

Rejoinder from Labour Behind the Label to Boohoo Group's response to BHRRC of 26.06.23

The Boohoo Group appears to be rather disingenuous about its priorities and its business practices. While Boohoo states that they had increased prices to suppliers over the past year due to increasing costs, the story from suppliers is very different. According to our interviews, not a single supplier we spoke to has seen any increase in pricing. Boohoo states it is committed to a 'fair and ethical' purchasing agreements with suppliers and work in an 'open and transparent manner.

[<https://www.boohooplc.com/sites/boohoo-corp/files/2022-12/boohoo-group-plc-responsible-purchasing-practises-v1.pdf>]

Alas they have not shown any evidence of this and their methodology for price calculations remains opaque. LBL has seen many supplier/Boohoo Group conversations over the years – including very recently – where suppliers have provided costings for garments and Boohoo buyers have responded with demands to reduce this by set amounts – sometimes up to a third of the costed price. When suppliers say this is not possible as it would not cover their costs, Boohoo buyers have simply said they will go elsewhere – and they do. This attitude does nothing to support suppliers and contributes to a process whereby Boohoo is simply bullying suppliers to reduce their costs. As we all know suppliers who are forced to reduce their costs, often do this by cutting corners, including lowering wages, not paying full wages, reducing or not paying other benefits and not investing in the health and safety of the factory – in order to stay in business. This is no way to run an industry.

It should also be noted that in Boohoo's response to the BHRRC, it states that energy costs, raw materials and transport costs have increased, however as suppliers have been unable to obtain increases for increased costs of energy and raw materials the current fall is irrelevant. Transport costs are relatively irrelevant to UK suppliers as well. What Boohoo has not said is that warehousing and wages have increased and as our research showed there was no evidence of Boohoo increasing its prices to suppliers to reflect the UK minimum wage from £9.50 to £10.42 in April this year.

We have monitored certain garments which Boohoo had paid for and then requested a re-order at a lower price a few months later. These have actually been on sale at increased prices, which suggests that Boohoo are not only asking suppliers for money off, but also asking consumers to pay extra for an item.

We should also note that this week we saw yet another discount being applied unilaterally by Boohoo to UK suppliers. [<https://www.drapersonline.com/news/boohoo-group-demands-supplier-discount>] These types of discounts which often apply retroactively and are not negotiated represent the very worst form of abusive purchasing practices.

While we respect Boohoo's right to reply according to how it sees fit, LBL would encourage Boohoo to provide transparent policies that reflect actual practice and once again ask to meet Boohoo to discuss how better to protect supply chain workers.

Meanwhile the government appears to be taking absolutely no notice of abusive practices in the garment sector by UK brands and in its response to the Guardian article is instead resorting to referring to stakeholder groups which ended months ago as 'evidence' it cares.

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