



19/01/2022

To the attention of Alysha Khambay, Labour Rights Researcher, Business & Human Rights Resource Centre

Topic: Position of C&A with regards the current situation in the state of Karnataka (India) with the payment of wages.

Dear Alysha,

Thank you for giving C&A the opportunity to respond in the topic described above.

Firstly I believe it is important to mention that, at C&A, we take all topics related with our supply chain at the utmost importance, specially those with potential social and environmental challenges associated to. Currently, we have a team of 78 coworkers dedicated to mitigate this risk and to monitor the human rights conditions in our supply chain to ensure our standards are upheld and continually improved.

Since we were made aware of the current situation in the state of Karnataka (India), we have been in constant dialogue with the three (3) suppliers we have in the region to understand their position in this case and to formally asking them to amicably resolve this issue with the workers.

So far, all our suppliers have paid Basic wages of 8891.34 R per month. Financial year refers to the period from April to March every year. All suppliers have also paid the VDA for all years except 2020-21 as this is on dispute. The remaining years have all been paid¹. 2 out of 3 suppliers have confirmed they will pay the increased minimum wage going forward.

At the same time all three suppliers have confirmed to pay the VDA under dispute once the High Court has made its decision. As the high court decision will have an impact on the whole industry, the suppliers argue that they need to wait.

Although we respect suppliers' position, at C&A we strive for a more proactive engagement and problem solving. Therefore, and since our leverage with these three suppliers is rather small, we have teamed up with other likeminded brands to jointly address the suppliers with a single message to make them aware of the potential consequences of not resolving this case in an appropriate fashion.

Our talks with our suppliers, the local stakeholders and other brands continue and we are confident that in the following weeks we will be able to provide an appropriate resolution to this case.

At C&A we have a clear understanding that our suppliers must deliver the highest quality products, made in a way that is in line with our environmental and labour standards. We also emphasize transparency, which in turn leads to accountability. In this journey towards a wider transparency within our entire supply chain, we disclose the location of all of our global suppliers' tier-1 and tier-2 factories, in accordance with our commitment to the [Transparency Pledge](#).

¹ Reference:

Basic + VDA (194.40) for 2019-20 = 8891.34 + 194.40 (9085.74)

Basic + VDA (417.60) for 2020-21 = 8891.34 + 612.00 (9503.34) – VDA 417.60 under dispute.

Basic + VDA (428.80) for 2021-22 = 8891.34 + 1040.40 (9931.74)



In addition, we were ranked #2 among the most transparent brands in the global [2021 Fashion Revolution Transparency Index](#), which rates 200 companies according to disclosures about their social and environmental policies, practices, and impact.

Should you have further questions, do not hesitate to contact us,

Best Regards,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Aleix Busquets Gonzalez

Global Sustainability

C&A