

**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.*

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

*N. 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.)? **N***

- 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.)? **N**

**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?

*We are paying for all orders that were finished and/or in production due to be handed over for shipment by the 17 April*

- b. All in-production orders?

*We are paying for all orders that were finished and/or in production due to be handed over for shipment by the 17 April*

6. Have you extended your usual payment times? **Y**

- a. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?

*For orders in our stores, depots and in transit, they were paid for under our usual 30-day payment terms.*

*For orders booked in for shipment on the 18 March but not yet handed over, we extended our payment terms to 180 days.*

*For all orders finished and/or in production planned for handover between 19 March and 17 April, but not booked in for shipment, will be paid for on 30-day payment terms apply.*

*Future orders will also be paid on 30-day payment terms.*

- b. Are you supporting suppliers with access to local finance with a letter of credit or through other means? *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.*

- 7. Have you requested a discount for any orders?

*We have been in constant and ongoing discussions with our suppliers regarding orders. The result of these discussions may include some differing cost prices and/or adaptations to the products.*

- 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? **Y**

*Yes, on the 3<sup>rd</sup> 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 make sure workers are paid as soon as possible for work on Primark product that was in production. We are working with our suppliers and stakeholders to pay out this fund as soon as is practically possible.*

*We have also 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.*

- 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 are 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?

**N** – *We announced at our interim results in April that we would not be paying an interim dividend.*

11. Please add any additional comments (optional):

*This has been an unprecedented and fast-moving situation. We could not have foreseen that over the course of 12 days all our stores, in every country we operate, would have to close, representing a loss of sales of some £650m per month. As a bricks and mortar only retailer and with our entire estate closed, we had to make some very difficult decisions and quickly. Throughout this time we have been in regular contact with our suppliers, having hundreds of one-on-one conversations with them. It is through these extensive conversations that we were able to identify mitigating options, including extended payment terms, which enabled us to extend our commitment to further orders in addition to the £1.5bn of stock we already had in stores, depots and in transit, that we were unable to sell. Our total commitment is now almost £2bn in product. As lockdowns ease and our stores begin to re-open, that we will be in a position to start placing orders again, which will be paid for on our usual 30-day terms.*