

KnowTheChain Apparel & Footwear Benchmark - Additional Disclosure 2020/2021

Company Name: Primark

Date: 25/02/2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;

Additional Disclosures:

Where assessments or third-party allegations highlight an extreme risk of forced or child labour in our supply chain, we work with experts to conduct deeper dive audits which employ worker-centric and forensic auditing techniques.

At a country level, this has informed and guided sourcing decisions. Where we identify countries or regions with endemic forced or child labour risks that we feel are currently not fully remediable, we will not source from them.

Examples of this include Mauritius, Malaysia and the UAE where we will not consider approval of production of Primark product, Uzbekistan and Turkmenistan from where we have banned sourcing of cotton, and the Xinjiang Uighur Autonomous Region of China (XUAR), from where we have banned all sourcing and production from all levels of the supply chain.

[Page 7, Primark Modern Slavery Statement 2020.](#)

This year, our stakeholder engagement has included engaging with organisations addressing the issue of state sponsored forced labour of Uighur in XUAR. This has included UK and US governments, the Coalition to End Forced Labour in the Uighur Region, the Ethical Trading Initiative and the American Apparel and Footwear Federation. Through our engagement we have sought to understand the issue better and establish a response in line with the requirements of companies under the UN Guiding Principles and OECD Due Diligence guidance.

[Page 9, Primark Modern Slavery Statement 2020.](#)

Global risk identified: state sponsored forced labour of Uighur and ethnic minorities in and from XUAR, China. Widespread reports of Chinese forced labour of Uighur and ethnic minorities within XUAR and other provinces of China.

Our actions taken to address these risks:

- Zero tolerance on the use of any production inputs (regardless of tier of supply chain or production process) in XUAR.
- Zero tolerance on the use of forced labour from XUAR within supply chains in China.
- Enhanced due diligence to increase understanding of the risks within the supply chain in China.
- Engagement with stakeholders including civil society, governments, brands, industry associations to discuss appropriate routes for remedy and prevention.

[Page 23, Primark Modern Slavery Statement 2020.](#)

- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts);

Additional disclosures:

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 22 years and the majority of our suppliers have supplied Primark for over six years.

[Page 11, Primark Modern Slavery Statement 2020.](#)

3.3 Integration into Supplier Contracts

The company:

- (2) discloses the percentage of suppliers whose contracts include such standards;

Additional disclosures:

The scope of the Code of Conduct covers our supply chain including goods for sale, services and 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.

100% of Tier 1 suppliers' factories were audited against the Primark Code of Conduct in calendar year 2019.

[Pages 6 & 21, Primark Modern Slavery Statement 2020.](#)

- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.

Additional disclosures:

First-tier suppliers are required to cascade the Code of Conduct to their suppliers.

4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;

Additional disclosures:

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.
- If recruitment fees are identified, we have a process in place to provide remedy in the form of reimbursement.
- We may conduct additional due diligence assessments 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.

Primark Code of Conduct, Clause 5.2: "All Workers must be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid." The Code of Conduct is also available on the Primark website in 44 languages (this year we added Greek and Slovenian) which reflects the languages spoken in the factories producing for Primark and is updated regularly following internal review and with input from external stakeholders.

We implement this policy by auditing against our Code. To make it onto Primark's approved factory list, each factory is vetted to internationally-recognised standards set out in the Primark Code of Conduct and must commit to meeting the Code as a condition of doing business with us. Once approved, it's the job of our Ethical Trade and Environmental Sustainability Team, a group of more than 100 experts based in key sourcing countries, to monitor compliance with our Code of Conduct, including the aforementioned clause. They audit every factory at least once a year, sometimes more, to check whether international standards are being met.

Primark pays directly for all its audits. This enables us to retain control of the audit protocol, quality and integrity. Suppliers receive the corrective action plan (CAP) but the final full audit report is confidential to Primark which enables worker anonymity and auditor testimony.

