

Company Engagement Questions:
KnowTheChain Apparel & Footwear benchmark

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

Primark's Ethical Trade website has information on our policies and programmes, impacts and annual performance. <http://www.primark.com/en/our-ethics>

Commitment & Governance

2. Awareness and commitment: Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Our business directly contributes to the employment of around 730,000 workers across four continents. We believe that business can be a force for good if it **acts responsibly** to those within its supply chain. As such, ensuring that **workers' rights are respected**, and that we are able to **affect positive change** in line with the **UN Guiding Principles on Business and Human Rights**, our **Code of Conduct**, and **OECD Guidance on Due Diligence** is the primary objective of our **Ethical Trade & Sustainability programme**.

The UN Guiding Principles require businesses to address actual and potential adverse human rights impacts, prioritising those that are most severe or where a delayed response would make them irremediable. Forced and trafficked labour is one of the **most adverse human rights impacts**, and this has been reflected in the increase and revision of regulation that attempts to address the issue: including the **California Transparency in Supply Chains Act**, **EU regulations** on reporting, the **UK Modern Slavery Act 2015**, and the **ILO Protocol on Forced Labour**. Addressing forced and trafficked labour forms a significant cornerstone of Primark's **Ethical Trade & Sustainability Strategic Objectives** and roadmap. Our Strategic Objectives are supported by **extensive stakeholder consultation** and engagement, and focus upon **global risk** and **priority 'hotspots'** for action, as identified through our due diligence process.

Primark's **Code of Conduct** is underpinned by the **ETI Base Code** and the **ILO Declaration on Fundamental Principles and Rights at Work** that seek to ensure workplace rights are afforded and respected, including Forced and Trafficked labour in line with **ILO Convention 29**. The ILO adopted a new **Protocol on Forced Labour in July 2014** designed to strengthen global efforts to eliminate forced labour, and to address practices such as human trafficking. Primark **updated its own Code of Conduct** accordingly to reflect this, in consultation with stakeholders including the ILO and NGOs. The Code is available in **39 languages**, and is published on our website. <http://www.primark.com/en/our-ethics/workplace-rights/code-of-conduct>

In line with the requirements of the UK Modern Slavery Act 2015, **we will publish our annual Slavery and Human Trafficking Statement** on our website in 2016. Primark and its parent company Associated British Foods plc. (ABF) **publicly supported** the development of the UK Modern Slavery Act 2015. For example, Paul Lister, Director of Legal Services and Company Secretary for ABF spoke before the **Parliamentary Joint Select Committee** on the Government's draft Modern Slavery Bill. Primark was one of only three businesses that responded to the committee's **voluntary call for evidence**. Representatives from Primark also attended **Home Office workshops** and have spoken on various panels in favour of it.

3. Supply Chain Standards: Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

*Please see our response to Question 2 for details on our **Code of Conduct**.*

The **UN Guiding Principles** require business enterprises to have in place policies and processes appropriate to their size and circumstances in order to embed their responsibilities to human rights. As such, Primark's Code of Conduct needs to be **current and fit for purpose**, reflect the **challenges and risks** to human rights within the workplace, and be aligned with **current legislation and the UN Guiding Principles**. The Code of Conduct is **reviewed regularly**, and was **recently updated in April 2015** in line with revised **legislation on forced labour**. **Stakeholder engagement** forms a key part of Primark's Code of Conduct review process. Any revisions to the Code are **approved and signed off at Board** level both at Primark and its parent company ABF.

Compliance with Primark's **Code of Conduct** forms part of our General Terms of Business and we require all our supplier factories to comply with the Primark Code of Conduct as a **condition of doing business with us**. All proposed **factories are audited** against the Code, and must demonstrate they meet these requirements **before they are approved for production** of Primark products. Once production has been approved, we continue to carry out frequent inspections to monitor Primark's Code of Conduct is being applied. In 2015 we carried out **2,629 audits** against Primark's Code of Conduct, all of which included **rigorous checks** for forced and trafficked labour.

4. Management: Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

Ethical Trade at Primark is **recognised at the highest level** both within Primark and its parent company ABF. Primark's Director of Ethical Trade, Katharine Stewart, has overall responsibility for the Ethical Trade & Sustainability programme. Katharine Stewart reports directly to **Paul Lister, Director of Legal Services and Company Secretary for ABF**, and **Paul Marchant, Chief Executive Officer for Primark**.

Katharine Stewart leads a dedicated team of **77 experts**, mainly based in Primark's key sourcing regions. This includes Senior Controllers who are responsible for Supply Chain Monitoring & Remediation, Training and Capacity Building, Structural Safety, Projects, Policy & Strategy, Environmental Sustainability, and Communication & Engagement.

