

“C&A’s additional comment on the final decision made by the Complaints and Disputes Committee of the Dutch Agreement on Sustainable Garments and Textile”, 9 August 2022

Thank you for the opportunity to present C&A’s position on the final decision made by the Complaints and Disputes Committee of the Dutch Agreement on Sustainable Garments and Textile (CDC). At C&A we have taken this issue very seriously and we have great respect for the CDC and its decisions.

As you already mentioned, the CDC recently issued its final ruling again acknowledging C&A’s efforts on setting up a functional due diligence process throughout their supply chain and more specifically in realizing workers’ rights at its former supplier factory Roo Hsing in Myanmar. In its final decision, the Committee stated that 9 of the 13 complaints brought up by the complainants – the Centre for Research on Multinational Corporations (SOMO) and the Clean Clothes Campaign (CCC) – were unfounded. This confirms to a large extent our view that the complaints made by these organizations had no basis.

Of the remaining four complaints, three were classified as well-founded and one partially founded. Below you can find the exact transcription of the complaints declared well founded (see no. 1, 2 and 3), as well as partially founded (no. 4) and our respective position. Although the names of all stakeholders involved in this process are known, their names are kept anonymous due to the still tense situation in Myanmar.

1. *“C&A should have identified and involved R [a particular local stakeholder] as a legitimate stakeholder, even if it is not possible to reach collective agreements with R [this local stakeholder] on behalf of all employees at production site;”*
2. *“C&A should have consulted the complainants about the findings of the audits and about the CAPs [correction action plans];”*

C&A takes the involvement of external stakeholders very seriously and has therefore an external stakeholder strategy since 2014. As a result of the ruling, we are happy to accommodate this new stakeholder within the strategy. Therefore, we have created additional internal capacity to cope with this important task. We see transparency as a key element to improve workers’ wellbeing in our supply chain.

3. *“C&A should have involved complainants in (discussing) the 'responsible exit'.”*

It is our understanding that the Committee acknowledges the good work that C&A has carried out to implement the exit strategy for all Myanmar suppliers after consulting the right stakeholders on the ground, including local and international trade union federations. As an outcome of this strategy, all workers in our supply chain in Myanmar received severance payments according to the law. In the case of the production site discussed in the ruling, we understand that we should have also involved the complainants.

4. *“C&A failed to ensure that freedom of association and collective bargaining were respected at the production site. C&A should have consulted stakeholders and involved the Supplier in its efforts to improve trade union freedom.”*

It is unquestionable that union busting, or freedom of association infringements are zero-tolerance issues for C&A. We take these issues and any allegation in this regard very seriously. In the case of Roo Hsing, C&A chose to engage with known and trusted social partners to work on the complaint mentioned above. Additionally, we had our own local Sustainability Team on the ground. We will update our approach and include a wider number of stakeholders in future discussions.

To conclude, we are certain that this process and its outcome can lead to improved and fruitful discussions between stakeholders. We have deep respect for the work of organizations such as SOMO and the Clean Clothes Campaign and our doors and engagement with them remain always open. Furthermore, we would like to thank the Committee for its professionalism and for providing us with guidance on what the expectations on brands and retailers are.