



CATHERINE WEST MP

Member of Parliament for Hornsey and Wood Green

Paul Scully MP
Minister for Small Business, Consumers and Labour Markets
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

27 May 2021

Dear Paul,

Thank you for your time in responding to questions during the recent Textiles and Fashion APPG Build Back Better and the Fashion Industry meeting. We write to you as the Co-chairs of the Ethics and Sustainability in Fashion APPG.

It was encouraging to hear from both you & Secretary of State Kwarteng's letter to the Environment Audit Committee that the Garment Trading Adjudicator proposal is being considered.

We would be grateful if you could provide us with an update on the following:

- A) How is the proposal for the Garment Trading Adjudicator to enforce fair purchasing being advanced?
- B) If and how BEIS colleagues have been meeting and consulting with UK suppliers about their experience of UK retailers/brand's purchasing practices.

We recognise that the retail sector is well organised and so it is harder to reach more dispersed groups of suppliers, both in the UK and overseas. However it is these manufacturers which are impacted by abusive purchasing practices and then have very limited options in terms of how to adapt to the short-notice changes imposed on them by their customers.

Obviously in any sector there are businesses run ethically and with integrity, as well as businesses that are less scrupulous. The same can be seen at the (e)retailer level and also supplier level. However the power imbalance is such that across the board suppliers are unable to resist what their significantly more powerful retail/brand customers impose on them. It will be impossible to improve working conditions without addressing abusive purchasing practices. Abusive purchasing practices cause forced overtime, corner-cutting in operational matters, the evasion of correct payment of wages, benefits and taxes. Unless we reduce abusive purchasing practices, these exploitative working conditions will continue to persist in the UK and our global supply chains.

We would like to hear an update from the Government in relation to how it is progressing to address the problems caused in the retailer – supplier relationship, which is separate from what the Government is doing to improve the employment relationship between suppliers and their employees. Complementary action is needed in both places.

The Groceries Code Adjudicator (GCA) for the food sector provides a simple and effective template for how a regulator could be established to curb abusive purchasing practices in the garment sector. The GCA was set up in a manner that provides the different Adjudicator post holders with a range of different approaches that they can use to enforce the fair purchasing code. We recommend that the design of the Garment Trading Adjudicator could be modelled initially on the same basis, and then evolve to operate in a different manner that would be more effective in changing the practices of a wider group of (e)retailers and brands, and in relation to other specific characteristics of the garment sector.

We would welcome an update on this and to schedule a meeting to discuss this before the summer parliamentary recess. Please let us know when might be possible and we can organise this with your office for a zoom meeting.

Yours sincerely,

A handwritten signature in blue ink that reads "Catherine West". The signature is written in a cursive, flowing style.

Catherine West MP -Co-Chair APPG for Ethics and Sustainability in Fashion
Baroness Lola Young – Co-Chair APPG for Ethics and Sustainability in Fashion