Our teams on the ground in our key sourcing regions are one of our most important resources in ensuring workers' rights are respected. They have been recruited from a range of different organisations including other companies, development agencies, NGOs, and include specialists such as a former senior member of the Bangladesh fire service, thereby ensuring we are resourced to address the risks in the supply base effectively. They function as our eyes and ears on the ground, and are able to build direct relationships with workers in our supply chain, as well as local stakeholders, including NGOs and trade unions.

There are **structured internal policies, processes and procedures** in place to ensure robust and appropriate levels of engagement and **decision-making** with other Primark internal teams and departments including **Buying, Merchandising, and Sourcing**. For example, all proposed factories must be audited and approved against the Code of Conduct by the Primark Ethical Trade team prior to production being placed.

5. Training: Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe:

During 2015/16 we **prioritised training** on forced and trafficked labour for **suppliers in key regions** where our due diligence identified potential risk. Our training programme included UK supplier training delivered with an external expert on forced and trafficked labour. We also prioritised training for the Primark **Buying and Merchandising teams** due to the influence of their roles (*also see our response to Question 9 on Purchasing Practices*).

In 2016/17, Primark will launch **mandatory dedicated training** on forced and trafficked labour for **all relevant Primark staff and all suppliers and factories**. Further information will be included in our **Slavery and Human Trafficking Statement** in line with the requirements of the UK Modern Slavery Act 2015 which will be published in 2016.

6. Stakeholder Engagement: In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

The **UN Guiding Principles** provide a useful framework for outlining the role and responsibilities of state and business, and also call upon engagement with **all relevant stakeholders** to ensure that human rights are respected. Our **strategy, policies, and programmes** are continually

informed through **extensive stakeholder engagement** which includes the ILO, ETI, trade unions, NGOs, and civil society groups and governments. This also includes those that are **experts in forced and trafficked labour**, including IOM, IHRB, Anti-Slavery International, the Freedom Fund, ICN, SOMO, Solidaridad, Stop the Traffik, Responsible Sourcing Network, and many others.

At a wider level, Primark has long recognised the value of **collaboration as a way of increasing leverage and impact**. Building upon **our existing collaborations** and creating **new alliances** where we recognise we can have more leverage, are critical if we are to make lasting impact:

- Primark has been a member of the **Ethical Trading Initiative (ETI)** since 2006, and has held leader status June 2011. Katharine Stewart is a member of the Board.
<http://www.ethicaltrade.org/>
- Primark is a member of the Steering Committee of the ETI's **Tamil Nadu Multi Stakeholder Programme (TNMS)**. This five year programme aims to catalyse positive change within Tamil Nadu's textile and garment sector through activities that empower young women workers, strengthen industrial relations, build community awareness and support legislative reform. Specifically, this group was formed in response to a number of reports of "Sumangali" and other exploitative labour practices in South Indian spinning mills.
- Primark worked with **Verité** and their Indian NGO partner, **ASK** in South India, to develop and pilot **Fair Hiring, Fair Labour Toolkits**. The toolkits provide additional support on implementing the Code of Conduct in relation to forced and trafficked labour, and are used to assess the management practices of factories with particular reference to recruitment and hiring, screening and managing brokers, and on-site management of workers.
- Primark is a member of the **ETI Working Group on Turkey**, and the group has collaborated with the Fair Labour Association and the Fair Wear Foundation to ensure garment brands sourcing from Turkey use their combined leverage to have an effective, cohesive response to Syrian refugees' registration rights. There has been regular engagement with the Turkish government through the collective leverage of these brands, and most recently in January 2016, where brands, including Primark, met with the Chief Advisor to the Prime Minister to discuss the recent decision to issue work permits to Syrian refugees.
- Primark has signed up to the **Responsible Sourcing Network's Cotton Pledge**; in doing so it has committed to not knowingly source Uzbek cotton for the manufacturing of any of its products.
- Primark is a member of the Advisory Panel of the **OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector**. The Guidelines outline the process of identifying, preventing and mitigating adverse impacts in supply chains in the garment and footwear sector, and assure that positive impacts of the sector are maximized.
- Primark is a member of the **ILO Child Labour Platform (CLP)**, a multi-stakeholder group convened by **ILO IPEC** (International Programme on the Elimination of Child Labour) to identify the obstacles to the implementation of the ILO Conventions on child labour in supply chains, develop practical ways of overcoming these obstacles, and catalyse collective action. In 2015, we signed a **Public Private Partnership** agreement with ILO IPEC to formalise and strengthen our work on child labour, with the objective that all tools developed in the partnership will eventually become open source.

