

# **ENVIRONMENTAL SUSTAINABILITY PERFORMANCE REPORT**

**2018**



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**Made with  
respect.**

**We're committed to  
a sustainable future  
for everyone and  
everything involved  
in our business.  
That means our  
makers as well as  
our shoppers.**

# A letter from the Chief Operating Officer

At Primark we are committed to reducing our impact on the environment, and I am pleased to share our progress through our fourth annual Primark Environmental Sustainability Performance Report.

Our report shows that we have made good progress on some key areas across our business and our supply chain, from how we manufacture our products and the materials we use, to what happens in our stores, offices, logistics networks, distribution centres and warehouses.

Our sustainable cotton programme continues to expand and we launched our first product across all stores in 2017 with great success. Not only that, but it also has increased the livelihoods of over 5,000 female farmers in India. We plan to expand the programme even further in 2018, contributing to our long term goal of all our cotton being from sustainable sources.

Ensuring we understand where our risks are is essential to having a strong programme in place, and this year we've focused upon building our new environmental management system which is aligned to ISO standards.

While we are proud of our progress, we know there is more to do, both within Primark and across our industry. Working in collaboration with others and building strong partnerships are essential if we are to make lasting, sustainable change.



**John Lyttle**  
**Chief Operating Officer**  
**Primark**

# INTRODUCTION

During 2017, we worked with global professional services firm CH2M (now Jacobs) to develop an updated environmental policy. Due to launch in 2018, the policy sets out environmental priorities and objectives for our business which have been informed by the in-depth analysis of existing direct (from our stores and operations) and indirect (from our product supply chains) environmental impacts.

This new environmental policy is supported by an environmental management system aligned with the internationally recognised ISO 14001:2015 standard. This is designed to help Primark identify where we should intervene to mitigate the most salient environmental risks, as well as act to promote environmental (conservation) opportunities. Working closely with operations and supply chain partners, a global team of technical environmental specialists are responsible for implementing this policy.

You can read more about some of Primark's achievements in the Associated British Foods 2017 [Corporate Responsibility Report](#).

This report aims to provide a more technical update on Primark's environmental sustainability progress in the 2017/18 financial year. It is written to inform our stakeholders about what we are doing to address the environmental impact of our business and supply chain. We feel it is important for us to be transparent about both our successes and also the challenges we have faced.



# OUR APPROACH

Primark takes a systematic approach to identifying, managing, monitoring and controlling our impact on the environment. We work hard, not only within our own business, but also collaboratively with the wider retail industry and our suppliers to take a holistic approach to environmental sustainability management.

To ensure environmental sustainability is central to the development of new styles and products, a system that engages all aspects of the business must be implemented, continually updated and reviewed. Within an evolving fashion industry it is vital to engage our buyers and suppliers, and facilitate collaborative working across the industry to drive improvements.

You can read more about the Primark approach to environmental sustainability on Page 32.



# UN Global Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) aim to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Primark's objectives support a number of these goals, including: responsible production and consumption (Goal 12), clean water and sanitation (Goal 6) and industry, innovation and infrastructure (Goal 9).

Throughout this report, the SDG logos indicate where our programme supports these.



## Cambridge Natural Capital Impact Group

Primark is a member of the Cambridge Natural Capital Impact Group. As a part of this community, we take a rigorous approach to setting a company strategy to reduce our impact on natural capital, i.e. biodiversity, soil and water, in our global supply chain.



## Industry collaboration

Primark recognises the importance of collaboration and engagement as a way of increasing leverage and ensuring sustainable change is effected at industry level. We are active members of initiatives such as the ZDHC Foundation, and many others: <https://m.primark.com/en-ie/our-ethics/partners>

We also participate in forums that facilitate the sharing of best practice and learnings, for example:

- Primark is a member of the Advisory Panel of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.
- Primark joined the German Partnership for Sustainable Textiles (Bündnis für nachhaltige Textilien) in March 2016.

We also regularly speak at key forums to share our work and knowledge within our industry.

## Training & communication

Primark's buyers and merchandisers play a crucial role in ensuring ethical issues are considered on an ongoing basis and ethical trade practices are embedded within company operations.

As part of their induction, all new head office employees at our Dublin and Reading offices attend a presentation delivered by a representative from Primark's Ethical Trade team, outlining our Ethical Trade and Environmental Sustainability programme.

Primark's retail employees are expected to be aware of the company's position on ethical trade and environmental sustainability. In 2017 we launched a retail campaign on Primark's Ethical Trading and Environmental Sustainability programme to share with our employees in-store. The campaign includes notice board posters, presentations for staff meetings and videos to inform employees about Primark's approach to ethical trade and environmental sustainability. In Germany, the Netherlands and Belgium, both store managers and People & Culture store managers receive additional training on how to present Primark's Ethical Trading and Environmental Sustainability programme to staff, so it is understood throughout the business.

Primark has a dedicated team of over 100 experts, based mainly in Primark's key sourcing regions, that are responsible for training suppliers making products and materials for Primark. Global environmental sustainability experts run training through online platforms, key product events in corporate headquarters, technical workshops, interactive sessions and site visits.

## Our Ethics website

In May 2017 we re-launched the 'Our Ethics' section of the Primark website.

