

**PRIMARK ENVIRONMENTAL  
SUSTAINABILITY  
PERFORMANCE REPORT  
2019**

## A LETTER FROM OUR CEO

Whilst we are proud of our progress, we know there is always more to do, both within Primark and across our industry.

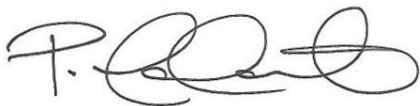
Building strong, strategic partnerships and continue to work collaboratively with other brands and industry organisations is essential if we are to achieve lasting sustainable change.

As a growing international retailer with a complex supply chain, we recognise our responsibility to the environment and strive to minimise our impact wherever possible. I am proud to share our progress through the fifth annual Primark Environmental Sustainability Performance Report.

Our report illustrates good progress across our constantly evolving environmental sustainability program, which is helping us to drive for improvement in our supply chain, particularly in some key areas across responsible sourcing and also chemical management.

We have significantly expanded our sustainable cotton programme, committing to train 160,000 farmers by 2022 across three countries, India, Pakistan and China. We first introduced products grown by the cotton farmers in 2017. To date more than 23 million Primark products made with sustainable cotton, have been sold in our stores.

We are focused on building resource efficiencies into all our operations. We strive to use raw materials effectively and responsibly, minimising and recycling more of the waste generated by the supply chain and remain committed to seeking sustainable solutions to environmental challenges.



Paul Marchant  
Chief Executive Officer  
Primark

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## INTRODUCTION

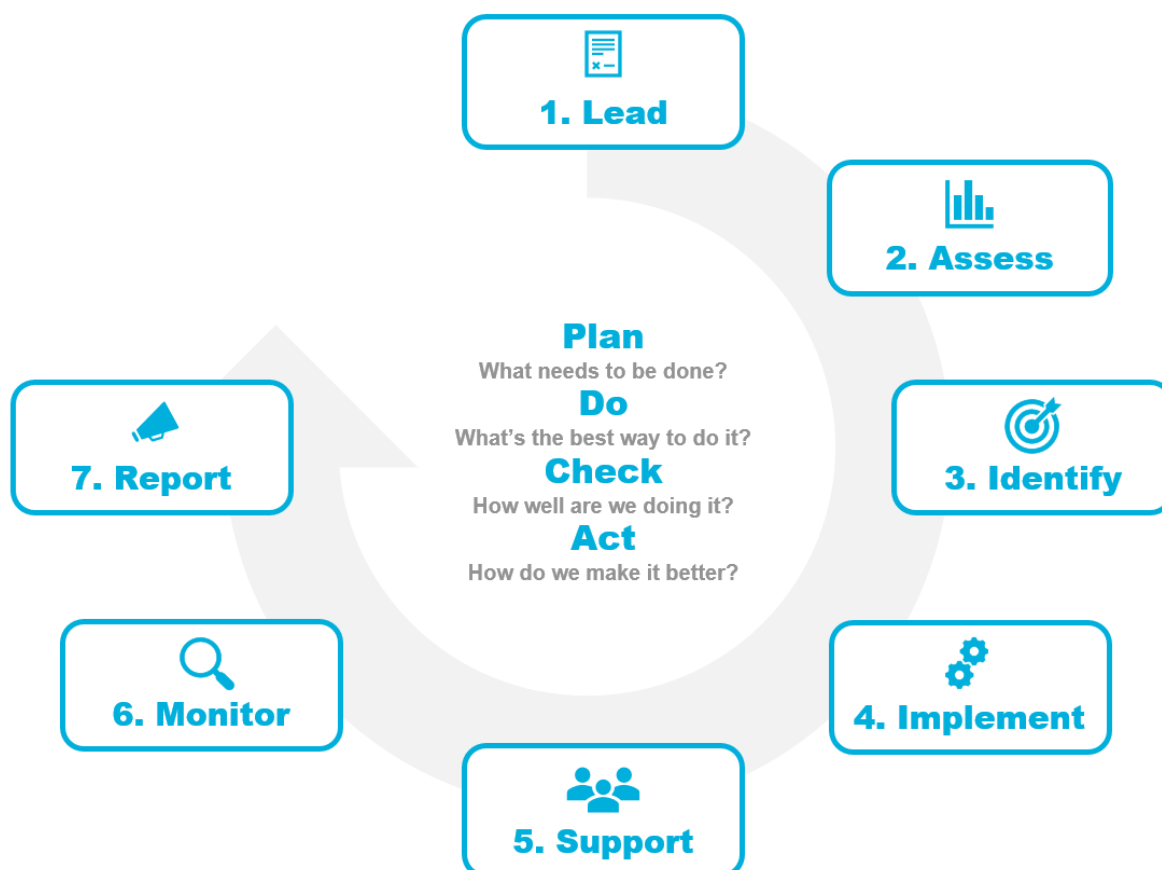
It has been a busy year at Primark. With 14 new stores we have increased our retail selling space to 15.6 Million sq feet and moved into a new market. We have also grown our social media engagement to more than 20 million followers. Through this hive of activity, our commitment to environmental sustainability has remained strong.

We have set up a new Sustainable Product & Packaging team and welcomed new specialists in water, chemical and cotton management to our Ethical Trade and Environmental Sustainability team around the world. We are proud of this team of local experts, working on the ground to raise the profile of environmental sustainability with our suppliers and our factories. More information on our successes in the past year, can be found within our parent company, Associated British Foods' annual report, [here](#).

This report provides technical details on our programmes and initiatives from our Environmental Sustainability team. It ranges across our focus areas and highlights the important collaborations we work with day to day. In doing so, the report aims to inform our stakeholders about our actions in addressing the environmental impacts of our business – both our successes, and our challenges.