- Primark's **longest running** worker rights programme is through our partnership with NGO SAVE, based within Tamil Nadu. **Worker Education Groups (WEGs)** are created in local communities where the workers who make Primark products live. The WEGs focus on upon workers' **education and rights**. *For further information on this programme, see our response to Question 18.*
- Primark was the first UK retailer to sign the **Accord on Fire & Building Safety in Bangladesh**, an agreement between more than 200 apparel brands and retailers, international and local trade unions and NGOs working towards sustainable improvements to working conditions in the Bangladesh garment industry.
- Primark is a founder member of **Action Collaboration Transformation (ACT)** initiative. ACT aims to improve wages in the industry by establishing industry-wide collective bargaining in key garment and textile sourcing countries, supported by world class manufacturing standards and responsible purchasing practices. As an ACT brand, Primark has signed an MOU with IndustriAll, committing to mutually working towards ACT's goals.
- Primark is a member of several **country-based working groups** that focus upon sharing challenges and best practices within the garment sector. These include India, Pakistan, Bangladesh, Turkey, and China.
- Primark joined the **ILO Better Work** programme in 2010. Better Work aims to improve working conditions through the provision of factory level assessments, advisory services and training. Our global partnership with Better Work operates in Vietnam, Cambodia, and Indonesia.
- In January 2016, Primark signed a letter of intent to formalise its partnership with the **Department for International Development (DFID)** to improve working conditions for garment workers in developing markets. The partnership will combine the presence, networks and expertise of both organisations to improve the health and wellbeing of local workers, bolster national economic development and help alleviate poverty in five of Primark's key markets in which DFID also works.
- Primark joined the **German Partnership for Sustainable Textiles** (Bündnis für nachhaltige Textilien) in March 2016. The Partnership is a multi-stakeholder initiative with the objective of achieving social, ecological and economic improvements all along the textile supply chain.
- Primark has been a member of the **Sustainable Apparel Coalition (SAC)** since 2015. The SAC is a coalition of more than 150 global brands, retailers and manufacturers, as well as government, non-profit environmental organisations, and academic institutions that aims to improve supply chain sustainability in the apparel and footwear industries. Its members represent over 40% of the global apparel and footwear market.
- Primark is a member of **Zero Discharge of Hazardous Chemicals (ZDHC)**, an industry working group of major apparel and footwear brands and other stakeholders who have made a shared commitment to phase out the use of hazardous chemicals by 2020.
- Since 2011 Primark has partnered with **Business for Social Responsibility (BSR)**, local partners and our suppliers on the HERproject (Health Enables Returns) to provide healthcare and health education to women working in the factories that make its products.

Further information on partnerships can be found on our website:

<http://www.primark.com/en/our-ethics/our-performance/our-partners>

<http://www.primark.com/en/our-ethics/resources-for-students-and-teachers/faqs>

Traceability and risk assessment

7. Traceability: Please describe your company's supply chain tracing processes.

Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

All first-tier sites producing for Primark must be approved by the Primark Ethical Trade team **prior to production** being placed, and these audits are **tracked and mapped internally** on Entropy, a dedicated BSCI supplier database managed by our central administration team based in the UK. This information includes **site-specific details** including the number of **permanent, temporary, and agency workers**, **gender split**, **audit non-compliances**, **audit ratings**, and **audit reports**. We have **increasing traceability** of suppliers beyond these tiers including nominated suppliers of certain products and materials.

We do not publicly disclose this information. Instead, we **share data** where we feel there is a clear and **relevant objective**, for example, through the **Accord on Fire and Building Safety in Bangladesh**.

We have **mandatory disclosure of fabrics** used in our products (country of origin and volume), and from late 2016, we will require **mandatory disclosure** of all **cotton and wool fibre** used in our products (country of origin and volume). This information is used to ascertain risk in relation to issues including forced labour in specific commodities such as cotton.

Primark has signed up to the **Responsible Sourcing Network's Cotton Pledge** to not knowingly source Uzbek cotton for the manufacturing of any of its products.

8. Risk Assessment: Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

The **UN Guiding Principles** require business enterprises to implement **human rights due diligence** in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts. We look at the (i) **inherent and potential risks** through our **country-based human rights due diligence programme**; and (ii) the **actual risks at individual factory level** through our audit programme, prior to approving them for our production. (*For information on our audit programme, see our response to Question 10*).

