

June 2020

Boohoo & COVID-19

The
people
behind the
profits

PEOPLE
OVER
PROFIT

& #GO
TRANSPARENT

#GO TRANSP
BOOHOO

WHO MADE
MY CLOTHES
??????
DO THEY HAVE
UNION RIGHTS
FAIR WAGES
HEALTH

A
WAGE
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LABOUR
BEHIND
THE LABEL



Emerging evidence indicates that conditions in Leicester's factories, primarily producing for Boohoo, are putting workers at risk of COVID-19 infections and fatalities

Introduction

Factories in Leicester are no stranger to illegal working conditions, with numerous reports over the years showing low pay – as little as £3 – and blatant intimidation of vulnerable workers.

Now however, emerging evidence indicates that conditions in Leicester's factories, primarily producing for Boohoo, are putting workers at risk of COVID-19 infection and fatality as some factories have remained open for production during the lockdown, whilst others are now re-opening.

It has been reported by workers that many Leicester factories continued operating throughout the lockdown. The principal cause was sustained orders, primarily from the biggest brand sourcing from Leicester, Boohoo, which continued to operate and trade online. By the 22nd April, even before the lockdown on businesses reopening was lifted, factories were reportedly operating at 100% capacity.

Garment manufacturing is a major industry in Leicester with over 1000 known sites, excluding homeworking. Most factories in Leicester are small workshops, often housed in dilapidated buildings with little investment in building safety and modern ventilation. It is inconceivable that such factories would be able to operate at full capacity whilst ensuring social distancing and adequate COVID-19 protection measures.

We have also heard of workers – positive for COVID-19 – being required to work throughout their sickness in order to fulfil orders.

Boohoo in Leicester

For several years, numerous media reports have detailed illegal practices at Leicester-based garment factories linked to big brands. As a result, many brands have switched to sourcing elsewhere. Only a few remain. The largest of these is Boohoo and its sister brands which dominate the local industry. Boohoo has been operating throughout the crisis and has stopped responding to our requests for details of their measures to protect workers during the COVID-19 crisis.

Generally, Boohoo Group Ltd accounts for almost 75–80% production in Leicester and sources around 60–70% of its production from Leicester. This has reportedly increased in recent weeks to around 80%.

Prior to the COVID-19 crisis, reports of bad practice, underpayment of workers and allegations of non-payment of holiday pay were routine. Industry sources state that it is impossible to produce the units/garments requested by Boohoo for the product price *and* pay workers the national minimum wage. Indeed, wages of £2–3 an hour have been reported as commonplace in Leicester factories supplying Boohoo and other e-retailers.

As it stands, many factories either choose to work with Boohoo, or work with other brands exclusively. Factories producing for Boohoo prefer not to supply other brands as the burdens of auditing and compliance are too strict. However, Boohoo does not seem to provide data from suppliers about work practices or wages. This has increased the divide in Leicester and hastened the race to the bottom in factory practices.

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Recently, at the Boohoo AGM, it was reported that Boohoo's CEO, John Lyttle is set to receive an award a £1.04 million pay-out, and salary increases from 18–30% have been proposed for other senior executives. John Lyttle could also qualify for a £50 million share award if he can increase Boohoo's market cap.

In mid-June 2020, Boohoo acquired the Oasis and Warehouse brands to add to its acquisition of the remaining shares in its sister company PrettyLittleThing. Boohoo also stated that it is expecting a growth of 25% overall for the year 20/21 – after posting an increase of around 44% growth in the first quarter of the year. Boohoo has a market value of £4.6 billion. Due to a surge in online shopping during the COVID-19 lockdown, shares have increased by 22%.

John Lyttle, Boohoo group CEO said: "During unprecedented and challenging times, the Group has delivered a very strong trading and operational performance."¹ This suggests that Boohoo can well afford to invest in decent working conditions for workers in its supply chain – including paying higher prices and developing proper health and safety management with suppliers, but it is not doing so.

