

8<sup>th</sup> July 2016

## **Response to Clean Clothes Campaign Reports**

*(Labour on a Shoe String and Trampling Workers Rights Underfoot)*

In November 2015, Clarks was approached by the Change Your Shoes Campaign requesting input into its research, which we actively responded to. We welcome constructive, multi-stakeholder dialogue which aims to improve workers' lives, improve working conditions, and reduce the environmental impact of the shoe industry.

At Clarks, everything we do is built on our strong ethical heritage and the way we do business is underpinned by a strong sense of our responsibilities as an international shoe retailer. Our company is proud of its commitment to corporate responsibility. We attach real importance to the welfare of our employees and those employed by our suppliers, and are committed to maintaining our reputation for fair dealing and retaining the confidence of our consumers.

As a long established global brand we have our own Code of Practice, forming part of our trading terms and conditions, which sets the standards for the way we expect our suppliers to operate in the production of all Clarks' products. The Code includes requirements for environmental impact and management, compliance with all local legal and regulatory requirements and supports the core labour principles and conventions of the International Labour Organization.

It's really important that we understand the working conditions of people making Clarks products and we do this by auditing and assessing our supplier factories. In 2015 the audit programme covered over 99% of our first tier footwear production, i.e. the factories that produce the finished product. We also undertake audits of second tier material and component suppliers. These audits currently cover tanneries and sole suppliers that supply approximately 80% of the volume of these materials from Clarks' nominated suppliers as well as some other component and material suppliers. Using the information gathered during these audits, we work with our suppliers to ensure that the high standards that we expect in our products are reflected in the working conditions in which they are made. Withdrawing our business remains the final sanction.

Only a very small proportion, circa 2% of Clarks total footwear production takes place within Europe. The standards we expect of our suppliers there are the same as for all other sourcing locations

The Clarks business believes governments and employers should set wages that are appropriate for the needs of workers and for the economic conditions in each country. Wages must be set at a level that meets both the immediate needs of workers and ensures the long term security of employment for those concerned.

Clarks is committed to ensuring that all our suppliers pay at least the legal minimum wage.

Clarks has a roadmap of incremental activities planned to further support improvements in working conditions and reduce environmental impacts associated with our products. We are always open to and looking for additional ways in which we can support these either on our own or in collaboration with others and will consider the report findings and recommendations as part of our normal review and planning process.