Our **country-based human rights due diligence programme** is aligned with the **UN Guiding Principles** and **OECD Due Diligence Guidance**, and was the result of **in-depth benchmarking** and **stakeholder consultation** including human rights and impact assessment organisations.

This approach enables Primark to assess **inherent risks in the textile and garment sector** of each and every country we source from, and includes **risk analysis** using **stakeholder consultation** and publicly available credible sources including: The US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, and The US Department of State's Trafficking in Persons Report; ILO data, reports, observations, and other materials; The Global Slavery Index; The Danish Institute for Human Rights' Country Guides; The Business and Human Rights Resource Centre's records; reporting by international organisations including Human Rights Watch, Oxfam, Friedrich-Ebert-Stiftung, Amnesty International, and the World Bank; country-based reports by NGOs, media, government bodies and trade unions, including ITUC and IndustriAll.

Where potential risks are high, or information is either unavailable or unreliable, we may choose to **conduct on-the-ground impact assessments**. Where there is a concern of potentially causing or contributing to severe or irremediable risks, **Primark may adopt a policy of not sourcing from certain countries** until such risks may be prevented, for example, cotton from Uzbekistan.

In relation to forced and trafficked labour, our due diligence has **highlighted risks** within the **lower tiers** of the supply chain where we have less leverage, including **cotton from Uzbekistan** and the **textile spinning industry within South India**. Information on our actions to date in addressing these risks can be found on our website.

<http://www.primark.com/en/our-ethics/resources-for-students-and-teachers/faqs>

Purchasing practices

9. **Purchasing Practices: Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.**

OECD Due Diligence Guidance recommends that retailers include a review of their **purchasing practices** and **internal systems** as part of their due diligence, and other organisations including ETI and Oxfam have cited the role of **purchasing practices in relation to ensuring workplace rights are afforded and respected**.

We have implemented **responsible purchasing systems** and processes to enable suppliers to observe our Code of Conduct while producing goods to our standards. For example:

- We consider the **capacity, quality, ethical compliance, design, and delivery capabilities** of new and existing suppliers. This is used to assess whether a factory has the capacity and capability to produce our orders, helping to mitigate the risks of undeclared sub-contracting.
- Training on purchasing practices is **mandatory** for Primark Buyers and Merchandisers, to help them understand the **impact of their roles** and their **responsibilities** in engaging with suppliers. This includes training on the importance of ethical trade, explaining how their purchasing decisions can have both **commercial and human rights impact** and providing

them with advice on where to find the internal business resources that will help them **buy responsibly**.

- We have **long-term relationships** within our supply chain. These reflect the strength of our purchasing policies and ethical programmes.
- We are members of the **Prompt Payment Code** and pay all our suppliers within 30 days.
- We **fund the costs of all our audits and remediation**. We also fund a significant amount of **capacity building programmes**.
- We use **off-season** time for production. This lengthens the lead time but helps a factory to plan their **production more effectively** and provides **stable employment** in typical low-seasons.

Primark is a founding member of **ACT** (Action, Collaboration, Transformation). ACT members recognize the importance of **responsible purchasing practices** within the industry as a whole to ensure we have **sustainable supply chains**. Purchasing practices are one of the key pillars of ACT, along with **collective bargaining** and **world class manufacturing standards**. Work is in development to identify **industry best practice** on responsible purchasing. Membership of ACT includes 18 global retailers and IndustriALL global trade union.
http://www.primark.com/~media/ourethics/annual%20performance/ACT_factsheet_July2015.a_shx

10. Supplier Selection: Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

The **UN Guiding Principles** require business enterprises to implement human rights due diligence in order to **identify, prevent, mitigate** and **account** for how they address their adverse human rights impacts. We look at the **inherent and potential risks** through our country-based human rights due diligence programme; and the **actual risks** at individual factory level, prior to approving them for our production.

For more information on our country-based human rights due diligence programme, see our response to Question 8.

Compliance with Primark's **Code of Conduct** forms part of our General Terms of Business and we require all our supplier factories to comply with the Primark Code of Conduct as a **condition of doing business with us**. All proposed factories are audited against the Code, and must demonstrate they meet these requirements **before they are approved for production** of Primark products. Once production has been approved, we continue to carry out **frequent inspections** to check the Code of Conduct is being applied.

For information on our Code see Question 2.

In 2015 we carried out **2,629 audits**. Primark **pays for the cost of all its audits**, and this enables us to **retain control** of the audit protocol and process, and more **effectively address** risk by adapting the audit process as needed (*see our example on Turkey below*). It removes the potential for any conflict of interest in relation to **transparency and integrity** of information that could occur if the

supplier paid for the audit (a model commonly used within the garment industry). This in turn enables us to include more **depth and detail** in our audit reports, particularly on worker testimony, where **confidentiality and protection of workers** is paramount. For this reason, we do not share the full audit report with the factory, only the corrective action plan.
For more information on our audit process, see Question 21.

