



ALL PARTY PARLIAMENTARY GROUP

Ethics and Sustainability in Fashion

All-Party Parliamentary Group for Ethics & Sustainability in Fashion: Cleaning Up Fashion - Accelerating Sustainability and Supply Chain Transparency in the Fashion Industry

Thursday, 9th July (13:30 to 15:00)

Video Call with Zoom Dial-in

Co-Chairs: Catherine West MP and Baroness Lola Young of Hornsey

Contributors:

Mick Cheema - General Manager, Basic Premier

Meg Lewis - Campaigns Manager, Labour Behind the Label

Kate Elsayed-Ali - International Advocacy Manager, Anti-Slavery

Dr Mark Sumner - Lecturer in Sustainability (Retail and Fashion), University of Leeds

Mostafiz Uddin - Managing Director and CEO, Denim Expert Ltd

Fiona Gooch - Senior Private Sector Policy Adviser, Traidcraft

Tamara Cincik - CEO and Founder, Fashion Roundtable

Overview of Session:

Fashion Roundtable is seeking evidence for their policy paper on “Cleaning Up Fashion.” The session will focus on modern slavery in the UK and globally, as well as enhancing transparency in supply chains. We are interested in hearing about your experiences and thoughts about ethics and sustainability in the fashion industry in order for us to make policy recommendations.

Item	Length	Time
1. Welcome and Apologies	5 mins	13:30
<i>Welcome by Tamara Cincik, secretariat for the All-Party Parliamentary Group for Ethics & Sustainability in Fashion.</i>		
Speaker - Tamara: Introduces the APPG and outlines the aim of the meeting: to inform Fashion Roundtable and the APPG for Ethics and Sustainability in Fashion’s upcoming policy paper on “Cleaning Up Fashion - Accelerating Sustainability and Supply Chain Transparency in the Fashion Industry.”		
2. Introduction	5 mins	13:35
<i>Introduction by Catherine West MP and Baroness Lola Young of Hornsey (Co-Chairs of the APPG for Ethics and Sustainability in Fashion)</i>		
Speaker - Baroness Lola Young of Hornsey: Welcomes evidence givers, stakeholders, and other participants on the call to the evidence session.		
3. Onshoring, Mick Cheema - General Manager, Basic Premier	10 mins	13:40

Recently “onshoring” - manufacturing products for local markets from regional suppliers and producers - has gained traction in the UK, particularly in light of COVID-19. Would businesses benefit from pivoting to more localised value chains? What are the benefits? How should they do this? What measures, if any, would you want to be in place to support onshoring?

Speaker - Mick Cheema:

- Onshoring is generally beneficial to business in the UK as it helps make supply chains more transparent. However, the impact of COVID-19 and recent developments coming out of Leicester have damaged the onshoring agenda.
- Given the recent events coming out of Leicester (reports of modern slavery, “furlough fraud”, and other instances of labour exploitation), it throws light on the fact that onshoring will not be socially beneficial if labour standards are not recognised nor enforced throughout the UK. Onshoring is not helpful to business by itself.
- There is a lack of a level playing field for businesses that are socially responsible and sustainable, as the majority of businesses in the fast-fashion industry abide by these standards and are cutting corners.
- There is a need for greater involvement of the relevant government agencies, and stricter enforcement of labour standards and transparency requirements. The reason modern slavery in the UK have increased is because of a lack of enforcement and corruption within factories.
- There is a need for more skilled labour coming from the UK, in addition to educational support about the rights of workers in factories. Further, rewarding ethical companies would help onshoring and help to support UK-based e-commerce.

4. Supply Chains - Meg Lewis, Labour Behind the Label

10 mins

13:50

Has the closure of legitimate businesses, due to the economic impact of COVID-19, led to a growth in the “shadow economy”, and how can we mitigate any increased modern slavery risk that this is creating? How do we support the most vulnerable in our supply chains: from freelance creatives to workers in our factories?

Speaker - Meg Lewis:

- Labour Behind the Label released a report last week into the working conditions in Boohoo’s supply chain. These issues have been compounded during the coronavirus pandemic. While there is much attention on these issues now, we must keep up the momentum to make the change.
- There are health safety issues, furlough fraud, illegal payment of wages in many factories across Leicester, but Labour Behind the Label decided to focus on Boohoo because it accounts for the majority of garment manufacturing in Leicester.
- Boohoo was able to increase sales during the lockdown, while other businesses were suffering because they switched from selling mainly party wear to loungewear very quickly.
- Part of the problem is poor purchasing practices that encourage a system of subcontracting to unaudited and unchecked suppliers. This is why supply chains transparency is the fundamental way to fight against labour exploitation in the UK, to track where clothes are made and by whom.
- The hostile environment policy has exacerbated enforcement issues because searches of factories are focused upon finding people who are not in the country legally rather than revealing illegal work practices.

5. Modern Slavery - Kate Elsayed-Ali, Anti Slavery

10 mins

14:00

The Modern Slavery Act 2015 requires retailers with a yearly turnover above £36 million to publish an annual Modern Slavery Statement. A Modern Slavery Statement should establish the steps a retailer has taken to ensure modern slavery is not evident in their business or supply chains. What can be done (both nationally and globally) to make global supply chains more transparent? Should all companies be required to reveal supply chain information regardless of their turnover and why?

