



student action on world poverty and the environment

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Rosalyn Mendelsohn
Associated British Foods plc
50-51 Russell Square
London WC1B 4JA

Dear Ms Mendelsohn,

Thank you for your recent letter and for your suggestion that we meet to discuss the issues that are the basis of our campaign.

Whilst you state that since Primark joined the Ethical Trading Initiative last year 'there has been a huge amount of activity', your letter is very unspecific about the scope and impact of those activities. It would give clarity and purpose to any future meeting if you could be more precise about what activities you have undertaken; what changes have been made to Primark's purchasing policies and practices, and what changes have been made to your relationships with suppliers. Without this kind of information I am inclined to think that any meeting risks being too general and unproductive.

You also explain how joining the ETI has helped Primark realise how the combined buying power of UK-based retailers can "*encourage reluctant factory owners to cooperate more speedily*". With respect, this implies that the problems of exploitative terms and conditions of employment and the integrity of supply chains are caused by unscrupulous overseas manufacturers, and are not the responsibility of Primark or other corporate members of the ETI. We challenge this interpretation.

In the *Report on the ETI Impact Assessment 2006* by the Institute for Development Studies, suppliers reported that they found it difficult to meet the ETI code of conduct, because they were constrained by short lead times, inflexible deadlines, and low prices. The report concluded that often the purchasing practices of retailers make it difficult for suppliers to meet the code of conduct. In order to have a sustainable and long-term impact, ethical sourcing will have to be better integrated into the business practice of global brands and retailers.

In other words, an independent assessment of the impact of the ETI Code of Conduct reaches quite different conclusions to the one you put forward. I accept that many manufacturers will be reluctant to take the initiative to offer better terms and conditions of employment or to ensure that their own supply chain is consistent with the ETI Code, but there is compelling evidence, too, that UK retailers share the responsibility for driving down standards and for the social and environmental exploitation that is a consequence of current practices. It follows that Primark has the power to bring about positive change if it wishes.

The evidence suggests that these positive changes will only be achieved if Primark is prepared to lead the way in making its overall business model compatible with the Code and use its buying power as leverage to improve conditions in its supply chains. For example, on what criteria does Primark select suppliers? And how are suppliers rewarded if they comply with the code, or encouraged to make changes if they don't?

We look forward to hearing from you.

Yours sincerely,

Ian Leggett

Director, People & Planet