1 Mark Sweeny 'Boohoo sales surge as it pays £5.25m for Oasis and Warehouse brands' *Guardian* 17 June 2020 (URL: <https://www.theguardian.com/business/2020/jun/17/boohoo-sales-surge-as-it-pays-5m-for-oasis-and-warehouse-brands> Accessed 27 June 2020)
boohoo group plc – trading statement for the three months ended 31 May 2020, 17 June 2020. <https://www.boohooplc.com/sites/boohoo-corp/files/all-documents/result-centre/2020/q1-trading-update-2020.pdf>

Labour Behind the Label has repeatedly called on Boohoo to improve working conditions in their supply chain. In the past year alone, we have called on Boohoo to commit to paying workers in their supply chain a living wage; to sign the transparency pledge and to protect their workers during the COVID-19 crisis. Despite some engagement with Boohoo on these topics, they have failed to take meaningful action.

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Vulnerabilities linked to ethnicity

In Leicester, it is estimated that most garment workers are from minority ethnic groups. Around 33.6% were born outside the UK (e.g. from India, Pakistan, Bangladesh but also Somalis and increasingly Eastern Europeans). These workers are vulnerable to abuse as a result of their immigration status, language skills, integration in the community (and support mechanisms such as union membership etc) as well as higher unemployment rates. There have also been numerous allegations of links to modern slavery and trafficking.

The lack of documented resident status or entitlement to work means that many workers are willing to accept poor conditions in exchange for a job – even one without formal contracts or minimum wages. This also contributes to a situation where workers are unable or unwilling to speak out about labour rights abuses for fear of being deported or otherwise investigated. The situation is compounded by the UK Home Office hostile environment policy, which focusses on reducing immigration figures through restricting freedoms of people who are deemed to be in the UK illegally. In practice, this targets and punishes migrant workers as opposed to redressing exploitation and promoting a systematic change of labour practices.

At this moment, the disproportionate impact of COVID-19 on the BAME groups and on South Asians in particular is well known. Increased exposure in small factories is particularly dangerous.

Over the last several years the Leicester garment industry received attention from the Ethical Trading Initiative and others, including local authorities. However, several initiatives aimed at eradicating illegal practices have come to nothing. Enforcement has focused on tackling illegal immigration resulting in workers unable to speak out about

abusive working conditions for fear of deportation. At the same time, the dwindling resources of the HMRC, the Gangmasters and Labour Abuse Authority, and other bodies have all meant that there has been no effective pro-active investigation and collaborative work. This has meant that the abuse of vulnerable workers and an almost Dickensian environment in some Leicester factories has continued.

COVID-19 in Leicester

Even as the rate of cases has been slowing down elsewhere in the UK, Leicester cases have been steadily rising. On 1st June, Leicester city had 900 confirmed cases. By the 18th June this had risen to 990. By the 30th June, it was 1056. This equates to a rise of over 5 new cases per day.

These figures reflect the official local breakdown figures, and not the full figures produced by the Department of Health and Social Care. Based on the full figures, the Director of Public Health at Leicester City Council, revealed that there have in fact been 2,494 confirmed cases in the city and that 658 of those cases – roughly 25 per cent – had been confirmed in the first two weeks of June.² The Council later reported 944 positive tests in the two weeks to 23rd June – about one in 16 of total UK cases.³

On 18th June, the Health Secretary Matt Hancock reported that there were two outbreaks in the UK of concern – in Leicester and in Kirklees. Instead of responding to this with details of plans to tackle the rise, the Leicester Head of Health said that it was ‘incorrect’ to say this was an outbreak – rather the city had ‘started to see a surge in cases’.⁴

This focus on semantics and media attention mirrors the response of the central government to this crisis. Regardless of whether this is an outbreak or a ‘surge’, the message is clear. Business as normal in the city’s notorious garment factories cannot continue and is already appearing potentially to be responsible for increased virus cases in the city.

