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# Primark Ltd. Modern Slavery Statement 2019

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PRIMARK®

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## OUR COMMITMENT TO ADDRESSING MODERN SLAVERY

We are pleased to share our fourth Modern Slavery statement which covers our activities for the financial year ending 2019, in respect of the requirements under the UK Modern Slavery Act 2015. Modern slavery is a zero-tolerance issue at Primark, and we are committed to preventing and addressing it in line with the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains.

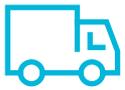
In this statement we outline how our commitment is put into practice through our policies, due diligence processes and training programmes. We highlight areas of risk we have identified and the steps we are taking to address these risks directly ourselves, with other partners and with stakeholders across the industry. We consider modern slavery to be one of the most salient risks within global supply chains. This statement and our previous statements can be found on the Primark website and we welcome feedback on our efforts from stakeholders, our customers and other interested parties. Our statement has been reviewed by the boards of Associated British Foods PLC and Primark Limited.



**Paul Marchant,**  
**Chief Executive Officer of Primark.**  
**Date: December 2019**

## OUR COMPANY

Primark is an international retail company employing over 75,000 people. Our range includes womenswear, menswear, childrenswear, footwear, accessories and homeware. We are headquartered in Dublin, Republic of Ireland and have over 370 stores in 12 countries including the UK, Republic of Ireland, mainland Europe and the USA. We do not own the factories or suppliers that produce our goods. We recognise we have a role to play in ensuring our products are made in good working conditions and free from modern slavery.



655

Suppliers



1,895

Factories  
& Warehouses



35

Countries



950,000

Workers:  
46% Male  
54% Female



3,319

Audits Conducted  
in 2018



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## ACCOUNTABILITY FOR OUR PROGRAMME

We have established clear responsibilities and accountabilities for the implementation of our policies and programmes within Primark.

- Oversight of the risk of modern slavery sits with the boards of Associated British Foods PLC (ABF) and Primark Limited (Primark).
- Katharine Stewart, Ethical Trade & Environmental Sustainability Director, is responsible for the development and implementation of the programme.
- Katharine reports to Paul Lister, Director of Legal Services at Associated British Foods PLC (ABF).

We continue to be supportive of efforts to strengthen the UK Modern Slavery Act. Senior executives including Paul Lister met with expert advisors for the **UK Government's Independent Review 2019** to provide feedback and our insights. The recommendations published by the Independent Review have fed into our statement. We also pro-actively provided submissions to the **Environmental Audit Committee Inquiry** into the Sustainability of the Fashion Industry, attended in person by Paul Lister, and submitted statements to the Office of the Director of Labour Market Enforcement which contributed to the **UK Labour Market Enforcement Strategy**.

Communicating on our progress is important if our industry is to have an impact in addressing modern slavery and we aim to be transparent in our efforts to share our learnings. We report on our progress through our [Modern Slavery statements](#), the [ABF Annual Corporate Responsibility Report](#), the [Primark website](#), through our member reports to the **Ethical Trading Initiative** and the **German Partnership for Sustainable Textiles**, as well as directly with our shareholders, stakeholders and other brands. [KnowTheChain](#) benchmarks our performance and we submit our Modern Slavery statements annually for inclusion in the [UK Modern Slavery Registry](#).



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## OUR POLICIES AND PROCEDURES TO ADDRESS THE RISK OF MODERN SLAVERY

We have policies and procedures in place for our suppliers, business partners and our employees to ensure that our standards are being met and to help individuals raise issues and concerns.

### SUPPLIER CODE OF CONDUCT

Our [Supplier Code of Conduct](#) is based on the UN's **ILO Core Conventions and Fundamental Principles** including the elimination of Forced Labour. The scope of the Code of Conduct covers our supply chain including goods for sale, services and certain goods not for sale (such as service providers, logistics and transportation) and forms part of Primark's Business Terms and Conditions with its first-tier suppliers. First-tier suppliers are required to cascade the Code of Conduct to their suppliers. The Code of Conduct is available on the Primark website in 42 languages and is updated regularly following internal review and with input from external stakeholders. An updated version of the Code of Conduct will be published in early 2020.

### ANTI-BRIBERY & CORRUPTION POLICY

As a subsidiary of ABF, Primark has adopted [ABF's Anti-Bribery and Corruption Policy](#) and is committed to maintaining the highest standards of ethics and compliance with all relevant laws wherever business is conducted. The policy is incorporated into our Code of Conduct and prohibits any bribes including facilitation payments. Our suppliers must put in place anti-corruption and bribery procedures for their own businesses.

### WHISTLE-BLOWING POLICY

As a subsidiary of ABF, we encourage an open culture in all our dealings and support effective and honest communication. Our [whistle-blowing policy](#) provides guidance for individuals who feel they need to raise certain issues with Primark, in confidence, and is designed to protect the individual against any retaliation or detriment.

