Scandinavian fashion retail giants H&M and Bestseller have each called for measures to help workers and suppliers in emerging economies with the coronavirus crisis having seriously dented many businesses and left vulnerable workers with no income.

They've signed up to the Covid-19: Action in the Global Garment Industry initiative and have also stressed that they're paying suppliers for SS20 orders.

H&M said on Thursday that “to jointly tackle the immediate effects of Covid-19 and continue work towards a more resilient garment industry once the crisis has passed,” it’s joining the global call to action alongside the UN’s International Labour Organization (ILO), IOE (International Organisation of Employers), ITUC (International Trade Union Confederation), IndustriALL Global Union, employers’ organisations, and brands.

It said the crisis has had a "huge impact on millions of garment workers living in countries highly dependent on the textile industry. With the sudden and substantial drop in demand of garments, the risk of mass unemployment and increased poverty is imminent. All of this makes the garment workers extremely vulnerable”.

The company said it’s “in close dialogue with financial institutions to find solutions for manufacturing suppliers and garment workers” and it will also work “in collaboration to promote the establishment of sustainable systems of social protection”. It's also keeping “an open dialogue with suppliers about purchasing planning” and will continue to take delivery of and pay for already-produced goods as well as goods in production, if delivered within a reasonable timeframe.

Meanwhile Bestseller has also signed up to the international initiative and said it has committed to accept delivery of orders already made and those in production through individual dialogue with all suppliers.
It added that with some of the factories it uses, it accounts for 80% of their total capacity, while others get a smaller amount of their orders from the firm. As a result, it doesn’t have one set agreement across the supply chain. Its sourcing and buying teams “have been in close discussions with all suppliers over the past three weeks. Through understanding their business needs and the specific situation they are in, we have worked hard to try to find common solutions to bring both businesses through this economic crisis, and specifically to take crucial and necessary action to ensure workers’ salaries can be paid”.

It will accept all SS20 orders that have been produced or are in the process of being produced. It has only cancelled orders in agreement with the given supplier. And it’s “reconfirming and still placing orders for autumn, although a reduction in some volumes are sought to prevent over-production”.

By Sandra Halliday

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