2 Amy Orton ‘Why coronavirus case figures don’t add up in wake of Leicester outbreak announcement’ *Leicester Mercury* 19 June 2020 (URL: <https://www.leicestermercury.co.uk/news/leicester-news/coronavirus-case-figures-dont-add-4244985> Accessed 27 June 2020)

3 Leicester lockdown tightened as coronavirus cases rise <https://www.bbc.co.uk/news/uk-england-leicestershire-53229371> Accessed 30 June 2020

4 Melanie Kaidan ‘Coronavirus latest: Second wave fears as Leicester and Cleckheaton report surge in cases’ *Express* Jun 19, 2020 (URL: <https://www.express.co.uk/news/uk/1298016/uk-coronavirus-second-wave-outbreak-Leicester-Cleckheaton-matt-hancock-lockdown> Accessed 27 June 2020)

Almost two weeks after the issue had been raised, a continuation of 'lockdown' in Leicester has now been announced. However, according to media reports, the local authorities are still not clear on the detailed breakdown of cases, the exact measures the government is enacting to respond to the crisis nor on why there was such a delay in responding to the rise in cases – clearly highlighting the lack of central government communication, a joined-up response and effective monitoring.⁵

According to the media reports, the other 'outbreak' mentioned by Matt Hancock was at the Kober meat processing plant in Clekheaton, Kirklees, supplying Asda. Asda responded by saying it had closed the site down and was committed to ensuring that employees would be tested and those who would need to self-isolate would receive full pay.

Labour Behind the Label has received reports that workers in Leicester's garment factories have been told to come into work – even when they showed symptoms of COVID-19 – otherwise they would lose their job

In Leicester's garment factories however, Labour Behind the Label has received reports that workers have been told to come into work – even when they showed symptoms of COVID-19 – otherwise they would lose their job. We have heard of several incidents, whereby workers who had tested positive were told to come into work, and of managers telling workers not to tell anyone else about positive cases.

At the end of this short paper is a selection of the information we have received which details numerous reports of furlough fraud, workers being forced to come into work while sick with COVID-19, workers wishing to isolate being denied pay, factories operating illegally throughout lockdown, and of workers being forced to work in conditions of modern slavery. The majority of these reports are linked to suppliers producing for Boohoo and sister brands including PrettyLittleThing.

⁵ <https://www.bbc.co.uk/news/uk-england-leicestershire-53229371>

Boohoo: Profits during the pandemic

Boohoo is an agile, media focused and consumer friendly brand, but can its growth simply be put down to business acumen and good marketing?

Over the last few months Boohoo have reportedly placed around 3–400,000 units for production in Leicester per week and are estimated to account for 80% of Leicester’s known capacity. One example given is a very recent order for around 1 million pairs of cycling shorts to be made in Leicester by a small number of suppliers. The price offered was £1.80 per unit – this includes clothing production, factory overheads, packing – packaging, labelling and delivery costs. Both Boohoo.com and PrettyLittleThing are currently selling a variety of cycling shorts from £3 to £10 (discounted).

As shown in the evidence below we have reports that factories operating for Boohoo continue to operate at full capacity, with little or no social distancing and provision of PPE or sanitizing stations. Workers have reported that furlough fraud is commonplace and that many factories are being pressured to continue production – or even increase it – to keep up with new orders.

New orders placed are very low-priced and come alongside little outreach in terms of ensuring compliance with guidelines during COVID-19. Whilst other brands sourcing from Leicester have reported undertaking video walk-throughs of new factory floor layouts with their suppliers, Boohoo has reportedly simply sent out emails asking for suppliers to adhere to guidelines all the time while urging orders to be finished on time.

Fast Fashion – low wages and low prices

Before the crisis, Boohoo was regularly accused of driving prices down through directly setting suppliers into competition with each other. Low prices for suppliers mean that illegally low wages, forced overtime and irregular working hours are more likely to emerge in supply chains.

The Fast Fashion model used by Boohoo and many other brands – of short and often small batch orders with a fast turnaround – encourages unauthorised subcontracting in order to meet low prices, fast production times and volumes needed, and also encourages the exploitation of workers and noncompliance in terms of working conditions and standards. Unauthorised subcontracting often means production from unaudited and unknown suppliers with poor working conditions, low wages, and the potential of other irregularities (such as wage fraud or non/underpayment of other benefits, especially for more vulnerable workers such as immigrants and night shift workers).