### ENVIRONMENTAL POLICY FOR SUPPLIERS

We are committed to reducing our business impact on the environment. We aim to ensure that the diverse range of products we sell from our global supply chain are manufactured in an environmentally sustainable way and this includes the responsible sourcing of traceable raw materials such as cotton. Our [Environmental Policy](#) for suppliers contains more information on our requirements and expectations.

## HOW WE IDENTIFY THE RISKS OF MODERN SLAVERY AS PART OF OUR DUE DILIGENCE PROCESS

We regularly conduct due diligence to identify human rights risks including the risk of modern slavery across our business. Our process aligns with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains and was the result of in-depth benchmarking and consultation with human rights organisations. It consists of four main components:



### COUNTRY ASSESSMENTS

We conduct research using existing external reports and publicly available credible source information to build an assessment of every country we source from. This includes political, economic, social and legal analysis and risk-mapping including modern slavery risks. We consider both the garment and footwear sector and wider sectors present in each country. This helps us to build a detailed picture and understand some of the root causes of issues affecting working conditions, including those considered as modern slavery. It also helps us identify key stakeholders and initiatives with whom we may wish to partner or consult.



### STAKEHOLDER CONSULTATION

External stakeholders are a vital source of information and guidance to help us understand the risk of modern slavery in our supply chains, how to identify it, and which groups may be most vulnerable. Their insight and knowledge is invaluable. External stakeholders also assist in the development of strategies and approaches to prevent or remediate issues. Stakeholders may include civil society groups, trade unions, governments, international agencies, intergovernmental agencies, multi-stakeholder initiatives (MSIs), and legal experts. As members of the **Business Network on Civic Freedoms and Human Rights Defenders** we believe that such stakeholders are critical for our due diligence process and to help us operate sustainably.

Further information on the stakeholders we engage and partner with can be found on page 06.



### ANALYSIS FROM PRIMARK INTERNAL DATA

Primark's local Ethical Trade & Environmental Sustainability teams are one of our most important resources – they are our 'eyes and ears' on the ground. Our team of over 120 experts has been recruited from a range of different organisations including other companies, development agencies and civil society. The team is responsible for monitoring the supply chain to ensure our workplace standards and policies are being met. They are able to engage directly with workers in our supply chain and our external partners and experts on the ground.



### RIGHTS-HOLDER CONSULTATION AND WORKER ENGAGEMENT

Workers in the supply chain are rights-holders yet are often excluded from the due diligence process or face obstacles in getting their voices and views heard. In 2016 we first launched our Drawing the Line tool, developed with civil society to help us conduct meaningful engagement with workers. Drawing the Line is a participatory tool designed to obtain direct feedback from workers and can be extremely useful in highlighting the key risks and indicators of modern slavery.

In addition, our process also includes

### ENHANCED DUE DILIGENCE FOR CRITICAL RISKS

In our [2018 Modern Slavery Act statement](#) we reported Primark's involvement in a project addressing forced labour amongst migrant labour in a factory in Malaysia, from which Primark had already ceased sourcing in 2017. Based on this project we have developed the way we review migrant labour in supply chains and have evolved our Code of Conduct, our country and factory level due diligence, as well as our approach to worker remediation. We have been able to use this information to guide sourcing decisions and are developing a new policy on Forced Labour accordingly.

### STRUCTURAL INTEGRITY

We believe that all workers should work in safe conditions. Following the Rana Plaza tragedy, very soon after the disaster we established a programme to identify countries where lack of structural integrity was a potential risk. We considered indicators including those drawn from World Bank data, the Corruption Perception Index, risk of natural disaster, quality of building regulations, quality control in construction, liabilities and insurance regimes and professional certifications index. Our Global Structural Integrity Programme Manager, a Structural Engineer, leads our programme. We have assessed all first- and second-tier sites in Bangladesh and Pakistan and we recently extended the programme into Myanmar.

## HELPING OUR EMPLOYEES AND SUPPLIERS BE MORE AWARE OF THE RISKS OF MODERN SLAVERY

Training and awareness-raising programmes are important to help decision-makers within our business and our supply chain be more aware of the risks related to modern slavery and the steps they can take to prevent these risks.

|  |  |  |
|--|--|--|
| <p><b>Our employees</b></p>  | <p>All new employees across head office and retail attend induction training. This year we also held face-to-face workshops for our procurement team (goods not for sale).</p>                             | <p>1063 employees have attended training since 2017.</p>     |
| <p><b>First-tier suppliers</b></p>   | <p>Our e-learning module developed with ILO materials for employers and business on forced labour risks is mandatory for all our suppliers.</p>  | <p>94% of suppliers have completed the training to date.</p> |
| <p><b>Primark Ethical Trade &amp; Environmental Sustainability teams</b></p> | <p>Primark's teams are trained on how to detect the risk of modern slavery. This year members of our South East Asia team attended training by the International Office of Migration (IOM) in SE Asia.</p> | <p>Ten team members attended the training with IOM.</p>      |

**Primark's Code of Conduct**

Primark expects all its suppliers to ensure that they have appropriate recruitment and employment policies and practices in place to prevent and identify any use of forced or compulsory labour.

