

## C&A's response

9 February 2020

Business & Human Rights Resource Centre invited C&A to respond to the following items:

- "Worker reps, factory management to meet today over missing wages", 20 January 2020, *Khmer Times*: <https://www.khmertimeskh.com/50681284/worker-reps-factory-management-to-meet-today-over-missing-wages>
- "Workers at Struggling Factories Protest Over Unpaid Wages", 21 January 2020, *VOD*: <https://vodenglish.news/workers-at-struggling-factories-protest-over-unpaid-wages/>

C&A sent the following response:

"The first thing we have say is that Dignity Knitter is not our supplier since September 2019. We have reviewed our internal records and we have written proofs about it. However, we have also realised that although we removed the factory from our supplier list posted at the C&A website, we forgot to remove it from the Open Apparel Registry website.

Additionally, I would like to provide you with a bit more information regarding Dignity Knitter and our interaction with it:

Dignity Knitter is a factory that had not been steadily working for C&A, in fact was part of our portfolio for a limited amount of time, the reason is that during August 2019, C&A Sourcing and SSC team visited Dignity. During the visit, found out that an important number of workers were striking, sitting and chatting next to the sewing machines. It is important to underline that for these type of visits, we randomly select the factories and they are fully unannounced.

Needless to say, from this moment onwards, the C&A team started to investigate immediately with the factory management and the supplier (based in Hong Kong), who at that time had no real immediate insight over the situation.

As a result of our internal investigation we uncovered that Dignity Knitter had delayed payments for a number of workers. The strike was settled quickly as payments were made the days after. This particular point was verified by our team on the ground. However, what we also observed, is the root cause of this issue was that delayed payments from their Hong Kong head office due to some administrative issues. Hence, we identified a certain risk of re-occurrence for the next pay days and it could create other similar cases of tension that we wanted to avoid. We discussed the situation with the Supplier based in Hong Kong and they did not want to change their current payment process nor improve the administrative loopholes they had.

We do not want to have business partners that are putting workers at risk by not improving their way of working and hence, after a final meeting with all the involved parties, we came to the joint decision due to the results of our due diligence and the poor collaboration of the Supplier we would no longer source from Dignity Knitter. At this stage, the Sourcing team confirmed that last delivery happened during June 2019. Therefore, we officially discontinued our commercial relation with Dignity Knitter on September 2019."