The majority of our audits are **semi-announced** (almost 75 per cent in 2015). This means the auditor provides a two-week window to the facility. We also conduct **unannounced audits** where our due diligence has showed that there is increased risk. For example in Turkey, all our **audits are unannounced**. This decision was made following the high number of refugees from Syria and other countries, which are **potentially vulnerable to exploitation**.

All our audits include **rigorous checks** for **forced and trafficked labour**. For example, **we prohibit**: the retention of **all** identity papers including passports; the use of agency labour that does not meet national standards; and any involuntary work. **We require**: transparent employment practices; wages paid regularly, on time and directly including full legal and social security entitlements; freedom of movement, written contracts in employees own languages with all terms and conditions explained clearly, and the worker's assent obtained without coercion; and supplier policies on employment practices. These and many other requirements are detailed in our audit protocol, which is based on global best practice standards.

11. Supplier Selection: How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

As outlined in our *response to Question 9*, we have implemented **responsible purchasing systems** and processes to enable suppliers to observe our code while producing goods to our standards, minimizing the risk of undeclared sub-contracting.

12. Integration into Supplier Contracts: Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

Compliance with Primark's **Code of Conduct** forms part of our General Terms of Business and we require all our supplier factories to comply with the Primark Code of Conduct as a **condition of doing business with us**. All proposed factories are audited against the Code, and must demonstrate they meet these requirements **before they are approved for production** of Primark products. Once production has been approved, we continue to carry out **frequent inspections** to ensure the Code of Conduct is being applied.

Primark's **Code of Conduct** is underpinned by the **ETI Base Code** and the **ILO Declaration on Fundamental Principles and Rights at Work** that seek to ensure workplace rights are afforded and respected, including Forced and Trafficked labour in line with **ILO Convention 29**. The ILO adopted a new **Protocol on Forced Labour in July 2014** designed to strengthen global efforts to eliminate forced labour, and to address practices such as human trafficking. Primark updated its own Code of Conduct accordingly to reflect this, in consultation with stakeholders including the ILO and NGOs.

The Code is available in 39 languages, and is published on our website <http://www.primark.com/en/our-ethics/workplace-rights/code-of-conduct>

13. Cascading Standards: Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

As per our General Terms of Business, suppliers need to apply the Code of Conduct **to their own suppliers in all levels of production**. In addition, we have **communicated the requirement** to all our suppliers that they do not knowingly source materials for use in Primark products that are made using forced or trafficked labour.

Recruitment

14. Recruitment Approach: Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

Reports from organisations such as IHRB have highlighted the **key role that recruitment practices can play as a driver of exploitation**, particularly for migrant and agency workers. For example, payment of large recruitment fees by workers to recruitment agents and labour brokers can begin cycles of exploitation that can result in bonded labour. For migrant workers, this situation can be further exacerbated by language and cultural barriers that prohibit access to grievance mechanisms and remediation.

Our Code of Conduct applies **equally to all workers in the supply chain** including those who may be more vulnerable to exploitation such as **migrant workers** and **agency and contracted labour**.

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In 2015 we carried out **2,629 audits**. We **pay for the cost of all our audits**, which enables us to **retain control** of the audit protocol and process, and more **effectively address** risk by adapting the audit process as needed (*see our example on Turkey below*). It removes the potential for any conflict of issue in relation to **transparency and integrity** of information that could occur if the supplier paid for the audit (a model commonly used within the garment industry). This in turn enables us to include more **depth and detail** in our audit reports, particularly on worker testimony, where **confidentiality and protection of workers** is paramount. For this reason, we do not share the full audit report with the factory, only the corrective action plan.

The majority of our audits are **semi-announced** (almost 75 per cent in 2015). This means the auditor provides a two-week window to the facility. We also conduct **unannounced audits** where our due diligence has showed that there is increased risk. For example in Turkey, all our **audits are unannounced**. This decision was made following the high number of refugees from Syria and other countries, which are **potentially vulnerable** to **exploitation**.

All our audits include **rigorous checks** for **forced and trafficked labour**. For example, **we prohibit**: the retention of **all** identity papers including passports; the use of agency labour that does not meet national standards; and any involuntary work. **We require**: transparent employment practices; wages paid regularly, on time and directly including full legal and social security entitlements; freedom of movement, written contracts in employees own languages with all terms and conditions explained clearly, and the worker's assent obtained without coercion; and supplier policies on employment practices. These and many other requirements are detailed in our audit protocol, which is based on global best practice standards.