- Fees are legal and agreed to
- Access to personal documents
- Wages not withheld or unfairly deducted

← Ensure that you understand what forced labour is and the serious implications to your business which can include criminal charges.

→ Ensure you know where the risks of forced and trafficked labour are in your company and that you have appropriate recruitment and employment practices in place to prevent and identify any use of forced and trafficked labour.

→ Ensure that you know where the risks of forced and trafficked labour are in your wider supply chain, and that you do not knowingly source materials for use in Primark products or use subcontractors to make Primark products that use forced or compulsory labour.

Primark e-learning module for suppliers

## WORKING WITH STAKEHOLDERS TO INCREASE OUR LEVERAGE AND IMPROVE STANDARDS ACROSS THE INDUSTRY

Engaging and [partnering](#) with relevant stakeholders helps us to increase our leverage, understand and prevent the risks in our business and provide remedy where required. This includes engaging with policy makers, worker rights organisations and civil society groups and actively participating in multi-stakeholder and industry initiatives at a national and international level.

This year, our engagement with stakeholders has included:

- Engaging with stakeholders including members of [Alliance 8.7](#) on recruitment practices in government-to-government and government-to-business labour agreements to ultimately advocate for better protection for workers.
- Meeting national stakeholders including civil society groups and labour rights groups in Myanmar to better understand the risks facing vulnerable populations.
- Continuing to actively engage in the **OECD Platform for Due Diligence and Responsible Business Conduct for India** and supporting the platform activities including the OECD context assessment and good practice on traceability and transparency in supply chains.

### Partnerships that help us on governance and best practice, policy and guidance

OECD Advisory Group on Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, Ethical Trading Initiative (ETI), Partnership for Sustainable Textiles, Business for Social Responsibility (BSR), Sustainable Apparel Coalition (SAC), Business Fights Poverty, Social Accountability International (SAI), Business Network for Civic Freedoms and Human Rights Defenders.

### Partnerships that help us prevent and address the risks of child and forced labour

Cotton Campaign Pledge, ILO-IPEC, ILO-IPEC Child Labour Platform, OECD Platform for Due Diligence and Responsible Business Conduct for India, Impactt, Anti-Slavery International, ETI (Modern Slavery Working Group), ETI (Tamil Nadu Multi-Stakeholder Programme), SAVE, Mudem, CYDD, CCR-CSR, Business Against Slavery Forum, Sheva.

### Partnerships that help us promote decent work in our supply chains

Bangladesh Accord on Building and Fire Safety, Action, Collaboration, Transformation on Living Wages (ACT), ILO Better Work, SAC, SAI, Myanmar Centre for Responsible Business, Impactt, Mott McDonald, Partnership for Sustainable Textiles (Grievance Mechanisms), ETI (Social Dialogue), Elevate, TRN, TUV SUD, Innovatus, UL, NUK/SCIB.

### Partnerships that help us support worker empowerment and raise awareness of workers' rights

DFID, UN Women, SEWA, CottonConnect, BSR (HERproject), ETI (Tamil Nadu Multi-Stakeholder Programme), ACT, Women Win, Microbenefits, Carnstone, SHEVA, St Johns Medical College, Elevate, Naz Foundation, SWASTI, Girl Determined, Palladium, REEDS, Heping Cotton Farmers' Cooperative.

## TRACEABILITY AND TRANSPARENCY OF OUR SUPPLY CHAINS

Traceability of our supply chain is something we take seriously and are working hard to improve. We have full visibility of all the approved first-tier production sites that make our products. In 2018 we published our [Global Sourcing Map](#) which shows the majority of our first-tier production sites which make Primark's products. The map is updated twice a year. Production sites are included once they have worked for us for over one year, and those included in the map represent over 95% of Primark products for sale in Primark stores. We include the factory name, address, the number of workers and the gender split. Information from the Global Sourcing Map is accessible as a PDF to download.

We are taking steps towards responsible sourcing and traceability of raw materials. We have prioritised cotton as this is the most commonly used fibre in the products we sell.

It is more challenging to trace the lower tiers of the supply chain and providers of raw materials as we do not source fabrics or raw materials directly. In 2013 we launched the Primark Sustainable Cotton Programme to enable us to work directly with cotton farmers and our suppliers in order to create more sustainable and traceable cotton. Our programme improves farmers' livelihoods and helps to protect the environment and the communities in which it is grown. In 2019 we announced our goal to increase the number of farmers trained through the programme to 160,000 in India, Pakistan and China by 2022. Cotton from the farmers we work with is used in Primark products including our best-selling pyjamas. Our long-term aim is that all our cotton will be from fully traceable and sustainable sources.