## OUR APPROACH

Throughout 2019 Primark has continued in its systematic approach to identifying, managing and controlling our environmental impacts. We believe that employing systems thinking can help us find answers to complex environmental questions, both within our own business as well as across our global supply chain and industry. Our general approach can be summarised below;



**1. Leadership** Our leadership team has stated its environmental intentions through our [Environmental Policy](#). This outlines our commitment to environmental sustainability and signals our direction of travel to the business and the industry.

**2. Assessment** We use a methodology which helps us assess the environmental impacts of our business. Industry and academic data are used to do this on a continual basis. The results of this process can be found in Appendix 1.

**3. Identification** We identify our most significant environmental impacts. We then communicate these through our six Focus Areas (see page 5). This supports our strategic decision making and informs Primark's business strategy.

**4. Implementation** Our team works to implement actions to achieve our objectives in collaboration with different areas of our business.

**5. Support** We provide guidance to key stakeholders to provide clarity on Primark’s expectations. Training and awareness materials help us communicate and engage with wider Primark functions and our supplier base.

**6. Monitoring** We monitor our progress against key performance indicators, developing these as we learn and improve. We are especially focused on our supply chain, where we are developing innovative ways to engage our suppliers and improve performance.

**7. Reporting** We report on our progress and identify challenges. Internal reviews follow which allow us to identify potential steps for improvement. We then return to step 1.

## Our Focus Areas

<p><b>Responsible sourcing</b></p> <p><i>Drive transparency and traceability throughout our supply chain and increase the use of more sustainable materials in Primark branded products</i></p>	<p><b>Chemical &amp; Pollution Management</b></p> <p><i>Take responsibility for the chemicals used in our supply chain and continue to scale the implementation of Primark’s Chemicals &amp; Pollution Management programme</i></p>	<p><b>Animal Welfare &amp; Biodiversity</b></p> <p><i>Respect the humane treatment of animals and work to improve biodiversity across all aspects of our business and supply chain</i></p>
<p><b>Resources &amp; Waste</b></p> <p><i>Minimize waste across business operations and our supply chain</i></p>	<p><b>Energy &amp; Greenhouse Gases</b></p> <p><i>Take responsibility for our greenhouse gas emissions and improve energy efficiency across our business and supply chain</i></p>	<p><b>Water Use &amp; Conservation</b></p> <p><i>Identify, take responsibility for, and minimize water use in business operations and the supply chain</i></p>



### Industry collaboration

Primark recognises the importance of collaboration to help bring about sustainable industry-wide change. We exist in a retail landscape which demands engagement on the key issues. Through industry initiatives and focus groups we are able to discuss practical challenges we face and are active members of initiatives such as the ZDHC Foundation, and many others:

<https://m.primark.com/en-ie/our-ethics/partners>

## Monitoring our supply chain

As a company, we encourage sustainable manufacturing and farming processes. We require all our suppliers to adhere to the terms of our [Code of Conduct](#) as a condition of doing business with us. states that *“Primark wishes to share its commitment to the environment with suppliers whose practices conform to applicable environmental standards.”* We hold true to this commitment by employing teams of environmental experts in our key sourcing countries, part of Primark Ethical Trade and Environmental Sustainability team. These specialists train those working in our supply chain on best practice , they are our eyes and ears on the ground, and are best placed to highlight issues and work with suppliers and their factories to identify practical solutions. Working directly with our supply chain in this process is incredibly valuable as we obtain feedback directly from factories, helping us improve our programmes and processes.

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 focusing on developing monitoring standards, through collaborations such as the Zero Discharge of Hazardous Chemicals (ZDHC) foundation 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 within the Higg Facility Environmental Module chemicals management section.

### **Sustainable Product & Packaging Team**

To ensure environmental sustainability is central to the development of new styles and products, in 2019 we created a dedicated product and packaging sustainability team. Based in Dublin, this team is perfectly placed to work hand-in-hand with our buyers to drive the adoption of more sustainable fabrics and materials. The team has already rolled out a training and awareness programme to inform our buyers of more sustainable options available to them, seeking to further extend the influence of environmental messaging amongst our colleagues and finding practical solutions to the most common challenges.

## RESPONSIBLE SOURCING

Driving transparency and traceability throughout our supply chain and increasing the use of more sustainable materials in Primark branded products.

### Our commitment to transparency

In 2018, Primark published its Global Sourcing Map. Primark does not own any factories and is selective about the suppliers with whom we work. Every factory which manufactures product for Primark has to commit to meeting internationally recognised standards, before the first order is placed and throughout the time they work with us. The map, [which can be viewed here](#), lists suppliers' production sites which represent over 95% of Primark products for sale in Primark stores. A factory is detailed on the Map only after it has produced products for Primark for a year and has become an established supplier. During the first year a factory has to demonstrate that it can consistently work to Primark's ethical standards, as well as meet our commercial requirements in areas such as quality and timely delivery.

Each factory entry includes the site address, the number of workers and gender split. We will review and update the information on the Map twice a year, although we may choose to remove a factory between formal updates, if we are no longer using a particular factory as a supplier.

### Our products

We are increasing the use of more sustainable, organic and recycled materials in our products. Customers can find these products in store by looking for our 'Primark Cares' labels. The Primark Cares initiative shows our customers, employees, partners and suppliers that we take our responsibility as a large retailer seriously.

To embed this change, we are working on a 'Buyer's Glossary' to inform our teams of the sustainable materials options open to them and provide details of key sustainability certifications and standards.



