

Scandal-hit retailer Boohoo has slashed its supplier network by more than 400 firms after allegations factory staff were paid less than minimum wage emerged.

5 The online fashion firm shared its list of 78 approved suppliers across 100 factories, which was a significant drop on the 500 suppliers previously identified in an independent review of the business by Alison Levitt QC.

It comes just weeks after Boohoo and many of its suppliers were said to be facing an investigation which raised the possibility of a United States import ban because of widespread allegations over the use of slave labour.

10 Boohoo has worked to sever ties with 64 factories, consolidate others and cut out subcontracting after it was alleged last year that some factories in the UK working for the firm were paying staff as little as £3.50 an hour and had working conditions which did not meet lockdown restrictions. [...]

The group said it has ‘ceased doing business with a number of manufacturers who were unable to demonstrate the high standard of transparency required, despite being provided with opportunities to address any issues identified in the auditing process’.

15 It added that it asked the remaining suppliers to bring their so-called cut-make-trim units in-house ‘to allow for greater oversight and remove the issue of unapproved subcontracting’.

The company had more than £1 billion wiped from its share value in two days after an article last year revealed the factory allegations.

20 As other retailers such as Next and Asos dropped Boohoo clothing from their websites, the company hired top lawyer Ms Levitt to look into the allegations which its board said left them ‘shocked and appalled’.

In September last year, Ms Levitt found that there were ‘serious issues’ in the company’s supply chain.

Boohoo has since pledged to strengthen internal controls, overhaul its suppliers and is also launching a sustainability strategy, called Up Front, to reduce its carbon footprint.

25 Bosses also hired judge Sir Brian Leveson to supervise the firm’s Agenda for Change reforms.

In his second report published separately on Thursday, Sir Brian noted that improved supplier audits have changed the way the industry is run in Leicester and noted Boohoo’s efforts to embed a new way of working.

30 John Lyttle, chief executive of Boohoo, said: ‘This is not the end of a project for us at Boohoo but the beginning of a new way of working with our suppliers.’

‘The publication of our UK Supply Chain List marks another step on our journey towards greater transparency and embedding positive change, not only in our own organisation, but through the wider network of businesses that make up our supply chain.’