. The work of the platform is performed alongside local stakeholders and government to build awareness of and capacity

in business and human rights.

To further support the eradication of Sumangali, C&A Foundation has been working for several years to address the root causes of the issue, beginning with a three-year project run by Terre des Hommes. C&A Foundation is also working to prevent vulnerable girls and young women from entering the system in the first place. In 2015, C&A Foundation made a €2.4 million grant to the Freedom Fund, the world's first private donor fund dedicated to ending modern slavery. Since then, C&A Foundation has awarded €6.4 million to the Freedom Fund to combat Sumangali and to strengthen protections against forced and child labour at the state and national levels.

#### Efforts supporting the end of forced labour in South India

Together with four other brands and the OECD, we are working on prevention and mitigation of the harmful impacts of forced labour, with a focus on the spinning mill industry in South India. The OECD is supporting this initiative and providing technical assistance as part of its sector work on due diligence and responsible business conduct within the garment and footwear sector.

In February 2019 at the OECD Garment Forum in Paris, C&A, together with industry peers, the Confederation of Indian Industry (CII), and the OECD, launched a partnership — initially formed in 2018 — to support a sector-wide approach to due diligence for responsible business conduct within the Indian garment and textile sector. Successful transformation of the sector requires a sector-wide approach that is tailored to the operating context and drives partnership with local industry at scale. In order to advance the work of the platform, C&A is also part of a subcommittee (steering group) with representatives from the Indian Industry, global brands, CII, and OECD secretariats.

Raising awareness within the Indian manufacturing sector, including spinning mills

In addition, the parties to the partnership held two roundtables to increase awareness about the OECD due diligence process, share information from global brands about drivers for due diligence requirements, and hear from Indian garment and textile manufacturers on the challenges they face in carrying out due diligence in their supply chains:

- 1. CII-OECD Roundtable in New Delhi, July 2018, with C&A and global apparel brands, as well as 40 Indian textile business representatives.
- 2. CII-OECD South India Roundtable in Coimbatore, Tamil Nadu, December 2018, with C&A and global apparel brands, as well as 40 South Indian manufacturers, including representatives from the South Indian spinning mills sector.

This engagement will continue with additional platform activities in 2019, starting with the OECD baseline assessment, which will establish a common understanding of key due diligence risks in the Indian garment and textile supply chain.

#### Responding to the global refugee crisis

Europe has experienced one of the most significant influxes of migrants and refugees in its history. Civil war and terror in the Middle East and Africa has led to migration where refugees seek a better life, risking their lives along the way. Among the forces driving people to make the dangerous journey were the

conflicts in South and Central America, Syria, Afghanistan, Myanmar and South Sudan. According to UNHCR, the majority – some 57% – of the total 68.5 million refugees worldwide had migrated from just those three countries [SOURCE: UNHCR and UNHCR Global Trends Report 2017].

We have participated in a workshop convened by the Centre for Global Development and the Tent Partnership for Refugees along with NGO, business, and multilateral leaders and experts. The purpose was to analyse the barriers preventing refugees from finding jobs and to develop a blueprint for facilitating greater business engagement in policy dialogue that increases refugee access to the formal labour market. Providing greater formal labour market access would unlock significant benefits for refugees, hosts, and businesses. We have continued our engagement with the Centre for Global Development, among other knowledge partners, to craft our support to refugees for greater impact.

#### Supporting migrant workers and refugees

We have updated our migrant labour guideline based on recommendations from the Ethical Trading Initiative (ETI). We believe that protecting labour rights and promoting safe and secure working environments for all workers, including migrant workers, is important to safeguard their dignity and rights. We acknowledge that monitoring and improving employment practices and working conditions for migrant workers can be challenging. C&A's updated guideline outlines the responsibility of our suppliers and their production units to meet fundamental principles for the employment of migrant workers as outlined in the ILO Conventions and comply with local labour laws and our Code of Conduct.

In general, our approach to the refugee crisis is exemplified in how we have been supporting Syrian refugees in Turkey. Turkey hosts an estimated 3.6 million refugees from Syria [SOURCE: World Vision]. The country's workers routinely suffer from low wages, weak enforcement of labour standards, informal and unregulated working arrangements, gender violence, and challenges to the right to freedom of association, making working conditions hard. This is all exacerbated by the Syrian refugee crisis.

Our teams on the ground have been actively participating in key initiatives in order to provide better solutions and safeguards for the Syrian refugee workforce in the garment industry, together with ETI and the Fair Labour Association (FLA).

Protection of these vulnerable workers and their right to work is paramount. C&A was one of the very first brands to ask the government of Turkey for a process that would enable refugees to receive legal permission to work, a process which was finally enacted in January 2016. We have also developed a booklet in collaboration with FLA, that helps refugees understand how to apply for a job in Turkey and what to expect in terms of workers' rights and how to defend them

Even though we have observed no illegal refugees in our Turkish supply chain, we have continued our unannounced audit protocol for every production unit in order to ensure that no workers are abused. In 2019 and beyond, we will continue to support Syrian refugees in Turkey, taking part in initiatives to help recruitment, raise awareness and support social integration.

In addition, C&A remains deeply concerned by the ongoing persecution against the Rohingya people in Myanmar and we strongly condemn the human rights violations that have been reported. Since 2017, more than 900,000 Rohingya have fled Myanmar across the border into Bangladesh, in a tragic refugee crisis. According to UNICEF, over half of the refugees are children and highly vulnerable. C&A and C&A Foundation continue working together to support the protection of these vulnerable people.

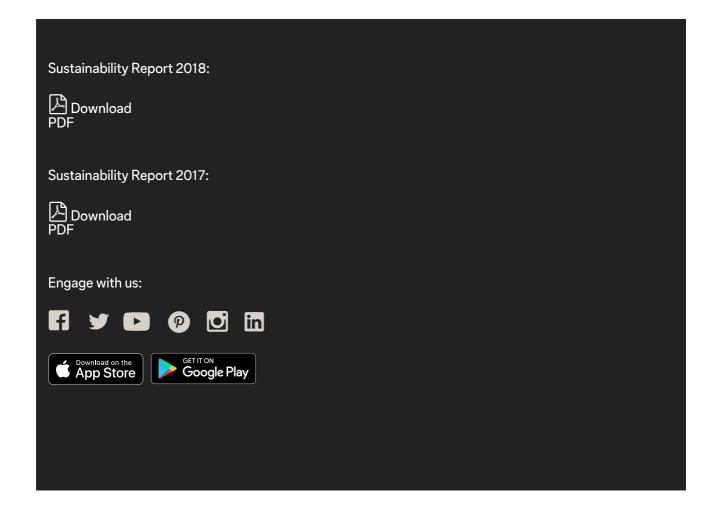
Read about our support of refugees from Myanmar

Case study
Working in partnership
to guarantee labour
rights

Migrants from Angola, Bolivia, Haiti, and Venezuela often enter Brazil hoping to find jobs and a better life, but with little idea about their labour rights. C&A Brazil and Instituto C&A, as C&A Foundation is known in Brazil, play an important role in making sure those workers know their rights, helping to defend them where necessary.

Through the support Instituto C&A gave to Missão Paz as part of the anti-slave labour programme, Missão Paz helped 703 immigrants from the fashion supply chain. In addition, 831 immigrants in the fashion industry took part in meetings about rights and empowerment. Importantly, nine people rescued from slave labour were supported by the organisation. Missão Paz also collaborated on 16 national press articles about immigrant slave labour to raise awareness of the issue.

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