

George Clothing Ethical FAQs

ASDA is committed to doing the right thing for all our colleagues and suppliers. A dedicated team ensures that everything George sells is sourced ethically.

This is achieved by having long term relationships with a smaller number of factories that are shared with other well known high street stores, through regular independent audits that are measured against the Ethical Trading Initiative's base code requirements and by George colleagues regularly visiting factories.

Due to high volumes of product, fabric is bought by the mile and not the yard to keep prices low for ASDA customers.

George operates ethically and with a clear conscience and does not tolerate abuse of any kind.

ASDA do not directly employ the workers in the factories.

1. Do you use child labour?

- ASDA has very clear policies - child labour is not to be used in the manufacture of any goods we sell. We are committed to doing the right thing for all our colleagues and suppliers.

2. How can you be sure that this doesn't happen?

- We have an extensive programme of factory visits and some of the toughest audit processes in the industry to ensure that our suppliers comply with this policy.

3. How many audits do you do? How many did you do last year?

- As a Global business, Wal-mart carry out over 16,000 independent audits a year in factories all over the world. George has 56 factories in India and 26 suppliers. Last year, we carried out over 100 audits in India. We also need to bear in mind that Gap, H&M, Next and M&S, to name a few, share the same factories as us and will also carry out separate audits year round.

4. Who carries out your audits?

- ASDA employs the services of 3rd party auditors, Bureau Veritas. The assessments are graded on a global system, RAG. In addition Wal-mart also employ 200 global auditors who carry out 16, 000 audits per year.

5. In what circumstances would you walk away from a factory?

- It is not our policy to simply just walk away as this could be potentially devastating for workers and their families.
- We have a programme of continuous improvement. If we find issues with a factory we formulate an action plan. We then have a period of time where the factory responds to our findings - this is usually around 120 -180 days and then we re-audit. We would always aim to work with a supplier to fix any problems - not walk away. If, after this, we still find conditions unsatisfactory, we would then review our contract.

6. How much do we pay our workers?

- This varies by country and skill level. For instance, in Bangladesh there are seven different grades of workers. Pay varies from minimum wage and above and beyond that. Workers can also benefit from overtime and bonuses.

7. Is it a Living Wage?

- The ETI have no one agreed method of calculating a standard living wage. The local legislation in each country may set minimum wage below the considered living wage and as ASDA as a retailer do not directly employ the workers have no control over this.

8. How can you sell jeans for £3 without exploiting workers?

- The margin we make is very slim. Our jeans are made on the same production line as much more expensive jeans. The retail price does not reflect lower standards. The reason they are low in price is due to the huge volume we produce, the fabric is bought by the mile not the yard and we work with suppliers to ensure they have enough lead time to produce the quantity we need.

9. How can you sell a school uniform for £4 without workers being exploited?

- We have given all the factories eight to nine months lead time in order to avoid excessive overtime and also provide continuity of employment in what would otherwise be lean times for production.
- There have been unannounced audits within every factory that supplies the school uniform this month

10. How can you have high fashion, low prices, high volume and high ethical standards?

- Because of economies of scale, we are able to buy large quantities of fabric etc to produce garments, keeping costs low but not at the expense of our suppliers or workers. We have been working with some of our suppliers for over ten years - this enables us to forward plan and work with them to produce greater volumes consistently without any affect on quality.

11. Do you sub contract to factories you don't know?

- No. If we were approached about this, we would need to audit the factory first. If there is a problem with a factory producing what we need, we would work with the factory to ensure they plan properly for orders.

12. Do you use home workers?

- It's our policy not to use home workers and we ask our suppliers to adopt this policy.

13. What hours do garment makers work?

- We adopt the ETI base code which cites that workers should work no more than 48 hours a week and twelve hours overtime - which is optional.

14. What is the minimum age of workers?

- The minimum age dictated by the ETI base code is fifteen, however in some countries there is a locally legislated minimum age which can be lower.

15. How else do you keep prices so low?

- We buy in bulk and work on low margins
- We work with the garment factories to get the best possible prices on fabric and other components, often by aggregating our raw material buying across a number of garment factories
- We buy from countries like Bangladesh that have LDDC (Least Developed Developing Country), as designated by the WTO, enabling us to enjoy the benefit of no import duties or import quotas
- We buy in US\$, as most of our competitors do, but we're passing the benefit of the better exchange rate on to our customers, rather than holding onto it
- We work directly with factories in many cases, cutting out the middle men and their costs, and giving us greater visibility and control over where and how are product is made
- We avoid air freight costs. We give suppliers plenty of time to deliver to the UK without flying stock over. It's all better for the environment.

16. How do you work with factories to help keep prices low and make them more efficient?

- We work with the factories to help them introduce more efficient manufacturing processes, improving conditions, quality and reducing cost
- We use independent third party auditors to monitor ethical and social compliance in factories, but importantly, we then work with the factories to coach them through the implementation of improvements. These improvements, whilst improving worker's conditions, often also make the factories more efficient - eg by improving worker's morale, productivity will increase
- We don't ask our suppliers to invest in heavy overheads like western based design teams - we have a large design team here at George who do the design work for our suppliers
- On lines that do not change from season to season we place orders well in advance, enabling factories to manufacture products when their production lines would otherwise be idle, and their workers laid off