

“Matalan’s Response”, 14 March 2022

Transparency through our operations is important to us so we appreciate you raising this issue with us. We will always work hard to ensure that our policies and standards are upheld by our suppliers and the factories they use, or any organisations that they contract work to on our behalf.

When we work with factories – directly or indirectly - we ask that they fully meet the legal requirements in the countries where they are based, and that they also meet our own policies and standards. To monitor this, we carry out annual audits of our suppliers and their contractors. Our audits check that workers receive clear information about how their salaries have been calculated and that the legally determined minimum wage is displayed clearly within the factory premises – and is correct according to local laws. We do not have reported issues with non-compliance on this basis.

We understand that there is an ongoing legal review into some details relating to the Variable Dearness Allowance (VDA) paid to workers. We look forward to the conclusion of this matter so that there is clarity for all involved. We understand that Creative Group has made a decision to pay the higher VDA that you outline in your letter, before a decision is taken in the legal review.

We will, as always, continue to demand high standards and compliance from all of the organisations that provide products to Matalan.