The updated site provides visitors with information about Primark's work on and commitment to ethical trade and environmental sustainability in a clear and transparent way. As well as explaining Primark's approach, the website also features our recent activities, programmes, policies and developments.

Teachers can also access free, curriculum-linked resources for Business Studies, Geography and Citizenship through the site. Each topic includes an introductory film, flexible activity ideas and discussion points: <https://www.primark.education/>



# Monitoring & audit

As stated in Primark's [Code of Conduct](#), 'Primark wishes to share its commitment to the environment with suppliers whose practices conform to our environmental sustainability requirements'. As a company, we encourage sustainable operating practices, manufacturing processes, farming practices, production systems and construction practices.

This applies across three key areas:

- Stores, offices and warehouses integrate environmental sustainability criteria into a global PEAT (Primark External Audit Tool) Programme;
- Primark's Global Ethical Trade team performs almost 3000 ethical audits every year (as of 2017) at indirect sites in our upstream supply chain;
- Expert global Environmental Sustainability teams will undertake performance benchmarking through an ESM (Environmental Sustainability Monitoring) Tool.

The Ethical Trade and Environmental Sustainability Team works with suppliers, their factories and local partners to deliver programmes that help factories address locally-relevant issues and needs. We believe that the more factory management teams and workers know about the standards we expect and why they matter, the more likely they are to meet those standards. This engagement can involve regular face-to-face meetings, the implementation of training programmes, or the use of more interactive methods like role-play. In a typical year, more than 7,000 hours of training are delivered.

We believe that the most effective way to improve environmental management in our supply chain and across the wider industry is through industry-wide monitoring and performance improvement initiatives.

Increasingly, we are taking the lead in developing monitoring standards with ZDHC and the Sustainable Apparel Coalition (SAC) to maximise leverage and prevent duplication. For example, we initiated and continue to support coordination between ZDHC and the SAC to combine audit protocol and the Higg Facility Environmental Module chemicals management section.



# Fact Sheet: Primark environmental sustainability guidance for suppliers

One of the biggest challenges facing suppliers is the complexity of the measures expected from them by the Brands and Retailers they work with. To address this, in addition to collaborating with the Sustainable Apparel Coalition (SAC) and ZDHC, Primark is releasing a new environmental sustainability guidance document for suppliers of both the products we sell and those we use in our stores, such as hangers or packaging.

Working collaboratively and transparently with suppliers in this way is vital to achieving real improvements through our Environmental Sustainability programme.

*The guidelines are currently in Beta testing with suppliers and internal teams.*





# RESPONSIBLE SOURCING

**We will aim to buy materials and products from sustainable and traceable sources in our supply chain.**

**We will consider the environmental impact of materials and products in the procurement of goods and services for our business operations.**



# Global Sourcing Map

Primark does not own any factories and we are selective about the suppliers with whom we work. Every site which manufactures clothing and other products for Primark has to commit to meeting internationally recognised standards and the Primark Code of Conduct before the first order is placed and throughout their relationship with us.

Our Global Sourcing Map can be found [here](#). The sites featured on the Global Sourcing Map represent over 95% of Primark products for sale in store.

Where supplier management data can be used to improve environmental impacts, such as through the SAC Higg, ZDHC Gateway and IPE platforms, we will continue to share supplier details for wet processing sites in our extended supply chains with these organisations.

## Primark Sustainable Cotton Programme

In 2017, Primark launched its first sustainable cotton products, a range of women's pyjamas, using cotton purchased directly from female farmers participating in our Sustainable Cotton Programme. These went on sale as sustainable cotton and became a permanent fixture in Primark stores. With one in three women's pyjamas in the UK bought from Primark, the move represents a significant step forward for Primark.



*“Our long-term ambition is to ensure that all the cotton we use is sustainably sourced. There has never been a single definition of sustainable cotton. For us, sustainable cotton is about reducing the environmental impact of cotton production, transparency through the supply chain from field to store, improving the livelihoods of the farmers, and doing so in a way that means we continue to deliver great value to our customer.”*

***Katharine Stewart, Ethical Trade and Environmental Sustainability Director at Primark***

More information on Primark's Sustainable Cotton Programme can be found [here](#).



## Plastic

Primark takes issues related to the production, sale and disposal of plastic-based materials very seriously. We are working to address plastic issues directly within our business and are also collaborating with key academic and industry bodies to develop solutions on a global scale.

In 2017, we banned the use of plastic in our cotton bud stems, and now ensure that all cotton buds sold in Primark stores have paper stems. We also banned the use of synthetic microbeads in Primark cosmetic products.

## Leather and Viscose

Since joining the Leather Working Group in 2017, we have been working with suppliers to improve transparency and reduce the environmental impact of leather production.

Although leather represents less than 1%, and viscose less than 5% of our materials in 2018, we will address known issues associated with chemical use and discharge during the production of these materials through the implementation of ZDHC and other industry tools and standards.



## Sustainable Apparel Coalition & Higg Index

The Sustainable Apparel Coalition (SAC) has over 200 members, representing the breadth of the apparel, footwear, and textile supply chain.

One of the SAC's key outputs is the Higg Index, a set of self-assessment tools and supporting materials that measure sustainability performance across a brand's manufacturing sites and products.