### Certified Cruelty Free PS Beauty

*The entire Primark 'PS Beauty' range is Leaping Bunny accredited. This means that all of our own-brand makeup, skincare and haircare products are cruelty free. With over 2,500 products and 7,000 individual ingredients verified, the certification programme is one of the largest ever undertaken by Cruelty Free International.*



## Primark Sustainable Cotton Programme (PSCP)

*“For us, sustainable cotton is about reducing the environmental impact of cotton production, driving 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  
Director of Ethical Trade

Our long-term ambition is to ensure all the cotton in our supply chain is sourced sustainably. In 2013 we teamed up with agricultural experts CottonConnect and the Self-Employed Women’s Association (SEWA) to create the

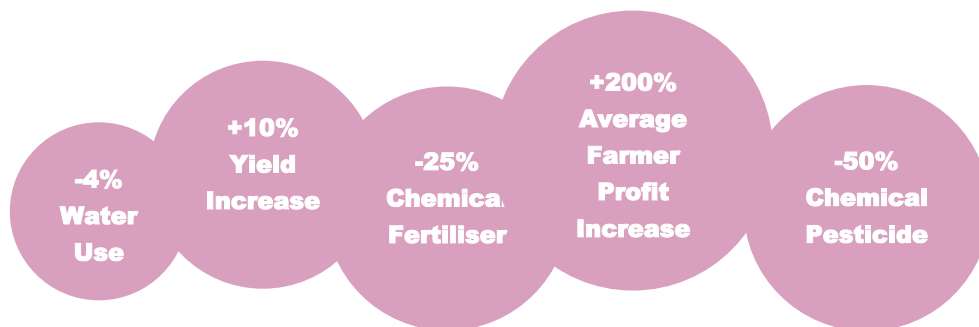
Primark Sustainable Cotton Programme in India. It has since been expanded into Pakistan in 2018 and was launched in China this year.

More than 23 million Primark products made with sustainable cotton have been sold since they were first introduced in August 2017, including women’s pyjamas, jeans, duvet covers and towels.

### Case Study: SEWA and Cotton Connect

Our sustainable cotton programme in India launched in 2013 with 1,251 female farmers in Gujarat. We have seen transformative results in water usage, agrochemical use, yield and average profit. As of 2019, the programme is now in 3 regions and trains 28,177 farmers in sustainable farming practices. Farmers are trained by CottonConnect in the most appropriate farming techniques for their land, from seed selection to harvest. This includes seed sowing, soil type, water and pesticide use, cotton picking, fibre quality, grading and storage.

#### Results:



## Engaging our supply chain

Engaging our supply chain is key to our efforts to improve environmental performance. We do not own or operate the factories which make our products, so building relationships with them is a key factor of our success as a business. Improving their environmental performance is also central part of this. We do this in numerous ways, often dependent on the local context of the factory. In many cases, we collaborate with the wider industry and non-governmental organisations to drive continuous improvement.

### SAC and the Higg Index

The Sustainable Apparel Coalition (SAC) has over 200 members representing the textile, apparel and footwear sector. The SAC has developed a suite of tools called the Higg Index, which aims to drive industry improvement on social and environmental impacts. As a member of SAC, Primark has committed to rolling out the Higg Facility Environment Module (FEM) to our supply chain. We have worked in collaboration with other SAC members to deliver shared training to suppliers in our sourcing countries. We continue to push Higg FEM adoption in our supply chain, building on recognition of our strategic level engagement in 2018.

### Supplier Training

Since August 2018, our In-Country Teams have delivered over 4,500 hours of environmental training to suppliers in areas including environmental management systems, the Higg Index and tools, and chemical management. We will soon be publishing our **Supplier Guidelines** which aims to better inform our suppliers about our environmental requirements.

# CHEMICALS AND POLLUTION MANAGEMENT

**Taking responsibility for the chemicals used in our supply chain and continuing to scale the implementation of Primark's Chemicals & Pollution Management programme.**

## Greenpeace Detox Commitment (2020) and ZDHC Collaboration

In 2014, we signed up to Greenpeace's Detox [commitment](#) with the aim of going beyond just complying with EU and US legislation as we wanted to work towards eliminating substances deemed to be hazardous from our supply chain. Early on, we recognised that this would be challenging and in order to achieve significant impact, multi-stakeholder collaborations would be essential. Subsequently, in 2015, we became a member of the [ZDHC](#) (Zero Discharge of Hazardous Chemicals) Roadmap to Zero Programme.

Through ZDHC, we are working collaboratively with other brands and industry experts to develop appropriate solutions and encourage adoption of these throughout our supply chain.

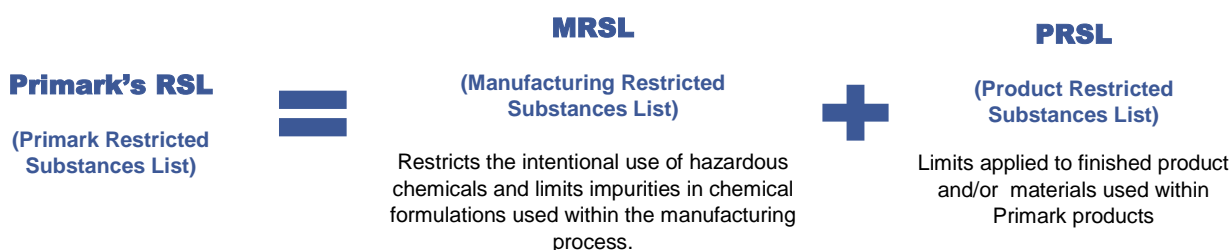
At Primark, we are pleased with our progress to date, but acknowledge that more work can be done, both within our business and across our industry. We will therefore be continuing our engagement and commitment to ZDHC, beyond the 2020 Detox deadline. In-line with this will be the continuous improvement and implementation of our Chemicals and Pollution Management programme across our global supply chain. You can read ZDHC's 2019 Impact Report [here](#).