[Primark Code of Conduct.](#)

[Pages 6 & 12, Primark Modern Slavery Statement 2020.](#)

[Primark Website.](#)

- (2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will;

Additional disclosures:

See 4.4 (1) above for information on how we implement this policy provision by auditing against this statement in our code. In addition to this, where we identify countries or regions with endemic forced labour risks that we feel are currently not fully remediable, including issues with retention of passports and IDs, we will not source from them.

Where we identify potential issues, 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. Wherever possible we seek to ensure that any provision of remedy is satisfactory to those affected.

We have reported on 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. Foreign workers recruited to Malaysia faced challenges including recruitment fees and retention of personal documents such as passports. Our actions taken to address these risks included:

- Deep dive worker-centric investigations with ethical trade consultancy experts Impactt.
- 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.

Please see [this report](#) of the work Primark carried out in Malaysia published by Impactt.

[Pages 12 & 14, Primark Modern Slavery Statement 2019.](#)

We also acted on widespread reports of poor recruitment, hiring and working practices among spinning mills and factories in South India employing mainly migrant young women. In particular, migrant workers from north India are vulnerable due to differences in language, culture and religion. Our actions taken to address these risks included:

- Corrective action programmes for remedy at individual factory and mill level.
- Encouraging factories to hire staff which can communicate with migrant workers. Some factories have hired migrant worker coordinators.
- Support for various factory-level programmes and multi-stakeholder sectoral initiatives with brands, local and national civil society groups, suppliers, factories and other associated experts and partners.
- 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.

[Page 23, Primark Modern Slavery Statement 2020.](#)

- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).

Additional disclosures:

My Journey (South India) is a programme which supports suppliers on their recruiting and hiring processes. My Journey was designed to target the risks of modern slavery through the hiring and recruitment process. The project has a focus on supporting human resource management in factories to understand the nature of the risks and design appropriate processes and practices tailored to the recruitment channels. The project also involves undertaking a detailed needs assessment of factory recruitment and hiring processes.

Results:

- 9 factories involved.
- 46 staff members trained.
- 4,547 workers reached.

“Earlier production department and line in charge were involved in recruitment. Now we came to know the importance of HR dept in streamlining the recruitment process.” – quote from factory manager.

If accommodation for migrant workers is provided by agents or contractors, our team will visit and inspect the accommodation as part of the audit process. Our programme My Life in India includes activities which take place in hostels meaning that our team on the ground and our partners are regularly visiting and spending time in worker hostels, interacting with workers there and seeing the conditions in situ.

My Life in South India 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. In 2018 we worked with our partners to further scale up the project by launching a ‘Train the Trainers’ module, whereby each of the participating factories nominated several staff that would be trained to become ‘My Life Trainers’. In 2019-20, we are working on finalising the Train the Trainer model and introducing the My Life project to more factories within our supply chain.

Results:

- 12 factories involved.
- 2,380 workers trained (68% female).
- 8,865 workers reached.

“The greatest change is in the communication. Workers no longer have any fear to ask questions. Previously when they were assigned tasks, they would hesitate to ask information. Now they are more confident, communicate clearly and ask for clarifications and more instructions.” – quote from factory manager.

My Life, Myanmar: In 2019, building on the positive experience in south India, Primark brought the My Life project to workers in Myanmar. In the wake of COVID-19, the project was re-oriented and

refocused on educating former factory workers on Gender Based Violence (GBV), as Covid-19 brought an increased risk of Gender Based Violence (GBV) to communities. The programme gave women an opportunity to learn how to deal with GBV and how to support their community in coping with GBV in the future. Individuals involved in the programme received training to become 'GBV Facilitators' and once fully trained, there are plans to encourage factories to re-hire these workers so that they can support the factory in developing an effective GBV strategy.

Results:

- 2 factories involved.
- 50 workers trained.
- 7,000 workers reached.

"This training on GBV helped me to understand how I can speak up against unacceptable behaviour. After the training I shared my knowledge with my family and my community – we all can work together to stop GBV at work and in our community." – quote from female worker.

[Pages 12 & 13, Primark Modern Slavery Statement 2020.](#)

5.1 Worker Engagement

The company:

- (3) provides evidence of the positive impact of worker engagement in its supply chains;

Additional disclosures:

Please see pages 13-16 of the [Primark Modern Slavery Statement 2020](#) for a range of worker engagement projects. Evidence includes data on number of workers reached through each programme and quotes from workers involved. In particular see the PASS project, which is a continuation of the SAVE Worker Education Groups that KTC have referenced.

