

Written Evidence submitted by boohoo group (FL0020)

Introduction

Boohoo recognise the very severe allegations of human rights abuses and persecution of the Uyghur minority in Xinjiang province, China, and we are committed to working with people and organisations across the industry to tackle exploitation in the sector wherever it is found.

As a business that puts people at the heart of our decision making, upholding the human rights of the people who produce our garments is an absolute priority. We fully recognise the risks of poor labour practices, human rights abuses and modern slavery in complex global supply chains.

Alongside establishing robust due diligence programmes and working with others in the industry to address issues in the global fashion economy, we acknowledge the importance of collaborating with authorities and NGOs to tackle poor practices and protect those who are most vulnerable to exploitation.

As such, we support the related Foreign Affairs Committee inquiry into the ways in which the Government can prevent UK companies from benefiting from forced labour in Xinjiang. We would urge the Government to consider carefully the difficulties inherent in mapping global supply chains, and to engage with the broader fashion industry regarding how we can work together on this important issue.

We hope that the information we have provided is useful to the BEIS Committee in its work to analyse and address the issue of forced Uyghur labour in UK value chains.

Questions

Do any of your organisation's value chains link directly or indirectly to the Xinjiang Uyghur Autonomous Region (XUAR) of China, and what steps are you taking to ensure that you have visibility of your entire value chain?

We have carried out an initial assessment of our China supply base and do not believe that we are directly engaging with any factories in the XUAR to produce our products. In addition, we do not knowingly source any fabric from this region. We have written directly to all our Tier 1 suppliers, with clear expectations that no sourcing takes place from this region. Unlike most other retailers, a large proportion of our suppliers are based in the UK.

As a fast-growing business, we are working hard to increase visibility across our supply base. Achieving supply chain transparency is a significant undertaking that requires co-operation from a very large number of stakeholders. Mapping supply chains through to raw materials like cotton can be especially challenging, as it is a crop that is often blended with inputs from many different regions.

Nonetheless, we are committed to increasing transparency through our supply chain and will continue to work with our Chinese suppliers to evidence this further. We are also committed to working with our suppliers and the wider industry to drive up standards in cotton sourcing and traceability. Our data for 2019 indicates that cotton was approximately 20% of our material mix last year. We have also started to introduce recycled and organic fibres into our products.

We will incorporate disclosure through the supply chain and specific questioning on Xinjiang into our Global Bureau Veritas mapping programme. Bureau Veritas offer a world-leading testing, inspection and certification programme, and we have commissioned their services for mapping our global supply chain, as well as audit booking and data mining. This programme will further include regular metrics and analysis.

Do you identify sourcing geographies for the delivery of services or the manufacturing of goods where there is a high risk of human rights abuse?

Our sourcing approach is of a standard with many organisations of similar size across the industry. We have over 1000 global suppliers and are working vigorously to gain a more complete understanding of the factories our suppliers use, and where they are located. We are undertaking a scheme of work to update our records and give us a clearer idea of where our goods are being made.

We are aiming to expedite this process, but it is work that cannot be undertaken overnight, as it will be a significant task to map out the full chain of custody for each supplier and verify that this data is correct, but we are motivated and committed to achieving this. We have committed to disclosing our supply chain within 12 months.

Through our global supply chain mapping we will use audit information, industry expertise and external sources to understand our salient human rights issues in different regions and hope to tailor our approach accordingly.

We are in constant discussions with Bureau Veritas regarding specific challenges within each specific sourcing region. We are in the process of building a global team of ethical trade specialists in each of our sourcing regions / hubs. The combined efforts of audit intelligence and local expertise will enable us to develop tailored methodologies in order to tackle specific issues around human rights in each country.

In line with many other retailers, we maintain a sourcing team in China.

What actions are you taking to prevent modern slavery and human rights abuses within your organisation and its value chains?

Following the release of the Independent Review into our UK supply chain this year, we have redoubled our commitments to supply chain visibility. Supply chain compliance has become a mandatory item on every Board Meeting agenda, and we have constituted an additional Board Committee on Risk to enable better identification and closer monitoring of the risks we face as a business.

The Group is also introducing a new Supply Chain Compliance Committee comprised of recognised cross-sector experts, which will report into the Risk Committee and be led by our new Director of Responsible Sourcing. Alongside this, we are strengthening our wider team, bringing in experts in supply chain management and ethical trade.