Primark joined the SAC in 2015, and we are committed to completing the Higg Brand & Retail Module annually and rolling out the Higg Facility Environmental Module (Higg FEM) to our supply chain. This enables us to drive positive change through continuous improvement across our operations.

We are currently working with our key suppliers to register their sites on the Higg Index and are providing training on how to use the Higg FEM.



# Fact Sheet: Primark environmental sustainability guidance for buyers

One of the biggest challenges facing buyers sourcing products and materials for Primark is deciding which of the complex variety of sustainable materials, technologies and certifications to consider when selecting and making purchasing decisions.

In accordance with Primark’s commitment to the European Clothing Action Plan (ECAP) and Sustainable Clothing Action Plan (SCAP) we are launching guidelines for our buyers to help them ensure that suppliers are meeting our environmental sustainability requirements in their own operations before sourcing from them.

We believe that empowering buyers with this information will help to grow Primark’s Environmental Sustainability programme with integrity and rigour.

*These guidelines were produced in collaboration with MADE-BY who work as part of a consortium to implement the SCAP and ECAP programmes.*



Project supported by LIFE funding





# CHEMICALS & POLLUTION MANAGEMENT

**We will work with our supply chain to phase out certain chemicals deemed hazardous and replace them with alternatives.**

**We will also seek to ensure that we have appropriate measures in place for pollution prevent and control.**

# Primark's chemical elimination commitment

In 2014, we committed to phasing out certain chemicals deemed hazardous and replacing them with alternatives. You can see our Greenpeace DETOX commitment [here](#).

Over the past 12 months we have updated our chemical programme guidance and tools. The most significant update has been to our Restricted Substances List (RSL). Through listening to our suppliers we learnt that it was confusing to have one list for restrictions relating to chemical products used in the manufacturing process, and another for chemicals present on the products and materials themselves. So, in 2017 we combined the chemical restrictions in the ZDHC MRSL (Manufacturing Restricted Substances List) for chemicals used in the manufacturing process, with our own product and material limits. We will continue to update our RSL in accordance with ZDHC MRSL developments. All chemicals covered by the Greenpeace commitment are considered for inclusion through the ZDHC MRSL conformance process.

Primark's RSL and more information on our approach to elimination can be found [here](#).

## Chemicals in stores & logistics sites

Primark is currently trialling a number of initiatives to reduce the volume of cleaning chemicals used throughout our operations. One of these initiatives involves the use of Stabilised Aqueous Ozone (SAO). SAO is created when water is charged with electricity to create an ozone liquid. This liquid is an extremely effective alternative to general purpose chemical cleaning agents and is also environmentally friendly as the SAO returns to its original state of oxygen and water when the cleaning process is complete. The technology is Green Seal Certified to standards GS-37 and GS-53.

We are also trialling a range of concentrated cleaning agents that are 100% biodegradable, Eco-certified, made with natural formulas and made from renewable plant-based raw materials with the lowest hazard classification and containing no artificial substances.

This project has delivered the following environmental benefits:

- **REDUCTION OF OUR CARDBOARD AND PLASTIC WASTE BY 25.9%**
- **REDUCTION IN OUR CO<sub>2</sub> EMISSIONS BY 26.7%**

Throughout 2018/2019 we will collaborate with stores, distribution centres and suppliers of goods not for resale e.g. hangers and packaging, to ensure our RSL is being met across all these areas.



# PRIMARK'S APPROACH TO CHEMICAL MANAGEMENT

As most chemicals on the ZDHC MRSL have little or no industry regulation restricting their use in chemical products, we believe it's important to improve general chemical management in addition to monitoring their presence in Primark's products and materials.

We do this in a number of ways:

## Phasing out chemicals deemed to be hazardous in all products

By ensuring our RSL includes restrictions on chemicals in all of the products Primark sells, from clothing to homeware, we hope to encourage the chemical industry to stop making and selling these chemicals in the global market.

## Helping suppliers take action

By providing guidance and support for suppliers we can help them meet our standards. Through collaboration with third party chemical experts, laboratory partners and ZDHC, we aim to ensure that our 'Implementation Toolkit' contains all the guidance and management tools required by suppliers.

## Making industry-wide change

As a large international retailer we believe that we can play a role in improving conditions in the garment industry. That's why we have been working together with international and local partners to deliver programmes that support workers and management. Together, we have been able to develop a programme that supports chemical management and wastewater quality improvements across the industry. This helps us ensure a greater and longer-lasting impact.

Here are some key achievements from 2017/18:

**100%**  
of our suppliers  
have received our  
'Implementation  
Toolkit' for further  
implementation  
within their supply  
chain(s)

Data captured on  
over **2000**  
chemical  
formulations used  
within our supply  
chain

A global network  
of Laboratory  
partners provide  
support through  
product testing  
and supply chain  
training

# Fact Sheet: Primark's 'Implementation Toolkit'

Available on Primark's Supplier Portal, our 'Implementation Toolkit' contains guidance and standards to help suppliers meet Primark's chemical and wider environmental requirements.

