

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: Primark

Date: 15 September 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- 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.
- 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.
- Column F in the Scored Research tab of your excel sheet highlights questions to your company where the KnowTheChain team is seeking clarification or further detail on particular points of your company's disclosure.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

KTC feedback: Primark was previously credited for disclosing the sourcing countries of high-risk raw materials (cotton and leather) in the 2021 benchmark, but the sources used are now too old to include. We would welcome updated disclosure.

Additional disclosures:

Our due diligence process has identified potential and actual risks of forced labour within the global garment and footwear sector. Many of these risks are systemic and endemic to a particular region, country or worker population and present in other sectors.

Examples include Myanmar, where we announced a responsible exit of our supply chain from in October 2022. We have also banned sourcing cotton from Uzbekistan and Turkmenistan and the Xinjiang Uighur Autonomous Region of China (XUAR), where we have banned all sourcing and production from all levels of the supply chain.

More information can be found in our [Modern Slavery Statement 2022](#) (pg 35) and in our [submission](#) to the Foreign Affairs Select Committee, Inquiry into Xinjiang Detention Camps, Evidence from Primark, November 2020.

Based on our policy, animal derived materials used in our products must comply with the following:

- Confirm the species and origin of the full supply chain of these materials
- Not come from any species as listed on CITES4 or IUCN Red List as Critically Endangered, Endangered or Vulnerable5 (This also includes animal and plant species)

- No animal must be specifically slaughtered to produce any non-food Primark branded products
- The sourcing of all animal-derived materials must be underpinned by the five freedoms of animal welfare

Primark is a member of the Leather Working Group. We encourage our suppliers to source leather from LWG medal rated tanneries. More information can be found in our [Animal Derived Material Policy](#).

INDICATOR 6: PURCHASING PRACTICES

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs;

KTC feedback: The company disclosed establishing a wage fund in 2020 due to the covid-19 pandemic. We would welcome an update on this.

Additional disclosures:

The impacts of the Covid-19 pandemic on people’s lives continue to be felt across our supply chain. Vulnerabilities that many workers already faced have been exacerbated as many were left to bear the emotional, physical, and economic scar from a variety of outcomes, from temporary to total loss of work and income, short or long-term illness and the loss of family members in countries with little or no public health care and social security. This is particularly true for women who continue to be disproportionately impacted by the pandemic. In addition to family hardship, their responsibility to care for family members affected by Covid-19 in the home has also grown. Primark’s Ethical Trade team has worked to support the welfare of workers and farmers in its supply chain since the onset of the pandemic.

A short-term “wages fund” was established in seven key sourcing countries to support our suppliers’ ability to pay wages at the same time as we were forced to close most of our stores. Garment orders that were cancelled at the outbreak of the pandemic were either subsequently reinstated in full; superseded with new orders; or where this was not possible, the fabric liabilities were paid for, meaning that all garments both finished and in production, as well as any fabric costs incurred for Primark prior to the stores closing, were paid for in full. Alongside our work to uphold our ethical standards in line with our Supplier Code of Conduct and international guidance and best practice, we also needed to re-evaluate our existing activities and partnerships given some of the challenges that Covid-19 presented in markets for workers and establish new ones to provide support. This has evolved in each country dependent on differing needs, the nature of the pandemic across different countries and the availability of opportunities for partnerships and collaborations. We currently deliver such activities across several of our sourcing countries, with most of the activities locally designed and delivered through our Ethical Trade and Environmental Sustainability teams located in the countries we source from. In India and Bangladesh our teams’ efforts to educate workers and management in our supply chain on COVID-19, including the vaccine, were successful at scale.

[Modern Slavery Statement 2021](#) (pg 4)

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Additional disclosure

Worker rights consultation in India – an example of a worker-centric approach to monitoring for issues in the supply chain

In 2022, workers raised concerns about their living and working conditions at a factory in India. Primark's local team in India conducted an extensive worker engagement exercise with 210 workers, using several methods and techniques. The team had received specific training on how to use the tool and other participatory methods from local NGO Maitrayana. The findings were revealing and concerning, with reports of bullying and harassment, lack of an effective grievance mechanism, misrepresentation of workplace facilities during the recruitment process, and workers not understanding and/or being informed of their rights. Primark shared the findings in a safe and confidential way with the factory management and received full cooperation. They agreed to develop and implement an extensive programme of work to address the issues raised, with regular guidance and monitoring by the Primark team. The joint Action Plan that resulted set the objective to improve the working conditions of vulnerable workers, specifically migrant workers and women. The Action Plan contained detailed and multiple activities over short, medium and long terms to address the findings. For example, to support the language barriers faced by migrant workers, the plan included: the appointment of migrant workers coordinators, translators and 'buddies' for migrant workers; awareness-raising training for supervisors and migrant workers on the role of the coordinators and translators; dual languages used for all major notices and information in the factory; and a monitoring system to check on the effectiveness of these measures. Similar actions were agreed across the other priority areas, including bullying and GBVH. Actions were also agreed to strengthen senior management's support of the joint Action Plan.

To date, actions by the factory include the selection of 12 migrant workers to become 'buddies' and the launch of joint Hindi classes for workers and staff. The factory has commissioned training on appropriate workplace behaviours and invested in a more effective grievance mechanism. With regards to GBVH, the factory has worked with a local NGO to run awareness sessions and has strengthened and empowered the factory's Anti Sexual Harassment Committee. These successful outcomes are the result of an engaged and responsible factory management team, together with a committed and knowledgeable local Primark team on the ground. They demonstrate how effective rights-holder consultation can lead to the prevention and mitigation of risks.

