



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

KPMG LLP has provided limited assurance over the collation of selected performance data for the years ended 31 December 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 marked with symbols  $\Delta$ ,  $\lambda$ ,  $\Omega$ ,  $\partial$ ,  $\alpha$ ,  $\infty$ ,  $\mu$  and  $\wedge$  respectively. The full assurance statement for 2017 can be found in the “Annual Performance” section of the Primark Ethics Website.

#### Annual performance data 2017

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

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

We audit every factory at least once a year, sometimes more, to check whether the standards in our code are being met.

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

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

- The below shows the number of audits conducted each calendar year. 2017: 3413 audits conducted  $\wedge$
- 2016: 2994 audits conducted  $\mu$
- 2015: 2629 audits conducted  $\infty$
- 2014: 2412 audits conducted  $\alpha$
- 2013: 2058 audits conducted  $\partial$

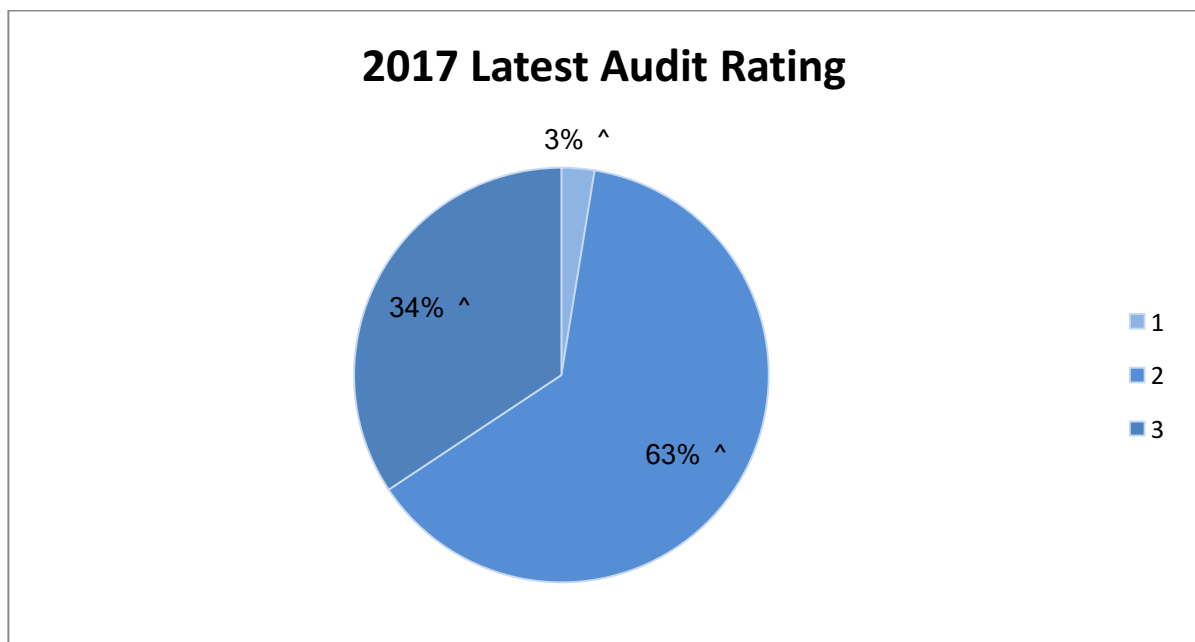
- 2012: 1825 audits conducted  $\Omega$
- 2011: 1727 audits conducted  $\lambda$
- 2010: 1266 audits conducted  $\Delta$
- 2009: 1136 audits conducted

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

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

In summary, the ratings are:

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



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

<b>Data point</b>	<b>Definition</b>
<b>Number of audits conducted</b>	<i>Number of factories audited against Primark's Code of Conduct during the calendar year; and the 79 factories which have been audited on behalf of the ILO and we have accepted these audits in place of our own. This figure includes 38 incomplete audits where we were unable to gather all relevant information during the factory audits. In these cases we perform additional follow up investigations. The data includes a selection of approved subcontractors. They would perform specific manufacturing operations that the main factory is not capable of doing in their own facility, such as printing or embroidery.</i>
<b>Most frequent non-compliances identified</b>	<i>Most frequent category of non-compliances identified following factory audits during the calendar year. Primark's Code of Conduct includes twelve categories of non-compliances.</i>
<b>Ratings for all sites audited</b>	<i>Percentage of factories at grade 1, 2 and 3 following a Primark Code of Conduct audit during the calendar year. Where a factory has had more than one audit in the year, the latest audit result is used. The data includes a selection of approved subcontractors. They would perform specific manufacturing operations that the main factory is not capable of doing in their own facility, such as printing or embroidery.</i>