Before publishing the toolkit, we worked with six key suppliers in China and Bangladesh to test the new tools and guidance. We conducted face-to-face workshops with representatives from across the entire value chain (suppliers, factories, chemical manufacturers and laboratories) to gain valuable feedback required to ensure key questions were addressed:

*Q: As a Primark Supplier, what am I expected to do and how do I do it?*

## **Primark Environmental Sustainability Guidelines – for Suppliers**

*Q: Which chemicals are restricted from use?*

## **Primark Restricted Substances List (RSL)**

*Q: How can I improve how I buy and manage my chemical products?*

## **Primark Chemical Inventory List (CIL) Template**

## **ZDHC Chemical Management System (CMS) Manual**

*Q: The CIL looks complicated! How do I use it?*

## **Primark CIL Guidelines for use & review**

## **MSDS Guidance for CIL Completion**

*Q: What testing should I do to make sure I am compliant?*

## **Primark RSL – Compliance Testing Guidance**

## **Primark Wastewater Testing Guidance**

## **ZDHC Wastewater Guidelines & Gateway Guidance**

*Q: How can I assess my own operations?*

## **SAC Higg Facility Environmental Module (FEM)**

## Chemical training for suppliers

At the heart of Primark's approach to eliminating hazardous chemicals is our team of in-country environmental sustainability experts which work directly with our suppliers and factories around the world. Focusing on the application of our 'Implementation Toolkit', we have delivered over 3000 hours of training throughout our supply chain through face-to-face workshops, site visits and meetings.

Our local activities focus on three areas; onsite chemical assessment (capacity building), supplier RSL implementation and supplier/site group training for environmental contacts.

Through our collaboration with ZDHC, we also continue to support and communicate [ZDHC Training Academy](#) certified training sessions.

Through our work with ZDHC, our focus is on making sure that the content and structure of these sessions is as valuable as possible. Several environmental sustainability team experts from Primark's Ethical Trade and Environmental Sustainability Team are currently providing support to the ZDHC programme.

*Chemical Management Training – Bangladesh (left) and Turkey (right)*



## Product testing

A fundamental component of Primark's chemical management programme is the testing of products against all applicable legislation and product regulations. Products must be tested in this way in order to be eligible for shipment and sale in Primark stores.

Our RSL includes restrictions on chemical substances that go beyond current legislation. Some are included in our 2014 Greenpeace DETOX commitment, but most are aligned with the ZDHC Roadmap to Zero programme, MRSL. To gain a clear understanding of the presence of these voluntary restricted chemicals within the supply chain, we operate a surveillance testing programme to identify where they are intentionally used. We use the material risk matrix in our 2018 RSL to identify which chemicals we should test for and the products in which they are likely to be found.

Test results are carefully considered and a decision then made to either include them in our finished product compliance testing programme (high risk) or to continue monitoring through surveillance testing (medium-low risk). Our RSL is updated in line with this approach, changing with both legislative and ZDHC standards, and the data collected from factory Chemical Inventory Lists (CIL) within the supply chain.

### > APEOs, PFCs & Phthalates

In 2015 we banned the use of APEOs, PFCs and Phthalates from our supply chain. As part of our finished product compliance programme, these substances are tested for intentional use across all applicable product areas. We continue to engage with both ZDHC and chemical manufacturers, to eliminate the use of these substances from the industry. In 2018 Primark has had a 100% pass rate for PFC testing on finished products and a 3% failure rate for APEOs, which can enter production in incoming water and product contamination.

### APEO Case Study

**Product:** Swimwear **Material:** Elastic used within garment

**Chemical Failure:** NPEOs 220 ppm (limit 100ppm)

**Result:** Primark supplier sourced locally manufactured elastic from a fabric supplier not compliant with Primark's RSL and chemical requirements. Primark's garment supplier has now trained the fabric supplier using our 'Implementation Toolkit' and their elastic accessory suppliers have now eliminated APEOs and test elastic to determine compliance to Primark's RSL.

# Chemical inventory management

A key focus of our programme is the collection of data on the procurement, use and storage of chemicals in factories making Primark products and materials. To do this, we ask our suppliers to facilitate the implementation of our Chemical Inventory List (CIL) tool at their sites. In 2017, we updated our CIL template to capture information on ZDHC chemical conformance levels (if registered within the ZDHC Chemical Gateway) and give an indication of chemical compliance to Primark's 2018 RSL requirements through a declaration from chemical manufacturer(s).



## Our CIL captures data on..

- GHS Standard Materials Safety Data Sheets
- Average use data
- Environmental Hazard Data
- Physical Hazard Data
- Primark RSL Compliance
- ZDHC MRSL Conformance Levels

Specific Primark suppliers submit reviewed CILs for each site manufacturing Primark products and materials every six months. This data is then used to inform our surveillance testing programme, our annual RSL update and the ongoing improvement of factory chemical management.

## Chemical Management Case Study

Fabric manufacturing site X is located in Zhangjiagang, Suzhou City, Jiangsu. It produces dyed yarn for three of Primark's key suppliers with an annual production capacity of 1,000 tonnes.

Following a Primark assessment in May 2017, we found the site to have poor chemical management practices relating to chemical labelling, storage and procurement.

These findings were immediately communicated to site management, who then attended one of our chemical management workshops where they were trained on the use of our Implementation Toolkit. During an assessment in December 2017 it was concluded that all findings had been addressed. Chemical labelling and storage was correct and our CIL was completed and in use.

