

## Our performance 2020



Primark is part of (ABF) Associated British Foods, and you can read about our performance in the ABF Corporate Responsibility Report by visiting the [ABF](#) website. We also provide detailed annual performance data, as below.

KPMG LLP has provided limited assurance over the collation of selected performance data for the years ended 31 December 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 marked with symbols Δ, λ, Ω, ∂, α, ∞, μ, ^, ¥, π and Σ respectively. The full assurance statement for 2020 can be found in the “Annual Performance” section of the Primark Ethics Website.

### Annual performance data 2020

The Primark [Code of Conduct](#) is the backbone of the Ethical Trade and Environmental Sustainability Programme. It is a robust set of requirements that forms a key part of the terms and conditions of a supplier’s contract with us. Every factory must commit to meeting it before we’ll work with them.

Once audited, **factories are rated** by our internal Ethical Trade team. If they meet our minimum standards we will approve them for production. Any factories with critical or zero tolerance issues would not be approved.

We always make every attempt to safely audit every factory at least once a year, sometimes more, to check whether the standards in our code are being met. However, during the 2020 Covid-19 pandemic, **all auditing ceased during the months of April and resumed in July**. We have had to make certain decisions regarding the safety of our auditors and the factories’ employees, also observing restrictions on travel within the countries we operate in. This has restricted the number of factories in our supply chain we were able to visit during 2020.

In Indonesia, Vietnam, and Cambodia we are partners of Better Work, an IFC (International Finance Corporation) and ILO (International Labour Organisation) programme which provides audits, remediation, and training for suppliers.

We have an online supplier management system which allows us to analyse key trends and report in detail on supplier performance at country and departmental level. This information feeds into our training and capacity building strategy for suppliers.

The below shows the number of audits conducted each calendar year.

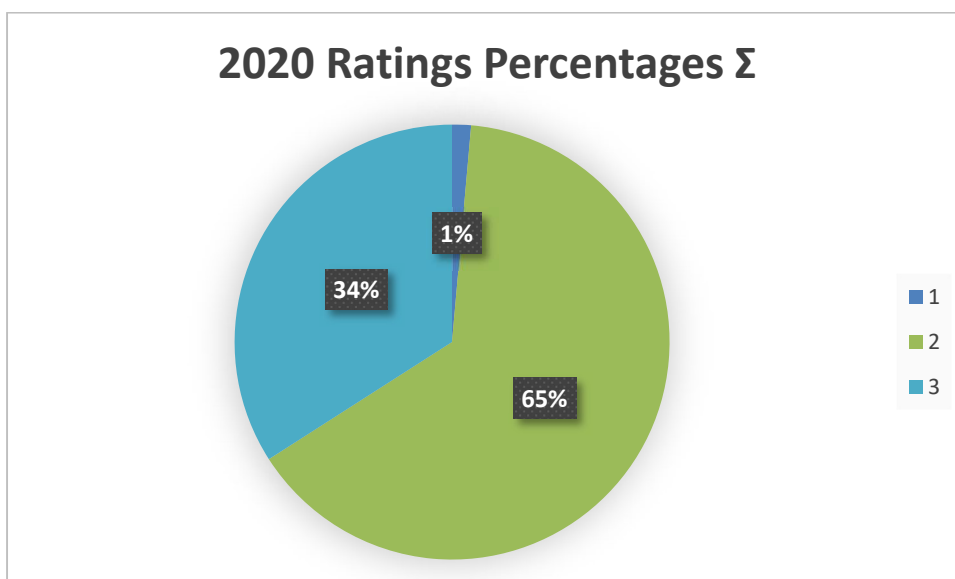
- 2020: 1206 audits conducted  $\Sigma$
- 2019: 3234 audits conducted  $\pi$
- 2018: 3319 audits conducted  $\Upsilon$
- 2017: 3413 audits conducted  $\wedge$
- 2016: 2994 audits conducted  $\mu$
- 2015: 2629 audits conducted  $\infty$
- 2014: 2412 audits conducted  $\alpha$
- 2013: 2058 audits conducted  $\partial$
- 2012: 1825 audits conducted  $\Omega$
- 2011: 1727 audits conducted  $\lambda$
- 2010: 1266 audits conducted  $\Delta$
- 2009: 1136 audits conducted

**Sites are rated according to their compliance status with grade 1 being the best and 3 the weakest**

*Note that the following data relates to site ratings, not individual audit ratings. Where a factory has had more than one audit in the year, the latest audit result is used.*

In summary, the ratings are:

- Grade 1: Good systems in place to ensure ethical compliance, limited number of minor issues
- Grade 2: Evidence of some good systems in place, however, not achieved full ethical compliance
- Grade 3: Ethical compliance not met, with significant and numerous issues



Highlighting current critical Non Compliances.

The most frequent non-compliances identified during audits fall under the category of working conditions. These can range from poor chemical labelling and storage of materials to lack of machine guards or fire safety. Living wages and working hours, including excessive overtime, remain challenges for us. We aim to reduce their occurrence through greater focus on the implementation of proper management systems and efficiency measures.

Data point	Definition
<b>Number of audits conducted</b>	<p><i>Number of factories audited against Primark's Code of Conduct during the calendar year; and the 48 factories which have been audited on behalf of the ILO and we have accepted these audits in place of our own. This figure includes 12 incomplete audits where we were unable to gather all relevant information during the factory audits. In these cases we perform additional follow up investigations. The data includes a selection of approved subcontractors, where contracted to do so. They would perform specific manufacturing operations that the main factory is not capable of doing in their own facility, such as printing or embroidery. 8 Virtual Audits with remediation actions were also conducted in 2020 due to being unable to safely visit the factories physically.</i></p>
<b>Most frequent non-compliances identified</b>	<p><i>Most frequent category of non-compliances identified following factory audits during the calendar year. Primark's Code of Conduct includes fourteen categories of non-compliances.</i></p> <p><i>*following a revision of the Primark Code of Conduct the following Non-Compliance categories have been added: Grievance Procedure and No bribery or corruption. Previously these issues were included in other categories of the Code of Conduct.</i></p>
<b>Ratings for all sites audited</b>	<p><i>Percentage of factories at grade 1, 2 and 3 following a Primark Code of Conduct audit during the calendar year. Where a factory has had more than one audit in the year, the latest audit result is used.</i></p> <p><i>Our in-country ethical teams continue to discuss/brief/train on Primark's code of conduct and audit requirements with potential new suppliers/factories before an initial audit is carried out and should a supplier's factory not pass this first audit, a nominal fee is required before any subsequent audits can be carried out*. This has meant that suppliers are more aware of the standards we expect in the factories which we source from, so are better prepared for the audit process. This fee goes into funding technical assessments for training and upskilling our existing suppliers.</i></p> <p><i>*The audit contribution fee was waived in March with all outstanding fees written off. The fee was then reintroduced from October.</i></p>