- The Modern Slavery Act 2015 (MSA) has been massively beneficial in improving awareness among businesses and allowing businesses to drive the creation of several modern slavery policies.
- The critical limitation of the MSA is, in summary, the lack of clarity, guidance, monitoring and enforcement of modern slavery statements. This insufficiency has been compounded during COVID-19, as workers have been forced to work even during the lockdown.
- There are high risks of modern slavery faced by workers in the garment supply chain, and they are mainly faced by women further down the supply chain (Tier 1/Tier 2).
- Transparency, by itself, is insufficient. Legal requirements for human rights/environmental due diligence are necessary to move beyond these current insufficiencies and promote proactivity.

6. Transparency - Dr Mark Sumner, University of Leeds

10 mins

14:10

In light of the impacts of COVID-19 and modern slavery in the Global South and across fashion's supply chains more generally, how can we create greater consumer awareness to work towards a sustainable future? What key policy changes would you like to see to encourage greater sustainability in the fashion industry? What do you believe are the key lessons to take away from this period?

- There is a lack of a level playing field because there's a lack of consequence - enforcement of current standards is an issue.
- Supply chain transparency and traceability are different but essential. Supply chain traceability is the process of tracking the provenance and journey of products and their inputs, from the very start of the supply chain through to end-use.
- Traceability provides opportunities to find supply chain efficiencies, meet regulatory requirements, to connect with and understand the actors in the upstream supply chain, and of course, to tell consumers about the provenance and journey of products.
- In the sustainability context, traceability provides an opportunity for a company to make and verify sustainability claims credibly.
- Doesn't believe consumers are the right target at this time. From a consumer psychology point of view, we can overload consumers with information about ethics and "the right thing to do" but in reality, it has little effect upon the actions of the consumer. It is better to focus on informing institutional investors.
- The MDA is a great example of change driving and is having an impact through all the tiers of the supply chain; a significant drawback is that it doesn't level the playing field. Cutting corners is still all too common, and it leaves responsible brands behind.

7. On Bangladesh and Modern Slavery - Mostafiz Uddin, Denim Expert Ltd

10 mins

14:20

Please tell us about the current situation of the clothing/garment industry in Bangladesh, and the situation in your own factory - Denim Expert Ltd. How has the cancellation of orders by global businesses and the suspension of production raised the risk of modern slavery, through its impacts on vulnerable workers in the Global South, and what mitigations would lower this risk?

- Founded his sustainable clothing company, Denim Expert Ltd, in 2009.
- The pandemic has exposed how fashion suppliers carry much of the risk in the global garment production model.

<ul style="list-style-type: none"> - The global garment industry is based on a system of debt and mutual trust. We have to raise loans on the back of previous invoices and pay for all the material, the wages, the costs of the factory and the shipping all upfront. We can only raise an invoice when the goods are shipped, and then the buyers have weeks before they have to pay us. - Suppliers cannot pay off loans until brands/retailers pay for orders. Given that brands/retailers place orders months ahead, and do not pay suppliers until the shipments are delivered, there is no social security and workers have little resilience. - He has paid his staff 100% of their wages and is now heavily in debt with no word from those he supplies in the UK on when they will pay him for their orders. 		
8. Looking Forward - Fiona Gooch, Traidcraft	10 mins	14:30
<p><i>How can anti-slavery (and development) actors use this moment as a catalyst for positive policy development, including through recognizing connections between slavery, poverty, physical and mental health and COVID-19?</i></p>		
<ul style="list-style-type: none"> - Sector-wide change is necessary. It must be made publicly available what the brand/retailer is actually doing. Suppliers and workers need to know whether they are committed to them and if they can pay wages. - Enforcement via contract law is ineffective. BEIS needs to establish a Garment Fair Purchasing Practices Regulator, similarly to the Groceries Code Adjudicator for food). Voluntary codes are insufficient. - The Prompt Payment Code should be moved onto a statutory footing. - Mandatory Human Rights Due Diligence. <p><i>Speaker presented evidence with presentation slides.</i></p>		
9. Questions and Comments	20 mins	14:50
<p>Attendees are <i>invited</i> to ask questions of the evidence givers and share insights about the current topic on modern slavery, supply chains and transparency.</p>		
<p>Speaker - Catherine West MP: Thanks evidence givers and says she will send questions to BEIS, HSE, HMRC and Foreign Office.</p> <p>Speaker - Lord Young: Well some time Labour Behind the Label. Workers are being exploited and are vulnerable. Now it's been exposed, there is a case for the HMRC. Isn't just a Leicester problem.</p>		
10. Closing by Catherine West MP and Baroness Lola Young of Hornsey	10 mins	15:00
<p><i>Closing remarks and acknowledgments, end Zoom meeting by 15:00.</i></p>		
<p>Speaker - Baroness Lola Young of Hornsey:</p> <ul style="list-style-type: none"> - Closes the APPG and summarises the meeting with Tamara Cincik. 		

Closure of session by Catherine West MP and Baroness Lola Young of Hornsey, Co-Chairs of the APPG for Ethics and Sustainability In Fashion. The Panellists are kindly asked to send their notes following the session to: heather.lafferty@fashionroundtable.co.uk. Fashion Roundtable is the secretariat of the APPG for Ethics and Sustainability in Fashion. We will use the notes and the recording further on in the writing of the policy paper.

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