## Primark & ZDHC

Since its launch in 2011, the Greenpeace DETOX campaign has had a number of positive effects on the industry - without it, ZDHC would not be in place or operating as it is today. ZDHC currently has 92 contributors supporting its objectives and a large outside community referencing ZDHC tools and standards. Collaborations such as the German Partnership for Sustainable Textiles and [bluesign®](#) are helping the ZDHC MRSL gain exposure across thousands of facilities around the world and more than 5000 facilities registered on the SAC Higg Index, now understand the importance of implementing the ZDHC MRSL and programme.

In addition to individual efforts by brands and retailers to meet DETOX specific requirements, alignment across the industry and increased awareness was also initiated by the DETOX campaign. The management of chemicals by the sector as a whole is being driven by ZDHC, the initiative gaining the most traction in the industry taking a challenging but practical approach to implementation.



*Primark's Environmental Sustainability Team speaking at the ZDHC Annual Meeting 2017*

## What challenges remain for the Greenpeace DETOX campaign?

A number of challenges must be overcome before the DETOX campaign's objectives are achieved at industry-wide level. For example:

- Multiple MRSL standards being used for different brands/retailers not adopting the ZDHC MRSL
- Weak legislation and enforcement of legislation in production countries
- Scaling adoption of ZDHC tools leading to confusion for suppliers
- Limited leverage from brands over sites in extended supply chains
- Lack of responsiveness to the DETOX and ZDHC programmes from small-medium size brands, retailers and organisations from other industries all using the same chemicals



# Fact Sheet: How does Primark work with the China Institute of Public & Environmental Affairs?

## About the Institute of Public & Environmental Affairs (IPE)

The [Institute of Public & Environmental Affairs \(IPE\)](#) promotes the public disclosure of environmental information by both local government and businesses in China.

Through engagement with both local companies and international companies like Primark, IPE has enabled a large number of manufacturing sites in China to remedy environmental issues.

Primark has been working with IPE for over two years to ensure that any sites making products and materials for Primark are taking action to address such issues.

## Primark's 2017 progress

By March 2018, Primark had reviewed over **462** sites through IPE's database. A team of environmental experts based in China has been actively engaging with suppliers and sites with issues through training and on-site remediation.

Primark supported a number of significant sites in their efforts to take corrective action to address these issues, and is proud that this successful engagement led to the improvements made in environmental management practices.

IPE's programme is an important part of Primark's communication materials and activities. We strongly support IPE's approach, which encourages supplier sites to take ownership of their environmental performance. In 2017, Primark supported key supplier sites in China to proactively disclose their environmental performance data, including water and energy consumption, wastewater discharge and emissions, among other factors, on IPE's Pollution Release and Transfer Register (PRTR) platform. This year, Primark will expand this initiative to cover more suppliers, encouraging them to be more transparent in the reporting of their environmental data.

Based on this work, Primark is now ranked by IPE amongst the top 30 brands in China (out of 267 brands) and 12<sup>th</sup> among all textile brands.

You can read more about IPE's work and Primark's progress [here](#).





# RESOURCES & WASTE

**We will focus on reducing the amount of non-renewable material in our products, reducing our packaging ratios and looking at opportunities for product reuse and recycling.**



## Waste management initiatives

Primark has successfully diverted 94% of the waste generated by our direct operations away from landfill, with this figure rising to 99.6% for our UK stores. One of the key factors in achieving this improvement has been the expansion of our dedicated Resource Recovery Units (RRUs) in our Dutch and Czech Distribution Centre's (DC's). In these units, the cardboard, plastic and hangers collected at our French, Italian, Austrian and German stores are reprocessed and sent for onward recycling or energy recovery. As well as enabling Primark to be more actively involved in the recycling process and thereby ensuring our waste is being managed appropriately, the roll out of this 'backhauling' arrangement has significantly reduced the volume of third party waste collections from our stores. We now have 5 RRUs in separate DC's throughout Europe, and 250 stores are participating in the backhauling process.

*\*The term 'backhauling' refers to the process of collecting recyclables from our stores using our delivery trucks and transporting them back to our central distribution centre. This arrangement has significantly reduced the amount of CO<sub>2</sub> emissions generated from our waste operations.*

## Packaging

The Primark Carton Optimisation Project is focused on finding ways to minimise the environmental impacts that our product packaging has on the environment. We are maximising our secondary and tertiary packaging types by ensuring that our products are packed efficiently. This will not only continue to reduce our overall volumes of packaging but significantly reduce transport related greenhouse gas emissions.

## Product take-back scheme

In 2017 we mapped out a programme to deliver a customer take-back scheme to our European stores. We began the process of applying for in-store collection licenses in each of our operating territories, however due to on-going uncertainty around textile waste collection licenses, this process was inhibited during the latter part of 2017. We are now exploring alternative options for a global in-store product take-back scheme and plan to continue with our rollout plan in 2018.

**In 2018 we  
recycled, recovered  
or beneficially used  
56,684  
tonnes of cardboard,  
4,234 tonnes of  
plastic and 11,460  
tonnes of product  
hangers**



# ENERGY EFFICIENCY & GHG EMISSIONS

**We will seek to improve our energy efficiency and reduce the greenhouse gas emissions of our stores, offices and distribution networks and will work with our supply chain to achieve energy efficiency improvements.**



# Primark Energy Reduction Group

The Primark Energy Reduction Group (ERG) has continued its work on energy efficiency and carbon reduction over the past 12 months. The ERG's work is outlined below:

## Energy governance

The Primark ERG has been approved to implement a formal Energy Management System for the management of energy in buildings. Following research, the ERG has decided upon the international energy management standard, ISO 50001.