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A major study in 2015, commissioned by the Ethical Trading Initiative and written by Nik Hammer of the University of Leicester showed that most workers were paid significantly below the National Minimum Wage (NMW) rate of then £6.50. Wages were mainly paid in cash and working hours were “grossly” under recorded. In fact, according to this research only about 20% were paid close to the NMW (including supervisors and managers).⁶ According to the sources in the research, the local average wage rate in the industry was around £3 per hour – less than half the NMW. Similar rates and conditions were confirmed again and again, for example by a Homeworkers Worldwide study in Manchester.⁷ Less skilled or inexperienced workers, such as packers, tend to get even less. Those without the right to stay in the U.K or work were sometimes reportedly earning only £1 per hour. This

⁶ Centre for Sustainable Work and Employment Futures *New Industry on a Skewed Playing Field: Supply Chain Relations and Working Conditions in UK Garment Manufacturing* University of Leicester, (URL: <https://www2.le.ac.uk/offices/press/for-journalists/media-resources/Leicester%20Report%20-%20Final%20-to%20publish.pdf/> Accessed 27 June 2020)

⁷ HWW ‘The Greater Manchester textile and garment industry: a scoping study’ *Home workers worldwide* 27 July 2019 (URL: <http://www.homeworkersww.org.uk/news/the-greater-manchester-textile-and-garment-industry-a-scoping-study> Accessed 27 June 2020) as well as a BBC investigation in Leicester (BBC Today Programme, 10 May 2019)

translates to half the hourly minimum wage in Shenzhen, China.⁸

Conditions in the garment industry have repeatedly been brought to the attention of the Government and authorities: by the ETI, an inquiry by the Joint Committee on Human Rights, the Environmental Audit Committee, and the Gangmasters and Labour Abuse Authority. Last not least, it was only on 23rd January 2020 that Conservative MP Andrew Bridgen raised serious concerns over the conditions in garment factories and subsequently agreed a meeting with the business minister Kelly Tollhurst.⁹

Now more than ever the government must recognise that the situation in the UK and particularly in Leicester is not only the result of some unscrupulous suppliers but also an inevitable outcome of the current fast fashion business model and the lack of regulation of pricing and purchasing practices. Indeed, the current abuses could in fact have been foreseen.

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Lack of proper monitoring and health and safety

Boohoo told us that “[our] compliance team continue to liaise with our suppliers, reinforcing the importance of complying with social distancing measures across their sites”. We have had no more details.

However, throughout the crisis reports have emerged indicating that Boohoo is not ensuring proper health and safety for its staff and logistics workers.

Throughout March and April, workers informed local media that they were fearful of working because warehouses were packed with workers. Reports also emerged of workers queuing up outside warehouse waiting for their shifts. In relation to one Sheffield warehouse producing for PrettyLittleThing, a local Labour MP

8 Alexander Chipman Koty 'Minimum Wage in China: Minimal Increases in 2017' *China Briefing* (URL: <https://www.china-briefing.com/news/minimum-wage-in-china-minimal-increases-in-2017/> Accessed 27 June 2020)

9 Annie Kelly "National shame": MP sounds alarm over UK fast fashion factories' *Guardian* 23 January 2020 (URL: <https://www.theguardian.com/global-development/2020/jan/23/national-shame-mp-sounds-alarm-over-uk-fast-fashion-factories> Accessed 27 June 2020)

In relation to one Sheffield warehouse producing for PrettyLittleThing, a local Labour MP received 32 complaints by the start of April from workers stating that social distancing was impossible and that orders had increased

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“workers doing 12-hour shifts said they were processing orders for 400,000 items this week, up from 120,000 in a “normal” week... [and] it is “practically impossible” for hundreds of staff... to keep two metres apart and still meet their hourly targets of picking 80 items.”¹⁰

In April, fashion staff (models, photographers, stylists etc) told the media that they had been told to come into work as Boohoo management insisted it is “business as usual” for their websites.¹¹

Lack of inspections

The government has made recommendations and guidelines for employers to operate during the crisis. However, the government has shifted responsibility onto individual employers and workers for enforcing employment standards and new guidelines. In a situation where big brands are pushing orders through, many manufacturers may feel that they have to circumvent the guidelines in order to remain in business and continue to get future orders.

It is remarkable that the authorities assumed that garment factories in the UK and especially in Leicester, would all provide proper PPE and comply with social distancing, as it is well known that many have been proved unable to enforce minimum wages and basic working conditions in normal circumstances.

While there are many factories producing garments and PPE in safe conditions and following the legal requirements regarding pay and benefits, the overall response from the government towards taking responsibility for the safety of employees is sorely lacking.