5.2 Freedom of Association

The company:

- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association;

Additional disclosures:

The Better Work programme is designed to bring together different groups within the garment industry to improve factory working conditions and promote respect for workers' labour rights. As well as assessing how each factory complies with international labour standards, Better Work also gives practical assistance to each factory to help workers and employers address and fix any issues that have been identified. Being part of Better Work means each factory is given support and guidance from one central body. This is an effective approach as it avoids one factory participating in multiple initiatives that are offered by each of the brands or retailers it manufactures for.

[Primark website.](#)

[Primark Code of Conduct](#), Clause 2.4: Freedom of Association and the Right to Collective Bargaining: “Where the right to freedom of association and collective bargaining is restricted under law, Employers will facilitate, and must not hinder, the development of parallel means for independent and free association and collective bargaining.”

The ETI’s Social Dialogue programme in Bangladesh 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 very effective. 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, and sexual harassment.

My Space in South India aims to raise awareness of mental health and reduce the stigma around addressing mental health issues in the workplace. The project aims to establish basic counselling services in factories through capacity building of selected factory staff. The project has introduced training on sexual harassment for staff and workers trained to become workplace counsellors. Factories are encouraged to appoint those who have been trained to their Internal Complaints Committees – the formal mechanism through which cases of workplace sexual harassment are addressed in India.

[Pages 13 & 14, Primark Modern Slavery Statement 2020.](#)

- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers’ workers such as migrant workers (e.g., by taking action where suppliers impede workers’ rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

Additional disclosures:

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.

We are a founder member of ACT and have signed a Memorandum of Understanding with IndustriALL to work towards the goals of ACT. In Myanmar, representatives of factories on ACT brands in Myanmar and affiliate union the Industrial Workers Federation of Myanmar (IWFM) formed the ACT Employer Working Group to produce the Myanmar Guideline on Freedom of Association (2019). The guideline was concluded in 2019 after eight months of negotiations. The ILO provided technical support to ensure alignment with international labour standards. ACT members including Primark have committed to adopt the guideline as part of their freedom of association requirements in Myanmar.

The guideline covers the right to freedom of association and how it is applied within the workplace, including the process for constructive social dialogue, release and facilities for trade union activities, dismissal procedure, collective bargaining mechanism and negotiation process, principles on strikes, lock-out and picketing, overall standards of conduct, and dispute resolution. Training for suppliers on the guideline was provided by ACT in 2020.

We also participate in programmes such as ILO Better Work and ETI Social Dialogue which strengthen and build the capacity of workers and management to understand and apply mature industrial relations and social dialogue.

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Among the training is a course designed for the female members of a factory's participation committee. This covers issues such as maternity pay, sexual harassment and wage discrimination as well as developing soft skills such as public speaking and communication skills. Participants also map and discuss their perceptions of safety in the workplace on their commutes. Participants often report that their confidence to manage conflicts improves as a result of the training, both in the workplace and in their homes.

[Pages 14 & 17, Primark Modern Slavery Statement 2020.](#)

As detailed above by KTC, 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.

[Page 11, Primark Modern Slavery Statement 2019.](#)

6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (5) steps to ensure that suppliers below the first tier are monitored.

Additional disclosures:

All workers should work in safe conditions. Following the Rana Plaza tragedy, we established a programme to identify countries where lack of building 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 programme assesses all first- and second-tier sites in Bangladesh, Pakistan and Myanmar.

[Page 7, Primark Modern Slavery Statement 2020.](#)

6.2 Monitoring Disclosure

The company discloses:

- (5) a summary of findings, including details regarding any violations revealed.

Additional disclosures:

Please see [Our Performance 2019](#), available on the [Primark website](#), for a summary of our audit findings.

Please also see Page 21 of the [Primark Modern Slavery Statement 2020](#) for updated non-compliance data: 0.43% of non-compliances related to forced labour in calendar year 2019.