## Primark's Approach to Chemicals Management

In alignment with ZDHC, Primark's approach to managing chemicals is to restrict hazardous substances from the manufacturing process, instead of only focusing on the finished product. This is aided by shifting the focus upstream, to the very beginning of the supply chain when the fabric/raw materials are manufactured, helping to prevent hazardous substances from entering factories in the first place.

To do this, we use a '[Restricted Substances List](#)' (RSL). In order to restrict hazardous substances from our manufacturing processes, we have also incorporated ZDHC's Manufacturing Restricted Substances List (MRSL) into our own RSL.

Our RSL is continually updated and includes restrictions on many chemicals that go beyond current legislation, including those from our 2014 Greenpeace Detox commitment.

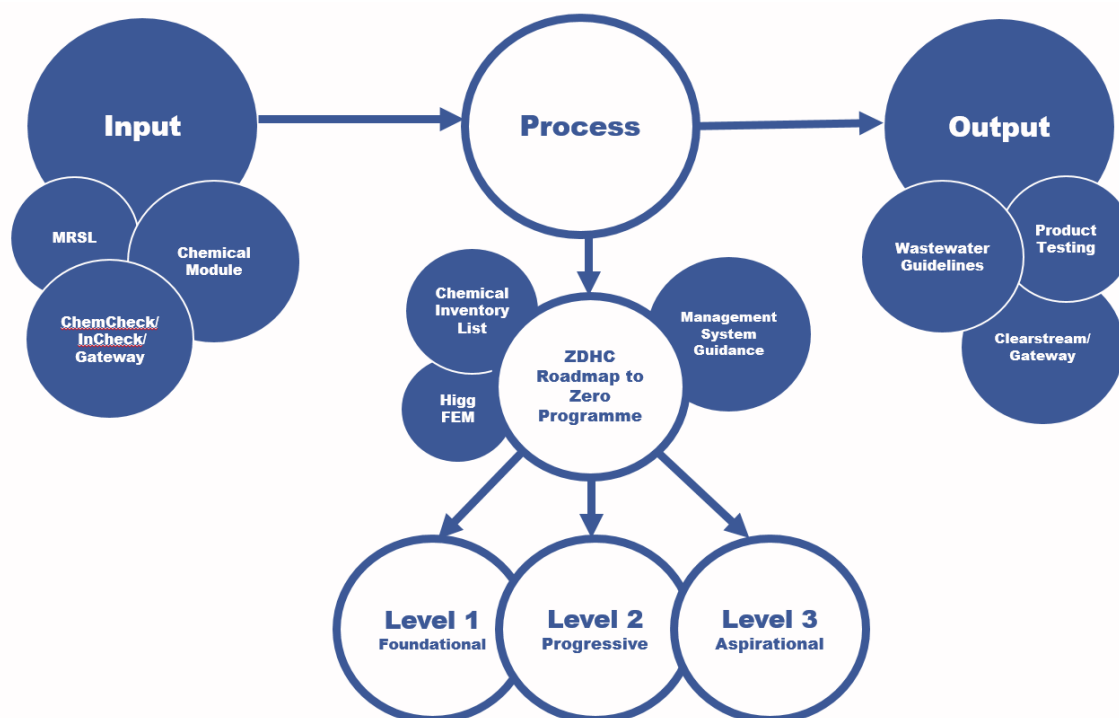


## ZDHC Programme Factsheet

Primark is instrumental in the development of the ZDHC Programme and remains a member of its leadership board.

### The ZDHC approach

To drive sustainable chemical management in the textile and leather industries, ZDHC actively engages contributors to collaboratively create tools and standards to be implemented in the supply chain. ZDHC have developed a holistic approach to chemical management by developing tools focusing 3 key areas: **input, process, output**.



### Input

The Input focus area is the foundation of the ZDHC Roadmap to Zero Programme. The tools developed promote better input chemistry upstream in the supply chain, shifting the focus from finished product compliance to input conformance. The tools provided in the Input focus area can be accessed [here](#).

### Process

The Process focus area is where good chemical management practices are encouraged in the day to day operations of production facilities. The Process focus area facilitates the development of several different chemical management tools and recognises the chemical management module of the Higg Facilities Environmental Module (FEM) 3.0 a dedicated assessment tool. Read more about the Process focus area [here](#).

### Output

Tools developed in the Output focus area help to verify the work from the Input and Process areas. Discharged wastewater and sludge must be treated properly in order to protect local environments and those who depend on them. The tools in the Output focus area focus on wastewater management and can be found [here](#).

## Primark's Implementation Toolkit

Primark's RSL is underpinned by our Implementation Toolkit - a set of guidance and standards to support suppliers in implementing the RSL and develop better approaches to chemical management.

**We have delivered over 7,000 hours of training on our Implementation Toolkit through face-to-face workshops, site visits and meetings.**

**We believe that working with and educating suppliers is critical to achieving lasting, sustainable change.**

### Primark's Implementation Toolkit



## CleanChain™ Chemical Module

To help support our suppliers in chemical management, we believe in providing them with the best available technological solutions. Over the past year, Primark has been working closely with ADEC Innovations to develop a more streamlined chemical management programme through their online [CleanChain™](#) platform.

### Q: How does CleanChain™ work?

CleanChain™ is smartly linked to the [ZDHC Gateway \(Chemical Module\)](#) - formulations declared by suppliers on CleanChain™ are programmed to auto-match with verified ZDHC-level formulations.

### Q: How does CleanChain™ benefit Primark suppliers?

CleanChain™ helps suppliers to gather data from diverse and disparate sources; streamlining chemical information management and reporting processes. This means reducing administrative hours and therefore saving time and increasing engagement.

As the application is linked to ZDHC Gateway data, it gives suppliers unprecedented insights into better and more responsible chemical use, which over time can save suppliers huge costs.