¹⁰ Guardian ‘UK: Boohoo & PrettyLittleThing warehouse workers say it is ‘impossible’ to maintain social distancing & meet hourly targets amid increase in orders; Incl. company comments’ *Business and Human Rights Resource Centre* 6 April 2020 (URL: <https://www.business-humanrights.org/en/uk-warehouse-workers-report-social-distancing-concerns-COVID-19-infection-risk-unions-call-on-retailers-to-prioritise-worker-safety#c206205> Accessed 27 June 2020)

¹¹ <https://www.telegraph.co.uk/business/2020/03/24/boohoo-staff-concerned-told-come-work-retailers-keep-websites/>

The Prime Minister stated in the middle of May that the Health and Safety Executive (HSE) would be undertaking 'spot inspections' and monitoring conditions in businesses that were reopening to ensure safety. However, since the end of March the HSE had actually stopped all proactive inspections, to "reduce any risk posed to our own staff and to members of the public." Only by late May had the HSE restarted inspections, and then only in high risk industries such as construction.¹² While the government has since said it has looked into some factories,¹³ workers making allegations said they had not had any responses.

Instead of spot inspections, the HSE is encouraging companies to self-police safety measures and workers to report concerns via the its website. According to the media, there have been some 4,813 concerns reported between the first week of March to April, with some 40% triggering an investigation. However, our evidence shows that workers have not been aware of any inspections or follow up in their factories despite their concerns being taken to the HSE. Indeed, while the HSE has a duty of care towards its staff, it is urgent that it begins inspections of all industries and not just higher risk categories.

¹² Anon 'HSE suspends routine inspections amid coronavirus fears' *HSE Network* 2 April 2020 (URL: <https://www.hse-network.com/news-articles/hse-suspends-routine-inspections-amid-coronavirus-fears/> Accessed 27 June 2020)

¹³ <https://www.theguardian.com/world/live/2020/jun/30/uk-coronavirus-covid-19-live-news-updates-leicester-local-lockdown-boris-johnson>

Workers' Reports

Labour Behind the Label has received reports from workers alleging furlough fraud, low wages, modern slavery, illegal opening of factories during lockdown and illegal denial of wages and benefits in Boohoo and other e-retailer suppliers.

Disregard of positive cases of COVID-19

One worker in a factory employing about 100 workers stated that he told his employer he felt unwell but was told he had to come into work. After working that day, he got tested and was found positive over the weekend. He informed his manager who told him that he should not inform any other workers of his result and not to send in a sick note. He has later found out that there were four other workers all sick with COVID-19 in similar positions – one however is still working because he cannot afford to take time off. When the worker applied for statutory sick pay his manager informed him that he was not going to get any sick pay and that he should just work through it or he would be sacked. According to the worker, the manager even told him that he himself has been tested positive but has continued to work every day and 'not died'. The workers also said that there are no social distancing rules or PPE / sanitizers provided.

One worker who tested positive informed his manager, who informed him that he was not going to get any sick pay and that he should just work through it or he would be sacked

Another worker reported that in their factory, several people who had relatives at home who were positive were still working despite the need for quarantine – this included the supervisor.

In another factory, employing over 80, workers have reported that there have been around 15 COVID-19 cases including one supervisor. Many staff are not attending work despite being asked to do so. In

another relatively large factory employing around 100 staff, supplying for Boohoo, there have been 8 cases which led to the factory being closed. However, the factory has since reopened, and workers are being told to come into work or face dismissal. A further factory employing 60 staff has reportedly had 12 cases.

Disregard for COVID-19 containment measures

Reports from workers include the previously noted Sheffield case where orders grew by over 300% with workers in settings where it is not possible to stay 2 metres apart. These reports also include the fashion staff reporting in April that they had been required 'come into work'.

Other workers reported that during the production of delivery labels and bags for Boohoo and other brands there was no PPE provided to workers, no social distancing provisions were made and work was carried on as normal given the large orders.

Factories operating throughout Lockdown

While, many factories have been responsible and closed down in March, we have had several reports of factories operating throughout the lockdown period. In one case, a manager reported that they had made the decision to close but were still receiving emails from Boohoo chasing work orders. There was no site visit for health and safety checks from Boohoo – only emails asking them to adhere to government guidelines.

