

26 August 2020

Independent Review of The Boohoo Group's Leicester Supply Chain (Alison Levitt QC)



Dear Alison,

Thank you for your letter and request to provide evidence to the review that Boohoo has commissioned you to undertake.

Labour Behind the label will also be supplying another response to your call for evidence as a member of the group of civil society organisations and trade unions who have expressed concern with the actions undertaken in response to the allegations of abusive working conditions in Leicester garment factories by fashion brand Boohoo. Our Open Letter to the government can be found here: <https://labourbehindthelabel.org/leicester-garment-industry/>

Abuses in Leicester garment factories – including underpayment of wages, dangerous conditions, and harassment - have been well documented over many years. These include documentaries by Channel 4's Dispatches in 2010 and 2017; [research](#) by the Ethical Trading Initiative in 2015¹; analysis in the *Financial Times* in 2018²; [investigation](#) by the Environmental Audit Committee in 2019,³ a recent report by Labour Behind the Label⁴ and investigation by the Sunday Times.⁵

These abuses are facilitated by relentless pressure on suppliers by brands such as Boohoo (and are not limited to the UK). Parliament's own 2017 report states that "The working conditions that manufacturers offer their workforce in many cases reflect the deal they receive from leading retailers." Pressures include "high volume production in short time scales and at very low or even no profit margins."⁶ The purchasing power wielded by brands has pushed the grave impacts of the COVID-19 pandemic onto smaller suppliers and workers both in the

¹ <https://www2.le.ac.uk/offices/press/press-releases/2015/february/new-report-published-on-working-conditions-in-leiceser-garment-sector>

² <https://www.ft.com/content/e427327e-5892-11e8-b8b2-d6ceb45fa9d0>

³ <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1952/1952.pdf>

⁴ <https://labourbehindthelabel.org/report-boohoo-covid-19-the-people-behind-the-profit/>

⁵ <https://www.thetimes.co.uk/article/boohoo-fashion-giant-faces-slavery-investigation-57s3hxcth>

⁶ <https://publications.parliament.uk/pa/jt201617/jtselect/jtright/443/443.pdf>;

UK and globally.⁷ The structure of brands' supply chains allows them to profit from these abuses, while evading legal accountability.

We are concerned that that this Boohoo commissioned Review is being undertaken in a way that is unlikely to lead to the systematic and meaningful reforms necessary to protect workers and deliver justice for the harms they have suffered.

In addition, we are deeply concerned that this review is designed specifically to provide cover and advice regarding supply chain criminal liability for Boohoo and is designed to placate investors of Boohoo and not to remediate workers in their supply chain who have suffered and continue to suffer a wide range of labour rights abuses and wage theft.

1. Terms of Reference of the Review. The ToR has four core objectives.

- a. *To investigate the allegations made in relation to the Leicester supply chain and determine whether they are well-founded.*
- b. *If they are, to consider the extent to which the boohoo Group monitored its Leicester supply chain and had knowledge of the allegations;*
- c. *To consider the boohoo Group's compliance with the relevant law; and*
- d. *To make recommendations for the future in response to those findings.*

As such the review has a narrow and restrictive remit with an overwhelming focus on a) providing Boohoo with a way to reduce its criminal liability for actions and abuses that are both of their making and that have been made with their tacit knowledge and b) a focus on suppliers and legal compliance, rather than on sourcing practises which create the conditions for factory abuses.⁸ The focus on whether Boohoo had knowledge of the allegations obfuscates the fact that necessary evidence has been in the public domain for many years. For Boohoo not to know of the conditions in their supplier factories would be criminal negligence. However, due to their continued lack of supply chain transparency, only Boohoo can identify all allegations and working conditions.

If this Review is to identify and address all allegations (a), then the ToR should not be limited to (b) which seems to focus only on suppliers and not on purchasing practices, pricing and the overall systemic problems within the garment industry in the UK and abroad.

Years of exploitation of workers by Boohoo in Leicester cannot be addressed with a private, non-transparent review but can only be addressed with government engagement. So far Boohoo has proved unwilling to address conditions in its supply chain and this Review, as it stands, is unlikely to provide effective, positive and accountable changes for Leicester workers.

⁷ <https://cleanclothes.org/news/2020/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>

⁸ This includes calls for a licensing of garment factories, supported by Boohoo. <https://www.businessoffashion.com/articles/news-analysis/boohoo-probing-malpractice-leicester-factory-fast-fashion>. While we appreciate the impact the licensing could make, we are concerned that this may divert political pressure away from addressing [the links](#) between the brand and the garment factories.

2. Evidence gathering

You ask for “information, insights and evidence” to share with you and in particular “conversations that you have had with individuals working in garment factories in Leicester. “. The majority of our information on Leicester has been made public and this includes conversations with many workers. What is not yet public is evidence we have been gathering of the suppliers to Boohoo who are now operating night shifts to avoid enforcement raids, the anger from suppliers to Boohoo for the way Boohoo is now seeking to place any blame for non-compliance with UK law on their suppliers despite the long standing complicity between Boohoo and these suppliers in contravening wage levels and asking suppliers to undertake low priced and fast orders which knowingly result in non-compliance. This type of information will be made public shortly in a second report.