**Q: When are Primark launching CleanChain™?**

We will be rolling out this platform across our supply chain following completion of the pilot

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**Case Study: Supplier Interview**

Supplier X is located in Bangladesh and produces jersey products for Primark. It has a dyeing capacity of 30 tonnes per day.

**What have you learnt from Primark's Chemical and Pollution Management Programme?**

*Chemicals are integral to almost all sectors of society, and their sound management is essential for protecting human and environmental health. Our initiative was started with Primark. We have learnt about chemical and pollution management from this programme. This program covers management of chemicals harmful to human and environmental health, including CMR (carcinogenic, mutagenic or toxic for reproduction) chemicals, ODS (ozone depleting substances), heavy metals and others in the MRSL (manufacturing restricted substances list). We have learnt about ZDHC (Zero Discharge of Hazardous Chemicals) and Detox (Greenpeace) programme and also PRSL (product restricted substances list).*

**What improvements have you seen in your facility since attending training on Primark's Chemical and Pollution Management Programme?**

*There are lots of improvement and development work done in our facility. Secondary containment system, GHS (Globally Harmonised System) standard SDS (Safety Data Sheet), specialized inventory, ZDHC wastewater testing according to ZDHC wastewater guideline. Necessary policy related to chemical and pollution management was developed. We have also received the chemical inventory format from Primark which is very helpful for us.*

**How have the workers in your facility benefited from Primark's Chemical and Pollution Management Programme?**

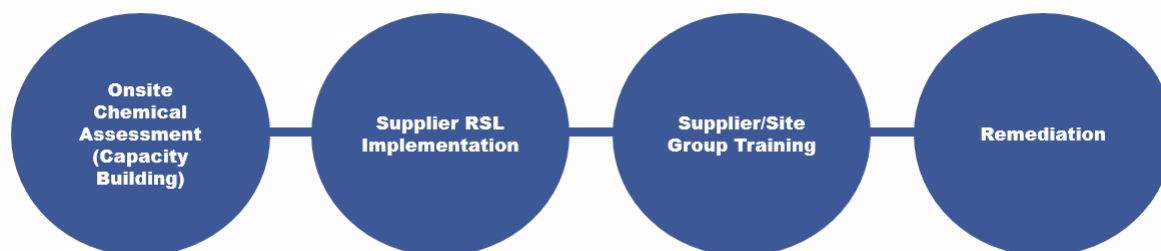
*The representative from our top management and EMS (Environmental Management System) responsible attended the training program. We have shared our training knowledge with the workers and staff level, directly or indirectly related to the chemical consumption. We have changed some of our working procedure according to the brand requirement. We arrange chemical management training program on regular basis. So, our workers can get the benefit of this programme from us.*

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**Capacity Building**

At the heart of Primark's approach to eliminating certain chemicals is our team of in-country environmental sustainability experts who work directly with our suppliers and factories around the world. Through our collaboration with ZDHC, we also continue to support and communicate ZDHC Training Academy-certified training sessions.

Our local activities focus on four key areas:



## Achievements in 2019

In 2019, we have seen a significant improvement across our global supply chain on achieving our stringent RSL requirements.

We have established an international network of laboratory partners who provide support by helping train our key suppliers. Our plan for 2020 is to expand this initiative to cover much more of our supply chain.

We have enhanced our remediation programme to include a free, additional refresher training course on chemical management for suppliers.

Performance indicator	2018	2019
Number of total training hours delivered across our global supply chain	2698	4072
Number of facility representatives trained across our global supply chain	1108	1424

## Compliance Testing

As part of our commitment to Greenpeace’s Detox Campaign, in 2015, we banned the use of APEOs, PFCs and Phthalates from our supply chain. These substances form part of our finished product compliance programme and are tested across all applicable product areas.

In 2019, we have seen a significant increase in compliance with our programme and elimination from our supply chain across these chemical groups, and we continue to invest heavily in both ZDHC and our supply chain, working closely with them to eliminate the use of these substances from the industry.

Chemical groups banned as part of Greenpeace Detox commitment	2019
APEOs	Failure rates decreased by 68% since 2018
Phthalates	Failure rates decreased by 58% since 2018
PFCs	Failure rates remained at zero since 2018

## Due Diligence Testing

In conjunction with compliance testing, Primark operates a due diligence testing programme to ensure that our supply chain complies with the voluntary restrictions on chemicals outlined in our RSL.

Chemical groups restricted as part of Primark's RSL	2019
Aniline	100% pass rate
Chlorobenzenes	100% pass rate
Glycols	100% pass rate
Chlorophenols	100% pass rate
Chlorinated solvents	100% pass rate
Chlorotoluene	100% pass rate
Flame retardants	100% pass rate
Formaldehyde	100% pass rate
Chlorinated solvents	100% pass rate
VOCs	75% pass rate

### Case Study: Phthalates remediation

**Product:** Slipper                      **Material:** Multicolour plastic (upper)

**Chemical Failure:** Bis (2-ethylhexyl) phthalate (DEHP) 5.31%, Diethyl phthalate (DEP) 0.006% (limit: total<0.1%)

**Result:** Primark supplier sourced a locally manufactured formulation not complaint with Primark's RSL. By following Primark's remediation process and using our Implementation Toolkit, the supplier was able to train their facility on how to eliminate the restricted chemicals. The facility also introduced a testing program to ensure ongoing compliance with Primark's RSL.

### VOC failures

Consistent with our approach to any chemical failures found in our supply chain, we have initiated our remediation process which involves working closely with our suppliers to identify root-cause and develop a corrective action plan.

### Wastewater discharge in our supply chain

Primark remains committed to the adoption of ZDHC's Wastewater Guidelines. We continue to communicate our expectations regarding wastewater to our product suppliers with a



comprehensive training and awareness programme due to be rolled out in early 2020. The ZDHC Gateway – Wastewater portal has been operational since July 2017.