Several other workers have said they have been pressured to attend work throughout April to fulfil orders from Boohoo and PrettyLittleThing, even while the owners were isolating at home. Workers were told that they would be paid in cash for any hours worked during that period.

One worker – producing mask-related products – was told by his employer that they were key workers and therefore had to come into work.

In another case, a worker stated that his factory had continued to operate every day since lockdown – from morning until midnight seven days a week. At the time of reporting, he had reported it to the HSE twice but had not received any response.

Several other workers have said they have been pressured to attend work throughout April to fulfil orders from Boohoo and PrettyLittleThing, even while the owners were isolating

Modern Slavery

Workers have reported concerns about a factory operating several sites, of which one employs around 30 workers from Eastern Europe. All these workers have been forced to continue working throughout lockdown and receive around £3–4 per hour. There is reportedly no social distancing, PPE provision or hand sanitizers for the workers. Most workers have little English and all are alleged to have their ID documents held by the employer.

This factory is also charged with “Phoenixing”, a practice whereby owners or directors continue to trade through a series of differently named companies in order to avoid paying VAT or other debts.

Furlough Fraud

We have been informed that several employers have joked that they are now getting rich through the furlough scheme as the money is not paid to the workers

Numerous reports have come out of serious furlough fraud. In one case, workers in one factory were allegedly told by managers in early April, that they should hide the previous month's payslips so that the management could make an inflated claim for furlough money. In another instance, a worker received furlough pay but was not provided with any payslips or details of how the furlough pay was calculated. He was told that in order to get a payslip he would have to go into work – which he refused as he chose to remain self-isolated.

One female worker was allegedly pressured by her managers to return to work at the end of May, despite disclosing that she has a very vulnerable family member. So far, she had not received any furlough wages during the lockdown and was informed that she needs to restart work.

Other workers have reported they were made redundant when lockdown was announced and said they were not on “the books” therefore did not qualify for Furlough payments. They found other jobs and were informed by their new employers that their previous employer had enquired how these ex-workers were being paid. The new employer replied that they were paid by bank transfer, and was told not to do so because the ex-employer had in fact declared the workers as being on the books since February and was currently claiming Furlough payments on their behalf.

We have also been informed that several employers have joked that

they are now getting rich through the furlough scheme as the money is not paid to the workers. Another rumour is that factories are being advised to only claim furlough for the period in lockdown so that they avoid any future inspections regarding furlough payments which would uncover other illegal practices, such as payment of illegally low wages etc.

Wage and benefit theft

In late March, a pregnant worker waited several weeks for a pregnant worker risk assessment. After the assessment was done, she was told to immediately leave work and that she would be put on statutory sick pay (SSP). She was told she was not entitled to furlough pay or any other pay from the company. This is illegal treatment – the government is clear that if you are at risk, pregnant workers can be suspended from work on full pay for as long as necessary to protect the worker's health and that of their baby.

At the start of lockdown, workers reported that management withheld their wages (paid weekly) as they had no money to pay them due to order cancellations.

In another case, a diabetic worker was told in mid-April that he must come in to finish and deliver an order. When asked about furlough pay, he was told that his pay was not yet calculated.

Our Demands

Urgent

The local and central government authorities must urgently intervene and ensure that all factories are operating safely. Boohoo's sourcing and purchasing practices must be assessed for how they enable continued wage theft and unsafe working practices at Leicester factories. Leicester, its communities, and its workers deserve better. The following are urgent:

- All Boohoo sales and production must be suspended by the local authorities right away pending investigation into safety measures and reports of fraud at its supplier factories. All workers affected – regardless of employment status should receive full pay while work is suspended.
- Boohoo's purchasing practices and costing models must be scrutinised to assess if they enable suppliers to pay the minimum wage.
- HSE inspections in Leicester garment factories must be undertaken to uncover unsafe working conditions. Indeed, the HSE must restart proactive inspections in all UK industries and occupations.
- Leicester garment factories must be investigated immediately for wage theft, denial of benefits and modern slavery conditions – ensuring proper care and financial support is given to any victims of modern slavery.
- The local authorities should create a special helpline in the city for workers with fast track furlough/full pay direct to workers.
- The government should immediately suspend the 'No Recourse to Public Funds' conditions on public health grounds for the duration of the outbreak, as recommended by the Work and Pensions Select Committee.¹⁴
- The UK government must ensure that there is mandatory regulation of safeguards for ensuring COVID-19 safety measures which include penalties for non-compliance.

