

# L A U R A   A S H L E Y

Although our written policy has not changed from the one sent last year the following points should our current working methods in more detail.

Laura Ashley has carried out factory audits for many years. We currently have 2 internal technologists who carry out factory audits for fashion. Most recently they have carried out audits in Turkey - during December 2006.

## **The audit measures the following –**

- Sound sourcing policy
- Health and safety procedures
- Technical competence, suitable to product
- Quality assurance systems

## **Sections covered in HR section -**

- Working Conditions
- Health and Safety
- Child Labour
- Discrimination
- Environment
- Welfare

## **Areas covered -**

- Living quarters - for toilets, running water, means of heating, sleeping environment.
- Fire exits in both dorms and factory floors.
- Spontaneous checks on employees are made to ascertain age, that wages are national average, on holiday allowance and training.

If a shortfall is highlighted, an action plan must be instigated to rectify this and be agreed by all parties, with a timescale for action.

A more detailed list of questions are available on request.

Before the team visit a country they find out the legal requirements which must be adhered to, such as minimum wage level, minimum legal working age, working hour limits etc, so this can all be checked.

We provide a detailed supplier manual to our supplier, which states the criteria they will be measured against. We ask our suppliers to sign in agreement to adhere to our supplier manual and the policy set within (as your copy). This manual is currently being updated.

Sub-contractors have to sign and agree to our terms also and must be audited to the same level as contracted factory.

We have used this UK team to check and audit our Chinese factories in the past (some done in 2006) but most recently have used our Hong Kong buying office to carry out full audits. This has happened April 2007. The next target for our UK team is to audit factories we have used in Romania - a fairly new route for us.

Our technologists here in the UK have attended an SGS course on factory evaluations and we are currently looking at a new course on ethical auditing for both home and fashion team. After this, it is hoped that we can move towards changing our audit form to include more info on trade unions and worker interviews and raise the bar generally.

### **Organic cotton**

We have launched our Archive Collection in SS07. This was made from 100% organic cotton. We were keen to trial this as a process so we can take these values through to our main range. Although the cost of organic cotton is significantly higher than normal cotton we felt it was import to give our customers the same retail prices and therefore took a reduced margin. In turn the farmers of organic cotton typically receive 20% premium for their crop, a real benefit to them, in terms of improved income, health, livelihood and food security.

The company, at a top line level, are meeting to develop a more in depth strategy covering environmental and ethical issues. We feel very strongly that this should be presented to our customers and that we should set ourselves targets to aim for. Our current code of practice would then be updated. We also feel our brand heritage positively encourages quality and a more built to last feeling and although our fashion business is a small part of Laura Ashley, around 20%, and our buying power is smaller than our high street competitors, we are hopeful we can help make positive change.