### > ISO 50001:2011

An Energy Management System (EnMS) is being built to comply with the globally recognised Energy Management System Standard, ISO 50001. The scope initially covers stores, offices and distribution centres in the UK and ROI with a target date of certification by February 2019. A certification body has been appointed following a tendering process and the dates of Stage 1 and 2 certification audits are soon to be agreed for the autumn of 2018.

The scope of the EnMS will be extended in 2019 to cover stores, offices and distribution centres in all other European countries. Certification will be used as a means of meeting Phase 2 ESOS legislation across Europe.

## Energy management in stores

The Energy Bureau continues to provide a monitoring and targeting overview for all UK and Irish stores. Store Energy Reports (SERs) are being issued to all UK and Irish stores to empower store management to engage with their staff and building services to effectively reduce energy consumption.

An updated Standard Operating Procedure has been developed to provide clear guidance around energy use in stores and a new training package for all stores has been provided, so that everyone in the business understands their role in energy management.

## Energy management in the supply chain

In 2018, ZDHC will also be looking into air emissions. A task team has been formalised and a proposed scope will be published later in the year. In addition to monitoring energy and emissions data through the SAC Higg Index, Primark will implement standards and guidance on air emissions developed in collaboration with ZDHC at supplier sites.

# Energy Efficiency Initiatives

In the past 12 months Primark has invested in technology to reduce peak demands during trading and non-trading periods in stores. Examples of energy efficiency measures installed to date include:

## Bright ideas

The Bright Ideas initiative has been fully implemented in all UK and Irish stores. The initiative involved upgrading existing metal-halide luminaires to accept a lower power but better performing lamp, reducing long-term maintenance costs and consuming less energy. Typically, energy consumed for lighting has been reduced by 12-15%, leading to an overall saving of approx. 7-8 % for each store.

## BMS Strategy Reset

The Building Management System (BMS) strategy reset roll out programme continues. Poor building performance, in terms of both energy and comfort, can often be the result of the BMS not operating correctly.

If the BMS control strategy was incorrectly installed or modified over time, lighting may not follow the correct time schedule and air-conditioning may not achieve the desired conditions.

The BMS Strategy Reset initiative is being implemented through two streams:

- A Standard Strategy Library has been developed for use in new and refurbished systems. The library contains strategies for standard arrangements typical to Primark projects, as well as generic solutions for the application or extension of one-off designs.
- Identification and implementation of existing installations. The ERG Performance Review meetings identify sites that may have BMS strategy issues and make recommendations for further investigation. Through the Technical Bureau and an independent controls specialist, existing systems are monitored and inspected for compliance with the Primark Standard. Variations are corrected and in extreme cases, the whole strategy replaced.

Savings associated with this initiative vary considerably, with some sites seeing energy reductions of more than 50% and others seeing minor energy reductions but achieving greater comfort levels.

## **ERICC Installation and monitoring**

The ERICC (Energy Reduction Information and Control Console) installations roll out programme continues across new and existing stores and provides the Technical Bureau and ERG with live data on building and systems performance. The benefits of this system are evident through several streams:

- Live energy consumption data allows the Technical Bureau to identify problems quickly and alert the appropriate personnel
- Store personnel can view performance data and make controlled changes to operating times and space temperatures
- Monitors BMS performance and provides live data to the Technical Bureau. Issues identified can be reported for FM intervention or fixed by remote access
- Performance monitoring allows new and existing systems to be compared, providing feedback for new developments and system enhancement
- Early identification and determination of general system faults lead to an improved FM response and overall performance

The ERICC system acts as an 'enabler' - allowing other interventions to be identified and more accurately targeted. Whilst individual energy savings can be directly associated, the ERICC system facilitates greater performance across the whole ERG and FM process. Where ERICC has been installed, average energy consumption has been reduced by approximately 18%, whilst non-ERICC sites have seen an average increase of 11%.

## **Gas trucks in Madrid & Barcelona**

In addition to the work Primark is doing to improve energy efficiency and reduce greenhouse gas emissions in stores, we are working hard to make improvements in our Supply Chain. During the past 12 months, Primark has reduced carbon dioxide emissions by 36 tonnes and nitrous oxide emissions by 2.6 tonnes in the Madrid and Barcelona areas. We saved over 60 thousand euros in purchasing gas over diesel fuel. We will continue to expand these initiatives in other regions.



# WATER EFFICIENCY & CONSERVATION

**We will work with our supply chain to  
improve water efficiency in  
agricultural and manufacturing  
processes as well as operating  
efficiently in our own business  
operations**



## Water quality at suppliers sites

Primark is committed to the adoption of ZDHC's Wastewater Guidelines and we have communicated our expectations regarding wastewater to our product suppliers. We continue to scale up our wastewater testing programme in alignment with ZDHC's bi-annual reporting requirements. The ZDHC Gateway – Wastewater portal has been operational since July 2017.