¹⁴ 'DWP's response to the coronavirus outbreak, Conclusions and recommendations. Universal credit' (URL: <https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/178/17817.htm> Accessed 27 June 2020)

Medium term

The issues raised in this paper, as well as previous evidence about the way the industry operates reinforces our calls for:

- Supply chain transparency across the industry to increase brands' accountability.
- The introduction of joint responsibility provisions; including for breaking and undermining the government's lockdown.
- The inclusion of this case in an inquiry into the disproportionate COVID-19 cases and fatalities amongst BAME population groups and low-income communities.

Longer term

There is an urgent need to for the UK government to do more to ensure a holistic approach to sustainable supply chain management – both within the UK and where UK companies operate abroad.

The UK government needs to ensure that companies comply with their responsibilities under the UN Guiding Principles on Business and Human Rights, and cannot simply refer to unworkable codes of conduct, shifting responsibility onto suppliers. Companies must investigate and remediate abuses within their supply chain and halt business practices which encourage a cheap and disposable workforce.

Procurement practices must be examined and a commitment to labour rights and positive change must be embedded in supply chains and through protective and clear legislation. Government agencies must work together to address the situation holistically and urgently in Leicester – this approach must include local stakeholders, unions, local authorities as well as the Gangmasters and Labour Abuse Authority, the Health & Safety Executive, and others.

- The government must make it compulsory that companies publicly disclose a full list of supplier facilities, at least on an annual basis. Data should include at minimum, names of all authorised supplier facilities at all levels, site addresses, parent companies, types of products made and number of workers and wage levels. The data must be accessible in a searchable format.
- The government must adopt the recommendations from the Independent Review of the Modern Slavery Act 2015, to strengthen the domestic legal framework for ensuring corporate accountability for modern slavery in supply chains.¹⁵ This includes

¹⁵ Home Office Independent review of the Modern Slavery Act: final report UK Government 22 May 2019 (URL: <https://www.gov.uk/government/publications/independent-review-of-the-modern-slavery-act-final-report> Accessed 27 June 2020)

providing sanctions for companies who fail to report on modern slavery in their supply chains and call on government authorities to publish information.

- Authorities must enable and empower overseas workers who are victims of corporate harm in the supply chain of UK brands to access remedy via UK courts. This should include removing financial barriers that prevent victims from bringing cases to court and developing criminal laws to hold businesses accountable for their involvement in extraterritorial human rights violations.
- Work with trade unions and civil society groups to take effective measures to protect and promote labour rights violations in supply chains.

The need for transparency

Boohoo has continued to claim that they are working on developing better practices and a more coherent ethical policy. As of now their sustainability website contains little but aspirations – the same general ambitions that have been promoted for months, if not years. There is very little public evidence of any detailed progress. Indeed, a Director of Sustainability and Social Responsibility was only appointed in 2019.

Unlike, many other UK Brands, Boohoo does not disclose the names and addresses of any of its suppliers despite continued pressure to do this. In its 2020 Annual Report Boohoo stated that in 2021 all UK manufacturers (Tiers 1 and 2) should participate in compliance programmes; at least 75% of global supply chain should receive third-party audits; and that there would be a disclosure of core manufacturers in the global supply chain. These ambitions are to be welcomed but it is increasingly clear that this is already far too little too late.

Poor sourcing and purchasing practices are often the root cause for rampant labour rights abuses in apparel factories, undercutting efforts to hold suppliers accountable for their abusive practices. Indeed, Boohoo is on official record overstating its monitoring and compliance standards and practices, by claiming to work to ETI standards which was vehemently disputed by ETI.¹⁶

¹⁶ See UK Parliament 'Fashion Retailers' Responses' *Interim Report on the Sustainability of the Fashion Industry* 31 January 2019, paras 25-27 (URL: <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1148/114804.pdf> Accessed 27 June 2020)

**Labour Behind the Label is a
campaign that works to improve
conditions and empower workers
in the global garment industry.**

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