**Fashion Revolution press statement**

**on allegations of low wages and modern slavery at Boohoo**

UK fashion retailer Boohoo Group plc, which owns brands including Boohoo, Nasty Gal, Pretty Little Thing, Karen Millen, Warehouse and Coast, reported a [£92 million profit](https://www.marketwatch.com/story/boohoo-profit-rises-sharply-on-strong-revenue-2020-04-22) in the year ending February 2020, with a 44% increase in annual revenue.

Last week, [Labour Behind the Label](https://labourbehindthelabel.net/wp-content/uploads/2020/06/LBL-Boohoo-WEB.pdf) published a report revealing lockdown breaches, exploitation and modern slavery in Leicester’s factories. The Boohoo group is responsible for some 75-80% of all clothing production in Leicester, according to the report. The report found that many factories continued to operate at full capacity during lockdown, adding “*We have also heard of workers – positive for COVID-19 – being required to work throughout their sickness in order to fulfil orders*.” In Leicester, it is estimated that most garment workers are from minority ethnic groups and around one third were born outside the UK. Labour Behind the Label says, *“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.*”

Yesterday, The Sunday Times published an undercover investigation revealing workers in a Leicester factory making clothing destined for Boohoo continued working during the localised coronavirus lockdown without additional hygiene or social distancing measures in place and were being paid as little as £3.50 an hour. In response to the investigation, [Boohoo has said](https://www.thebusinessdesk.com/northwest/news/2062668-boohoo-shares-plunge-following-undercover-reports), “We will not hesitate to immediately terminate relationships with any supplier who is found not to be acting within both the letter and spirit of our supplier code of conduct.”

Boohoo’s first quarter trading statement, which showed a 45% increase in year on year revenue in the three months to end May 2020, announced “*In these unprecedented and difficult times we are pleased to report that our first quarter trading has been very strong. This has been achieved during a global pandemic where our first priority has been, and will continue to be, to ensure the health, safety and wellbeing of all our colleagues, customers and suppliers around the world.”*

**An open secret**

Back in 2010, Channel 4 Dispatches went undercover in a Leicester factory where workers were being paid £2 an hour. In 2017, Dispatches returned to the city’s garment factories to find little had changed, with their undercover reporter being paid £3.25 an hour working on garments destined for Boohoo and Missguided. Boohoo responded by saying they had a demanding set of… policies [for] all suppliers and wanted to help raise safety standards and ensure they paid at least the minimum wage.

In the 2018/19 inquiry into the In 2019, the Fixing Fashion report issued by the into the sustainability of the UK fashion industry, the Environmental Audit Committee found a group of retailers, including Boohoo, were lagging behind the rest of the industry. MPs were particularly concerned about Boohoo’s approach to trade union representation, although CEO Carol Kane who gave evidence to the inquiry said that the company was prepared to recognise trade unions. The final report recommended that ‘Made in the UK’ should mean workers are paid at least the minimum wage in a safe workspace. The committee also recommended that Boohoo engage with the Union of Shop, Distributive and Allied Workers (USDAW) as a priority and recognise unions for its workers.

In January 2020, Andrew Bridgen, MP for North West Leicestershire, raised a question in Parliament about the continuing state of working conditions in factories supplying the UK’s fast fashion industry and sought a meeting with the business secretary for clarity over enforcement of the national minimum wage. He stated that he believed there were approximately 10,000 people in the UK’s clothing industry being paid £3 to £4 an hour in conditions of modern slavery. He continued “If there was a fire there then hundreds would die, and this is Britain in 2020. It’s a national shame.”

Although The Times and Labour Behind the Label investigations have focused on Leicester, a [survey](http://www.homeworkersww.org.uk/news/the-greater-manchester-textile-and-garment-industry-a-scoping-study) across garment and textile factories in Greater Manchester published last July by HomeWorkers Worldwide found workers were being paid £3 to £4 an hour. Some were undocumented migrant workers and many had no permanent contracts.

**A lack of transparency**

In the seven years since the Rana Plaza factory collapsed in Bangladesh, many large fashion brands and retailers have become more transparent by publishing the factories where their clothes are made. This has been particularly helpful for workers’ rights groups and trade unions supporting workers who are dealing with abuses in their factories. A lack of publicly available information about Boohoo’s supply chain provides a significant barrier to the improvement of human rights, legal wages and safe working conditions. Fashion Revolution’s co-founder and Global Operations Director Carry Somers, says *“Exploitation thrives in hidden places. Transparency is an essential first step in holding brands like Boohoo to account for their social and environmental actions and impacts”.*

In Fashion Revolution’s [Fashion Transparency Index](https://www.fashionrevolution.org/about/transparency/), which covers 250 of the world’s largest fashion brands and retailers, Boohoo scored around 25% of the possible points in the policy section, but less than 10% in all other categories. In the traceability section which covers public disclosure of factories and other suppliers, they scored zero.

Publishing supplier lists is not only beneficial to trade unions, civil society groups, and the workers within the factories, but it is also advantageous to the brands themselves as it can help clarify when unauthorised subcontracting occurs, as Boohoo claims has happened in this instance. Public disclosure of suppliers can also enhance investor and consumer trust in the brand, showing stakeholders that brands are willing to be open and honest about where their products are being made. Considering Boohoo Group’s share prices have taken a 23% dive and £1bn has been wiped off their value since the markets opened this morning, Boohoo would be advised to publish their supplier lists to help restore shareholder trust in the company’s operations.

Global Policy Director Sarah Ditty concludes, *“we all should be writing and calling our elected officials and demanding that the government requires fashion brands to stop the culture of unfair contracts and impossibly low prices for suppliers which leads to illegally low wages, wage fraud and forced overtime for factory workers. We need governments to do so much more to hold corporations accountable for prioritising profit and growth above people’s livelihoods and dignity”.*

* Ends -