

23.03.2022

By email to: xrfashionaction@gmail.com

Dear XR Fashion Action

Safeguards in our Supply Chain

Thank you for taking the time to read Sir Brian Leveson's final report to our Board. If you have not already done so, I would encourage you to read the four other reports and two annexes that Sir Brian produced last year, all of which are [published on our PLC website](#).

The issues detailed in your correspondence and in Sir Brian's reports are emotive and complex and we recognise the importance of acting in an open and transparent way that means we can be held accountable. As you acknowledge, we publish a list of our approved manufacturers, all of whom are subjected to a regular auditing programme, to ensure they are compliant with the standards set out in our [Code of Conduct](#). These audits are conducted on our behalf by Bureau Veritas and we also have Responsible Sourcing staff in field offices in France, Italy, Turkey and China.

We are continuing to build local teams in field offices in order to strengthen our relationship with manufacturers, working in a constructive way to resolve any issues identified through the audit process and provide on the ground advice and support. Here in the UK, we work closely with Slave-Free Alliance and we are actively seeking to partner with NGOs in our international locations.

As with other retailers, monitoring compliance with our Code of Conduct is the legal mechanism we use to ensure that the people who make our clothes have their rights in the workplace respected, both here in the UK and elsewhere around the world. The Code of Conduct has provisions including but not limited to the following:

- Employment is freely chosen: there must be no forced, bonded or involuntary prison labour. Workers should be free to leave their employer after a reasonable notice period.
- Child labour shall not be used and suppliers must have policies in place that guard against slavery and human trafficking.
- No harsh or inhumane treatment is allowed: physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation shall be prohibited.
- Suppliers must comply fully with the laws and regulations of the countries in which they operate.
- Wages and benefits for a standard working week must meet at least the relevant minimum wage standard.
- Work place discrimination on the basis of race, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is prohibited.
- Regular employment must be provided: work performed must be on the basis of a recognised employment relationship established through national law and practice.
- Working conditions must be safe and hygienic. Adequate steps shall be taken to prevent accidents and injury occurring in the course of work. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Working hours must comply with national laws and benchmark industry standards, whichever affords greater protection.
- The supplier will conduct itself with proper business integrity: there shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services to boohoo group.
- Suppliers must co-operate with boohoo group to ensure these standards are met.

It is important to re-iterate that we do not tolerate non-compliance with our Code of Conduct. We operate whistleblowing hotlines, developed in partnership with Slave-Free Alliance, to ensure any concerns about the behaviour of our suppliers can be reported and investigated.

More recently, we have also partnered with the [Open Apparel Registry](#) to publish the location data of the factories on our list of approved manufacturers. This data is available to NGOs and others who conduct their own checks in addition to the audits we commission.

As you will be aware from the report by Sir Brian, we have now completed our 'Agenda for Change' programme and have incorporated all 17 of the recommendations made by Allison Levitt QC, after we commissioned her to conduct an Independent Review of our business. By incorporating these recommendations into our business as usual, we have made significant changes to strengthen our corporate governance, monitoring of our supply chain and driven internal changes such as the introduction of responsible purchasing practices.

In summary, we have actioned the following changes to our business:

- The expansion of our ethical trade, sourcing, product compliance and sustainability teams, including people who are working on the ground in Leicester.
- The launch of our new supplier app which ensures that all orders from our buying teams are placed with garment manufacturers from our approved supplier list.
- Signed the International Accord for Health and Safety in the Garment and Textile Industry.
- Established a new set of 'Responsible Purchasing Principles' with our buying and merchandising teams, all of which are published on our PLC website.
- Map, audit and publish our list of approved manufacturers.
- Prohibiting sub-contracting and introducing a new requirement for suppliers to bring CMT units in house.
- Delivered Modern Slavery training for all our buying and merchandising teams which was developed with the support of the Slave Free Alliance, who also conduct the training.
- Developed and rolled out brand new whistleblowing programmes. This was again created with the support of experts from Slave Free Alliance.
- We have also signed up to Fast Forward, a forensic audit approach that seeks to uncover audit evasion and hidden exploitation, including forced labour.

Here in the UK, we have also committed over £1 million in funding to the Garment and Textile Workers Trust, a new and independent charity that we have helped to create to promote the interests of garment workers. The Trust has commissioned research from Nottingham University's Human Rights Lab to identify issues affecting garment workers from exercising their rights and will be sharing the findings of this research in the near future.

Finally, with regards to your concerns about our pricing, it is common business practice to market goods at below cost price as loss leaders to encourage brand awareness and to get customers to browse your website. The loss on these items is absorbed by our business as part of our marketing spend and does not in any way reflect the prices we pay suppliers for the manufacture of these items.

I hope you find this information useful. Please monitor our website for further updates on the progress of our Sustainability Strategy and our Responsible Sourcing initiatives.

Kind regards,

Frank Egleton
Corporate Affairs Manager
boohoo Group PLC