

In the 12-month period directly before the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

1. What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)?

Our payment terms are 30 days

2. When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?

30 days after the date that the product has been handed over for shipment (which is when suppliers are able to submit their invoice).

3. In this period, have you asked suppliers for a discount after placing an order?

No. However, should a supplier fail to meet an agreed specification, for example in terms of quality or timely delivery, a discount might be applied on a case by case basis.

- a. If yes, what percentage of FOB was the discount (if varying, please list all percentages)?

4. Do your contracts have clauses for financial penalties:

For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)?

No.

- a. For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)?

No.

In the period since the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

5. Have you committed to pay in full for:
 - a. All completed orders?

Yes, we are paying for all orders that were finished and/or in production due to be handed over for shipment by the 17th April.

- b. All in-production orders?

Yes. Beyond the 17th April, Primark has committed to pay in full for all apparel and footwear orders that have either been finished or are in production as well as for liabilities that exist on finished fabric that cannot be repurposed for other future orders.

6. Have you extended your usual payment times?

No, as of 18 June 2020 – all payment terms are our usual 30-day terms.

- a. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?
- b. Are you supporting suppliers with access to local finance with a letter of credit or through other means?

Yes. We established a wages fund as an advanced payment for the wages element of orders that were finished and/or in product planned for handover between the 19 March and 17 April.

Yes, we support suppliers' access to local finance but no longer through letters of credit (LCs) between them and us, which suppliers found to be too costly to maintain. We stopped using LCs long before COVID. Instead we provide official "confirmed order sheets" as well as purchase orders with confirmed handover dates which serve the same purpose as the LC, but with less cost and admin for the supplier.

We have also been in frequent discussion with our suppliers and in cases where we have become concerned about supplier liquidity we have intervened by, for example, bringing forward future orders or accepting deliveries in advance of planned dates.

7. Have you requested a discount for any orders?

No. Throughout the COVID crisis Primark has not applied a uniform discount across its orders. However, we have been in constant and ongoing discussions with our suppliers regarding future orders, the result of these discussions may include some differing cost prices and/or adaptations to the products in a small number of cases.

- a. If yes what, percentage of FOB (if varying, please list all percentages)?

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? **Yes**

Yes, on the 3rd April, Primark announced a fund to be used as an advanced payment for the wages element of orders that were finished and/or in production that were planned for handover by the 17 April. This fund was established to enable suppliers to pay workers as soon as possible for work on Primark product that was in production. We can confirm that all payments to affected factories have now been made in full.

Further, we have endorsed the Covid-19 Action in the Global Garment Industry. Through this initiative we are working together with industry partners, such as the ILO, IOE and ITUC, as well as other brands and retailers to develop a coordinated global response to this industry-wide issue.

Also, where we have become aware that issues with March and April payments have occurred we have entered into discussions with our suppliers to understand and remove whatever roadblocks occurred on a case by case basis.

9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)?

Regarding the re-opening of our suppliers' factories. Governments and industry bodies are providing official guidance on measures to be implemented in suppliers' factories, which varies by country. In some countries the implementation of these measures is also being approved by Government and in others relevant trade associations. Therefore, we expect factories to implement them as part of their updated health and safety policy and procedures.

In addition to this work, some of our NGO partners and our in-country-teams are working with our suppliers' factories to support them in implementing measures including social distancing and increased handwashing. For example, our in-country team in China is in touch with our Chinese suppliers to disseminate best practice to factories and workers on personal hygiene, including wearing masks and handwashing, based on the WHO's guidelines; and we are a partner to the ILO Better Work Programme, who have developed country specific guidelines for factories in the Programme, including social distancing and improved personal hygiene standards related to the fight against the spread of Covid-19.

10. Are you paying shareholder dividends?

No – We announced at our interim results in April that we would not be paying an interim dividend.

11. Please add any additional comments (optional):

<https://www.primark.com/en/primark-cares/newsroom/primark-commits-to-pay-for-outstanding-finished-goods-and-suppliers-fabric-liabilities/a/e1f1caa6-a434-4aba-9463-2e12d251fb2d>

Additional question - what happens to fabric that Primark has paid suppliers for, but that won't be manufactured into garments for Primark?

During the call you asked about fabric liabilities and what happens to fabric that Primark has paid suppliers for, but that won't be manufactured into garments for Primark. Whilst we will pay for this fabric, we don't expect the suppliers to ship it to us, but instead are happy for the suppliers to use it for other purposes as they see fit.

Additional question – what percentage of Primark's total suppliers have you arrived at agreements for payments of fabric liabilities/garments?

Regarding our progress on these supplier conversations, I would like to take this opportunity to clarify that the "high percentage" I was referring to, was the number of one-on-one meetings that we have had with affected suppliers. To date that number now stands at 97%.

As part of this process we also ask suppliers to provide confirmation of the outstanding liabilities they have. To date 74% of the affected suppliers have now provided us with this information. Our Sourcing department remains in close contact with these suppliers and we look forward to

completing the process and paying these suppliers on our usual 30-day terms as soon as practically possible.

Where it is not possible to take the fabric as finished goods, we will pay for the fabric, ensuring that our suppliers are reimbursed for the costs incurred.