Primark Global Sourcing Map

## PRIMARK SUSTAINABLE COTTON PROGRAMME FACTS AND FIGURES

The impact of the programme is manifest in the average results from the first group of 1,251 farmers in India, who participated in the programme from 2013-2016. Across the three years, this first group of female farmers saw:

- An average profit increase of almost 200% and an increase in yield of almost 10%.
- A reduction of input costs by 15.8% (e.g. by reducing chemical pesticide and fertiliser usage, buying seeds collectively with other farmers, and a reduction in additional labour costs).
- A 24.7% reduction in the use of chemical fertiliser and a 50.3% reduction of chemical pesticide usage, indicating that environmentally sustainable farming methods are being adopted.
- A 4% water usage decrease, revealing sustainable water efficiency practices in action.



*"I used to be very shy. I had no confidence talking to more than two or three people, let alone putting my views across. Through this programme, I am more outspoken as I realised I could help my family. With all the money we have saved from what I learnt, we have built a new house, bought a tractor, can pay for my child's studies and we can afford to contribute to family marriages. My mother-in-law has gained new-found respect for me and given me full rights of the house. The entire family are proud of me – and I am proud of me too!"*

Khailashben Mukher Thakor, farmer

## IMPROVING OUR COMMERCIAL PRACTICES TO SUPPORT OUR SUPPLIERS

We recognise the impact that purchasing practices can have on increasing the risks associated with modern slavery within supply chains. As a founding member of [ACT \(Action, Collaboration, Transformation on Living Wages\)](#) we have publicly stated our commitment to ensure that our “purchasing practices support long term partnerships with manufacturers which enable and reward their progress to paying living wages.” This commitment includes specific measures: wages as itemised costs, fair payment terms, better planning and forecasting, training on responsible sourcing and buying, and responsible exit strategies.

We are now working within our business with colleagues from our commercial functions including buying, sourcing and merchandising and our suppliers on activities to support implementation of the commitments. We also support our first-tier suppliers through a range of initiatives and programmes which aim to incentivise good labour practices, for example:

- We build long-term partnerships with our suppliers. Our oldest supplier has worked with us for over 18 years and the majority of our suppliers have supplied Primark for over six years.
- We have standard terms of trade that we apply to all our suppliers, fairly and equally, and we are members of the Prompt Payment Scheme meaning that we pay all our suppliers within 30 days.
- We invest in our suppliers and their capacity to meet our standards through training programmes, through support and access to our resources, and through access to programmes that improve their overall competitiveness in the market.
- We use off-season factory time for production. This lengthens the lead time and helps a factory to plan their production more effectively and provides stable employment in typical low seasons.
- We do not insist that our suppliers use nominated fabric and sundry suppliers, which allows suppliers to remain flexible and cost-effective and enables them to use local sources. Using nominated-only suppliers can increase lead times and prices, particularly in developing countries such as Bangladesh where it may mean importing these goods (which in turn increases the environmental impact) and can undermine development of local capacity.
- Our supplier balanced scorecard system was developed by our sourcing team and is used by our sourcing and buying teams to track and monitor how well suppliers are meeting our standards on quality, delivery and ethical trade including the Code of Conduct. Ethical trade is one of the highest weighted KPIs.



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## FOCUSING EFFORTS ON RECRUITMENT AND HIRING PRACTICES

Recruitment practices can present a particular risk to workers and we are taking the following steps to address these risks.

- We support the ‘**employer pays principle**’ which means that no worker in our supply chain should pay for their job and any costs associated with their recruitment must be paid for by the employer. This is clearly stated in our Code of Conduct and we monitor all our suppliers against this.
- If we identify (through the course of our audits or through grievances raised) that workers have paid fees our approach is to take immediate steps to ensure those fees are reimbursed. We use a framework and process developed with Impactt, an ethical trade expert consultancy, and to date we have helped one site where an issue was identified to fully reimburse 191 existing and past workers.
- We may conduct additional due diligence on suppliers that hire migrant and contract or agency workers as these groups can be more vulnerable to recruitment practices that may result in forced, indentured and bonded labour.
- If accommodation is provided by agents or contractors, our team will visit and inspect the accommodation as part of the audit process.
- Our pilot programme **My Journey** in South India supports suppliers on their recruiting and hiring processes and builds on our previous experiences of implementing our Fair Hiring Fair Labour Toolkits developed with Verité and ASK. We conducted needs assessments at three sites and identified recruitment and employment practices that are now being addressed through the second phase of the pilot which covers six factories. This includes, for example, enhancing communication and collaboration between production and human resources departments, and encouraging factories to hire coordinators to improve communication with migrant workers.