The Leadership Group for Responsible Recruitment (LGRR), convened by the Institute of Human Rights and Business (IHRB), and the International Recruitment Integrity System (IRIS) developed by the International Organization for Migration (IOM), are leading initiatives that are shaping policy in relation to ethical recruitment practices, including the prohibition of recruitment fees and increased regulation for recruitment agencies. Ensuring that that there is **collaboration** and **alignment** across **relevant industry sectors** and policy makers is key, and therefore Primark is **committed to supporting these initiatives** as they develop, and aligning its own code and policies with them.

15. Recruitment Fees: Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

Please refer to our response to Question 14.

16. Recruitment Audits: Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

Please refer to our response to Question 14.

17. Communication of Policies to Workers: Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

Primark's **Code of Conduct** is underpinned by the **ETI Base Code** and the **ILO Declaration on Fundamental Principles and Rights at Work** that seek to ensure workplace rights are afforded and respected, including Forced and Trafficked labour in line with **ILO Convention 29**. The ILO adopted a new **Protocol on Forced Labour** in July 2014 designed to strengthen global efforts to eliminate forced labour, and to address practices such as human trafficking. Primark updated its own Code of Conduct accordingly to reflect this, in consultation with stakeholders including the ILO and NGOs.

The Code is available in 39 languages, and is published on our website <http://www.primark.com/en/our-ethics/workplace-rights/code-of-conduct>. Suppliers are required to display the Code of Conduct in the workplace **in all relevant languages for workers they employ**, and required to communicate the Code to workers. This is verified within our audits.

Ensuring that workers can understand the Code forms one of our Ethical Trade & Sustainability Strategic Objectives, and **we have a range of programmes that seek to achieve this**. Appropriate learning models are considered, and have included **peer-to-peer learning, participatory methods** such as image elicitation, and **performance and role play**. We have a **dedicated Project Controller** supported by a team who manages these programmes, working closely with our local teams on the ground and NGOs and other organisations to design and deliver these programmes.

One example is our Worker Poster programme. To support workers further in understanding the Code, and to address low literacy levels and cultural context, we asked local NGOs in key sourcing countries to **facilitate and support groups** of factory workers to create a series of posters that could **communicate the code effectively, empowering workers** to take **ownership of the code**. These are distributed to all Primark factories (within the relevant country) and are available to download from our website <http://www.primark.com/en/our-ethics/workplace-rights/worker-posters>

18. Worker Voice: Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

Primark's **longest running** worker rights programme is with NGO SAVE, based within Tamil Nadu. **Worker Education Groups** (WEGs) are created in local communities where the workers who make Primark products live. The WEGs focus on upon workers' **education and rights**.

In 2015, Primark commissioned [Enabling Outcomes Ltd](#) to conduct an evaluation of the Primark-SAVE partnership. Based upon the impacts of the programme highlighted below we are now considering how we can create **similar partnerships in other communities in our sourcing countries.**

- The assessment found that, over the course of six years, SAVE has directly trained over **5,000 workers** via the WEG model.
- SAVE encourages those workers that have been trained to share their learning with others—resulting in an estimated **5-fold effect on awareness-raising – around 25,000 people.**
- Workers interviewed via the evaluation cited that the **knowledge and confidence** from the training led to **individual and collective action** on issues such as improving health and sanitary conditions in the home, opening up bank accounts, lobbying the municipality for street lights, potable water, bus stops and schools.
- In the workplace, workers were able to **vocalise their rights** and use **negotiation tactics** imparted by SAVE, and spoke with management to **gain improvements** on safety equipment, wage and bonus increases, paid time off, and access to benefits.
- WEGs also work with one-another to bring about change and function as **grievance mechanisms** for workers. By working in regional “Clusters” representatives have been able to **raise grievances with factories.**
- A Consortium of WEG members across Tamil Nadu meets once a month. The Consortium members used SAVE materials to **calculate their cost of living** in the context of living wages, and used this information in **tripartite collective bargaining negotiations** in Tiripur.

19. Worker Empowerment: Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

Primark acknowledges the **enabling right of freedom of association** in relation to ensuring workers are aware of and able to exercise their **fundamental rights at work**; and also the role of **legitimate trade unions** in achieving **mature industrial relations** and addressing labour-related disputes and grievances. Working towards this important goal forms part of our Ethical Trade and Sustainability Strategic Objectives. Engagement with trade unions, including through the tripartite structure of the ETI, is key to this.