Within the next five months, we will consolidate our approved UK supplier list. In this timeframe, we will also invite new suppliers who have a track record of ethical and sustainability policies to be included on our supplier list and extend our independent audit programme to the rest of our UK and global supply chain. We are committed to doing everything in our power to make a positive difference within the industry. Where the challenges are beyond our remit as a retailer, we are dedicated to working with others to support positive solutions. For example, in 2018 Boohoo PLC became members of NGO charity Hope4Justice / Slave Free Alliance, to support our Modern Day Slavery due diligence and have been engaged with members of their team almost weekly for the last few months.

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We are also carrying out an ongoing scheme of work on our cotton sourcing strategy and are committed to increasing transparency and visibility.

In addition to previous communication we have sent to our suppliers on this subject, we have written to our suppliers making clear that boohoo will not accept products or materials sourced from the XUAR, and conveying that we take this matter extremely seriously.

What evidence can you supply of compliance with all applicable labour, procurement and anti-slavery laws?

Historically, we have had a third party audit requirement in place for the onboarding of new suppliers, and we can produce validated third-party audits from existing suppliers. However, the limitations of this approach have been well-documented and we are making the process much more robust.

Along with a requirement for every new supplier to sign up to the boohoo code of conduct, suppliers and factories are required to submit annual audits and close the Corrective Action Plan in line with the recommended timeline. The code of conduct explicitly states that suppliers must not use forced labour and have policies in place to protect against slavery and human trafficking.

We are always committed to enhancing the transparency of our supply chain and ensuring that our processes to monitor compliance are rigorous. This is why we are currently adopting a new model to audit compliance across our global supply chain, supported by Bureau Veritas. Local ethical trade teams in each region will review and verify the evidence provided by suppliers.

Instituting these changes across our entire supply chain will take time, but we are dedicated to seeing it through and making sure the work is done properly.

What are your human rights due diligence processes in respect of your workers and value chains?

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Our code of conduct for suppliers also specifies that there must be no forced, bonded or involuntary prison labour, and that workers should be free to leave their employer after a reasonable notice period. It also stipulates that child labour shall not be used and suppliers must have policies in place that guard against slavery and human trafficking.

In addition, we prioritise long-lasting professional relationships with industry-trusted suppliers who serve a range of other well-known international retailers. The majority of our Chinese suppliers are long-standing suppliers to the group, and many of the factories that make garments sold by boohoo are shared with other high-street retailers.

What action does your organisation take - beyond publishing a Modern Slavery Statement and including contractual obligations with suppliers - to ensure modern slavery compliance in your value chain?

We are building on our existing compliance approach to develop a more robust audit and monitoring programme. Each region will consist of Ethical Trade Managers, auditors, practitioners and officers, including coordinators in major hubs. These teams will continue to develop best practice training, GAP analysis and continuous improvement remediation along with root cause analysis.

These teams will hold regular supplier training sessions, seminars and provide guidance on all major topics – including supply chain transparency, modern slavery, responsible sourcing and other related topics surrounding our Zero Tolerance Violation (ZTV) policies. We are hosting our next supply chain webinar on November 9 to convey further our expectations around COVID compliance to protect workers.

In addition to this, we are members of Hope4Justice / Slave Free Alliance. Hope for Justice and its social enterprise Slave Free Alliance are dedicated to bringing an end to human trafficking and modern slavery by 'preventing exploitation, rescuing victims, restoring lives, and reforming society'.

One of the projects we have undertaken with Hope4Justice / Slave Free Alliance was arranging for their team to visit our sites and conduct a GAP Analysis of our supply chain.

This is a key component of Slave Free Alliance membership, designed to alert the business to the hidden risks associated with modern slavery while providing an opportunity for us to set and revise appropriate standards.

We are working side by side with their team taking advice on how to further strengthen our escalation process to ensure that we handle any suggestion of concern appropriately and swiftly. We look forward to continuing to develop our partnership and support the vital work that Hope4Justice / Slave Free Alliance do.

As part of our commitments in response to the Alison Levitt QC review we are currently in the process of establishing a Garment and Textile Workers Trust which will provide guidance, advocacy and remedy to anyone working in the garment industry in Leicester, regardless if they work for one of our suppliers or not.

We are currently working through the actions and recommendations from the Alison Levitt QC review and have committed to achieving these as part of our agenda for change.

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