



# Environmental Audit Committee

House of Commons, London SW1A 0AA

020 7219 8890 - eacom@parliament.uk - www.parliament.uk/eacom - @CommonsEAC

Carol Kane and Mahmud Abdullah Kamani

Group Executive Director and Group Executive Chairman

Boohoo group plc

Wednesday, 15 July 2020

Dear Ms Kane and Mr Kamani,

I am writing to you with a number of questions that the Committee would like answers to following recent reports that poor pay and conditions continue at Leicester garment factories supplying Boohoo.

As you will be aware, in February 2019 the Environmental Audit Committee published the results of its eight-month inquiry into the social and environmental impact of 'fast fashion' and the wider clothing industry. We highlighted findings from the University of Leicester published in 2015 that the majority of Leicester's garment workers were paid below the National Minimum Wage, did not have employment contracts, and were subject to intense and arbitrary work practices.<sup>i</sup>

During the inquiry the Committee heard from the FT's investigative reporter Sarah O'Connor whose piece on *Dark factories: labour exploitation in Britain's garment industry* had again brought the issue to national attention in May 2018. Following her appearance at the House of Commons in October 2018 the Committee wrote to you on 2 November to raise concerns that online fashion retailers were putting UK clothing manufacturers in a position where they had to pay illegally low wages.<sup>ii</sup>

The Committee invited Chief Executives from ASOS, Boohoo and Misguided to Parliament to discuss the situation in Leicester and the excessive waste that the 'fast fashion' business model is generating. Boohoo Group's co-founder and then Chief Executive Carol Kane appeared before the Committee to discuss its buying practices, discount prices and the links it may have to illegally low pay in Leicester garment factories.

We therefore find it incredible that the Boohoo board is reportedly "shocked" by the recent allegations over labour exploitation and poor working conditions within the Leicester garment industry.<sup>iii</sup> We welcome the Boohoo's belated commitment to launch an independent review of its UK supply chain and addressing supply chain malpractice, but some of the concerns raised by the Committee to Boohoo in 2019 remain unaddressed.

Specifically, the then Committee was concerned by Boohoo's failure to establish trade union recognition within its own operations to enable collective bargaining by staff. The Committee recommended that Boohoo engage with the Union of Shop, Distributive and Allied Workers, (Usdaw) as a priority and recognise unions for their workers.<sup>iv</sup> In response to repeated calls for these issues to be addressed, in July 2019 Boohoo stated that: "We have not instructed our people not to speak to trade union representatives. Representatives from Usdaw are regular visitors to our Burnley and Manchester sites."

We recently asked Usdaw whether Boohoo now formally recognise trade unions, including themselves. Usdaw stated that: “Boohoo will not formally recognise Usdaw, have refused to meet union representatives and will not engage with Usdaw despite [EAC’s] recommendations.” Usdaw has said it is “absolutely clear that employees feel intimidated” and that Boohoo has instructed staff not to speak to union representatives. Usdaw also believe that Boohoo has misconstrued its presence at Boohoo’s sites: “Union representatives visit sites only to represent individuals at grievance or disciplinary meetings.” Usdaw continued that it is simply “untrue” that union representatives can freely visit Boohoo’s sites and engage with employees openly.

Ushaw also raised concerns with us over Boohoo’s operations during the COVID-19 pandemic, noting they had repeatedly asked Boohoo to “close its warehouses, furlough the staff and apply to the government’s coronavirus job retention scheme so that its employees get the support they need at this time of unprecedented worry.” Usdaw reported that they had explained to Boohoo at the time that businesses that remained open, even though they were not essential, were putting employees at risk and that Usdaw had received calls from people “who were terrified they may become infected with Coronavirus and put their loved ones at risk.”

Concerns were also raised during the Fixing Fashion inquiry that Boohoo had not signed up to the Ethical Trading Initiative (ETI) like some of its competitors. On the subject of joining the ETI, in July 2019 Boohoo stated that it was “taking steps to gain membership”, had submitted an initial application to join and were meeting with the ETI in August 2019. Almost a year since this correspondence, we asked the ETI whether Boohoo is now a full member. Peter McAllister, ETI’s Executive Director responded that although ETI had several exploratory conversations with Boohoo, Boohoo were not yet members, and furthermore the ETI “are not convinced that [Boohoo] would meet a number of critical aspects essential to ETI membership.”

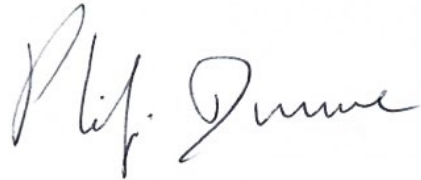
ETI further stated that Boohoo have since joined an alternative organisation to ETI. ETI’s understanding is that “this alternative is an audit-based body that does not have a progression framework and does not hold its members to account.”

It is disappointing that Boohoo has not formally recognised a trade union and has chosen not to be a part of the Ethical Trading Initiative. In light of the working practices which you appear to tolerate in your supply chain at garment factories in Leicester, we would appreciate answers to the following questions:

- What measures did Boohoo Group companies put in place during the pandemic to protect workers both at its own operations and at the garment factories that supply its garments?
- Did Boohoo continue to issue fines to producers for late delivery during the pandemic? And if so, how many?
- To ensure that the health and safety of garment workers is protected and that collective bargaining is allowed, will Boohoo now commit to establishing formal trade union recognition?
- Why did Boohoo take the decision not to apply for Membership of the ETI?
- How was the “alternative organisation” evaluated to ensure Boohoo would be held accountable to the highest ethical and environmental standards?
- Will Boohoo now reconsider aligning its practices to enable it to become a member of the ETI?

A 'Made in the UK' label should mean workers are paid at least the minimum wage in a safe workspace. Given Boohoo has stated it is "committed to doing everything in our power to rebuild the reputation of the textile manufacturing industry in Leicester", I look forward to your prompt response to these questions. The Committee intends to follow up on its Fixing Fashion inquiry and will monitor progress – or lack of it – in tackling these issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philip Dunne'. The signature is fluid and cursive, with the first name 'Philip' written in a larger, more prominent script than the last name 'Dunne'.

**Chairman of the Environmental Audit Committee**

CC. Michael Wheeler, USDAW and Paul McAllister, Executive Director of the Ethical Trading Initiative

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<sup>i</sup> University of Leicester, *New Industry on a Skewed Playing Field: Supply Chain Relations and Working Conditions in UK Garment Manufacturing* (2015)

<sup>ii</sup> EAC, [Letter from the Chair to Carol Kane and Mahmud Kamani](#), 2 Nov 2018

<sup>iii</sup> FT, *Multiple Boohoo inspections find no modern slavery offences*, 8 July 2020

<sup>iv</sup> EAC, [Fixing Fashion: Clothing Consumption and Sustainability](#), 19 Feb 2019