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## HELPING WORKERS AND COMMUNITIES UNDERSTAND THEIR RIGHTS AND THE RISKS OF MODERN SLAVERY

It is important for us that we help workers to understand both their rights and the risks of modern slavery. We require that all our factories communicate the Primark Code of Conduct to all employees and publish the Code in 42 languages.

In some countries we have found that imagery is an effective way to make the different elements of the Code of Conduct clearer for workers. In partnership with civil society and local experts and designers, we asked workers to design workplace posters that visualise the code. These posters are available for factories to display for workers and use in training. They are open source and [available to download](#) from the Primark website in English, Chinese, Tamil and Bangla.

We implement programmes for workers to help them understand and exercise their rights and focus particularly on those who may be more vulnerable. We know that partnering with local experts on the ground is important if we are to develop effective programmes, built around the needs of the workers, that deliver the right impact. Many of our partnerships are with grassroots civil society and development organisations and represent many years of experience building trusted relationships and collaboration.



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## PRIMARK PROGRAMMES TO SUPPORT WORKERS AND COMMUNITIES

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### Sudokkho

Sudokkho is a programme in Bangladesh that helps garment factories to train new and existing sewing machine operators through a structured in-house technical training system. Now in its fourth year, Primark has introduced Sudokkho to 39 factories. All the workers trained under the project become eligible for promotion and pay rises. In addition to support from Sudokkho Primark directly trains new factory trainers on the Primark Code of Conduct. Often the first point of contact for new workers, these trainers can help to ensure that new recruits in a factory know their workplace rights.

**4,877** new trainees on the production line

**3,904** existing machine operators upskilled

*"I didn't have any experience in garments. I came here to be a helper but the factory trained me in critical process. I never thought I could run a machine. Now I am doing critical process and can reach my production target".*  
A worker trained through the Sudokkho programme.

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### SAVE Worker Education Groups

Since 2009, Primark has worked with Social Awareness and Voluntary Education (SAVE), an NGO based in India, to support the formation and maintenance of Worker Education Groups (WEG). These groups are formed in communities where factories that supply Primark products are based. They are a place for factory workers to come together to learn about their workplace rights, gain life skills and share and apply what they have learnt with other colleagues and family members.

Almost **750 Worker Education Groups** have been formed

Nearly **10,000 workers** have received training on their rights

Almost **1600 grievances** have been addressed

*"[A] badly behaved supervisor was sent out of the factory because of our consistent and continuous pressure."* A WEG member.

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### My Life

My Life is a programme in Southern India, developed by Primark in partnership with international NGO Women Win, which supports factories to train vulnerable workers on basic life skills including health and safety in the workplace, rights and responsibilities, communication and teamwork. The training is particularly targeted at female workers and is delivered through a 'play-based' approach which uses interactive activities to help workers engage and learn. Factory management have also recognised its positive impact on the factory environment. The programme is implemented by Women Win and local NGOs Naz Foundation and SWASTI.

**12 factories**, over **5,200 workers**

*"I was scared to talk to anyone. I still feel shy but I am not scared anymore. I really enjoyed the My Life project and loved my trainers. I learned so many things."*  
A migrant factory worker.

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### Promising Futures

Working with Carnstone, Primark is implementing the Promising Futures programme for workers in China. The programme aims to help workers and factory management understand China's complex social security system. The project utilises WeChat, a social media platform, to promote resources to workers and management, including an educational drama and an informative website. Primark is funding the extension of the website to provide information on additional provinces in China where social security procedures may differ.

**55 factories**, over **10,000 workers**

**99% of workers** said they found the project materials helpful and **59%** said they wanted to join the **social insurance programme**.

## SUPPORTING FREEDOM OF ASSOCIATION AND EFFECTIVE WORKER REPRESENTATION

We support and acknowledge the enabling right of freedom of association so that workers are aware of and are able to exercise their fundamental rights at work, and the role of legitimate trade unions in achieving mature industrial relations and addressing labour-related disputes and grievances. Our [Code of Conduct](#) sets out the standards we expect of our suppliers in relation to freedom of association and collective bargaining agreements.

We monitor and track our supply chain, looking at whether the site has a trade union or worker representatives in place, and how many workers are covered through collective bargaining agreements by a trade union or other means. We require factories to supply documentary evidence such as a copy of any collective bargaining agreements, a list of committee members and minutes of meetings, election procedures and registers of any grievance or suggestion boxes.

We are a **founder member of ACT** and have signed a [Memorandum of Understanding](#) with IndustriALL to work towards the goals of ACT. These include industry-wide collective bargaining in key sourcing countries supported by responsible retailer purchasing practices. Under the ACT programme we worked closely with trade union colleagues in Cambodia on steps towards industry-wide collective bargaining with GMAC, the employer association in Cambodia.

We work directly with trade unions in our sourcing countries to resolve specific issues and grievances. In some cases, we have also sought the involvement of national Arbitration Councils, the ILO, and multi-stakeholder initiatives including the ETI. In 2018/19 we worked with two factories in Turkey to resolve issues where management were refusing to engage with trade unions.