Primark’s **Code of Conduct** is underpinned by the **ETI Base Code** and the **ILO Declaration on Fundamental Principles and Rights at Work** that seek to ensure workplace rights are afforded and respected, including ILO Conventions to Freedom of Association in line with the relevant ILO Conventions (<http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/freedom-of-association/lang--en/index.htm>). The Code is available in 39 languages, and is published on our website <http://www.primark.com/en/our-ethics/workplace-rights/code-of-conduct>

Compliance with Primark’s **Code of Conduct** forms part of our General Terms of Business and we require all our supplier factories to comply with the Primark Code of Conduct as a **condition of doing business with us**. All proposed factories are audited against the Code, and must

demonstrate they meet these requirements **before they are approved for the production** of Primark products.

This includes, as stated in our Code of Conduct on **Freedom of Association**, that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively; that the employer adopts an open attitude towards the activities of trade unions and their organisational activities; that workers representatives are not discriminated against and have access to carry out their representative functions in the workplace; and where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

We have collaborated in several programmes that seek to build **workplace capacity and dialogue** and work towards **mature industrial relations**. One programme, for example, is the ETI Social Dialogue programme which launched in Bangladesh in September 2015. This programme sought to **strengthen existing Worker Participation Committees** and **ensure democratic election** of new representatives – as a measure of success, **900 workers from one factory** participated in the election in April 2016, and the committee has addressed issues including attendance bonuses, drinking water, road access, and provision of prayer rooms.

We believe that the most **effective way to ensuring Freedom of Association** for **all** workers in our supply chain and the wider industry, is through industry-wide collective bargaining. Primark is a founder member of ACT (Action, Collaboration, Transformation). ACT members (which include 18 international retailers) have signed a Memorandum of Understanding with **IndustriALL global trade union** to work towards the goals of ACT. These include **industry-wide collective bargaining** in key sourcing countries, supported by **responsible purchasing practices** and **world class manufacturing standards**.

As a member of ACT, we welcomed the comments (May 2016) made by **John Ruggie**, the former **UN Special Representative on Business & Human Rights**, in relation to **ACT** and the Bangladesh Accord (which Primark is also a member of):

“Moreover, the ILO paper raises some compelling examples of how companies have been working together and with trade unions, governments and others to address some of the most severe and systemic labor rights abuses in their supply chains. The Bangladesh Accord and the ACT initiative are two such instances that illustrate the promise of collective action to leverage change. Importantly, these initiatives are not just about voluntary philanthropic contributions to development, but also the product of a recognized responsibility of companies to address severe human rights risks in their supply chains. In doing so, these initiatives make a critical contribution to sustainable development as well.” <https://business-humanrights.org/es/node/137573>

http://www.primark.com/~media/ourethics/annual%20performance/ACT_factsheet_July2015.a_shx

20. Grievance Mechanism: Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

The **UN Guiding Principles** state that business enterprises should establish and participate in effective **operational-level grievance mechanisms** for individuals and communities who may be adversely impacted, to make it possible for grievances to be addressed early and remediated directly, and **that these should complement and not be used to undermine the role of trade unions and collective bargaining processes.**

We are addressing this requirement in three ways:

- 1) We have a formal **whistle-blowing facility** as per the link below
http://www.abf.co.uk/documents/pdfs/policies/cr_policies_whistle_blowing.pdf.
- 2) In light of the **UN Guiding Principles** statement that grievance mechanisms should not undermine the role of legitimate trade unions in addressing labour-related disputes, stakeholder consultation to date has pinpointed the **importance of ACT**. ACT aims to formalise the role of trade unions within industry-wide collective bargaining, ensuring that **trade unions play a vital role in receiving and addressing grievances both at the operational and industry level.** *See our response to question 18 for more information on ACT.*
- 3) Our **audit protocol** includes **mandatory confidential worker interviews**. During the interviews workers are informed that they can **contact the Primark team** at their discretion whenever they wish to do so, and are given **direct contact details**.

Ensuring that we provide **effective grievance mechanisms** for workers is part of our Ethical Trade & Sustainability Strategic Objectives, and we have **committed to review** our existing approach within this context with relevant stakeholders to see where the process can be **strengthened further** to **protect** those within our supply chain.

Monitoring

21. Auditing Process: Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.), and c) interviews with workers.

Compliance with Primark's **Code of Conduct** forms part of our General Terms of Business and we require all our supplier factories to comply with the Primark Code of Conduct as a **condition of doing business with us**. All proposed factories are audited against the Code, and must demonstrate they meet these requirements **before they are approved for production** of Primark products.

