

Primark (subsidiary retail group of Associated British Foods)

TICKER:
LON:ABF

MARKET CAPITALIZATION:
US\$ 37 billion

HEADQUARTERS:
United Kingdom

5 OUT OF 20

Company's Overall Ranking

63 OUT OF 100

Company's Overall Score

Primark (subsidiary retail group of Associated British Foods) ranks fifth in the benchmark. Its score is driven by its above-average performance on themes such as commitment and governance, purchasing practices, and remedy. Notably, the company has leading practices with regards to communicating its policies to supply chain workers and engaging supply chain workers outside of the context of their workplace. To improve its performance, Primark is encouraged to develop and disclose a grievance mechanism for supply chain workers and practices to avoid exploitation through recruitment agencies and to disclose information about its first-tier suppliers and its supply chain beyond tier one.

THEME LEVEL SCORE

Commitment and Governance	90 out of 100
Traceability and Risk Assessment	75 out of 100
Purchasing Practices	75 out of 100
Recruitment	8 out of 100
Worker Voice	50 out of 100
Monitoring	70 out of 100
Remedy	75 out of 100

LEADING PRACTICES

Communication of policies to supply chain workers

Primark publishes its code of conduct in 39 languages on its website, which covers all major languages used at its production facilities. The company requires suppliers to communicate its code to their workers. Further, the company reports it empowers supply chain workers to take ownership of the company's code (e.g., through role play, participatory methods, facilitation by local NGOs, and peer-to-peer learning at factories in India, China and Bangladesh).

Worker voice

Primark works with the NGO SAVE in the South Indian state Tamil Nadu to create worker education groups in local communities where its supply chain workers live. The program aims to educate workers on their rights and on the use of negotiation tactics with management. Over the course of six



years, the program has directly reached 5,000 workers and, through peer-to-peer learning, indirectly 25,000 workers. An external evaluation found that workers were able to vocalize their rights and use the negotiation tactics with managers in their workplace, resulting in improvements such as wage and bonus increases, paid time off, and access to benefits. By working in regional clusters, representatives of worker education groups have also been able to raise grievances with factories. Primark is considering creating similar partnerships in other communities in its sourcing countries.

NOTABLE FINDINGS

Purchasing Practices

Primark discloses that it aims to mitigate the risks caused by undeclared subcontracting by considering the capacity and delivery capabilities of its suppliers. As a member of the Ethical Trading Initiative and a founding member of Action, Collaboration, Transformation (ACT), the company is aware of the impact of its own and the industry's purchasing practices on labor rights.

To enable its suppliers to observe its code of conduct, Primark reports it is implementing responsible purchasing practices, which include considering the capacity, quality, and ethical compliance of new and existing suppliers; training buyers and merchandisers on their responsibility with respect to suppliers (including human rights impacts); paying suppliers within 30 days; building long-term relationships with suppliers; and considering cost sharing of audits and remediation with suppliers.

Corrective Action Plans

In cases of non-compliance, Primark's auditors create a corrective action plan which includes actions with a date for completion that is agreed with the supplier. The company sets dates for follow-up visits to check on the progress of the corrective action plan based on ratings of the suppliers' overall performance. Primark discloses that situations of forced labor or human trafficking are prioritized for immediate remediation, and the supplier is suspended from the company's purchase order system. When a supplier fails to implement corrective actions (i.e., lacks commitment or the ability to improve), Primark works with the supplier on a "responsibly-managed exit plan" indicating that it will terminate the relationship.

Remedy

Primark provides an example of an outcome of its remedy process. It discloses a situation where workers from Pakistan were suspected to be in forced labor at a supplier factory in the United Arab Emirates. Primark reports it investigated the issue, confirmed multiple breaches of its code of conduct, and immediately addressed the breaches, including repatriation of one worker—at cost to supplier.

OPPORTUNITIES FOR IMPROVEMENT

Traceability and risk assessment

While Primark discloses that it is tracing suppliers beyond the first tier, the company is encouraged to disclose at least the names and locations of its first-tier suppliers as well as information on suppliers beyond its first tier (e.g., sourcing countries for each supply chain tier).

Recruitment

To avoid exploitation of supply chain workers, Primark is encouraged to promote direct hiring and—where this is not possible—perform robust due diligence of third-party recruitment agencies. The company may further consider requiring that no fees be charged to workers during any recruitment processes conducted throughout the supply chain, and, in the event that it discovers that fees have been paid, ensure that such fees are reimbursed.



Grievance Mechanism

While Primark's parent company, Associated British Foods, has a whistle blowing mechanism in place, Primark is encouraged to develop a grievance mechanism which is accessible and proactively communicated to suppliers' workers. The company may further consider requiring its suppliers to have in place grievance mechanisms that are available to their workers and to convey this same requirement to their suppliers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)