Both issues were resolved following investigations and continued engagement with the management. In one factory, the issue was resolved by a multi-brand effort led by the ETI.

We are partners of the [ILO Better Work programme](#) in key sourcing countries including Vietnam and Cambodia. Worker engagement and capacity building is built into the Better Work model. In Bangladesh we partner with the **ETI on a Social Dialogue programme**. The programme strengthens the capacity of worker participation committees and helps workers and management understand their rights and responsibilities. Strengthening participation committees is a priority as they are required by law but are not often effective. The project has engaged with over 8,000 workers and management across seven factories. The committees are developed by training elected workers and management on key aspects of being a committee member including understanding labour law, handling grievances, problem solving, formal meeting procedures and effective communication. Additional training is held for women worker representatives on maternity leave and personal safety in the workplace.



*“I would not talk to management in past, I was afraid [of] management, but now I have confidence to take any issues to the management.”*

A worker talking about the ETI Social Dialogue programme

## PROVIDING EFFECTIVE WAYS FOR WORKERS TO DIRECTLY RAISE GRIEVANCES WITH US

It is important that people and organisations can raise grievances directly with us and alert us to breaches of our standards including any issues of modern slavery. They can do this via several channels:

- Directly through our website.
- Through our confidential whistle-blowing facility which is available to all employees.
- Through the confidential worker interview process. Interviews with workers are a mandatory part of our audit programme and are always held in confidence to protect worker testimony. We give workers direct contact details for the Primark team so that they can contact us at their own discretion.

We investigate all grievances thoroughly, and we do not tolerate any retaliation.

We are taking steps to make it easier for workers in our supply chain to raise grievances directly with us, and in 2020 we will launch a pilot programme within our UK supply chain with a view to scaling this across other sourcing locations over time.

We are looking at ways we can support our suppliers to implement good grievance procedures. We have started to scale our **China CIQ Worker App** programme with Microbenefits following a successful pilot in 2018.

The pilot, which engaged with 6,000 workers across ten factories, indicated improved transparency of human resources practice, better communication between management and workers and enhanced worker awareness of rights. The app also provides a function for workers to raise grievances. Six of the ten factories that participated in the pilot have continued with the app and are now self-funding. One factory has also implemented the app in their second factory. While tools like smartphone apps may provide an effective method for raising grievances, they only work if they are in turn supported by proper management systems and processes for handling and resolving grievances, and we are supporting factories to build their capacity to do this. Our programme with [SAVE in India](#) also demonstrates the value of education and community-based systems as supportive and effective methods for raising and addressing workplace grievances.

|   | Open / Pending | Resolved | Total |
|---|----------------|----------|-------|
| <b>Total grievances raised 2018/19</b>                          | 11             | 8        | 19    |
| <b>Grievances related to issues of forced labour in 2018/19</b> | 0              | 2        | 2     |

## SELECTING SUPPLIER'S FACTORIES THAT MEET AND SHARE OUR STANDARDS

As part of our audit and monitoring programme, we assess the risk of modern slavery in line with our Code of Conduct at first-tier sites before any Primark production is placed and then on a regular basis. All audits are unannounced apart from the initial assessment of new sites. All Primark audits have rigorous checks for forced and trafficked labour including a review of relevant documentation, confidential worker interviews, visits to associated production facilities and checks of worker accommodation if provided by the factory. We use the ILO indicators of forced labour as a reference within our audit process. We follow **SMETA** best practice guidance on the number of workers interviewed and our internal auditors are trained to **SA8000** standards. We may also conduct worker interviews off-site if we deem it necessary and may use support from NGOs or other experts. Only when the Primark Ethical Trade team is satisfied that our standards are met do we permit production to start. We then continue to monitor and check our suppliers' factories on a regular basis. After each audit, the supplier's factory is given a corrective action plan (CAP) which outlines the areas for improvement. Each item in the CAP is time-bound and the CAP contains practical guidance to help suppliers and their factories implement the recommended action. We verify implementation of the CAP through on-going monitoring including spot-checks, document review and worker interviews.

Our suppliers are in turn responsible for compliance and implementation across their supply chain, factories, and contractors, and must make sure they do not source components or materials for use in Primark products that are made using forced or trafficked labour.

Primark is a partner member of the **ILO Better Work and Better Factory programmes**, a collaboration between the ILO and the International Finance Corporation. In some countries e.g. Vietnam and Cambodia, the ILO conducts an assessment and shares the results with all brands and retailers sourcing from that factory. Over 43 factories making products for Primark currently participate in the programme.

If at any point we identify any issues that present a severe and imminent threat to workers' lives or safety, we prioritise these and the factory is immediately suspended from our purchase order system until we can verify that the issue has been fully remediated and there is no further risk to workers. In cases where suppliers are either unable or unwilling to make improvements or lack commitment, we have a process on termination and work with the supplier and our Buying and Merchandising and Sourcing teams on a **responsibly managed exit plan**.