More information can be found in our [Modern Slavery Statement 2022](#) (pg 15)

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

12.2 at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

KTC feedback: We would welcome further detail about how Primark was involved in ensuring remedy in the case of the annual leave requirements.

Additional disclosure

Amader Khota

Amader Khota is a grievance helpline which supports factory workers to access remedy to issues faced in the workplace. The process ensures that management engage and feedback to workers on the resolution of cases, and whether these have been completed to workers' satisfaction. More information on the process can be found [here](#).

This [report](#) shows the worker satisfaction rate under Amader Khota and indicates that "cases are closed with a worker satisfaction rate greater than 80%." (pg 12)

My Journey

My Journey was developed and launched by Primark's team in India in 2019. The programme trains all staff in a factory who are involved in recruitment and hiring of workers to help them understand the potential risks of forced labour involved in these processes, and how they can help to prevent and mitigate them. For example, making sure that all new recruits have contracts that they understand and have not paid recruitment fees to secure their job. By implementing strong recruitment systems, we can also reduce the risk of workers being subject to various indicators of forced labour.

Participants receive training on the ILO's forced labour indicators, key steps in the recruitment and hiring process (plan, search, select and hire), the risks of forced labour associated with each step, and documenting policy and procedures.

Prior to the delivery of training, Primark's team visits each factory to undertake a due diligence assessment of its current recruitment and hiring processes. Gaps are identified and discussed with management, and then used to measure subsequent progress throughout the programme. Some of the more common issues identified include:

- A lack of knowledge of the risks of modern slavery, and the legislation covering modern slavery
- No written policy, processes or procedures on recruitment and hiring
- No internal department coordination on manpower planning, often to the exclusion of the Human Resources department
- Isolated but concerning issues such as third-party recruitment agents charging new recruits for a job in the factory, and factories deducting pay from existing workers who recommended new workers who then left the factory before a certain period.

More information on our approach to grievances mechanisms can be found [here](#).

Allegation 1

Headline: Sourcing linked to allegations of Uyghur forced labour

Suppliers: MAS Intimates, Huaifu Fashion

Summary: Research by Sheffield Hallam University, based on bills of lading, shipping records, and corporate disclosures of five textile companies in China identified routes through which cotton from the Xinjiang region of China may reach international consumers. It alleges all five companies sourced cotton from the Uyghur region, and some have subsidiaries in the region or that have employed labour transfers. The research identifies 53 intermediary manufacturers that purchase unfinished

cotton goods from the five Chinese textile companies and identified brands supplied by those intermediaries. The research alleges that Primark sources from intermediary manufacturer MAS Intimates, which sources from Huafu Fashion (a company that owns a subsidiary in the Xinjiang region and reportedly purchases Xinjiang cotton).

Additional disclosure

Primark stopped sourcing any products from the Xinjiang Uyghur Autonomous Region of China (XUAR) in 2019 due to our inability to gain the necessary access to undertake audits in the region. In September 2020 we mandated to all our suppliers (whose factories make products on behalf of Primark) that they cannot produce anything for Primark using any products, materials, components, or labour originating in any way from the Region.

Following this, we ran an extensive engagement programme with all our suppliers to help reinforce our position on the importance of supply chain transparency including not sourcing from the XUAR. As part of this, we asked for suppliers' acknowledgement and compliance with our position, specifically naming a number of organisations from which they could not source. This included Huafu Fashion, one of the mills named in the research by Sheffield Hallam University.

Our supplier, MAS, which was linked to Huafu in the research, confirmed to us their compliance with our stated directives concerning sourcing from the XUAR and confirmed to us in writing they do not source any cotton for Primark goods from Huafu.

Improving transparency and traceability in global supply chains is highly complex but we are absolutely committed to working both ourselves, and within the wider industry towards this goal. We've also doubled the number of inspections our Ethical Trade team conducts in other regions of China as an additional safeguard.

Improving traceability in our supply chains is highly complex but we are absolutely committed to working both ourselves, and within the wider industry, towards this goal. Part of this is our commitment to strengthening how we ensure our suppliers are enforcing our position on XJ and how we can help educate them around this wider topic as well.

For the past six years, we've published our Global Sourcing Map which includes the tier one production sites that make our products and the number and gender of workers at each site. This year, we also established a Transparency and Traceability department within the Sourcing team to help implement a new traceability tool, initially among a number of key suppliers. This year we expanded the programme to include more suppliers and products. We'll use the information from this to better understand the impact of our sourcing and make sure our suppliers operate in a way that aligns with our Primark Cares commitments and Code of Conduct. We also continue to work with Oritain to support additional verification of the origin of cotton from our Primark Sustainable Cotton Programme.

We are also piloting a new traceability platform with a number of key strategic suppliers and this year we have expanded the programme to include more suppliers and products which will provide greater visibility of the extended supply chain. The business has also invested in our in-house Traceability team, which has expanded with team members in some key sourcing origins to support suppliers on the ground.

We continue to engage with stakeholders such as Anti-Slavery International (ASI), with whom we have a close relationship. We have had discussions with members of Coalition to End Forced Labour in the Uyghur Region where Uyghur representatives have been involved.

Through ASI, we also engage around forced labour issues in other region such as Uzbekistan and Turkmenistan, upon which there is a renewed focus.