

# NEWS

## **Primark's right to reply to Panorama, Monday 23 June 2008**

It is NOT acceptable for children to produce or work on garments for sale to Primark under any circumstances whatsoever.

Primark is an ethical, principled and responsible organisation. Under our Code of Conduct, children are expressly forbidden to work on clothes produced for us and none of our suppliers has our permission to sub-contract production. These rules are strict and are intended to ensure that our high ethical standards are met by any factory that wishes to sell to us.

Production of the garments identified by the BBC was sub-contracted without Primark's knowledge or consent by the factories concerned to third parties using unauthorised home workers, including children.

As soon as we had verified the facts we acted immediately by cancelling all new orders with them and withdrawing all the items from sale. The affected garments represent 0.04 % of Primark's worldwide sourcing.

Primark rarely takes such severe action with the factories it buys from and prefers to work with them to improve standards. However, Primark will not tolerate a relationship which isn't based on trust and transparency.

Primark already has clearly defined compliance procedures including its own factory inspections and unannounced visits. It also uses independent third party audits. Any breaches will be discovered quickly and dealt with appropriately. We will now supplement these measures by appointing a highly reputable NGO as a partner to act as our eyes and ears on the ground in Southern India. We have already summoned suppliers to meetings to reinforce our stringent trading code and to emphasise that we will not tolerate unethical behaviour. This is all part of a process to further tighten control of our suppliers.

Primark's prices are low because we don't rip off our customers. Most of our clothes are bought from the same factories as other fashion retailers and people producing them are paid exactly the same whatever the label and whatever the price in the shop. We are able to offer good value and good quality because of low mark-ups and big volumes. We use simple designs, our

overhead costs are extremely low and we don't run expensive advertising campaigns.

The issues highlighted by Panorama are industry wide and that is why Primark works with governments, leading campaigners, retailers and industry bodies to try to solve them. Primark has been singled out because of its success.

People in the developing world benefit from the ability to trade with companies like Primark: the result for them is a higher standard of living and a better quality of life. Primark supports some 2 million people through its supply contracts. Primark also recognises that further progress must be made to improve working conditions in developing nations. As part of its contribution, the company has already announced its intention to establish the 'Primark Better Lives Foundation', which will provide financial assistance to organisations devoted to improving the lives of young people including those identified by Panorama. In addition to the initial funding Primark is endowing the Foundation with any profits made from the affected garments.