

Laura Ashley's submission 'Let's Clean up Fashion' 2009.

Thank you for your recent letter inviting Laura Ashley to provide an update on the progress made during the last year for the 2009 Let's Clean up Fashion report. We have previously submitted our Social Compliance Policy, which remains unchanged from last year, but please find it enclosed again for your ease of reference.

Laura Ashley is committed to trading ethically and is continuously looking at ways of improving working standards with our supply partners. This is based upon the belief that our business can be profitable and responsible at the same time. We know that this is what our customer expects. Building long term, meaningful relationships with our suppliers has always been good business practise for us as a smaller fashion retailer. All of our suppliers are contractually committed to our Social Compliance Policy and to support our policy we have two technologists who carry out factory audits throughout the year. The limitations of such audits are already known but we find them valuable nevertheless because we can learn more about the employment practises and working conditions. Recent audits have shown us that workers earn more than the set minimum wage in many cases and we are now trying to determine what the gap between these earnings and the living wage should be, and what the implications to our business are.

The countries audited this year so far are Russia and the Ukraine and the next planned trip is for China during September and October 2009. In addition, the Head of Buying and Quality UK and the Director from the Hong Kong office will be carrying out further audits in the China region, during December 2009.

FTSE4Good

Laura Ashley has been listed in the FTSE4Good index for over 6 years. The index is a series of benchmark and

tradable indices for responsible investors. To qualify for inclusion, companies must meet criteria requirements in five areas: environment, stakeholder relationships, human rights, supply chain labour standards and countering bribery.

We continue to meet the requirements designed to reflect a broad consensus on what constitutes good corporate responsibility practice.

Laura Ashley Fairtrade Cotton.

During 2009 Laura Ashley launched a range of Fairtrade cotton t-shirts. Fairtrade is all about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay sustainable prices Fairtrade addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers. It enables them to improve their position and have more control over their lives. Our cotton comes from Cameroon and the product is manufactured in Mauritius.

We will also continue to avoid procurement of Uzbek cotton until such time that child and forced child labour are eradicated from the production process.