In October 2017, we disclosed test results from 8 of our wet processing sites in Bangladesh. This was scaled up to 32 sites for the October 2019 test cycle. Moving into 2020, we are working on scaling this even further to include priority sites from our other key sourcing countries; China, India, Turkey and Vietnam. In addition to this, nearly 40 priority sites in China disclosed Pollution Release and Transfer Register (PRTR) data on IPE - a considerable increase from 2017. We will continue to encourage more sites to disclose PRTR data.

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 improvements to the Gateway.

### **Case Study: Sulphite remediation**

**Product Type:** Textiles

**Areas identified for remediation:** Sulphite

**Result:** Supplier identified sulphite presence when testing their treated wastewater. As part of the Primark remediation process, they reviewed their chemicals and processes to identify the source of the sulphite. The supplier changed to an alternative product which contains less sulphite. They also modified their application process which means less product is required to achieve the desired effect.

### **Primark and the IPE**

This year marks Primark's 3rd year of supporting China's [Institute of Public and Environmental Affairs](#) (IPE) environmental portal to drive industry-wide improvements. The institute is a non-profit environmental research organisation which encourages suppliers to take ownership of their own supply chains and their impact on the environment. IPE hosts a world-renowned online platform which asks suppliers to publicly disclose their environmental data, including water and energy consumption, wastewater discharge and emissions. Brands may then take the initiative to help their suppliers improve on their environmental practices. Primark's China team of environmental experts continue to actively engage with suppliers and sites with issues, through training and on-site remediation.

In 2019, Primark maintained its top 10 rank in IPE's Corporate Information Transparency Index (CITI). The CITI was developed by IPE and the Natural Resources Defence Council (NRDC) and assesses 400+ brands' environmental management of its supply chains

Our 2018 initiative to encourage more of our key supplier sites to proactively disclose their environmental performance data has also delivered considerable results:

IPE Achievements	2017	2018	2019
Primark ranking on IPE amongst brands in China	Top 30 out of 267 brands	Top 10 out of 306 brands	Top 10 out of 438 brands
Number of sites Primark has reviewed through IPE's database	462	623	1000+
Number of priority sites who have disclosed Pollution Release and Transfer Register (PRTR) data on IPE	3	19	38

### Case Study: IPE violation remediation

*Fabric dyeing mill Y* is located in Zhejiang province, China. It produces dyed yarn and fabric for two of Primark's key suppliers with an annual dyeing capacity of 15,000 tonnes of fabric and 15,000 tonnes of yarn.

Between 2013 and 2017, *mill Y* had several violation records in the IPE database for wastewater discharge exceeding applicable standards. In early 2018, Primark invited the mill to participate in several training courses in environmental management and data reporting as well as chemical management and legal compliance. Following this, the mill delivered training to their workers on the best practices to follow for the daily operation of an effluent treatment plant. Additionally, the mill renovated their solid waste storage house in order to ensure correct storage of solid waste after wastewater treatment.

In December 2018, Primark followed up with the mill and encouraged them to arrange an onsite audit by a 3rd party, for further improvement. Following the audit, the mill renovated their chemical storage area with anti-seepage coating, upgraded their sewer system to separate rainwater from industrial wastewater and increased their monitoring of Total Antimony in their wastewater discharge.

Following these improvements, in April 2019, IPE removed the mill's violation records.

### Chemicals in our stores & distribution centres

Primark is currently rolling out several 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 also reduces environmental impacts 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 and will help us to reduce water consumption, packaging waste and the use of hazardous cleaning chemicals across these locations.

To date the project has been rolled out to 54 stores across ROI, NI, France, Spain and the UK.

## RESOURCES & WASTE

### Minimise waste across business operations and our supply chain.

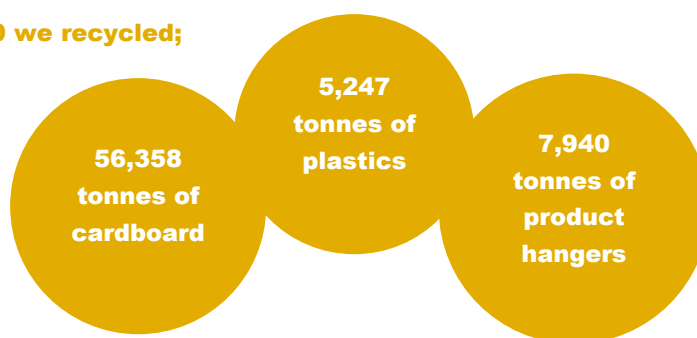
We define waste as either operational waste (arising from our direct operations) or supply chain waste (produced by our suppliers and factories). We also take responsibility for waste produced by our suppliers on our specifications (e.g. transit and product packaging) and the waste created when our products reach the end of their usable lives.

### Our operational waste

Primark has successfully diverted 96% of the waste generated by our direct operations away from landfill. The continued use of our own dedicated Resource Recovery Units (RRUs) at our distribution centres in the Czech Republic, Germany, the Netherlands and the UK has contributed significantly to the improved performance in this area. In these units, the cardboard, plastic and hangers collected at our Austrian, Belgian, Dutch, French, German and UK 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 five RRUs in separate distribution centres throughout Europe and more than 260 stores are participating in the backhauling process.

In 2018/2019 we recycled;



### Premises Waste

We encourage employees to reduce waste wherever possible. Unsold stock and buying samples are donated to our charity partners. At our head offices in Reading and Dublin we are working to improve our waste management, including removing all disposable coffee cups from our canteen and giving employees reusable water bottles which can be refilled at one of the water stations in our office.