**Unauthorised sub-contracting** is not permitted and is a breach of our terms and conditions of trade. When undisclosed sub-contracting is confirmed, for example through our audits or by a whistle-blower, we suspend the Primark approved factory to which the order was raised from our purchase order system until the supplier and the approved factory to whom the order was raised is able to demonstrate to us that they can manage and prevent any further issues of unauthorised sub-contracting.

| # | New or Existing NC | Major / Minor / Observation | Non-Compliance [please include reference to local law requirements but only basic reference]   | Reference to Primark Code of Conduct | Recommended Corrective Action   | Factory Representative Responsible | Agreed Timescale (DD/MM/YY) | Method of Verification (Site visit, desk-based) |
|---|--------------------|-----------------------------|--|--------------------------------------|---|------------------------------------|-----------------------------|---|
| 1 | Existing           | Major                       | 25.09.18 - It was noted that there has still been no meeting held with worker representatives to discuss complaint and suggestion issues. Records of grievances and follow up process have still not been documented. Suggestion boxes are still not being controlled.<br><br>21.11.2018 Follow up audit: Factory has conducted WR meeting and meeting notes has posted on the lunch hall announcement board. Suggestion boxes controlled monthly and review result posted on the announcement board also. | 2.1                                  | Factory should establish an effective dialogue system between workers and management. |                                    | Closed                      | Site Visit                                      |

Example of a non-compliance issue as reported in a Corrective Action Plan.

|   |   |
|---|---|
| Percentage of suppliers' factories audited annually   | 100%  |
| Number of audits in 2018 calendar year  | 3,319   |
| Percentage of unannounced audits  | 100% (apart from initial pre-production audits) |
| Percentage of non-compliances under Clause 1 (Employment is Freely Chosen) of the Primark Code of Conduct | 0.26% / resolved 0.12%                          |

## PROVIDING REMEDY FOR THOSE AFFECTED AND INVESTIGATING ALLEGATIONS

Where we identify potential issues of modern slavery, we take immediate steps to investigate thoroughly and provide remediation while protecting the confidentiality of victims and those impacted. In some cases, we work with specialist organisations and civil society partners who are experts in their field and can help in providing remediation solutions. We have built trusted relationships with our partners over many years, meaning we can draw on their expertise and support quickly and as needed.

Wherever possible we seek to ensure that any provision of remedy is satisfactory to those affected. We regularly share information on our experiences and the challenges of effective remedy within our sector, either directly on our website, through reports to stakeholders and through industry forums such as the ETI and the OECD.

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## MEASURING THE PROGRESS AND IMPACT OF OUR EFFORTS TO ADDRESS MODERN SLAVERY

We know that measuring progress and impact on issues relating to human rights and modern slavery is difficult. We developed a **monitoring and evaluation framework** for our programme to enhance the quality of planning, monitoring, internal data gathering and evaluation across our programmes. In developing the framework, we undertook consultations in the UK, India and Bangladesh with stakeholders including government, the ETI and local and national civil society groups. We monitor the coverage and effectiveness of steps we take to combat forced labour by tracking the following indicators:

- The impacts of specific initiatives to address highlighted risks.
- Supplier training and awareness of forced and trafficked labour issues.
- Internal staff training and awareness of forced and trafficked labour issues.
- Audit indicators relating to forced and trafficked labour.
- Factory non-compliances against our Code of Conduct.
- Actions taken as part of collaborative initiatives to address modern slavery.
- Recorded grievances relating to any form of modern slavery.
- Investigated allegations of instances of modern slavery across our operations.
- Advocacy efforts to raise awareness of the risks within our industry.



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## AREAS WHERE WE HAVE IDENTIFIED RISKS WITHIN THE GLOBAL TEXTILE AND FOOTWEAR INDUSTRY

Modern Slavery is a global issue and addressing it effectively requires coordinated action from all stakeholders including companies, civil society, trade unions, communities, government and intergovernmental agencies. We have identified the following risks **within the global garment sector as a whole** and outline our steps to prevent and address these risks both directly ourselves and with other partners and stakeholders across the industry.

### ISSUE

### OUR ACTIONS TAKEN TO ADDRESS THESE RISKS

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#### Agency labour in supply chains

Many sites that use agency labour in the UK and EU – particularly in the warehousing and distribution sector – have never before been required to include their agency labour in the scope of customers' ethical trade audits.

- Identifying agency labour in our programme.
- Understanding the changing legal landscape, not just around employment law but also in light of GDPR.
- Regular assessments of workplaces and employment conditions where agency labour is used.
- Corrective action programmes for remedy at individual site level.
- Targeted focus on high risk areas including warehouses, logistics operators and third-party recycling sites, in particular in the EU and UK.
- Face-to-face training for UK suppliers.