In 2015 we carried out **2,629 audits**. We **pay for the cost of all our audits**, which enables us to **retain control** of the audit protocol and process, and more **effectively address** risk by adapting the audit process as needed. It removes the potential for any conflict of interest in relation to **transparency and integrity** of information that could occur if the supplier paid for the audit (a

model commonly used within the garment industry). This in turn enables us to include more **depth and detail** in our audit reports, particularly on worker testimony, where **confidentiality and protection of workers** is paramount. For this reason, we do not share the full audit report with the factory, only the corrective action plan.

Unannounced **spot checks** are conducted on an ad-hoc basis where we suspect a **lack of transparency** or where we suspect a **specific breach or issue**. This could be, for example, following a **grievance raised** by a worker directly to our team. In 2015, we **conducted 344 unannounced spot checks**.

During the audit, we conduct **thorough documentation reviews** including employment contracts, right to work records, working hour records, payroll records, production records, business licences, health and safety certificates. The **physical workplace** of the factory, and all structures that are in the same site or compound, are checked. All our audits included **rigorous checks for forced and trafficked labour**. For example, **we prohibit**: the retention of **all** identity papers including passports; the use of agency labour that does not meet national standards; and any involuntary work. **We require**: transparent employment practices; wages paid regularly, on time and directly including full legal and social security entitlements; freedom of movement, written contracts in employees own languages with all terms and conditions explained clearly, and the worker's assent obtained without coercion; and supplier policies on employment practices.

Worker interviews are mandatory during the audit process and form a critical part of the audit process. These are always **conducted in confidence** and in a way as to protect the **worker and their testimony**. For example, only the corrective action plan (*see our response to Question 23*) is shared with the factory management. The full audit report remains confidential to Primark. In some cases we have conducted worker interviews off-site in the **workers' communities**, and using **local trusted NGOs**.

Once production has been approved, we continue to carry out **frequent inspections** to check the Code of Conduct is being applied.

22. Audit Disclosure: Does your company disclose

a) the percentage of suppliers audited annually

b) the percentage of unannounced audits

c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits), and

d) a summary of findings, including details of any violations revealed?

Please provide a URL with the relevant information.

Please refer to our annual audit performance, which is externally assured, and published on our website. <http://www.primark.com/en/our-ethics/our-performance/annual-performance>

Remedy

23. **Corrective Action Plans: Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.**

During the audit process (*see our response to Question 21*) Primark auditors create a **corrective action plan** which details **each non-compliance** against the Primark Code of Conduct. Each individual **corrective action** has a **date for completion** as agreed between the auditor and factory management, and is signed by both parties. The full audit report remains **confidential** to Primark to protect workers' testimony.

The Primark team then **rates** the **overall performance** of the factory. Dates for the follow-up visit to check on the progress of the corrective action plan are based upon these ratings, i.e. a red rated factory would be prioritized for a more immediate follow-up than an amber rated factory. (<http://www.primark.com/en/our-ethics/our-performance/annual-performance>)

Any issues that present a **severe and imminent threat** to workers' lives or safety, including forced, trafficked, compulsory or prison labour, would be given a **red critical rating** and are **prioritised for immediate remediation**. A red critical rating means that factories are **immediately suspended** on our purchase order system, until such time as the issue has been **fully and appropriately remediated**.

In cases where suppliers are either unable to make improvements or lack commitment, we have a clear process on **termination**, and work with the supplier, our Buying and Merchandising and Sourcing teams on a **responsibly-managed exit plan**.

The corrective action plan remains 'live' and non-compliances will either be closed out or added to in subsequent audits.

24. **Remedy: Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.**

Any issues that present a **severe and imminent threat** to workers' lives or safety, including forced, trafficked, compulsory or prison labour, would be given a red critical rating and are **prioritized for immediate remediation**. Our priority is to address the **welfare and protection** of the workers, and we have a **strict policy** that no **new orders may be placed** until such time as these issues have been **fully and appropriately remediated**.

Where needed, we would work **directly with local NGOs** or the **relevant regulatory bodies** through our team on the ground. In other cases that have involved migrant workers, we have used our **teams from other migrants' home countries** to support the audit process. In one specific instance, there were suspected breaches of our Code of Conduct's provisions on forced labour in a factory in UAE, in relation to employment and working conditions of workers from Pakistan. A team including our Senior Regional Manager from Pakistan conducted a full investigation including in-depth, extensive interviews with workers to understand their grievances. The investigation

enabled us to confirm multiple breaches of our Code of Conduct and these were immediately addressed, including the repatriation of one worker; at cost to the supplier.