

COST OF ETHICS IN CORPORATE ETHICS EVALUATION:

Operating in an ethical way may incur additional costs to a business when compared with other retailers and companies who may not do business in the same way. For example, Primark bears the cost of carrying out all audits. Then there are its costs associated with working with ethical partners. An example of this is Primark's partnership with Nari Udyog Kendra (NUK). This is an organisation supporting women's rights and health in Bangladesh. See more information and read an interview with NUK on the Primark website.

NUK has more than 20 years experience in addressing women's rights and labour issues in the ready-made garment sector in Bangladesh. Through this partnership, Primark seeks to identify and address key issues around equal rights, opportunities for growth and career enhancement, as well as training needs within some of its key suppliers in Bangladesh. NUK's expertise in this area helps Primark provide employees and middle management at factories with more intensive support and training on ethical issues.

Costs to Primark of working in an ethical way include:

- the employment of the global Ethical Trade team
- training its buyers on all ethical trade issues
- managing and paying for external audits
- helping suppliers put right issues raised by audits, through training and support from the Primark Ethical Trade team.

However, rather than seeing these activities as costs, Primark believes that they enable the business to operate in a sustainable and well-managed way. Through its remediation programme, Primark's team of ethical managers work with factories to help them find ways of putting issues right and developing sustainable practices.

This provides a benefit to the supplier but also in the long term to Primark, who gains from having suppliers all working to its standards.

Transparency in business

Transparency is an important part of this process. Transparency means the business is open to people seeing how it manages its relationships with suppliers. In turn, suppliers' practices also need to be transparent. The alternative would be for an organization to ignore ethical behaviour. However, this would rapidly lead to a decline in brand reputation and consumers could move to purchasing from competing retailers behaving more ethically. Operating in the 'right way' is therefore not just appropriate for ethical reasons, but is also good business practice.