Primark disclosed test results from 8 priority wet processing sites in October 2017 and a further 20 sites in 2018. In addition to this, 3 priority sites in China disclosed Pollution Release and Transfer Register (PRTR) data on IPE, and we intend to expand to more sites this year. ZDHC is working on sharing this data between the Gateway and IPE platforms. For now, Primark is focusing on IPE for China.

We will continue to work with our suppliers and their sites toward the full adoption of and compliance with ZDHC's Wastewater Guidelines, and to upload test reports on the ZDHC Gateway platform. We fully support ZDHC in all planned and future increases to the Gateway.

### Water Management Case Study

Site Y has worked with one of Primark's key suppliers of knitted fabrics for more than 10 years. The total production capacity of the site is 20,000 tonnes per year.

Site Y had two violation records in the IPE database for wastewater discharge exceeding legal discharge standards. Primark informed the supplier and site of the violation record and an onsite assessment was conducted by Primark in early 2017. The breach was due to a leaking wastewater pipeline inside the factory and the malfunction of a wastewater lifting pump during reconstruction of the onsite effluent treatment plant.

Primark helped the site to fix the pipes and supporting infrastructure. These were examined and approved by the local environmental agency. IPE has since removed the violation records.

## Water usage reduction in agriculture

Primark's Sustainable Cotton programme has trained 1,251 female cotton farmers in the Gujarat region in India in the first three years since launching. By the end of year three, the programme saw a 10% decrease in water usage, 44% reduction in chemical pesticide use and 40% reduction in fertiliser use.

# Fact Sheet: ZDHC wastewater testing case studies

Below is a snapshot of some of the challenges we have encountered within our on-going wastewater testing programme and the steps we've taken with facilities to remediate.

**Product Type:** Textiles

**Areas identified for remediation:** Halogenated Solvents & Azo Dyes

**Result:**

*Halogenated Solvents*

Methylene Chloride presence in Softener used by the supplier. Softener was replaced with an alternative and follow-up test reports found no Halogenated Solvents present.

*Greenpeace DETOX restricted dyeing agents*

Supplier previously used dyeing agents that didn't have accompanying MSDS' or compliance declaration(s) to Primark's RSL from their chemical manufacturer(s). All dyeing products have now been substituted with compliant alternatives with valid GHS standard MSDS' and declarations.

**Product Type:** Textiles

**Areas identified for remediation:** Halogenated Solvents & Heavy Metals

**Result:**

*Halogenated Solvents*

Supplier identified Methylene Chloride presence when testing their in-coming (groundwater) supply. We will continue to work with ZDHC and other signatory brands, towards a better understanding of the causes, impacts and wider areas for mitigation of these types of challenges.

*Heavy Metals*

Supplier worked with their chemical manufacturer to identify the root cause of heavy metals within their wastewater. High volume usage of certain shades of dyeing agents were identified. The supplier changed their dyeing agents for alternative products, where less product is needed to produce the desired level of colouration.



# Case Study: Promoting a systems approach to environmental sustainability management

## The Challenge

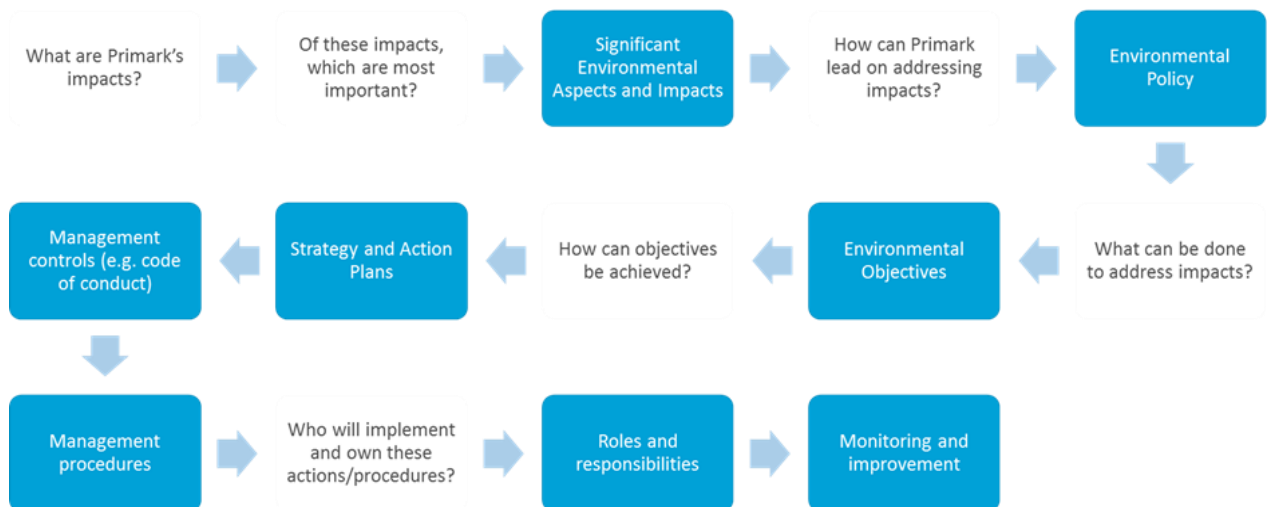
Primark sources many hundreds of product types from suppliers around the world. Each supplier is connected to a network of sites making products and materials, not only for Primark, but also other brands and retailers. We needed a way to identify and improve environmental impact across all aspects of our business, from our stores and offices, to production sites and even all the way back to farms.