## Case Study: Clothes Recycling Project

We trialled an in-store recycling scheme for our customers' in April this year at our largest store in Birmingham. The scheme seeks to make Primark stores a collection point for unwanted garments, textiles and shoes, from any brand. From there, using our distribution networks we are then able to process collected items. The guiding principles for this project are:

- As much as possible of the clothing collected is re-worn.
- As much as possible of the clothes that cannot be re-worn is recycled into yarn to be used in new clothes. This should increase over time as technology improves.
- Profits should go to charity
- The model should be simple, flexible and auditable – integrating as seamlessly as possible into Primark's existing operations.

We are committed to rolling out the project in all of our stores.

## Unsold merchandise

In Europe we have been donating unsold merchandise to the charity [Newlife](#) since 2010. Newlife specialises in providing support for disabled and terminally ill children and their families. Newlife collect, sort and recycle these clothes to raise funds to support their ongoing work. Our partnership has so far raised over €3 million for Newlife.

In the U.S. we partner with not-for-profit organisation [Delivering Good](#). Our U.S. stores donate unsold clothing to the organisation, which then redistributes the items to those in need around the world.

## Sustainable Clothing Action Plan (SCAP)

Along with other leading UK brands, Primark is a signatory of the [Sustainable Clothing Action Plan](#) (SCAP) an initiative that brings brands together, including retailers, charity retailers and textile recyclers to reduce the impacts of clothing consumed in the UK.

SCAP has set targets to reduce waste;

- 15% reductions in the carbon and water footprints of clothing placed on the market in the UK by SCAP retailers and brands, measured per tonne of garment sales;
- 3.5% reduction in waste arising over the product life cycle across all SCAP signatories; and
- 15% reduction in clothing waste going to landfill and incineration (energy from waste) in the UK.

Fibre composition is a key driver affecting recyclability. Tracking fibre composition is therefore an important part of the SCAP reporting process. Our programme is focused on improving data quality in this area to better understand our fibre mix, and how this is expected to change over time.

## Environmental Performance Report 2019

The headline results show a reduction in each of the carbon, water, and waste footprints compared to 2012.

The table below highlights all SCAP members' headline results for 2012 – 2018, highlighting % reduction per tonne reported for each year across all members.

<b>Indicators</b>	<b>Target</b>	<b>2012-2016</b>	<b>2012-2017</b>	<b>2012-2018</b>
Carbon footprint (t CO <sub>2</sub> e per tonne)	-15%	-10.6%	-11.9%	-13.4%
Water footprint (m <sup>3</sup> per tonne)	-15%	-13.5%	-17.7%	-18.1%
Waste footprint (tonnes per tonne)	-3.5%	-0.8%	-1.1%	-1.4%
Clothing in household residual waste (tonnes)	-15%	-14%	Not updated	-4%

# ENERGY & GREENHOUSE GAS EMISSIONS

**Take responsibility for our greenhouse gas emissions and improve energy efficiency across our business and supply chain.**

## Our Energy Reduction Group

Energy represents the largest proportion of our greenhouse gas emissions from our direct operations. The Primark Energy Reduction Group (ERG) has continued its work on energy efficiency and carbon reduction over the past two years. The ERG's work is outlined below:

### Energy governance

Following last year's decision to pursue **ISO 50001** accreditation for the Energy Management System (EnMS) operating throughout ROI and UK, certification was achieved in November 2018 – three months ahead of schedule. The next stage was to extend the system to cover all energy sources across all stores, offices and distribution centres throughout Europe. Certification for the extended system was achieved in September 2019.

The scope of the EnMS will be extended in 2020 to cover stores, offices and distribution centres in our emerging European markets as well as the US.

### Extending the scope of our Energy Management System

With the extended scope of the EnMS, our energy team is now monitoring energy consumption across all European stores. Site Energy Reports (SERs) are being issued for over 90% of all sites, enabling store managers to engage with staff to positively affect energy consumption. The ERG is currently focussed on improving the immediacy of these reports, making them more relevant to the store managers.

All Primark store colleagues must complete the online EHS Induction course which is refreshed every two years. There is energy content included in the Environmental section of this course. Additionally, a separate 30-minute online course has also been developed for the energy champion in each store. The energy champion is generally the Store Manager or their appointed delegate.

## Energy efficiency measures

Our facilities management and store operations teams are constantly on the look-out for practical measures to reduce our energy use.

### In store

The most significant impact has been achieved by the introduction of the all-LED lighting solutions. Electrical intensities for lighting have reduced by approximately 50%. Utilisation of ventilation systems and management protocols have also led to energy reductions.

### At our distribution centres

The lighting fixtures at our Thrapston Distribution Centre have been replaced with a highly efficient LED lighting system. The system includes extensive presence detection to ensure lighting is only used when required. Over the next twelve-months, this is expected to reduce energy consumption by approximately 60%.

### Our Building Management System

We have a well-established Building Management System (BMS) in place, providing real-time energy use data to our Facilities Management team. Its roll-out over the past few years has highlighted some challenges in ensuring we use as little energy as possible at our sites.

Our emphasis on re-invigorating the high street means that our stores are often located in older city-centre buildings with more pronounced energy efficiency challenges. This led to our BMS, in some cases, not working as designed. For example, where older buildings did not have basic energy saving features found in modern buildings.

Last year the BMS Reset Programme kicked off a review and improvement schedule to ensure the BMS was working as expected. This process continues as we seek to maximise efficiency at each one of our stores.