3. Independence, transparency, and accountability

Overall, the lack of public accountability and accountability towards the suppliers of Boohoo and their workers means that this Review, while it might be a useful legal compliance protection mechanism for Boohoo may have little or no impact or positive outcomes.

The review was commissioned by Boohoo itself and there is no guarantee of a published report. I understand that it has been confirmed that the review will be passed onto Boohoo who will then have full control over what parts – if any – enter the public domain.

There is no accountability to the workers nor any guarantees of remediation.

4. Legal proceedings against Boohoo and criminality

Given the possibility of civil or even criminal proceedings against Boohoo down the line, we are concerned that sharing evidence with the company may be detrimental.

Indeed, the review is asking for information which may well be information regarding serious criminal actions (wage theft, furlough fraud, modern slavery cases, OSH breaches, Covid-19 lockdown breaches, Vat/Tax fraud, etc). There is no mention of how this information will be dealt with, if any of this information will be given to the authorities and how serious abuses will be dealt with. The Review will simply be passing information onto Boohoo, a brand which has already shown itself to bypass responsibility and condone criminal behaviour.

5. Adequate consultation with affected stakeholders and workers’ organisations

In your letter you state that you issued a public call for evidence. I am not clear as to where this was published and how many people it will reach and if it is going to the key stakeholders. I understand that the list of individual requests for information is private.

The Terms of reference for this top-down QC led review does not give sufficient assurance that workers will not be compromised if they give evidence, nor does it give detail on the organisations that are being approached for

input. Nor indeed does the questionnaire supplied for worker input focus on anything related to the influence of Boohoo which lead to poor practices in suppliers.

There is plenty of information in the public domain which highlights the issues in the Boohoo supply chain – this information has been ignored by Boohoo for years. Boohoo should be developing a plan of action which works with all stakeholders and addresses all issues that is transparent and with clear time bound actions and not a secret review for its eyes only.

6. The need for sustainable change for workers in the Boohoo supply chain and beyond

In terms of recommendations, this review will not make any public recommendations, now will the Boohoo group be obliged to undertake any of your recommendations. This is of course running the risk that the Review will not make any positive impact or sustainable changes.

I refer you to the extensive list of recommendations regarding Leicester and Boohoo and the garment industry in the annex attached to this response. This includes the recommendations made in our 30 June report, those of other civil society groups as well as those of MPs and the government.

In our view, the abuses in Leicester factories must be set within a wider landscape of laws and regulatory bodies that are clearly failing to provide adequate protections. Action is needed both to a) ensure all workers in the Leicester garment industry – and beyond - are protected and b) curb the abusive, potentially illegal purchasing practices by clothing retailers and brands which have contributed to this situation as well as c) ensure that there is new and effective legislation which ensures financial and legal liability and due diligence for all UK brands and supply chains.

Best wishes



Dominique Muller
Policy Director, Labour Behind the label

Annex of Selected Recommendations

There is a wealth of information on the abuses in the garment industry and what measures are needed to recently and remediate those issues. Pasted below are only a small selection

UK focused

1. <https://labourbehindthelabel.org/leicester-garment-industry/>
2. <https://www.tuc.org.uk/blogs/leicester-and-beyond-migrant-workers-are-being-exploited>

a The Old Co-op, 38–42 Chelsea Road, Easton, Bristol, BS5 6AF
t 0117 954 8011 **e** info@labourbehindthelabel.org **w** labourbehindthelabel.org

Labour Behind the Label is an NGO which supports garment workers worldwide in defending their rights.
Labour Behind the Label is a workers' co-operative and not-for-profit company registered in England, no. 04173634

The Labour Behind the Label Trust is a charity for tax purposes, HMRC ref. EW0230

3. <https://www2.le.ac.uk/offices/press/for-journalists/media-resources/Leicester%20Report%20-%20Final%20to%20publish.pdf/>
4. <https://www.ethicaltrade.org/blog/retailers-must-sanction-leicester-factories>
5. <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1952/1952.pdf>
6. <https://www.labourexploitation.org/news/general-election-2019-flexs-9-steps-end-labour-exploitation>
7. <https://www.easterneye.biz/priti-patel-urges-boohoo-to-protect-vulnerable-workers-as-it-acts-on-modern-slavery-charges/>

Wider Garment Industry Recommendations

8. https://fashionchecker.org/our_demands.html
9. <https://transparencypledge.org/>
10. <https://traidcraftexchange.org/fast-fashion-crisis>
11. <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>
12. <https://cleanclothes.org/news/2017/04/27/clean-clothes-campaign-welcomes-european-parliaments-motion-to-improve-garment-industry>
13. <https://thecircle.ngo/project/a-living-wage/>

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