

Group Secretarial Department
Ground Floor
50-51 Russell Square
London WC1B 4JA

Tel +44 (0)20 7399 6500
Fax +44 (0)20 7299 3642
www.abf.co.uk

Mr Martin Hearson
Campaign Coordinator
Labour Behind the Label
38, Exchange Street,
Norwich,
NR2 1AX

15th July 2008

Dear Martin,

Once again thank you for this opportunity to update you and Labour Behind the Label on our progress since our last correspondence on your Clean Up Fashion campaign nearly twelve months ago.

2007 has once again been an active year in the implementation of our Ethical Trade Programme. It marks the first complete year of Ethical Trade Initiative (ETI) membership, only the second in our focussed strategic approach to implementation of ethical trade within the business. Our global team with the specific responsibility of ethical trade has grown three fold with a local area Manager recruited in India and China, and we are actively recruiting further.

Auditing along side remediation has continued at the high rates established in 2006. We are now actually seeing a number of factories we have worked with from early 2006 progressing to a status all non compliances have been cleared. We believe that for the most part working with unannounced and semi announced audits has been key to this success along with the local engagement through our own staff who have been working tirelessly with suppliers and their employees to achieve sustained change.

In 2007 we have continued to diligently investigate any issues which have been brought to attention either through campaign, via the media or by direct approach through our workers complaints mechanism. We believe doing this all of the issues are addressed and more importantly continue to be monitored.

2007 has also seen the launch of Primark's Ethical website, which we aim to use as a tool to update the public on our activities.

Our ETI Annual report was submitted in 2006 detailing our full strategy. This was done voluntarily as it is not a requirement in any members first year. We have recently received the feedback on the 2007 Annual report from the ETI and its NGO caucus. Both have acknowledged the continued positive activity within our supply chains " the report was particularly impressive give that Primark is a relatively new ETI member"

Turning to the specifics of your report:

Wages

The Primark Code, in line with that of the ETI, does require wages to be paid at the legal minimum or industry accepted standard where a legal minimum does not exist, whichever is the higher.

Where factories do not meet these requirements we have actively engaged with them on a measured remediation plan, and progress has been positive.

As previously stated, we are very aware of the complexities of identifying a living wage which can be applicable to an industry and region, and have actively requested support from the ETI in doing so. In early 2008 we were very pleased to be invited to the ETI Wages group initial meeting as a founder member of this group. Progression has been painfully slow, and we have just been notified that the project has been suspended by the ETI, much to our concern, until they can get some of their larger founding members to participate. In any event we are actively looking for on the ground partners to enable us to run a small pilot in India, independently of the ETI.

Freedom of Association

Our audit programme ensures that workers in the facilities visited are made aware of their rights as part of our process. With our audit programme now just 18mths old we are able to build a clearer picture of relative levels of understanding. The initial training programs will be delivered in Bangladesh in September of this year and local international Trade Union members will be assisting with the program.

We have been working on the ground, again in Bangladesh with an NGO who build on the communication of specifically women's issues and the awareness raising of their rights.

In India we are looking at an initiative in the North which will involve training of workers with the sub contractor and home working bases on their basic rights with regard to representation. 2008 will see more resource being located in region, which will be key to taking this work on further.

Methods of Monitoring and Verification

Whilst we agree that as a long term strategy auditing is not the most sustainable approach to the improvement of working conditions within our factories, we do think that it offers the best route to gain a good understanding of our supply base initially and can help remedy many of the Health and Safety issues commonly identified within factory environments. Audits have to link to rigorous and regular follow-up of course.

We are now working with the information from the initial audits and follow-ups to direct more specific activities to encourage remediation of some of the more difficult non-compliances identified. This training is to be delivered to all suppliers through Sept and Oct of this year, using the expertise of several specialists in a multi stake holder approach. Smaller individual forums have already been held in Delhi, Dhaka and Tiruppur, on specific issues.

We have been very careful in the selection of our chosen auditing partners and have clearly defined and tested the process they work with to ensure consistency and accuracy in their results. We have made great efforts to bridge the gap between our organisations and work in close partnership with our chosen auditors, our own buying teams, suppliers' management and our own ethical trade team.

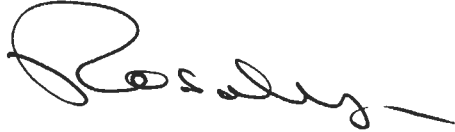
Over half of our audits have been unannounced and the rest semi-announced, in the hope of the most realistic findings. To ensure against inflation (or possible negative impact on the workers benefits) and, as an indication of the companies commitment to ethical trade and to our suppliers, all audits have been paid for by Primark/ABF. Having successfully recruited experienced in country Managers in November of 2007 (some six months ahead of schedule) the company is committed to further resourcing these in-country teams in both India, China and Bangladesh with the addition of five people to the existing teams. This marks a key strategic development in continuing to build on our own resource which will continue to be critical in establishing collaboration with responsible local stakeholders, and progressing remediation further.

We have recognised from the on set that to implement a robust and thorough Ethical Trade Programme takes commitment, time and resource, each in huge quantities. We believe we are making progress whilst we recognise that some of the most sensitive issues will take time to improve. Our commitment to achieving this does not waiver.

I trust this gives you a thorough update on our activity, but if you require any additional information or further clarification do not hesitate to contact me. I would welcome the chance to comment further on your updated report before it is published.

Yours sincerely

Rosalyn

A handwritten signature in black ink, appearing to read 'Rosalyn', with a long horizontal flourish extending to the right.

Rosalyn Mendelsohn
Director of Company Secretariat & Solicitor