### Our distribution networks

Throughout 2019 our Logistics team has worked hard to help reduce the greenhouse gas emissions associated with our distribution network. The European Control tower (our central team of logistics experts) has seen a 25% increase in the use of more efficient double-deck trailers on high volume routes, saving 350,000 road kilometres across the network and enabling 340 tonnes of CO<sub>2</sub>e to be saved. This has increased the use of short-sea ferry crossings on our distribution centre routes (those connecting two of our distribution centres) such as Naas to Roosendaal and Bor to Naas, which has further reduced CO<sub>2</sub>e emissions and 'land kilometres' per unit. In the UK and ROI, the increased use of double deck trailers on trunk and retail legs and increased consolidation of goods from Thrapston & Islip DCs resulted in 630,000 less road KM's and an emission reduction of 612 tonnes of CO<sub>2</sub>e.

We have also adopted smarter working through improved vehicle-fill (such as double-stacking). This has created space for an extra 100 cartons per truck on average, which has reduced the transportation demand and associated emissions.

The Liquefied Natural Gas (LNG) initiative in eight Spanish and Portuguese stores contributed to an emission reduction of 1,800 tonnes of CO<sub>2</sub>e in 2019. Similarly, the elimination of waste movement initiative in Italy contributed to 1.2 million less KMs driven and an emission reduction of 2,200 tonnes of CO<sub>2</sub>e.

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## Case Study: Carton Optimisation Project

Our Carton Optimisation Programme is at an advanced roll-out phase, with 200 suppliers across eight countries now fully trained and on-boarded, representing over 75% of Primark's inbound carton volume.

The programme provides guidance to suppliers on how to accurately measure their products to eliminate empty space in shipping cartons, whilst also optimising the carton dimensions for maximum utilisation of ocean containers and warehouse pallets.

Over a nine-month period the programme has so far saved 2.26 million square meters of corrugate material from being produced, shipped and recycled (representing an approximate reduction of 4% in overall volume). The programme has also reduced the cubic metre volume of cargo shipped by the equivalent of 1,400 standard high cube containers (a reduction of approximately 2.5%).

From a combination of reduced corrugate material volume produced and recycled, as well as reductions in ocean freight, air freight and haulage, the programme saved over 9000 tonnes CO2e in the same 9-month period.

This project was won the Environmental Improvement Award at the Supply Chain Excellence Awards earlier this year.

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## Energy management in the supply chain

One of the greatest challenges to understanding, measuring and reducing energy use in a global supply chain remains accurate and up-to-date data. While we are monitoring energy and emissions through Sustainable Apparel Coalition (SAC) HIGG Index, we are also introducing our CleanChain™ platform to the supply chain to ensure that the suppliers are aware of their local laws on energy management. We remain committed to reducing our greenhouse gas emissions in the supply chain in the coming years.



## WATER EFFICIENCY & CONSERVATION

Identify, take responsibility for, and minimise water use in business operations and the supply chain.

### Clean by Design Program

Textile dyeing and finishing are usually resource intensive processes which consume considerable amounts of energy, water and chemicals. The mills typically provide fabric or yarn to brands all over the world. The Clean by Design (CbD) programme, based in China, is a collaboration between brands and organisations to drive improvements in manufacturing processes at such sites.

Primark works with the Natural Resources Defence Council (NRDC) and the Apparel Impact Institute (AII), to raise process efficiency, reduce waste and emissions and improve the performance of environmental management systems.

At present, Primark supports three mills in Zhejiang and Shandong provinces to participate in the CbD programme which was kicked off in 2018. Throughout the program, participating mills complete the Higg Facilities Environmental Module to track and report the resource use, using it to evaluate improvements. They also complete online training courses, attend workshops and meet with our In-Country teams to ensure understanding of the programme and its aims. An on-site assessment by experts in the manufacturing process is conducted to build capacity and identify opportunities in accordance with NDRC's [10 best practices on energy and water management](#).

Once Primark has discussed the findings of the on-site assessment with the factory, we help the factory to develop and implement action plans to address issues. This action plan is subject to follow up and review at regular intervals.

This multi-stakeholder approach is nuanced and requires us to approach the project in the spirit of continual improvement.

### Primark Sustainable Cotton Project (PSCP)

Primark Sustainable Cotton Programme (PSCP) was launched in India in 2013 for 1,251 female cotton farmers. This is a partnership with agricultural experts CottonConnect alongside implementation partners including local NGOs. The programme has a focus on reducing water use in growing cotton and has resulted in a 4% reduction so far for those farmers in India who participated in the first three years of the programme.

What started as a way for Primark to be able to be transparent in its supply chain, by directly tracing the sustainable cotton from cotton field through manufacture to delivery to Primark's stores, has become much more than that for the farmers in rural communities. Not only has the training helped to minimise environmental impact, by reducing water, chemical fertiliser and pesticide usage, but the methods have also increased yields and created significant increases in income for the farmers.

In 2019 we announced a five-fold expansion of the programme in terms of farmer numbers and launched it in a third country, China, meaning that, by 2022, more than 160,000 farmers will be trained in more sustainable farming methods.

# APPENDICES

## Appendix 1: Our annual impact assessment

Each year, Primark undertakes a comprehensive assessment of its environmental impacts. The purpose of this process is to take a snapshot of our impacts to help inform our strategic decision-making. The methodology has been developed with the collaboration of professional services company Jacobs and shall be updated and refined as we expand the data sets which inform it. Our significant environmental impacts as per the 2019 assessment are shown below;

Aspect	Significant Impact Areas
Office, stores, inspection and distribution centres	Energy use and emissions Specification and procurement Waste management Property acquisition/disposal
Central buying offices	Product labelling Consumer engagement Product compliance Corporate travel Employee commuting
Product manufacturing	Wet processing e.g. dyeing Product printing Fabric production (mills) Leather pre-treatment and tanning Cosmetics Jewellery
Materials	Acrylic Cotton Elastane Nylon Polyester Viscose
Territories	Bangladesh Cambodia China India Pakistan Turkey Vietnam Turkmenistan (Banned) Uzbekistan (Banned)
Logistics	Air freight emissions Road freight emissions