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#### Foreign workers recruited to Malaysia

Foreign workers recruited to Malaysia have faced challenges including recruitment fees and retention of personal documents such as passports.

- Deep dive worker-centric investigations with ethical trade consultancy experts Impact.
- Remedy for workers including reimbursement of recruitment fees.
- Collaboration with other brands sourcing from Malaysia on best practice.
- Advocacy to policy makers on the need for ethical recruitment.

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#### Cotton from Uzbekistan & Turkmenistan

There are widespread reports of state-sponsored forced labour in Uzbek and Turkmen cotton agriculture.

- A signatory to the Responsible Sourcing Network Pledge and commitment to not knowingly source Uzbek or Turkmen cotton.
- Regular communication to suppliers to ensure this is implemented.
- On-the-ground checks in spinning mills in Bangladesh and India to assess origin of cotton bales.
- Engagement with key stakeholders working on policy and campaigns.

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#### Cotton from farms in India, Pakistan & China

Employment by farmers of migrant and temporary workers may result in indentured and bonded labour.

- Sustainable cotton programme for 160,000 cotton farmers in India, Pakistan and China by 2022.
- Focus on female farmers in India.
- Partnerships to support the programme with CottonConnect, SEWA, REEDS and the Heping Cotton Farmers' Cooperative.
- On-the-ground training programme for farmers including child and forced labour.
- Industry engagement to share best practice.

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#### Forced labour in China

Widespread reports of Chinese forced labour including prison labour being used for production of goods across multiple sectors and industries.

- Zero tolerance on the use of any forced and prison labour.
- Enhanced due diligence to increase understanding of the risk and the likelihood of the use of forced and prison labour in the supply chain.
- Engagement with international brands and stakeholders to discuss potential collaborative efforts.
- Immediate suspension for any sites found using undisclosed sub-contracting.

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**ISSUE****OUR ACTIONS TAKEN TO ADDRESS THESE RISKS**

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**North Korean workers recruited to work in factories overseas**

Widespread reports of North Korean workers being sent by the North Korean government as forced labour across multiple sectors and industries.

- Ban on the use all North Korean workers within Primark's supply chain.
- Monitoring through audits and factory checks.

**Overtime in Moroccan garment factories**

Audits for newly-proposed factories for Primark in Morocco identified that workers were not being paid overtime premiums due to conflicting interpretation of Moroccan labour law.

- Primark position clarified by legal consultation and feedback from the Ethical Trading Initiative.
- Suppliers informed and sourcing decisions guided accordingly.
- Factory policy and contracts updated to align with the Primark Code of Conduct on overtime and working hours.
- Factories audited and only approved once overtime premiums paid to workers for the period worked.

**Spinning mills and factories in South India**

Widespread reports of poor recruitment, hiring and working practices among spinning mills and factories employing mainly migrant young women.

- Corrective action programme for remedy at certain individual factory and mill level.
- Partnerships to support programmes with local and national civil society groups and experts.
- Member of ETI working group on training and engagement with selected mills.
- Co-founder of OECD Platform for Due Diligence and Responsible Business Conduct in India and engagement and advocacy with international and Indian national and regional stakeholders for improved practices.

**Undocumented workers in Turkey, including refugees from Syria, Afghanistan and other Middle Eastern countries**

High prevalence of undocumented foreign workers in the garment sector and risks of forced labour and poor working conditions.

- Monitoring through audits and factory checks at factory level.
- Where undocumented workers are found:
  - Corrective action programmes for remedy at individual factory level.
  - Partnership programme with expert NGOs since 2016 to provide support and remedy for any refugees and undocumented foreign workers.
- Suspension of all factories suspected of using undisclosed sub-contracting.
- Establishment of a traceability programme in Turkey to ensure production of Primark goods only occurs within Primark-approved sites where we believe the risk of undocumented workers is at its lowest.
- Overview of programme published on BHRRC in 2017 <https://www.business-humanrights.org/en/syrian-refugees-in-turkish-garment-industry>

**Bangladesh terminations**

Bangladeshi workers' contracts terminated without proper legal process during worker protests in late 2018 over Government Minimum Wage negotiations.

- In-depth worker-centric investigations with ethical trade consultancy experts Impactt at suppliers alleged to have terminated workers illegally.
- Monitoring of any legal cases brought against workers by suppliers and/or Bangladeshi authorities.
- Public submission of actions to BHRRC and engagement with campaign stakeholders.
- Engagement with ETI to advocate for wider collaborative response.

**Mandatory forced overtime in certain US States**

Legislation and regulation of overtime in certain US States permits employers to implement mandatory overtime in employee contracts.

- Specific due diligence to identify US States where workers are most at risk.
- Monitoring through social audits.
- Corrective action programmes for remedy at individual site level.
- Engagement with suppliers on best practice.