## Collaboration

The fashion industry faces many environmental sustainability challenges. To help address these, Primark engaged Jacobs to help develop an environmental strategy in 2017. This partnership with Jacobs continues into 2018 as Primark implements an Environmental Management System (EMS) aligned to international standard ISO 14001. The system is designed to underpin all of Primark's activities, the 'plan-do-check-act' approach provides consistency and depth to any business with a considerable environmental footprint.

## First steps

Together, Primark and Jacobs used a variety of data sources to identify and map the environmental aspects and impacts of Primark's operations. Life cycle data on Primark's products was combined with external data to establish which impacts were most 'significant'.



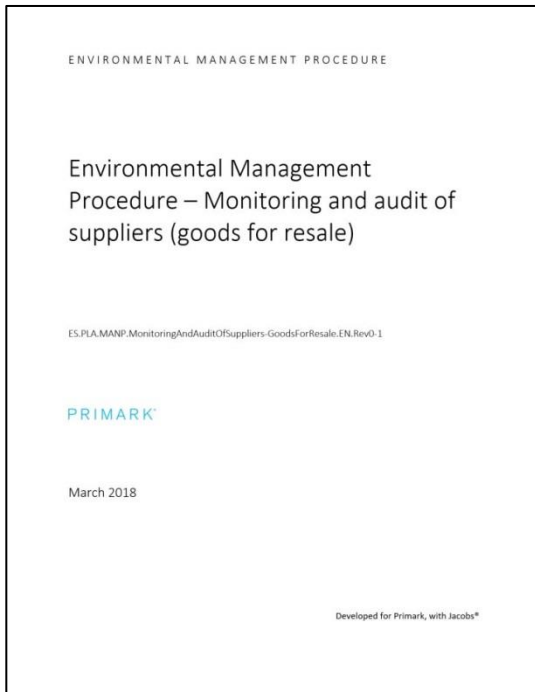
## Setting Priorities

Primark's environmental impacts were grouped into 6 focus areas. Within these focus areas, objectives, which were developed in collaboration with the business departments prior to securing approval by the Primark Board of Directors, were set. Board level leadership is a necessary fundamental aspect of the EMS, and engaging the business in setting objectives helped to capture the significant work that was already being done, while ensuring objectives were challenging but realistic.

The EMS helps us to align with and integrate Primark's industry commitments such as the Greenpeace DETOX programme, ZDHC and SAC initiatives. It provides the 'engine' for implementing all the standards we commit to and tools we develop such as the Higg Index.

## On-going steps

Our ISO 14001 approach ensures Primark considers the environmental impacts of its activities, products and services that it can control and influence. We are overcoming the challenge of applying this standard across sites over which we have no direct control through a structured capacity building and performance improvement programme. ISO aligned management procedures help us to implement our programme across the business. It helps enable business change management, a common challenge associated with implementing sustainability programmes.



## Value Added

Primark firmly believes that taking a systems approach to environmental management will help to future proof the business and make it more resilient. Whilst still in its early stages, the ISO 14001 approach has created clarity and efficiency in the global approach to sustainability, creating process to ensure environmental impacts are being properly managed.

# Appendix 1: Primark materiality assessment 2017

Primark's aspects and impacts register is a detailed analysis of the company's environmental impacts. It is used to assess where Primark's most salient and material issues are. Below are the impacts considered most significant\*. We update the full assessment, which includes extensive detail on the environmental data used to analyse impacts, likelihood, magnitude and control, annually.

Scope	Aspect	Significant Impact Areas
Facilities	Office, stores, inspection and distribution centres	<ul style="list-style-type: none"> <li>• Energy use and emissions</li> <li>• Waste management</li> <li>• Property acquisition/disposal</li> </ul>
Administration	Central buying office processes	<ul style="list-style-type: none"> <li>• Product labelling</li> <li>• Consumer engagement</li> <li>• Product compliance</li> <li>• Corporate travel</li> <li>• Employee commuting</li> </ul>
Supply Chain	Product manufacturing	<ul style="list-style-type: none"> <li>• Wet processing e.g. dyeing</li> <li>• Product printing</li> <li>• Fabric production (mills)</li> <li>• Leather pre-treatment and tanning</li> <li>• Cosmetics</li> <li>• Jewellery</li> </ul>
Supply Chain	Materials	<ul style="list-style-type: none"> <li>• Conventional cotton</li> <li>• Synthetic (oil-based) fibres</li> <li>• Leather</li> <li>• Wool</li> <li>• Metals</li> <li>• Mica</li> <li>• Palm oil</li> <li>• Fur and down (banned)</li> <li>• Uzbekistan/Turkmenistan cotton (banned)</li> </ul>
Supply Chain	Territories	<ul style="list-style-type: none"> <li>• Bangladesh</li> <li>• China</li> <li>• India</li> <li>• Turkey</li> </ul>
Supply Chain	Logistics	<ul style="list-style-type: none"> <li>• Air freight emissions</li> <li>• Road freight emissions</li> </ul>

\*Significant impacts are those rated high on Primark's aspects and impacts register